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NORDREGIO

Nordic Centre for
Spatial Development

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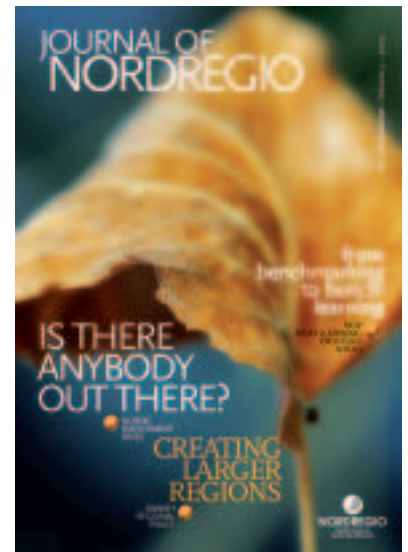
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NORTHERN RELUCTANCE

The Swedish “no” to the Euro has altered the Nordic political landscape at a stroke. With both Finland and Sweden inside of the EMU, the chance that Denmark would follow suit would have been substantial. With Sweden remaining on the outside however, the prospects of a Danish yes have dwindled considerably. And moreover, the timetable for a new EU referendum in Norway and Iceland has become more uncertain than before. In fact the Nordic position regarding the Union has become more complex than ever.

Finland continues its unique position as the Nordic EU-enthusiast. Sweden and Denmark have in different ways made their reservations clear on important EU integration processes, while Norway and Iceland maintain their EEA affiliation. One conclusion may be drawn: the EU now divides the Nordic countries more than ever. Stretching the perspective to encompass the UK we may speak of a northern geography of reluctance regarding the European integration processes.

What these countries of Euro-reluctance obviously have in common is a wish to retain their national currencies accompanied by the maintenance of national control over their monetary policies. Furthermore, their geopolitical inclinations are divided. Sweden has long since maintained a policy of neutrality and has strong historical ties to its old eastern sphere of cultural influence, as well as to the European continent. On the other hand, Denmark, Iceland, Norway and the UK all have a strong Atlantic orientation concerning trade and defence policy.

In the aftermath of the cold war, the meaning of the old European defence

policy order has become obsolete. The only remnant of the rival European policy alliances is NATO, and its scope has changed both in content and geography. Concerning trade patterns, the concept of globalisation has influenced the thinking we do on trade policies, but has only slowly altered national trade patterns, which tend to lean on historical paths and ties.

But this discussion could however be pushed one step further. If four of the Nordic countries together with the UK happen to find themselves in lasting positions of national resistance to monetary union, and hence also to the fulfilment of the ambitions of the inner market, this resistance may be a more salient mark uniting these five countries than their seemingly different arrangements with the EU, as the EEA-agreement for all other market and administrative purposes than the currency issue

and regional strength within a given territory. This holds true if we consider the oft-cited alliances between central EU institutions and the flora of sub-national regions beginning in the mid 1980s to check the influence of the nation states on the future of the Union. It also holds true if we think of the various EU regional policies, cross-border or not, designed to integrate historically antagonistic corners of Europe into a single over-arching European political and economic space.

Extending this argument to the present national position of the reluctant North, we can read the Swedish message as follows: EU regional policies are fine as long as they are intended to enhance economic growth, but if they are meant to underpin institutional reforms weakening the authority of the nation state, the game is over. This was also the message that the region of

We may thus speak of a specific Northern category of EU adjustment putting more emphasis on national sovereignty than the mainstream category of continental European countries

entails the same obligations and duties as full EU membership.

We may thus speak of a specific Northern category of EU adjustment putting more emphasis on national sovereignty than the mainstream category of continental European countries, in this respect also comprising Finland. What characterises these northern countries, with the exception of the special case of the UK, is that they have no tradition whatsoever of federalism, whereas federalism, and federal-like institutional arrangements, are rather common solutions in continental Europe.

As such we can consider the recent turn of events in Sweden to be a manifestation of the special political traditions of the strongly established and rather homogenous nation states of the North.

The consequences of this typology, if valid, for regional policies and regional policy challenges are interesting, as it could be argued that there must always be some sort of trade-off between natio-

Skåne got a year or so ago when some of its leading politicians attempted to make serious politics on their own.

In the reluctant North the nation state has the upper hand, when it comes to monetary as well as to regional policies. This will probably not be any different in Denmark, Norway, Iceland or the UK. The open question thus remains; do these countries have anything else in common that could form a permanent and constructive counterpoint to further European policy development?

IS THERE ANYBODY OUT THERE?



By Tomas Hanell

«Is there anybody out there?» screamed the distraught and burned-out rock star Pink, in Pink Floyd's epic, The Wall. Similar calls might soon be heard in the capitals of many European countries when seeking future taxpayers in peripheral areas to support the ever increasing number of persons that it is now expected will need to be supported. Demographic development will create a need to find new ways to activate many segments of the currently non-active population.

On the whole too much focus in popular labour market discourse is put on the number or share of unemployed persons. However problematic unemployment is for the individual, the real issue in the Europe of tomorrow is not this relatively small group of population (as little as 3.6% of the EU's population in 2002), but rather, the topic will most likely shift further towards a more holistic discussion of the relative proportion of persons employed in the society. Or more precisely, on the ratio of persons working to that of all those not doing so. In the final analysis of course, it is this quotient that entails how large the expected tax levy to support the entire population can be, or in the long run, the overall economic welfare of the country, region or locality.

As always, the issue has several dimensions to it. Demographic development is one of them, labour market dynamics or dysfunctionalities another. Unfortunately, these two often walk hand in hand. Thus, in what follows we will endeavour to take a short look at some of these issues from a particularly Nordic viewpoint.

What should be measured, exactly?

Employment rates can be calculated in several ways. In March 2000, at the Lisbon European Council, the target was set for an EU employment rate of 70% by the year 2010. This ratio refers to the share of persons aged 15-64 years

that are employed. At the time when this goal was set, the corresponding average rate was 63.1%, while two years later this had increased to 64.2%, which - if the trend continues - would not be sufficient to meet the target.

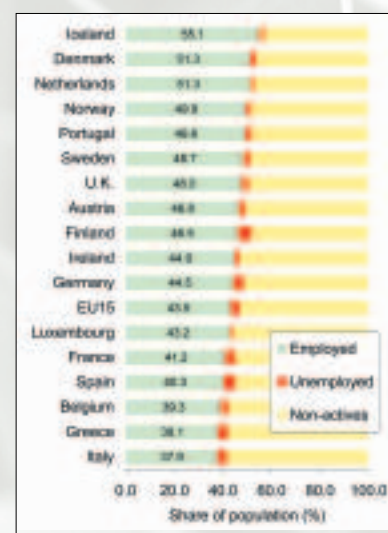
As the focus here is on the age group 15-64 years, this way of measuring involves several problems that can easily be forgotten in common discussion. For one thing, employment rates could for example go up simply by reduced tertiary or post-tertiary education attainment - hardly a desirable course for any European country. Similarly, employment rates calculated in this way are to a large extent merely reflections of the prevailing age pyramid in a given country. Thus, if the age group of interest (15-64 years in the EU case) is small in relation to other age groups (e.g. less than 15 or over 64 years), the employment rates are generally high, and vice versa. Thus, European countries with low employment rates (measured in this fashion), such as Italy, Greece or Spain, have substantially higher shares of their population in working age. On the other hand, those west-European countries with the highest employment rate, such as Iceland or Norway, have a relatively low share of persons in that age group. So, these seem to go hand in hand, but there are exceptions of course, mainly Denmark and the Netherlands, where both shares are comparatively high.

Another optional way of looking at employment is to compare the amount of persons working to the entire population, providing an indication of what the overall support burden on those working in the society is.

Wide varieties among EU countries

European countries display a wide range of employment rates, partly an indication of the demographic situation and prevailing labour market conditions, but also to a large extent a reflection of cultural differences and the role of family. The total share of persons employed in 2002 in the EU was 43.5% of the total population. On average this translates to 1.3 persons being supported for every one person working in the EU. In Iceland - which has the highest employment rate in Europe - more than

Figure 1: Employed, unemployed and non-active persons in Nordic and EU countries in the spring of 2002



LFS data. Source: Eurostat, Nordregio estimates (ICE, NOR)

55% of the entire population that same year was employed (Figure 1). Also in Denmark and the Netherlands more than half of the population was employed. In Norway, Portugal, Sweden, the U.K., Austria, Finland, Ireland and Germany employment rates were also higher than the average for EU15.

The Icelandic figures stand in stark contrast to the situation in Italy, Greece or Belgium, where less than 40% of the population is employed. Also Spain, France and Luxembourg have employment rates below the EU average. Thus, in the extreme cases, every employed person in Iceland has a support burden of «merely» 0.8 persons whereas that same employed person in Italy has to support over 1.6 persons or twice the Icelandic amount.

Those not employed represent a wide variety of people. This includes first and foremost unemployed persons, whereas the non-actives group is comprised of e.g. children and schoolchildren, students, pensioners, persons in military service or on maternity leave or sick leave, housewives etc. While large portions of those not currently employed are by definition non-employable (e.g. children), a noteworthy part of the unemployed or non-active persons represents a pool of unutilised labour potential that could partly ease the demographi-

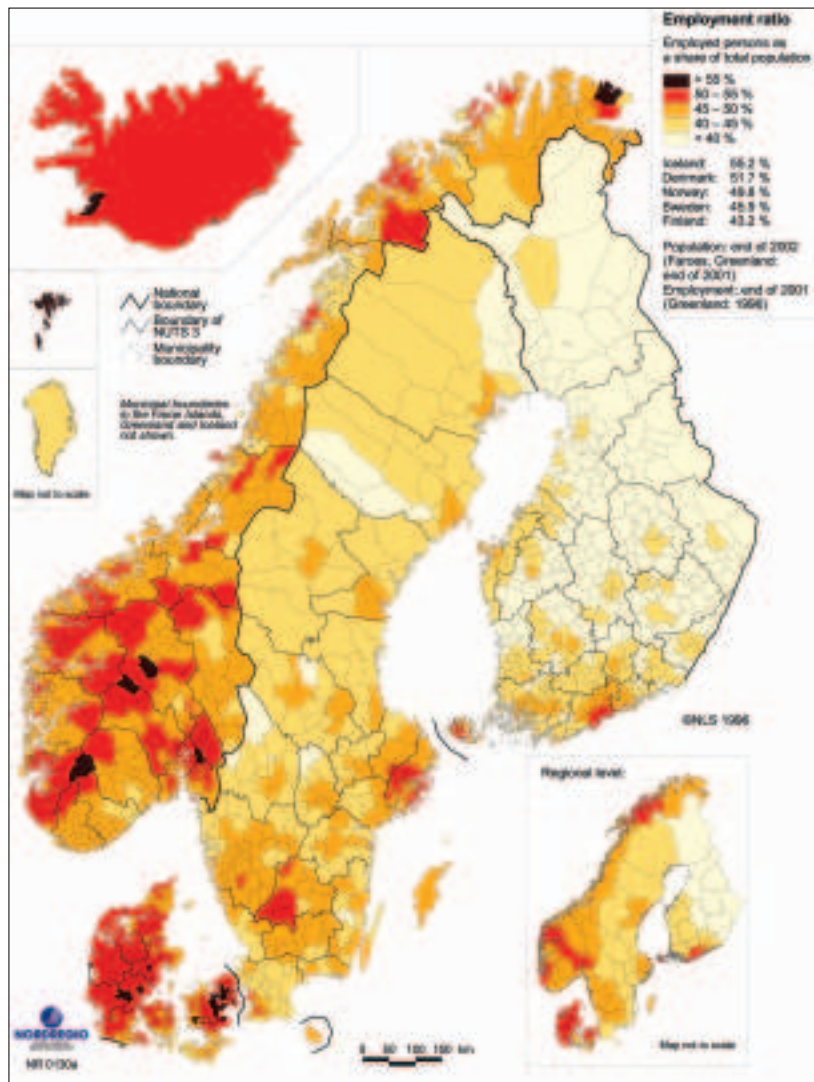


Figure 2: Employment ratio for total population 2001

cally driven labour market pressure many European countries are now facing.

