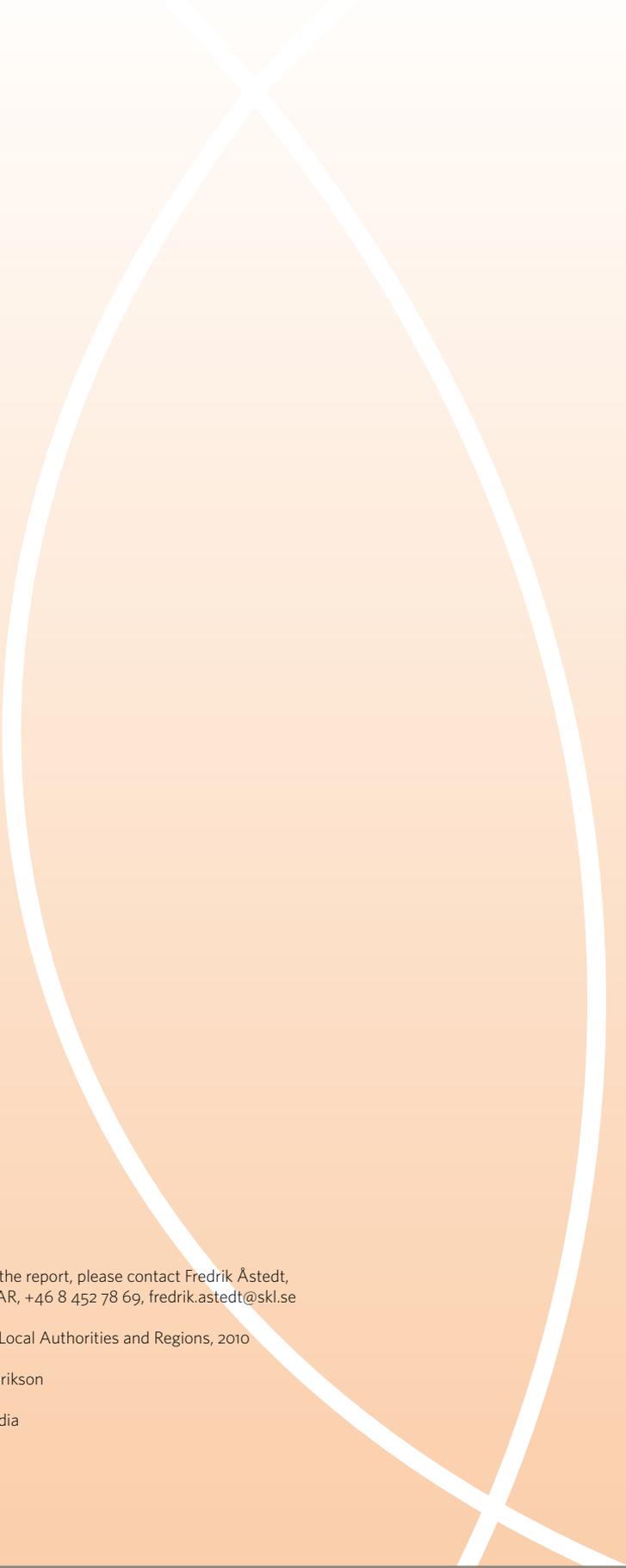


# EU in local politics

- A STUDY OF AGENDAS FROM MUNICIPALITIES,  
COUNTY COUNCILS AND REGIONS



Swedish Association  
of Local Authorities  
and Regions



For further information on the report, please contact Fredrik Åstedt,  
International Section, SALAR, +46 8 452 78 69, [fredrik.astedt@skl.se](mailto:fredrik.astedt@skl.se)

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# EU in local politics

## – a study of agendas from municipalities, county councils and regions

This folder is a summary of a report written for SALAR in 2010 by a political scientist from Lund University. The report examines the influence of the European Union on Swedish municipalities, county councils and regions. It provides a quantitative estimate of the number of political issues dealt with on local and regional level, which are affected by the EU. It also describes more closely the main areas influenced by the EU. This has been done through an analysis of agendas from meetings of municipal and county councils and through an assessment of whether the items on the agendas concern subjects that are affected by the EU or not. The analysis is based on agendas from 30 municipalities, seven county councils and one region. One agenda from each municipality/county council/region from 2009 was selected, evenly spread over the year. The report shows that, on average, the EU affects 60 percent of items on municipal council agendas. The number is slightly lower for county councils and regions, where the EU influences around 50 percent of agenda items.

