

Appendix 1 Nordic rural areas – potentials and challenges, Service provision in the rural areas

Norway, Steinkjer 6th of May 2009

Private service provision

The MERKUR programme Norway

Helge Schei, secretariat director Merkur

www.merkur-programmet.no

- The programme started in 1995 and is 'owned' by KRD (Kommunal- og regional departementet).
- The budget for 2009 was 9 million. NKR (development support) + a separate financing of 2 smaller projects.
- A total of 1000 district stores in Norway, whereof 50% are part of the MERKUR programme. Of these 50% carries tipping, 25% postal services and 20% fuel.
- Cooperates with the large super market chains, Norwegian tipping and Norwegian post.
- Also do work on environmental issues, such as waste management.
- A main programme, a follow-up programme, and a visiting programme.
- Development subsidy for shops with more than 20 km to the closest store and a customer base of less than 70 people.
- MERKUR Bok, a specific 2 year experiment with district bookshops.
- MERKUR's role: Develop additional services; develop the interplay between the local community and the store; training with regard to operation; financial support; marketing of store; and practical follow-up.
- The MERKUR programme was evaluated in 2006.
- Characteristics of new store managers: Women dominate; little degree of family takeovers; relatively high average age at the time of establishment; higher education but few people with formal commercial education.

Roy Michaelsen, MERKUR consultant

www.butiksutvikling.no

- Works particularly with village mobilising and persuasion of opinions regarding use of the local store
- Organises 'village companies limited by shares' ('bygde-aktiselskaber') - also with regard to fuel supply; have developed mobile petrol stations that can be moved if the customer foundation disappears.
- In Norway, the concept of 'dugnad' (= voluntary local contribution) is very important.

FLF, Promotion of the rural store

Lars Ove Jonsson, vice spokesman FLF

www.landsbygdsservice.se

- FLF is owned by the retail sector. The organisation was established in 1982.
- In Sweden, there are 1086 'one store villages'. Of these 374 have an annual turnover of less than 4 million SEK (About €430 000). During the last 6 years a total of 21% of the stores in the 'one store villages' have closed down. Of the stores that have participated in the FLF programme, the closing frequency was 10%.
- FLF carries out mandates for regional councils and is financially supported by EU's agricultural programme.
- The organisation has 15 mentors dispersed all over Sweden.
- Competence and development programme, among other things with regard to product knowledge and financial management.
- The organisation forms cooperation agreements with stores and conducts customer surveys.
- An investigation of the survival rate of stores showed that of those who were part of the programme, 8% closed down while 33% of the non-participating stores closed.
- Bank services as additional function is important for those in the village who have no access to internet.
- An increasing problem is that the individual store is not able to cover the logistic expenses related to product supply.
- Other problems are the legal requirements for accessibility to the stores and future demands for the use of a cash register.
- FLF have no resources for acute support in contrast to MERKUR.
- In Sweden, experiences show that joint-stock stores don't provide more loyalty than the local store.

Public service provision

Public health in Nord-Trøndelag

Kyrre Kvistad, Nord-Trøndelag County

www.ntfk.no

www.helsedirektoratet.no/vp/multimedia/archive/00083/HUNT-prosjektet_83689a.ppt

- The life expectancy is increasing and the average age in the county is above the national mean. A holistic effort to maintain and improve the public health is therefore a prerequisite for the rural areas in the county.
- Public health will become a compulsory task for the counties in 2010. Thus, Nord-Trøndelag is a pioneer in the field.
- The work has among other things consisted of mapping the public health and developing local health profiles. Additionally, public health coordinators work at the municipal level.

District medical centres

Dagfinn Thorsvik, Helse Nord-Trøndelag

www.hnt.no

- In Norway the municipalities are responsible for the primary health service while the counties organise the specialised health service – and it is problematic to get the two levels to act as one system.
- The health institutions are very important the local communities since they are large public workplaces.
- The strategic plan is to decentralise while maintaining the professional environment and while improving the utilisation of the whole health system.
- The general situation is that an increase in the number of older people occur (the fraction of people over 67 years of age increases with 25% over the next 20 years) – and fewer helpers are available.

- Generally too much is spent on treatment of older people in the last years of their lives and too little spent on prevention.
- Older people are a heavy post in the health system. Norway spends twice as much as Finland on health per citizen.
- The aim is better quality for a lower price by better organisation. Resources are to be transferred from treatment to prevention. The new health reform is to connect the specialised and the primary health system.
- District medical centres are a new type of common municipal institution which is to act as a decentralised alternative to the hospitals.
- The future education of nurses is also to take place locally in order to maintain the qualified personal in the districts.