When looking at the challenge from the viewpoint of the more peripheral areas of Europe and Norden, the problems seem larger still.

Look who's working now

In fifteen EU NUTS 2 regions, less than a third of the population have full time jobs. These regions are without exception situated far from the European economic core, mainly in the southern/Mediterranean areas of Italy, Greece and Spain. On the French island of Corsica less than 20% of the popula-

tion is employed, which is the lowest rate in Western Europe. In this comparison most Nordic regions turn out well, and not a single one of all 75 Nordic regions can be found below the EU average. The Faroe Islands - with a rate of nearly 65% - tops the Nordic regional list. There are moreover 18 Nordic regions where over half of the population is employed, 9 in Denmark, 2 in Iceland, 5 in Norway and 2 in Finland (Figure 2, regional map in lower right corner). Apart from the Nordic ones, there are a further 15 EU regions where more than half of the population is employed. Six of these are in the Netherlands and seven in the U.K.

Of the Nordic countries, the largest regional variations are in Finland, ranging from slightly over 35% in Kainuu to over 50% in the capital region Uusimaa. Norway has the smallest variation between counties.

On the local level variations in Norden become significantly larger. Of the 1441 municipalities in Denmark, Finland, Norway and Sweden, 375 have an employment rate of more than 50%. Most of these are in Denmark (196) and Norway (143), with a few in Sweden (25) and in Finland (11), mainly in Åland. A group of municipalities west of Copenhagen - located at a 30-60 minute commuting distance from the city centre - show the highest rates of all. In some of them nearly 60% of the total population is employed. At the other end of the scale, in 47 municipalities, less than a third of the population is employed. 45 of these are Finnish and two of them are in Sweden. The Finnish ones are not particularly clustered, rather they are scattered over large tracts of the Finnish Objective 1 area, whereas the Swedish ones with the lowest rates are concentrated in the northern parts of the country bordering Finland.

Employment rates also vary considerably between sexes. Apart from only 19 municipalities located primarily in recession-struck areas in northern Finland, males have a considerably higher employment frequency than do females, normally between 5 and 10 percentage points higher. This pattern is strongest in Denmark and in Norway. In the utmost case, the Norwegian municipality of Vevelstad, there are nearly 1.5 employed males per every employed female.

Dependencies across the map of Norden

The local age composition of today tells us something about what the local labour market can be expected to look like in the years to come. Figure 3 presents two forms of the demographic dependency ratio with data stemming primarily from the end of 2002. In the left map the number of young persons (0-14 years) is compared against the number of persons of working age (15-64 years) providing a «Young age dependency ratio». Similarly in the

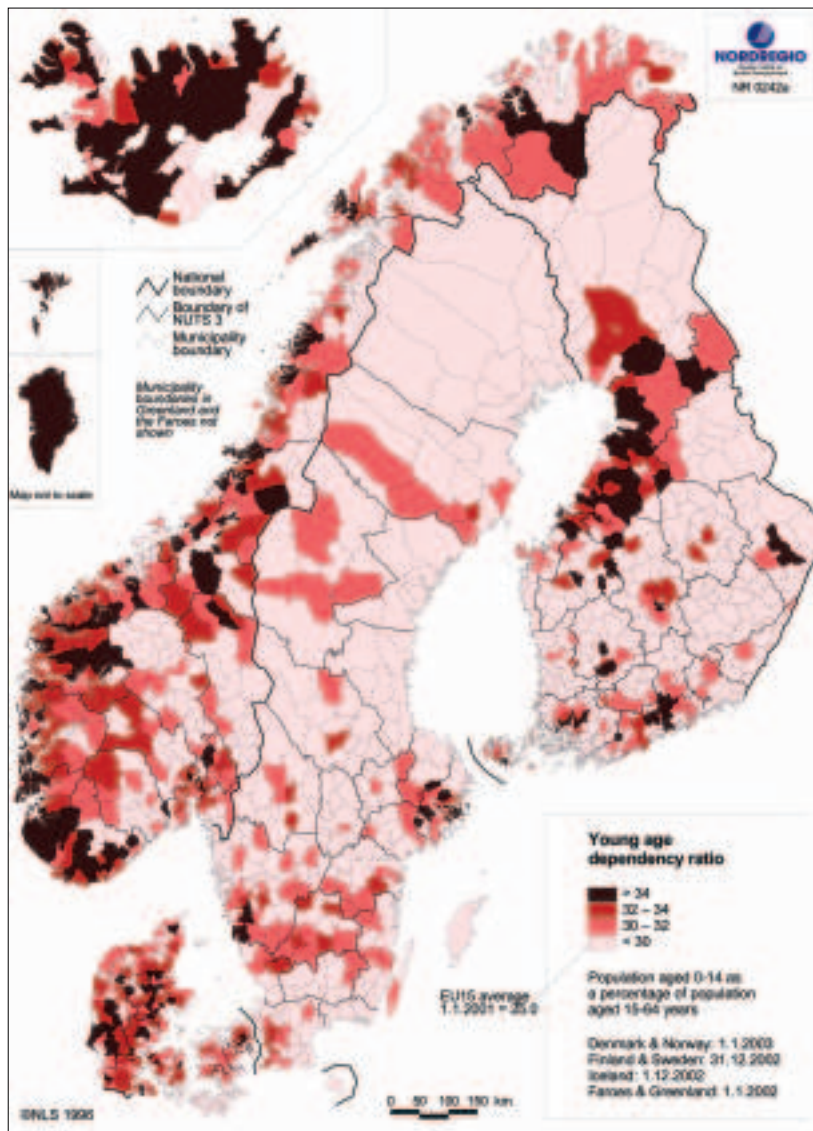


Figure 3: Young age (p.6) and old age (p.7) dependency ratios 2002

right map, the «Old age dependency ratio» is presented for elderly population (65 years or over).

Iceland and Norway have, in European terms, exceptionally young populations. The average young age dependency ratio in Iceland is nearly 35%, and is also well over 30% in Norway. In contrast, the corresponding rate in Finland is merely 26.6%, with Sweden and Denmark having slightly higher rates. All Nordic countries do however have higher rates than the 25.0% EU average.

Apart from the capital regions in all countries, most municipalities in

Iceland, much of coastal Norway and western Denmark, as well as Finnish Ostrobothnia, have substantially high rates. Greenland and the Faroes also belong to this group. In Sweden particularly, but also in rural Finland, apart from Ostrobothnia, the young population is more starkly concentrated to larger cities.

On the other hand, old age dependency ratios show in many cases a reverse picture. These rates are highest in Sweden (26.5%), the only Nordic country lying above the EU average of 24.6%. Thus in Sweden there are, on average, only 3.8 persons of working

age per every person aged 65 years or over. In Iceland - again the other Nordic extreme - there are on average nearly two additional persons (5.6) of working age per every person aged 65 years or over than in Sweden. Denmark, Norway and Finland fall somewhere in between these two poles.

Large cities apart, most municipalities in Sweden and in Finland, as well as in inland Norway, have substantially high rates. The utmost extremes are Luhanka in central Finland and Bjurholm in northern Sweden, where the old age dependency ratio is more than 55%.

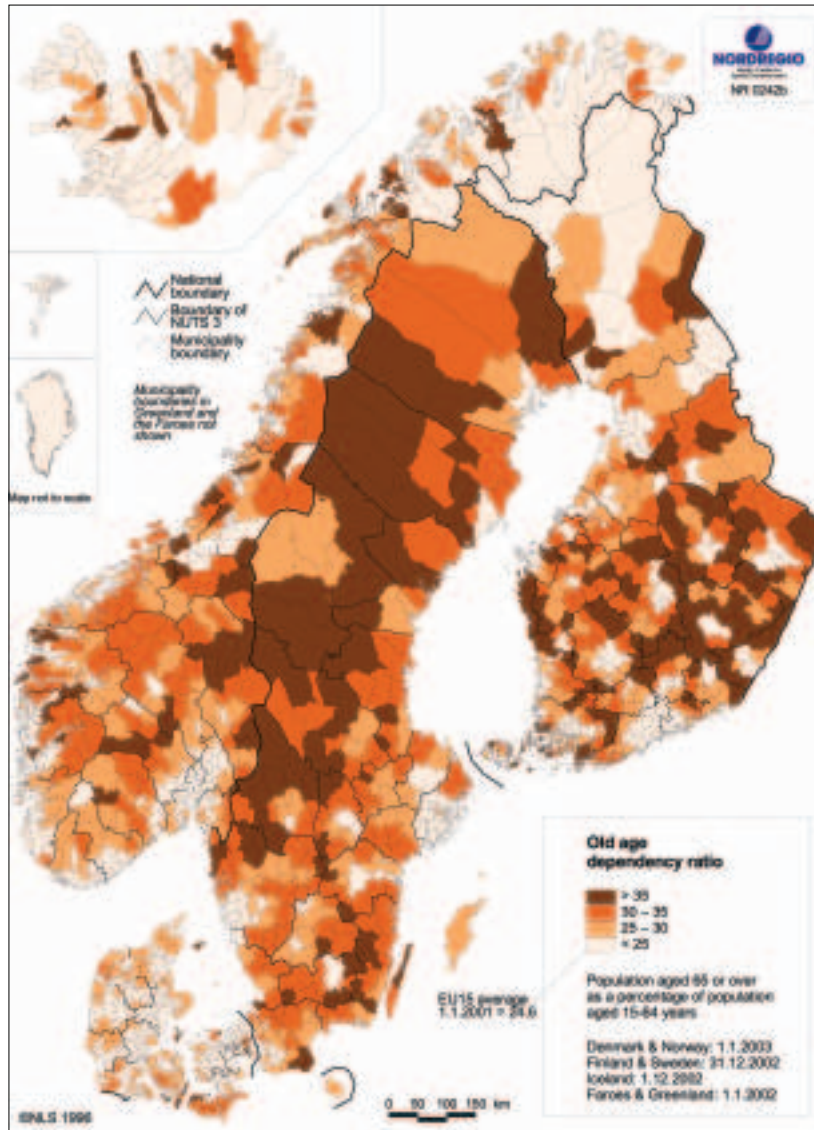
Much of Denmark, apart from the southern islands, has very low old age dependency ratios. This also holds true for the Faroe Islands and especially Greenland, where this quotient is as low as 7.7%.

