Section 1. Multi-level governance and multi-polarization

1. Introduction

This paper argues on conversion toward multi-level governance under economic globalization and reformation of Swedish local government with regional government for focus point, based on the understanding of the state of affairs that there is growing trend toward multi-polarization of national structure following to economic globalization.

The reason to pay attention to regional government is that it symbolizes on one hand reorganization of national economy, and on the other hand transformation of sovereign state and system of government under globalization. Background of establishment of regional government is the fact that focus point of economic policy of central government has shifted to local or regional level resulting from economic globalization and EU (European Union) grant policy. This has raised necessity to establish political body on regional level to implement policy through partnership and resulted in development of policies including establishment of regional government in parallel with reformation to synthesize projects of central government agencies on regional level. On the other side on local level importance of infrastructure for local industry to connect with world economy has become background factor of political integration on regional level envisaging to realize demand toward central government to improve infrastructure.

Transformation as such suggests conversion toward one named in this book as “Open system with Plural cores” in other word the system in which unification of national economy become loose and each local economy strengthens its connection directly with world economy. What important is policy and strategy of commune within which, besides welfare/education policy, industrial and employment policy must be deemed important. On the other side for commune as bearer of service provision, different from the period around 1970th when development of service provision has been central issue, necessitated to make selective service provision and to raise quality of service presupposing financial constraint. At the same time it’s characteristics of today the fact citizen is emerging not only as beneficiaries of service but also as subjective body of local society necessitating policy of commune to be executed through mutual relation with citizen.

What’s necessary today is a system of government functions on one hand based on policies of governments with commune as basic unit from regional and national to EU and mutual relation among them, and on the other hand mutual relation with activity of organizations of citizen rooted in civil society. In this book we understand the system as Multi-level Governance. Main arguments are as follows.
First starting point in this book to analyze state of affairs is globalization of local economy in which local economy is put under direct influence of global economic activity. K. Nakamura argues, on the background of the fact that local economy is gathering attention, both from economic globalization and transformation toward post-industrial society. In 20th century local economy has become subordinate of national economy through disposition of factory and branch-office of big companies which locate headquarters in capital city. In contrast economic globalization loosens integration of national economy and alternately strengthens direct control of local economy by global business. In parallel the shift to post-industrial society, based on high-tech and service economy and has trend as its characteristic toward transformation to locally dispersed economy raises autonomy of local economy. Those on the whole make it necessary to analyze local economy as original subject with some independence from national economy (K. Nakamura 2004). Economic strategy of local government in Sweden, developed in its history with strong connection with foreign market, mainly aims to have advantageous position within global economy. Which means that state of local/regional economy today can be understood as being in the process of conversion toward the situation in which, while continuing to be part of national economy, stands face to face with global economy side by side with national economy. It can be understood as economic background of the situation named in this book as “open system with plural cores”.

Second is political/economic multi-polarization. This book understands the reason regional government as sub-national government is gathering attention is that it symbolizes the process of conversion of national economic and political system toward multi-polarization. Each local government is aiming to strengthen connection with European wide economic activity and to have position as center of economic activity within it. Following the fact local industrial base is raising its importance, central government puts importance on supporting it through policies including improvement of infrastructure. It’s been shown by the fact that establishment of regional resource mobilization system has become important factor for development strategy of government. These on the whole result in multi-polarization of economic/political structure. Relating to the fact region has gathered attention from the point of development strategy, A. Benz et al grasp the process of rescaling of economic activity as “Regionalization”. Since global markets give rise to competition among locations, most important factors influencing corporate investment decisions are now infrastructure of surrounding area, availability of skilled labor, access to research facilities and the proximity of supply firms. All these are conditions which must be made available within the regional space. Regionalization as such can be defined as development strategy to reorganize functional area socially and politically, in which economic activity is performed (A. Benz et al 2000). Strategy of local government can be understood keeping in mind regionalization as such.

This paper understands the processes, including establishment of regional government and devolution of some authority advanced since 1990th, as strategic and in part forced response of government with subscription to EU and globalization of economy for background. At the same time pays attention to advancing reorganization of regional politics and economics. Those on the whole can be understood as the process of conversion, from the system based on unification of
national economy and central role of sovereign state to one in which local area strengthens relative independence of economy/politics, which is in progress in parallel with strengthening of direct connection of local economy/politics with global one, in other word conversion to open system with plural cores.

Third is conversion toward multi-level governance which relates to transformation of governing system under the situation in which multi-polarization is advancing in parallel with influence of EU. B. Jesopp argues, with rescaling for key-word, on background of devolution of authority of sovereign state both to EU as super state and to sub-national government and tension followed. Basic background of it is that globalization has made scale of sovereign state falling behind the time. However no other political/economic organization has gained authority to replace state yet. Each political and economic scale is competing to become new center (B. Jesopp 2003). S. Piattoni argues the state in EU countries as transition from sovereign state to multi-level governance, in which advancing shift of authority from sovereign state to EU, devolution to regional level and cooperation with private sector in parallel. Characteristic of that is progress not only of devolution of power from central state to local and regional level but also of mutual cooperation among EU, regional government and private sector. Governance structure today can be understood, while with sovereign state and central government for basic structure, through whole picture of mutual relation among these three levels (S. Piattoni 2010).

In this paper, keeping in mind such arguments, we employ multi-level governance as a concept to express system of domestic governance corresponding to conversion to open system with plural cores. While multi-polarization apt to presume horizontal/geographic separation multi-level governance means one based on policy of and mutual relation among on one hand governments from local, regional, central and EU, and on the other hand private sector including cooperatives and economic actors. It can be said, in contrast with system in which authority is concentrated to central government, as a system of governance in which, following to multi-polarization, local and regional government stand on relatively independent position.

Fourth is strategic policy of local government. What’s necessitated for local government is to develop both economic/industrial policy and social/environmental policy comprehensively envisaging to enrich basic structure of local economy and to raise overall local environment including education and welfare. What important on this point is to develop mutual relation or partnership between organization of citizen and government including commune, and through it to secure development of ability of citizen to govern including development of sense of social value as rightness and equality.

Fifth is reorganization of the system of welfare state. JP. Leresche pays attention to the possible conflict between space of economic activity and territory of governance. For the neo-regionalisms, emerged in politically and economically powerful regions the state and less developed regions are kind of constraint for them. Conflict occurs in the tension between regionalization tied with functional logic of economic activity and region with democratic logic related to traditional political territory (JP. Leresche 2002). This argument suggests the situation that region as sphere of
economic activity is gathering attention has tendency toward collapse of system of welfare state including resource redistribution. On the other side Benz et al stress, in relating to space as territory of governance, regions are becoming an increasingly important framework also for social policy. The policy of redistribution which reacts to social disadvantage by awarding compensating transfer payments is to be replaced by an integrated strategy of service provision that seeks to deal with the causes of the problems. In the field of employment policy active employment promotion policies are being increasingly implemented in regional contexts and through co-operation between public and private organizations. It is not the territorial area of administrative districts or municipalities which provide the decisive spatial context but rather the spaces in which social problematic is located and development potential is mobilized (A. Benz et al 2000).

In this paper we consider the role of the system of local government including regional government also from the point of reorganization of welfare state. If basic strategy of welfare state has been to control economy and society to realize unified development of both welfare of citizen and economic competitiveness starting point to consider is what’s the unit and form with which to formulate development of economy and welfare, when focus of economy has shifted to local level, presupposing the role of central government including one to secure general right of whole people and resource redistribution.

In this meaning the point of basic confrontation on policy of local government between neo-liberal policy and one inclined to welfare state is, according to this paper, not on whether or not to put forward cooperative relation of local government with business world but on whether to put local economy into hands of global business or to pursue policy which secures employment and development of welfare through strengthening local economic base.

2. Open system with plural cores

Open system with plural cores means plural land structure economically and politically in the situation local economy is strengthening direct connection with global economic activity following to economic globalization. This concept is useful to capture, when keeping in mind that now ongoing formation of plural structure also within regional level, not only change of national economic structure but also of regional and local one.

On the other side, while “plural core” apt to imagine horizontal/geographic separation multi-level governance means a system in which each level of government from central, regional to local will realize, in cooperation with private actors, multiple governance. It can be said as system of governance, in contrast with one in which authority is concentrated in central government, local and regional government stand relatively independent position following to multi-polarization.