Green Growth – new possibilities for the rural areas?

Bio energy, New possibilities for the rural areas?

Ole Damsgaard, Nordregio

www.nordregio.se/Files/WP2008_5.pdf

- Currently bio energy covers between 4,2% and 20% of the total energy use in the Nordic countries.
- Bio energy is one of the options in the national and international strategies for a less oil dependent and more CO2 neutral energy provision.
- The question is which employment consequences an increased bio energy provision will have for the rural areas?
- Nordregio has in collaboration with the university in Eberswalde carried out a number of consequence analyses which cover all the Nordic regions with regard to the production of bio energy based on agricultural areas. Due to data limitations (and economic restrictions) it has not been possible to carry out a similar consequence evaluation with regard to forestry.
- On the background of the analyses it can be concluded that there is only a small or no employment gain by the primary production of bio energy crops (grain, oilseed rape, etc.)
- One exception to this is the most Northern regions and other – in regards to production output – peripheral agricultural areas where bio energy production can be a supplement to the more traditional food crop production.
- Where new areas, such as present fallow land, are incorporated, an employment gain is achieved in the primary production in all regions.
- The greatest gain in jobs with regard to bio energy production comes from transportation of and transformation of biomass into bio energy.
- Biogas contains the greatest possibilities for small and decentralised solutions.

Local Initiatives

Nature and culture, a foundation for locally anchored development

Karin Soraunet, spokesperson in Vikna municipality

<http://museumsnett.no/norveg/en/forside.htm>

- Vikna used to be one of Norway's largest fishery communities south of Lofoten but structural changes (larger boats as well as centralised production) within the fishery sector and changes in the population of cod caused the society to almost die out.

- Reconstruction (with financial support from the state) of abandoned fishing huts began in the 1980s. A coastal cultural centre was established in 2004 and a new museum, Norveg, was built. The museum was awarded the Mies van der Rohe Award for its architecture in 2005.
- This story is about creating something out of nothing (with the financial support of the state) and a very large local commitment.
- The reconstructions have resulted in a number of positive effects. The area has developed into a competence centre for traditional trade techniques, in which courses are held. The area has become a tourist attraction. Five fishing boats have come back to the area which has been possible due to new technology in the fishery sector.

Mid-Scandinavian (Interreg) project, Sweden, Norway

Kjell Schive, Lierne

www.gransprojekt.eu

- The Interreg project started in the beginning of 2009 and deals with the health development in the rural areas in the border region between Sweden and Norway.
- The border region holds 3.500 inhabitants.
- There are strong historical and cultural ties across the national borders – but little economical interaction.
- The region has had a population decline of app. 15 persons per year since the 1970s. It is an aim to turn the population development around and become an attractive region with growth.
- New means must be employed.
- One first step is a survey where the population has been asked:
- the possibility to find housing is the most important; hereafter follows broadband and mobile network coverage; and the opportunities to find a job
- The housing market is of strategic importance. There is currently no available housing and it is too expensive to build new.
- Take advantage of the potentials of the region (the population) and break down borders barriers.
- The national differences with regard to regulations are a barrier to development

Notes from the closing brain storm in Steinkjer the 6th of May 2009

- The Nordic Working group must invite the challenging projects from SE, FI and DK to participate in the following seminars
- Potentially develop a Nordic network cooperation with regards to preservation and development of local service
- The store as a local meeting place
- The Merkur concept should be implemented in Åland and in Finland
- The Norwegian local commitment – 'dugnad' where the local community financially supports local activities/stores – can inspire the other Nordic countries
- MERKUR's concept for mobile petrol stations is also of interest for the other Nordic countries
- Comparative studies on service provision, supplementary functions etc.
- District medical centres – how are the problems solved in the other Nordic countries?
Public health could be an interesting theme for the rural areas
- Bio energy: There is a need for a study of the potentials for the forestry sector
- Image problems should be included in the work of the working group

- Different ways of solving the same problems, for instance the housing theme with regard to strategies, financing etc.
- It could be interesting to have a comparative study of the housing theme, such as permanent residences/ second homes
- How to commit the local municipalities in the work on rural development?
- The demographic development and the availability of future labour force is also an important theme
- Perceive the rural district as a laboratory for the future and as a treasury of the past
- Important to be present (in the rural district) to experience how matters are approached in reality

