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JOURNAL OF NORDREGIO

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A Modest Nordic Practice

THE PRESENT NUMBER of Journal of Nordregio deals among other things with the question of limits to regionalisation. For decades we have discussed the scope and limits of regional autonomy and self-determination within the confines of the classical nation states, whilst the practice of the early third millennium shows us few signs of bold reforms under way. The Nordic nation states remain as integrated as ever whereas other parts of Europe lend themselves to procedures that eventually result in federal solutions or at least in far-reaching regional self-governing.

In our own waters we find the self-governing islands of Faroes, Greenland and Åland presenting examples almost overlooked by mainland policy architects more prone to a modest rhetoric of partnership, devolution and the like when trying to mould models for regional diversity, creativity and development. The Nordic states may not as in earlier days any longer be threatened by foreign powers, but their need for a tight grip on their regions seems to be as strong as ever.

In the northern parts of Finland, Norway, Sweden and Russia the Sami culture covers vast areas of sparsely populated land. Having its own cross-border integrative practice of language, migrations and economic activity, the Sami element has curiously enough hardly been drawn upon to reinforce the ailing co-operation on the North Calotte. In stead the various Sami population segments have been subsumed under the national political and administrative systems of Finland,

Norway and Sweden by the establishment of separate national Sami parliaments and some Sami administration.

This practice may have its advantages as far as national integration of the Sami populations is concerned, but seems to lose out to the wider cross-border integrative potential of the Sami presence. Furthermore it should be noted that within each of these three Nordic countries there seems to be some kind of schism between Sami political practice on the one side and “national” Finnish, Norwegian and Swedish political practice on the other hampering regional learning. One cannot be but struck by the fact that the Swedish counties having the biggest relative share of Sami population are the slowest bidders to regional administrative experiments. It should have been the other way round.

One cannot be but struck by the fact that the Swedish counties having the biggest relative share of Sami population are the slowest bidders to regional administrative experiments.

The enlarged contact between the EU and the Nordic countries following Finnish and Swedish entry to the Union in 1995 reinforced the interest in new forms of regional systems of governance. Of course this rise in interest should also be ascribed to the simultaneous vague of the doctrine of the Europe of Regions. This turn of events is understandable and natural. But at the same time, the interest in alternative models of regio-

nal governance found in our own waters seem more or less neglected, at least as a source of inspiration for national and regional politicians in search of creative impulses.

It is high time we redirect of our focus. Being unable to grasp the potentials of what will usually be characterised as familiar systems of governance is understandable, but hardly excusable. The self-governing practices of Åland, The Faroe Islands and Greenland alongside with the Sami models of self-determination may look familiar to us, but the potential challenges that these models harbour – along with the struggles to reinforce them in order to meet future challenges – do present Nordic regions with powerful models of more far-reaching experiments in regional governance than those experienced hitherto within the borders of the classical nation states.

Neither ignorance nor geographical proximity should be listed as arguments for not taking these culturally based systems of regional self-governance as sources of inspiration for further regionalisation in Norden. As clearly shown by the articles on the theme in this number of Journal of Nordregio, the delegations from various Nordic regions searching Mariehamn, Tórshavn or Karasjok for input in the modelling of regional governance have been less than few. Could it be that the experiences possible picked up in these centres of autonomy are ruled out as too farfetched for ordinary Finnish, Norwegian or Swedish processes of regionalisation, or could it be that they are perceived as too challenging to cope with the frameworks of the rather monolithic Nordic nation states? ■

Mixed Experiences with Swedish Growth Agreements

by Jon P. Knudsen

The second round of evaluations of the Swedish system of regional growth agreements monitoring results from the year 2001, shows important variations in how the work has been perceived throughout the country. In some counties, such as Uppsala, Östergötland and Gävleborg the evaluation is overwhelmingly positive, whereas in Blekinge, Västernorrland, Norrbotten, Södermanland and Kronoberg, the results tend to be mixed or even negative. These regional variations seem to be coupled to the way in which the work has been conducted, as well as the topics dealt with in the processes.

Being the main tool of national partnership mobilisation for regional growth, the growth agreements encompassed as much as SEK 13,2 mill. in 2001, a rise of some 53 percent on figures from 2000. The present Growth agreement period expires in 2003, and from 2004, it will be replaced by a regional growth programme.

On the general level, respondents tend to see the growth agreements as a suitable way of conducting regional development processes, though many emphasise the “top down” perspective, or more concretely, the intrinsic state dominance as regards the processes as a whole. Similarly, there is a general feeling that the goals of these agreements may be too general in scope. A more targeted way of wor-

king would therefore be welcomed by many of the respondents.

Clearly the agreements respond to a much sought after need for regional cooperation and policy development, as the question most positively subscribed to is the one asking for whether these agreement procedures actually have a future. Only the poorly performing agreement counties such as Blekinge and Kronoberg however show a substantial number of respondents doubting the future relevance of such regional agreements.

The project evaluating the growth agreement processes has been coordinated by the Ministry of Commerce, Employment and Communication and is entitled “Andra året. Rapport om tillväxtavtalen” Ds 2002:34. ■

Report Proposes Strengthening of Norwegian Special Action Zone

by Jon P. Knudsen

A research team from Møreforskning has recently evaluated the special action zone of Northern Troms and Finnmark. Led by veteran regional policy analyst Arild Hervik, the team concluded that the measures undertaken have, when taken together, had a slight positive effect on the region. Being Norway's most vulnerable region from a demographic and economic perspective, the region has, since the introduction of a package of measures in 1990, fared more favourably than hitherto with the other peripheral regions in Northern Norway.

The research team however concludes that the overall structural and sectoral policies, and the general business climate conditions are of greater importance to future development than the isolated effects of regional policy.

The policy measures valued at NOK 2,1 bill. undertaken in this regi-

ons include

- exemption from tax on employment
- exemption from tax on investments in the construction sector
- exemption from tax on electricity consumption
- special write-down rules on study loans
- special grants to students in upper secondary schools living away from their parents
- general reduction in income tax
- more generous family allowances

Among these, the researchers are most critical of the tax exemption on electricity, arguing that the profit stemming from this measure mainly stays with the electricity suppliers. Concerning the other measures, the research group proposes their continuation, with some minor adjustments. They also propose to look more closely at the possibilities for enhanced air traffic in the region through linking the region to the Finnair national and international net by means of special agreements with the Finnish national flag carrier. ■



Special action zone of Northern Troms and Finnmark.

Swedish Report Proposes National Barents Institute

by Jon P. Knudsen

In their final report on the Swedish challenges emanating from the so called Northern Dimension process, a governmental study group situated in Norrbotten county proposes to establish a Swedish institute to cope with the various tasks of future cooperation in the Barents region. A new institute could, alongside similar existing institutes in Finland and Norway, contribute to a strengthened Nordic

effort as regards regional development in the Barents area, and would certainly make the Swedish part in this cooperation process better focused, the report maintains. According to the study, the main field of activity for such a Centre would be the setting up of a think-tank for hard and soft security policy and various other trans-national questions. The institution would also seek to serve as a centre for reference and documentation. ■

Meagre Regional Focus during Danish Chairmanship

The current Danish chairmanship of the EU promises a path ahead for enlargement and sustainability, while the Europe of the regions however seems almost forgotten.

by Jon P. Knudsen

Analysing the programme document guiding the present Danish chairmanship, one is struck by its emphasis on international affairs and on sustainability. The first concern is naturally linked to the ongoing enlargement process, which will eventually create a larger European community, while it also takes into account the changing nature of international security.

As far as sustainability is concerned, this paramount obligation permeates every policy field as a stated need to readjust practices in order to safeguard future conditions for habitation in Europe.

Left out of this important document are however references to a Europe of regions and more specifically, references to national economic and social development conditioned upon the ability to create regional growth and development. Only when commenting upon the Common Fisheries Policy is the document explicit in citing the importance of regional policy.

The Northern dimension was placed at the forefront of discussion in connection with the August Ministerial Conference in Greenland. Moreover, a short reference to the needs of sparsely populated areas is also made in this context. Meanwhile, the regional aspects of Europe are only cited in conjunction with international concerns, as for instance when dealing with the future of Kaliningrad, the Balkans, or other parts of the world.

The obvious absence of significant reference to the regional aspects of national economic growth in the document may however be judged as rather typical of the present climate of European politics, but it is nevertheless striking when the composition of EU budgets is taken into account, of which more or less one third can be labelled "regional" in one form or another.

It thus remains to be seen though, how the current Danish chairmanship will be evaluated at the end of its tenure. ■

Denmark

■ An inter-departmental delegation has been charged with the task of elaborating a model for further work on regional growth strategies.

■ A commission will shortly be established with the aim of assessing the need for amendments concerning the geography of existing administrative structures. The work is to be concluded next year.

Finland

■ Kainuu has been appointed as a test region for a pioneering experiment with a directly elected regional assembly. If successful, the experiment may end the traditional Finnish practice of two-tier democracy by introducing the region as a third or intermediate, tier of government.

■ In the new law on regional policy to be in operation from January 2003, the various ministries are made responsible for applying regional strategies to their own sectoral work.

■ A delegation looking at the relationship between the state and the major Finnish cities has been set to work, as has a separate delegation for the Helsinki capital area.