2.1. Economic globalization and formation of open system with plural cores
Starting point to investigate the reformation is the influence brought forward by globalization of Swedish economy on the relation between central and local government and on the role of local government. Main characteristics of central and local government relation and local policy in Sweden are on one hand local government, with relatively large finance, is mainly acting as provider of welfare and educational service, and on the other hand almost authorities regarding to industry and employment are centralized to central government. The character is also found in the fact authority of landsting is remained ambiguous. Centralized system as such has been able to be said as efficient system to promote conversion toward competitive industrial structure and in the economic development after the Second World War to promote investment of big businesses through authority and policy of central government.

The policy to secure employment and financial base of public policy through strengthening competitiveness of big business has been put under the fundamental reexamination through dysfunction of the policy to control big business by financial policy on one hand, and through the business strategy of big business to invest abroad on the other, the situation brought about by economic globalization.

The strategy of government taken has been to secure employment and to activate economy through attracting investment of domestic and foreign capital by raising attractiveness of local area, through making network and preparing infrastructure as site for investment in other word through the policy focused on local area itself.

Establishment of regional government represents conversion of economic strategy arisen from economic crisis early 1990th and changing relation between central and local government. In other word it reflects indispensability, for development of economic policy including drawing of infrastructure plan, to strengthen local government and devolution of authority to it. At the same
time that importance of infrastructure for local industry has increased, together with policy of central government coupled with policy of EU putting importance on local level promoted trend toward formation of regional system of local government from below. It can be said that factors forced to change Swedish system also brought about qualitative change within region.

Two areas, where established regional government, are in the process of region wide structural change with both regionalization as extension of social/economic activity and multi-polarization for background as followings.

First is globalization of local industry. Main communes are deepening direct connection with global wide economic actors to attract investment from abroad.

Second is formation of regional social/economic sphere. That improvement of region wide transportation infrastructure has advanced, has promoted extension of economic/social activity including extension of commuting area.

Third is extension of influence of central city. Regional economic sphere centered by big city is emerging following to rising attractiveness to invest and concentration of companies resulted.

Taken as a whole, regional economic/political reorganization, in parallel with political unification on regional level, has advanced. Background of it is that strategy of communes intend to have advantage in global economy has, besides accelerating globalization of local economy, resulted in political unification on regional level to raise negotiating power to central government to improve infrastructure. Those on the whole are bringing about reorganization of regional economy/politics in which regional government with some authority is playing its role as pivot to coordinate economic/social/political interests and to unify people concerned. In short there is tendency of social/economic and political unification centered by regional government.

Characteristic of the change, mainly from the point of relation between central and local government, is that region wide political unity is now growing presupposing power of central government and to have advantageous concession for the area from central government for one of main motivations. As a result of that each local area puts importance on improvement of infrastructure to have advantageous position, the role of central government in regional development is even raising its importance. As a result economic/geographic structure of Sweden is converting to open system with plural cores in the meaning that main cores in region are connecting directly with global economy.

It's obvious that transformation of land structure, which this section understands as conversion to open system with plural cores, will slack unity of national economy and makes indispensable reexamination of government system. What must be kept in mind here is that, besides these changes, region wide economic/social reorganization is now on going.

2.2. Open system with plural cores and multi-level governance

Point of investigation to understand state of Sweden, from the point of reorganization of system of government, is how the relation between central and local government is changing.

First is that focus of economic policy of central government has, as a result of globalization and
EU grant policy, changed toward local or regional level. Together with participation by local government in the process of drawing and planning of infrastructure, the reformation to synthesize projects of government on regional level is now in progress. This has, through raising necessity of authority on regional level to execute policy based on partnership, resulted in policies including establishment of regional government.

Second is that the importance of infrastructure for local industry to connect with world has become background factor of political unity on regional level to realize demand for infrastructure. At the same time the fact regional government has realized policy including one to unify transportation has resulted to promote extension of economic/social activity. On the other side geographic structure of region, established politically through amalgamation of landstings as a geographic area containing plural economic spheres has become as we will see later multi-polar in which, besides increasing influence of central city, some core cities are pursuing their own strategy.

Third now ongoing on local level worldwide reorganization of business relation and industrial structure, in parallel with globalization of local industry in which companies are widening business activity. That each company is on one hand being part of global network, and on the other hand strengthening competitiveness through utilizing local network and research institutions has on the whole raised importance of local industrial base for economic strategy.

These on the whole show that Swedish system of governance is not going to dismantle following to multi-polarization but to multi-level governance, and that basic unit to pursue unified development of welfare and economy has shifted to local level. In this book we understand multi-level governance as principal direction to formulate reorganization of welfare state from below, in other word toward the system in which pursued unified development of welfare and economy with local level as unit and with national support.

Section 2. Regional system of government in Västra Götaland

1. Introduction

This section argues on mutual relation and organizational form of central government, regional government and commune from the point of multi-level governance through cases of Västra Götaland western Sweden where established regional government 1999. We will examine at first on arguments related. Main subjects of this section are first to examine mechanism through which polycentric region is formed with globalization of local industry for background. Second is to propose policy and organizational form necessary for regional system of government keeping in mind strategy of each local government intends to strengthen connection with EU and worldwide economic activity. We understand regional political system as multi-level system of governments from commune to regional and central government we call it as regional system of government hereafter. Basic approach of this section is as follows.

First is the mechanism through which formed polycentric urban space. Political system of regional
government has often been argued from the point of necessity of regional government followed to extension of functional area of big city. P. Hall has characterized extension of polycentric large urban area in Europe as Decentralized Centralization. According to him progress of globalization and information-oriented society has, in parallel with inducing concentration of financial and headquarter function in central city, made it easy to locate related companies in surrounding area resulting polycentric urban space with many sub core areas (Peter Hall 2009).

Second is to understand the mechanism through which formed political unification within the geographic area decided politically as region. W. Salet and others point that mutual relation among governments within region usually has both cooperation and friction. On one hand conflict around leadership on regional policy between central city and peripheral city bring about friction, on the other hand competition with other or foreign region bring forth cooperation based on community of interest (W. Salet et al 2003).

Third is the argument on regional political system. M. Neuman et al have argued to understand political/institutional system which responds to enlarging city region consist of big city and hinterland, conspicuous in Europe and U.S, as a kind of contract among related organizations. Extension of area under functional influence of city region affected by global wide flow of resource, information and capital can’t be controlled only by system of governance based on vertical hierarchy. What necessary is, understanding city region dynamically as developing one, governance based on contract with flexible and network type among related organizations including local governments and economic actors and to develop it as learning = governance relation (M. Neuman et al 2009). P. Healay put it that it’s desirable the concept city region to develop not as a base to institutionalize region but as a concept to develop cooperative relation by actors own jointly “place” from comprehensive point (P. Healay 2009).

Fourth is to pay attention to that local economy is strengthening direct connection with EU and global wide economic activity. When we consider local economy as an area with original condition and social/historic uniqueness affiliation to EU and advance of globalization raises necessity to consider local economy not only as a part of national economy but also as a part of global economy. What suggestive on this point is the arguments on European wide multi-polarization. ESDP (European Spatial Development Perspective), showing EU wide spatial plan has made polycentrism important subject toward European wide economic development. Focus point here is to form core cities capable to be one of centers of global economy outside of central area of EU so to speak Pentagon area. Polycentrism here is connected with the strategy to extend network of central cities on EU wide area with TEN-T (Trans European Network-Transport) for axis making the world polycentrism as one of key-words symbolizing ESDP as cross border and EU wide development plan. This plan provides important foothold for actors of local economy intends to strengthen direct connection with EU wide economy.

Subject of this section is to formulate regional system of government on geographic area which includes not only functional area of big city but various areas decided politically as region. Points of examination here are as follows.
First we pay attention to that social and economic integration advances within politically decided region leaving some autonomous areas. This can be understood as formation of polycentric region in the situation in which on one hand each area within the region strengthens direct connection with global wide economic activity, and on the other hand advances horizontal extension of social/economic activity through region wide utilization of infrastructure. We will examine formation of polycentric region from the point to consider regional system of government keeping in mind that each local economy included in the region is strengthening its connection with EU and global wide economic activity.

Second we will examine extension of functional area of big city within region followed by establishment of organization to deepen cooperation among communes there.

Third we examine the process through which advances political unification on regional level. What necessary here, presupposing formation of polycentric region, is flexible organizational form with regional government as pivot. In this meaning we will pay attention especially to mechanism through which advances regional political unification from below, with the fact for opportunity that regional government has been devolved some authority including one on planning of infrastructure from central government.