## Levels of local democracy in Sweden

Sweden is divided into 290 municipalities, 18 county councils and two regions. There is no hierarchical relationship between these levels and they all have their own self-governing political bodies. The division is instead between different roles and responsibilities. Municipalities are responsible for a large share of the public services closest to their inhabitants, for example, primary and secondary education, child care and elderly care, as well as essential community services such as water supply, waste disposal and rescue services. The main responsibilities of county councils and regions are health care, regional development and public transport. The Swedish Association of Local Authorities and Regions (SALAR) represents all of Sweden's municipalities, county councils and regions. It is an employers' organization that advocates the interests of its members by, for instance, seeking to strengthen local self-government and to further the development of regional and local democracy.

SALAR has long argued that EU laws and regulations to a large extent affect the political decisions made by local and regional government. To support this claim the Association has tried to find a way to quantitatively estimate the influence of the EU, bearing in mind that influence is a concept that is hard to measure.

## Results

The analysis shows that, on average, about 60 percent of items on a municipal council agenda are affected by the EU. Regarding agendas from county councils the result is slightly lower, about 50 percent (in the analysis the regions are included with the county councils). One explanation for this difference is that municipalities and county councils have different areas of responsibility and are therefore affected to different degrees. For example, county councils are responsible for health care, which is an area over which the EU has relatively limited powers. But the lower figure might also be explained by the fact that many of the issues where the EU has an impact on county councils did not show up on the agendas, such as patient mobility and work environment. Another method of analysis might therefore have led to a different estimate of EU influence.

The EU affects different issues in different ways. This report therefore makes a distinction between two different types of influence. The first category is *legal influence* and includes those items on the agendas where the EU controls the member states through regulations and directives (which have binding effect). The second category is *political/cultural influence*, which is

defined as the influence associated with the EU's non-binding policy tools. These consist mainly of recommendations from the Council or the Commission, the Open Method of Coordination and the ten-year growth strategy, Europe 2020. This category also includes influence asserted by the EU's Structural Funds that provide resources for certain types of projects in the member states. The analysis shows roughly the same proportion of agenda items in each category, with only a slightly higher number of cases of legal influence. This means that out of the 60 and 50 percent of agenda items influenced by the EU, about half of the influence is of a binding nature while the other half is more of a *potential* influence, as it concerns issues where the EU has limited ability to legislate and therefore makes use of non-binding instruments to affect the member states.

## Legal influence

The report covers five areas of legal influence: competition, environmental regulations, food safety, anti-discrimination and statutory audit.

The EU's main task is to maintain a single market with free movement of goods, persons, services and capital. To this end there are rules that prohibit government action that discriminate against companies from other member states. EU directives on public procurement and state aid are two examples of such rules that have an impact on local and regional government. The *public procurement* directives affect a significant part of the agenda items, as many of the items involve purchasing products or services of some sort. For example, decisions to expand the range of diagnostic radiology technology, to upgrade the software in the municipality's computer system or to set up parking meters, are all affected by public procurement directives. The purpose of the *state aid* regulation is to ensure that governments do not distort competition and trade within the EU by selectively supporting certain companies. Many different forms of support could be seen as unauthorized state aid. For instance, municipalities and county councils must respect state aid rules when buying or selling land or property, or when issuing guarantees that enable a firm to obtain a better loan than what would otherwise have been available on the market.

Regarding the *environment*, the EU has laid down rules affecting a wide range of areas, such as protection of water, forests, air, animals and plants. A large part of the Swedish environmental legislation derives from EU regulations and directives. These affect local and regional governments in several ways. For municipalities, it has mostly meant new rules and duties in regard of their role as supervisory authorities for environmental and health protection. EU directives also demand that environmental considerations are in-

cluded in public plans and programmes. Municipalities and county councils are affected by EU rules and ambitions when deciding on measures to make public services more environmentally friendly.

The EU has a comprehensive regulatory framework that is aimed at ensuring *food safety* from “farm to table”, that is, regulations concerning everything from animals and plants to the finished product in the store. These rules have led to new tasks for local authorities, as well as a change in responsibilities between different supervisory authorities.

When it comes to anti-discrimination, Sweden is bound by the EU Charter of Fundamental Rights, which stipulates the social, political and economic rights of citizens. All parts of the public administration in Sweden have a responsibility to ensure that fundamental rights are respected. Municipalities and county councils are, in their role as employers, also bound by directives regarding discrimination in the workplace.