Iceland

■ Following the turmoil over the re-location of the Regional Institute to Sau árkrokur, the institute has now been given a new chairman and a new acting director.

■ A broad survey on standard of living in rural areas is currently being conducted as a jointed venture between the University of Iceland and the Institute of Regional Research in Akureyri.

Norway

■ The prime minister has finally confirmed that a broad commission looking at regional policy should be set to work. Originally proposed by the Socialist Left Party (SV), the idea was subsequently supported by the Prime Minister.

Sweden

■ One of the companies engaged in establishing a UMTS system in Sweden has applied to The National Post and Telecom agency for the renegotiation of the contract conditions.

England to Create New Regions

by Jon P. Knudsen

Traditionally looked upon as a one of the more centralised countries in Europe, England is now preparing to take a new step towards devolution. A Government white paper proposes elected regional assemblies throughout the country as a voluntary institutionalisation of regional power. The assemblies, which will be elected on a proportional basis, are offered as an alternative to strengthening already existing regional bodies and agencies. The final choice is to be left with the electors in each and every region, and the reality of having an England of different regional regimes is thus perfectly possible.

In its presentation of the white paper, the Government argues the need for economic renewal and for the re-vitalisation of English society, as well as for the need to reinforce popular involvement with governance and for the need to substantially trim away bureaucracy.

The main sectors affected by the reform will be

- economic development
- skills and employment
- housing

- sport, culture and tourism
- transport
- land use and regional planning
- environmental protection, biodiversity and waste
- public health

The new regions will be created according to already existing geographical boundaries and have their own budgets. The regions will have direct responsibility for their own Regional Development Agency and over other regional agencies and public bodies. ■

The English Regions



Map of proposed English regions

With the Maastricht Treaty of 1991 cooperation between the European nation states acquired a new name, the European Union. At the same time the regions received their much sought after formal representation within the context of the Committee of the Regions. The setting up of this organization was the crowning of a struggle for alternative forms of regional representation which itself had begun in 1985 when, on their own initiative, a number of individual regions came together and formed the Assembly of European Regions, AER. This body was inspired by pan-European and federalist ideals. In a paradoxical way their thinking was perfectly formulated in September 1988 by the then conservative prime-minister of Denmark, Poul Schlüter, when in speech to the Reform

UFFE ØSTERGAARD

Jean Monnet professor of European Civilization
Director of the Danish Centre for Holocaust
and Genocide Studies

Club in London he characterized the nation state as at one and the same time both too big and too small. The nation-state he said was too big in its relation to individual citizens and to regions, but too small to tackle the trans-national problems confronting the European Community, as well as the rest of the world.

It was paradoxical that it should take a Danish prime minister to formulate this characteristic as Denmark perceives herself to be one of the most perfect and homogeneous nation states in Europe, and sees no real role for regions in its own institutional set up. As a matter of fact, Denmark has, ever since the introduction of parliamentary democracy in the 1840's, rejected the principles of regionalism altogether along with those of federalism, both internally and externally. The Danish national liberal politician Orla Lehmann put it this way in a speech on the 28th of May 1838 in a political club in Copenhagen (Københavns Løseforening):

"Are there provinces in Denmark? No, gentlemen, there are not! Neither in the dust-covered archives, much less than in the living reality has it been possible to find as much as a name for the halves which Denmark has supposedly been divided into; in Denmark there are no provinces. Do we find the reason for this division in Jutland's connection to the mainland (laughter) - in that case the nightly wedding of the North Sea to the Liim Fiord

The Europe of Regions – a lost Project?

and the storm which ploughed the dunes of Jutland, have upset this entire system (applause). Or did the particular interests necessitate estates? But what are they? Where are they? What are they called? This question has been posed thousands of times but has never yet been answered. I will tell you the reason: Because Denmark has no other interests than those found in every parish, every district, every town, and every street - there are no provinces in Denmark. There is but one



Denmark, inhabited by Danes (strong applause). Danes of the same heritage, sharing the same history. One united people with a common character and tradition, a common

language and literature, common memories and hopes. Danes who have but one God, one faith, one King and one law as it is stated in the law of King Cristian the 5th. Therefore - in accordance with our royal law - the Danes want the entire country, without exceptions, to be united and undivided (quoted from the newspaper *Kjøbenhavnsposten*, 28th of May 1838).

This speech marked a climax in the campaign, which the liberal opposition in Copenhagen between 1838 and 1848 waged against all attempts to establish regional i.e. federal representations in the realm. Lehmann's claim of the non-existence of provinces in Denmark became a self-fulfilling prophecy, which all political parties and governments ever since have shared.

Thus it is paradoxical that it should take a Dane to express the politically correct wisdom of the European process of integration. From today's vantage point it also seems rather obvious that he, as well as his fellow heads of state, were not serious when they handed the false crown of influence to the regions in the Maastricht treaty. They had no real intention of sharing power with the regions, neither at the national nor at the European level. On the contrary, what we have witnessed since 1991 in the European Union is a process

of regionalization, that is to say, a process of saving the legitimacy of a centralized nation state by handing over only as much local or regional power as you have to in order to save the support of the voters, but crucially without losing control. A good example of this is the so-called "devolution" option in of the United Kingdom. We have not yet seen the end of this process, but it seems fair to say that the intention of the Labour government under Tony Blair has been to distract the nationalist movements in Scotland and Wales by letting regional assemblies share some of the more unpopular national decisions. And at the same time letting these bodies present themselves as squabbling and inefficient. We still do not know whether this gamble will pay off, but there seems to be a fair chance that it will.

Thus, Europe as a whole may, on a wider level, very well repeat the Danish policy of the newly established democracy of 1848-49. In reality Lehmann's motto was hardly true when it was formulated in 1838. Only after the two civil wars in 1848-50 and the defeat by Prussia and Austria 1863-64 did the a regional or federal organization of the small country came to be perceived as totally unrealistic. Had history taken another turn, however, it might have been realistic. This too may be true for the European Union. But such a change may very well require a major defeat for the larger and smaller more or less 'national' states now running the show in the EU. And nothing much seems to point in that direction. The EU may not succeed in establishing a common foreign and security policy directed by a more or less formally recognized directorate of the larger states. But such failure will not amount to a defeat for the principle of the national state. Most things seems to point in the direction of a "Federation of nation states" as formulated by Jacques Chirac, President of France, and Johannes Rau, President of Germany. And in a federation of nation states I do not see much room for the regions, neither at the national nor at the European level. ■

REGIONS or NATIONS?

Processes creating regions and states can in some respect be quite similar in nature. But the historical circumstances leading some nations to become states and others to stay as regions, may often seem inscrutable. To complicate the case, we also find states that definitely lack the imprint of

being constituted by a nation in proper terms of the word. Political entities somewhere in between the status of a nation state and yet another region should be of special interest as a source of inspiration for the ongoing discussions on regionalisation in Norden.

Lars-Anders Baer:

– We Have a New Role to Play

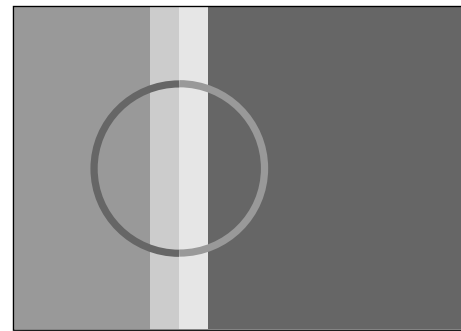
The Sami people of Northern Norden have long since pursued a goal of enhancing their political status so as to attain an equal institutional footing with the nation states of Finland, Norway, Sweden and eventually Russia. Through the utilisation of various partnership processes their struggle has made a significant leap forward. As soon as the focus changes to the right to resources however, the political climate tightens.

by Jon P. Knudsen

Lars-Anders Baer, president of the board of the Swedish Sami parliament, has been at the centre of this process for a number of years. He is thus forthright in this respect when commenting on the political development made during the last two decades:

– We now have a new role to play in this process, helped immeasurably by the ideologies of European regionalism and partnership. Before, we

were more or less trapped in the national institutional arrangement, but through the EU membership process a special protocol on Sami rights was signed, ironically on the original initiative of Norway. The structural programmes recognise a de-facto Sami region, and this has given us, to all intents and purposes, equal partner status. We have also received an increase in our level of financial resources, and through this we have finally been accepted as part of the Swedish “folkhem”. Thus



we have also been able to strengthen our position with regard to the counties and municipalities. This is of course how Brussels works, playing on the weak spot of the nation states, but it is all the better for us.

– In addition to this you have gained institutional strength in each of the countries ?

– Through the Sami parliaments in each of the three

Nordic countries we have become integrated into their respective political systems, but I should add that this also represents a weakening of our concentration on Sami issues, as these are predominantly of a trans-national nature. Therefore we pursue new solutions to our challenges through increased trans-national efforts.

– *Does this imply the Nordic Council or the Nordic Council of Ministers?*

There are initiatives there as well, but frankly, I feel these institutions have more or less become antiquated. What I would like to mention is the initiatives taken through the Home Rule Administration in Greenland and the Danish government on future work in the European Union. There are two dimensions here that are of paramount importance to us. The first is that of the Northern Dimension, the other is the so-called Arctic Window. Both of these concepts are crucial to the furtherance of our work on Sami regionalism and Sami issues.

