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Structure and operation of local and regional democracy

Sweden

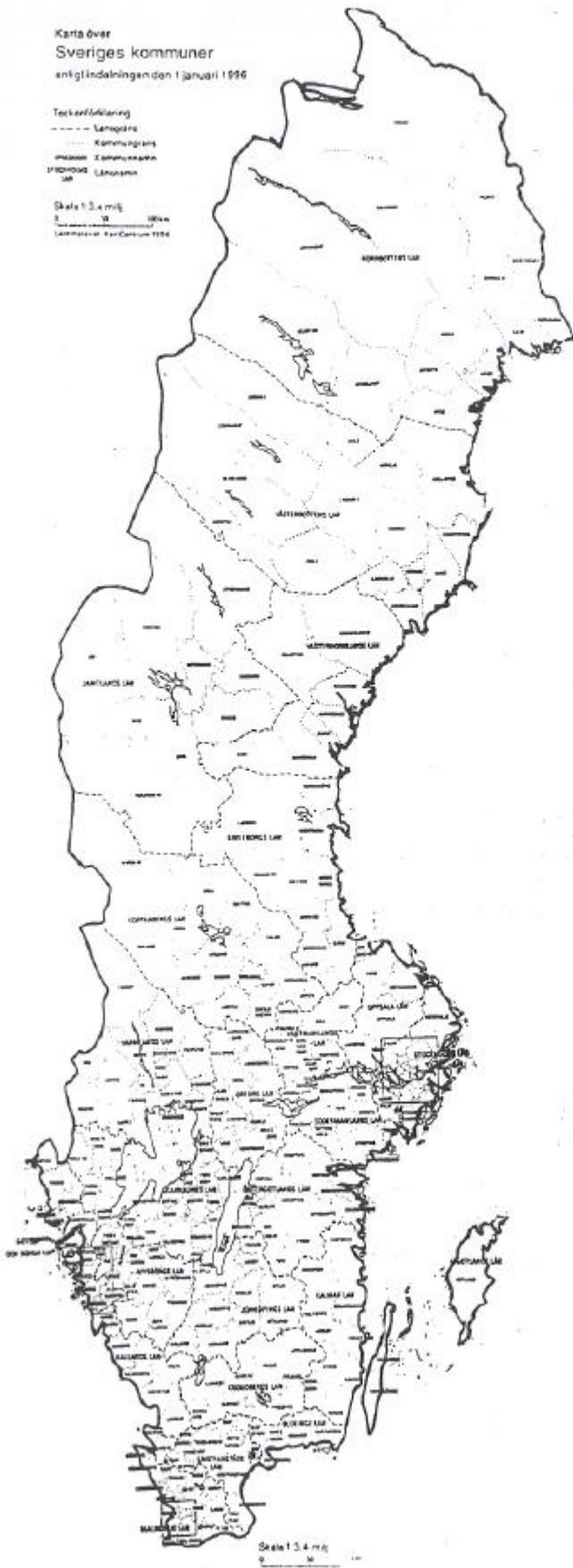
SWEDEN

Territorial Set-up

Karta över
Sveriges kommuner
användningen i januari 1996

Teckenförklaring
 - - - - - Länsgrens
 - - - - - Kommungräns
 - - - - - Kommungräns
 - - - - - Kommungräns
 - - - - - Kommungräns

Skala 1:500 000
 0 50 100 km
 Kartmaterial: KartCentrum 1996



Structure and operation of local and regional democracy

Sweden

Situation in 1996

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1. LEGAL BASIS

1.1. Constitutional provisions relating to local/regional authorities

Sweden has four laws of constitutional status. Among these, the Instrument of government (1974), provides constitutional protection for regional and local authorities.

Chapter 1, Section 1 of this law reads: "All public power in Sweden derives from the people. Popular government is based on the free formation of opinion and universal suffrage. It is implemented by a representative and parliamentary system of government and by local government".

Chapter 1, Section 7 reads: "There are in Sweden primary units of local government (municipalities) and county councils. The right of decision in the municipalities and county councils is exercised by elected assemblies. The municipalities and county councils may raise tax for the performance of their duties".

1.2. Main legislative texts concerning local/regional authorities

The municipalities and county councils are governed by the Local Government Act of 1991. This Act is divided into ten chapters. Chapter 1 defines municipalities and county councils and lays down their respective jurisdictions. Chapter 2 deals with the powers of municipalities and county councils, chapter 3 with their organisation, chapter 4 with their elected representatives, chapter 5 with the municipal councils – the local equivalent of parliament – and chapter 6 with the municipal executive boards – the local equivalents of the government – and local government committees. Chapter 7 deals with co-determination in bodies made up of interested parties and with respect to employees' representatives (joint bodies) and of so called self-run bodies consisted of representatives of the persons using a specific facility or institution and the persons employed there. Chapter 8 deals with financial administration and chapter 9 with auditing. The concluding chapter 10 concerns review of the legality of local government decisions.

2. STRUCTURE OF LOCAL/REGIONAL AUTHORITIES

2.1. Main subdivisions

Sweden is divided in counties, county councils, municipalities and parishes. The counties are primarily a central government administrative division at the regional level. The county council regions generally coincide with the counties. There are, however, three municipalities which are separate from the county councils (Göteborg, Malmö and Gotland). The parishes are local units of the church administration. The church administration will not be further mentioned.