The future?

Whereas old age groups are for the most part seen as a burden on society, the younger age groups are generally considered a future asset. Both viewpoints need not hold true at all times.

On the one hand, the younger age groups are more costly to society than are the older age groups, the receipt from the education system being of such magnitude. Thus the hope is - from a regional development perspective - that these costly youngsters will stay put when the time comes that they become 'profitable' in a societal context. This is more often than not the case, with the exception of the larger cities. Young persons between 20 and 35 years of age are among the most mobile of all age groups, and as such they often stay and work in the region in which they have acquired their education, which in many cases is not the same as where they spent their first 20 years.

On the other hand, several pensioners with considerable spending power bring substantial amounts of capital to circulate in local economies. In many cases these pensioners may relocate after quitting their paid employment. If they have originally out-migrated from a smaller settlement, they may then return «back to their roots», or they might choose to permanently settle e.g. where their holiday cottage happens to



In spite of the fact that the overall Nordic population is aging, substantial shares of youngsters in most countries imply that the total dependency ratio will not increase significantly in the short run as a shift from many young to many old dependents will in the short term counteract an overall dependency increase. In the long run of course, this is not feasible. Thus, demographics aside, the major question posed by this article remains, how can large shares of the currently non-active population actually be enticed or cajoled into the labour market of the future? Or alternatively, should these workers come from abroad?

be located. In both cases their economic input may be larger than their societal cost, at least initially. As these age groups grow older their need for care rises, however, but at least there is a 10-15 year long buffer in between, providing a short breather to municipalities struggling with declining economies.

Despite such possibilities, the fact remains that at present, both age groups are costly. If we mentally put the two maps in Figure 3 on top of each other, we will get an overall picture of how substantial the total demographic dependency ratio in the Nordic municipalities currently is (such a map and all maps in this article are available at www.nordregio.se).

Sweden is, from this demographic point of view, in the most precarious position as a large share of those supported are already of pensionable age. This is most definitely so in the northern and inland parts of the country. Relatively high immigration rates however somewhat counterbalance the situation. In Norway, Iceland and the Faroe Islands the overall dependency ratio is also quite high, though this stems mainly from having very young populations. The situation in Denmark and in Finland is for the time being the most balanced of the Nordic countries. To the disadvantage of Finland, the large Finnish baby boom generation will in the coming 15-20 years come into pensionable age.

IN SHORT...



Denmark

In its supplement to the common governmental agreement presented on August 27, the two coalition parties cited several of their regional initiatives, notably the questions on a future regional reform affecting the role and structure of the county administration and the state sector. The future of the municipalities is however only vaguely alluded to as the supplement refers to a possible reform in the municipal structure. The supplement also mentions the regional policy initiatives taken this spring and the proposal to reintroduce structural measures under the EU CAP umbrella.

An inter-ministerial report on transport was recently unveiled by the Government, which proposed 16 specific measures to liberalise and reform the Danish transport network. Several of the measures point to the harmonisation of or changes in EU legislation, others point to bottlenecks in the Danish regional or national transport structure, while some aim at enhancing the role of Denmark as an international hub for various modes of transportation.



Finland

In its budgetary proposal for 2004, the Finnish Government proposes to raise the sum allocated to regional development at the provincial level (landskapsutveckling) by 14 million Euros. The new total will now be 33,9 million Euros. The proposal is motivated by the need to reinforce regional competitiveness. The Government also proposes a substantial budgetary rise with regard to conditional assistance to municipalities in financial difficulty. Moreover, the Government has also begun an evaluation of the current system of incen-

tives to rationalise municipal service production. These proposals should all be viewed as one outcome of the political change that took place earlier this year when the Centre Party (Agrarian) gained control of regional policy in the aftermath of the general election.

A special delegation (skärgårdsdelegationen) has been nominated to further the development of coastal areas experiencing structural decline. Mikaela Nylander from the Swedish People's Party will head the delegation.

A campaign to encourage people to prolong their stay in holiday cottages has been launched as a cooperative venture involving national and municipal authorities together with the University of Turku. The idea is to stimulate rural habitation on a yearly basis in areas experiencing short peak seasons during summer. The project will focus on models of combining rural living with employment through tele-commuting and new models of renting out cottages. The project is going to be partly EU-financed.



Norway

The Norwegian Government has launched a national strategy for sustainable development. The strategy, which will have some specific goals concerning future national and international standards pertaining to different sectors such as the environment, energy, economic performance, social security, human rights etc is grounded in the overall need to integrate the social, economic and environmental aspects of sustainability. It further introduces the temporal and spatial aspects to sustainability implementation, arguing that the success of any efforts to implement sustainability strategies depends upon their ability to succeed within a reasonable time schedule and within the framework of a given territory be it local, regional, national or international. The strategy presupposes broad participation from different sectors of society in order to become successful.



Sweden

The Ministry of Industry, Transport and Communications has recently published its summary (Ds 2003:43) of the 2002 experiences with the Regional Growth Agreements coordinating national, regional and local growth policy activity at the regional level. At the same time, preparations are being made to rename the growth agreements as Regional Growth Programmes, from January 2004. The implication of this change remains to be seen, but clearly the programmes are about to enter a terrain containing more varied models of regional governance than has hitherto been the case in Sweden, following the recent reforms experienced by the regional administrative systems. Moreover the report draws the overall conclusion that the previous system produced rather mixed results, but stresses the general need for the programmes to become more focused in scope and more concentrated on issues of business relevance.



By Åke Uhlin, Nordregio
Senior Research Fellow

Nordregio was commissioned by, among others, Vinnova (The Swedish Agency for Innovation Systems), to conduct the Swedish part of a bench-learning process over three years with the Swedish region of Sörmland, in cooperation with the Norwegian region of Vestfold. On the Norwegian side, the Research Council of Norway sponsored the initial phase of the project. But, what is "bench-learning" in this particular context?

The concept of 'benchmarking' has been around since the 18th century when English weavers made a mark on the loom in order to show how far their competitors had reached on a day. As such they needed to reach that far in order to be competitive. Since then,

This, of course, is about evaluation. To put it simply, evaluation is about (a) comparing something with something else, (b) comparing the observed difference with a set of values, and lastly (c) draw some conclusions for the future. For instance, if we compare our results with our objectives we are happy if we have reached our objectives and unhappy if we have not, i.e. given that we cherish a set of values that it is good to reach previously set objectives. And if we have not reached our objectives we might draw the conclusions that we have to work harder.

Now, beside the obvious reason that some concepts, such as 'evaluation', often become a little threadbare over time and thus give space for new words that cover more or less the same conceptual meaning, there is a special aspect of the concept of 'bench-learning' that gives it a particular meaning.

question contains a solution to the first problem: You organise a situation where two "peers" evaluate each other. That is, together with Arbeidsforskningsinstituttet (AFI) in Oslo, Nordregio is now organising a so-called peer-review between the region of Sörmland in Sweden and the region of Vestfold in Norway. To be more precise, the objective of this peer-review process is the public governance system in the two regions.

As such, the basic idea in this Swedish-Norwegian project is that no one can better understand the fundamentals and complexities of regional policies and administration than another regional politician and administrator. That is, instead of researchers and/or consultants the politicians and administrators of Sörmland and Vestfold will meet each other in an organised bench-learning process. Nordregio and AFI's role is to organise this process.

FROM BENCHMARKING TO BENCH-LEARNING

chartered surveyors have used the concept, though with a strict technical meaning, and recently it has become a buzzword meaning roughly a point of reference in order to compare one's own organisation to another. The first trick with this new kind of benchmarking exercise is to decide what one should compare with what. The second trick is what one should do with the observed difference. That is, the basic idea is to draw some conclusions from the observed difference in order to improve, and to be more competitive.

This is the point where the concept of 'bench-learning' comes into the picture, as "to draw some conclusions from the observed difference" indicates a learning process of some sort. It thus raises questions such as: "Why is it that we cannot produce as much as they can?" Or "Why are they more effective?"

"Evaluation" derives from the latin *evaluare*, meaning, "value something from the outside", in turn meaning, "to be objective and unconnected to the object that is valued". However, everyone who has been involved in evaluations of, and with, complex social systems, such as for instance a region, knows that one faces, above all, two major problems: (1) Is it at all possible to get to know a complex social system from the outside? And (2) how does one organise the evaluation in such a way that it really becomes a learning process?

The answer to the first question is no. It is not possible. You have to become a part of the system in order to learn enough of its complexity to understand it reasonably well. But then you cannot evaluate it, at least not "objectively". However, the answer to the second

The origin of this project is the new situation regarding regional development policies that is now prevalent in Sweden as well as in Norway, i.e. that the national authorities in the regions are handing over the developmental responsibilities to regional authorities. This creates a new and in some respects problematic situation regarding the regional governance system.

Finally, the Sörmland-Vestfold bench-learning project, although it has barely begun, has already become somewhat of a pilot-scheme in its own right. Three more bench-learning projects are currently being discussed between Vinnova in Sweden and the Research Council in Norway. Moreover, TEKES in Finland has announced that they too will join the scheme next year.

The Danish government engages in solving the problems of growth in small parts of the existing Danish regions while pursuing a centralisation of regional policy. Most likely, they will succeed

Danish regional policy has been social democratic by nature for the last thirty to forty years. The main focus has been that of eliminating socioeconomic differences across the nation. Most importantly, three instruments have been used to this effect: A fiscal scheme of economic transfers between municipalities and counties in order to even out differences in tax revenues; investments in physical and educational infrastruc-

ishing fleet and the attempts to keep the Danish shipyard industry alive. However, during the 1980s and 1990s, the focus gradually changed as new policy schemes emerged that were preoccupied with technical and organisational innovation in private business firms and with the formation of business networks (Gjerding, 1994; 1997, ch.2). Simultaneously, national industrial policy bodies became increasingly interested in patterns of industrial specialisation and how these patterns could be reinforced or developed, as evidenced by a huge series of analyses in the field of what came to be known as resource areas, i.e. specific economic networks across industries and sectors. At the

lows. By international standards, disparities of income and employment between Danish regions have been extremely small for at least a decade, with the exception however of a limited number of mainly rural and fishing areas that consistently lag behind. Thus, the time now seems right to replace the overall focus on regional balance with an increasing focus on areas characterised by having very few opportunities for industrial growth, low incomes and high unemployment rates, and in some cases even a decreasing population. In consequence, a number of peripheral areas have been identified and selected for targeted regional policy schemes.

by Allan Næs Gjerding

Head of Office for Regional Development
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CREATING LARGER REGIONS

– THE AIM OF CURRENT DANISH REGIONAL POLICY

tures in order to increase mobility and social opportunities; and various schemes of industrial policy in order to facilitate job creation and industrial transition. The focus on regional balance, which Jon P. Knudsen described as a traditional Danish metaphor in the last edition of the present journal (Knudsen, 2003), has enjoyed widespread political consensus and continues to do so irrespective of the political flavour of the government in office.

