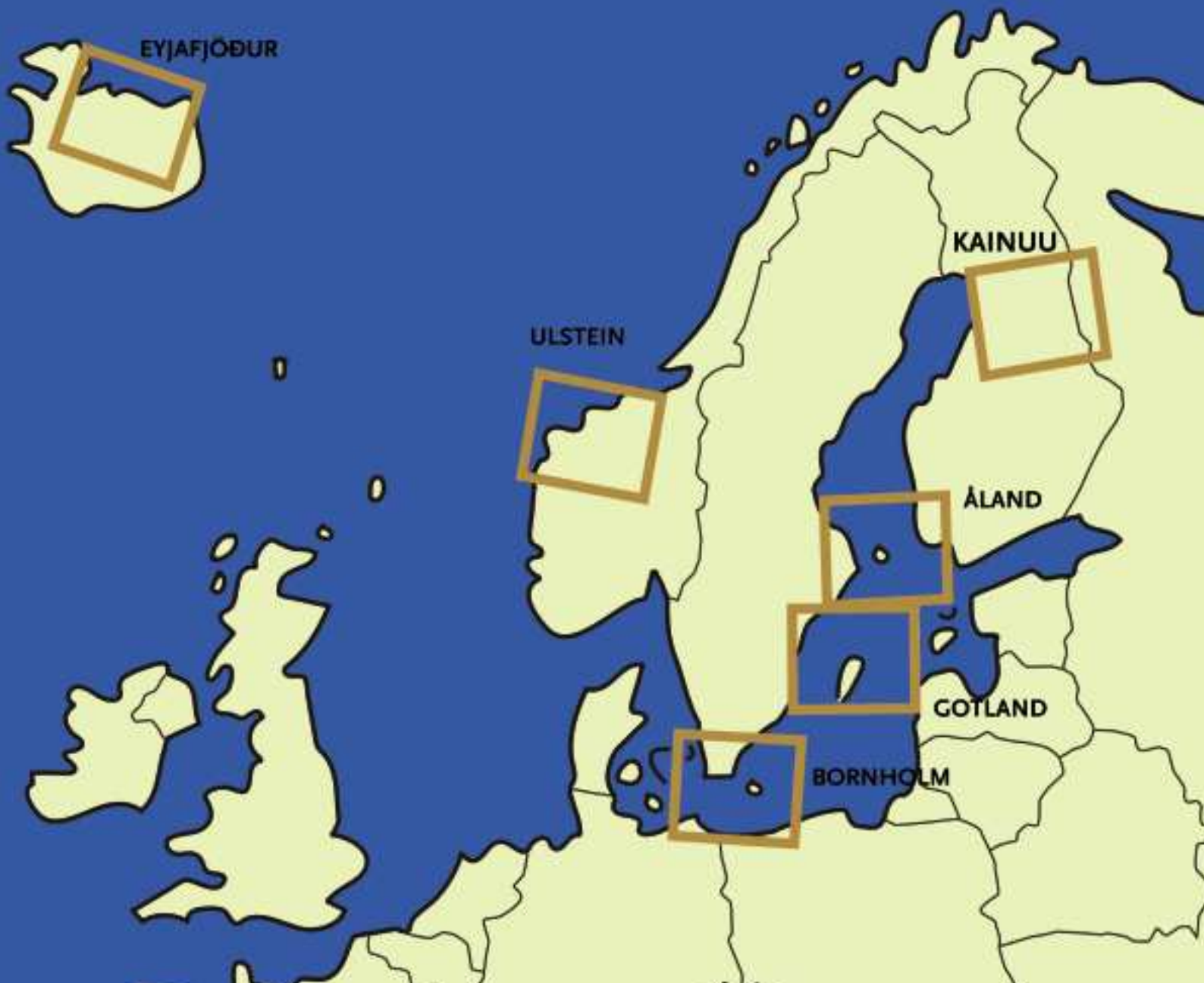


Nordic Film

Stockholm OECD-reviewed

# Insular Employment



# Contents

EDITORIAL	3
THE OECD - A SUPERFICIAL VIEW OF STOCKHOLM?	4
NORWEGIAN REGIONAL WHITE PAPER	4
ASSESSMENT QUESTIONED	5
UNEMPLOYMENT RATES FOR THE BALTIC SEA REGION	6
<b>INSULAR EMPLOYMENT</b>	7
MORE SELF-EMPLOYMENT	8
SHIFT TO KNOWLEDGE	9
FEWER LABOUR MARKETS	9
WAVE-RIDING INITIATIVES ARE NEEDED	10
START-UP SUPPORT	11
HIGHER EDUCATION	11
INSULARITY HAS ITS ADVANTAGES	12
BORNHOLM	12
THE PUBLIC SECTOR	13
CULTURE POTENTIALS	13
TRANSPORT AND COMMUNICATION ARE CRUCIAL	14
ÅLAND	15
AKUREYRI & EYJAFJÖÐUR	16
ULSTEIN	17
BORNHOLM	18
KAINUU	19
GOTLAND	20
SELLING THE SILENCE OF THE ISLANDS	21
MIGRATION	22
FILM AND REGIONS IN THE NORTH	23
BOOK REVIEWS	26



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## JOURNAL OF NORDREGIO

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# Insular choices

Typical of many Nordic insular societies is their profound vulnerability to external forces. Almost without warning can a major source of income disappear overnight. In both Gotland (Sweden) and Bornholm (Denmark), such vulnerability was experienced first hand with the end of the cold war. Military bases were closed down and hundreds of jobs, both in the military and in the civilian ancillary sectors were lost. Similarly, in Ulstein (Norway) a rapid decline in the demand for new ships and naval equipment was equally damaging. The human cost of such events moreover pose difficult questions for the individuals concerned, perhaps the most important of which concerns whether to leave or remain.

During the spring of 2006, Nordregio and its partners finalized a major study on six so-called 'insular' areas, three of which were mentioned above. In addition, Kainuu (Finland), Eyjafjordur (Iceland) and Åland were also studied. Indeed, Åland could be the next area to be challenged if the EU decides to remove the possibility for 'tax-free sales', hundreds of jobs on the Åland-owned ferries may be jeopardized.

With a few exceptions, these insular societies contain no less innovation potential or simply put, the will to succeed, than for example the national capital areas. They are, indeed active in creating new jobs: In education, in sports and leisure, in tourism and in high-tech and engineering. In Åland, for example, local IT-companies want to hire 100 new staff. That is lot for a relatively small community. In Eyjafjordur, there is growth even in one of the primary industries, and some sixty Poles have moved to the area, to work in the fishing-industry.

"To stay" in insular societies has traditionally been an important issue

– in local as well as in national politics. On the local level, one reason is that simply to continue to live in such an area is of great social value in itself. One is away from the 'hustle and the bustle' of the city. Tranquillity surrounds you and neighbours are usually friendly – although not always. Nature, culture, and tradition abound. Perhaps most importantly, one can live in a place that represents ones roots, a place where one can say, "I belong here".

The study definitively underlines the fact that 'insular' need not mean 'isolated'. One might live hundreds of kilometres from the capital, yet several daily flights, on weekdays as well as during holidays, are available. Mobile telephones and internet access have had a massive impact, but perhaps most important of all is the fact that the majority of people we are talking about here are, in comparative global terms, rich – that is, rich enough to get away once in while for a holiday to Thailand, for example.

The belief that insularity equates to backwardness and stagnation remains difficult to dispel. We would like however to argue that this need not be so, in particular, when discussing jobs and labour possibilities. For example, Ulstein, Åland, and Eyjafjordur each have long traditions of high levels of self-employment when times are bad.

Transport and communications networks are vital for insular regions, while in the Nordic countries at least these fundamental linkages are constantly improving. As such then, we can say quite categorically that, 'insular living' is here to stay!

## Sorry and welcome

Production of the Journal of Nordregio has been delayed this year because of the change in editorship. Naturally, we apologise to our loyal readership. To compensate for this in some small way this first issue of the year has been expanded by an additional four pages, to 28 in total. We have also tried to simplify the editorial profile, and trust that you will enjoy this.

The plan remains that there will four issues of the Journal of Nordregio this year. In issue number two, planned for early September, we will focus on changes in the EU

structural funds and support for agricultural development. We also hope to have a closer look at the whole concept of regions – in the European context.

Later in the year, the plan is to investigate energy in its regional Nordic context. Studies

of the Nordic capital-regions and the second home-movement are also on the agenda, as well as pieces on the Polar-regions and the Barents Sea. Suggestions in this context are most welcome.

For a few of you, this will be the first time you have received the Journal of Nordregio. We have taken the liberty to put you on our list of subscribers, in the hope that the magazine will be of interest to you. Should that not be the case, we hope that you will notify us so that we can quickly remove your name from our mailing list.

It remains to say thanks to all of you, and we hope you all enjoy the read!

Odd Iglebaek ■



ODD IGLEBAEK

## –The OECD: a superficial view of Stockholm?

Earlier this year the OECD presented its Territorial Review of Stockholm, a report paid for by local and national Swedish authorities. Brita Hermelin, Associate Professor at the Department of Human Geography at the University of Stockholm summarizes the document for the Journal. In general, she agrees with some of the points made while also identifying errors generated by its rather unreflective usage of today's "taken-for-granted templates" for regionalisation and regional development. Had more attention been given to the multifaceted qualities and particularities of the Stockholm region Hermelin argues, this would have led to a less superficial discussion.

### Summary:

The Stockholm-review is preceded by a number of similar territorial reviews for other metropolitan regions. The overall aim here has been to define policy recommendations for the national governments concerned. The focus of interest is regional economic growth.

In chapter one, the report presents a picture of the Stockholm region as being strong economically. This claim is primarily made based on statistical data, where it is noted that in the Stockholm region the activity rate, productivity, and patent applications rate are all high. Large shares of the region's labour have undergone advanced education. The region houses competitive and innovative industrial clusters. International relations are intensive, with extensive export and import flows and high levels of foreign direct investment to the region.

The OECD report however also identifies a number of problems. These can be listed as follows, the

spiralling cost of the welfare state in combination with an ageing population, high housing costs, housing scarcity, weak integration of immigrants into the labour market, high rates of workplace absenteeism, low rates of entrepreneurship and a scarcity of new fast growing enterprises, an overburdened transport infrastructure, a fragmented administrative and political structure for the organisation of the metropolitan region, high taxes and a poor international place-marketing strategy.

Chapters two and three elaborate on the problems identified above and on how they could be solved. The OECD recommends that central government reconsider its role in supporting the competitiveness of the country's major metropolitan region, where the Swedish welfare equalisation system imposes a significant financial burden on the Stockholm region.

The report concludes that the best solution here would be a continuation of the regionalisation processes currently underway in Sweden, and more specifically that the counties of Stockholm and Uppsala together could consolidate into a region with an elected council and a president: "This solution seems to be the best" (p. 159).