2.2. Statistical data

Local/regional authorities

Authorities	In 1950	Today
Counties	24	24
County councils	25	23
Municipalities	2 281	288

a) county (regional authorities, "län")

County	Surface (km ²)	Population
Stockholm	6 490	1 725 756
Uppsala	6 989	288 475
Södermanland	6 060	258 700
Östergötland	10 562	416 443
Jönköping	9 943	312 686
Kronoberg	8 458	180 377
Kalmar	11 171	243 372
Gotland	3 140	58 120
Blekinge	2 941	152 737
Kristianstad	6 089	294 709
Malmöhus	4 938	817 022
Halland	5 454	269 338
Göteborg et Bohuslän	5 141	770 186
Älvsborg	11 395	449 524
Skaraborg	7 937	279 511
Värmland	17 586	284 011
Örebro	8 519	276 417
Västmanland	6 308	261 101
Dalarna	28 193	289 956
Gävleborg	18 191	288 509
Västernorrland	21 678	258 290
Jämtland	49 443	135 584
Västerbotten	55 401	260 472
Norrbottn	98 911	266 011
Total :	410 938	8 837 496
Average :	17 122	370 156

b) County councils (local authorities, "landsting")

The largest: Norrbotten 98 911 sq. km².

The smallest: Blekinge 2 941 sq. km².

The average: 17 866 sq. km².

Largest population: Stockholm 1 725 756

Smallest population: Jämtland 135 584

Average population of county councils: 351 499

In Gotland, Malmö and Göteborg there are no county council and their functions are exercised respectively by the municipalities of Gotland, Malmö and Göteborg. Therefore only 23 county councils exist.

Number of county councils with a given population

Population	Number of county councils
<1 000	0
1 000 - 5 000	0
5 000 - 10 000	0
10 000 - 50 000	0
50 000 - 100 000	0
100 000 - 500 000	21
>500 000	2

c) Municipalities

The largest: Kiruna 19 447 sq. km².

The smallest: Sundbyberg 9 sq. km².

The average: 1 437 sq. km².

Largest population: Stockholm 711 119

Smallest population: Bjurholm 2 854

Average population of municipalities: 30 685

Number of municipalities with a given population

Population	Number of municipalities
<1 000	0
1 000 - 5 000	9
5 000 - 10 000	55
10 000 - 50 000	182
50 000 - 100 000	31
100 000 - 500 000	10
>500 000	1

2.3. Regulations governing changes in structures

The Act Amending the Division of Sweden into Municipalities and County Councils (1979:11 reprinted as 1988:198) defines the boundaries of regional and local authorities. It contains provisions on principles and procedures in cases relating to the alteration of municipal boundaries. Municipal boundaries can be altered by amalgamation or division of two or more municipalities or by incorporation of a part of a municipality into another. Such matters are decided by the government, although cases of minor importance may be decided by the county administrative boards. Changes may take place if it can be presumed that they can lead to lasting or permanent advantages for a municipality or a part of a municipality or other advantages from a general point of view. Special account shall be taken to wishes and opinion of the municipality or municipalities concerned. If one of these municipalities rejects a change it may only take place if there are extremely strong reasons for doing so. The municipalities therefore have no veto. Special account is to be taken of the opinion of the local inhabitants.

Boundaries can also be changed as a result of land parcelling in borderland between two municipalities. This procedure is laid down in the legislation on land parcelling.

It is possible to arrange a local referendum on the issue of changing the structure/border. The procedure for calling a referendum is laid down in the Local Government Act and in a special procedure act called The Municipal Referenda Act (1994:692). Referendums are only consultative at local level. It is also possible to use less formal ways of consultation like an opinion poll or some similar procedure (Local Government Act, Chapter 5 Section 34). Local authorities concerned are heard and their opinions are taken into account as part of the legal processing of the issue.

2.4. General units of state administration at local/regional level and their relationship to local/regional authorities

The county administrative boards act on behalf of central government at the regional level. These boards are responsible for both planning and administration. The heads of the county administrative boards are the County Governors, who are appointed by the government. The 14 members of each county administrative board are appointed by the government on the proposal of the county councils. The county administrative boards exercise supervision over the municipalities in their respective counties and are the reviewing authorities as regards appeals against decisions by the local authorities that are covered by special laws. In recent years they have concentrated to an increasing extent on social planning, including regional policy and physical planning, as well as government sectoral planning.

A further role of the county administrative boards derives from the fact that not all government agencies have regional departments. Where such departments are lacking, the county administrative boards perform the functions of the agencies in the respective counties.

The regional organisations that have been established by the government agencies are called county boards, which are responsible to the agencies in question but have lay advisory boards.

There are also some government bodies at local level, e.g. the local tax offices and social insurance offices.

Figure 2 : The levels of Swedish public administration

	The state		County councils		Municipalities	
National level	The Cabinet					
	Ministries	State agencies				
Regional level	County administrative boards	Regional branches	County council	Executive and other committees		
				Administrative offices		
				Programmes		
Municipal level		Administrative offices/ programs		Administrative offices/ programs	Municipal council	Executive and other committees
						Administrative offices
						Programs

Source: "Swedish Local Government Traditions and Reforms".
Hägroth, Kronvall, Riberdahl, Rudebeck

3. ORGANS OF EACH CATEGORY OF LOCAL OR REGIONAL AUTHORITIES

3.1. Deliberative body

a) Title

- Municipal assembly,
- County council assembly.

b) Composition

They consist only of representatives elected in general local elections.

Chapter 5 Section 1 of the Local Government Act prescribes the number of members to be set in the assembly. The prescribed least number of members are linked to the number of residents entitled to vote in the municipality or the county council.

There should be an odd number of members of the assembly and not less than the following:

31 members	in municipalities with 12 000 or less residents entitled to vote and in county councils with 140 000 or less residents entitled to vote,
41 members	in municipalities with more than 12 000 and up to 24 000 residents entitled to vote,
51 members	in municipalities with more than 24 000 and up to 36 000 residents entitled to vote, and in county councils with more than 140 000 and up to 200 000 residents entitled to vote,
61 members	in municipalities with more than 36 000 residents entitled to vote, and
71 members	in county councils with more than 200 000 residents entitled to vote.