The regional policy consensus encompasses Danish industrial policy, even though the nature of industrial policy has changed dramatically. During the 1970s and to some extent the 1980s industrial policy was mainly focused on various types of subsidies aimed at industrial sectors, where the needs of transition or competitive pressures were particularly strong. Classical examples here are the restructuring of the Danish

beginning of the new millennium, the focus moved on to clusters of competence (e.g. Erhvervsfremme Styrelsen, 2001), somewhat inspired by the notions of national and regional systems of innovation (Lundvall, 1992, 2002; Nelson, 1993; Edquist, 1997) that have become an important research issue in the field of innovation economics.

However, today we are witnessing a further change in the political agenda, as regional policy becomes preoccupied with solving problems of growth in small parts of the existing Danish regions while at the same time aiming at dissolving the regional level.

Focusing on the periphery

In May 2003, the current liberal government announced that the focus of regional policy was about to change (Økonomi- og Erhvervsministeriet, 2003). The basic argument was as fol-

Simultaneously, the system of public industrial service is to undergo a significant change. In Denmark, entrepreneurs and small and medium sized companies are able to enjoy short-term consultancy for free, provided by public agencies that normally operate within a county and are co-financed by the state and national authorities, or within a municipality, and financed by the municipality itself. The aim of these public agencies is to deliver services that it is not profitable for the private consultancy sector to provide. However, the government has argued that the degree of professionalism in some of the small public industrial service agencies is too low and that private services are substituted by free public services in some cases, even when the private service might be of a higher quality (Regeringen, 2003). In consequence, the government has initiated a reform whereby the public agencies, by 2004,

will focus on very short-term services leaving most of the consultancy work to be supplied by the free market, the providers within which will then become fewer and larger through fusions and mergers across the sector in order to create higher levels of critical mass.

Two ideological projects seem to have played a major role in the reorientation of Danish regional policy as it is described here. Firstly, the overall political programme of the present Danish government implies that the taxation burden must be fixed at the current level and that it must decrease in the near future. This implies a concerted effort to fight the tendencies towards growth in public spending, and the initiation of a number of budget cuts. In consequence, the Danish government has employed the metaphor of focusing the effort where the needs are the greatest – a paraphrase that the government itself has used to describe the reorientation of regional policy. Secondly, the liberal orientation of the present Danish government implies that the operation of free market forces is generally the best way of organising economic activities and in consequence public activities should not take place in cases where the market is able to provide an alternative solution. This ideological notion can also be described by political metaphors that are being used in the Danish public debate. In the case of the reform of public industrial service, the government has talked about creating a more clear-cut division of responsibility between public and private services and of giving the market the opportunity to assume a greater responsibility for industrial development.

Aiming for centralism

Alongside the increased focus on extremely peripheral areas and the reform of public industrial service, the Danish government has formed a national committee that is to analyse, and by the end of 2003, to suggest changes to the division of tasks between the national, regional and local levels of government. The basic idea is that in terms of cost-effectiveness and the degree of professionalism in public administration, the current three-level structure of government that was established in 1970 has become obsolete, and that larger units of sub national government

are needed. In particular, the very existence of a regional level of government has been questioned. This is not a new phenomenon in the Danish public political debate, but the question has now been raised with increasing regularity and insistence during the reign of the current liberal government, particularly by the Danish conservative party in the two-party government coalition. As a prelude to the report from the national committee due at the beginning of 2004, two reports issued by the Danish government have stressed the need for the reform of the three-level structure of government.

At the beginning of 2002, the Ministry of the Interior and Health formed a committee with the task of analysing the organisation of the Danish hospital sector and suggesting alternative solutions to the present division of labour. The present organisation is generally a regional government responsibility and is based on the idea that a regional population of at least 250,000 inhabitants is needed in order to have a cost-efficient sector that is capable of providing the most up-to-date services and treatments. However, tight budgets and increasing demands are forcing the hospital sector to be more flexible, efficient, specialised and able to change at the same time. Analysing how these challenges might be met by various organisational and financial schemes, the committee arrived at the conclusion that the preferable regional level of population should be about 400,000-750,000 inhabitants, depending on the urbanisation and geographical size of the region in question (Indenrigs- og sundhedsministerens rådgivende udvalg, 2003).

At the same time as the government announced its strategy for regional policy (Indenrigs- og Sundhedsministeriet, 2003), issuing the Danish National Planning Report, which had been in preparation for more than a year, and which encompassed public debate with politicians, organisations and authorities throughout the nation (Landsplanafdelingen, 2003). Complementary to the regional policy strategy, the national planning report emphasised the role of regional balance and the need to target selected peripheral areas. However, the politically most important

message appeared in the form of a new metaphor: Flexible regions. The report pointed out that the patterns of habitation, transport, industrial development and environmental challenges often involve geographical areas that are not similar to the administrative division of national, regional and local government. In consequence, it is necessary to transcend administrative borders, especially at the regional and local levels of government.

These two reports represent an important indication of the type of conclusion that the national committee on the restructuring of the three-level system of government might arrive at. Even though the debate is fierce and is characterised by many different points of view, it now seems to have been widely agreed that restructuring will indeed take place, resulting in fewer regions and probably fewer municipalities as well. The political agenda of the present government has been clearly demonstrated, and too many politicians across the national political spectrum have put their credibility at stake for the scheme to fail now. In conclusion, Denmark will embark on a course leading to fewer regions, thus following a path that is already familiar to the Nordic countries as a whole.

The future system of Danish regional policy

The main impression to be gained from what has been said so far is that the Danish government is proposing a whole new agenda for regional policy. The point of departure seems to be that there is no need for a regional policy that is targeted at the regional level as such. Instead, the classical focus on regional balance implies that regional policy is instead targeted at extremely peripheral areas within the existing regions. This will be achieved by forming cooperative networks of the peripheral areas within, and to some extent rather independent of, the existing regions. The existing regions are about to be dissolved into a new structure, cf. the notion of flexible regions that may imply two different paths of development - either the formation of new larger and thus fewer regions, or the formation of new administrative structures that will undermine the very notion of

regions in the current sense. In the first case, the regional level of government may become more powerful. In the second case, the regional level will gradually vanish and the role of national government may become more important. Either way, the degree of centralism in the Danish political system increases.

At present, some political developments seem to support the agenda of centralisation, although others, at least in the short run, may point in the opposite direction.

As described initially, the notion of innovation systems has come to play an important role as regards how industrial policy schemes have been constructed over the last ten years. Underlying this development is the recognition that internationalisation and globalisation require new competitive strengths within sectors and clusters of competence. This is the outcome of the dynamics that characterise what has become known as the globalising learning economy (Archibugi & Lundvall, 2001). In Denmark, policy makers have reacted to the global trend by creating new structures of cross-regional cooperation on regional and industrial development. Current examples are the formation of different policy making networks comprising regions in the Copenhagen area and in the areas of North Zealand and the Western part of Denmark (i.e. the whole of Fyn and Jutland). Cross-regional cooperative networks will thus emerge, as these may pave the way for larger and even more flexible regions, although some of them also serve to offset the influence of national government. The final outcome will depend on the future pattern that the cross-regional cooperation networks take. En passant, it ought to be mentioned that national government bodies have contributed to the formation of cross-regional networks.

The global trend has also been met by regional efforts to develop new types of cooperation aimed at developing systems of innovation within the existing regions. Public and private actors and organisations have formed bodies or councils to that effect. For instance, in North Jutland the county, Aalborg University, the North Jutland knowledge

park NOVI and the municipality of Aalborg have together formed the North Jutland Innovation Forum in cooperation with a number of other regional actors, comprising the association of the North Jutland municipalities and the main labour market organisations. Similar bodies have been established outside the Copenhagen area, e.g. in the regions of Århus and in Southern Jutland. In many cases, these regional bodies cooperate with similar networks that have been established at the level of local government on a cross-municipal basis. Although these efforts may lead to centralisation at the regional level from the local government point of view, they may hamper the national process of centralisation. However, as changes in the Danish three-level government system come about, the current regional cooperation networks are likely to merge into larger regional networks.

In conclusion, it is most likely that the way in which both the national government and the regional and local governments undertake regional policy will lead to larger entities that become responsible for regional policy in a wider geographical context.

Thus, it appears that the Danish government has the upper hand in the game that is the future system of Danish regional policy. Centralisation will occur. The only question that remains open is the extent to which a regional level of government will still exist, and the limitations to the role it may come to play.

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CHALLENGES FOR CROSS-BORDER COOPERATION IN THE BALTIC COUNTRIES AND NORTHWEST RUSSIA

by Šarūnas Radvilavičius
Project Coordinator of the Nordic Council
of Ministers

Cross-border cooperation (CBC) between the Nordic regions has a long history, and cooperation in some of the Nordic CBC regions, such as in Øresund or in the Kvarken Council, has in many cases been viewed as positive examples in the wider European context. There is no doubt that the Nordic countries compose a unique region because of the close historical ties between the countries, as well as their similarities in religion, culture, social and economical development, and not least, as regards languages (with the exception of Finland). All this has ensured that solid ground exists for close cooperation between all levels of society, including regional cooperation. Despite great achievements in the free movement of goods, capital or labour, significant problems nevertheless remain, thus graphically illustrating that problems do not simply disappear with the diffusion of borders¹.

In this context it is interesting to compare how cross-border cooperation looks in other parts of Europe, where countries are not composed of such homogeneous politico-cultural-economic areas, and where borders still play a very important and real role? This article will provide a short overview of CBC activities in the so-called adjacent areas, the term, which in the Nordic context defines the Baltic countries and Northwest Russia. This comparison is interesting as the Nordic region, due to the changed political situation, are becoming more and more involved in broader cooperation projects in the Baltic Sea area and in Europe more generally.

Close contacts between the Nordic countries and the Adjacent areas during the last 10-12 years makes it even more valuable to know what the similarities and differences are, as this can help to put future cooperation on the right track.

To begin it would be useful to define more closely some of the terms. Let us then start with "cross-border cooperation". Use of this term can sometimes be quite misleading. On some occasions it is used in a general sense, almost as a synonym for "international cooperation". In this case cooperation on the central, national level is often kept in mind. Another, narrower definition of CBC, is that of cooperation on the regional and local levels dealing with concrete and/or real border issues between two or more countries, and the whole spectre of problems, connected to such cooperative attempts. Such cooperation does not attempt to solve questions connected to border protection, the visa regime or customs as these are tasks for national governments or international agreements. Nevertheless, work is done on issues that are specific to communities living in the border regions: free movement, small trade, the management of joint environmental objects and tourist routes, rescue services etc. In this article the narrow meaning of CBC will be used, but it is important to know that in the Baltic Sea region we often deal both with land and maritime borders.