### Comments:

In general, the report is however too superficial. One reason for this is that the role of the capital is not discussed. What consideration has been made of the political and economic consequences of a capital region, in this case in Sweden, gaining a more independent status from the nation state? The OECD provides no answers here.

Secondly, the major questions surrounding the economic possibilities of culture, tourism and consumption are not examined in any great detail.

What is the role of such activities for the competitive status of Stockholm? Again, the OECD provides no answers.

Thirdly, it is difficult to comprehend, in more concrete terms, how the OECD's recommendations can be matched to particular major problems in the regions.

There is however more to digest in a report such as this than it is possible to evaluate in the limited space available here. As such, readers of the report will doubtless identify various other issues of interest. For more details, see: [www.oecd.org](http://www.oecd.org). ■



BRITA HERMELIN

## Norwegian white paper: "A Heart for all"

On June 16th, the Norwegian Government presented its new white paper, entitled "Hjarte for heile landet" ("A Heart for all") on rural- and regional policies to the Storting.

In presenting the paper, Ms Åslaug Haga, the Minister for Local Government and Regional Development, underlined that the main ambition of the white paper was to give people in Norway the choice to live where they want.

In order to achieve this, the government will strengthen the economy of local municipalities: – Differentiated payroll taxes will thus be reintroduced. Furthermore, increased attention will be given to transport and infrastructure, she added. ■

Trade and industry, research and education, bio-energy, culture, health and welfare, housing, the development of local communities, the establishment of public institutions as well as land-use will all receive special attention in the white paper, as will efforts to maintain shopping-facilities in small communities.

New government support will primarily be given to localities located far from urban centres, characterized by a declining population, and which have a particular vulnerability in

respect of attracting jobs and income.

Ms Åslaug Haga also emphasized that the new white paper represented a concerted effort from a united government, and that the government had appointed a special committee for district-and regional-politics in Norway, adding: – In fact, we are the first government ever to appoint such a committee.

Odd Iglebaek ■

## Assessment questioned

“We are in a period of re-evaluation of Impact Assessment” concluded professor Brian Clark from the University of Aberdeen at the closing session at the 26th annual conference of the International Association for Impact Assessment (IAIA), held in Stavanger, Norway, 23-26 of May 2006.

Many of the contributions at the conference dealt with the effectiveness of impact assessment (IA) i.e. the impact and value added that impact assessment has on the design and decision-making of projects, plans, programmes and policies in order to improve e.g. the environmental considerations. The results are however in many cases discouraging, though we also find clear cases where the implementation of IA does make a difference. The Nordic countries in general seem to have the same problems with implementing IA as those in other parts of the world. This was a conclusion made by the invited speaker Barry Sadler (Canada) at the Nordic Day that preceded the IAIA-conference. A positive difference here is the high level of integration of impact assessment with planning that takes place in the Nordic countries. On the negative side, Sadler pointed to the mechanisms for the selection of actions that need to undergo full IA. The Nordic IA Day, organized by Nordregio in co-operation with a Nordic planning group, gathered around 80 participants from different parts of the globe.

At the same time as we are re-evaluating the possible and actual impact of

IA, tremendous developments have occurred in the spread of IA into new fields and into new forms such as Health Impact Assessment and Sustainability Impact Assessment. Expectations over the power of IA to promote environmental considerations in decision-making moreover remain high, though reports of its shortcomings are increasing. Improvements in the mechanics of IA is not an interesting subject of discussion in itself, but in relation to how it can improve the environmental, social and equity considerations in projects, plans, programmes and policies, both in the Nordic countries and in other parts of the world, it is vital.

The conference theme, ‘Power, poverty, and sustainability – the role of impact assessment’ attracted around 800 participants from 92 countries. Plenary presentations and 16 thematic forums (larger parallel sessions) and 109 parallel sessions, 430 papers and 60 posters provided the format of the conference.

The Norwegian Ministry of the Environment hosted the conference. The broad programme committee was led by Terje Lind and Arne Dalfeldt and sponsored by a number of actors including Statoil, Statkraft, SIDA, the Nordic Council of Ministers, and Nordregio (see [www.iaia.org](http://www.iaia.org) for more information).

Tuija Hilding-Rydevik, Nordregio  
Hólmlfrídur Bjarnadóttir, Nordregio ■

## Continuity or Transformation?

Perspectives on Rural Development in the Nordic Countries  
- A 2 day Workshop hosted by Nordregio.  
October 10th and 11th 2006.

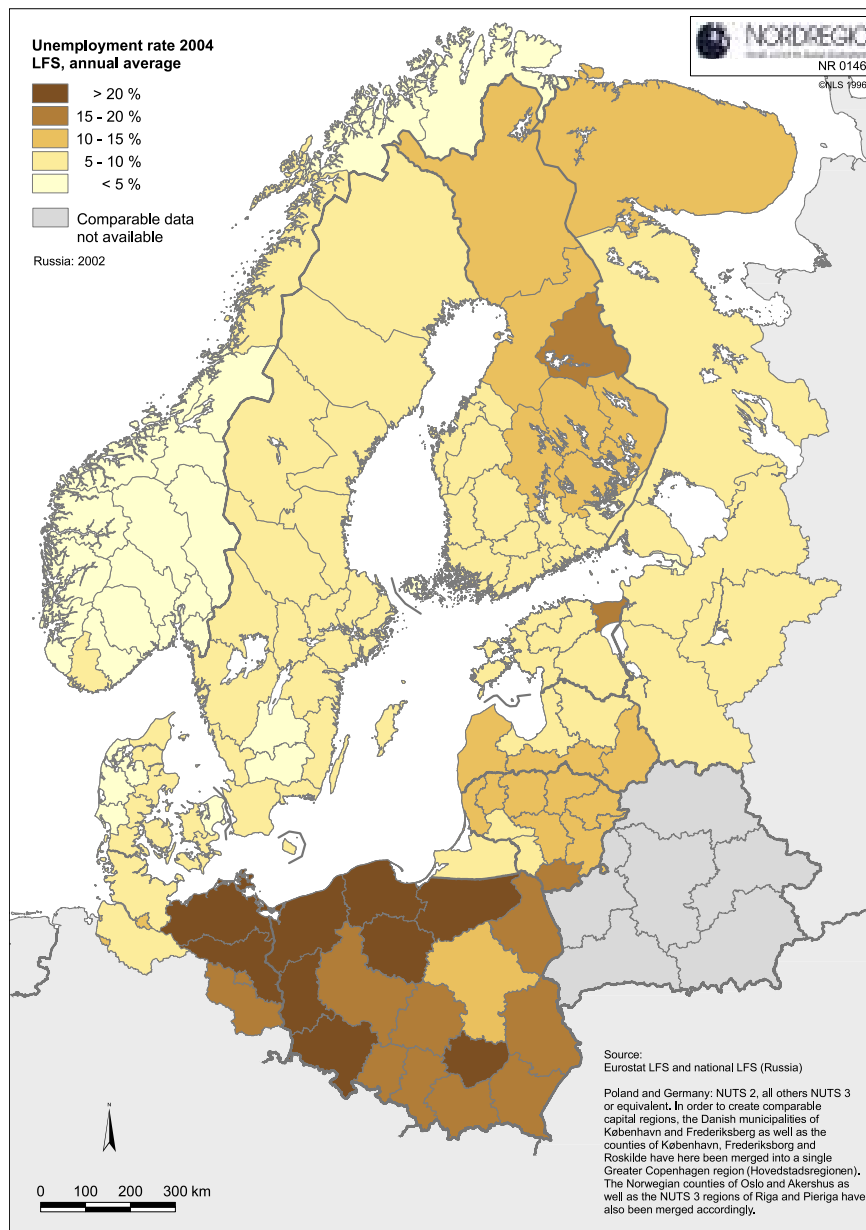
Rural development policy in the Nordic countries is currently facing a period of profound and far-reaching change. EU rural development policy (CAP Pillar 2) is in the throes of revision, and “repositioning” in relation to Structural Policy. At the same time, recent or proposed local government reforms are providing the opportunity in several Nordic countries for a radical review of the delivery of a range of national, regional, and local interventions addressing the wider socio-economic situation in rural areas.

This Nordregio workshop will provide a comprehensive comparative overview of Nordic rural development policies. It will offer an overview of recent developments and likely future changes with respect to both EU-funded and national/local interventions, in Denmark, Finland, Sweden, Iceland, and Norway. It will also consider the implications of recent and proposed local government restructuring.

Insights will be provided by senior policy practitioners and independent commentators from each of the Nordic countries. Keynote speech will be delivered by Professor John Bryden, (University of the Highlands and Islands, Scotland). Ample opportunity for contributions to be made from the audience will be provided. The workshop proceedings will be published early in 2007.

Attendance at the workshop is free. Full programme and registration details will be published on the Nordregio website early July.

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## Latest unemployment figures for the Baltic Sea Region

In recent years, almost all of the Baltic Sea Region (BSR) economies have witnessed fast growth. Indeed, the Baltic States, Belarus, and the Russian parts of the BSR have all experienced growth rates far above the EU 25 average. In the Russian parts of the BSR moreover, unemployment has decreased dramatically since the end of the 1990s. In contrast, unemployment rapidly increased in the German BSR parts and in Poland over the same period. The worst hit regions in 2004 are exclusively to be found in eastern Germany and Northwest Poland, where more than one in five people in the labour force are unemployed.

Denmark and Norway continue to enjoy near full employment, though more people were unemployed in 2004 than four years previously. On average, the rate increased by one percentage point during the period. This was also the case for Sweden. Finland managed to reduce the national headline figure, though regional unemployment rates in parts of eastern Finland stubbornly remained above the 10 percent mark. Åland remains the showcase for low unemployment in the BSR, though even here the unemployment rate jumped from below 1 percent to above 3 percent in the period 2000-2004.

Jörg Neubauer, Research Fellow, Nordregio ■



The regions studied. For detailed maps, see pp 15-20.

**“Of course, labour possibilities are somewhat fewer in an insular area, but you are not necessarily isolated. Socially speaking, it might be rather the opposite” \***

Challenges to insular income systems in the Nordic Countries is a Nordregio-project initiated by the late Lars Olof Persson. It aims to examine how people living in insular areas generate income. For this particular project, six different areas were selected: Bornholm in Denmark, The Eyjafjörður in Iceland, Gotland in Sweden, The Kainuu region in Finland, The Ulstein region in Norway and Åland.

Insularity is defined here by the length of the daily commute to and from work – in relation to geographical limitations. In other words, insularity can entail living on an island, living in a valley surrounded by high mountains with no tunnel exits, or in a sparsely populated area with long distances to nearby labour markets.

Compared to more urbanised areas the six study areas discussed here are characterised by their low population densities.