Appendix 2 Service provision in Nordic rural districts

Sweden, Tällberg 18th -19th of November 2009

Introduction

Sweden's strategy for rural districts: "A strategy to strengthen the development power in Swedish rural areas"

Carl Johan Klint, Ministry of Enterprise, Energy and Communications, Sweden

www.sweden.gov.se/content/1/c6/12/27/35/233b48d1.pdf

- It is not a central programme but something which is to be developed in cooperation with the regions and the local level.
- Several policy areas are part of the rural theme and thus it is a continuing work to secure the rural perspective within the different policy areas.
- There ARE possibilities for development and many great qualities in the small towns, for instance natural resources and cultural environments.
- Dialogue meetings at the Ministry of Enterprise, Energy and Communications are necessary to obtain the good suggestions.
- Generally speaking, it is a centralised policy with flexibility towards the local conditions; i.e. this flexibility is where this strategy differs from previous strategies.

Service supply and the structure of public authorities in Sweden

Peter Malmsten, Swedish Agency for Economic and Regional Growth, Sweden

www.tillvaxtverket.se/huvudmeny/englishpages.4.21099e4211fd8c87b800017332.html

- Swedish Consumer Agency was formerly the authority responsible for analysing and operationalising service supply – starting point was the consumer
- The Swedish National Rural Development Agency on the other hand focused on rural and sparsely populated areas.
- Both these agencies, as well as the agency called NUTEK have been closed down and the new agency called the Swedish Agency for Economic and Regional Growth was started on 1st April 2009.
- The Swedish Agency for Economic and Regional Growth are now responsible for different kinds of support and implementation of a number of development programmes. The agency plays a central role in regard to growth and works to develop flexible programmes.
- The Swedish Agency for Economic and Regional Growth cooperates with the Swedish agency called Growth Analysis. The later was also started 1st April 2009 and carries out all the analytical work previously done at the Swedish Consumer Agency, the Swedish National Rural Development Agency and NUTEK.
- Growth is the central theme.

Accessibility – a key concept. Introduction to 'PinPoint Sweden'

Erik Fransson, Growth Analysis, Sweden

www.tillvaxtanalys.se/sv/statistik/geografisk-analys-pipos/

- PinPointSweden (PiPoS) is a geographical tool that is used in the regional analyses. It means literally to 'pin point' to the map. The aim is to highlight status and development in various regions.
- PiPoS consists of 3 components: data bases, GIS programmes and output (diagrammes, tables, maps), and a supplementary function has been developed: 'Accessibility' which can indicate access to certain points.
- The data base consists of coordinate pointed statistics (e.g. population matrix), map data (from 'Vejnetservice', updated annually), and route points which are pinpointed statistical data (e.g. pharmacies).
- PiPoS is used for consequence analyses (e.g. the impact of closure of a pharmacy for the population), and it has a high level of detail since it can 'go below' the usual administrative subdivision.
- PiPoS is an excellent tool for visualising different solutions. This is very useful for the dialogue between e.g. two ministries. It is a tool to handle uncertainty in the decision-making process – e.g. by being able to visualize the consequences of various decisions.
- Future development of the system will happen because PiPoS of course can be improved. Two examples:
- Better geographical division. By using the accessibility principle for the categorisation of rural districts (instead of the previous one based solely on population size and travel time between locations) a better illustration of how peripheral they actually are, is achieved, cf. the maps in the presentation.
- Incorporation of Nordic data. This will better illustrate the conditions in the border areas – e.g. certain areas might be peripheral in a Swedish context but might not be so in a Nordic context.
- The next step is thus incorporation of Nordic coordinate pointed statistics. Erik welcomes critical assessment of definitions since this is the only way to achieve coherence between the countries.
- The future use of PiPoS will of course be: From analysis to politics!

Service provision

The Swedish government's strategy for support to commercial service

Eva Sörell, Ministry of Enterprise, Energy and Communications, Sweden

www.sweden.gov.se/sb/d/12137/a/131313

www.sweden.gov.se/sb/d/2067

- The background for the strategy is among other things that 448 rural areas have lost their only store which has generated the need for targeted policies in the field.
- Further financial support is available in 2009 since also funding from the Ministry of Agriculture can be added.
- 17 million SEK (approximately €1.8 million) is available for the development of both existing and new ideas, and 3 million (approximately €300 000) for the dissemination of knowledge and know-how.
- It is acknowledged that both commercial and public service is necessary in the rural areas.
- Many actors work on this theme and a lot of work is going on simultaneously, in parallel, and in cooperation.