– *As far as your needs are concerned, how do you envisage the future institutional solution to look, as these processes necessarily have to be met on a country by country basis?*

– There are ongoing processes in all three Nordic countries. Constitutionally speaking, the Finnish Sami parliament has the strongest legal status followed by that of Norway. Meanwhile, in Sweden a commission is working on possible amendments to the Constitution, though I cannot of course anticipate its conclusions, but these various processes have to be followed closely and should be supported. The Swedish process is of particular interest, as the Sami



Lars Anders Baer

cause has never been adequately dealt with in the formal institutions of our country. As such, the Sami people were never part and parcel of Swedish welfare society.

– *Do you foresee potential Sami home rule status following that of Åland or the Faroes, in terms of models?*

– This question has been raised on numerous occasions but I do not see it as an option for the moment. More important than this are the transnational solutions encompassing Sami populations and interests in more than one country. This is, so to speak, a postmodern theme, as it transgresses the scope of nation – states, as well as the Nordic systems of cooperation. What I foresee is an agenda where trans-national Sami programmes are strengthened in relation to the wider European backdrop.

– *Some people fear that the new European programme and budget period following 2006 will mean a reduced flow from the structural funds to Norden, do you subscribe to that fear?*

– No, I do not. The Sami people are used to flexible strategies, and besides, the Finnish government in particular has demonstrated a stubborn and pragmatic position as regards Nordic interests following the possible enlargement of the EU. I do not believe in a so-called post-2006 “crisis”. We have areas so marginal, such as Karesuando for instance, that it will not be that diffi-

cult to argue for structural support. Adding to this we can, some years ahead perhaps, expect Norway’s, and later Russia’s, relationship with the EU to be re-negotiated. This represents yet another opportunity for us to gain further attention for Sami claims and interests.

– *Have you experienced any interest from Swedish counties or municipalities eager to learn from Sami experiences with regard to regionalisation?*

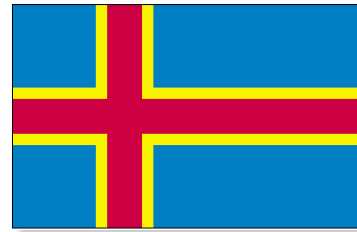
– No I have not. And what is more, in the most typically “Sami” counties of Jämtland and Nordbotten, regional experimental activity has been rather low, and has had almost no emphasis put on Sami perspectives. But this will have to change, particularly as regards the management of resources. That is where discussions are now becoming rather delicate. But in this regard however the future potentials are enormous, even on a Nordic scale. Let me give just one example. The Norwegian decision to exploit the Snøhvit petroleum resources off the coast of Finnmark, and the possible projects following this decision, will have vast economic consequences for the whole of northern Norden. I do not think that we have as yet fully appreciated what this will deliver. In terms of economic impetus perhaps one could say that it will be similar to the boom created on the back of the development of mining activity in the Kiruna area.

– *And this is where the various processes of negotiation are becoming strained between Sami representatives and the nation states as regards who should control the natural resources on land and at sea?*

– Precisely! ■

Roger Jansson:

– Norden Is Lagging Behind in Terms of Regionalisation



Roger Jansson is a veteran on the political scene in the Åland Islands. Former equivalent to prime minister of the micro state, he is now the leader of the opposition in the island's parliament whilst also chairing the liberal conservative party, Frisinnad samverkan. Having participated in various Nordic and European *fora* he holds clear and forthright views on the present regional challenges.

by Jon P. Knudsen

– Norden is lagging behind the rest of Europe in terms of regionalisation. The Åland Islands is the only example of a self-governed region within the northernmost part of the EU. Whereas within the EU taken as a whole there exist as many as 80 regions that have some form of legislative power. Federal solutions are of course well known in Germany and Austria. They have been implemented in Belgium and also seem to be gaining ground in other countries. Even a historically centralist country such as France is now thinking of devolution in new terms. What then for the Nordic, and particularly for the Swedish, tradition of state centralism?

– How do you explain this phenomenon?

– Many seem to be happy with the way things work in Finland and Sweden. And to speak frankly, these countries have never opted for regional devolution in its proper sense. Instead they have concentrated on building strong municipalities. There will be no change in this until these states start to decentralise some legislative power to their regions.

– Do you really believe that the process of European regionalisation will proceed in these times of enlargement and general worries over other institutional matters?

– The process may slow down, but it will never stop, and it may speed



Roger Jansson

some of the German *länder* have a much bigger population than any of the Nordic countries – that we cannot be stopped. These regions are well organised on the European level and they are now working hard to gain a place in the next amendment of the EU political system. The constitutional regions have given the European process of regionalisation an extra impetus. The EU commission currently hesitates on how to react, but will I believe in the end need to come to terms with our claims.

– How do you foresee this process developing?

– The convention led by the former French president Valéry Giscard d'Estaing will, I believe, come up with suggestions with which the next summit will have to deal. More precisely arrangements will have to be made for representation in the European Parliament, concerning the court system and the processes adopted for allocation of the various EU funds. But the explicit models for dealing with the details of subsidiarity and devolution will have to be

up again. The constitutional regions as we prefer to call ourselves are so many and so strong – remember that

found within the frameworks of each and every country.

– Do you experience much interest from other Nordic regions on behalf of the Åland model?

– Gotland and Bornholm are perhaps among those with whom we have most contact, but what are the results? In Sweden the state continues to hold its firm grip on all processes, whereas the Danish model operates slightly differently but according to its own logic.

– What about Scanie a part of Sweden where the rhetoric of devolution was clearly audible a few years ago?

– True enough, but in the case of Scanie, if the political ambitions seemed very inadequately rooted or organised, then one cannot hope for results.

– What then is the basic content of the Åland model?

– Central power has been devolved by Finland in stages, from 1920 until EU accession in 1995. This process should continue to a future maximum only limited by the regulatory framework binding Åland and Finland together in matters of defence, foreign policy and some questions of civil law. I used to say that Åland was a micro-state within the state of Finland. The general sentiment in the islands is that this arrangement should be developed to its maximum potential. Some ten percent of the electorate may favour total

separation, while only a tiny fragment of the population favour reunion with Sweden. Some are more impatient than others concerning the process of devolution. In particular, the question of Finnish compliance with EU shipping policy has provoked much annoyance in Åland as this industry is the backbone of our economy but almost without interest to Finland more generally. If this question is not solved to our satisfaction, I may myself change position concerning the union between Åland and Finland.

– *Partnership is a word summarising much of the present work on regionalisation. How do you evaluate the partnership experiences in the Nordic context?*

– It is so devoid of power. The term of partnership seems to be there simply to justify the concept of subsidiarity. While there is nothing particularly wrong in that, the whole scope nevertheless has to be widened. There will be no real devolution before the transfer of power from the central state takes place.

– *Is Åland a nation in the proper sense of the word?*

– Back in the 18th century, the inhabitants of these islands defined themselves as coming from Åland. Then they also defined themselves as Swedes. Today people mostly define themselves as coming from Åland, and almost none consider themselves Finns.

– *What about relations with Finland and the Finnish authorities?*

– The higher up in the hierarchy, the better. The relationship with the president and the prime minister is generally relaxed. It is much tougher with some of the ministries, and particularly so with the ministry of the interior, which appears to have a hard time understanding that municipalities in Åland do not belong to its area of responsibilities. No, to some here, the struggle seems eternal. And that is also why separatist sentiments have been on the rise of late.

– *Is that the reason why a reunion with Sweden is not a big question?*

– Yes, but let me add a note of caution on the Swedish collectivist and state led tendencies, which do not have much to offer us. We are thriving, economically and socially. United with Sweden we might have been another Gotland, one of the poorer regions of a country that eventually finds itself not so well off as it used to be. Instead we are able to maintain a healthy economy and offer a very decentralised and good level of infrastructure, even for those living on the smaller islands.

– *Concerning the future, you will still be a small country in a big world?*

– Of course, and one of the disadvantages of being small is the lack of the ability to cater for many of our national talents. We cannot afford to offer all kinds of educational specialities, and we will have to live with substantial in- and out-migration. But the markets are there, and given good political arrangements for ourselves and for our businesses, we will continue to develop and prosper. ■

Jógvan Mørkøre:

– No System Export from a Disputed Political Model

The Faroe Islands community is a small nation state trying to find its place in the reorganised European scene. Having quit EFTA together with Denmark – without eventually joining the EU – and then undergoing an internal dispute over which path to follow towards full independence, the Faroese thus now find themselves stuck in an unenviable political limbo.

by Jon P. Knudsen

Jógvan Mørkøre is assistant professor of social science at the University of the Faroe Islands in Tórshavn. As a close observer of Faroese political discussion, he admits to it being difficult to find examples of the influence of Faroese regionalism on the wider Nordic or European context.

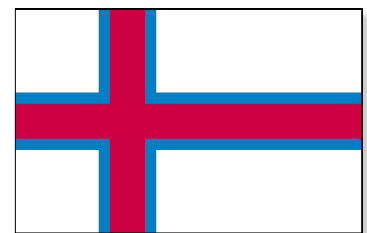
– There can be no system export from a disputed political model, he

claims, pointing to the historical fact that the Faroese political parties have disagreed on the status of their islands, some advocating full independence from Denmark, while others advocate home rule. To complicate matters still further this cleavage neatly dissects the traditional right-left division of politics.