Nonetheless, despite this common feature, the six areas clearly differ in size and population. Kainuu and Eyjafjörður regions are large and very

sparsely populated territories, while also being characterised by significant distances to their national capitals.

Ulstein and Bornholm are the smallest and the most densely populated areas, while Åland and Gotland define a middle group of relatively sparsely populated island territories, however with direct and rather well equipped transport links to the capital regions of Helsinki and Stockholm.

A particular part of the study has been based on interviews with individuals, seven to ten in each community. The aim here has been to learn how people find solutions to securing an income in such areas.

In the table on page 8 some key facts on the regions are presented. Pages 14 to 20 provide factual information and detailed maps on the individual areas.

Pages 8 to 13 see us examining some of the issues in more detail, in particular: Labour and employment possibilities, with a particular view to self-employment and entrepreneurship. In addition, we also look at the role of business start-ups, the public sector, higher education, cultural inputs and transport, with the latter

# Insular employment

being seen as crucial to the positive development of such insular societies.

The following articles are all based on NORDREGIO REPORT 2006:1 How to Make a Living in Insular Areas – Six Nordic Cases. The actual report was prepared by Maragreta Dahlström, Andrea Aldea-Partanen, Katarina Fellmann, Sigríd Hedin, Nino Javakhishvili Larsen, Hjalti Jóhannesson, Jesper Manniche, Grethe Mattland Olsen, and Tage Petersen.

Important additional input was also provided by Antti Leppävuori, Gitte Hagelskjær Falkenstrøm, Helena Karsdóttir, Lasse Karlsson, Lena Thalín, Lene Foss, Svein Rødset and Wolfgang Pichler, all of whom made presentations at the Nordregio seminar, Facilitating Employment in Insular Labour Markets, held in Stockholm 4th – 5th May 2006.

All of these texts have been edited for this magazine by Odd Iglebaek, who is responsible for their selection and overall content. Sara Östberg contributed with additional research help. The maps, all of which are copyrighted, were prepared by Stig Söderlind, at Kartor & Diagram. ■

\* From a private interview.

## Basic statistics on the six study areas

	Eyjafjörður	Ulstein	Bornholm	Gotland	Åland	Kainuu
Geographical surface, km <sup>2</sup>	4300	389	589	3140	1527	24452
Population 2003	21629	22405	43956	57535	26347	86573
Density of pop. 2003	5.0	57.6	74.6	18.3	17.3	3.5
Change in population 1999-2003 (index, 1999=100)	103.5	99.5	98.9	100.2	102.9	96.4
Total net migration 1999-2003, persons	87	351	-283	526	652	-4185
Annual growth in total employment, percentage	0.4	-1.9	-0.4	1.0	2.1	-0.4
Unemployment rate 2003	3.0	5.2	10.6	3.6	2.2	18.6
Change in unemployment rate 2000-03 (index, 2000=100)	188	181	118	62	79	89

Source: NORDREGIO REPORT 2006-1: How to make a living in Insular Areas – Six Nordic Cases

## More self-employment

All of the regions discussed in the context of the Insular Labour Markets Project have official policies related to entrepreneurship and business-start-ups. Two reasons are given for this, namely, it is an important sector in terms of employment, and as such, it contributes to the overall development of the area in question.

Some theorists suggest that start-up-support leads to entrepreneurship. This study does not necessarily support this view. Rather it suggests that the encouragement of self-employment is the predominant result of this type of initiative.

The extent to which business-start-ups lead to entrepreneurship, defined as the creation of businesses employing people in addition to the entrepreneur, seems, however, to be predominantly determined by local habits and culture.

Self-employment on the other hand is on the rise in all the six communities. Experience from Ulstein in particular suggests that the level of self-employment rises during economic downturns, while the opposite holds true during periods of general economic expansion. As such, a better model for this type of behaviour may

be that of the 'necessity-driven entrepreneur', who starts a company because of the lack of other alternatives by which to make a living. Utstein, Gotland, Åland, and Eyjafjörður all have such traditions.

Similarly, someone who decides to become self-employed for reasons relating to their private or family life, is often termed a 'lifestyle entrepreneur'. Such entrepreneurs may be former 'high flyers' with busy, well-paid jobs in major urban areas who decide to 'down shift' by becoming self-employed somewhere with a slower pace of life.

Another version of this model relates to those involved in the arts and crafts sector. Such people can often start up a company to generate some kind of income from their own arts or crafts work, perhaps combining this at first with traditional employment to be able to pay their bills.

For some, self-employment may simply be an addition to fixed employment, in order to gain some extra income and/or tax-advantages.

An example of policies and initiatives to support and promote entrepreneurship is that of Kainuu's '100

entrepreneurs of tomorrow'. In Bornholm, a network organisation entitled, 'Get off to a good start' (Kom godt i gang), with a publicly funded coordinator exists, targeting new businesses.

The types of initiatives range from activities with young children still at school to business start-up courses in collaboration with the employment office. ALMI in Sweden is strong on the later.

In Norway, a national initiative entitled 'Young entrepreneurship' provides students in vocational secondary education with training and practical experience of business start-ups. The state owned company Innovation Norway, with a presence in all Norwegian counties, promotes nationwide industrial development.

Similarly, in Åland, the Chamber of Commerce and the Åland Entrepreneur Association are commissioned to support business start-ups and business development, while the Government of Åland is responsible for the financing of business development and 'incubator' activity. ■



## Shift to knowledge

In all the six areas, a shift is now taking place in the direction of more knowledge-intensive activities, demanding labour with different skills and generally higher qualifications than before. The approaches adopted to meet these challenges do however differ.

All of the study regions have been exposed to economic restructuring in the last 10-15 years. Historically, these regions' economies were mainly based on primary sector products and – to a varying extent - manufacturing activities related to the processing of the local agriculture, fish, and mineral endowment. These sectors are now undergoing significant restructuring – with many closures and jobs being lost.

The economic and unemployment effects of this manifest themselves rather differently in each of the six areas. In Åland and Gotland the restructuring processes seem to be particularly rapid and systematic. In fact, the growth in new jobs within the service sectors in the two island communities has more than compensated for declining levels of employment in the primary and manufacturing sectors. Two sectors in particular, namely, construction and finance, and real estate and business services, are booming in Åland and Gotland.

On the other hand, the total labour requirements for these growing sectors are not the same as for those in decline. This means that those losing their jobs in the declining sectors

often find it difficult to find employment in the new growth sectors.

In Kainuu, Ulstein, and Bornholm, growth within the service sector has not been sufficient to compensate for the rapid decline in the primary and manufacturing sectors.

Focusing on unemployment, only Kainuu with 18% and Bornholm with 11% unemployed, seem to have more than marginal unemployment levels. The level of unemployment in the other areas is only 2-5%.

Despite Kainuu's problematic situation, this area has shown a significant decrease in unemployment, with the number of jobs remaining relatively static in recent years. ■

## Fewer labour markets

In 1970, Sweden officially had 187 labour markets. Some 33 years later, in 2003, the number stood at 87 (SCB). Similarly, in Denmark, the figure for 1992 was given as 45, while in 2004 this had fallen to only 27 (Danmarks Statistik). In both cases, the number of local authorities (kommuner) more or less remained constant during the relevant periods.

The labour market in this context is defined by commuter catchment areas, i.e. the distance one can travel to-and-from work on a daily basis. In most cases, such travel would be by private car or public bus or train. In some cases however it could be boat or even airplane. Bornholm, Eyjafjörður, Gotland, Kainuu, Ulstein, and Åland are all examples of such labour markets.

The total number of labour markets for the Nordic countries in 2001 (with the exception of Iceland) was some 500. As much as 80 percent of these had less than 75 000 inhabitants (Hanell and Persson, 2003). Sixty percent of these markets could be called micro labour areas. In population, terms these would count for only 9 percent of the Nordic total, while for land area they count for as much as 60 percent.

One should observe that the number of commuters always decreases during recessions, since the unemployed are, by definition, not commuters. ■

# - Wave-riding initiatives are needed

**- We are riding the wave things are going very well. Only a few years previously however the situation was rather bleak, notes Svein Rødset. He is the director of the Maritim Forening (Maritime Association) in Ulstein, one of the areas reviewed in relation to the project on insular employment studies.**

Ulstein is situated in Southern Sunnmøre. Originally, it was a fishing-community, but today the area has a strong concentration of businesses associated with the maritime industry, fisheries and the offshore oil industry.

– But oil is like fish; demand and prices fluctuate, and the late 1990s were rather difficult, explains Svein Rødset.

– So, if we were going to continue to live in the area, we had to do something, he continues. What did we do? We looked to the future. We already had Norway's largest cluster of specialized yards. We decide to take chances, during this bleak period, to build very high-tech ships, using our own money. It worked, the ships sold. Unemployment has also been decreasing and the order reserves are as high as ever, he says, also admitting that recent oil-price rises in the wake of the latest Iraq-war, have helped to raise demand for top-of the range ships and equipment.

In terms of employment opportunities, all insular areas seem more vulnerable to external change than less isolated areas. Living in the later, one can, by private or public transport, reach extended labour markets. To survive, the insular community has to be flexible and we have to believe in our own potentials. Indeed, as Svein Rødset notes: – I doubt we would have managed such a turn-around without this attitude, as well as the profound trust we have

in each other, accumulated since we were traditional fishermen, constantly dependent upon each other to survive.

## Nothing from Copenhagen

For Ulstein, the external forces influencing employment primarily relate to the fierce international competition in the maritime industries. For Gotland and Bornholm in particular, the closing down of army camps has also had a similar effect, with almost 1 000 jobs being lost in each community. The steady decline of the fishing industry in the Baltic Sea, and the transfer of the food industry to low-wage countries have also had a significant impact on the two island communities.

On Gotland, the Swedish authorities have initiated the transfer of several state jobs to compensate for the loss of the military opportunities. Both the Swedish International Development Agency (SIDA) and the National Heritage Board (Riksantikvarieämbetet) are among those participating.

In Denmark, similar initiatives have not been undertaken in respect of Bornholm. – The government in Copenhagen does not care; we might as well be on the moon, as the local saying goes. It is however expected that unemployment on Bornholm will fall, due in the main to the combination of fewer births and to the fact that the ranks of the unemployed are bolstered by many people already close to retirement age.

## Sailors live abroad

Åland's economy is dominated by shipping, which accounts for just over one third of the value added and 20 percent of total employment. Due to the large share of employment in this sector, a particular feature of Åland's labour market is the rather significant difference between the figures for employed persons

living in Åland (13 107 in 2003) and those employed in Åland's labour market (15 069 in 2003). In other words, a large number of those working within the shipping sector do not live in the archipelago.