The regional service program, back ground and aim

Annika Lidgren, Swedish Agency for Economic and Regional Growth

www.tillvaxtverket.se/huvudmeny/press/nyhetsarkiv/senastenytttillvaxtverket/utvecklalokalserviceiglesochlandsbygder.5.50030402125d97e6b13800016109.html

- The aim of the regional service program is to “promote the development of accessibility to commercial and public service in rural areas for both businesses and citizens”.
- The programme is currently being developed; the regions are at various levels in the development process.
- In the drafts that the Swedish Agency for Economic and Regional Growth has seen, PiPoS is widely used.
- Common for the programmes is that they contain a focus on quality over quantity and that they aim to improve the cooperation between all the actors. It is important to emphasise the work of the municipalities and to emphasise the importance of service.
- It is a chaotic reality and one has to take as a starting point what is already present in the rural areas.
- What the Swedish Agency for Economic and Regional Growth will use the programmes for:
 - Knowledge dissemination
 - dialogue
 - practical coordination

How the Jämtland region works with the service programmes

Else-Marie Norin, County Administrative Board, Jämtland, Sweden

www.lansstyrelsen.se/jamtland/en/

- Quite unique for Sweden the Jämtland region has one bigger town – Östersund – which is located in the centre of the region but they are having trouble offering services to the whole region.
- Based on these conditions, the region works with the service topic via several channels such as internal working group, the Council for regional development (where all municipalities have a representative); the municipalities themselves, and various partnerships.
- It is important to discuss with the municipalities what they want to achieve with the service programme and how they can utilise it as a tool since they are the ones who know their area best.
- All information is available online and the region invites as many as possible to get involved.

How Dalarna work with service questions at the regional and municipal level.

Regional work in partnership, background, present, future and two examples from the municipal level

Jan-Erik Hassel, County Administrative Board, Dalarna, Sweden

www.w.lst.se/

- The Dalarna region started their programme work in 2003/2004 and bases it on a strong partnership. The focal point is planning with a growth perspective.

Karin Perérs, Falun Municipality

www.falun.se/www/english.nsf

- The Falun municipality has developed a service programme which is to indicate the intentions of Falun Municipality with regards to service.
- The challenge is that the needs vary and the process is to provide an occasion to address this question.
- The available tools are both ‘stick and carrot’ (e.g. money to develop the programme).
- The local level must put the programme into practice but they cannot have influence on the frame work.
- The hope is that the municipalities will start a dialogue and cooperate on this theme.

- The conditions today are that an oligopoly exists on the food supply in Sweden. It is a problem for the rural areas due to high transportation costs and erratic and unreliable supply.
- The solution to this in Borlänge has been a restructuring of the infrastructure in the rural areas in 4 municipalities so a local transportation system of food supplies has been created.
- Feedback from the suppliers is important in the eternal process to include more and more local actors in the scheme.

Fuel supply

The fuel supply in Sweden. Development, aspects of accessibility, and the initiatives of the government

Carl Johan Klint, Ministry of Enterprise, Energy and Communications, Sweden
www.sweden.gov.se/sb/d/2067

- The responsibility and the funding are to be transferred to the municipal level because here the knowledge of the need is found. This must then be aggregated at the regional level to ensure a strategic development.
- The Consumer Agency had already made a distribution of the money in which those with the greatest need were assigned money. Now the Swedish Agency for Economic and Regional Growth has taken over this task.

Erik Fransson, Growth Analysis
www.tillvaxtanalys.se/en/index.html?locale=en_US&

- Introduced the data base with gas stations which contains a lot of statistics but not to a very detailed degree. Therefore Growth Analysis has developed a feature in 'googlemap' where each region can indicate the exact location of gas stations in their area. Hereby this statistic can be used in analyses with a much greater precision.
- Ideally the data base will be further expanded with information on other service points.

The government mandate for the regional councils in Dalarna and Värmland as well as the network "By-macken".