Finally, there are EU rules relating to statutory audits that affects Swedish municipalities and county councils alike. The aim is to create common rules for businesses operating in the EU. These rules demand that accountants with special expertise, i.e. professional accountants, perform audits. This has led to changes in the Swedish system, where local and regional politicians had in the past acted as lay auditors in publicly owned companies.

## **Political/cultural influence**

The report describes ten areas of political/cultural influence, including, for example, employment, elderly care, education, integration and civil protection. In these areas the EU either considers it inappropriate, or lacks the right, to control member states through legislation. At the same time, there is a perceived need for European cooperation in order to solve common problems. The main strategy has been to create possibilities for exchange of ideas and best practice between member states. It is expected that this voluntary process will contribute to a common understanding of political issues that will eventually lead to a harmonization of policies between countries. Swedish municipalities and county councils are affected through the possibility of participating in this exchange and learn from the experiences of other member states.

In the areas of employment and what in EU parlance is known as “social inclusion and social protection” (i.e. elderly care, pensions and poverty reduction), the exchange of ideas has taken a more structured form through the Open Method of Coordination (OMC). In this method, member states are asked to produce three-year strategies on how they are going to achieve a set of common EU goals. As it is often necessary to include all levels of government in order to achieve these goals, the strategies also affect Swedish

municipalities and county councils. The same logic applies to the ten-year strategies for economic growth and employment that set long-term objectives for the Union. The new strategy, Europe 2020, includes headline targets regarding, for example, employment, education, poverty reduction and the environment. All of these are issues that appear on county council and municipal assembly agendas.

That being said, the influence of the EU in the areas included in the political/cultural influence category is probably felt most strongly, on local and regional levels, through the Structural Funds: the European Social Fund (ESF) and the European Regional Development Fund (ERDF). These funds provide financing for projects that are in line with EU policies and goals. Through them, Swedish municipalities and county councils are able to finance projects aiming to, for instance, lower unemployment, increase integration, build infrastructure and promote business development.

## Conclusion

An important mission for SALAR is to monitor all EU issues that are of relevance to the Association's members. With this in mind, the report concludes with a few reflections concerning areas that are of particular importance to municipalities and county councils. Four such prioritized issues are presented:

- 1. Monitor the development of services of general interest (SGI) / services of general economic interest (SGEI).** The meaning of these two concepts is discussed in more detail in the report, but they concern which public services should fall under EU competition rules and which should not. This is an important issue as competition rules have a large impact on municipalities and county councils.
- 2. Defend the principle of subsidiarity.** This principle means that in certain areas, the EU should only act on an issue if it is more effective to do so than action at national, regional or local level. Municipalities and county councils have a strong interest in preserving their autonomy, at the same time as they have a unique knowledge of local and regional circumstances that can help in the judgement of what level could most efficiently deal with an issue.
- 3. Monitor the development of EU cohesion policy.** The Structural Funds are the tools of the EU's cohesion policy. The funds are important for local and regional development and it is thus important to ensure that Swedish municipalities and county councils have continued access to them.

**2. Promote the active involvement of local and regional government in the implementation of the EU's growth and employment strategy and in the OMC process.** This report shows that the EU's non-binding forms of influence, in the form of the ten-year growth strategy and the OMC, are relevant at local and regional level. It is therefore important that municipalities and county councils play an active role in the drafting and implementation of these policies.

## **The Swedish Association of Local Authorities and Regions**

The Swedish Association of Local Authorities and Regions (SALAR) represents the governmental, professional and employer-related interests of Sweden's 290 municipalities, 18 county councils and two regions (Västra Götaland and Skåne). They are all members of the Association. The Association strives to promote and strengthen local self-government and the development of regional and local democracy. The activities of the Association are financed by the fees paid annually by members in relation to their tax base. The organization is politically controlled. The members appoint representatives to the Association's Congress, the highest decision-making body. The Congress elects the Board of Directors, which is responsible for the day-to-day activities of the organization.

### ***A European and international perspective***

The European Union directly or indirectly influences between 50–60 percent of the items on local and regional assembly agendas. The issues may vary from European legislation concerning public procurement, the environment or food safety. The Association therefore aims to become a visible force in European politics. Mainstreaming the international perspective into the Association's daily work is an important element of this effort. All experts at SALAR look after the interests of the members and attempt to influence policy initiatives in the EU at an early stage. The EU perspective is coordinated by the international section, which is based in both Stockholm and in Brussels, as well as by the EU coordinators in the Association's different departments. SALAR also supports members in their international work, and offers various platforms for exchanges of experience and best practice.