Åland's shipping sector is divided into three sub-sectors: Ferries to and from Stockholm, Helsinki, and Tallinn, international oil tankers, and specialized carriers for shipping paper in bulk. Tourism to the islands themselves counts for less than 10 percent of Åland's 'value added'.

The sale of so-called tax-free goods is very important to the ferry-traffic. Any changes in the rules that regulate this, particularly at the EU level, could thus significantly impact Åland's employment situation. In other countries, the importation of low-cost sailors has been used as a solution to similar problems.

## Lacks 100 IT-staff

After the maritime industries sector, the general services sector provides the island-community with most employment. In fact, during the summer of 2006, key Åland IT-companies will be trying to hire no less than one hundred new staff. – We do not know if we will manage this, but it is very good that all the IT-companies as well as the local authorities are cooperating rather than competing in achieving this goal, states Lasse Karlsson, director of the Åland Labour Market & Student Services Agency.

Eyjafjörður is the only area to experience employment growth in the primary sector, particularly within the fisheries sector. This growth has also attracted foreign workers. Approximately sixty Poles are now engaged in the fishing industry. In the future, further employment opportunities will be available when the new aluminium plant opens in Husavik.

# Higher education

## Kainuu goes sports

In the Kainuu region, innovation is targeted through the four expertise centres, *Seniorpolis*, *Snowpolis*, *Virtuosi*, and *Measurepolis*. The latter being a cluster of measurement technology enterprises forming an expertise centre in cooperation with several higher education institutions, research centres, and companies.

*Snowpolis* is particularly exciting in many ways. Their vision is no less than to provide the best sports and leisure facilities in the Nordic countries. To do this they promote exercise and sports on a large scale from all-year skiing (snow-tunnel) to golf and tennis. Their main markets outside Finland are Central Europe, Northern America, and Japan.

In only a few years, 50 new jobs have been provided, a figure it is officially hoped will be multiplied no less than six times before 2008. ■

## Start-up support

With the exceptions of Kainuu and Åland, unemployed people in the regions discussed here are entitled to participate in start-up activities while receiving unemployment benefit. In Kainuu and Åland, such legislation is currently in the process of preparation, but at the current time of writing has yet to be enacted.

Since Norway and Iceland are not members of the EU, EU support schemes for business start-ups are not applicable to Ulstein and Eyjafjörður. Business start-up entrepreneurs in the other four study areas are however eligible for different forms of EU funding.

All six study areas benefit from national financial support schemes for business start-ups and innovation projects, such as grant schemes,

The establishment of higher education institutions in insular areas plays an important role in terms of job creation and economic development. Eyjafjörður, Kainuu, and Gotland have all benefited from such policies.

Typically, these institutions entail an influx of highly qualified people, who contribute to the development of the area both culturally and in terms of raising its tax income. Secondly, they also provide opportunities for local people that have already gained higher educational qualifications elsewhere, to return to their home region to work.

In insular areas, the rate of transition from secondary school to higher education is lower than the national average. The educational level of the population as a whole is also comparatively low. Having universities as an integral part of the fabric of local life, may contribute to social change such that young people in these areas, to a greater extent than ever before, continue to study.

Of the six regions on view here, Eyjafjörður probably has the most comprehensive options on offer in the shape of the University of Akureyri, followed by the more recently established Gotland University.

loan and capital provision arrangements. In all areas except Kainuu, financial support schemes, designed and launched locally or regionally, are also available.

All six areas provide diverse forms of regional and municipal consultancy services, which include training courses, consultancy and information supply.

The areas concerned, to a varying degree, also have access to privately

In Akureyri, important industries were declining at the time of the University's establishment. Subsequently, many have wondered what would have happened to the region had the University not been established in 1987.

In recent years, there has been a huge increase in the supply of education possibilities in Icelandic society. The number of enrolled students in North East Iceland more than doubled between 1997 and 2003 up to 1 200. This is undoubtedly one of the most important changes to have taken place in the region.

Educational possibilities were also substantially improved on Gotland after the University collage was established in 1998. Basic adult education for those that have not achieved final grades in compulsory and secondary schooling is in addition provided through municipal adult education. There is also a residential college for adult education with two sites, one in Hemse and one in Fårösund.

The Kajaani University Consortium began its activities in 2004. The consortium received 0.8 million euros from the municipalities in the region and 0.4 million euros from local companies. ■

organised consultancy services, for instance those organised by local chambers of commerce, branch organisations for tourism, agriculture, shipping or other sectors. ■

*Katarina Fellman:*

## - Insularity has its advantages

– ‘Quality of life’ factors are often regarded as the major reason for living in insular areas, notes Katarina Fellman, head of research at Statistic and Research Åland (ÅSUB).

Fellman was one of the key researchers on the ‘Insular’ project, herself born and raised in Åland. She expands: – A calmer pace of life is one attraction. Others include the smaller scale of the settlements, and the fact that they are considered safe environments for children to grow up in.

Lower house prices can be another asset. Even for the more densely populated areas such as Gotland and Bornholm, house prices are still lower than in the capital areas, something that is particularly attractive in relation to the increasing opportunity for distance working.

Cultural and historical heritage are important, as are ‘the importance of ones roots’, while access to nature and ‘the outdoor life’ scores highly in the Kainuu region, both in relation to being able to stay or to move back. – On the other hand, insular communities are small, and if one does not

fit in with the majority, one might easily have a difficult life, underlines Fellman: – In Åland for example, an open housing market for newcomers does not really exist. It is easier if one has contacts. There is a shortage of houses for rent, while in addition, it is necessary to possess the right of domicile to own and hold real estate in Åland.

Living in insular areas or relocating to these regions often involves an element of ‘trade off’ between a career and a perceived better quality of life.

– Several interviewees mentioned how it was difficult to find a job that matched their qualifications and the salaries that one could get in other labour markets, Fellman explains. – Quality of life factors however made it worth staying on, or at least contributed to the reasons for relocating or returning to the area, she adds.

There is no doubt that social capital and social networks play an important role in terms of people’s ability to make a living in insular areas. Many of the individuals interviewed

had found a job through their social networks. Indeed, it is some times the case that people are hired, without having the optimal qualifications, simply because they belong to the place.

An example of the importance of such shared norms and values is the emphasis put on the ‘hard work’ ethic in Åland, Eyjafjörður, and Ulstein, in the latter this is also combined with traditional puritan norms.

Having a job is a core element of being in these areas and thus provides those individuals without one with a strong motivating force to find a job, move to another area for work, commute on a weekly basis, or start a business to make a living.

In the Ulstein region, the working norm is particularly strong among men, while it is a fully accepted norm for women with young children to take time out of the labour market and be full time homemakers. ■



KATARINA FELLMAN

## Bornholm offers less education

In general, there are few advanced educational institutions on Bornholm. For the other five regions, the choices available are more extensive.

Tertiary education is available in Akureyri in the Eyjafjörður region, Gotland, Åland and Bornholm. In Kainuu, higher educational courses include university-level courses for multiple disciplines, summer university courses etc.

In Åland, most youths who pursue university-level studies go to Sweden or Finland. Åland, however, also has its own college of higher education, the Åland Polytechnic. There is no ter-

tiary-level education in the Ulstein area itself, but there are University colleges in two of the neighbouring regions offering courses to Master’s level.

Tertiary education in Åland and Bornholm is primarily geared towards providing higher vocational degrees for the local labour market e.g. within teaching and nursing in Bornholm, and maritime navigation, and hotel management and tourism in Åland.

In many cases, these educational courses are institutionally anchored in higher educational institutions outside the area, having in the main a local uptake of students, while the institutions in Eyjafjörður and Gotland form a

part of these countries national higher education structures.

All regions have an adequate supply of secondary education, as well as vocational training courses ‘tailored’ to local business demands. Examples include the Borgir research and innovation building at the University of Akureyri, the Kajaani University Consortium in the Kainuu region and the Gotland Interactive Park. Similarly, Åland has the Maritime Safety Centre and the Åland Technology Centre. Although there is no higher education institution in the Ulstein region itself, the University College in neighbouring Ålesund is relevant in this context. ■

# The public sector

■ In five of the six study areas, public sector activities hold the dominant position in the local economy and thus in the employment structure.

In all areas except Bornholm, employment within the public sector has increased in recent years. The decline on Bornholm relates in the main to the loss of military jobs that have not yet been compensated by government investment in other areas of the public sector. Gotland, on the other hand, has seen the establishment of a university college.

Additionally, Bornholm's job losses within the transport and communications sector are related to the privatisation process of the ferry company that operates the main transport link to and from the island.

Bornholm's relatively poor employment position can therefore be explained by this lack of development in the public sector. Furthermore, Bornholm has serious difficulties in fostering growth within almost all private sectors including tourism, a business sector with extensive local traditions, and one that employs many people.

All of the case study areas benefit from continuing to diversify their economies, but at the same time, it is important to continue to address the traditionally strong sectors of these economies.

Åland has a particular strength in the shipping sector, and this should be addressed to promote its

development and combat threats to 'flag out' or close down where possible. Similarly, the Ulstein region has an internationally competitive maritime sector in need of attention.

On Bornholm, Gotland and Åland, tourism plays an important role and policies and initiatives targeting this sector should continue to be developed.

The importance of the tourism sector in Bornholm also means that sections of the labour market are characterised by strong seasonality. Labour market measures have been developed to make it possible for people to avoid becoming long-term unemployed due to this seasonality factor, and instead they can combine working in the tourism sector during the tourist season with measures such as job rotation and training, and perhaps spells of unemployment during other parts of the year.

Another example relating to national regional policies is that of the relocation of state agencies. Gotland has benefited from this type of measure on several occasions, not least as compensation for the loss of military regiments in the last few years. Together with extra investment in the University of Gotland, these additional state agencies will provide an important input to the Gotland economy.

It should however be noted that the lack of a strong tradition in terms of regional policy in Denmark acts as a distinct disadvantage for regional development on Bornholm. ■

# Culture potentials

■ In the Ulstein region, cultural life and activities have a strong tradition, often in relation to music. As such, culture contributes to the nature of local identity and forms an important part of the area's social life where for example individuals from different social classes mix. The more direct economic development potential that the strong cultural sector offers has not however been harnessed to any great extent.

The regional growth programme of Gotland states that 'culture' has significant economic potential and should be supported both in terms of amateur and professional cultural actors.

In Kainuu region, the expertise centre programme exists with the aim of harnessing and developing the local music tradition in Kuhmo and the year-round winter activities in Vuokatti. This policy endeavours to develop the local labour market based on its existing strengths. Moreover, the Kainuu self-government experiment includes aspirations to promote the area's regional identity.

During the 1990s, an old industrial area from the early 20th century in central Akureyri in the Eyjafjörður region was transformed into a cultural district. This now includes an art school, cafés, restaurants, galleries, lecture halls, and artists' apartments.