Kent Johansson, County Administration, Dalarna, Sweden
www.w.lst.se/upload/rapporter/09_21.pdf

- There are three main reasons for why the fuel supply is distressed: structural change, the reorganisation problem, and the competitive situation.
- There are two problems with regards to the structural change:
 - 1. There are very low margins in the business – profits are very few 'ører' per litre.
 - 2. There is a discrepancy between the government's vision of the field and the legislation of the Ministry of Enterprise, Energy and Communications (the Swedish ministry responsible for transport).
- We have no golden solution but these problems must necessarily be solved.
- The network of independent gas station owners is very important in the region of Dalarna's work on this issue.

Owe Nordling, HSSL/Länsbyggerådet Värmland (the organisation All Sweden shall live), Sweden
www.bymacken.org

- The idea of establishing 'By-macka' was born at a conference at the Swedish Consumer Agency in 2007 because it became clear that 'we have to do something ourselves'. If the independent gas stations disappear, a trade mark for the rural area also disappears; a trade mark that could otherwise gather the rural district.
- Assistance from 'Landsbygdservice' ('rural area service') has been extremely valuable in the work with 'By-macka', and if this service has now been abolished with the restructuring of the policy field, this competence must be made available elsewhere.

Fuel supply in rural districts, Norway. Experiences/initiatives

Judith Kortgård, Ministry of Local Government and Regional Development, Norway

www.regjeringen.no/en/dep/krd.html?id=504

www.merkur-programmet.no

- A basic principle in Norwegian politics is "Everybody in Norway should have the actual freedom to settle wherever they would like".
- 'Actual' in this respect should be understood as 'service' (hospitals, kindergartens, shopping options, etc.) and the intention is that there should be living local communities throughout the country.
- Basic services are fundamental for attractive settlements, and in addition economical, aesthetic and cultural factors can be added. The Norwegian district policy is often too focused on workplaces. Workplaces do attract people but not to the same degree as previously.
- Service has become more important within the district politics, and the MERKUR programme aims to organise the competences within service. Thus, MERKUR has been strengthened in the up-coming budget (from 15 mill. in 2009 to 26 mill.).
- With regards to fuel supply, Norway is on par with Sweden and focuses on locally adjusted solutions. There are 700 MERKUR stores in Norway and 100 of them carry fuel.
- It is the 'community entrepreneurs' who run these MERKUR stores and in the future it is likely that also other types of tasks could be assigned to these stores.

Fuel supply in rural districts, Finland. Experiences/initiatives

Anders Pulkkis, County of Western Finland, Finland

www.laaninhallitus.fi

- The Finnish principle is that public transport should be self-sufficient. It is thus not a right for everyone to have access to public transport, and since resources are limited one has to be realistic with the little money there is.
- In the region of Västra Finland the work is carried out with the goal of providing public transport at a basic level in the rural districts. This means that the public transport service provided is the one that is in demand.
- Thus, commuting traffic is prioritised (before 8 am and after 4 pm), as well as transportation of pupils and students, and the possibility to reach the larger regional service centres within a reasonable time frame.
- To ensure this basic level, a supplementary appropriation of €3 million is necessary.

Provision of public transport versus private motoring in rural districts, Denmark.

Experiences/initiatives

Anette Prilon, Danish Regions

www.regioner.dk/In+English.aspx

- The fuel supply debate does not exist at any Danish political levels since fuel supply in a Danish perspective is market driven.
- The recent structural reform has resulted in a new task distribution between the Danish regions and municipalities.
- The Ministry of Food, Agriculture and Fisheries has defined 45 municipalities as rural districts, and 15% of the population live in villages with less than 1000 inhabitants.
- The regions are to create good coherence between the administrative levels and the various modes of transport – on account of mobility in the society, sustainability, and business development.
- Public transportation is not doing too well; the number of users is in decline, and there are generally long travelling times (both in absolute numbers and in international comparisons).
- Some municipalities have taken different initiatives to strengthen the support for public transport, e.g. free transport – which is profitable on account of saved administration costs.

Coordinated service

The inquest: “Local service in interaction”. Background and progress report from interaction leaders

Lars Högdahl, Ministry of Finance, Sweden

www.sweden.gov.se/sb/d/10283/a/115673

- The primary idea of the inquest is that one should ‘Ask the citizens’ and not the administration, the sectors, etc.
- In Sweden, only very little work is carried out across the sectors so by focusing on the citizen, this is enforced since the citizen does not see the sectoral division from his/her point of view.
- In this context, businesses are also citizens.
- The personal meeting is still important in an age of information technology.
- By concentrating municipal services, one can learn from one another and also know more, which in turn provides better service.