In the Municipality of Stockholm and in county councils with more than 300 000 residents entitled to vote, however, the number of members shall be set at not less than 101.

c) Method of election

The members of the assemblies are elected in local general elections on the same day every four years (the third Sunday in September) in conjunction with the parliamentary elections. The term of office starts on 1 November of the election year.

The persons entitled, vote for the different parties participating in the elections. The seats in the assembly are proportionally divided between the parties according to the votes. At the last elections in 1994 it was possible in a limited number of municipalities to deliver votes based on personality. This experiment is now under evaluation and therefore it has not yet been decided whether this possibility will be maintained for the next elections in 1998 or even extended to other municipalities.

3.2. Executive body

a) Title

- *Municipal executive board*
- *County council executive board*

b) Composition

The executive boards are appointed by the assemblies.

c) Method of election or appointment

The members of the executive board are elected by the assembly among persons who are entitled to vote and to stand as candidates in the general election. Subject to conditions set out in Section 2 of the Proportional Representation Act (1992:339) election is proportional unless the political parties agree otherwise. It is very common that the parties agree on the distribution of seats.

3.3. Political head of the local/regional authority

The head of the municipality is the chairman of the municipal executive board, while the county council equivalent is the chairman of the county council executive board.

The chairmen of these respective boards have only limited decision-making power. Most decisions are taken collectively by the boards.

The chairman of the municipal executive board is appointed by the municipal council, while the chairman of the county council executive board is appointed by the county council.

The chairmen do not exercise functions on behalf of the state.

3.4. Head of the administration

a) Title

The leading official is called *kommundirektör*, *kanslichef* or *kommunchef*.

b) Nature of the function and relationship to the deliberative body

The head of administration leads the staff and has the overall responsibility to coordinate the whole administration of the municipality. He or she has no special relationship to the deliberative body.

Each committee is responsible for its own administration and this task is the responsibility of the *förvaltningschef*.

c) **Method of appointment**

The leading official and the chief of the committee administration are not elected. They are appointed as any other salaried employee.

3.5. Division of powers and responsibilities between the different organs of the local or regional authority

In the county councils the county council assembly is the decision-making body, while the executive body is the county executive board. Under the latter there are a number of committees with some executive functions.

The municipal structure is basically the same: the decision-making body is the municipal council, while the executive body is the municipal executive board. Here too there are various committees which draft proposals prior to decisions by the municipal council and perform other business in their various spheres. They also have decision-making powers in some cases.

Council duties

The assembly decides matters involving questions of principle or otherwise of major importance to the municipality or county council, especially

1. objectives and guidelines for activities,
2. budget, taxation and other important financial questions,
3. the organisation and procedures of committees,
4. the election of committees and drafting committees,
5. the election of auditors and their substitutes,
6. the basis of financial benefits for elected representatives, and
7. the annual report and discharge from liability.

The assembly may entrust a committee with the task of deciding a certain matter or group of matters in the council's stead. Matters indicated above or required by law or statutory instrument to be decided by the council may not, however, be delegated to the committees.

Committee duties

The committees decide questions of management and questions which are required by law or statutory instrument to take charge of.

The committees also decide questions delegated to them by the assembly.

The committees prepare business for the assembly and are responsible for giving effect to the council's decisions.

The committees shall report to the assembly on measures they have taken to give effect to tasks entrusted to them by the assembly.

3.6. Legal provisions concerning the internal structure of local/regional authorities

Provisions governing the activities of the municipalities and county councils are contained in the Local Government Act. According to these provisions, it is compulsory for municipalities and county councils to have a decision-making body (assembly) and an executive board (municipal and county council executive board). The assembly is free to appoint the committees or boards necessary for the management and running of the duties. The Act also covers the appointment and election of auditors.

4. DIRECT CITIZEN PARTICIPATION IN DECISION-MAKING

4.1. Local/regional referendums

The municipal and county council executive boards can at the preparatory stage decide to put a matter to a referendum. A matter concerning the holding of a referendum on a particular issue may also be raised in the assembly by at least five per cent of the members of the municipality or county council who are entitled to vote. The initiative shall be in writing, shall indicate the question concerned and shall contain the personal signatures of the initiators, clarifications of their signatures and their addresses.

Municipal referendums are only consultative.

4.2. Other forms of direct participation

According to a provision in the Local Government Act, committees shall work to promote consultations with the users of their services. The committees may delegate decision-making to an employee of the municipality. In this case, the committee may define conditions implying that those who utilise the services of the committee shall be given the opportunity of putting forward proposals or of commenting before the decision is made.

The committee may also prescribe that an employee make a decision only if the decision has been seconded by representatives of those utilising the committee's services.

5. STATUS OF LOCAL ELECTED REPRESENTATIVES

5.1. Conditions for standing in local elections

A prospective candidate must be of Swedish nationality or have been permanently resident in the country for the three years preceding the election. The minimum age is 18 and residence in the local authority in which the candidate is standing is necessary.

The term of office is four years.

A person employed by a municipality or county council as the leading official is not eligible. The same goes for a person in charge of an administration belonging to the sphere of activities of a committee may not be elected a member or alternate of that committee.

On the contrary, an elected representative can hold office in the assembly and in one or several committees simultaneously within the municipality or the county council. It is also possible for a person to hold elective office in a municipality and a county council at the same time.

Municipalities and county councils may give financial grants and other support (party support) to the political parties represented on the municipal or county council assembly. The assembly shall decide the scope and forms of party support. The parties are free to use this support for any local political activity. The use of the support is not regulated.

5.2. Duties and responsibilities of local elected representatives

An elected representative must take part in decision-making in the authority in which he is elected. Only in exceptional circumstances elected representatives are not personally liable.