The Akureyri-investment in culture has proved a great success, creating jobs, and providing a real attraction for tourists, while also enhancing the cultural life of those living locally. ■



## Transport and communication are crucial

The limited means of transportation and the long and expensive journeys to larger cities, common to all six areas, reduce the opportunities for the local populations in these areas to commute on a daily basis to more diversified urban labour markets. This creates somewhat closed and insular local labour markets, thus providing the fundamental point of departure for the study of these areas.

Investment in transport and communications often materialises through a combination of national regional development policies and locally generated regional development strategies. For insular areas, it is hardly surprising that these types of policies are regarded as crucial.

In the Ulstein region, plans exist to build tunnels that will link the region with the neighbouring areas of Ørsta and Volda. This would provide access to complementary labour markets. Actors in this region have also lobbied for improved flight and speedboat links. Similarly, in Akureyri significant pressure exists for more tunnels to be built.

Transport and communications are important in terms of connections to other parts of the countries concerned, particularly the capitals, or to major economic centres in the vicinity, such as that of Helsinki and Stockholm in the case of Åland. Transport and communications linkages are also of great importance internally in the insular area itself. All

of the case study areas prioritise these types of investments and lobby for support from national governments.

There are several examples of great improvements in the transport networks between the areas and the national capitals, such as in Bornholm and Gotland. Speedier and more frequent connections have made it possible for more people in these societies to engage in distance working.

This, in turn, is also linked to the investments in information and communications technology. Making sure that the broadband network is extended to reach the entire popula-

# ÅLAND

Åland is an archipelago located in the northern Baltic Sea enjoying political autonomy within the realm of the Finnish state. The unemployment rate has traditionally been significantly lower in Åland than in the rest of Finland. Currently figures indicate practically full employment. For women the unemployment rate is 1.9 percent, compared to 2.6 percent for men.

Ålands GDP per capita ranks among the highest in the Finnish regions, and surpasses the Finnish average by, approximately, one third. Even compared to the Nordic countries more generally, Åland has the highest GDP per capita, measured in purchasing power parity (PPP) euro. National income is about 25 percent higher than the Finnish average.

Åland obtains funding for its own EU programmes. That applies to the Objective 2 and Objective 3 programmes, the Rural Development programme, and the Structural Programme for the Fisheries Industry.

Åland consists of a main island surrounded by 6 500 smaller islands. Sixty five of these smaller islands are inhabited. Transport to and from the archipelago region within Åland depends on a network of car ferries.

Åland has 16 municipalities. Six of these are situated in the archipelago region and are not connected to the main island by road.

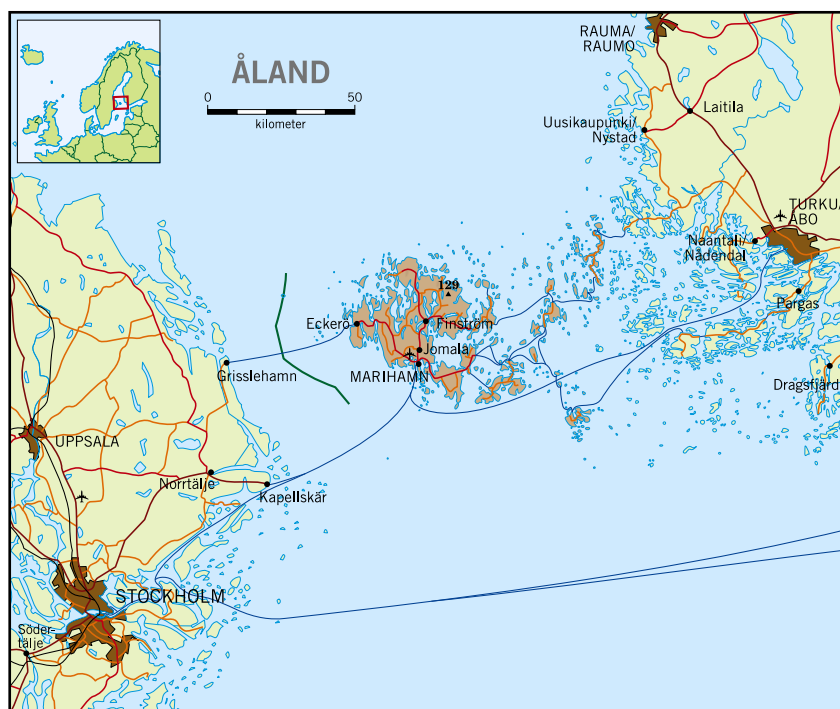
The population is 26 800. Large age groups are approaching retirement age and birth rates are declining. Some 40 percent of Åland's inhabitants live in Mariehamn, while a further 50 percent live in the countryside on the main island. The latter is within commuting distance by car from Mariehamn.

Åland has good communications with its neighbours. There are daily ferry services to Stockholm, Turku, Helsinki, and Tallinn. In addition, daily flights to all of these cities except Tallinn also exist. ■

Åland-ferries congregate at the harbour of Mariehamn, capital of Åland.  
Photo: ROBERT JANSSON

tion of the insular areas is very important in this respect.

Internationally, distance working has increased in recent years, although no exact figures exist. However, for Bornholm data suggests that approximately 1 000 persons living on the island work in this way. Some work in the military, but it is likely that the figures include an increasing number of so-called 'distance workers'. ■





View of Eyjafjörður. Photo: HJALTI JÓHANNESSON

In 2004 the region had 21 792 inhabitants of which some 16 450 lived in Akureyri. Currently, there are nine municipalities in the region. Ongoing talks between the municipalities on the question of amalgamation could however result in a smaller number of larger municipalities.

One of the major characteristics of the Icelandic labour market is the high activity rates of the labour force. In 2002, the activity rate was 82.2 percent for the age group 16-74. The total labour market consisted of about 162 000 persons.

The most notable change in recent years is the rising activity rate among women followed by the declining

activity rate in the age group 64-72.

Another distinctive feature is the large number of people holding more than one job simultaneously. In 2002, 17.2 percent of employed people held two or more jobs. This is slightly more common outside the capital area.

The unemployment rate in 2004, in the North East Iceland, was 2.8 percent, the second highest in the country. Unemployment among women is higher than that among men. There are greater seasonal differences in unemployment in the North East region than in the country as a whole.

In recent years, Eyjafjörður has enjoyed a slight growth in total

## AKUREYRI & EYJAFJÖRÐUR

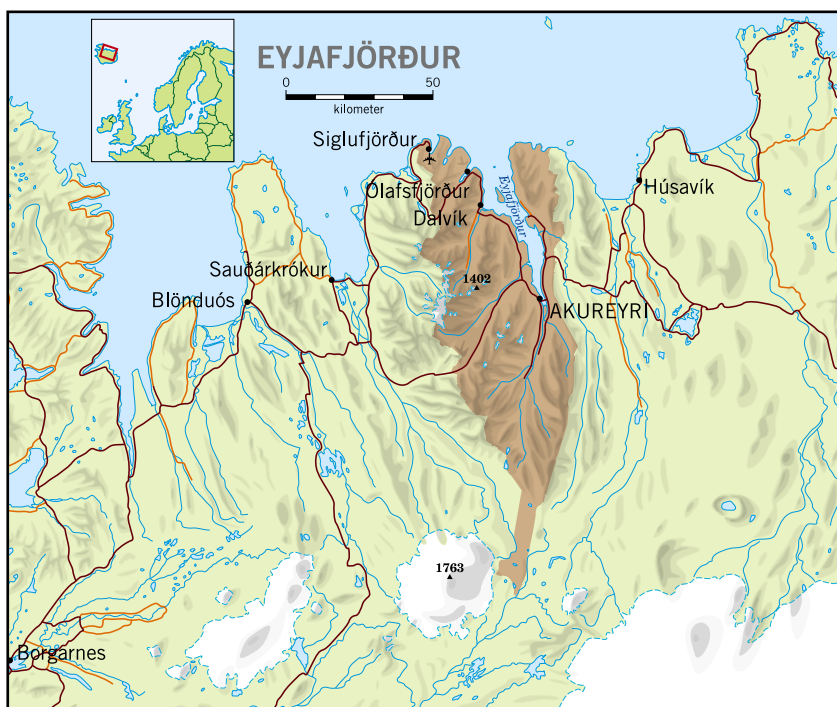
employment while at the same time experiencing a rapid increase in unemployment. This can best be explained by reference to the significant decline in manufacturing employment and to a growing population.

In 2004, a Growth Agreement for the Eyjafjörður Region was signed with among others the Ministry of Industry and the Industrial Development Company of the Eyjafjörður Region. The estimated budget for the growth agreement is ISK 177.5 million over a four-year period. Its main purpose is to strengthen the region as a desirable place in which to live and work.

Eyjafjörður is centrally located in northern Iceland. Mountains rising up to 1 536 metres surround the valley to the east and west. The size of the area is approximately 4 300 km<sup>2</sup>. The population density is only 5.1 inhabitants per km<sup>2</sup>.

Road connections to the capital area and to the east are via mountain passes of 540 and 325 metres, respectively, above sea level. During heavy snowstorms, these roads are occasionally closed to traffic. The mountains provide a real barrier and hinder easy transport and communications between regions. Future plans exist to build tunnels to ease such hindrances.

Domestic flight connections to and from Akureyri are relatively frequent. The flight time to Reykjavik is about 45 minutes. ■





# ULSTEIN

The employment situation in Ulstein continues to change due to cyclical fluctuations. The labour market very much depends on the situation within shipbuilding and fishing, and this is reflected in the unemployment rates.

The number of employed persons expanded by 1 755 from 1990 to 2003. This figure also includes the self-employed.

The Ulstein region represents a limited area in Møre and Romsdal county, but achieves focus in the regional development programme by having strategic industries located in the region. The regional development programme for Møre and



Computer-image of the Ulstein X-BOW supply ship to be delivered in 2008.

Romsdal county is intended to provide guidelines as to how state funds are to be used to further regional development.

Large parts of the Ulstein region in the Møre and Romsdal County are mountainous with outlying fields and bogs. The region still has no road link with the mainland in Ålesund, which is the largest town in north-west Norway with some 35 000 inhabitants.

The Ulstein region consists of two rather large islands. It has four municipalities and a population of just over 22 000 people. The population increased up to the year 2000, since then it began to decline.

To travel from Ulstein, one can either go by speedboat to the centre of Ålesund or to Vigra airport, by ferry to the Ålesund region or Ørsta/Volda. This ferry will be replaced by a sub sea tunnel, the "Eiksund-sambandet", in the near future. ■





View of Gudhjem at Bornholm. Photo: GÖRAN GUSTAFSON, PRESSENS BILD

Until 2003, Bornholm was composed of five municipalities and Bornholm County. On January 1st 2003, these units voluntarily and independently of the present reform of the municipal structure in Denmark, amalgamated and became one administrative unit, the Bornholm Regional Authority.