Coordinated service in Norway. Background and progress report

HansPetter Emilsen, NAV Hedmark, Norway

www.nav.no/page?id=1073743388

- The idea behind the NAV-reform (NAV = The Norwegian Labour and Welfare Administration) is that there should be ‘only one door in’ to the services that was previously split on municipal service provision, Aetat (National employment service), and Trygdeetaten (National Office for Social Insurance).
- It is a very ambitious reform; for instance in the Norwegian hospital reform, only the structure of responsibility was changed while with NAV the employees are also physically moved.
- The NAV reform is to be implemented in 3 years and 17.000 employees will be affected. It is not an easy process since the culture in the original offices is quite strong.
- The implementation is to be completed by the end of 2009.

Coordinated service in Finland. Background and progress report

Susanna Hyvärinen, Association of Finnish Local and Regional Authorities, Finland

www.kunnat.net/yhteispalvelu

www.kunnat.net/tietoyhteiskunta

www.yhteispalvelu.fi

- The vision behind 'Citizen Services' is to offer service from various authorities in the same office.
- From an administrative point of view the intention is to offer better service to the citizens and to minimize the costs.
- From a citizen point of view 'Citizen Services' mean that they only have to approach one location, "the one stop shop".
- In the peripheral areas 'Citizen Services' also mean that you can provide accessibility to more types of service or offer information on where the citizen should inquire about their request.
- The Citizen Service offices are located in a number of places, e.g. at the city hall or in the libraries. This depends on local conditions.
- The offices can also have a varied offering of services: many or few authorities represented; some services only on certain days; some services only available as 'remote services' (advising by phone; video meetings with a case officer), etc.
- In the future it is also hoped that the Citizen Service offices can offer sign language and translation services.

Examples of coordinated service at the local level

'Centre for good advice', an example of coordinated public service in Gagnefs municipality.

Tomas Hellquist, Gagnefs Municipality, Sweden

www.gagnef.se/turistbyrancentrumforgodarad.4.6531ec9811c17c6d552800023870.html

- Gagnefs municipality has established a 'Centre for good advice', which is a cooperation between the municipality, the regional council, the employment service, the social insurance agency, and the police.
- Here the citizen can get information and help with forms and homepages as well as meet representatives from the authorities at specific times during the week.
- The centre was inaugurated in 2007 and shares office with the tourism agency. They receive app. 20 visitors per week.
- In the future the 'Centre for good advice' should market itself better towards the citizens and they would also like to improve the coordinated service for the citizens; as it is now most still approach the authorities directly.

Service Cooperativ of Öje

Kurt Podgorski, Municipal Council, Malung-Sälén Municipality, and Arne Lökken, the Service Cooperativ of Öje

www.malung-salen.se/english

- In Malung-Sälén municipality, the motto is that "you can't invent 'grassroots but if they are present they must be encouraged!"
- The Service Cooperativ of Öje runs a country store, a hostel, a camp ground, a restaurant, a pub and a home service for the elderly in Öje.
- The advantages of still having a store with fuel supply, restaurant etc. is of the functionality of having these services close by but it also provides a meeting place which increases the quality of life. The home service also provides comfort and security for older citizens since they are serviced by familiar faces.

Notes from the closing brain storm in Tällberg the 18-19th November 2009

Closing Tour de Table: What have we learnt at the seminar?

- Good to hear examples from other countries
- Good to see that others approach issues in similar ways but also good to learn about other ways of doing things
- Good to hear about concrete examples of political ideas and suggestions
- Interesting to hear about the connections made between rural development and public transport
- Good to hear about experiences of others, many interesting Nordic examples
- We have a lot to learn from each other
- Good ideas for future work
- Suggestion to the Nordic working group: gather and present good Nordic examples
- Good to learn more about activities carried out by others
- Very interesting and useful to learn about the accessibility tool PinPointSweden
- Attending the seminar was fruitful, a lot was learnt
- Interesting to see that service supply is regarded as a regional responsibility in some places
- In despite of differences in regard to the regional scale between Denmark and other countries the practical work in Denmark seems to be carried out in similar ways
- Multi-tasking is an important competence
- A fruitful seminar
- The seminar was inspiring. It will be fun to continue the work with these issues
- From the local level it is good to hear that the higher levels have started to acknowledge the citizens
- We need to carry out consequence analyzes to see consequences of our actions
- Good to learn about different solutions to same problem
- Suggestion to the Nordic working group: gather the key lessons learnt at this seminar
- Interesting to learn about the accessibility tool PinPointSweden and the importance of gathering service
- Interesting from a national point of view to learn about how issues are solved at local level, inspiring for further work on supporting the local level
- A lesson learnt: many problems can be solved at a local level in rural areas
- It is clearly shown that the idea of creating development is to be found both at national, regional and local level.
- Actors involved in commercial service supply are social entrepreneurs
- The aim of the work in the Nordic working group is increased knowledge sharing and inspiration this seminar has brought important inputs to further work
- Interesting insights given to the work of the different levels and to the cooperation between them
- General positive and hopeful approach to rural areas, encouraging