The term "adjacent areas" is frequently used in the Nordic Council of Ministers as it defines a certain area

where the NCM have actively worked since the early 1990's. The term is however geographically quite vague as it is complicated to define the eastern border of Northwest Russia. In this article the term "adjacent areas" will define the territory of Lithuania, Latvia and Estonia and the following parts of the Russian Federation: the Republic of Karelia, and Leningrad, Pskov and Kaliningrad regions (oblast).

The designated adjacent areas include very different regions from four different countries. Lithuania, Latvia and Estonia where independent countries between 1919 and the Soviet occupation of 1939. They were only to regain their independence in 1991 after the demise of the Soviet Union. For many Nordic inhabitants these three countries often compose a homogeneous region "the Baltic States" but in reality they are quite different both in terms of history, culture, religion and language. Russia is off course even more different in size and historical-cultural background. What all four countries have in common is a turbulent and complicated common history, which does not always provide a good environment for peaceful and friendly relations. As a result of the Soviet occupation of the Baltic States, the common politico-economic-cultural space was artificially created inside of the USSR, while relations to traditional western neighbours were very limited. In the CBC context it could be described as a situation where there was a lot of cooperation and no borders to the East, and strict borders and almost no cooperation to the West. After the collapse of the Soviet Union,

¹ The importance and relevance of these problems was underlined when the Swedish Minister for Nordic Cooperation recently appointed Poul Schlüter, ex-Prime Minister of Denmark, as her special envoy to promote freedom of movement in the Nordic countries during the 2003 Swedish Presidency of the Nordic Council of Ministers.

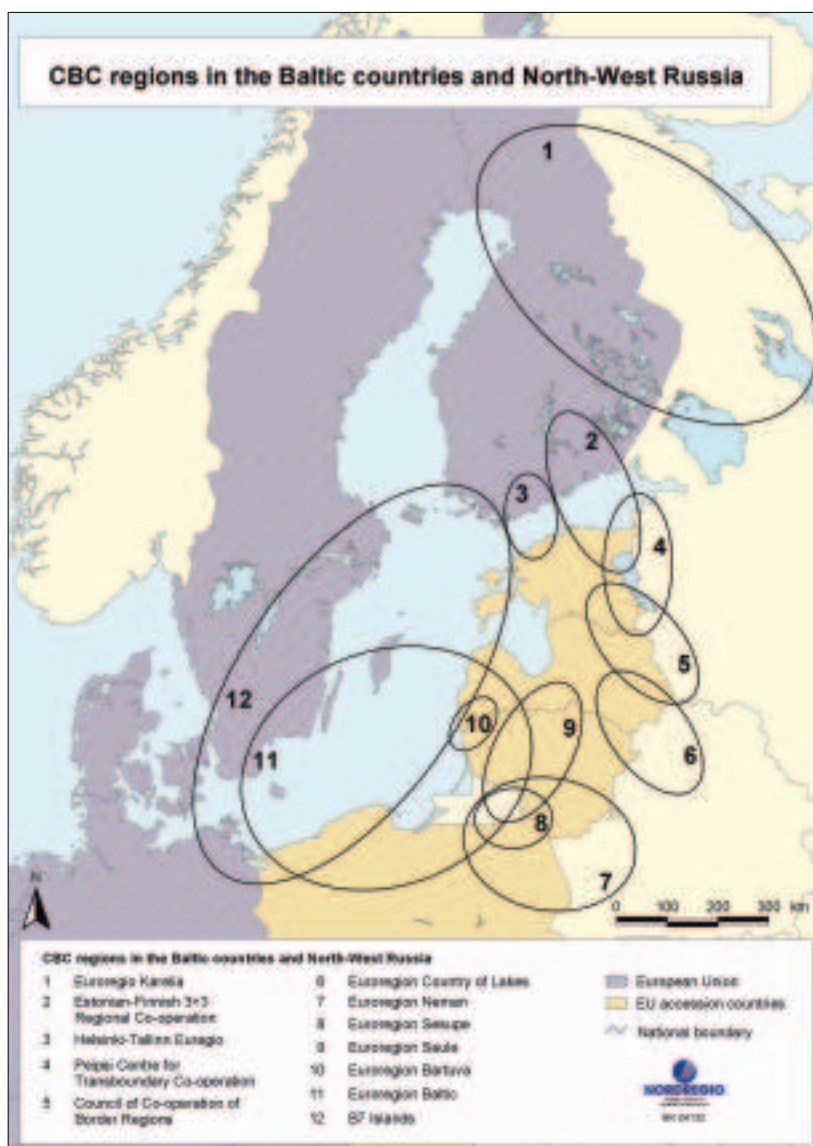
the situation changed radically – for the Baltic States (and partly for Russia as well) borders to the West opened, and cooperation with Finland, Sweden, Denmark, and Poland increased rapidly. On the other hand cooperation between the Baltic States and Russia/Belarus was impeded by the appearance of new borders and the increasingly complicated political situation.

In practice this replicates the current situation with real borders, passport controls, border crossing points and a visa regime between the Baltic States and Russia/Belarus. Moreover, with the Baltic States entering NATO and the European Union, the situation will change again – borders between the Baltic States and their Western neighbours will slowly disappear, but the Eastern borders will increasingly harden to become external EU borders.

Despite these difficulties a lot of cross-border activity is taking place on the borders between the Baltic States and Russia. What are the structures implementing this cooperation on the regional and local levels, and how are they working?

Cooperation in the adjacent areas, as well as in the whole of Europe has different forms and methods. Indeed such cooperation could be divided into four main groups:

1. *Separate projects. This is more accidental cooperation between different central/regional/local actors where cooperation is limited to one concrete project targeting some specific problem;*
2. *Cooperation between NGO's. During last 10-12 years NGO activity flourished in all of the post-communist countries, as their activities during the Soviet era where ideologically restricted. The formation of civic society, the lack of resources from national government, active support from well-established NGO's in Western Europe all helped to bolster numerous projects in such sectors as culture, social affairs, environment etc.;*
3. *Town-twinning. This kind of cooperation could be described as formalized cooperation usually between two local/regio-*



nal authorities in different countries. Some of the twinning agreements were already signed in the Soviet era (usually between municipalities in neighbouring Soviet Republics) but contact with Western partners increased significantly only in the early 1990's.

4. *CBC regions/euroregions. The term "euroregion" is used quite widely in the European context, even if the definition is rather diffuse². The typical features of this kind of cooperation are: more than two partners formalized political cooperation (signed agreement) and permanent joint structures (Council, Board, Secretariat etc.).*

This article will concentrate predominantly upon the last group - CBC regions or euroregions, as they will be cal-

led here. This kind of cooperation can have different names – Euroregion, Euregio, Council etc. but the content is similar. At the moment 11 such euroregions exist on the territory of the Baltic States and in Northwest Russia:

1. Euroregion Karelen (FIN, RUS);
2. Finnish –Estonian co-operation 3+3 (EE, FIN);
3. Helsinki-Tallinn Euregio (EE, FIN);
4. Council for Co-operation of Border Regions (EE, LV, RUS);
5. Euroregion Country of Lakes (LV, LT, BY);
6. Euroregion Bartuva (LV, LT);
7. Euroregion Saulè (LV, LT, RUS);

² This type of cooperation began in the 1970s. The name was taken from the CBC region Euregio (Germany – Netherlands), while this idea was actively propagated by the Association of European Border Regions (AEBR) <http://www.aebr.net/>

8. Euroregion Neman (LT, RUS, PL, BY);
9. Euroregion Šešupė (LT, PL, RUS);
10. Baltic sea seven islands co-operation B7 (EE, FI, SE, DK, DE);
11. Euroregion Baltic (LV, LT, RUS, SE, DK, PL).

This grouping is of course rather provisional, though all of these euroregions do satisfy the criteria mentioned above. Even so, they are very different both in size and structure. Some include many countries and large regions, and as such they could be defined as transnational cooperation (e.g. Baltic) or international network (e.g. B7), others are small, based on cooperation between municipalities (e.g. Country of Lakes or Bartuva). Some of them have complicated management structures including Councils, Boards, Working groups, Committees, permanent Secretariat etc., others use more simplified structures. Some are financed from membership fees, others – through projects from different funds and programmes. The activities of all euroregions cover whole spectrum of public life – social affairs, culture, transport, environment, business, public administration etc. Moreover, priorities differ from region to region. Compared with the Nordic CBC regions, which usually deal with the concrete problems of integration, the activities of the euroregions concentrate predominantly upon more general issues: the exchange of good practice, the establishment of networks, mutual visits. The reasons for this are obvious – the presence of real borders and passport controls put obstacles in the way of the free movement of labour, commuting, small trade or other daily contacts. Cooperation, in particular between the Baltic States and Russia/Belarus thus simply often targets the re-establishment of good neighbourhood relations, which in some cases had suffered due to the political conflict.

There are still however a lot of problems and challenges to be faced. Firstly, the perception and understanding of CBC activities is often not sufficient. What are the specific objectives of

the CBC, what is the added value of this kind of cooperation, why are the authorities spending their time and public money on it, how does it differ from other kinds of international cooperation – these are the questions that should be addressed on the agendas of local politicians and civil servants. The role and functions of the euroregion as a structure should be carefully evaluated. Is the euroregion just an umbrella concept and thus a fancy name for attracting national and international funding, or it is a structure for joint regional development across the border? It is important to remember that the euroregion is just a tool, not a goal of cooperation. Local and regional authorities are often enthusiastic about the establishment of a euroregion, as they think that this will attract more money into the region. The establishment of a euroregion is not a big problem however, in reality the problem is, how to keep it actively running, and this can easily be illustrated by the experience of some euroregions, which has seen them undergo what can only be termed as dormant periods.

The most significant threat to the sustainability of such euroregions is financial instability. Many CBC regions are financed only from international funds, in particular from EU financial instruments such as PHARE or TACIS. Their activities are thus dependent on the success of their project applications and the deadlines of their programmes. This necessitates a certain amount of difficulty in the planning of any long-term activities and in keeping experienced staff within the organization. Therefore it is important that regions or municipalities provide at least some of their own financing in order to guarantee the sustainability of the work of the secretariats, and at the same time foresee in their budgets some allocations for the co-financing of projects. From the other side, the comprehensive evaluation and monitoring system of the secretariat's activities has to be established in order to report to the members on the programme's expenditures and results.

Another important issue is that of the joint strategic planning of the activities

of the euroregion over a longer period. At present, few of the euroregions have well-prepared long-term strategies with clear objectives and concrete measures ready for implementation. Those plans should be coordinated with the strategic plans of separate members of the euroregions, with national priorities and/or other important planning documents, while at the same time satisfying the needs of all members of the euroregion.

All of the activities of the euroregions are very much dependent on the management capacity of the staff, and this remains a problem, particularly for small municipal authorities. Usually only large towns or regional authorities have the possibility to employ specialists, who could work specifically with euroregion issues. An even more significant problem however is that of retaining these people over time. The usual story being that after getting some experience personnel leave for better paid jobs in the national capitals or in the private sector. Therefore it is necessary for local authorities to create attractive working conditions and stable financing for professionals working within foreign relations. Another important measure is to create the opportunity for staff to better their qualifications, and for this to be combined with a system of mutual obligations, which could stop the potential draining away of these specialists.