2. Regional system of government in Västra Götaland

This paragraph investigates organization and policy of association of communes and regional government in Västra Götaland. Main interest among the persons concerned, at the establishment of Västra Götaland region (in followings VG) in 1999, has been the possibility for the region to integrate as a local government on the whole area with lack of historic identity. In other word it's been deemed as problem dissociation between region as an institution and as a social/economic sphere. So what has become important with establishment of VG has been coordination of interests among the areas in former landstings. What interesting today, 10 years since establishment of VG is that it's taken root as an institution and it has character as a system for coordination in regional area. Background of such situation is that, as well as the role of VG as recipient of EU grant, infrastructure policy of region has become focus point of industrial policy of commune under the situation each local industry is strengthening its connection with global economy. On the other side mutual relation between commune and VG can be understood precisely through examining formation and policy of association of communes.

2.1. Organization and policy of Greater Gothenburg Region and surrounding communes

Greater Gothenburg Region (GR)

GR is an association of communes consists of Gothenburg and surrounding 12 communes. Although surrounding communes had organized previously their own association confronting to Gothenburg on construction of housings which had often lead to out-flow of high income people from Gothenburg, after economic crisis early 1990th they have established GR jointly in 1995.
It’s been said that basic role of GR is to match functional area as labor market and institutional area of local government. 1 Interesting here is that commune of Kungsbacka, not belongs to Västra Götaland region while having strong economic relation with Gothenburg urban area, belongs to GR as a formal member symbolizing that GR is a kind of association/coordinating body, based on functional urban area consists of Gothenburg as center city and surrounding communes which have economic relation with it.

Decision making body of GR is its council held once a year and its work is executed by executive committee consist of representatives of member communes. Its financial scale in 2011 is 259mkr which, while 24% is depend on contribution by member commune, large part depends on EU grant, subsidy by central government and revenue through its own project.

Basic role of GR is to attract investment by home and foreign capital and to develop Gothenburg and surrounding area on the whole. For that purpose GR is performing policies in wide area including establishment of international school for children of business people from abroad and extending activity of BRG (Business Region Gothenburg AB), a company established by Gothenburg commune to support business activity, to the whole area of GR. 2 In addition it’s been stressed by member communes importance of GR as a platform for exchange of information on the policy of each area as education and welfare.

Main work of GR is, besides making vision toward development of the whole area jointly with communes, to materialize plan of infrastructure to realize the vision and reflect it in the plan of VG and in comprehensive plan of each commune. Been put on the center of GR policy is the idea that increase of population and concentration of economic activity is the very thing to induce new economic activity through widening opportunity for starting up of business. As shown in Figure2

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1. [Reference]
2. [Reference]
commuting area to Gothenburg is now expanding over geographic limit of GR and extension of commuting area and concentration of economic activity as such is valued positively as condition for future development.

What aimed here is to realize extension of centrifugal land structure with systematic and environment friendly way. For that purpose planned, besides promoting effective land use and location of company in central area of Gothenburg, to establish some sub-core areas on the main road and to keep green tract of land in the area put between main roads as well as taking care to keep environment along coast. Provided these drawn the vision also geographically. While this vision (Strukturbild for Göteborgsregionen) is not agreement with binding power, it will be reflected in comprehensive plan of each commune as document on mutual agreement on future of the area as a whole. Based on the vision planned efficient transportation system in the infrastructure plan of GR named K2020 with public transportation for central position and combining long and short distance transportation to meet the transportation demand which will increase along with extension of urban area and to take care of environment. Based on this system been planned ring road, which connects main roads, construction of tunnel to develop both shores of Göta River in central area of Gothenburg and some other projects. Although this plan will not be executed directly, it's obvious that projects not included in the plan will be neglected in the plan of VG.

In the followings we will examine GR from the point of communes based on interview. What's been explained in common is the role, for the establishment of GR, played by political leader of the commune of Gothenburg and the prospect that GR will strengthen its importance in future.

*Lerum*

Lerum, expanded mainly after opening of railway in latter half of 19th century by construction of detached housing, locates on key point of transportation laid E20 and railway from Gothenburg to Stockholm and also at close range from Landvetter Airport central airport of Västra Götaland. While within its industrial site there are some provider companies for company in Gothenburg, almost inhabitants are commuting to Gothenburg.

At present the commune is stressing that double-track of railway, on which many surrounding communes are hoped-for, will destroy traditional local atmosphere and demands to change route. On the other side as its future of development the commune has plan to increase population preserving natural environment including lakes amounts more than 300 and to realize concentrated development of detached housing in central area through curving diffusion of housing area. Moreover the commune has plan to develop industrial area through the company established jointly with nearby commune on the border of both communes and, to attract office and service companies possible to hope increase of employment, requesting support of BRG.

According to commissioner of the commune Lerum has, to preserve environment, taken precedence on construction of detached housing and refused construction of multi-dwelling house and until establishment of GR confronted with Gothenburg and other communes over distribution of housing credit of government. At present GR is important for Lerum, and especially to improve
infrastructure communes including Lerum must unite with GR in rivalry with Stockholm. And improvement of infrastructure around Gothenburg is also subject of Lerum with many inhabitants commuting to there. Moreover there are increasing projects to execute jointly within GR like culture, theater and sports institutions and also increasing subjects necessary to coordinate with GR like assignment of refugees among communes.

**Kungälv**

Kungälv, locates adjacent to north of Gothenburg has a Norwegian fortress constructed in confront with Sweden at the junction point of Göta River as her historic origin. Advantage of Kungälv today is her location sites near the railroad to Oslo and City Air Port in Gothenburg and possible to access to Landvetter Airport by 45minutes.

In Comprehensive Plan of the commune planned to improve access to Gothenburg and communes of eastern area through constructing three tunnels under two rivers surrounding Kungälv, and, through constructing new road surrounding central area, create concentrated development inside of the area.

In Kungälv, where 8000 people out-commuting and 6000 people in-commuting, planned to establish industrial area, to keep autonomy from industry in Gothenburg, and to promote establishment of small company of food, construction and boat etc. However because having no system to attract company and to support entrepreneur they will ask support of BRG. And to have autonomous industrial base it's deemed necessary to increase population of central area from 15000 at present to 23000.

According to the commissioner every things have changed on mutual relation among communes before and after establishment of GR. What important has been accumulation of mutual trust and on this it's been decisive the role played by Göran Jöhansson (former political leader of commune of Gothenburg). Through the process he has invited politicians in each commune and piled information exchange through lunch meeting etc repeatedly, extended view point of politicians and realized mutual trust over difference of political party. The first project done by GR has been common use of gymnasium run by each commune, which has made possible for students in Kungälv, where two gymnasiums have specialized each on mathematics and other course respectively, to extend choices. Thereafter, subjects necessary to cooperate have increased including one on infrastructure.

Importance of GR for infrastructure plan of each commune is shown by that at present K2020 has been decided as common vision of GR, the plan not included in K2020, for example the plan to construct under sea tunnel which will connects Tjörn commune through Kungälv to Gothenburg, which the commune demanded, will be neglected also in future. Hereafter plan and policy of GR will not only on education and infrastructure but will be comprehensive one, including social construction like housing plan, as plan of a region. For example on housing policy, while it's natural for each commune to expect inflow of rich people, necessary to plan and coordinate housing plan including acceptance of refugee among communes by GR.
In the area of Härryda, located west of Gothenburg and located Landvetter Airport, construction of new high-speed railway is under consideration by government and the commune is in the course of making a new comprehensive plan expecting realization of the railway. Key point of the plan is that new high-speed railway will be constructed run through the airport. In the comprehensive plan envisioned to establish a station on new railway and to develop a housing area surrounding the station with mixed development consist of various types of housings under control of the commune not to emerge rapid increase of population. And it has also been planned to establish business area with mainly logistics companies and conference room in northern area adjacent to the airport to make it possible to hold conference in Landvetter foreseeing that connection of Härryda with Stockholm and southern part of Sweden will be improved greatly by high speed railway. The commune owns lot of lands which makes it possible for the commune to initiate development and BRG will attract company to locate.

For Härryda today, with increasing population and out-commuting of people to mostly Gothenburg GR is important for planning of infrastructure. The commune demands to realize K2020 because for inhabitants in Härryda commuting to central part of Gothenburg improvement of infrastructure in and around Gothenburg is their own matter. Communes including Härryda jointly demand to central government to realize new tunnel cross under Göta River. It has been planned at present to tax on cars drive into central part of Gothenburg and to make the tax revenue financial resource to improve infrastructure in the city which, giving priority to public transport will result in transportation plan to reduce congestion. While authority to tax rests on central government communes in GR have its role to have confidence of citizen.

According to the commune cooperation with GR is in progress and it’s important to strengthen in the area for example on provision of housing for refugee now concentrating in Gothenburg each commune must take part for in future.

