



Securing Rural Public Services through Inter-Municipal-Cooperation

Innovative Approaches from the Baltic Sea Region

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Source: www.istockphoto.com

Rural Realities



Key Challenges

- Demographic Decline
- Low Population Density
- Fragmented Infrastructure
- Long Distances & Poor Accessibility
- **Limited Access to Public Services**



Remote village access | Source: Lisann Schmidt



Dispersed housing structure | Source: Lisann Schmidt



Demographic ageing & isolation | Source: <https://www.renovabis.de>



Services of General Interest (SGI)

= public services (e.g. education, healthcare, transport, water/waste) that are essential for **social participation, well-being & territorial cohesion**

Key Characteristics

- **Public responsibility** – even if privately delivered
- **Universal access** – irrespective of place or income
- **Territorial justice** – equal living conditions across regions
- **Multi-level governance** – often fragmented responsibilities

Think of a rural municipality where the last bus line is cut due to low ridership...

⊘ **No school access** ⊘ **No doctor visits** ⊘ **No job commuting**

→ This is where SGI becomes visible – or vanishes.



Definition and Types

IMC refers to the collaboration between **otherwise independent municipalities** to fulfill **compulsory or voluntary tasks** and **provide public services** (Lintz 2016).

Type of IMC	Characteristics	Level of Formalization	Examples / Sources
Informal Cooperation	Voluntary coordination without legal contracts; mainly exchange of knowledge, networking	Very Low	Bel & Warner (2015); Osman et al. (2020)
Contract-Based-Cooperation	Formal service agreements for specific tasks (e.g. waste, transport)	Medium	van Thiel & Voorn (2019); Teles (2016)
Joint Authorities	Creation of shared institutions or administrative bodies	High	Hulst & van Montfort (2007)
Functional Area Approach	Cooperation aligned with socio-economic links (not admin borders); often multi-sectoral & spatially flexible	Variable	OECD (2021); Zimmermann & Döring (2019)



Benefits of IMC

Cost Efficiency

Shared services reduce per-unit costs

Access to Expertise

Enables administrative capacity

Improved SGI Coverage

Ensures access across municipal borders

Funding Eligibility

Improves chances for national & EU-level grants

Strategic Coordination

Aligns various policies across local units

Resilience & Flexibility

Joint action enables faster crisis responses

Sources: Bel & Warner (2015), Teles (2016), Zimmermann & Döring (2019), Osman et al. (2020)



Governance & Structures

Compare governance models for rural service provision.

How do different governance systems shape rural service delivery?

Institutional Innovations and Cooperation

Explore new cooperation models that support rural service provision.

How does inter-municipal cooperation function in different contexts?