They are not required to declare their personal and/or financial interest.

A representative may be tried in the case of dishonesty in the course of his duties. He may be dismissed only as a result of a judicial conviction for a serious criminal offence. If discharge from liability is refused the assembly may decide to sue for damages.

Concerning the conditions governing resignation, the assembly shall relieve an elected representative of his mandate when the elected representative wishes to resign, unless there are special reasons to the contrary.

There are no limitation concerning the duties or activities that may not be exercised by an elected representative after the end of his term of office as well as no aid is provided to assist the vocational reintegration of elected representatives who are not re-elected.

5.3. Elected representatives´working conditions

There is a national legislative framework governing working conditions but which leaves room for local variations. Elected representatives belong on average 1,4 committees. There are no indicators of current interest of the number of working hours such an office involves. However, an increasing number of resignations have been recorded, on account of the difficulty of reconciling one's occupation, family life and political office. Meetings take place either in the evenings or during the day. More and ore meetings are held during the day. Elected representatives with special responsibilities or functions are provided with offices and secretarial services. Besides, a subsidy is paid to the parties represented so that they may finance their own secretarial services.

Educational activities are arranged both by the political parties for their members and by the municipality or county council. Educational activities can be courses, lectures or other special information activities. The need for educational activities differs a lot from municipality to municipality and from one term of office to another. The number of new elected representatives in proportion to more experienced representatives differ.

Documentation is provided on the workings of local authorities and the duties and responsibilities of elected representatives.

Local elected representatives may take leave from their regular occupation in order to attend official meetings counting as part of their elective term of office as required by their mandate and no special requirements are prescribed.

Elected representatives are entitled to reasonable compensation for the earnings and the pension and holiday benefits which they lose when discharging their mandates. This does not apply, however, to elected representatives who discharge their mandates full time or for a considerable proportion of full time.

The assembly may decide that elected representatives receive compensation for travel expenses and other expenses occasioned by their mandate, a remuneration for the work which their mandate entails, a pension and other financial benefits, to a reasonable extent.

In the event of the assembly deciding that a remuneration be paid, the remuneration shall be set at equal amounts for equal mandates. This, however, does not apply to elected representatives who discharge their mandates full time or for a considerable proportion of full time.

Local authorities are also entitled to provide financial support for parties represented on the elected bodies. These subsidies shall generally be paid with part of the sum as a basic support to all the parties represented in a local assembly, and part in relation to the number of seats they hold.

Compensation for expenses are tax-free. On the contrary their remuneration considered as income and income-tax must be paid. The contribution for health insurance and retirement pension is calculated on total income. The size of the contribution or pension is dependent on one's income in that way that the higher income the bigger contribution or pension.

5.4. Sexes representation in the local authorities

Men are generally speaking still in majority among the representatives.

The situation for elected women in the *municipalities* can generally be described as follows:

- 40 % of the locally elected representatives are women,
- 25 % of the chairmen of a committee are women,
- women are better represented among the vice chairmen and the alternates than among the chairmen and the ordinary members of a committee,

- women have a better representation in committees responsible for child care, schools and social welfare than in other committees,
- women are better represented in big and major cities and suburbs compared to other municipalities.

The number of women in the assemblies varies a great deal among the municipalities. It differs from 22 to 53 per cent of the representatives.

The situation is somewhat different in the *county councils* even though there are still more men than women in the assemblies and the committees. Generally speaking the situation can be described as follows:

- 47 % of the representatives in the assembly are women,
- 45 % of the chairmen of a committee are women.

6. DISTRIBUTION OF POWERS BETWEEN THE VARIOUS CATEGORIES OF LOCAL AND REGIONAL AUTHORITIES

6.1. General principles

Local authorities in Sweden have for many years had wide-ranging autonomy. It is stipulated in Chapter 1, Section 1 in the Instrument of government that the municipalities and county councils have a special independent position in their relationship to the state as they fulfil their tasks on the basis of the principle of local self-government. The principle of local self-government is nowadays also stipulated in Chapter 2, section 1 of the Local Government Act under the heading General Powers.

Municipalities and county councils have a general right to decide on matters of public interest which concern the areas over which they have jurisdiction or the people in those areas. The authority to get involved in matters is in fact determined by case law.

The powers of the municipalities are laid down either in the Local Government Act or in special laws, i.e. provisions relating to municipal responsibilities in education, the social services, the environment etc.

6.2. Participation of local/regional authorities in national economic and spatial planning

There is a continuous dialogue going on between the government and the Swedish Association of Local Authorities and the Federation of Swedish County Councils about economical issues concerning the municipal economy.

Function	Competent authority			Type of competence				Exercise of the competence				Remarks
	State	Intermediate*	Municipality****	Exclusive	Shared	Compulsory	Discretionary	Direct	Indirect	In own right	For another authority	***
General administration												
Security, police	●			●		●		●		●		A
Fire protection			●	●		●		●		●		A
Civil protection	●		C ●		●	●		●		●		A 1
Justice	●			●		●		●		●		A
Civil status register	●					●		●		●		A
Statistical office	●		C ●		●	●	●	●		●		A 2
Electoral register	●			●		●		●		●		A
Education**												
Pre-school education			● I/S	●		●		●		●		A
Primary education			● I/S	●		●		●				A
Secondary education			● I/S	●		●		●		●		A
Vocational and technical			● I/S									A
Higher education	●		C I/S		●	●		●		●		A 3
Adult education			● I/S		●		●	●		●		A
Other												
Public Health												4
Hospitals			C ●	●		●		●		●		A
Health protection	●		C ●		●	●		●		●		A

(*) where several intermediate levels exist the competent local government is indicated