The only country to have taken inspiration from the Faroe Islands is Greenland. Their home rule act is more or less a carbon copy of its

Faroese counterpart. – But then we should note the differences between the countries, Mørkøre adds.

– Greenland celebrates its home rule as a victory, we do not, as we hold divided views over its appropriateness. Our arrival at home rule came together with the general spirit of decolonisation and national rights associated with the immediate post-world war era, while Greenlanders identify their nationalism more in terms of the fourth world concept of indigenous peoples. The Faroe



Islands has always been a matter for the Faroese, while Greenland only laterally became a settlement colony with a substantial class of Danish administrators and colonisers. Concerning the rest of Denmark, some politicians from Bornholm has every now and then taken an interest in the Faroese model, but this interest has never been taken seriously in the context of the Danish political milieu.

– Which leaves The Faroe Islands more or less on its own in the wider context of European national and regional arrangements?

– For historical reasons, yes. When Denmark joined the EU, the Faroe Islands were put in – or chose to put itself in – brackets. The sentiment towards joining the EU was almost unanimously negative in our country. There was then a referendum in Denmark and Greenland, a referendum that eventually sparked the Greenland home rule process. The Danish position was not that crucial to us; the Norwegian position, though, was of paramount importance. With the prospect that the 200 – mile fishery zone regulation would become common international law, the question was settled. The prime interests of fisheries overruled any EU membership process.

– But no EEA arrangement was procured as was the case in both Iceland and Norway?

– No, when Denmark left EFTA for the EU, we left with them, a fact that created significant blind spots as regards our relations with Europe. We do not belong to the EEA-realm, though one may say that we have a back door to the EU through Denmark. We are not a member of ERASMUS and several other inter-European fora of cooperation and development. Besides fish and economic questions related to fisheries, we find ourselves in an institutional limbo that increasingly calls for new strategic thinking. What we have, is a EU trade agreement, and that is it.

– So, how can these questions be dealt with?

– The EU question still bears the imprint of a taboo, but both political and economic structures are now in the process of undergoing important

change. Whereas we could previously speak of both home rule and independence political parties, today we witness more subtle and flexible political strategies. The Conservative Party has even opened a discussion on EU membership. In my opinion what undoubtedly precipitated this change was the message from the Danish minister Marianne Jelved just after the big Faroese economic crisis in the mid 1990's, stating that Faroese welfare was a matter for the Faroese themselves. This message, tacitly supported by the then Danish Prime Minister, Poul Nyrup Rasmussen, broke the unwritten social contract between Denmark and The Faroe Islands which guaranteed Faroese welfare provision on equal footing with Denmark, financed through Danish transfers. This



Jógván Mørkøre

significant change in the Danish position came as a shock, especially for the Faroese social democrats.

– And the economic changes?

– These are tied to the restructuring of the Faroese economy in the wake of the same economic crisis. Prior to the crisis the major economic cleavage was between the big ship owners, who also tended to the control fish processing industries and banking, and the smaller coastal fishermen. Today we see the main division of interests between fishermen and ship owners on the one side and the fish processing industries on the other. These groups are now institutionally more separated from each other than ever before. Consequently dual positions are detectable as regards Europe. Ship owners and fishermen are generally negative towards the EU, reflecting their concern for resource management, while those engaged in fish processing and fish farming are more worried about being denied access to European markets.

– So, what are the constitutional options for the years ahead?

– The negotiations with Denmark in the year 2000, following the release of the White Book on independence in 1999, came to nought. A time schedule for full independence by 2012, following a phasing out of Danish transfers, is nevertheless in operation, though it should be said that not all political parties necessarily take this schedule as binding. Experience of the mid-1990s crisis however left an indelible mark on the minds of Faroese inhabitants, and no one would like to see hazardous solutions once more putting the islands' economy at risk. One should remember the facts: In a very short period of time, ten percent of our population emigrated while GDP fell by about 25 percent. These statistics are comparable to figures usually recorded only in countries experiencing war, or war-like events. Add to this an emerging consciousness that the changing military power balance may lead NATO to opt for new military installations in the Faroe Islands, and you get a political picture that is fairly open.

– How do most Faroese regard the status of their society in this context?

– Generally we perceive ourselves to be members of a tiny nation state looking for a constitutional model that reflects the settled will of the people. Some see a federal solution while others favour a confederal approach as the best way to regulate relations with Denmark. One important argument against a federal solution however is the difficulty of imagining a dual chamber system in operation in a joint Danish-Faroese governing institution designed primarily to serve the needs of less than one percent of its constituents. The inspiration to consider various constitutional models has moreover been taken from the way in which Iceland settled its matters with Denmark during the period 1918 to 1944. Other examples studied eagerly are taken from the growing literature on microstates. Free Association, a confederation-like relationship between two highly different entities such as for instance the Cook Islands' connection with New Zealand is an option, and is also something that has had significant levels of attention within the Faroese government. ■

Aspatial Peripherality?

by **Andrew Copus**
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Recent decades have witnessed technological advances in transport and communication that have created the potential for gradual but fundamental changes in relationships between accessible “core areas” and the less accessible “periphery”. However, some peripheral regions seem to take advantage of these new opportunities, whilst others, perhaps more accessible in conventional spatial terms, seem to lag behind. The research project AsPIRE (Aspatial Peripherality, Innovation, and the Rural Economy) is concerned with the changing nature of peripheral disadvantage and seeks to explain these differences in response. ⁽¹⁾

Aspatial Peripherality (AsP) is a term to collectively describe a range of processes that are increasingly emerging to compound or distort the handicaps conventionally associated with remote locations. Thus at a time when physical distance or travel/freight costs are becoming less and less of a constraint on economic activity and quality of life, the benefits to peripheral and more accessible

regions alike may be masked by the effects of poor utilisation of new information and communications technology, or by inadequate networks linking local business, development agencies and global sources of information or markets. Similarly aspects of social capital, characteristics of regional governance or institutional structures may result in relative isolation from the core regions often perceived as *the* motors of economic and social change. On the other hand, peripheral regions in which such essentially non-geographical characteristics exert benign effects are likely to exhibit higher rates of economic growth and better quality of life than would normally be associated with such remote locations.

The research project is structured in such a way that conventional peripherality is first approached in theoretical and empirical work, and the complex AsP

concept is then explored through a number of themes addressing the impact of information technology, business networks, governance, social capital and tourism. After an initial review of the theoretical literature, the themes are brought together for integrated case study work in the six countries represented in the research team (UK, Ireland, Finland, Germany, Spain and Greece). In each of these countries two case study areas have been selected to illustrate different responses to the changing nature of peripherality. Some of the case study areas have been selected because they appear to be performing relatively well despite a peripheral location (in conventional spatial terms). These could be said to exhibit “*low AsP*”. Others seem to be under-performing in relation to their location, and could be described as having “*high AsP*”. The final step of the project is to

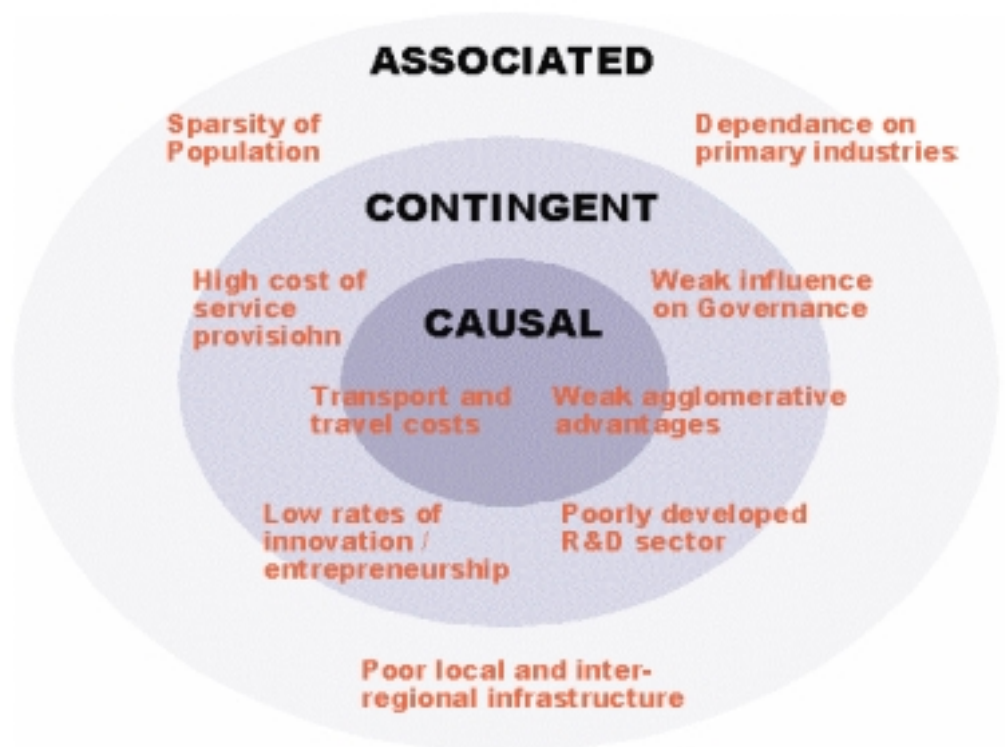


Figure 1. Elements of conventional (spatial) concepts of peripheral disadvantage.