Effectiveness & Impact

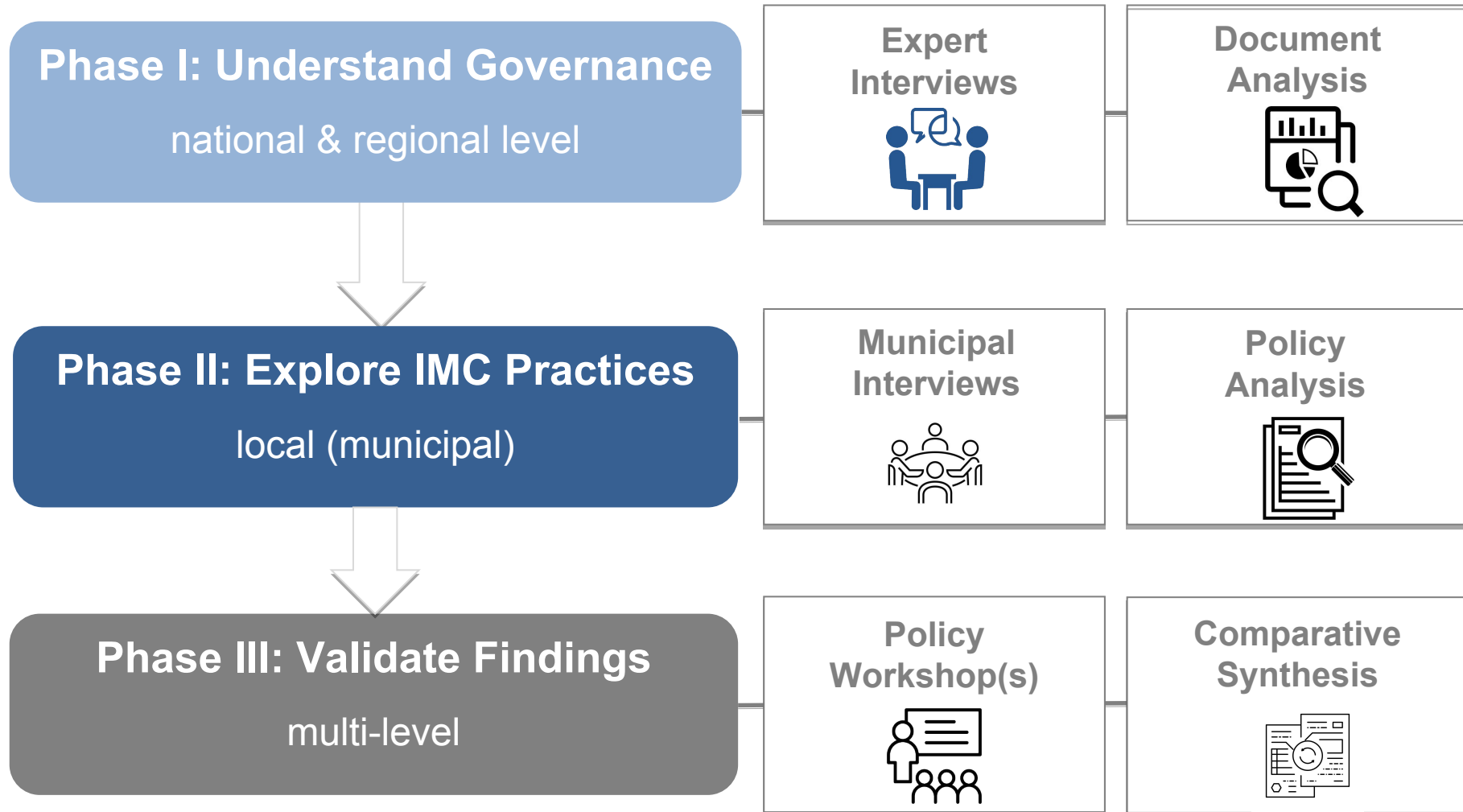
Assess the outcomes and transferability of IMC approaches.

What impact does IMC have on quality, accessibility, and long-term provision of rural services?

Empirical Foundation



Qualitative Mixed-Methods



Baltic Sea Region (BSR)

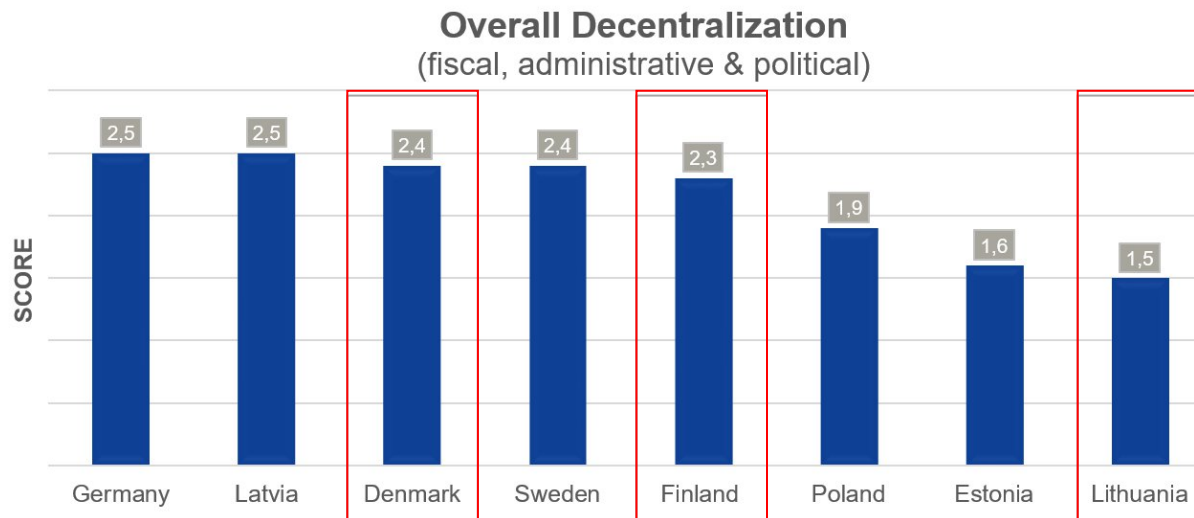


A Shared Space, Diverse Realities

- EU, Nordic & post-socialist states
- Shared regional identity and cooperation
- Administrative fragmentation & local task differences
- Different Levels of Decentralization (pre-analysis)



➤ Assumption: Different Forms of IMC



Pre-Analysis I Data Source: <https://portal.cor.europa.eu/divisionpowers/Pages/Decentralization-Index.aspx>, 2023