**Summary- position of GR**

The role of GR on infrastructure plan shows formal position of GR. While part of authority to plan infrastructure is devolved to VG, because commune has authority to admit land use plan VG must also formally coordinate and consult with each commune. The role of GR is to coordinate this process, through coordinating and putting together demands among 13 communes and reflects its plan in the plan of VG. On the other side with increase of presence it’s been requested for GR to make clear its position not only as coordinating body but also as independent organization representing member communes.6

2.2. Establishment and background of association of communes of Skaraborg

Skaraborg area, consist of 15 communes including Tibro we have examined before, had been area of a landsting until establishment of VG in 1999 and there is identity among people as people in
Skaraborg. The area locates on main line connecting Stockholm and Gothenburg and has characteristic as fertile farmland between two big lakes. In the area developed modern local industry under influence of nationwide industrial development since latter half of 1800\textsuperscript{th} and especially opening of railroad connecting Stockholm and Gothenburg in 1868. Characteristic of the process is on one hand manufacturing industry has developed in each area within Skaraborg responding to demand of big city through influence of technique and capital from there, and on the other hand not formed integrated economic area within Skaraborg.

![Figure 3 Location of Skaraborg by author](image)

The area of Skaraborg has plural structure consist of northern area, area centered by Skövde and western area with many commuters to Gothenburg and Trollhättan. We will overview Skövde and Lidköping as main cities.

**Skövde**

Skövde commune, central city in Skaraborg and which while having long history closed its development after big fires hit the city in medieval period. Opportunity for development has been laid by opening of railway connecting Stockholm and Gothenburg. Motor company, located just after opening of railway in Skövde, has been acquired by Volvo Company in the early 20\textsuperscript{th} century after providing engine to it, and now become its main factory. At present economy of Skövde with population about 50,000 mainly composed of two Volvo factories (Volvo Car Corporation and Volvo Trucks) with 5,000 workers, military base and University of Skövde and almost other companies have relation with factories of Volvo. In this situation, industrial strategy of the commune focuses on Volvo factory and been planned, to raise efficiency of Volvo factories, to concentrate affiliated companies scattered over Skaraborg to side of Volvo factories and to establish the system to support Volvo factories by these companies through responding to fluctuation of volume of business in Volvo factory. Together with these it’s been examined the plan to deliver parts, which once concentrated out of Skövde after imported from foreign countries including Asia at
present, directly to Volvo factories in Skövde. These plans make background for the demand of the commune to improve transportation infrastructure centered by Skövde.

**Lidköpings**

Lidköping side of Lake Vänern had in its history located on the main line of transportation by land and boat between Stockholm and Gothenburg and been center of trade and transportation of Skaraborg. In 19th century while construction of canal made transportation by boat more important it’s been taken over its position as pivot of transportation by Skövde through opening of railway.

What symbolizes its location and history of industry in Lidköping is porcelain industry and Röstrand company which had lead the industry. The company, first company of production of porcelain in Sweden originated in suburb of Stockholm in medieval age has expanded its production especially after Second World War. In the process the company while once transferred its center of production to Gothenburg its big market returned to Lidköping again because of difficulty to enlarge factory. The company with 1400 employees in 1955 has curtailed its production in 1990th (Lidköpings commune 1995).

What has big influence on economy of Lidköping today is test base of air force and hospital. On the composition of the industry 95% of about 2500 companies in Lidköping is small one with two to 25 employees within which manufacturing industry has large share. Many companies are not subcontractor but independent one producing finished goods including production of plastic, polishing and capsule for medicine showing industrial structure with various sectors of industry reflecting its history as economic center of Skaraborg.

Strategy of the commune today is to attract investment from domestic and abroad with its landscape faced with lake for sales point and increase population as residential place of people working in Gothenburg, and to realize the strategy puts importance on improvement of infrastructure including increase of direct train to Gothenburg.

**Inauguration of association of communes of Skaraborg**

Communes in Skaraborg have established Association of Communes of Skaraborg (in followings the association) on 2007. While there had been three organizations in parallel, as association of communes consist of all 15 communes in Skaraborg with its role mainly as information exchange by politicians, organization of politician and civil servant alike 9 and partnership organization of politician, companies, university and social organization in Skaraborg 10, they have reorganized them into the association. 11

It’s been said what directly influenced on inauguration of the association is the report “Knowledge economy and Skaraborg: research on precondition for local development” drawn up by staff of VG and representatives of main communes in Skaraborg.12 This report has, presupposing the thinking that faced with global competition key point for economic development is level of education among citizen, diffusion of IT technology and increase and concentration of company based on increasing population, pointed that Skaraborg as a whole has lagged behind on each and every indicator, and
has recommended to concentrate investment on the central area, including Skövde, concentrated by economic activity. In reality the report has made it clear that the role and legitimacy of the association should not be merely coordinating body among communes but make decision on its own responsibility over interest of each commune. It’s obvious the strategy, to lay down central area within Skaraborg and concentrate investment there, will coincide with strategy of Skövde intends to concentrate within its area suppliers of Volvo companies. While it is likely to be conflicting point on this matter among communes, it’s worth to pay attention the fact that all communes including Lidköpings have accepted it.

In agreement document signed by political leaders of all 15 communes been written clearly to develop Skövde as central area of Skaraborg. It seems on this point that economic development in Skövde will result in increase of population and demand for housings also in surrounding communes. Understanding of Skövde commune, on the policy aiming unity of Skaraborg, is such as “the fact that concentration of economic activity in Skövde as central area is also profitable for communes in Skaraborg on the whole, has been understood by other communes”. Understanding as such depends in part on that commuting area to Skövde is enlarging to wider area. At the same time, along with extension of economic and social activity within Skaraborg joint projects and mutual cooperation including fire prevention, welfare project and technical support for development of residential area among communes are increasing. These trends have been understood by people in Skövde as contributing to spreading of identity on Skaraborg and of the understanding that prosperity in central area results in profit of all communes.

In relate to this small commune as Tibro also has interest on strengthening influence of the association on VG to improve infrastructure in Skaraborg. According to people in Tibro “although many people in Tibro said, when established VG, it’s not profitable because power will concentrate in Gothenburg, at present changed understanding saying that improvement of infrastructure including railway and road connecting Gothenburg and Stockholm is profitable also for Tibro to deliver furniture to whole nation. Because distance from Tibro to main road is only 18km, improvement of infrastructure in Skaraborg by VG is profitable for Tibro even if it’s delayed improvement of road directly connecting with Tibro”.

**Organization and finance of the Association of communes of Skaraborg**

Organization of the association consist of its council with councilors elected by each commune based on number of population, executive committee with 15 political leaders of all communes and four drafting committees including environment and development, culture, health and society and development. On the level of civil servant established periodic meeting by directors of 15 communes and director of the association, and organizations of administrator on each field including social welfare and industry as well. These meetings and organizations are mainly aimed for exchange of information and experiences.

It can be said that real state of the association is coordinator. Number of staffs of the association is only seven including director, and its finance is managed by contribution 9mkr each from member
communes and VG in 2009. In parallel with this amount, each project is run by contribution/subsidy, which amounts in total to about 60mkr, from commune concerned, central government and EU. At the same time infrastructure plan of Skaraborg has important role to reflect demand of communes in Skaraborg on the plan of VG.

**Industrial policy of Skaraborg**

Guideline of industrial/development policy executed or coordinated by the association is Skaraborg Development Plan (Regional Tillväxt Program in Skaraborg, in following “the development plan” in this paragraph) decided by the Association in 2007. The plan has been deemed as a part of RTP of VG. In the plan been stressed identity as “Inhabitants in Skaraborg” and clearly stated to accept contents of the report “Knowledge economy and Skaraborg” above mentioned.

One of centers of industrial strategy of Skaraborg is Gothia Science Park run by Skövde commune, University of Skövde and VG. While Gothia Science Park and University of Skövde engage mainly in IT and development of game they also engage in various manufacturing industries in Skaraborg including furniture, sowing and automobile. Moreover IDC West Sweden, which Tibro commune has jointly established with VG as a company aimed marketing and cluster formation and affiliated by about 100 companies, has its office in Gothia Science Park. Main subject of IDC West Sweden is cluster-formation in each area including automobile, furniture and food product for the purpose to have new idea for business strategy for each company through information exchange.

The association itself puts Biogas Project on the center of its industrial strategy. This project, intends production of biogas utilizing excrement of livestock of dairy farming prosperous in Skaraborg, has been formulated through discussion among people concerned on formulation of the development plan. As starting point of the project there has been recognition that it’s unstable the industrial structure which depend only on Volvo factories.