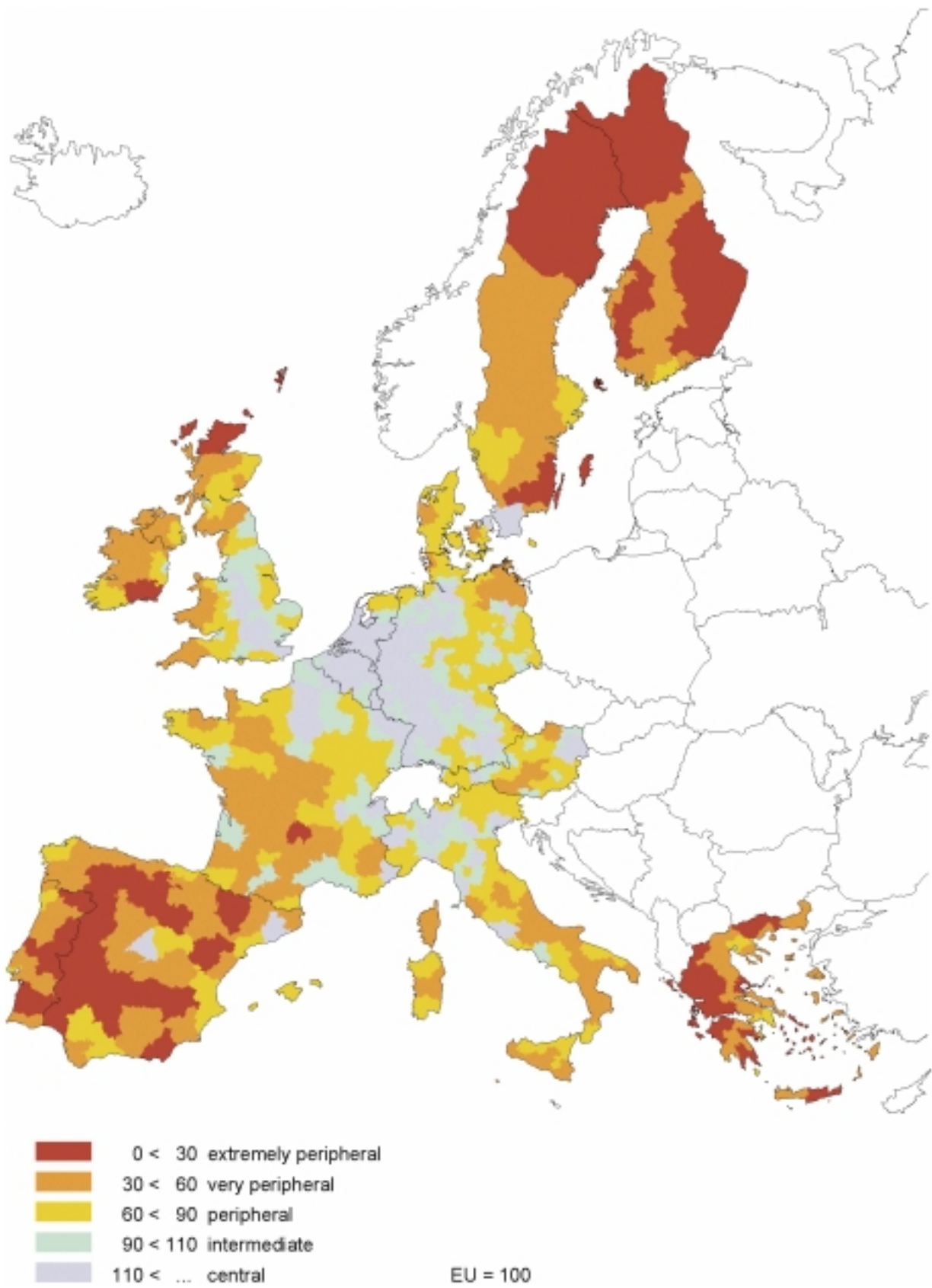


Figure 2. AsPIRE Baseline Peripherality Indicator (NUTS 3 regions).

bring together the different strands in the form of operational indicators of aspatial peripherality, and a set of tools and procedures to allow regional agencies to assess the components of AsP in their region, and to suggest appropriate forms of intervention.

The paper presents the first results of the AsPIRE project with respect to the concept of aspatial peripherality and with respect to the conventional delimitation of peripherality in Europe.⁽²⁾

Conventional Peripherality

Although peripherality as a concept is broad, inclusive, and perhaps ill-defined, conventional core-periphery models and indicators are driven almost exclusively by distance costs and agglomerative economies. This explains the traditional policy focus on improving the transport and communications infrastructure. However, the hypothesis of the AsPIRE project is that both the impact of earlier interventions and ongoing structural and technological changes mean that in future peripherality will increasingly become an aspatial issue, necessitating fundamental changes to our concepts, models, indicators, and policy approaches.

Concepts of peripheral disadvantage generally include a number of elements. These can be roughly classified into three broad groups, causal, contingent and associated (Figure 1), (although the boundaries between the second and third are very hard to draw). There are two causal elements. The first is, by definition, increased travel and transport cost (expressed either in financial or time penalty terms) resulting from remoteness relative to the main centres of population and economic

activity. The second is the absence of the agglomerative advantages (external economies of scale, broadly defined) enjoyed by less remote locations. It is perhaps important to stress the interdependence of these two causal elements, the link between proximity and agglomerative advantages being, of course, transport cost savings. Thus distance impacts upon competitiveness both directly through Weberian locational economies and indirectly, as firms are able to derive shared benefits from clustering.

The second group of elements are those that are contingent upon the first, and include for example, the high cost of service provision, and low rates of entrepreneurship and innovation. The third group of elements is often associated with peripherality, although the causal link is less direct. These include sparsity of population, a dependence on primary industries, poorly developed local and inter-regional infrastructure, a poorly developed research and development sector, and a lack of influence in the wider governance arena.

AsPIRE Baseline Peripherality Indicator

The focus of this paper is on the causal elements of peripherality, namely on transport and travel costs. Many regional scientists have pointed out that peripherality is also synonymous with relative inaccessibility to economic activity. Accessibility is the main “product” of a transport system. It determines the locational advantage of an area (i.e. a region, a city or a corridor) relative to all areas (including itself). Indicators of accessibility measure the benefits households and firms in an area enjoy from the existence and use of the transport infrastructure relevant for their area

A periphery can be defined as a region with low accessibility. However, this is far from being the whole story; peripherality is a contextual category loaded with numerous meanings, and in addition to accessibility, many other criteria are used to delineate centres and peripheries in regional research. Notwithstanding this qualification, accessibility is clearly a key criterion of geographical peripherality, and also of major importance in defining economic peripherality, as location (either as a pure geographical factor or in relation to transport networks) is indisputably a conditioning factor for the competitiveness of regions.

One of the first tasks in the project was to define an AsPIRE Baseline Peripherality Indicator describing peripherality in conventional terms. The basic requirements are comprehensiveness, simplicity and explanatory power. At the same time it should be a single indicator, i.e. a single value should describe a region's position, and not a set of indicators each addressing different issues.

The ranking of regions in terms of accessibility depends on the indicator used. The choice of the mode of transport, or a combination of modes is a key issue in this context. In empirical terms for example it is of interest to what extent does accessibility to population by road in peripheral regions differ from their accessibility to population by air? Most analyses of accessibility have focused on differences between regions with high accessibility, while peripheries have remained an undifferentiated residual. There is thus a need to pay more attention to the internal differences and distinctive features of peripheral regions in empirical analyses.