(**) in case there are any remarks see last page in this country's table

(***) the type of local government includes: county councils (C) and municipalities (●)

Function	Competent authority			Type of competence				Exercise of the competence				Remarks **
	State	Intermediate*	Municipality****	Exclusive	Shared	Compulsory	Discretionary	Direct	Indirect	In own right	For another authority	
Social Welfare												
Kindergarten and nursery			●	●		●		●		●		A
Family welfare services			●	●		●		●		●		A
Welfare homes			●	●		●		●		●		A 5
Social security	●			●		●		●		●		A
Other												
Housing and town planning												
Housing			●				●					A
Town planning			●	●		●		●		●		A
Regional/spatial planning	●		C ●		●	●		●		●		A
Environment, public sanitation												
Water & sewage			●	●		●		●		●		A 6
Refuse collection & disposal			●	●		●		●		●		A
Cemeteries & crematoria												A
Slaughterhouses												A
Environmental protection	●		●		●	●		●		●		A
Consumer protection	●		●		●	●	●	●		●		A 7
Culture, leisure & sports												8
Theatres & concerts	●		C ●		●		●	●		●		B
Museums & libraries	●		C ●		●		●	●		●		B 9
Parks & open spaces			●	●		●		●		●		B
Sports & leisure			●				●	●		●		B

(*) where several intermediate levels exist the competent local government is indicated

(**) in case there are any remarks see last page in this country's table

(***) the type of local government includes: county councils (C) and municipalities (●)

Function	Competent authority			Type of competence				Exercise of the competence				Remarks ***
	State	Intermediate	Municipality****	Exclusive	Shared	Compulsory	Discretionary	Direct	Indirect	In own right	For another authority	
Religious facilities	•					•						A
Other cultural facilities	•		•				•					B
Traffic, transport**												
Roads	• I/M		• I/M		•	•		•		•		A
Transport	• I/M		C • I/M		•	•		•		•		A
Urban road transport			C • I/M			•		•		•		A
Urban rail transport	• I/M		C • I/M		•		•	•		•		A
Ports	•		•				•					A
Airports	•		•		•		•	•		•		A
Other traffic & transport												
Economic services												
Gas			•				•	•		•		A
District heating			•				•	•		•		A
Water supply			•				•	•		•		A
Agriculture, forests, fishing	•			•		•		•		•		A
Electricity	•		•		•			•		•		A
Economic promotion												B
Trade & industry	•			•		•		•		•		A
Tourism	•		C •		•		•	•		•		B
Other economic services												
Other functions												

(*) where several intermediate levels exist the competent local government is indicated

(**) the competence refers to infrastructures (I) or to the management (M)

(***) in case there are any remarks see last page in this country's table

(****) the type of local government includes: county councils (C) and municipalities (•)

REMARKS

- A. Legislation/ordinances.
- B. Unregulated.
- 1. The responsibility for civil defence/protection is divided between the state and the municipalities and the county councils. Each municipality has independent responsibility with regard to civil defence under the supervision and coordination of the county administrative board in the county concerned. The National Rescue Services Board has supreme responsibility in this field.
- 2. Statistical office is compulsory for the state but discretionary for the county councils and municipalities.
- 3. Higher education is primarily within the state's competence. County councils are responsible for some nursery schools.
- 4. As regards the health services, the county councils are responsible for hospitals, while the municipalities are responsible for convalescent homes and long-term care.
- 5. Many municipalities are owners of local authority housing corporations on a discretionary basis.
- 6. If, due to health protection aspects, there is a need for establishing public water supply it is a responsibility for the municipality to control that this is done properly.
- 7. Consumer protection is compulsory for the state but discretionary for the municipalities.
- 8. In cultural matters the municipalities themselves decide on policy and implementation.
- 9. Some museums are under government management (the Central Board of National Antiquities). The county councils are responsible for regional museums and theatres.

7. CO-OPERATION AND OTHER TYPES OF LINKAGE BETWEEN LOCAL/REGIONAL AUTHORITIES

7.1. Institutionalised co-operation (consortia) for the performance of tasks of common interest

a) Legal framework

In the Local Government Act Chapter 3 Section 16 it is stipulated that municipalities and county councils are free to transfer the management of a local government concern, for the conduct of which no special procedure has been prescribed, to a limited company, a trading partnership, an incorporated association, a non-profit association, a foundation or a private individual. It is not possible to transfer exercise of authority.

Municipalities and county councils are also free to set up and join local/regional federations of local authorities which have the status of public authorities. It is possible for these federations to handle exactly the same kind of issues that a municipality or a county council is entitled to or obliged by law to handle. This includes exercise of authority. These federations are regulated by the Act on federations of local authorities.

b) Nature of consortia or joint authorities

The municipal enterprises or the federations of local authorities are voluntary and they can be established to handle one or several issues.

Enterprises are established in several fields. A majority of them are limited companies. Many of them are found in the technical field such as housing, water and electricity.

Federations of local authorities are found in example in the fields of upper secondary school, emergency and rescue services.

c) Organisational forms

As mentioned, the municipalities and county councils are allowed to establish limited companies, trading partnerships, incorporated associations, non-profit associations, foundations or federations.

The relationship between the members of the enterprises does not differ from the relationship between owners of private enterprises. Municipal enterprises have to follow the ordinary regulation on associations.

The federations are regulated by law, particularly the financial aspects. Nevertheless local authorities have a quite wide freedom to decide by themselves the details concerning their co-operation.

Municipalities and county councils are free to a certain degree to conclude co-operation, agreements without establishing formal enterprises or federations. This is as a general rule possible in all fields except formal decision-making.

Nevertheless one has to bear in mind the regulation on public procurement. This regulation is in some fields an obstacle to conclude agreements without fulfilling a public procurement procedure beforehand.