EUSBSR MAP I Source: <https://eusbsr.eu/about/>

IMC in Lithuania: Tauragė+



Tauragė County



Tauragė Region | Source: https://lt.wikipedia.org/wiki/Lietuvos_administracinis_suskirstymas#/media/Vaizdas:Seni%C5%ABnija_Lituania_2020.png

Municipalities

Šilalė



Tauragė



Jurbarkas



Pagėgiai

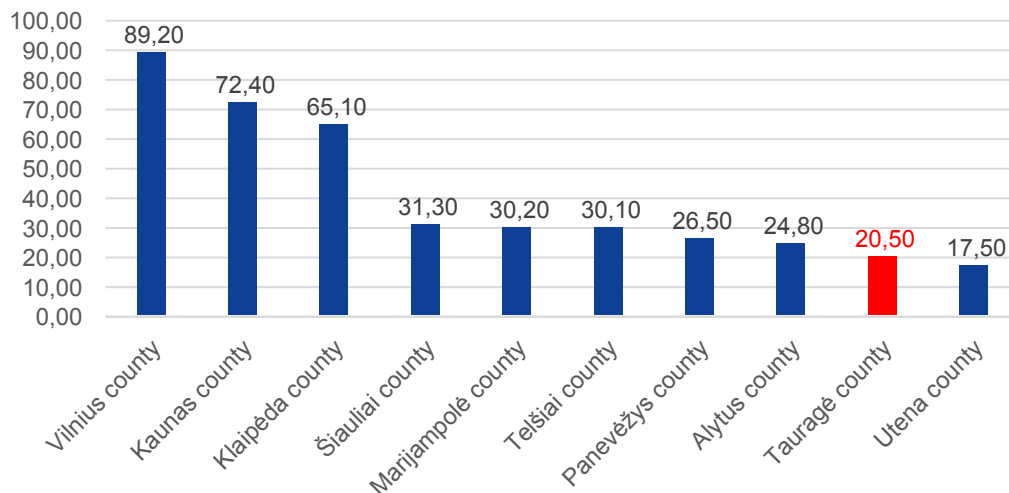


IMC in Lithuania: Tauragė+

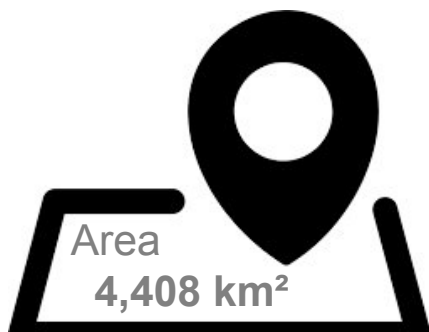
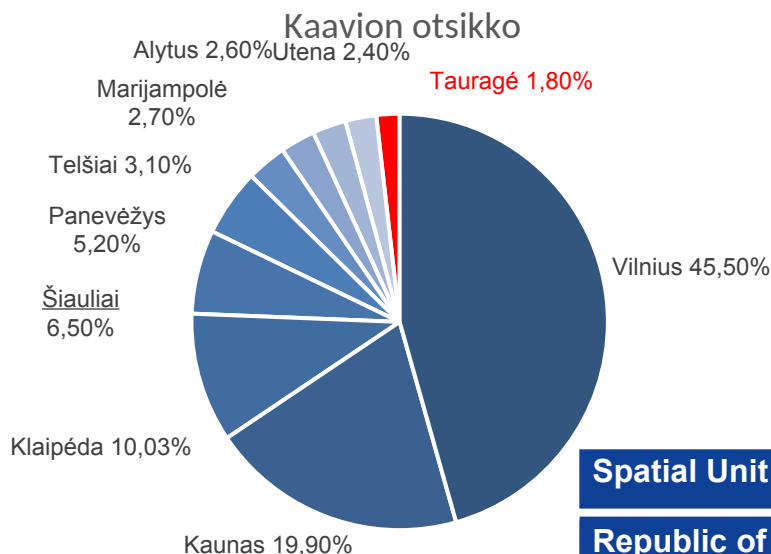


Tauragė County

Population Density 2024*
(pers/km²)



GDP Distribution in Counties 2023*



Spatial Unit	Total Population*	Urban Population	Rural Population
Republic of Lithuania	2 891 232	1 981 880	909 352
Tauragė County	90 278	41 337	48 941
Jurbarkas	25 277	12 323	12 954
Pagėgiai	7 044	1,772	5,272
Šilalė	20 698	4 548	16 150
Tauragė	37 259	22 694	14 565