Other obstacles and problems in the way of the successful development of such euroregions can be seen as external. We can mention here changes in the political situation in the country in question, or in the region as a whole. Indeed, this can at certain times be a considerable hindrance to cooperation. Similarly, economic turbulence can also be damaging. A further important obstacle is simply the differences in regional-administrative structures across the four countries. Even between the three Baltic States, the differences are quite large. A simple comparison of the number of municipalities (60 in Lithuania, over 500 in Latvia and 241 in Estonia) illustrates this point quite well. Yet another important challenge is that of ongoing administrative and regional reforms, which are currently taking place in all three Baltic countries. The number and functions of different

levels of authorities, especially regions, are not as yet defined. This for example implies that the regional/county level in the Baltic countries generally does not have an independent budget, and therefore projects can only be co-financed from the state or local budgets. The administrative structure of Russia is of course even more different, where some of the regions (oblast) both in territory and in the number of inhabitants are significantly larger than some of the Baltic countries. On the other hand, the right of Russian local authorities to make decisions in their foreign relations is much more limited as compared to the Baltic countries. The mechanism of consultation here is thus rather complicated.

The new challenges now facing the euroregions are connected to the changing situation in relation to EU enlargement. As regards cross-border cooperation between the Baltic countries and the other EU countries significant possibilities will now be opened up. Firstly, the borders will gradually disappear when the new member states enter the Schengen treaty arrangements (this will most probably happen by 2007). Thereafter, the emergent possibilities will be similar to the situation on the Nordic borders – local and regional authorities will be able to discuss practical problems relating to e.g. common services for population, commuting or other issues that are difficult to solve when you have border control procedures. Secondly, all of the Baltic countries will have the ability to draw on the EU structural funds (especially INTERREG programmes), which will increase the financial possibilities for cooperation significantly.

The situation will however be rather different on the borders between the Baltic States and Russia/Belarus. As this will become the external EU border, where border control procedures will most probably become even more stringent. This will, to a certain extent, also affect cross-border cooperation, and therefore it will often be difficult to

work on the same practical level as on the internal EU borders. The financing of joint projects will remain complicated, as two different financial instruments, INTERREG and TACIS, will be used on different sides of the border³. On the other hand, all of these obstacles will only serve to increase even more the importance of CBC as a tool for the good neighbourhood and for peaceful relations between the countries. The role of euroregions will increase, as they will be one of the major existing forums for cooperation, designed to avoid the appearance of new iron curtains.

In order to meet the challenges that cross-border cooperation in the adjacent areas entails, the euroregions will in future require fresh ideas, new solutions and a revision of their present activities. The experience of the Nordic countries can be beneficial here. First of all, Nordic regions have a long tradition of CBC with a special close-to-earth approach. Secondly, most of the Nordic CBC regions have for several years been working with INTERREG II and III A, and they are ready to share this experience with colleagues in the adjacent areas. Thirdly, the experience of some of the Nordic regions, especially in Finland and Norway, which have a common border with Russia, can be of great value for cooperation on the new external EU borders.

As a concrete result of these considerations, in the spring of 2002 the Nordic Council of Ministers (NCM) started a new project called "Regional cross-border cooperation in adjacent areas". The main goals of the project are:

- 1) In the framework of EU enlargement, to strengthen cross-border cooperation in the adjacent areas (i.e. the Baltic countries and North-West Russia);
- 2) To facilitate the creation of a network of CBC regions (euroregions) in the adjacent areas that can be linked with a similar CBC network, existing in

the Nordic countries and coordinated by the NCM.

As a result of implementation of this project the network of 12 CBC regions in the adjacent areas was established. The network includes all 11 of the euroregions mentioned above, plus cooperation in the framework of NGO "Peipsi Centre for Trans-boundary Cooperation" on the border between Estonia and Russia.

The main activities of the project concentrate on the coordination of a network (mailing list and website have been established); joint meetings of the euroregions (first one in Anyksciai, Lithuania, in November 2002); coordination of networks of CBC regions in the Adjacent areas and in the Nordic countries (joint conference and twinning meetings in Tartu, Estonia, 16-18 June 2003); training (first one on INTERREG Project Management in Sigulda, Latvia, 27-30 April 2003); the dissemination of information about euroregions (a set of maps has been prepared, and a brochure is planned). The final result of this project, ending in 2003 (with possible prolongation into 2004), should be the preparation of a strategy for the further development of the network of euroregions in the adjacent areas and one for the future of contact between Nordic-Baltic-Russian CBC regions.

The project of the NCM as well as the activities of other organizations and networks in the Baltic Sea region will hopefully contribute to the strengthening of the impulse to cross-border cooperation, giving it new content, which is required in the face of Europe's new political and economic challenges. Successful cooperation on the regional and local levels can thus provide a solid ground for the realisation of a common goal - to make the Baltic Sea region one of the fastest growing and strongest regions in the new Europe.

³ This situation will hopefully be improved by the introduction of new the Neighborhood Instrument presented by the European Commission in July 2003. This Instrument targets the better coordination of the different EU financial instruments for external borders.

⁴ The project is coordinated directly from the Nordic Council of Ministers secretariat in Copenhagen though the project coordinator, who is the same person as the author of this article, is working in close co-operation with the information offices of the NCM in all of the Baltic countries and North-West Russia, with an office in Vilnius, Lithuania, as a base. For further information about the project please check www.nmr.lt or write to sarunas@nmr.lt

Can images and metaphors enhance European Spatial Development Policy?

THE IMAGE OF THE POLICY¹

by Ton Van Gestel² and Tue Rex³



Introduction

In a recent paper, Jensen and Richardson (2003 p. 13) discuss the theme of 'framing with images':

"The London Green Belt, the Copenhagen Finger Plan, and the Dutch Green Heart are examples of such 'framing with images' in which spatial policy discourse makes use of powerful metaphors as well. Many people have never seen the original images, which first articulated these concepts, but they retain some sense of the vision, which lies behind them, capturing core values and spatial relations. Metaphors such as the blue banana carry powerful messages about the organization of European space and economy as they become icons which take on a life beyond their graphic origin."

This article in turn will discuss the role of images and metaphors in Dutch and Danish planning and what it is, or could be, in European spatial development policy.

In order to do so, it is necessary to firstly take a deeper look into those two prominent concepts: 'image' and 'metaphor'. Then we will briefly go back in time and find out when and how these concepts appeared in Dutch and Danish planning, and thereafter we will also have a look at more recent examples. Finally we will focus on the – relatively – new arena of European planning. To what extent have images and

metaphors been used on this level? And, more importantly, how can they improve European plans and spatial policy?

Images and metaphors

According to Faludi (1996b p. 97), the spatial organisation principle must be formulated in such a way that it (a) sticks in the planners' mind, (b) entices them to act out the underlying ideas, and (c) assists them in conveying to their clients, including the public at large, the point of planning and of plans. This is, he continues, where the power of images comes into play. Jensen and Richardson (2003 p. 10) make a similar statement regarding the European context when saying that their use of the term 'iconography' is a way of framing concerted attempts to construct policy icons using images that capture and distil critical ideas about European space in ways that can be communicable to a policy audience as well as to the wider citizenry.

When underscoring these insights, it is inevitable that Kunzmann is referenced, as he, with one simple drawing, has had quite an impact on the way that planners look at the European territory. When trying to justify the efforts of imaging the European space (because some argue that this is an oversimplified way of looking at a complex situation), he states:

• **First**, it is widely acknowledged among planning scholars that the process of considering a plan is much more important than the plan itself, which is only the visible final end product of the planning process. The ongoing process of 15 national institutions cooperating in the production of maps which show spatial development trends

by using comparable criteria and cartographic symbols, is, per se, already sensational. It is undoubtedly a big step forward to a joint cross-cultural understanding of spatial development processes in Europe. The lengthy communication processes, which are required to agree on joint criteria and cartographic symbols, will develop their own momentum.

• **Second**, the visualisation of spatial problems in maps makes it much easier to communicate the problems to the public and the political arena. It facilitates the understanding of complex spatial systems, and it reveals the lack of comparable information in Europe.

• **Third**, recent research in Europe has shown that symbols and spatial images play an underestimated role in spatial planning. In the end visualised concepts can contribute more to achieving certain political goals than legal and financial instruments. Visualised spatial symbols, for all their vagueness, can reduce complexity enormously. They are easy to communicate, and much easier to grasp and to accept.

• **Fourth**, experience shows that the shortcomings or dissatisfaction with such concepts triggers off new research. Reference to such documents is made when research funds are made available to improve the knowledge of spatial development and interrelationships. The European dimension of the document is a new challenge to spatial research in Europe.

(Kunzmann 1996 p. 144)

So, notwithstanding all of the shortcomings that they may have, images are still regarded as very efficient when communicating policy, with even some of their disadvantages having positive

¹ Title derived from Lynch (1960). In his masterpiece 'The Image of the City' he introduces and emphasises the new criterion of 'imageability' (Lynch 1960 p. 9). An earlier version of this paper was written by Ton van Gestel as coursework for two modules of the Master of Science in Spatial Planning programme at Nijmegen University (The Netherlands).

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elements attached to them. To quote Van der Wal (1997 p. 13): a picture is worth a thousand words!

Having introduced 'the image', we will now continue with 'metaphors'.

"Metaphor is for most people a device of the poetic imagination and the rhetorical flourish – a matter of extraordinary rather than ordinary language. Moreover, metaphor is typically viewed as characteristic of language alone, a matter of words rather than thought or action. For this reason, most people think they can get along perfectly well without metaphor. We have found, on the contrary, that metaphor is pervasive in everyday life, not just in language but in thought and action. Our ordinary conceptual system, in terms of which we both think and act, is fundamentally metaphorical in nature."
(Lakoff and Johnson 1980 p. 3)

The metaphor therefore seems to be a helpful tool in policymaking. Like an image, it can trigger one's imagination. It can easily explain and recapitulate a complex situation. Usually metaphors are statements: easy to remember catchy phrases or one-liners. If chosen well, they can even (positively) influence the image of a certain topic. The example of the Dutch Green Heart is a case in point here.

The Dutch background

Already in the seventeenth century (and probably also beforehand), Dutch planners started using the devices of 'image and metaphor'. When designing cities, which was mainly either a military or an artistic activity, symbolism (a form of metaphor) was self-evident. The shape of many strongholds often referred to the Seven Provinces. The appliance of metaphor in urban design was, however, not typically or solely a Dutch phenomenon. Moreover, later examples of image and metaphor in Dutch planning, such as garden cities, were actual adaptations of foreign discourses. Even so, this is a good illustration of how the two concepts were deliberately used.