The project aims to produce biogas in each settlement through piling up excrement of livestock and concentrate it to some factories through pipe line. According to the association while the project is on experimental stage on production of biogas itself already established organization of farmers to connect farmer and research/development of biogas and companies having interest are also participating. For this project EU grant plays big role. According to director of the association EU grant has becoming easy to utilize gradually from point of local level and because information on the grant is important to manage the project they usually keep contact with EU and at times feel close to Brussels more than Stockholm.

Skaraborgs Kollektivtrafiken Vision 2025 decided by the association has stated based on the development plan to run public transportation in the area up to 90% by renewable energy including biogas by the year 2025.

**Summary on the association**
It will be correct to understand character of the association as coordinator than as unified organization from the point of activity and finance. Its activity and organization can be understood both from top namely policy of EU and region and from below namely strategy originated from commune and local industry. It can be understood as moderate integration aiming to form economic sphere and reform industrial structure with the view of indigenous development.

2.3. Association of communes of Fyrbodal

In Fyrbodal, with 14 communes and population 260,000, been established association of communes through integrating three areas. What has deemed problem to envision development of the area on the whole is that it involves various areas with original condition and subject. In southern part of Fyrbodal Trollhättan, we have examined in second chapter has important position especially on employment, Uddevalla developed as center of trading and shipbuilding and Vänersborg have developed through each original process. On the other side population number in northern part is scarce and industry of the area has close connection with economy in Norway.

Cooperation among communes in Fyrbodal intends mainly to have EU grant. As for example before inauguration of the association there had been association by four communes including Trollhättan and Uddevalla to have EU grant as area where declined manufacturing industry and there had been some one resembled in other area. Association of communes in Fyrbodal has been established 2005 through reorganizing these organizations. Importance of the association from the point of commune is mainly to have EU grant and deemed necessary to have voice to have EU grant. On the other side from the association stressed its role to exchange information among communes.

Puts importance the association to envisage future of the area is that the area locates in between Oslo and Gothenburg and adjacent to growing economy in Norway. To utilize such advantage coordination among communes deemed important to realize betterment of infrastructure.

2.4. Communes and Association of communes of Sjuhärad

Sjuhärad is an area centered by Borås. This area has character, with its history of production and peddling of textile for its origin, as area concentrated by small scale textile company and manufacturing industry derived from textile. Whole picture of Sjuhärad, including history of School of Textile and research institutions as SP, as we examined in previous chapter and communes and Association of communes of Sjuhärad (in this paragraph “the association”) is as shown in Figure4.
First what influences much on industrial policy in Sjuhärad is University of Borås. University of Borås intends to make full use of textile through development of technical textile and new material and aims to form textile cluster in this area centered by research and educational institutions. For that purpose it’s been put into practice joint research among researcher and company, named Smart Textile, through cooperation with universities and institutions including Chalmers University and SP and through subsidy by VINNOVA state agency and VG and also by the association.

Second is character and policy of commune. Communes in Sjuhärad, mainly with population around 10,000 other than Borås, execute unique projects including one subsidized by EU through West Sweden, association organized by about 60 communes in West coast, and vocational education by gymnasium run by the commune.

Third is the role played by central government and its institutions. Government influences greatly on the local economy through establishment of key institutions for local economy as University of Borås, SP and Technology College, delivering grants for the association and projects including Smart Textile and construction of infrastructure.

Fourth is the role played by VG. VG performs, besides financial support to the project by the association, support for starting up of business through Espira Tillväxtcenter established by VG.
Espiria provides institutions/equipment as incubator, supports for mode and tailoring business through "Textil- och Modefabriken" institution co-established with University of Borås 2007 and performs projects as a part of Smart Textile. Moreover plays its role to connect Sjuhärad with Drive Huset national network organization to support starting up of business by researchers and students and with CONNECT Väst organization to support starting up of business.

Fifth is the role of the association. The association has its role to support innovative project through coordination among communes, VG, University of Borås and business world and to reflect demand of commune on the plan of VG as well as to manage its own project.

In following we will examine Ulricehamn and Svenljunga areas within Sjuhärad where author has had opportunity to research and the association.

Ulricehamn

Industry in Ulricehamn, with population 22,000 locates in between Borås and Jönköping, is centered by clothing and production of metal goods originated from textile. While many of companies are small scale with two to three employees some of them are making business activity worldwide. Characteristics of clothing company there is that many of them are managed by designer and inherited for generations within their family and almost specialized in clothing and mainly specialized in planning of new product, order and marketing. In regard to management style many of companies plan new product, issue order to companies in East European and Asian countries and sell it in European countries. Advantage of them in competition with low price product is, while price is high to some extent, its credibility for which brand image of Ulricehamn as traditional center of production of wool knit contributes.

What symbolizes clothing industry in Ulricehamn is Gällstad small town with population 500. While more than 80% of sales volume of Gällstad depends on foreign market about 1,000,000 people visit to boutiques in the town. Main item of sales here is casual wear produced in the town with quality and low price. Composition of companies in the town is 20 companies mainly for production and 35 companies for retail and marketing. It’s interesting that industry in the town locates in midst of forest distant about one hour by car from Borås has, while faced in part with severe financial problem, developed its market abroad. Management style typical of company in Gällstad based on my interview is as follows.

a) Ivanho Eleonore Örtlund CEO

“Bivanho engages production of clothing mainly casual wear and golf wears and also manage boutique. I have inherited family owned company and developed business and at present enlarged factory in nearby factory closed its business. In manufacturing process after discussion by in-house designer and me, based on color sketch of new product sent by freelance designer in Norway who keeps a watchful eye also on mode in Paris, we decide plan on new product. On the production we import yearn from Italy and Portugal and weave here. And in case of large production volume commission easy process as cutting to company in Baltic country and after return back here make finished product and sell it. On the weaving we utilize machine made in Italy, Germany and Japan
on which myself set program to weave. We have regular contact with machine maker and its performance is continuously renewed. On technic for programing I have learned in each country of machine maker. Market for product is mainly Nordic countries each of which we have stationed sales-staff total seven they usually market our product to retail shops. With University of Borås we have contact on technologic development and now producing new material which absorb sound after its technical support.”

b) Seger EuropeAB Per Segerqvist VD

“Seger EuropeAB, one of companies in Gällstad with 49 employees, has started its history in 1947 when founder, although young boy then, has begun peddling of socks, produced by his family loaded on motorbike. He has developed his business putting importance on production and sales of sportswear. It can be said that for founder possible to produce specialized goods for the need of sportswear depends not only technique of his family but also culture of Gällstad provides support each other. Today we make model-change on sports hat every year and on socks every other year because what important for socks is its function specific to each sports and through making product development which respond to specific need of athlete of various sports we keep big share in Nordic countries. On product development, without relation with fashion in Paris, we have two married designers they attend fair and through having information on trend of product development and exchange with athlete and clubs work out plan of new product. After making sample and necessary process as trial by athlete by end of year we sale new product from next year. On the production we import yearn from abroad including Italy and make finished product here. Almost process is automated from yearn to finished product and only in part workers make handwork. Machines here are imported from Germany and so on and we have two staffs in charge of upgrading of machine they have daily contact with maker and attend to fair of machine. Performance of machine is renewed continuously. While the fact it’s necessary to have regular contact, because of character of product, with athlete and clubs makes it advantageous to locate side of big urban area, because we have originated in Gällstad and all of workers have graded up on the job we can’t leave here. Marketing depends on network of New Wave Group which has become owner of our company several years ago, however in our felling it’s kind of our partner.”

c) Characteristics of Gällstad

“Starting point of industry in Gällstad is that with infertile land people have not had enough income. To keep their life people here have woven clothing in their house in winter and peddled whole country in summer, through which developed small company and home needlework and post-order business. Clothing industry today has faced with severe competition with foreign competitor. On the other side uniqueness of Gällstad spirit is its power to engage things taking initiative and never give up and also that everybody keep company each other like brother based also on the fact they have grown together ever since preschool. From such culture emerged a kind of custom to learn, to praise and criticize each other and share experience of success. And there is also culture in Gällstad to accept success of friend, while praising as challenge for oneself and people here take care in fluctuating management of employees and support each other through for
example dispatching worker in busy time on which there is custom to support without touch on trade secret.”