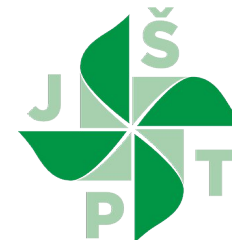
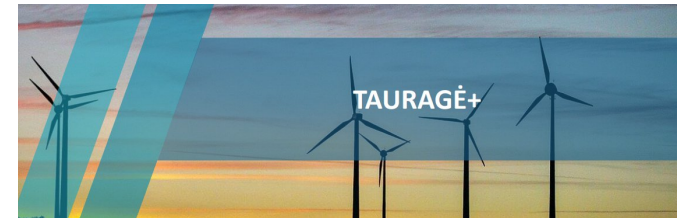
* Data Sources: Statistics Lithuania 2024 & 2025

IMC in Lithuania: Tauragė+



Tauragė+ (Functional Area Pilot)

- **4 municipalities** (~90 000 residents)
- **Functional Area pilot** established 2018/2019
- ~85% **EU Funds** + ~15% **municipal** co-finance
- **Joint strategy (2023-2029)**: Improve public services, strengthen competitiveness & deepen cooperation
- **Joint service activities:**
 - Public Transport (region & selected cities)
 - Tourism (5 centres)
 - Healthcare (selective municipal cooperation)
 - Waste-Water Management (contract-based)
- **Innovations & Identity:**
 - First integrated regional transport system
 - Green Region Agency (“Žaliasis regionas”)



**ŽALIASIS
REGIONAS**

Sources: www.lietuvszemelapis.com/taurages-apskritis/

IMC in Lithuania: Tauragė+



Tauragė+ (Functional Area Pilot)

Success Factors	Challenges Remaining
Trust, open communication	Legal fragmentation of IMC regulations
Functional thinking across borders	Competition between municipalities
Pilot spirit (sandbox logic)	Limited fiscal autonomy for scaling up
External validation (EU, OECD, World Bank)	Dependency on EU funding & 'external experts'

- **Inspiration from Finnish IMC context:**

Study visits offered concrete ideas

- **Limited domestic interest in Tauragė+:**

No interest in sharing the experiences

- **Role of external experts within**

dissemination: International Meetings

'We had two study visits in Finland.
[...] We got so many practical advice
and so many practical moves
regarding that.'

Interview, 04/2025

IMC in Finland: Savogrow



North Savo Region (248.800 inhabitants)