7.2. Legislative provisions concerning associations of local authorities at national or regional level and their relationship with government authorities

There are no special regulations on this. Municipal enterprises do not have a special stand compared to private enterprises as far as the relationship with government authorities is concerned. The same goes for the federations.

7.3. Co-operation between local/regional authorities in different countries

There are no specific regulations stipulating the right for Swedish municipalities to cooperate with municipalities outside the country. In fact since 1977, Sweden and the Nordic countries have allowed local authorities to co-operate with their opposite numbers in other countries, provided that there are no legal obstacles as regards these authorities' powers.

National legislation statute certain obstacles for international co-operation as well as co-operation between municipalities within the country as far as some decision-making power is concerned. It is for example not possible for a municipality to delegate decision-making power on exercise of authority to another authority or legal person.

Swedish local authorities are not subject to any restrictions on membership of international associations.

8. FINANCE

8.1. Taxes

Local and/or regional authorities' main "own tax", i.e.: in which no other authorities have a share, is the local income tax which provides about 62 per cent of municipal – and 77 per cent of county council revenue (1994). This tax is collected by the state agencies and subsequently transferred to local authorities.

Local and regional authorities are not entitled to introduce new types of tax without legislative authorisation. Furthermore, no taxes are levied by addition to state taxes.

8.2. Grants from higher authorities

Grants from higher authorities are mainly the state grants which make up about 20 per cent of municipal and about 10 percent of county council revenue.

State grants are not divided with respect to expenditure and investments. The local authorities are free to use them as they find it most appropriate.

State grants are divided into general grants (block grants) and grants directed to specific activities (earmarked grants). About 60 per cent of the state grants are block grants. General grants have been used to give local authorities equal financial conditions. For earmarked grants the criteria are various temporary needs such as "education as a remedy against unemployment", compensation for the reception of refugees in the communities etc.

The grants system is regulated by law according to which general state grants are given to municipalities and county councils on the basis of a uniform amount per capita. The precise amount is decided by the government or the authority authorised by the government.

Changes in the system of government grants can only be made by parliament.

8.3. Financial equalisation

A new system of state grants and tax equalisation for municipalities and county councils came into force on 1 January 1996.

The municipalities and the county councils are today responsible for activities that have a very important bearing on the creation of equivalent living conditions for the entire population. There are great differences in the economic circumstances of individual municipalities and county councils as regards for example tax bases and structural conditions. The governing principle of an equalisation system is for the equalisation to ensure that all municipalities and county councils will be able to operate on equivalent economic terms. The system must also be designed so as to be stable and tenable in the long term, as regards both equalisation effects and funding.

The main components of the new equalisation system for municipalities and county councils are

- income equalisation,
- equalisation of structurally related cost differences,
- general capitation grants, and
- certain transitional rules.

After equalisation all municipalities and county councils are to have incomes corresponding to the national average. This scope is reached through a system including one part levying equalisation charge on municipalities and county councils that are from an economical point of view better off and another part where equalisation grants is given to them standing in a worse economic position. Municipalities and county councils with a taxable income per capita falling short of the national average will receive equalisation grants. Municipalities and county councils with a per capita taxable income exceeding the national average are to pay an equalisation charge to the state. The government decides the grants/charges for each and every municipality and county council. After equalisation, practically all municipalities and county councils will have a tax base varying between 98 and 101 percent of the national average.

The new equalisation system implies an equalisation of structurally related cost differences between municipalities and county councils respectively for mandatory and certain optional activities and for certain non-operational expenditure. The equalisation is based on uncontrollable factors which are taken to express differences of needs and structure in each of the activities concerned. Municipalities and county councils with relatively disadvantageous structural conditions will receive an equalisation grants from the state, whereas those whose structural conditions are relatively favourable will pay an equalisation charge to the state. A per capita structural cost will be calculated for each municipality and county council. In the process of cost equalisation, theoretical cost differences between municipalities and county councils respectively will be calculated for one activity at a time. With this method, allowance can be made to the often completely different factors governing expenditure on the various activities.

For many municipalities and county councils, the outcome of the new system of equalisation will be great changes to funding allocations compared with the present situation. For this reason, the new system is being gradually introduced over a period of eight years.

A parliamentary Commission has been appointed for the purpose of continuously observing, evaluating and developing the new equalisation system.

8.4. Other sources of income

Other sources of income include: fees and charges paid by users of local/regional authority services (in 1994 amounted for 33 billion SEK); rents from local and regional authorities property (4 billion SEK in the same year) and interests on capital (7 billion SEK in the same year). Finally other types of revenue amounted to 37 billion SEK in the same period.

It should be noted that in order to increase their income, municipalities and county councils can also sell real estate and property.

8.5. Borrowing

There are no restrictions on where or from whom local authorities may borrow. They may even borrow abroad. More over, no authorisation is required. central government is not a source of borrowing.

8.6. Economic control by the higher authorities

Economic direct control is not exercised by higher authorities. The Local Government Act contains general provisions concerning responsible financial management by local and regional authorities. However the central government follows the economic development in the local authorities very closely but not on the purpose of controlling and correcting any mistakes or unsatisfactory condition in an individual municipality or county council. Every year, parliament specifies a frame for local authority development in terms of desirable volumes.

Local and regional finances are included in national financial and economic planning. The main reason for this is that local and regional finances represent an important part of the total public economy and, as a result of that, of the GDP. Local government expenditure in 1994 equalled some 25 percent of GDP. There are several linkages between national economy and local economy. One is the state grants, their justification, their amount, etc.

The state can control the local authorities indirectly through the level of state grants. It is possible for the parliament to lay restrictions on local authorities' margin of decision concerning the level of local income tax. This has precisely occurred in recent years (1991-1993). It is also possible for the parliament to decide that fees and charges may not be levied on certain public services. For its part, the state can only lay down guidelines concerning the financial scope of the local government sector.