The most frequently applied and most extensively tested

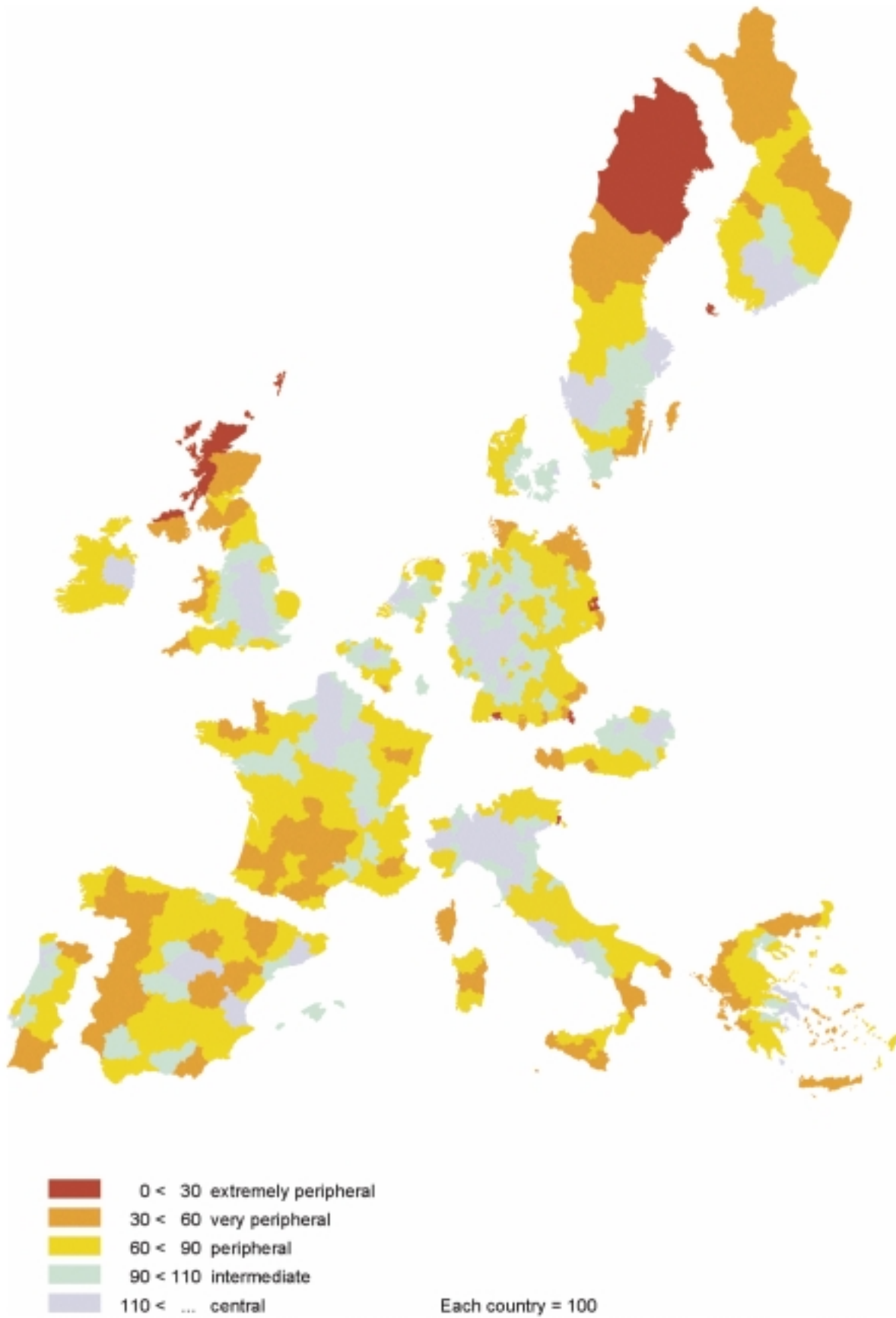


Figure 3. AsPIRE National Peripherality Indicator (NUTS 3 regions).

accessibility indicators are potential indicators. The potential of an area is the total of the destinations in other areas that can be reached from the area discounted by a negative function of the effort to reach them. In the Study Programme on European Spatial Planning such potential indicators have been proposed as reference indicators for analysing spatial development. Three kinds of potential accessibility indicator were suggested. The first two measure accessibility to population, the last one accessibility to economic activity (expressed by gross domestic product, or GDP). Accessibility to population is primarily an indicator for the size of market areas for suppliers of consumer goods and services; accessibility to GDP is more appropriate as an indicator of the size of market areas for suppliers of intermediate products and business services.

However, for the purpose of AsPIRE a single indicator is required. Previous work has

shown that multi-modal potential accessibility indicators, i.e. indicators that aggregate over transport modes, have a much higher explanatory power than any accessibility indicator based on a single mode only. For that reason, a logsum accessibility potential indicator aggregating over road, rail and air has been defined as the AsPIRE Baseline Peripherality Indicator.

The AsPIRE Baseline Peripherality Indicator has been calculated for NUTS 3 regions. The indicator values have been standardised to the European Union's average. They have been grouped in five classes: central regions that are clearly above average, intermediate regions that are about average and three classes of peripheral regions.

Figure 2 presents the AsPIRE Baseline Peripherality Indicator for the territory of the European Union. Not surprisingly, central regions are located in an arc stretching from Liverpool and London via Paris, Lyon, and the

Benelux regions, along the Rhine in Germany to Northern Italy. However, some agglomerations in more remote areas such as Madrid, Barcelona, Dublin, Glasgow, Copenhagen, Rome and Naples are also classified as being central or at least intermediate because their international airports improve their accessibility. At the same time, the European periphery can be seen to begin in regions that may often be considered to be more central. So, several regions in France, even in northern and eastern parts of the country, or in Germany, mostly in the New Länder, are classified as peripheral or even as very peripheral having an accessibility of only about half of the European average. With the few exceptions mentioned above, the regions of Portugal, Spain, Ireland, Scotland and Wales, the Nordic countries, Austria, southern Italy and Greece are very or even extremely peripheral. As the example of the Iberian peninsula shows, the extremely peripheral regions are not necessarily

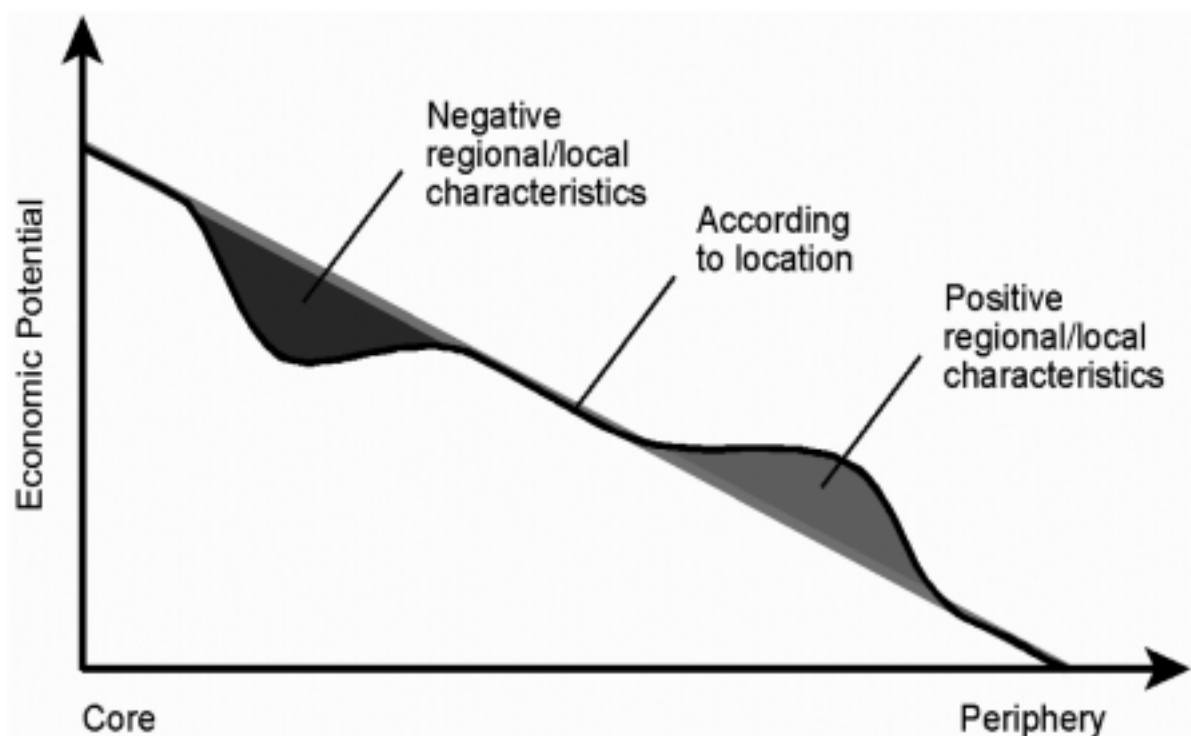


Figure 4. Relationship between spatial and aspatial elements of peripherality.

located at the very edge of Europe, but may also be somewhere between larger agglomerations.

In the course of the AsPIRE project, a second proposal for a peripherality indicator was made. The underlying rationale is that for rural regions which are the main concern of the project, accessibility in the national context, (access to major agglomerations within the country) is much more important than European-wide accessibility. For that purpose an AsPIRE National Peripherality Indicator has been defined in which the regions' destinations in the accessibility model were restricted to national centres, i.e. countries were treated as isolated entities in the model.

Figure 3 presents the results for the National Peripherality Indicator. In this case, the regional indicators have been standardised in relation to their respective national averages. Thus, by definition, each country has central and peripheral areas. However, the resulting overall spatial pattern is very similar to that generated by the first (European) indicator: i.e. regions that are peripheral in the European context tend also to be peripheral in the national context. Notable exceptions here are some of the Benelux regions and those along the western German border, which are peripheral in the national but central in the international context.

Spatial and Aspatial Peripherality

Accessibility indicators such as the AsPIRE Baseline Peripherality Indicator presented can be used to analyse peripherality in several ways: regions can be classified into central and peripheral regions, the impact of different policy measures such as transport investment can be evaluated, or the impact

of accessibility on regional development can be analysed. According to this conventional approach, a periphery can be defined as a region with low accessibility. It has been demonstrated that peripheral regions can be found in nearly all European areas, even in those that are usually seen as belonging to the geographical core of the European Union. On the other hand, even physically remote regions can be classified as relatively central if their air or high-speed rail connections are taken into account.

However, there is a relatively low correlation of peripherality indicators with economic indicators. This shows the limitations of conventional peripherality indicators based on transport costs and that accessibility is only one of several, transport and non-transport, "softer" local factors determining regional economic performance. However, those other factors do not necessarily have a positive impact, regional or local characteristics can influence regional economic performance in both directions, that is to say, positively or negatively (see Figure 4).