In industrial policy of the commune been set up the course for entrepreneur, in gymnasium of the commune established 1994, in which practitioner of business coach student as mentor. And, in the area on activity of international and EU project, projects subsidized by EU grant have important role, including one to inquire technology for waste disposal through visiting research by companies and one joint project for technologic development to raise credibility of their product as for example technology to trace and certify material of cloth. Put on the center of the future vision of the commune is improvement of transportation infrastructure including plan of high speed railway and betterment of R40. Supposing that Ulricehamn will be put, through improvement of infrastructure, on central location of triangle connecting Stockholm, Malmö and Gothenburg, also envisaged to attract company as a center of logistics. What important to the infrastructure is the role of VG and the association.

Svenljunga

Industry in Svenljunga with population about 10,000 has originated just like Borås from production of textile and peddling by farmers and in 1800th 18 % of population from 18 to 55 years old have been peddler of textile.27 Machine industry today also originated from textile. There are 1300 companies today in Svenljunga in which companies with more than 30 employees only 10 and more than 90 % of companies are one less than five employees. Characteristic of textile industry is that centered by technical textile utilized as parts for automobile, furniture, mobile phone and so on. In regarding to characteristic of companies with relatively large number of employees for example Blåkläder, established 1959 with 100 employees today and specialised in working clothes, produces in factory established in Sri Lanka and Vietnam two million items per year and once collected to Svenljunga sells through 13 subsidiaries located in Finland, Germany and so on. Other than this there are companies producing from textile to filter, one engaged to production of goods related and so on. Textile industry in Svenljunga has, forced to withdrawal under international competition after 1970th, converted almost all to technical textile with around 1990 for transition period. What made possible to convert has been entrepreneurship fostered historic and they have also succeeded to have new market. In the process of the conversion they have expanded market from at first neighboring area including Borås and later to wider one. Many of their products are semi-finished one, like parts of mobile phone and mainly provided to other company than end user. Each company acquired its customer on its own. In Svenljunga each company stands up to world market, like one in Borås, and business relation and subcontracting among companies is rare.

According to people in charge of industrial policy of the commune subject and prospect of industry in Svenljunga is as follows.

First is flexibility of industry there. While many of them are small scale technical level is high and without heavy investment in plant and equipment possible to convert management policy flexibly. On the whole while the industry has damaged by economic crisis 2008 recovered on early stage.
Second is condition for technologic and product development in future in which University of Borås has big role. On this point Smart Textile is very important. And because the commune is one of board members of the university there is feeling as our university among people in Svenljunga.

Third is advantage of location of Svenljunga, distant from Borås only 30 km easy to attract company to locate. What important for the commune is to be coordinator, to have connection with foreign market in which the association has important role and the commune can, through the association cooperate with CONNECT Väst national association and other organizations and companies.

Association of communes of Sjuhärad

The association has started 1999 following to inauguration of VG, with eight communes and Varberg which while belongs to Halland Län having strong relation with timber industry in Sjuhärad. Population number as a whole is about 260,000. One of characteristics of the association is that it’s started not as meeting place of representatives of communes but as an organization with its own authority to decide. It’s been said as background factor each commune has faced with financial difficulty at the time made it necessary to establish new organization to do something. As the purpose of the association stated that to increase common profit for communes to make Sjuhärad developing area with full of competitiveness, to advance cooperation with institutions including VG and agencies of central government and so on and that to advance cooperation among communes on strategic matter common for all communes, including education, development of competence and improvement of transportation infrastructure. Long standing strategy of the association is Sjuhärads Tillväxtprogram 2013. This program is deemed as a part of Tillväxtprogram of VG and it’s in reality kind of vision making clear common strategic target than concrete policy. What’s been stressed in the program is as follows.

First it’s been stated as project to be prioritized to strengthen innovation, entrepreneurship and environment for business management, to advance spread of knowledge and cooperation and to contribute to environment friendly production and consumption.

Second, it’s been stated to promote starting up of knowledge industry through developing cooperation among industry, academy, social economy and politics, to realize sustainable development through spreading of knowledge and education, and to realize unified and concentrated labor market of Sjuhärad through improvement of infrastructure and transportation method.

Third it’s been made clear that financial support for the projects aimed to realize Tillväxtprogram will be decided through partnership among the association, University of Borås, business world and social economy in Sjuhärad.

Those on the whole show that the association has character as a system for cooperation to develop innovative industry in Sjuhärad. Organizational character of the association is shown in its finance as seen in Table1. On revenue side main items are subsidy from VG and central government centered for specific project and contribution by member communes. And on expenditure main
items are subsidy for project based on Tillväxtprogram and performed by organizations and personnel expenses etc. within which subsidy for project with total amount 32 mkr is delivered to 57 organizations including 3 mkr for Smart Textile. According to the person of the association in charge Smart Textile holds itself seminar as a part of the project participated by entrepreneur and people related regularly once in a month for example and has stationed researcher in Mark area beside Borås to perform project, and through these projects kind of partnership among companies is in advance. Financial management of the association can be said as a kind of system which, with subsidy from central government and VG and contribution of member commune for revenue source promotes innovative project financially and coordinates cooperation among company and economic actors including university. As to original project of the association NAVET, advanced center of educational method of mathematics owned and managed by the association, has had 55000 visitors in 2009, including 8,000 teachers participated in educational program and pupils participated in one day course and, having world attention, also many inspection of specialist. The fact in Sjuhärad planned to open Technology university 2012 with 2,000 students first year, and that establishment of Welfare university (Vård-och Omsorgscollege) is under consideration can be understood on the basis of these projects.

<table>
<thead>
<tr>
<th>Table 1 Finance of Association of communes of Sjuhärad (1,000 kr)</th>
<th>Base work</th>
<th>Temporal work</th>
<th>Own project</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Revenue)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region grant</td>
<td>575</td>
<td>18,191</td>
<td>1,300</td>
<td>20,066</td>
</tr>
<tr>
<td>State grant</td>
<td>57</td>
<td>4,238</td>
<td>2,730</td>
<td>7,025</td>
</tr>
<tr>
<td>Commune contribution</td>
<td>14,529</td>
<td>300</td>
<td>8,032</td>
<td>22,861</td>
</tr>
<tr>
<td>Other</td>
<td>1,444</td>
<td>1,090</td>
<td>5,133</td>
<td>7,830</td>
</tr>
<tr>
<td>total</td>
<td>16,605</td>
<td>238,19</td>
<td>14,798</td>
<td>57,782</td>
</tr>
<tr>
<td>(Expenditure)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant for projects</td>
<td>-48</td>
<td>-31,997</td>
<td>-32,045</td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>-5,011</td>
<td>-3,197</td>
<td>-7,761</td>
<td>-18,170</td>
</tr>
<tr>
<td>Office and others</td>
<td>-3,334</td>
<td>-5,392</td>
<td>-6,941</td>
<td>-16,049</td>
</tr>
<tr>
<td>total</td>
<td>-8,393</td>
<td>-40,586</td>
<td>-14,702</td>
<td>-66,264</td>
</tr>
</tbody>
</table>

One of important roles of the association is to approach to improve transportation infrastructure. In Sjuhärad, beside the fact Borås is center of labor market in the area, in western area adjoining to Gothenburg many people commute to there and in north-eastern area people has connection with Jönköping. So that the plan of high speed railway from Gothenburg go through Borås to Jönköping has gained expectation and it's been deemed important subject to improve transportation infrastructure including R40 and one connects areas within Sjuhärad. Subjects to improve
infrastructure has been taken shape by the association in its transportation plan “Målbild för kollektivtrafiken Sjuhärad 2025” and aimed to realize through VG.

2.5. Västra Götaland Region (VG)

In political system of VG (49 commune with population 1,500,000) established, under its council with 149 seats elected directly, executive committee, healthcare committee, hospital and primary healthcare board, regional development committee, and environmental and cultural affairs committee. What symbolizes the role of VG in the system of multi-level governance is its basic strategy “Vision Västra Götaland” (in following “Vision”). The Vision as RUP (Regional Development Program), basic strategy for regional development decided by regional government or other regional political body, of VG has been drawn up by VG and four associations of communes, in consultation with business world, universities and so on and decided by the council. Characteristic of the Vision, aims sustainable development is its target to raise integration of the region as a whole through policies including improvement of infrastructure, to advance sustainable development through close cooperation among universities, and to develop competence of people by lifelong learning. In regarding to industrial policy it’s been stressed, pointing that for industry in Västra Götaland with character deeply depending on international market necessary to cooperate with research institutions to raise competitiveness and to realize product development environment friendly.32

“Tillväxtprogram in Västra Götaland 2008~2013” (RTP: Regional Tillväxt Program of Västra Götaland in following “Program”) aims, as subordinate program of Vision, to advance cooperation and coordination among actors relate to longstanding development of industry. Characteristics of Program are as follows. First Tillväxtprogram formulated by each of four associations of communes is indispensible ingredients of it. Second the role of Program, as RTP of VG is to coordinate practical use of resources, put under communes, VG, research institutions and universities and also one under EU programs and agency of central government, and to prioritize among policies. Third it’s been stated that utilization of EU grant in Västra Götaland and of resource for development executed by agencies of central government must be based on Program as regional development resource. Provisions as these show the role of VG as pivot of multi-level governance on regional level.