9. CONTROLS OVER LOCAL/REGIONAL AUTHORITIES

9.1. General principles

The state does not only establish the bases of the organization of the municipal sector, it also imposes different tasks on it. At the same time, the state has an interest in controlling how the duties are carried out. There are two main aspects of state control. On the one hand, it is essential for the state to control that municipalities and county councils do fulfil their obligations as provided by law. On the other hand, it is essential that the state control does not distort the meaning of the principle of local self-government even though the local autonomy can never be absolute as the municipalities are not equivalent to independent states. The state control is for this reason always a matter of balance between these aspects.

State control may be in the forms of *legal, financial or political*. The state can use various instruments of *direct or indirect control* by way of legislation or by giving powers to state authorities – i.e. courts, central and regional government agencies or central government Ombudsmen. The purpose of the measures taken by the state is to *obstruct wrong or illegal/unlawful municipal decisions* and their effectiveness varies. In some cases the sanction against illegalities is the risk of *losing state grants* or being the target of *special supervision* carried out by central government agencies. Even if it is not a direct legal control it is essential to see that ear-marked state grants and the regulation steering such grants can be a very important method for the state to control the use of financial resources at local level in order to make sure that the municipalities fulfil central government policy.

The *judicial control* is never an *ex officio* proceeding but engaged only after a complaint over application or execution of a municipal decision. In this respect the state depends on actions taken by the citizens for controlling the activity in question. Thus, the judicial control is at the same time a remedy for the citizens and a way for the state to control the local authorities. All members of a municipality or a county council are entitled to make appeals against municipal decisions. This is a very important characteristic of Swedish local self-government. This kind of appeal is regarded as a democratic instrument by which residents can have the legality of a municipal decision checked by the administrative courts. Appeals are of greatest importance when they deal with the voluntary sphere. For example the limits of local government authority. This is determined by case law instead of using detailed regulation. In practice certain principles have gradually evolved which limits the local government sphere of authority. Most of these principles which the administrative courts have turned into customary practice have now been enshrined in the Local Government Act.

State control is also performed by a number of *central government agencies* such as the National Board of Health and Welfare, the National Education Agency, the county administrative boards, the Parliamentary Ombudsmen and the Chancellor of Justice. These agencies carry out an *administrative control*. Some of these agencies are by law enjoined to make special allowances for the right of local self-government when carrying out such control. The agencies often have the right to take measures on *ex officio control* and not only upon request.

Earlier some municipal decisions had to be submitted and approved by a state authority, most often the state county administrative board. This kind of state control was prescribed for municipal decisions on e.g. raising loans and local regulations.

9.2. Administrative control

Municipal activities are supervised by a number of state authorities. It is obvious that they do not all have the same authority as the courts to judge and declare municipal decisions null and void. Still their ways of dealing with incorrectness differ. Some of them can insist upon or force corrections and even use fines, some mainly use the possibility to inform central government of discords and yet others can bring issues to court.

The power and authorization to supervise and the ways of supervising municipal activities is governed by special acts or ordinances. Such authorization is found in e.g. the acts concerning the Instructions for the Parliamentary Commissioners for the Judiciary and Civil Administrations (The Parliamentary Ombudsmen, 1986:765), and the act on the Supervision of the Chancellor of Justice (1975:1339) and the ordinances concerning the Instruction for the Chancellor of Justice (1975:1345), the Instruction for the National Board of Health and Welfare (1988:1236), the Instruction for the National Education Agency (1991:1121) and the Instruction for the Data Inspection Board (1988:912).

Administrative control is performed by the following:

- *The Parliamentary Ombudsmen*, competent to verify whether a local authority's action infringes civil rights.
- *The Chancellor of Justice*, with special supervisory tasks in the field of freedom of press and freedom of speech as laid down by the Constitution and the Act of Automatic Data Processing.
- *State county administrative boards*, competent for ensuring that municipalities fulfil their obligations as laid down in special acts regulating the compulsory sector.
- *The National Education Agency*, responsible for the supervision of municipalities' fulfilment of national goals in the field of education as decided by National Parliament and statued by laws, ordinances, curricula and syllabus.
- *National Board of Health and Welfare*, responsible for the fulfilment of national goals on social policy (including social welfare, health service, medical treatment and dental service) at local level with some scope for local adaptation.
- *The National Data Inspection Board*, responsible for issues concerning automatic data processing.

9.3. Judicial control

Most decisions made by municipalities and county councils can be the subject of judicial control. In some cases the appeal is in the hands of an administrative court, in others by a civil court and yet in some cases by a special court of law. The decisions that can be the subject of judicial control are specified in the Local Government Act and in a huge range of special acts.

The various types of courts have dissimilar power to treat a municipal decision. If only the legality is examined the court is only competent to repeal that decision not to substitute it. On the contrary, if also the suitability is examined, the court is entitled to substitute the decision with another decision. In some cases e.g. actions for the recovery of damages, the court can reduce the claimed amount to what a party in fact can prove being the extent of the damage in question. Sometimes the courts can use fines during the procedure to meet disobedience from a party. Under special circumstances the courts also have the right to use the possibility to temporarily cancel the execution of a municipal decision.

The municipalities and the county councils have the same right as any party appearing at court to appeal against a court decision. Appeals against decisions of the administrative courts are possible before the county administrative court, administrative court of appeal and the Supreme Administrative Court. Appeals against decisions of civil court are possible before the district court, court of appeal and the Supreme Court.