### ***Local and regional democracy***

Local and regional democracy is the starting point for all SALAR's work. The ambition is to develop self-government in order to give the members greater freedom of action. The Association aims to become the arena in which local and regional government policy takes shape. SALAR establish forums and working methods that develop the commitment, interest and participation of its members and the public in relation to a wide range of social issues.

## **A MATTER OF DEMOCRACY.**

SALAR is an employers' organisation for municipalities and county councils.

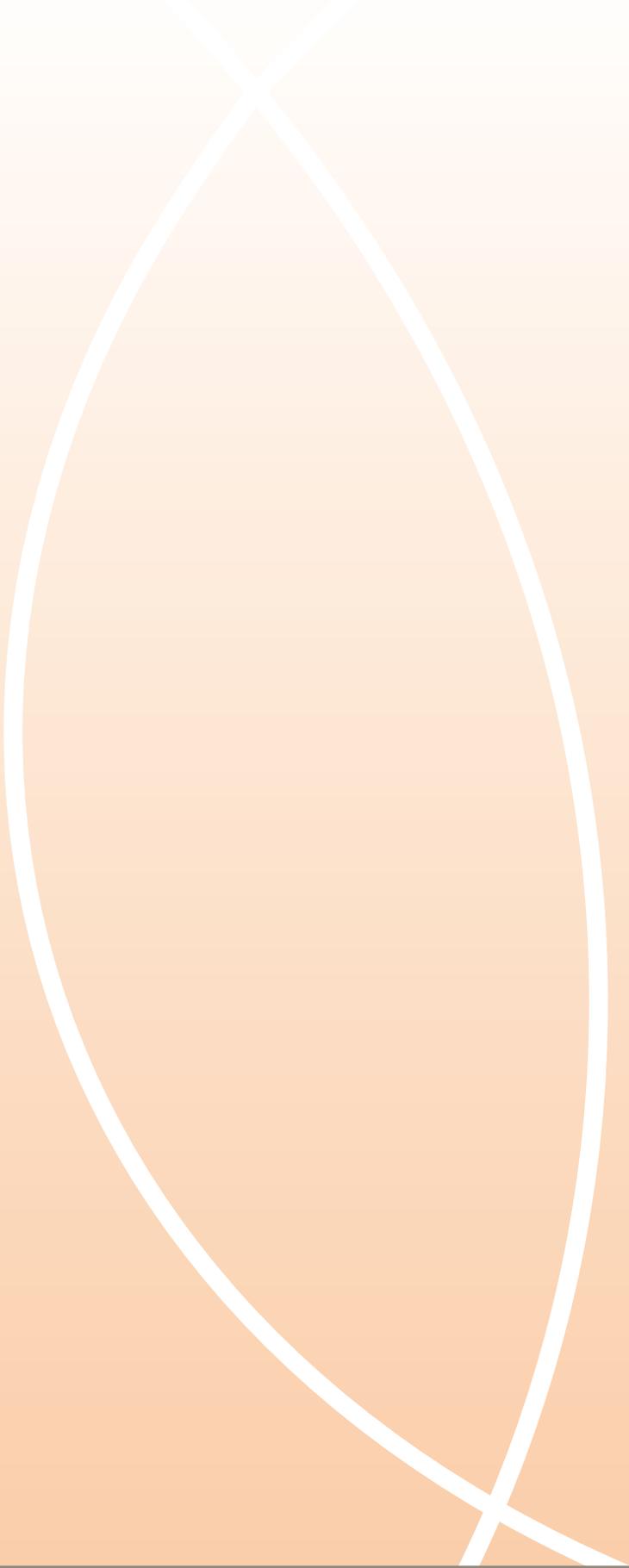
We advocate the interests of our members and offer them support and services.

We raise issues, act vigorously and work to shape public opinion.

Our mission is to provide municipalities and county councils with better conditions for local and regional self-government.

Our vision is to develop the welfare services and quality of life.

It's a matter of democracy.



Swedish Association of Local Authorities and Regions (SALAR)  
Brussels office  
Square de Meeús, 1  
BE-1000 Brussels  
Belgium  
Phone: +32 2 549 08 60  
Fax: +32 2 502 72 27

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**Swedish Association  
of Local Authorities  
and Regions**

*Visiting address:* Hornsgatan 20  
*Postal address:* SE-118 82 Stockholm  
*Telephone:* +46 8 45 2 70 00  
*Fax:* +46 8 45 2 70 50  
*E-mail:* [info@skl.se](mailto:info@skl.se)  
[www.salar.eu](http://www.salar.eu)