In a situation where relative location can only partly explain regional economic performance, non-spatial issues also come into play. The concept of peripherality thus acquires new meanings in different contexts, and in addition to accessibility, many other criteria can be used to delineate centres and peripheries and to explain the different regional development paths for regions in similar geographical positions. It will be the task of other, ongoing parts of AsPIRE to identify and assess these other factors:

- *Information and Communication Technology Infrastructure*: Ranging between poor and good supply.
- *Human Capital*: Ranging bet-

ween scarce skills for the Information Society Technologies (IST) and an IST literate workforce.

- *Local Business Networks*: Ranging between a fragmented SME sector and effective local SME networks.
- *Social Capital*: Ranging between a fragmented and a cohesive local society.
- *Institutional Networks*: Ranging between thin institutional networks and institutional thickness.
- *Local / Global Links*: Ranging between weak and effective.

⁽¹⁾ AsPIRE is a European research project funded by the EU Fifth Framework Programme. The project commenced in the year 2002 and will be finished at the beginning of 2004. Project partners are the Scottish Agricultural College, Aberdeen, Scotland (SAC) as lead partner, the Rural Economy Research Centre, Dublin, Ireland (TEAGASC), the Department of Geography, National University of Ireland, Galway, Ireland (NUIGALWAY), the Unit for Rural Development and Evaluation of Public Policies, Universitat de València, Spain (UVEG), the Department of Economics, University of Patras, Greece (DEUP), the Institute of Spatial Planning, University of Dortmund, Germany (IRPUD) together with Spiekermann & Wegener, Urban and Regional Research, Dortmund, Germany (S&W), and the Seinajoki Institute for Rural Research & Training, University of Helsinki, Finland (SIRRT).

⁽²⁾ More information on the project including a number of downloadable project reports can be found at the AsPIRE homepage at <http://www.sac.ac.uk/management/External/AspireExternal/AspireDefault.htm>. ■

The Regional Management Committees: Permanent Structures for Partnership

In Finland, the Regional Councils and their municipalities, the State Authorities and the social and economic partners are participating in a joint regional body managing the EU Structural Funds programmes. A study has been carried out on the functioning of these Regional Management Committees.

by **Antti Valle**
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In each of the 19 Regions in Finland, a Regional Management Committee (RMC) is guiding the implementation of the EU Structural Funds programmes and adjusting the financing between different development measures. There are three equally represented parties in this Committee: 1) the Regional Council and its municipalities, 2) the State Authorities and 3) the social and economic partners. The maximum size of a Committee is 24 members plus a chairperson. The Regional Management Committees were already functional during the programme period 1995–1999, but from 2000 on their status and tasks received a legal basis.

The RMC procedure is realising the partnership principle of the EU Structural Funds regulations at the regional level. However, the EU requirement was only a secondary factor in creating the Regional Management Committee; as the paradigm in regional policy converged towards a programme based model integrating several administrations, there was a need to develop co-ordination between the key implementers. The formation of regional partnership bodies also expresses the government's will to commit the central

actors to common objectives, in order to maintain control over regional development.



Antti Valle

The study on the RMCs seeks to explain the functioning of these Committees at the beginning of the programme period 2000–2006. It charts the different ways in which the Committees' organise and conduct their work in the 19 regions, whilst also analysing RMC functions as an arena for co-operation and negotiation and assessing the RMC's impact on the development of power and competence in the regions. The study is based on a questionnaire submitted to the 439 members of the Committees, on interviews and on documentation relating to the RMCs' work.

The RMC is a special construction where powers as regards public resources have been delegated to a partnership structure. The RMC is however neither an authority nor an elected body, thus its legitimacy has been questioned due to obvious democratic deficit that occurs. Such criticism has underlined the difficulty of meeting the requirements of

democracy when a wide range of key actors – including actors in the private sector – are to be integrated into the region's development work. Instead of assessing the level of democracy inherent in the RMC's organisation, one should however consider what kinds of tasks this type of partnership body is legitimately able to carry out. The members of the Committees themselves consider the RMCs legitimacy to be based on the Committee's legality and its significance for regional development work. A majority of the members also consider that the composition of the Committee itself accurately represents different opinions across the region.

Asymmetric networks

The driving forces in the RMC are the TE Centres (the state's regional authorities for employment and economic development) and the Regional Councils (joint municipal organisations for regional development). Nevertheless, a network analysis of the interaction between the Committees' member organisations reveals that the functioning of the RMC has extended the networks between the members; almost all of them are in regular contact with others concerning regional development matters. It is moreover particularly important that all three parties – the municipal sector, the State and

the social and economic partners – all have their representatives among the central actors in the Committee.

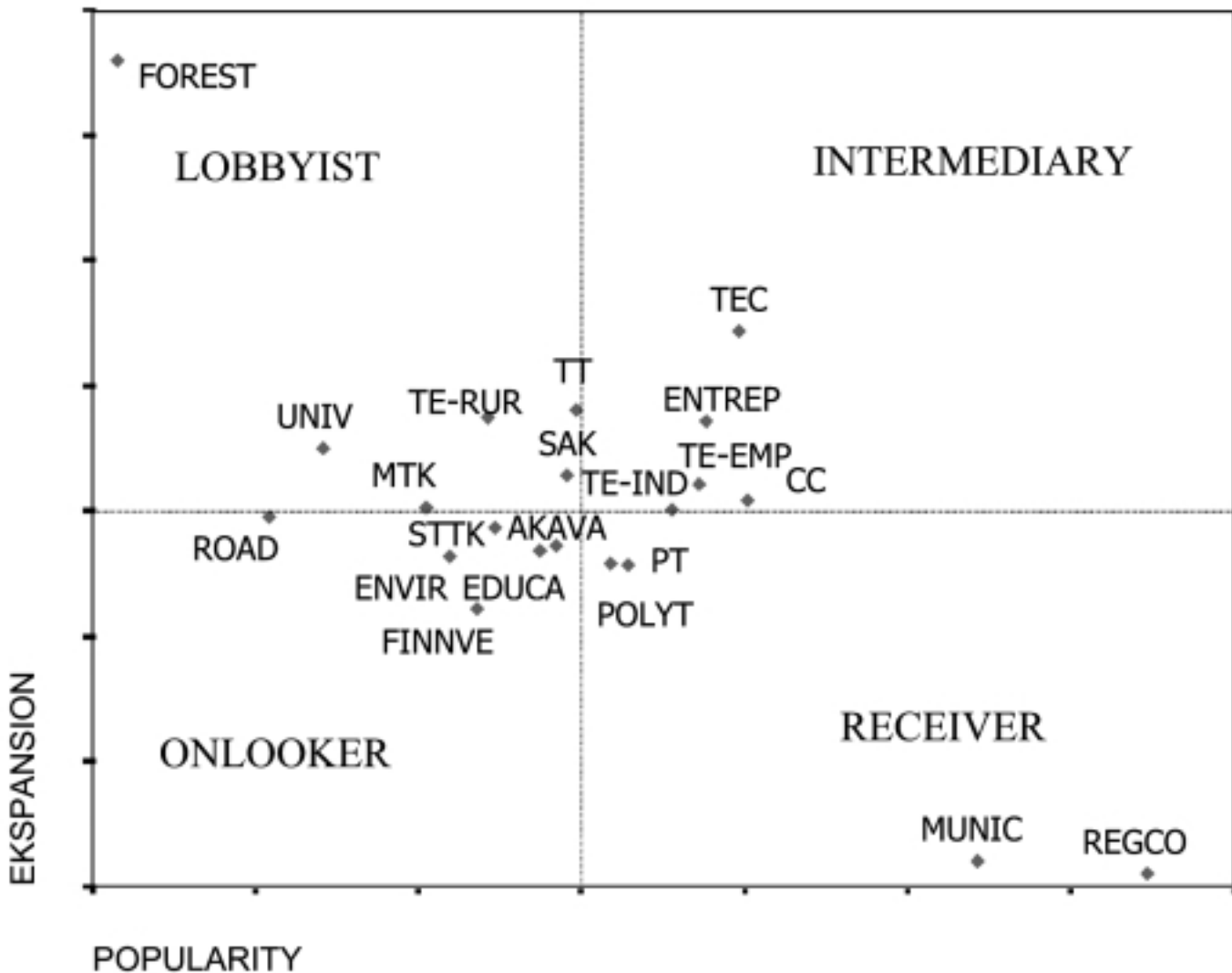
The social and economic partners form the clearest subgroup with intensive mutual interaction. For some trade unions, contacts are however limited to this group. The Chambers of Commerce and the entrepreneurs' regional organisations have a central mediating role between the RMC and the business community. Even though some members are dubious about the interests of other partners, there are no frontlines dividing the Committee as a whole.

The network analyses also show that the contacts between the municipal representatives and the rest of the RMC are asymmetric, that is to say, the municipalities and the Regional Councils are represented by politicians, but the other members contact the responsible municipal/regional officials on RMC related matters. Moreover, as local/regional politicians are not particularly active in contacting other RMC members, the question therefore arises as to whether the municipal sector should thus appoint more officials onto the RMC. In any event the so-called democratic deficit of the RMC cannot be solved by

one of the three partners appointing politicians to the Committee.