By the twentieth century it emerged that the Dutch actually differ from most other countries – planning wise. In 1937, Bakker-Schut started deliberating on a national plan⁴. It was in this deca-

de, when the 'Randstad'⁵ was first recognised by airline director Plesman, who had analysed the morphological shape of four towns from a bird's eye view. The Randstad, together with 'het Groene Hart' (the Green Heart) were to become the most powerful examples of framing with images (and metaphor!). But, there were other cases where planners, policy makers and the public were influenced by metaphor in the immediate post-war period. In that time, everyone agreed that the housing shortage was 'public enemy number one' (Van der Cammen and De Klerk 1996 p. 97). The reestablishment of the 'pillars' (Faludi and Van der Valk 1994 p. 82) in The Netherlands is a metaphor too, but not so much of a spatial planning issue.

In any case, the genesis of the Randstad and The Green Heart is what we are really interested in. After the Randstad had been recognised as an urban area, its central area (as the green heart was first known) was seen as the commons of the urban tissue. The eventual name, The Green Heart, turned out to be a very strong concept. Lingbeek's dissertation (1998) actually translates as 'The Power of Metaphor, an analysis of Green Heart planning'. Not that everyone always agreed on the 'hands off!' status of the area, but until now the doctrine has withstood the claims of urban functions. There is a strong metaphor underlying its name, that of the country as a body, the well-being of which vitally depends on the health of its heart. The Randstad and the Green Heart thrive on this metaphor (Van der Valk and Faludi 1997 p. 57). So even though some planners such as De Boer (1996 p. 9) argue that the Randstad is not really functioning as a city, and therefore is an incorrect name, it continues to exist.

Another case in which the importance of image and metaphor in Dutch planning can be highlighted, was the event when the – at that time – new planning minister Winsemius assessed a study by his staff:

Winsemius saw the draft in April. Although he himself was not a designer, he nonetheless stressed the importance of visu-

alizing ideas. Designers needed little convincing. They embellished the discussion document, using a distinct new style. Visual presentation was equated with vision. In fact though, the diagrams did not always relate to the text. However, the text itself did exude vision. A social scientist on the staff of the national planning agency has justified the emphasis on vision by arguing that vision was to guide planners in the selection of topics.
(Faludi and Van der Valk 1994 p. 207)

The object of planning is after all, the making of spatial dispositions. The process of so doing is however more complicated the more distant from local actors we are. This means that at a higher level (European compared to Dutch) it is harder to be of influence.

The Danish case

When modern spatial planning policy emerged in Denmark after W.W. II, the outcome was an urban planning image and metaphor, 'the Finger Plan', that after more than 5 decades remains the backbone of regional planning in the Greater Copenhagen Area.

The finger metaphor frames a spatial policy of a mononuclear urban hierarchy: a city centre fed by (sub)urban radials (fingers) facilitated by mass transit (suburban trains). The radial cityscapes hold dwellings, industry and commerce. The rural areas between the fingers serve as green belts that provide amenities for the citizens. The inspiration from foreign images is evident: the green belts and new towns of London are here reformulated in a Danish context. (Rasmussen 1994)

The finger metaphor is of extraordinary longevity and importance in the Copenhagen Region. Not only has the metaphor dominated planning discourse for more than 50 years, the image has also proven to be very successful in planning practise – thus the impact of the image on spatial development cannot be understated: the principle is distinctively reflected in the landscape in spite of an increase in green field developments.

³ It took until 1960 for the first national plan to actually come in effect

⁴ Literally translated: Rimcity

Evaluating the image's impact in planning practice it is important to bear in mind the relatively strong hierarchical planning system in Denmark; thus, an institutional framework has facilitated the implementation of 'the Finger Plan'. However, the longevity of the image is not least reflected in its ability to adapt new themes in planning discourse. The finger metaphor has been able to adapt the concept of sustainability as the notion of transit-oriented development entered the national planning discourse in the mid 1980s.

When national spatial planning was initiated around 1960, images and metaphors were widely used in the debate. The image that emerged as the most powerful was that of 'the Great H'. 'The Great H' pictures a vision of the traffic infrastructure (roads and railways) connecting the largest urban areas in Denmark with Sweden and Germany. The infrastructure forms a graphical image similar to a capital H, thus the name.

The image of the great H has been the policy of the national spatial planning department (Ministry of Environment) and more importantly the Ministry of Traffic. In planning discourse, the great H metaphor pictures areas of potential economic growth. This image has been strongly opposed by theorists, professionals and local politicians who embrace a decentralised development that strengthens low growth areas. Despite heated debate, the image has survived for decades as the backbone of infrastructure planning practise.

These examples illustrate that images and metaphors can prove to be of enduring importance in planning theory and practise. Images and metaphors have the ability to form strong discourses with profound longevity. One important note to the Danish case in hand here is that planning images have consistently been backed by strong institutional frameworks (with long term investments in traffic infrastructure as a result).

European planning concepts

Spatial concepts play an important role in making the step from awareness to internalisation. Such concepts are still

absent from the ESDP. In our country the 'Randstad' and the 'Green Heart' were originally the products of spatial images, but over time they have gradually developed into concepts that help us to structure space. They not only help to unify ideas, but also fuel debate and controversy. The development of similar structural images at the European level is highly important: the language of images is still the most international of all. Such concepts can also be helpful in the development of a European cultural identity. This raises questions such as: where do we come from, where are we going, and who and what are we? Spatial images can help us to construct answers to questions like these. (National Spatial Planning Agency 2000 p. 11-12)

Being long-standing supporters of the idea of European planning (Faludi 1996a p. 41) on the one hand, and as we have seen previously, having a background in spatial concepts on the other, the Dutch take a clear position regarding European imaging. So far, two well-known images have arisen: the Blue Banana by Brunet and the Bunch of Grapes by Kunzmann (their metaphorical value can be discussed, although their 'fruity image' makes them easy to remember). The first mentioned was originally depicted as a French 'doom-scenario', in which Paris was not part of the European economic core area.

The second concept, drawn by Kunzmann in 1991, portrays European urban areas in what we now call a polycentric way. Waterhout (2002) explains that in the European Spatial Development Perspective (ESDP), polycentricity is seen as the vehicle for moving toward a Europe that, in the long term, develops from a highly centralised territory (indicated by the Blue Banana) to a balanced territory (symbolised by the Bunch of Grapes).

A European planning doctrine?

Talking about the Dutch situation, the concept of 'doctrine' arose. In the Netherlands, the Green Heart and The Randstad were very successful conceptions; as a result they became the essence of Dutch planning doctrine. This concept stands for a body of thought concerning (a) spatial arrangements within an area, (b) the development of that

area, (c) the way both are to be handled (Faludi and Van der Valk 1994 p. 18). Since the spatial concept of e.g. the Bunch of Grapes has some similarities with the main two Dutch concepts, one could expect it to have the same effect. But, to counter this: 'Doctrine presupposes the existence of an agency with overall responsibility for the plan area' (Faludi 1996a p. 44). However, let us not focus on purely doctrinal deliberation too long, and return to considerations related to the main topics of image and metaphor.

When comparing the Dutch to the European case, the cultural differences will probably be the most striking feature. This means that the (supposed) self-evidence of certain Dutch habits is not applicable on the European scale. Considering 'image' this mainly applies to maps, considering 'metaphor' we refer to jargon. Faludi and Waterhout (2002 p. 104-109) even named a paragraph of their book on the making of the ESDP 'The problem of maps'. In European spatial development, maps remain controversial; in The Netherlands, everyone loves fancy maps. During the making of the ESDP, no agreement had been possible on the use of symbols. This seems a trivial subject, but it is far from that. Wood (1993 p. 192) argues that 'maps empower ... by working!' 'What do maps do when they work? They make present – they represent – the accumulated thought and labour of the past ... about the milieu we simultaneously live in and collaborate on bringing being.' (Wood 1993 p. 1)

What about jargon and other statements, i.e. the metaphors? Language barriers are infamous in decision-making. Not only can misunderstanding slow down, it can stymie processes. Not trying to de-motivate planners; this is about tempering high hopes. So indeed, the examples of Dutch doctrine and Danish discourse are probably still far-fetched on a European scale.

Conclusions

Undoubtedly, both images and metaphors are indispensable tools for spatial planners. Not only do they enhance national and continental (such as

European) planning, they are also very accessible instruments. Certainly on the European level it will serve as a catalyst between different levels and professions. According to Witsen, it is about time too (1999 p. 11). In a renowned Dutch journal on urban design he compares the language of the ESDP with the Navajo Indian's incomprehensible language. He claims it's written in a way only die-hard diplomats understand. Hopefully 'The Image of the Policy' will improve with the future use of striking metaphors and images.

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BOOK REVIEW

Embedded Enterprise and Social Capital: International perspectives.

Edited by Michael Taylor and Simon Leonard. Ashgate, 2002. (x+300 p.)

By Hans Westlund, Swedish Institute for Growth Policy Studies (ITPS)

"Clusters", "industrial districts", "learning regions", "innovative milieus" and "regional innovation systems" are some of the most popular concepts in the new literature discussing the more policy-oriented aspects of the theories of (local/regional) endogenous growth. One concept closely connected to this above-mentioned field is that of embeddedness, coined by Karl Polanyi and developed by Mark Granovetter. According to Michael Taylor and Simon Leonard, a powerful model of local economic growth has been developed around this embeddedness concept. This model emphasises inter-firm relations, supplier-buyer interaction, institutional thickness and the creation of social capital, and it has obvious policy relevance and appeal both in developed countries and in the third world.

However, Taylor and Leonard remain unconvinced with regard to the strong positive effects of the "embeddedness model" in promoting local economic growth. In the first chapter of the book they perform a critical theoretical scrutiny of the concept, and in the last chapter they use the results of the fourteen case-study chapters to develop their critique empirically.

Their judgement is uncompromising: "abstracted from the complexity of reality and the importance of 'context' the concept of embeddedness has been left over-generalised and partial. The principal problem with this embedded enterprise model of local growth (...) is that it is a mechanism that has become a model that has become a mantra. Now, its strength comes from repetition while its weaknesses are ignored. It can be questioned whether it has advanced our understanding of processed of local economic growth and change outside a few cherished localities". (p. 295).

I feel fairly familiar with the literature on the concepts mentioned in the introduction, not least social capital, and I have noticed the concept of embeddedness every now and then, but I must admit I had never heard of the "embeddedness model" until I read this book. Moreover, I am still not convinced that there is such a

model. It is hard to avoid the feeling that the "model" referred to, at least to a certain extent, is itself constructed by Taylor and Leonard from a set of loose fragments to be found scattered across the literature.

I may be right or wrong about this but it is nevertheless easy to agree upon the critique Taylor and Leonard raise against the "embeddedness model": Embeddedness itself provides no guarantee of competitiveness and growth. The context, power relations, path dependencies, time-specific processes and existing social capital (to mention but a few examples) cannot be neglected. Moreover, as with social capital (see e.g. Westlund & Bolton 2003) embeddedness may also have negative effects. During certain circumstances, embeddedness may e.g. lead to lock-ins, exclusion and self-exploitation. It all depends on what kind of milieu the firm is embedded in. But who on earth has

claimed that embeddedness would be the one and only remedy to all growth problems? Instead of focusing solely on embeddedness and the obvious problems in treating it as an isolated concept, it could perhaps have been more fruitful to discuss the "strong vs. weak ties problem" in the context that the editors would like to see.

