

## Local and regional democracy in Sweden

### Presentation by Gudrun MOSLER-TÖRNSTRÖM

Dear Colleagues,

- I am here to give you information about the general monitoring mission we have carried out to assess the situation of local and regional democracy in Sweden. My colleague Luzette Wagenaar-Kroon who is the local rapporteur, is not here today – as you know there were elections in the Netherlands last week and local representatives are very busy now. I congratulate Ms Wagenaar-Kroon for her success in the elections as she has been re-elected and thank her for her contribution to the monitoring visit and report.
- We were accompanied during our visit by Professor Renate Kicker. I take this opportunity to thank Professor Kicker also – I am very glad to see her here today - for her valuable assistance during the visit and for the report.
- I will first talk about what we think is satisfactory in the Swedish system from a Charter point of view and about the issues that we think needs further effort on the part of the government. I will then explain our recommendations.
- As regards the visit itself, we visited Sweden between 23 and 25 September 2013. We met with the mayors of Stockholm City and Flen and the Vice-Chair of Norköpping City Council. We had meetings with the Swedish Association of Local and Regional Authorities (SALAR) and with local government experts. We were also received by the Minister for Public Administration and Housing, the Minister for Financial Markets and for Local Government, the Chair of the Parliamentary Committee on the Constitution, the President of the Supreme Administrative Court and the Parliamentary Ombudsman.

- There are several good points that need to be underlined, starting with the fact that in general, local government in Sweden is in compliance with the requirements of the Charter.
- Let us start with the constitutional reform that took place in 2011. The Government amended part of the Constitution called the “Instrument of Government” and added a new chapter on “Local Authorities” and introduced the principle of proportionality. The aim was to strengthen the constitutional protection of local self-government. We welcome this development.
- Another very welcome information is that, in Sweden, local authorities manage a very substantial share of public affairs and their association SALAR is a strong partner of the national authorities with regard to local government affairs.
- Thirdly, the Swedish local authorities have not really felt the effects of the recent economic crisis. The government managed to shelter the large local budgets from any cuts, though their central budgets dropped. This is indeed a rare situation and deserves praise.
- Congress recommendations have been taken account and improvements have been made to the equalisation system. This was something that our previous recommendation suggested back in 2005. The application of the funding principle has clearer guidelines now.
- This is indeed a rosy picture I am painting but it is true. On the other hand, as we all know, roses have thorns and even the Swedish local government system has some problems. Not too many, but still.
- One of them concerns the principle of subsidiarity. This principle is not mentioned in the Swedish Constitution. One could say that this is not a big problem since, even if the Constitution does not mention it, in practice, local authorities have very substantial responsibilities in Sweden and the role and scope of local authorities has been strengthened in the Instrument of Government. Still, the Charter gives clear guidelines about enshrining subsidiarity in the Constitution when practicable - which is why we raised this issue in our recommendations.

- The second point is the increased amount of detailed state regulations for activities such as working conditions, health care, education and public procurement. These regulations carry the risk of infringement on local affairs. Therefore we recommend that the consultation procedure should be improved so that such infringements can be avoided from the very beginning.
- My third point is a technical one. It has been underlined by nearly all local representatives we met that state grants are not indexed. So they decrease in real terms through inflation. The Finance Ministry officials we met seemed reluctant to take this issue on board, but in our opinion, the difficulty could be overcome by firm rules on indexation of grants. This would strengthen the long-term planning conditions for local authorities and county councils. So we recommend the indexation of state grants.
- The fourth problem is a specific one but it really struck us as something worth looking into which is why I want to talk about it here today. It concerns the case of towns that receive migrants. Sweden is a migration country and apparently some shortcomings in the central coordination of the reception of migrants and in service delivery creates difficulties. Some councillors told us that, small towns which do not have the means to ensure their safe integration, are under heavy pressure in tackling the everyday social and financial problems this creates. Although we did not put this in as a specific recommendation, as it is a subject that apparently needs more debate and analysis, we did highlight it in our report as an area that needs attention.
- Colleagues, as regional rapporteur, I would like to bring one interesting and positive development to your attention. Recently, the number of counties tasked with regional development powers has increased from three to nine.
- While we were in Sweden last year, we met Stefan Attefal, the Minister for Public Administration and Housing. On the day we met him, he published a statement saying that nine county councils had applied to take over regional development competences and the Government decided to give six of them this responsibility as of 2015. So in a year's time there will be a total of ten county councils with regional development responsibilities.

- Now, the question is, can this be seen as true regionalization, in the sense of creating a new territorial division with larger competence areas? The answer is: Not really. None of these county councils changed their boundaries or merged into a larger geographical area. They have only been granted more responsibility in regional development.
- We have been told that there is strong political support at local level for merging county councils into fewer entities. Apparently, in several counties, political decisions have already been taken to go ahead and apply for more responsibilities as of 2019. However, from the comments we received, it appears also that these efforts do not find much support from the central government. It could well be that the Swedish government, based on its status as a unitary state, wants to avoid the development of a medium layer of government.
- One could see this exercise, as one councilor told us, as a lost opportunity to reorganize the boundaries of municipal councils and also for inter-municipal cooperation in an enlarged geographical area which could become a region in the future. This might be true. However, we think that, the delegation of regional development tasks to county councils, which are elected bodies, is a positive development. It is in line with our Reference Framework for Regional Democracy and also in line with EU regional policy.
- So, Colleagues, now I come to the recommendations. The Swedish system of governance is a consensus-based one, and negotiations between stakeholders have as much weight as the legal and formal structures in the way they function. We realized during our visit that our insistence on enshrining subsidiarity in the Constitution did not strike a chord with either the national or the local level politicians as it usually does elsewhere.
- Nevertheless, in the first recommendation, we suggest that the Swedish government consider introducing into their Constitution the principle of subsidiarity in order to ensure a clear division of competences between the State and the local authorities. We also underline the necessity for a consistent application of the principle of proportionality.

- You will have seen that there is an amendment proposal from our Swedish colleagues concerning the first recommendation under paragraph 6 a). I will talk more about this when the proposal is explained.
- Secondly, we ask the Government to set up a formal consultation procedure that will allow the local authorities and their representative association to make input into all decisions taken at State level which might limit local authorities' autonomy. SALAR is already a powerful association with strong contacts with the government. However, structured and regularized consultation is an important aspect of local autonomy and as you know it is also the subject of a separate debate and recommendation of this Congress session.
- Thirdly, we invite the Government to consider the local authorities' demand for indexation of state grants and linking them to demographic changes. This is a subject that local authorities we met during the visit particularly highlighted. It will facilitate planning for them.
- In a similar vein, we ask the Government to ensure the stronger involvement of the local authorities in the estimation of cost implications of any new state legislation that is to be implemented at local level. Again the aim is efficient planning.
- As regards regional development, we recommend the Swedish government to grant more county councils responsibility in regional development, by extending it to ALL elected county councils. The Council of Europe Reference Framework for Regional Democracy could be a very useful guideline in this respect.
- Finally, as we do with other governments, we invite the government to ratify the Convention on Transfrontier Co-operation (ETS No. 206) which they have not yet ratified.
- Colleagues, you have before you our report and the draft recommendation. We ask you to approve this preliminary draft Recommendation. We hope that the authorities of Sweden will consider them. Thank you for your attention.