Characteristic of system of VG and project performed can be summarized as follows paying attention to the role of VG as a system for coordination and cooperation as Figure5.

First is drawing up of infrastructure plan. Coordination of interest among communes and VG is realized through basic strategy of Vision aiming to realize competitive and sustainable region and through the process to formulate infrastructure plan to realize Vision. Infrastructure plan of VG decided 2009 has been formulated in relating to central plan for the year from 2010 to 2021, in which been decided allocation of resource for each project which in total amount to 5,835mkr. Prioritized in the plan is improvement of access to the Port of Gothenburg and Landvetter Airport, road system connecting points within the region and one contributes to enlargement of commuting
area and among them placed K2020 infrastructure plan of GR as a part of the plan (VG 2009). It’s possible to coordinate interests among communes and VG on the point that infrastructure plan of VG, aiming to improve infrastructure to connect the region with world with Gothenburg as center coincide with strategy of each commune aiming to strengthen access to worldwide economic activity.

Second worth to pay attention, in political system of VG is that four associations of communes are placed formerly on the process of decision making of VG. Put concretely it’s been formalized the system BHU to consult among VG and communes on matters relate to development, environment and culture in advance to decision by committees of VG. BHU consist of representative and deputy representative of executive committee, representative of each committee relate to development, environment and culture and some others, and four representatives of each four associations of communes total 16. Purpose of BHU has been stated to advance cooperation on strategic subjects, relating to common development of communes in Västra Götaland and VG including transportation infrastructure. While BHU is stated to show its view on subject as utilization of regional development resource it’s not institution based on law and its view is put on the base of decision by each committee. On the whole BHU can be said as a system to reflect opinion of communes on decision making of VG mainly on infrastructure plan. At the same time the system also based on that commune has formal authority on land use hence it’s indispensible to have agreement of commune at the implementation phase of infrastructure. BRU predecessor of BHU has been established on 2001 as drafting committee attached on each of committee relates to development, environment and culture respectively, on 2010 integrated as BHU and been reinforced by including as its member representative of executive committee and some others. On the background of the reformation it seems there have been practical recognition that it’s effective to integrate because
originally subject relate to infrastructure has been focus of politics of VG and not so much subject on the side of environment and culture and also because same member from commune has held post of three meetings of BRU. On the other hand it seems obvious that position of commune on the process of decision making of VG and centrifugal power of association of communes in each area have risen as a result that BHU has strengthened its role as coordinator of important policy.

Third project and its role performed directly by VG. On its finance total revenue is 44bkr on account 2009 in which tax revenue amounts 28bkr and subsidy of central government and others amount 9bkr, and expenditure is largely occupied by medical one. Total budget of development committee of VG 2010 is 693mkr, in which about half 369mkr is for development project related to Program and other half is for gymnasium and subsidy for projects including incubator and so on. While this amount itself is not so big each subsidized project has also subsidized by communes directly related, private fund and government agency etc. which means that subsidy by VG has a character as kind of priming water. VG approaches to commune for project. In the area of research and development, because VG has seat in board of each university, it’s possible to approach to for example establishment and management of Science Park through cooperation by VG and university. And while central government is wholly responsible on establishment of university VG can influence on for example establishment of Technical University in Sjuhärad through existing university.

Fourth is on EU grant. In Regional strukturfondsprogram (2007-2013) in Sweden, based on EU structure fund target 2, planned 8,4bkr on ERUF (Europeiska regionala utvecklingsfonden) and 6,3bkr on ESF (Europeiska socialfonden) in which for the area West Sweden including Västra Götaland and Halland allocated 2,5bkr on ESF and 2bkr on ERUF in which EU grant is 572mkr. While it’s authority of central government to decide provision for project applied to have grant by structure fund, to decide priority among projects and to follow implementation of projects are entrusted to West Sweden structure fund partnership (Västsveriges strukturfondspartnerskap) lead by VG in which Tillväxtprogram and BHU play important role. Before establishment of VG over 60 communes in west Sweden have established organization “West Sweden”1993, through joint investment, which performed activity to have EU grant and to attract foreign investment. West Sweden today coordinates application of EU grant for specific project other than one allocated for each country as target 1 and 2. On the other side VG has established office in Brussels recently to strengthen activity for lobbying and also expects to approach EU through network among cities over national border so strengthening its activity among EU and European countries.

2.4. Summary: Regional system of government in Västra Götaland

We will summarize this section from the point to examine formation of polycentric region in Västra Götaland and character and role of regional system of government. Subjects is first regional land structure of Västra Götaland, second position and function of VG and third character and function of regional system of government as a whole.
Regional land structure

It can be said, when paying attention to regional land structure, Västra Götaland has its character as an area, without strong economic unity, instituted as recipient of devolution of authority of central government. On the other side, with establishment of VG for opportunity, unity is rising economically as well as politically. Land structure of Västra Götaland today is made up of structure in which, with influence of Gothenburg on the whole area, local areas are connected each other loosely within each area. In areas other than GR, so far not necessarily having subsistence as economic sphere, now emerging horizontal relation through establishment of university and Science Park and projects mediated by association of communes. In the process EU grant and VG have mediating role.

On the whole, Västra Götaland, institutionalized formally with various geographic areas, is now going in the direction of polycentric region.

Regional government and association of communes

What important to investigate organizational character of VG is on one hand position of it within vertical system of governments from EU and central government to commune, and on the other hand its role on horizontal level as coordinating body among organizations related including commune. VG has, when paid attention to formulating process of infrastructure plan, its character as a body to make decision through coordination of interests among communes. Background of centrifugal power of VG is on one hand policy of central government executing location of university and research institutions in local area and devolution of authority, and on the other hand strategy of commune including one to improve infrastructure, and both of them are under influence of EU policy. VG is, through connecting all of them in other word as receiver of devolution of authority from above and as pivot of formation of regional system of government, keeping its institutional position. Moreover association of communes has, besides its position in the process of decision making of VG, its role to coordinate interests among communes and to bridge local industry and university and research institution directly as basic unit to promote indigenous development based on cooperation among communes.

Regional system of government

Characteristics of regional system of government in Västra Götaland can be summarized as follows. First commune as basic unit engages through association of communes in decision making of VG as well as trying to have connection with EU and foreign market. Second VG, functioning as receiver of devolution of authority from central government performs coordinating function with RUP for pivot. Third VG performs together or through association of communes policy to promote upgrading of industrial base in cooperation with university and so on including private sector.

On the whole regional system of government in Västra Götaland can be understood as kind of multi-level governance with commune as basic unit. It can also be understood as a frame to coordinate on regional level on one hand local industry and on the other hand policies of EU,
Section 3 Regional system of government

3.1. Functional multi-level governance or Cooperation among tiers of governments

What we have investigated so far is the process in which, under economic globalization and influence of EU, been established regional government and emerging polycentric region through policies of central and regional government including infrastructure policy and so on. Given such process how we can evaluate and formulate organization and policy of regional system of government in Sweden in future. Starting point here is how to understand character of government system in Sweden.

In Sweden been executed, to strengthen local economic base, establishment of regional government and attempt to synthetize projects of agencies of central government with regional area for unit side by side with projects under ERDF.

Characteristics of this process, from the point of change toward multi-level governance, are as follows. First is strengthening of local economic base through various projects with regional area for unit. Second is establishment of regional government and devolution of authority of central government to it. Third is reorganization of policies of central government with region for unit.

One of policies which have put importance on cooperation with region/local area is university and research institution in which established college in each county and formalized cooperation of university/college with surrounding area. Characteristic here is that it’s been institutionalized taking part by local government in management of institution of central government as having seat by local government in the board of university.

This point, considering with the fact objective of ERDF is decided by local government under partnership, can be understood as formation of functional multi-level governance in parallel with institutional one.

3.2. Formation of polycentric region

In Västra Götaland transformation of land structure is ongoing with conversion of industrial structure and economic globalization for background and in connection with strategy of EU which intends to extend EU wide network of central cities with TEN-T for axis. Its feature is, seeing from the point of mutual relation among communes and change of geographic/economic/social structure as follows.