These critical comments should by no means be interpreted as suggesting that this is a book of low quality. On the contrary: Both the editors' chapters and several of the case studies contain good literature overviews and bring a lot of new knowledge to the field, one particular example here being the chapter on embeddedness and innovation, in which Boschma, Lambooy and Schutjens discuss the pros and cons of the concept in a balanced way. Another example worth citing is the chapter by Eraydin on the Turkish experience that highlights the pro-

blem in focusing on embeddedness as an isolated strategy: Government policies for building embedded industrial clusters initially seemed to be successful, but during periods of recession, the clusters showed weak international competitiveness, with firms adopting cost-cutting strategies and thus most of the built-up structures as regards "learning regions" and "regional innovation systems" vanished.

To sum up: even if the editors are far more polemic than is strictly necessary, this is an interesting book that provides a good introduction to the literature, a relevant critique of lopsided "embeddedness strategies" and one that also contains a number of good case studies.

Reference: Hans Westlund & Roger Bolton (2003) *Local Social Capital and Entrepreneurship. Small Business Economics*, Vol. 21, pp 77-113.

INBJUDAN TILL SEMINARIET

Måndagen den 10 november 2003

De fyra presentationerna erbjuder en inblick i ny teori och praktik kring tjänstesektorns roll för den regionala utvecklingen i de nordiska länderna. Seminariet bygger på aktuell och pågående forskning som omfattar både den akademiska och den praktiska världen. Förmiddagens presentationer tar sin utgångspunkt i tjänstesektorn från ett utbuds- och efterfrågeperspektiv, medan eftermiddagens ser på temat från ett regionalt policyperspektiv – ett samhällsplaneringsperspektiv. Winther presenterar en aktuell studie av tjänstesektorn i de skandinaviska regionerna, med särskilt fokus på temat lärande regioner. Rustens presentation ger en mer detaljerad insyn i samspelet mellan producenter av kunskapsintensiva tjänster och små och medelstora företag med konkreta exempel från olika regioner i Norge. Runt om i de nordiska länderna pågår en mängd förändringar gällande regional planering för tillväxt. Detta tema introduceras i Dahlströms presentation. Hermelin avslutar så seminariet med en diskussion om samhällsplaneringens möjligheter att bidra till urbana regioners tillväxt. Hela seminariet hålls på "skandinaviska".

Tjänstesektorn och regional utveckling – nya nordiska perspektiv

LARS WINThER (*Universitetet i Köpenhamn*)
och JOHN JØRGENSEN (*Nordregio*)
«Serviceerhvervenes økonomiske geografi i Skandinavien. Fra christallerske oplande til globaliserende læringssteder»

GRETE RUSTEN
(*Samfunns- og næringslivsforskning AS, Bergen*)
«Når råd er dyre. Om kjøp av konsulenttjenester blant små og mellomstore bedrifter»

MARGARETA DAHLSTRÖM (*Nordregio*)
«Om regional governance och tillväxt – aktuella nordiska exempel»

BRITA HERMELIN (*Stockholms universitet*)
«Hur skapar politik och planering det ekonomiska landskapet?»

Seminariet riktar sig till såväl studenter och forskare inom den akademiska världen som praktiker och beslutsfattare på lokal, regional och nationell nivå. Det finns gott om tid för frågor och diskussion liksom för nätverkande. Seminariet är helt kostnadsfritt, men på grund av lunchen är det nödvändigt att boka plats. Evenemanget går av stapeln på Nordregio i Stockholm och pågår mellan klockan 10.00 och 15.30. Det inkluderar kaffe/te från klockan 9.30 och en lättare lunch. För bokning, var god kontakta **Liselott Happ-Tillberg** liselott.happ@nordregio.se

BOOK REVIEW

Herrschel, Tassilo & Peter Newman (2002)
Governance of Europe's City Regions.
Planning, Policy and Politics.
 London and New York: Routledge.
 (233 pp.)

By Brita Hermelin, Dept. of Human
 Geography University of Stockholm

This book concerns the ongoing changes occurring in the political organisation of EU states, with a particular focus on the governance of city regions. It is organised into eight chapters discussing this theme from different perspectives and scales; from a general conceptual point of departure to more empirical initiated overviews on the EU as a whole, on different member states and particular city regions in England and Germany.

Chapter 1 introduces us to the basic research questions and to the projected scope of the book. In chapter 2 Herrschel and Newman seek to position their book in the context of two related debates. One, labelled by the authors as 'economy and territory' has stirred interest in geography circles, while the other, emanating from political science is usually referred to in terms of 'territory and governance'. The authors connect these two debates with the following pairs of concepts: Globalisation – Rescaling the state; Un-traded interdependencies – Multilevel governance; Industrial districts – Growth politics; Post-Fordism and Regulation theory – Governance and networks. These two debates are maintained throughout the narrative in order that they may be integrated into the notion of 'The New Regionalism'. According to the authors: 'Arguments about the new regionalism have a starting point in the assumption of much greater importance for regional economies' (p. 31). This new regionalism should not be confused with an earlier wave of regionalism based more on identity grounds. Given its importance for the theme of the book, the process of regionalism and that of the frequently discussed regionalisation, it is unfortunate that the book lacks an explicit definition of these terms. This may work to effectively exclude a wider group of readers from following the basic thread of argumentation, as a basic understanding of such terms is important if one is to appreciate the following discussions in the book.

Chapters 3 and 4 offer informative and interesting overviews of both sides of the debates referred to in chapter 2; i.e. territorial structure and the pattern of the economic and the political spheres. With regard to the economic structure the argument focuses on the growing nature of regional heterogeneity and uneven development. Regions with the highest employment shares in services and those that are most urbanised have the most prosperous economic development: 'The Europe of Regions which had seemed to represent the future of European economy and institutions at the end of 1980s has been ousted by an image of city regions as the real economic motors...' (p. 57).

In chapter 4 a four-field scheme for analysis of the governing of city regions in EU is introduced. This scheme considers the intraregional factors of the mono- or polycentric structure of a city region and the external factors of unitary or federal state organisation. Thus, in the scheme there are four possible combinations; mono-centric city regions with limited autonomy in a unitary state; mono-centric city regions with considerably autonomy in a federal state; polycentric city regions with limited autonomy in a unitary state, and finally, polycentric city regions with considerably autonomy in a federal state. This fourfold scheme helps construct a useful framework for outlining city regions in a number of different EU states. With regard to unitary states, Finland, France, Portugal, and the Netherlands are discussed. In these countries recognition of the regions as important actors for economic growth is combined with central state reluctance to devolve political power. Thus, informal and network-based regionalisation, which may be more easily changed or removed, is favoured. For similar reasons, there is a tendency for mono-centric regions, where the centre of the power is given, to develop a more formally institutionalised regionalisation in comparison to polycentric regions, where different cities may not easily accept additional scales of territorial government. In federal states, among which Italy, Belgium, Spain, and Germany in particular are discussed in the book, the regional scale is an integral and accepted scale of government. Such states may however be more resistant to new forms of regionalisation since it challenges institutionalised organisations at this territorial level. Further, in the federal state the polycentric region may face stiff competition from a historically entrenched localism.

Chapters 5, 6 and 7 consider the issue of regionalisation and regional governance in England and Germany. Four city regions in these countries are discussed in rather detailed accounts; one of each type in the fourfold scheme introduced in chapter 4 and outlined above. London is the example of the mono-centric region in the unitary state of the UK, the city region of Berlin and Brandenburg being the example of the mono-centric region in the federal state of Germany. Yorkshire and the Humber region in the UK and Saxony-Anhalt in Germany are examples of polycentric regions in the two different types of states.

Looking back at the two debates that frame the outline of the book, the author's conclusions deal primarily with the issue of territory and governance. Despite processes of regionalisation they underline the continuing central role of national governments. In their concluding sentence they state that 'the driving force behind regionalism is economic competitiveness, but this is expressed in different ways in differing institutional contexts.' To what extent the consolidation of city regions is an efficient strategy for growth politics is another story although this is touched upon in the book as it refers to arguments that major cities are connected in widening grids '...leaving even larger areas to fall through the raster and remain confined to economic (and political) peripherality' (p. 44). Thus, trickle down effects to the urban hinterland are not evident.

In sum this book is an efficient and informative presentation of the governance of city regions in Europe. The comparative approach is particularly valuable. The book should be of great interest to practitioners as well as students and researchers in the field. The varying scales of analysis in the different chapters mean that readers looking for a more general picture of the EU and its member states, as well as to those with a special interest in England and Germany, will have an interest in the book.



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The workshop seeks to re-politicise spatial politics, a field largely dominated by geographers and spatial planners, by taking a closer look at the meeting points and contingencies between spatial, territorial and regional policies in their different guises. Are policies with a spatial effect (within an EU context) only bureaucratic exercises in the field of planning, to be understood in purely geographical terms, or are we in fact faced with a deeply politicised process requiring an integration of political and policy perspectives based on a multi-disciplinary understanding of spatiality? It is argued that the dual nature of spatial/territorial planning and development still remains embedded in European, as well as in national politics, as related policy issues are most often found on either side of the sector divide. The aim of the workshop is therefore to both address this duality, and where possible, to try to integrate the two sides into a more constructive whole. Another central focus of the workshop will be on elaborating the connection between European spatial politics and the production of a spatial policy for Europe. This spatialisation of European policy-making addresses (a) the connections between politics, policy making and governance where policies with a spatial impact (e.g. policy areas such as regional development, spatial planning, territorial development in various fields ranging from infrastructure, higher education or industrial renewal, to competence development) are elaborated, and (b) the process of agenda-setting, where a coherent view on, or a political will for, a common European policy for spatial development is approached from two sides.

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SIRIUS will be conducting its Winter School 2004 at Nordregio 17 – 23 January 2004 with the theme

TRANS-NATIONAL COOPERATION: HOW TO CREATE AND MANAGE SUCCESSFUL DEVELOPMENT PROJECTS



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There are advantages to looking beyond one's own borders. Functional regions may be adjacent to national borders with unrealised potential on both sides of the border or they may already span these borders. Or there may simply be much to be gained by looking critically at one's own practice in light of the experiences of similar regions in other countries.

An important European instrument in this light is the EU Interreg programme. But the Interreg programme is not an end in itself: the true measure of trans-national cooperative efforts is the benefit derived by the people living and working in the regions involved. Experiences gained over many projects, both by the participants and as analysed by evaluators, can be invaluable in creating and implementing successful and effective projects, either within the Interreg programme or independent of it.

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THE NEBI YEARBOOK 2003.

NORTH EUROPEAN AND BALTIC SEA INTEGRATION.

Editors Lars Hedegaard and Bjarne Lindström. Berlin: Springer-Verlag, 2003. 498 pp.

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