In the last 25 years, the population figures for Bornholm have declined from 47 605 in 1979 to 43 347 in 2005. According to forecasts, by Statistics Denmark, the population will decrease further to 41 400 by 2020.

Employment declined by almost 6 percent from 1993 to 1998. From 1998 to 2002, it remained at the

same level. In 2002 there were 20 340 employed persons, compared to 21 546 in 1993. If Bornholm enjoyed the same level of development as the Danish average, the number employed would be 2 650 higher than it actually is today.

The unemployment rate also declined from 14 percent in 1993 to 10 percent in 2003. That is, on average, 3-4 percentage points higher than the nationwide average.

Compared with Denmark in general, the public sector on Bornholm is more important in terms of employment. In 2004, the municipality employed in total some 4 927 persons, 76 percent of whom were women. Bornholm's public sector is

## BORNHOLM

characterised by a relatively high share of older employees.

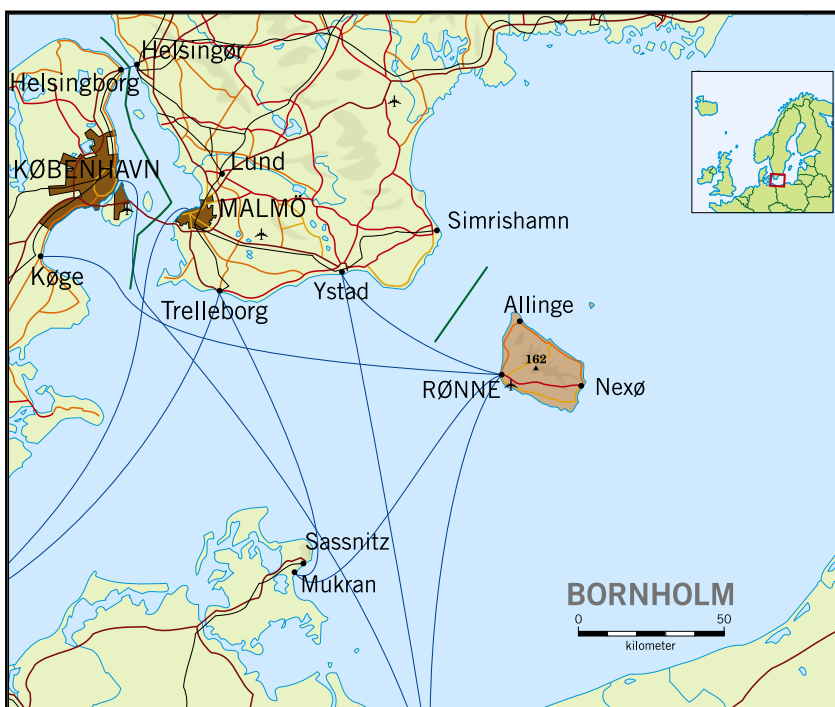
Bornholm has taken part in a number of EU programmes, primarily through the Social Fund, the Regional Fund, and The European Agricultural Guidance and Guarantee Fund.

EU programmes have contributed to a number of physical investments in plant and infrastructure, leading also to new jobs and activities.

The area of Bornholm is 588 km<sup>2</sup>. The island has a network of roads, all of which are of a good standard. The maximum 'point to point' travel distance by car on the island is less than one hour.

The geographical distances to Sweden, Germany, and Poland are shorter than to the rest of Denmark.

Due to the island's nationality, the infrastructure network primarily connects Bornholm to the world through Denmark. There are six daily departures to Copenhagen Airport and the travel time from check-in to arrival is about one hour. Extensive ferry connections also exist. ■



# KAINUU

Kainuu region has two towns and eight municipalities. The population density is one of the lowest in Europe, with less than four persons per km<sup>2</sup>.

Since 1960, constant out-migration has generated a loss of 1 000 – 1 500 inhabitants per year. Currently the population is some 86 000.

In 2005, the total employed workforce was 30 469. The labour force participation rate is lower than the national average. Only the regional centre of Kajaani and the rural municipalities of Sotkamo and Vuolijoki have higher values than the regional average.



Kainuu hopes to become the major Nordic ski-and exercise resort. Photo: AKKE VIRTANEN

Unemployment is severe across the region and has stabilised at around 20 percent in recent years.

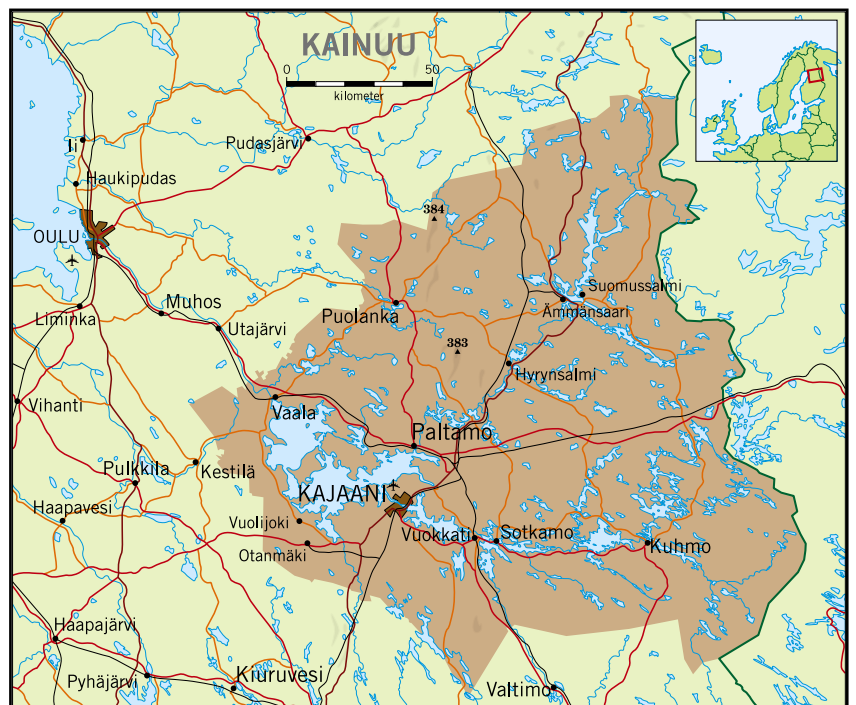
For jobs, the public sector is more important in Kainuu, than in Finland as a whole. Around 40 percent work in the public sector in Kainuu, compared to some 30 percent for Finland as a whole.

A regional network of roads ensures that contacts are maintained between the municipalities and villages of the region. Travel time by car from the north-eastern part of the region to the regional centre can be upwards of 2-3 hours.

Kainuu is connected to the rest of Finland by air routes, railway, and road systems. Kajaani airport hosts 2-3 daily flights to Helsinki with a flying time of around 1 hour. Kainuu has a continental climate with short warm summers and 70-80 cm of snow during winter. ■



Golfing at Kajaani. Photo: AKKE VIRTANEN





The stonewall surrounding Visby at Gotland. Photo: STIG HAMMARSTEDT, PRESSENS BILD

The number of people in employment in Gotland has remained stable, at around 25 000 over the last ten years. The employment ratio was 77 percent in 2003, just below the national average.

The public sector is the single largest employer. The local Council itself employed almost 7 300 people in 2005.

Average unemployment in Gotland has increased from 3.5 percent in 2000 to 4.8 percent in 2005. During 2005, at any one time, some 2.8 percent of the labour force took part in one of the various unemployment schemes. This means that total unemployment was 7.6 percent in

Gotland, compared to 6.3 percent for Sweden as a whole.

All of Gotland, apart from Visby and its immediate surroundings, is eligible for EU funding in the LEADER+ programme. This programme supports untried, innovative development strategies and aims to contribute to the creation of new employment.

In terms of EU-programmes, Gotland is entitled to Objective 2 and 3 funding. In 2005 about 14 million SEK was allocated to Gotland through the Objective 3 programme. Gotland also receives important EU funding for agriculture and rural development. The total figure was SEK 245 million in 2004.

## GOTLAND

Estimates suggest that EU funding accounts for around 20 percent of the turnover of Gotland's agricultural sector. It is therefore of great importance for employment generally and to the related food industries in particular.

Gotland is located in the middle of the Baltic Sea, 90 kilometres from the Swedish coast. In 2005, Gotland had 57 600 inhabitants some 22 600 of whom lived in Visby.

Communication links to the island have improved in recent years. The fastest ferry journey to Nynäshamn lasts a little less than three hours. There are also now daily flights to Stockholm and to Linköping and Norrköping.

Gotland is an island created from a coral reef, rising out of the sea where there was once only water. Gotland has a typical coastal climate, with fairly mild winters and pleasant summers. The distance between the southernmost and northernmost points is 176 km. The island is, at its widest point, 50 km from coast to coast. ■





Some of the "Ramsö Sisters". From the left: Lotta Grönkvist, Ingrid Frideborgsdotter, Susanne Fonser, Monica Baumgarten and Mia Nilsson. Photo: JENNY HAGLUND

## - Selling the silence of the islands

**The island of Ramsö lies like a quiet, glittering pearl in the middle of the Stockholm archipelago. There are no cars here, so the silence, the tranquillity, and the star-filled sky may stun you when you step ashore on a late August evening.**

My family and I moved here from Gotland in 1997. We changed from a big island with lots of tourists to a small one with many summer residents. Ramsö is 1.6 kilometres in length and about 4-500 meters wide. We are one of the 18 families that stay here all the year round. During the summer, all 250 houses are occupied, so there is lots of activity all over the place.

Ramsö is close to Waxholm, and you can see the city from our island. No car ferries stop here, so we have to park our car in Waxholm and take the regular boat from there, or maybe use our own little boat to get home. When we first moved out here there weren't many boat runs, but nowadays there are up to 17 runs in a day. This boat is also the "school-carrier", which is why it runs so often. Over the weekends, the boat

runs less frequently, but we find that with the nine runs on Sundays we are able to manage well enough, so we just sold our little motorboat. There is a new family moving out here almost every year, and these families usually have, or are about to have, children, so there are now 23 kids aged from one to eighteen.

In January of 2002, I was involved in a traffic accident and had a long struggle before getting my old life back. When I was about to restart my company after years of rehabilitation, I was working in journalism and with qigong/acupressure. In order to find some support, I started a network for female entrepreneurs on Ramsö early last year. Eleven women, out of a "possible" eighteen on the island are entrepreneurs.

In everyday conversation, we refer to ourselves as the "Ramsö Sisters", but the official name is "Ramsö Kvinnliga Företagarförening" (The Ramsö Association of Female Entrepreneurs). We are a varied bunch. As for me, one of the things I sell is the silence of the island, through my qigong courses. People stressed out by the big city life can

take a cruise from Stockholm through our beautiful archipelago, and after about an hour and a half they reach Ramsö. Once here, they will be able to enjoy the peace and quiet and learn gentle meditative movement on my pink Chinese carpet in the living room.