First, through the strategy of each area, pursuing to develop its potential through connection with European or global economic activity, local economy in each area is strengthening its character as
base of companies developing its business activity mainly in north-eastern Europe or as node accumulated by companies as such. This suggests necessity to understand regional industrial structure not as mono-centric one consist of center and surrounding area but with polycentric structure. On the point cases in Tibro and Borås, in second chapter, make imagine regional economic sphere with plural cores consist of plural core cities with unique local industry and influencing each other.

Second that dynamic reorganization of system of local economy is in progress, through partnership among government including central government, regional government and communes. The attempt, aiming to reorganize system of local economy and to have autonomous development including networking of companies and system for product development, is in advance with policy of EU and central government for foothold and improvement of infrastructure and establishment of university and research institution as important opportunity.

Third is extension of local economic/social activity. Following to improvement of regional transport infrastructure, regionalization of land use including extension of commuting area is ongoing. In parallel with this, social/economic unification among communes within region and sub-region is proceeding. Strategy of regional government and commune intends to have position in global economic activity through utilizing advantage of its unique industrial base results in, in cooperation with infrastructure policy of central government, progress of regionalization not restricted to monopolistic structure with central city and suburb but with some kind of polycentric structure.

3.3. Multi-level governance and regional system of government

Regional system of government

Understanding dynamics of change of local economy and its structure as mentioned above, main characteristics regarding to formation of regional system of government in Västra Götaland is as follows.

First is formation of regional system of government from below. Strategy of each commune to realize betterment of infrastructure is giving birth to centrifugal power of regional government and, in some sense, association of communes. Moreover it’s proceeding formation of regional system of government consist of governments from commune, coordinated by association of communes, to regional government with various factors for background including spread of joint projects by communes followed to extension of social/economic activity, necessity to have EU grant and so on.

Second what interesting is some mechanism, to reflect interest of each commune in decision making of regional government, has to varying degree been established. It means that regional government also functions as coordinator.

Third is the role of regional government as pivot of regional system. In relating to central government regional government can function, as well as responding to regional demand for infrastructure and research institutions, to accept devolution of authority from central government.

In parallel with these factors social/economic unification within region is, though with some
friction, in progress in which authority to plan infrastructure devolved from central government has become important tool for regional government to have centrifugal power and political unification. These factors are in cooperation advancing to system of multi-level governance.

In sum, economic/social/political unification toward government on regional level is advancing today and as a result giving birth to regional system of government. In the process regional government has become important lever for commune demanding infrastructure and on the whole region wide social/economic unification is now in progress. This process is suggestive to work out plan on region wide coordination of policy and system of local government with commune for basic unit, keeping in mind regionalization of economic/social activity.

Regional system of government: Horizontal and vertical coordination

In local area of Västra Götaland where established regional government now ongoing, under globalization of local industry, formation of the system to support development of local industry rooted in the area. Been put importance is to promote high-tech industry making good use of characteristic of the area in which aimed to reestablish support system of local economy including support for entrepreneur and establishment of Science Park through cooperation with university etc. In the process VG and association of communes plays mediating role on betterment of infrastructure and utilization of EU grant, which can be said reestablishment of the system to support local industry by multi-level governments is proceeding under initiative of local level.

Following to establishment of VG formation of regional system of government, which includes VG and communes, is ongoing. Characteristics of it are as follows.

First is that for VG given its role as pivot to coordinate policy of EU, agencies of central government and communes through RTP (Regional Tillväxt Program) as well as authority to make plan of infrastructure.

Second is its role as system for horizontal coordination among communes within Västra Götaland shown in BHU established to coordinate interests among communes and the fact that RTP of each area is deemed as part of RTP of VG.

Third is that projects as Science Park and incubator, run by VG, communes and others, are in connection with institutions of central government as university can be said as showing function of VG to mediate projects of central government in regional area with local industry.

Understanding as such makes it suitable to consider each project not separately but as part of formation process of region wide system to support local industry. Those on the whole show that VG is placed as pivot to coordinate and synthesis policies of tiers of governments horizontally and vertically and that it’s now ongoing creation of regional system to support local industry through formation of regional system of government.

Future of regional government: Vertical integration or multi-level governance?

In Sweden today there is direction of policy under the government toward marketization
through vertical centralization of authority. In the policy of transportation infrastructure for example, puts importance on strengthening of connection between big urban areas and abroad, for region government expected its role as coordinator between central government and communes on efficient planning of infrastructure and, in parallel, now ongoing reformation as institutionalization of consultation on comprehensive plan of commune with län through amendment of BPL showing in some sense centralization of planning system. Those show that in the strategy, putting importance to prioritize few important policy area from top, expected for regional government its role as vertical coordinator.

What’s necessary from the point of development of local economy from below is system of multi-level governance presupposing development of regional system of government and formation of regional support system of local economy. Based on summary above mentioned, it will be possible to formulate regional system of government as follows.

First is to consider commune as a unit to develop policy. Economically its role is to support local industry or to consolidate local environment as base of local economy.

Second is the role of association of communes, to work as a cooperative system in sub-regional area, including network formation and cooperative utilization of resource toward indigenous development as well as bridging between policy of regional government and commune.

Third is the role of regional government as a pivot of balanced development based on regional cooperation and coordination. It can be useful as system for region wide strategic development, for coordination necessitated following to extending commuting area, for responding to subjects like improvement of research institutions and infrastructure and for accepting part of authority of central government.

1. Greater Gothenburg Region “Verksamhetsinriktning och Budget for GR år 2011”
2. This paragraph owes on my interview with Bo Aronsson(GR Planeringschef) on Aug.2008
3. This paragraph owes on my interview with Henrik Ripa commissioner of the commune in Lerum in 15th Mar 2010
4. This paragraph owes on my interview with Miquel Odhner commissioner of the commune in Kungälv in 15th Mar 2010
5. This paragraph owes on my interview with Annette Eierman-Wikström commissioner of the commune in Härryda in 16th Mar 2010
6. ibid 1) p5
7. This paragraph owes on my interview with Håkan Ahlström Kommundirektör of the commune in Skövde Sep 2008
8. This paragraph owes on my interview with Kenthal Lindström Kommundirektör and Per-Eric Ullberg Ornell Marknadsstrateg of the commune in Lidköping 2nd Mar and 3rd mar 2009 respectively.
9. Skaraborgssamverkan
10. Tillväxt Skaraborg
11. Skaraborgs Kommunalförbund “Årsredovisning 2009”
12. My interview with Håkan Ahlström  ibid 7
13. Besides, Tillväxt Skaraborg which had played its role as frame of partnership in Skaraborg and founded total 75mkr for 40 projects on 2005 first year of its activity, stressed in its midterm valuation on Skaraborg Tillväxt Program that central area of Skaraborg is ambiguous and projects for economic development are overlapping without comprehension. Tillväxt Skaraborg, “Hlvtidsutvärdering av tillväxtprogrammet” 2006
14. ibid 7
15. My interview with Börje Malmsten Tibro commune on Sep.2008
16. This paragraph owes on my interview with Thomas Jungbeck director of Skaraborgs Kommunalförbund 6th Sep. 2010
17. ibid 11
18. ibid 16
22. This paragraph owes on my interview with Ulrika Geeraedts International coordinator of the commune in Ulricehamn 9th Mar. 2011
23. My interview with Eleonore Örtlund CEO Ivanho on 2011/09/01
24. My interview with Per Segerqvist VD Seger EuropeAB on 2011/09/01
25. My interview with Daniel Göök staff of NUAB (Näringsliv Ulricehamn AB) owned by the commune and Nils Nilsson representative of organization of companies in Gällstad on 2011/09/01
26. This paragraph owes on my interview with Widerström, Jonas näringschef of the commune in Svenljunga 15th Mar. 2011
27. Svenljunga Kommun ”Historiska axplock”
29. This paragraph owes on my interview with Peter Albinson Coordinator of Development of Sjuhärads Kommunalförbund first Sep. 2010
30. Sjuhärads Kommunalförbund Årsredovisning 2009
31. ibid
33. Västra Götalandsregion “Förslag Till Regional Plan för Transportinfrastrukturen i Västra Götaland under Perioden 2010-2021” 2009
34. Beredningen för hållbar utveckling
35. Västra Götalandsregion “Instruktion for Beredningen för hållbar utveckling” Regionfullmäktige 19/10/2010, 159
36. This paragraph owes much on the meeting with Magnus Engelbrektsson Head of International Coordination of Västra Götalandsregion fourth Mar. 2011
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