19 Municipalities

Total area (2025): 21 078 km²

- Of which waters 18 %

Largest City: Kuopio

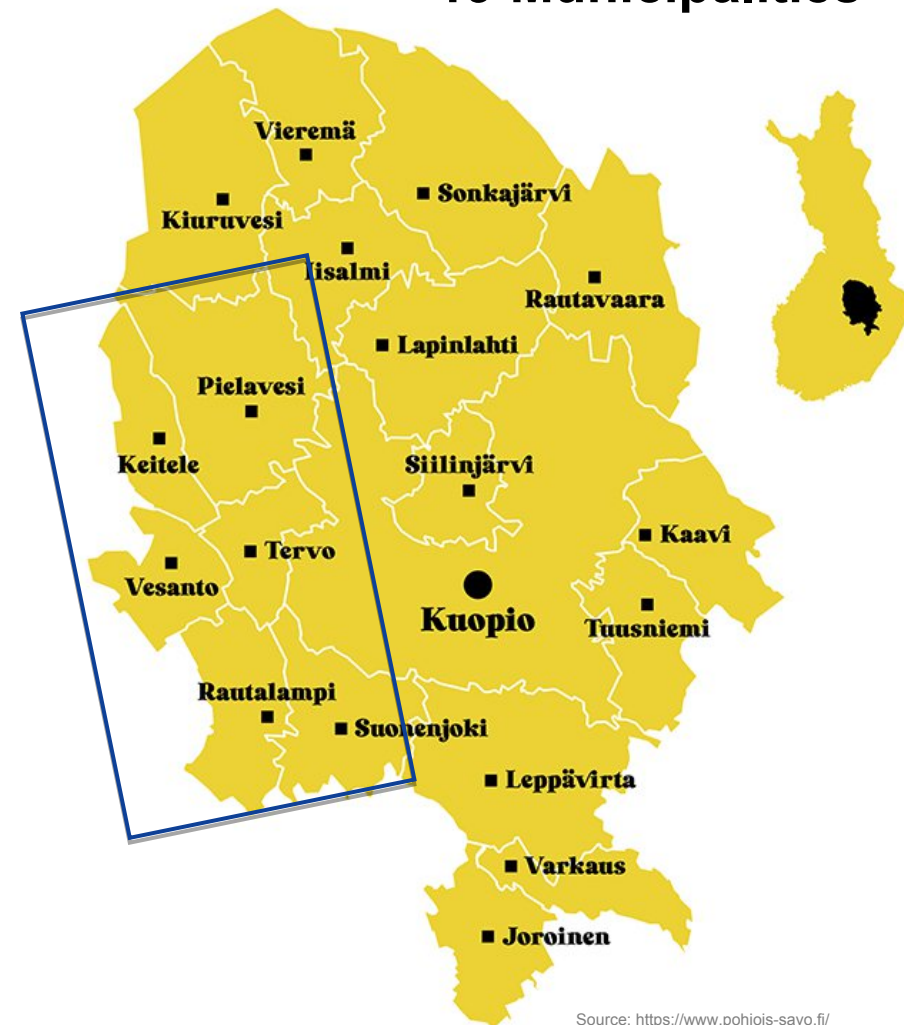
- 125 666 inhabitants

GDP 2022

- Total: 9 535 M€ (3.8 % of FI)

Largest Industries (2024)

- Metal and metal products (1.9 % of FI)
- Wood and paper (3.1 % of FI)
- Food and beverages (5.0 % of FI)



Source: <https://www.pohjois-savo.fi/>

IMC in Finland: Savogrow™

Savogrow (North Savo Region)

- **6 municipalities** (~19 200 residents)
- **Ltd company** (Oy) founded 2015
- **Membership fees** + **ext. funding** (EU/Reg.)
- Transition from business development to **regional vitality** (Strategy 2020–25)
- **Joint advisory & development projects:**
 - Business services in all municipalities
 - Sectoral projects: bioeconomy, housing, tourism, climate, education
- **Innovations & Identity:**
 - Education pilot (UKK 3.0)
 - Cross-border municipal teams
 - Regional magazine (Savo Wild West News)



Source: <https://www.savogrow.fi/in-english/>

IMC in Denmark: Byregion Fyn



Region of South Denmark (1.2 million inhabitants)

Area: 12,256 km²

22 Municipalities

Populati

98 reside



Sources: <https://vivant.dk/porto1010/danske-regioner/> | www.regionssyddanmark.dk/de

IMC in Denmark: Byregion Fyn



Business Region Fyn (Southern Island Cluster)

- **10 municipalities** (4 selected: ~130 000 residents)
- **Strategic Alliance** founded 2013
- **Membership fees + ext. funding** (EU/Nat.)
- **4 pillars** (Strategy Fyn 2022–25):
 - Labour & Education, Settlement & Attractiveness, Infrastructure & Mobility, Nature & Environment
- **Impact** on infrastructure, health & education:
 - Campus & ferry fare equalisation (Ærø)
 - Commuter rail (S-tog), Telemedicine
- **Innovations & Identity:**
 - Robotics & drones as flagship cluster
 - Geopark Fyn as soft cooperation model
 - Triple-helix partnerships

Byregion **FYN** 



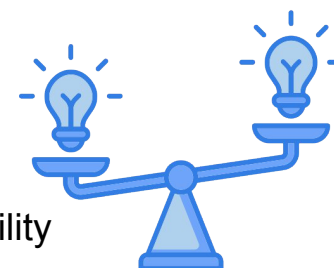
Sources: www.regionsyddanmark.dk/de | www.sdu.de | www.byregionfyn.dk

Comparison: IMC in the BSR

Dimension	Byregion Fyn (DK)	Savogrow (FI)	Tauragė+ (LT)
Rural Challenges	<u>Demographic decline</u> Workforce Island peripherality	<u>Demographic decline</u> Long distances Public Transport	<u>Demographic decline</u> Fragile economy Border disadvantages
IMC Logic	Strategic Alliance	Development Company	Functional Area Pilot
Cooperation	Institutionalised	Formalised	Experimental
Orientation	Long-term regional development	Projects & 'Regional Vitality'	Innovative services
Barriers	Asymmetry Odense–Islands State Centralisation & planning restrictions	Mayoral turnover Thin resources & funding dependence	Weak legal base EU dependence & political resistance

Cross-cutting insights

- **Topics:** mobility, education, tourism, green transition
- **Successes:** innovation & identity-building
- **Rural effects:** improved accessibility, stronger regional identities, new jobs & visibility





Changing Ruralities through Cooperation

- Rural service provision increasingly **transcends municipal boundaries**
- **IMC reshapes** rural governance and municipal responsibilities
- **IMC creates** new functional rural spaces and regional connections
- **Different governance contexts** shape pathways of rural transformation
- Rural innovation emerges through **practical problem-solving and experimentation**
- Rural resilience depends on balancing institutional **stability and flexibility**



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