What about the other women? Katherine Lindqvist has worked globally for many years, as a lobbyist for the environmental movement, one of her projects has been to save the whales. She has been the Chair of Animal Rights Sweden and has recently started a company called Filantropa, which tries to get Swedish companies to undertake philanthropic efforts - to show social awareness by their continued support and commitment to environmental or development projects for example.

Jenny Haglund has experience as head of marketing in the tourism sector. She moved to Ramsö a few years ago and opened a delicatessen in Waxholm last autumn.

Susanne Fonser used to be assistant publisher/text editor for

schoolbooks. She now teaches Grounding (African rhythm and movement) and has invented her own product, which will be manufactured in Ghana.

Lotta Grönkvist is an art director, and one of the things she has created is Jenny Haglund's lovely logo for her shop "Haglund's delicatessen".

Monica Baumgarten is the most well established of us all, our senior entrepreneur. She runs the dance school "DansCompagniet" in Stockholm together with two other women.

Ylva Kjellberg is the one among us who knows Ramsö best. She moved out here when she was thirteen and lived here alone with two dachshunds after the death of her mother. If there is anything you want to know about Ramsö, just ask her.

She has done research on working life and development at Lund University. She is now married to an Australian, spending half the year in

Australia and the other half here on the island. Ylva joins our network during the summer when she is here, and then keeps in touch via e-mail from across the globe.

Nicola Dahl is a wonderful artist who is able to transform old furniture headed for the scrap heap into wondrous creations.

Åsa Wärn works with design, of books among other things, Malin Svedberg plans to start her own company this coming autumn, and Mia Nilsson, actress and singer, has just moved to the island.

Well, we are a mixed crowd, and what we usually do is meet up once a month to listen to and support each other, doing some coaching and giving others a shove in the appropriate direction. Those entrepreneurs among us who also have small children take turns bringing the children to the day care centre and picking them up, making life as an entrepreneur a little easier.

Ingrid Fideborgsdotter ■

## Migration

*More out than in*

In recent years, all six regions have suffered from net out-migration, and this is still the case for Bornholm and Kainuu. During the period 1999-2003, a total of 4185 persons, 4.8 percent of the population left Kainuu. For Bornholm the equivalent figure was 283 persons or 0.6 percent.

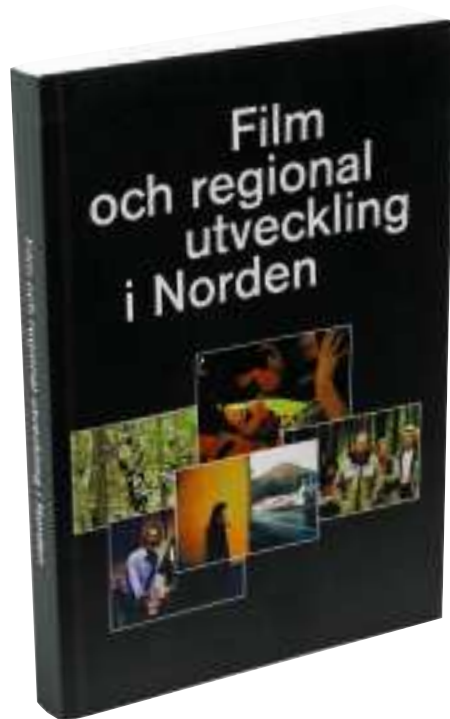
Out-migration is primarily related to the lack of job opportunities. Unemployment in Kainuu has, recently been as high as 18 percent, while for Bornholm it remains around 10 percent.

The more work at home, the fewer leave. For the other four communities, with unemployment rates in the range of two to five percent, there has in fact been net immigration. Åland leads in this respect with a rate of 2.4 percent, for Ulstein it is 1.6, for Gotland 0.9 percent and for Eyjafjörður 0.4 percent.

In terms of overall population trends, these areas also exhibit basic differences. Kainuu, Ulstein, and Bornholm experienced a population decline in the period 1999-2003, with Kainuu and Bornholm also experiencing negative net migration (see table below). Indeed Kainuu region in particular has a serious problem in terms of population decline and out-migration. In contrast, Eyjafjörður, Åland, and to a lesser extent Gotland, have all experienced population growth, partly resulting from the in-migration of newcomers. ■



Ramsö – on a summer day. Photo: HASSE WESSMAN



# Film and regions in Nordic countries

**What does film have to do with regional development?**

**Quite a lot, according to a recent project report. Margareta Dahlström and Elisabeth Wengström show how the worlds of culture and industry may benefit from each other.**

The factories stand empty in a town in decline – and then someone shows up talking about making not just one, but several motion pictures there. The enthusiasts behind the film idea initially encountered quite a bit of scepticism, claim Dahlström and Wengström, two of the authors of the report. Luckily however belief in the project went beyond its original enthusiasts to include civil servants and politicians, while also gaining the support of the local people.

Looking back, a clear line of development can be discerned, but initially it was a risky project for the

regions to involve themselves with filmmaking, notes Wengström, who is coordinator of regional film issues at The Swedish Film Institute, SFI. Together with six other Nordic researchers, Wengström and Dahlström, senior researcher at Nordregio, wrote the report *Film and regional development – Policy and Practice in the Nordic Countries* ('Film och regional utveckling i Norden'), published by The Swedish Film Institute and Nordregio.

The report describes film policies and regional projects involving film in the Nordic countries. It includes a number of useful indications in terms of the positive effects on employment, education and training, regional identity, and place marketing.

Film is both a cultural and an industrial activity and plays an increasingly important role in regional

development. One effect of this is that the regions in Sweden have more than doubled their film-related efforts since 2000, notes Wengström.

How then is regional interest in film cultivated? Usually, it begins with the decline of an important local industry. Normally, there is a wish to diversify where there has previously been a focus on one particular trade in order to make the region less vulnerable, Dahlström suggests.

## Useful competence essential

Both filming and post-production tasks create new employment opportunities. Moreover, such opportunities are to be found well beyond the film sector itself. Film crews need somewhere to stay, they need to eat, they need transport, and there is always a need for various kinds of craftsmen to be on hand.

It is however a highly 'seasonal' trade, where most of the turnover is generated during the six to twelve weeks of actual shooting. In order to increase employment opportunities over time, it is wise then to have a wider audio-visual sector in addition to the filming, something that has been stressed by Danish planners in particular.

People may spend some of their time working on a feature film and some on a music project or a commercial, for example. Pretty much the same technology is used in either case, Dahlström argues.

In order for the efforts of those involved to have an impact, the region needs to generate useful competence resources. Money for regional development may be spent on education and training that may benefit the entire region. The level of competence is raised, both through the creation of new educational opportunities and through the work with the film itself.

## Boosting self-esteem

A further argument in favour of film,

from an industrial policy viewpoint, is that it makes the region more attractive. This is the kind of 'attraction' that brings in tourists, while it is also possible that a more attractive regional image encourages people to remain in the region, or perhaps even to relocate there.

Local people may act in the films as extras, the first showing of a film may take place in the region, and movie stars occasionally walk down the street. Moreover, notes Dahlström, these things encourage the 'feel good factor' and boost self-esteem.

The wider effect that developments in the film sector have on regional and local identity and self-esteem are difficult to estimate, as are the effects on employment and turnover. Few analytical reviews have been undertaken in this field in relation to start-up companies, new possibilities for employment and cash flow. However, one Swedish researcher at Luleå Tekniska Universitet (The Luleå University of Technology) has looked at the activities of FilmPool Nord in Sweden, where it was discovered that few companies are wholly dependent on film related business. In this context, One must keep in mind that it takes time for the results to show and that many companies may benefit indirectly from the film making, Dahlström claims.

#### Just like "Trolleywood"

While the report deals with local projects, it was only natural to make a comparison between the Nordic countries, notes Wengström. There are a number of actual collaborations between companies and film funds. These collaborations create a growing market. During film festivals, the countries usually make collaborative efforts labelled, 'Scandinavian' Films.

The Nordic countries also have a similar structure, in the sense that there is a tradition of film production and subsidies being focused on the capital cities, where the educational centres are located. In Denmark, for example, there is talk of a

"Copenhagenism" affecting film subsidies.

Sweden is ahead of the other countries in its focus on regional development, partly due to *Film I Väst*, the Western region production centre for film, in Trollhättan, aka "Trolleywood". The Danish *FilmFyn* and *Filmby Århus* (Film City Århus) are also clearly inspired by *Film I Väst*.

Norway has closely studied Sweden, while also developing its own models. More private capital is however being attracted here thanks to the desire of companies to gain a positive image. Currently, the regions are mainly concerned with the production of short films and documentaries, but increasingly, they want to make feature films as well, though, as Dahlström notes, there is some fear that the regions may compete too fiercely with each other.

In many ways, the development of *Film I Väst* is typical of the development of regional film efforts. It started in Alingsås as an opportunity for amateurs, mostly young adults, to try working with film. The next step was to set up a film fund in order to start filming professionally. Funding was provided in part by the Gothenburg office of Swedish Television, SVT, and by the public sector, both on the local and the regional level. When the support diminished, the fund was dissolved.

That was the real turning point. *Film I Väst* moved to Trollhättan, which was located within the "Objective 2 area"; they applied for, and received, money from the European Union's Structural Fund. This was at the end of the 1990s, while unemployment had been a problem in Trollhättan for several years, due to major cutbacks in the traditional manufacturing industry of the area. The municipal government was looking for different ways to create employment opportunities while the empty factory premises were ideally suited for film shoots. A recurring element in these regions has been the presence of politicians and civil servants who have understood the

possibilities inherent in film production, while at the same time having the courage to make an attempt to do something without any guarantees as to the eventual outcome. There has been a willingness to proceed in new ways and to think new thoughts, notes Wengström.

#### Film changing image

A few years later, Lukas Moodyson's *Fucking Åmål*, aka *Show Me Love* and Lars von Trier's *Dancer in the Dark* became major hits. Both were shot in Trollhättan – neither tried to popularize the western region of Sweden. Moodyson's film deals with the longing for escape while the von Trier film is set in the USA.

As such, for Dahlström, the regional benefits accruing to Trollhättan are to be found elsewhere. It's not just a matter of seeing a lovely landscape captured on film, but of changing people's ideas about an area through the production of film. *Film I Väst* provided Trollhättan with a new image significantly different from that of an industrial town on its way downhill. You got the impression that 'something was happening here!'

The medium of film can also of course be used to promote an area to tourists. This is something that Iceland has been engaged in for a number of years. Iceland markets a number of locations worldwide as 'shooting sites' and offers foreign and domestic filmmakers a 12 per cent refund on production costs. These are not regional productions, rather it is a matter of providing the environment as such, but this pays off well. Estimates show that during the shooting of the James Bond-movie *Die Another Day* some 500 million Icelandic Crowns were spent in South-eastern Iceland.