The regionalised budgeting process

There is plenty of variation in the way that the various RMCs have organised their work and in how they conduct their tasks. A correlation can be detected between these practices and how the committee members perceive the importance of the RMC's work. Thus it is crucial whether or not the secretariat of the Committee is informed of project proposals before the implementing authorities make the financing



decisions. However, the decisive factor is how genuinely the RMC is involved in the Region's development. Thus it is difficult to draw a list of recommended practices; rather, they are more of an indication of the Committee's involvement.

The RMC approves and signs a document on the allocation of the programme financing between the implementing authorities. These regional documents form the bases for the allocation of the EU programmes' funds in the state's budget. Even if the regional financing documents are to a large extent drawn up by the regional authorities, this bottom-up procedure has succee-

ded in regionalising the budgetary process. Given the need for legality moreover the social and economic partners also now have an official standing in terms of the allocation of programme financing.

The Regional Management Committee has become a central body in the implementation on the Structural Funds programmes in Finland. Though interaction between member organisations is based more on egoistic interests than on trust, the partners concerned consider the RMC legitimate and attend the meetings regularly. Hearing the views of the key players is perceived to be important, and in most regions the RMC has proved itself

adept at delivering the views of the central actors as regards the realisation of the Structural Funds programmes.

The powers of the Regional Management Committee will be extended by the reform of the law on regional development, which becomes effective from the beginning of 2003. The Committee will handle an annual plan covering all financing under the Regional Council's Programme, not only the part relating to the EU programmes but the nationally financed actions as well. This will extend current practice and make the RMC a central element in the conduction of regional policy in Finland. ■

INTERACTION BETWEEN THE MEMBER ORGANISATIONS OF THE REGIONAL MANAGEMENT COMMITTEES

Municipalities and Regional Councils

MUNIC	Municipalities
REGCO	Regional Councils

State Authorities and other State Organisations

TEC	Employment and Economic Development Centres (TE Centres)
TE-IND	Industries Departments of the TE Centres
TE-EMP	Employment Departments of the TE Centres
TE-RUR	Rural Departments of the TE Centres
EDUCA	Education departments of the State Provincial Office
FINNVE	Finnvera plc (State's financing company for Finnish businesses)
ROAD	The Finnish Road Administration's district offices
UNIV	Universities
POLYT	Polytechnics (AMK institutions)
ENVIR	Regional Environment Centres
FOREST	Forestry Centres

Social and Economic Partners

SAK	The Central Organisation of Finnish Trade Unions
STTK	The Finnish Confederation of Salaried Employees
AKAVA	The Confederation of Unions for Academic Professionals
TT	The Confederation of Finnish Industry and Employers
PT	The Employers' Confederation of Service Industries in Finland
CC	The Chambers of Commerce
ENTREP	Regional organisations of the Federation of Finnish Enterprises
MTK	The Union of Agricultural Producers and Forest Owners

The member organisations of the Regional Management Committees are placed in the system of coordinates according to their mutual interaction. The intermediaries have plenty of contacts with the others, and the others contact them. The onlookers have few contacts either way. Many partners make contact with the receivers, while they seldom make contact with the others. The lobbyists are active in making contact, though the others do not contact them very often. The data is aggregated from all 19 RMCs. There is variation in the composition of the RMCs: organisations that are represented in only one RMC are not included in the network analyses.

Söderström. L. (red) 2002 Öresundsförbindelse med ett hinder mindre. Effekter på integrationen vid avgiftsfrihet. Öresundsuniversitetet. Lund 174 pp.

by Lars Olof Persson

The fixed link across Öresund opened in July 2000. Ever since that day debate has raged over the importance of the road toll for integration in the region as a whole. Surprisingly enough no multi-faceted analyses of this issue have been undertaken until now. It is no secret that high tariffs have been blamed as the most important factor in the unexpectedly low rate of automobile journeys across the bridge, and that the business community and other actors in the region have argued and lobbied for substantially lower tolls. Already by the end of 2000, a private foundation linked to one of the largest corporations in Skåne, initiated and sponsored an evaluation of the effects of a completely toll-free crossing. The focus is set explicitly on the potential effects on regional economic growth of the expected lower cost of logistics in and through the region.

Over the period of a full year thirteen academics located at universities on both sides of the Sound elaborated on a variety of the aspects surrounding this issue. The resulting ten-chapter volume, entitled "Öresund fixed link with one hindrance less" provides a clear voice and vote for a toll free fixed link, though it would be fair to say that this view is not held by all. Indeed the substantial political and juridical difficulties faced by those who seek to revise the tariff are drawn to the attention of the reader. The volume then turns out to be a rather exciting reader on regional and infrastructure eco-

nomics in these times of European integration and enlargement. The investigation was chaired by the Rector of Lund University, with professor Lars Söderström, Department of Economics, Lund University as its scientific leader. The investigation was administrated by the newly established Öresund University, which is in itself a significant endeavour within the integration process of the border region. Indeed, Öresund university itself was formed through all sorts of co-operation initiatives between the twelve universities in Skåne and Sjöland

The team of authors have limited their studies to the road tariffs issue, leaving the railroad issue to one side at this time. The argument put forward for this is that the current road tariff can be seen as a toll for passing goods and passengers across national borders within the EU, something that is against the whole idea of European integration. Railroad tariffs across Öresund are however more closely related to geographical distance.

Using the analogy of the evaluated GDP effects of the introduction of the Single Market in metropolitan regions across Europe, Christian Wichmann Matthiessen from the Institute of Geography at the University of Copenhagen, estimates an almost a one percent unit increase in regional economic growth in Skåne-Sjöland in the case of a toll free bridge. Given the size of this region, this would certainly be an important boost for the whole combined Danish-Swedish economy. CWM however sadly

concludes that: "The profit for the regional gross product would be 20-30 billion DKR per year. Only fractions of this have been reached until now and the high road tariff policy is an important obstacle". Unlike most of the contributions by economists in the book, CWM puts his argumentation for a toll free connection into a general regional development context, wherein not least the regional identity and the need for common optimistic vision of a fully integrated Öresund region play important roles.

Other authors use different transport models to forecast the effects on transport flows of changing price levels. It is calculated that after two to four years a zero toll could end up with the same flows of trucks and private automobiles as on other highways in metropolitan regions in northern Europe, i.e. 35 000 vehicles per 24 hours. This is compared to the current 10 000 vehicles a day currently crossing the bridge and the tunnel. In these calculations, it is expected that much of the increased traffic will be generated by shopping trips for households offered this free ride across the bridge.

Sten Wandel and Paul Björnson, both from Lund Technical University, estimate that the lowered logistical costs for business firms in the region associated with zero-tariff alone would be able to finance not only the entire investment of the fixed link but also the losses from failing ticket sales. Using a - fairly rough - comparison with current logistic efficiency in a fully open economy such as the USA, they

assume that a toll free link would reduce costs for logistics through increased economies of scale, integration of the business service market, rationalisation of firms currently running workplaces in both countries, etc. However, the authors stress that there is a need for deeper research in the field of logistics and in particular with regard to its role in regional development.

So much for the computer models and analogies of the effects in economic terms, all of which convincingly enough seem to highlight the expected benefits for the region as a whole. However, the necessary steps leading to zero tariffs on road traffic depend very much on a political process that is littered with severe obstacles. As Lise Lyck, from the Copenhagen Business School points out in her introductory overview of the economy of the bridge, the owners interest and political decisions combine to make altering the status quo rather difficult. As such, the Danish Öresundsförbindelser A/S simply cannot even consider isolated zero tolls because the Danish Government has similar agreements with other bridge companies in Denmark. She quotes a former Chairman of Öresundsförbindelser A/S: "You have to be something of a wizard to unite Swedish claims for lower rates in Öresund with the claims from the people in Copenhagen, Jutland and Fyn". She also refers to differences in the Danish and Swedish national political systems, where Denmark more often prioritises package solutions requiring complex re-negotiations, while Sweden prefers to treat each project separately.

The issue of the environmental effects of a zero-toll is dealt with in a chapter by Lennart Olsson, from the Centre for Environmental Science, Lund University. Here he reminds the reader that after signing the tre-

aty to build the bridge both the Swedish and Danish Prime Ministers presented a vision of the region becoming "the cleanest metropolitan environment in the world". But Olsson also emphasises that this does not mean that restrictions for automobile traffic should necessarily be set for the Öresund bridge. Indeed he alerts our attention to the fact that road traffic in Copenhagen leads to much greater congestion and pollution. Moreover, in an important though somewhat obscure passage he again notes: "Tariffs for road traffic must not be lowered before a system for reducing total automobile traffic in the region has been introduced. To introduce zero toll for road traffic would likely lead to many of those who have now started travelling by train simply going back to their cars. The positive environmental effect of the high toll would thus very soon be erased. Instead, zero toll for train journeys (i.e. the same prices as railways on land) should be introduced as soon as possible" (p. 139).

Surprisingly enough, this crucial and critical statement is not included in the introductory summary of the book, written by the editor and economist Lars Söderström. This is probably just one reflection of the book's explicit focus on regional economic growth as measured in GRP. Nevertheless, the volume benefits from a thorough and multifaceted analysis of one hindrance to the success of the largest cross-border integration project in Northern Europe. A project that after the first two years is still in a very early phase and one that should be continuously monitored and evaluated by regional scientists in various other respects. To be sure however, the sustainable prosperity of the integrated Öresund region depends on the removal of many more barriers than just high road tolls.

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