Judicial bodies competent for judicial control are:

a) Administrative courts

Administrative courts examine either only the *legality* (assessment of legality) or both the *legality and the suitability* of a decision (administrative procedure, civil case procedure). The decisions that can be the subject of legal control by administrative court are pointed out in Chapter 10 of the Local Government Act. Decisions that in the administrative courts can be the subject of control of the suitability or/and the legality are all defined in special law.

b) Civil courts

The jurisdiction of *civil courts* is wide in the sense that a huge range of subjects of contention where the municipality is involved can be put forward to the court as the municipalities and county councils can be considered not only as public authorities, but also as subjects of private law, ie: contracting parties or owners of property. In this connection, municipalities can come before courts as individual parties just like any private entity or person. Actions for the recovery of damages are treated as civil cases.

c) Special courts of law

The *special courts of law* manage special legal problems laid down in law in conformity with specific procedures.

Finally it should be noted that in Sweden there is no *constitutional court*. Courts have the right to not apply acts that they find are contrary to the Constitution.

10. REMEDIES FOR INDIVIDUALS AGAINST DECISIONS OF LOCAL/ REGIONAL AUTHORITIES

Appeal against a decision made by a municipality can only be made by a member of the municipality, i.e. an individual who is registered there, owns real property there or pays local tax there. Higher courts can review the legality of the decision in question. Following such a review, a decision can be declared erroneous if it is not made in accordance with due process of law, if it does not relate to matters over which the municipality has jurisdiction, if the body responsible for the decision does not have the authority to make such a decision, or if the decision is contrary to laws or regulations. If the decision is declared erroneous it is cancelled, but not changed.

Appeals against administrative decisions can only be made by an interested party if the decision goes against him. The legality of the decision is revised, and if it is found erroneous it is cancelled and changed.

Appeals against both decisions by municipalities and administrative decisions are lodged with an administrative court of appeal. If an appeal in an administrative case is dismissed, an appeal can be made to the Supreme Administrative Court.

11. LOCAL/REGIONAL ADMINISTRATIVE PERSONNEL

In Sweden, members of staff are not assigned to different categories in Swedish public administration.

The municipalities and the county councils are in this respect completely independent of the government in deciding the administrative and financial status of their staff and their recruitment. The conditions of service are then not linked to those of the national civil service.

Each committee has its own administration that is responsible for managing the appointments. The leading officials or the persons in charge of an administration belonging to the sphere of activities of a committee are appointed by the municipal executive committee. Sometimes these appointments must be approved by the assembly.

The number of employees in public administration is about 100 000. About 20 000 of them are employed by the municipalities and about 6 000 by the county councils. The remainder are government employees.

The number of employees in the public sector as a whole (government, municipalities, county councils) is about 1,6 million. About 26 % of them are employed in the public health services, 22 % in the social welfare services and 18 % in education.

Municipalities

Administrative personnel	20 000
The rest	710 000

County council

Administrative personnel	6 000
The rest	267 000

12. REFORMS ENVISAGED OR IN PROGRESS

On 1 January 1997 the county of Kristianstad and the county of Malmöhus will be amalgamated to create the county of Skåne. As a consequence of this the county council of Kristianstad, the county council of Malmöhus and some of the activities handled by the municipality of Malmö will be amalgamated by January 1999. The consequence of this is that in the future there will be only 23 counties and 22 county councils. The number of municipalities is not affected.

There are also discussions going on about amalgamating some of the counties in the western part of Sweden (around Göteborg). No details have yet been decided.

According to a special law, from 1 July 1996 and for a period of seven years, municipally-owned limited companies operating in the field of public transport are entitled to participate in public procurement and to offer their services to the market outside the territory of the municipality owning the company. Through this law the relocation principle has been set aside. The municipally owned limited companies have been given a wider competence to act. The conditions established by the law are for example that the limited companies have to manage the activities in a businesslike manner, practise separated accounts for the activities and that the pricing shall be based on fair economic calculation.

The government is working on a bill dealing with mandatory legislation on municipal accounting and book-keeping. There is no such legislation today. In this connection the government is considering to introduce a legal obligation for the municipalities and the county councils to balance their annual accounts. This obligation should come into effect as from 1999 for municipalities and 2000 for county councils. The background to these reforms are the very hard economic situation both in many municipalities and county councils and at national level. The bill is due in the autumn 1996.

There are also plans for legislation on how to handle the situation that can occur when a municipality or a county council have got into a stage when they have severe difficulties in paying their debts. In recent years it has happened twice that municipalities have turned to the government for economic backing. There is a lack of regulation on how to manage such situations. There is a need for a regulation that defines for example the local governments obligations to sort out their economic problems before turning to the government, what kind of investigation is needed before state aid or other forms of assistance is given and who is to decide on economical matters. There are also discussions going on about regulation on very severe cases when the situation even claims for the state to take further actions against a local government than just to help economically. It deals with possibilities to have a greater state control over the management and the decision making power over some of the economic affairs within a county council or a municipality. It has even been discussed to let some kind of commission or state agency take over decision-making power from the local authorities. This includes delicate constitutional and political aspects that is now being dealt with within the government. A bill is due in the autumn 1996.

There has for a long time been a discussion going on about the width of public control over private entrepreneurs engaged by the county councils and the municipalities to manage municipal activities. Most often the entrepreneurs are private enterprises that normally are not obliged to show their records and papers to the public due to the principle of public access to official records. A government commission has recently proposed legislation widening the application of the principle of public access even to private entrepreneurs. This proposal will now be the subject of wider discussions.

There are plans for introducing a temporary system of economic sanctions on those municipalities and county councils who want to rise their rate of tax compared with the present level. The proposed system is supposed to work in a way that 50 per cent of the rise in tax income is kept by the state through a deduction of the state grant originally intended for the municipality or county council in question. The purpose of this system is to avoid an increase of the rate of local tax.