Similarly, in Finland the Sodankylä film festival, with the Kaurismäki brothers among its founders, attracts numerous visitors to a small town in Lapland, while in Sweden, *Film I Skåne*, received a major boost by hosting the filming of the Inspector Wallander crime movies. The films



are set in the Ystad area and they have attracted so many German tourists that there is now talk of a special kind of 'Wallander tourism'.

#### What Next?

Trollhättan is not alone in gaining from EU funds. Thus the question arises, would it have been possible to achieve the same kind of progress without access to these development funds? Possible yes, but the process would have been slower. The money from the funds gave people who were already working with film the opportunity to do more, Wengström argues.

It remains to be seen how Nordic film production will manage without support from the EU in future, with Structural Fund support now likely to be given to the new EU countries instead. Moreover, there has also been some discussion about whether these means should ever have been used for film production at all. Currently Sweden is seeing an increase in the level of support from regional and municipal authorities. This remains however something of a 'hot potato' politically as some Swedish politicians are of the opinion that it is wrong for the regional governments to use their funds to support the film centres, and they have gone to the courts to make their case.

Sweden has made more of an effort to support the regional

development of film, though Finland has a more firmly established tradition of developing the strengths inherent in their regions, according to Dahlström. They work with the competence that is already there, regardless of whether the knowledge concerns chamber music or cell phones. And these efforts receive national support.

On the national level, film is still generally regarded as being in the main a concern for cultural policy. Thus far, the report produced by Dahlström, Wengström and colleagues has generally been ordered by people with a special interest in the cultural sector, in the municipalities and regions. To coincide with the report's publication, a conference was held where practitioners, policy makers and leading representatives from the Nordic film institutes were brought together to discuss the issues raised in the book. There is already an ongoing exchange between regions. What I would like to see now is further discussion and an exchange of experiences on the national level, between the countries, Wengström concludes.

By Ann Patmalnieks ■

## Successful cities: Strategies for management

The Nordregio Academy seminar  
November 8 – 10, 2006  
Oslo, Norway

■ All cities, from metropolitan regions to small towns, try to achieve success. but how does one determine what success means for a city and its citizens? Or develop management strategies that will promote the type of success a city wants?

The Nordregio Academy seminar: Successful Cities – Strategies for management will explore criteria for success in urban development such as competitiveness (the Lisbon agenda) and sustainability (the Gothenburg agenda). How do economic, natural and cultural environments contribute to the attractiveness of a city for citizens as well as businesses, and how can these attributes be cultivated and maintained over time? What are the roles of urban design and qualities of place? What are the obstacles and where are the opportunities?

Practitioners from Nordic cities will present examples of projects, management and development strategies that have been tested, and will examine their results, strengths and weaknesses. The principles and dilemmas behind the management of attractive cities will be addressed by experts, and the processes and institutional frameworks that promote successful cities will also be discussed. Thus, the seminar will have much to offer practitioners, planners, and policy makers as well as students of spatial development.

The seminar fee is SEK 4000, including lunches. In connection with the Interreg project "COMMIN", we have a limited number of stipends available to participants from the Baltic Sea Region. Please see our web-site for information and for registration and application forms. ■



Elisabeth Wengström (left) and Margareta Dahlström. Photo: ANN PATMALNIEKS



# Book Review

**Innovationer – Dynamik och förnyelse i ekonomi och samhällsliv, 2005, Benner, Mats (red.), Lund: Studentlitteratur, 251 p. and Dynamiska innovationssystem i Norden? Volym 1. Sammanfattande analys och bedömning, Gergils, Håkan, Studieförbundet Näringsliv och samhälle: Stockholm, 107 p.**

**By Malin Lindberg, PhD student, Luleå University of Technology and former project leader at the Emma Resource Centre for Women in Vilhelmina, Sweden.**

'Innovation' and 'innovation system' are concepts currently being promoted as tools within the context of ongoing Swedish policy debates, while at the same time, remaining objects of analysis within the wider research community. The reason that politicians, civil servants and researchers are all interested in these concepts relates to their understanding of a major ongoing transformation in the economic system. The globalisation of economic transactions, coupled with their increasing speed is, together with the growing significance of knowledge-intensive industries, viewed as a challenge to contemporary nation-states. This is particularly so in relation to the issue of growth rates. One current interpretation is that this challenge has to be met by a shift in policy, where the facilitation of entrepreneurship and innovation are seen as essential.

Two books recently published on this theme are *Innovationer* with Mats Benner as editor and Håkan Gergils' *Dynamiska innovationssystem i Norden?* The first serves as an excellent overview of policy and research conducted in this area. Here one finds a broad spectrum of texts, each presenting a particular angle on the matter in hand.

By way of introduction, a rewarding account is given of the history and

the meaning of the concepts of innovation and innovation system. This is followed by texts focusing on different levels of analysis: the level of small businesses, policies at the regional and national levels etc.

The chapter written by Magnus Klofsten analyses how ideas are born and developed in small, knowledge intensive businesses. One of Klofsten's conclusions is that it is technological knowledge that has the greatest impact upon the early stage of the development of ideas, while Åsa Lindholm Dahlstrand also stresses the importance of technology-based entrepreneurship for the renewal of the business world and the national innovation system.

At the end of the book, Per Frankelius offers a prophecy of what he calls "the 3rd generation innovation perspective". In so doing, he goes beyond the concept of innovation system to forward a perspective where innovative processes are located not only within the private sector and the technology sector in particular, but also in the public and non-profit sectors and within other sectors where people and social issues are seen as central to the nature of innovation and development. Two examples here include the so-called 'experience' industry and geriatric care.

The second book, by Håkan Gergils, constitutes a suitable complement to the first. Gergils offers a comparison of the different kinds of innovation policies pursued in the five Nordic countries. He explicitly focuses on the public funding of research, leaving the entrepreneurial climate behind in the greater part of his studies. This focus is justified as being easier to describe since data is easier to collate in this area.

Håkan Gerils concludes that Finland and Iceland are the only

countries actually pursuing innovation policies worthy of the name. Sweden has admittedly hammered out a national strategy on innovation. However, this strategy has not been followed up by implementation in the form of the sufficient allocation of resources, conscious bonding between the academic and the business world or regular reviews of existing innovation systems.

In Gergils's account, technological knowledge is seen as the most important for the development of innovations. He briefly mentions the service sector as a growing area of innovative activity, though this statement is not echoed elsewhere in the report.

In each work, this is the most problematic area, and as such, it thus provides the main point of departure for a reasoned critique. From the current reviewer's point of view as a researcher and as a former project leader, applying a gender perspective to regional policies, most of the accounts given in the books are biased in presenting solely the innovative activity performed by technology-intensive businesses. Indeed, as Frankelius emphasizes, similar activity is also taking place within the public and non-profit sectors. This is not however reported in any great detail here.

As Sweden has a labour market where men are primarily found in those sectors identified as 'key areas for economic development' while women predominate in the sectors excluded from this context, the great majority of the accounts in these two books unfortunately serve as self-fulfilling prophecies in respect of how and where economic development is created. ■

# Book Review

**Karin Bradley, Moa Tunström & Ola Broms Wessel (red.) Bor vi i samma stad? Om stadsutveckling, mångfald och rättvisa (Pocky, 2005)**

**By Catharina Gabrielsson, architect and Ph D student, KTH**

The practise of urban planning is not what it used to be. Having lost its political foundations, dominated by market forces, dealing with an increasingly segregated society, and challenged by a completely new set of economic, social, and ecological factors – its old rules and methods no longer apply. Yet, the ideology of planning seems to have remained the same. The city is still regarded as defined by its physical form, rather than as a configuration of spatial and temporal qualities, emerging from immaterial conditions.

So what are the issues we are facing today – as politicians, architects, planners or developers – in planning for a sustainable future? The recently published anthology *Bor vi i samma stad?* [Are we living in the same city? On urban development, plurality, and justice] is an important contribution to this debate.

A compilation of recent texts by architects and researchers, it presents a multi-faceted array of perspectives that question the forces that shape the city and their driving forces. Whether it is by disclosing the market strategies of Skanska and Vasakronan (Karin Bradley), the media stigmatization of suburbs (Irene Molina), the notion of “sprawl” as a societal disease (Lars Mikael Raattamaa), the phantasm of the “creative city” (Mats Franzén) or the narratives of Swedish planning culture (Lars Orrskog), in each case, it is a matter of revealing the nature of those “images” through which society is being re-produced.

A recurrent theme here is to reveal

the nature of those “images”. One such “image” is the firm belief in the correspondence between form and content: Low-rise, small-scale buildings and clearly defined spaces are generally taken to be superior to the high-rise, large scale and open space paradigm of late modernism.

Christian Grafe, however, in his account of current Dutch housing projects, reveals the illusionary character of such simplified truths. Each case presented by Grafe constitutes a specific time-space with different relational and political implications, although similar in scale and form.

The absence of general principles is one of the recurring themes of the book. Informed by theories of power and justice it stresses the ideological nature of planning. Based neither on naturalized “public opinion”, nor on scientific truth, planning is fundamentally a political activity.

The cultural geographer Irene Molina, for instance, shows how the state housing policies of the 1970’s contributed to the setting up of the segregated society we are faced with today. She identifies it as a situation that can only be confronted by a better-informed political will, actively striving for social justice in housing. In a society dominated by commercial forces and media, the lack of political awareness and responsibility is evidently a problem in itself.

How do we go about setting up alternative strategies? One of the articles in the book, by the architect Charlotte Ruben Nyström and her colleagues, points out a number of concrete obstacles in current planning procedures. Developing methods to work across administrative borders and exploring new forms of public consultations are two issues that seem particularly important, in order to re-invent the legitimacy and

efficiency of planning. These new methods can only evolve through the close collaboration of all those involved. Such channels are however severely hindered today, with each layer representing a separate “culture” set apart from the rest.

In this respect, an objection can be made to the importance the editors’ place on the professional figure of the planner, who is expected to take the lead in this transformation while also criticizing the power structures involved. To actively question one’s own legitimacy is a massive task for a profession that in itself struggles constantly for recognition – and it reflects a faith in the architect as an authority that in itself belongs to the past.

The book is intended as an “inspiration and provocation” and is designed to generate new ideas; stresses the necessity of finding ways of planning for “plurality and justice.” Again, it points to the direction of a political responsibility – that is to say, a responsibility for all, whether professional or private. The future of the city must be elevated into an issue of public debate, which requires new channels of communication. Considering however the amount of knowledge and critical research that never reaches a wider audience, and the level at which decisions are made, this popular and accessible publication is something of a success. ■

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