Appendix 3 Governance and Local Capacity in the Nordic Rural Development

Finland, Tuusula 17th- 18th of March 2010

Introduction

The Meanings of Governance in Rural Policy

Michael Kull, Principal Research Scientist, MTT Economic Research Finland

- Project Enlarging Theoretical Understanding of Rural Development (ETUDE) financed by the EU's Sixth Framework Programme (EU FP 6)
- Case studies focussed on regions in Finland (Tyrnävä & Kittilä), Germany (Giessener Land & Odenwald), Italy (High Tiber valley & Lunigiana), Latvia (Abava valley & Smiltene), the Netherlands (Laag Holland & Rivierengebied) and the UK (Devon & Shetland)
- Kull, M. (2008), EU Multi-Level Governance in the Making: The Community Initiative Leader+ in Finland and Germany, Acta Politica 32, Department of Political Science, University of Helsinki

https://portal.mtt.fi/portal/page/portal/mtt_en

- Defining governance
- Steering and navigating; managing, steering, coordination
- Move from government to governance, but many different definitions
- Non state actors in decision-making processes
- Focus on different state of interaction
- Multilevel governance
- Filling a gap, going local and regional and beyond public sector
- Imprecise contents and use of the term
 - Problems posted;
 - Participation
 - Co-ordination
 - Accountability
 - Effectiveness
 - Openness
 - Coherence
- Types of MLG (Multi Level Governance)
 - 1) "Traditional" with different levels of governance
 - 2) More flexible.

Example of type 2: LAG, potential in solving some of the problems above; Can they provide services essential in rural areas in the future?

- Empirical findings
 - 1) Multi-level governance of rural development policy in Finland and Germany.
Leader+ offered a space for multi-level interaction and local level involvement, consisting of highly motivated people actively contributing to the improvement of quality of life and economy, but is dependent and restricted by national administrative practices, implementation approaches and cultures.
 - 2) The EU project Enlarging Theoretical Understanding of Rural Development.
Problems:
Segmented policy fields giving space for influence of sector based interest groups.
'Fences' within policy fields and public administration leads to difficulties in dealing with variety and diversity in practice.
Lack of willingness to empower administrations and organizations situated at lower levels.
A better spatial coordination not exclusive and limited to old elites is needed.
- Technocracy instead of democracy and generalisations instead of focusing on particular social (Fischer 2009) or objective (Weber 1958) contexts.

Governance

Entity of the Finnish Rural Policy and Rural Policy Committee at the National Level in Finland

Eero Uusitalo, Professor, Rural Counsellor, Secretary General of the Rural Policy Committee, Chair of the Village Action Association of Finland
www.ruralpolicy.fi/en/

- Broad rural policy: (rural policy committee)
 - New paradigm
 - Carried out at state level
 - But all levels between the national and the local are needed.
 - Many sector policies have positive or negative, big or small rural impacts
 - Networks and partnerships
 - No/few money for RD
 - Governance
 - Tools
 - Negotiations
 - Horizontal preparing of RD policy
 - Ruling by information
 - A need for different policies for different areas – this is difficult!
- So there is also a need for a narrow rural policy
 - Old paradigm
 - Main purpose is to promote the rural areas
 - Base bureaucracy
 - A lot of money
 - Tools
 - Rural policy programme
 - Theme and work groups
 - Project group
- Long history of developing tools for rural policy, but still insufficient
 Finnish rural policy has evolved into a cross sectoral policy programme

All levels are needed

Broad network of rural development actors at different levels

Triple and Quadruple Helix in Kaiunuu region, Finland

Andra Aldea-Partanen, Project Manager, University of Oulu, Kajaani University Consortium, Lönnrot Institute
www.oulu.fi/english/

- The assumption is that governance can be enhanced in rural development by mobilizing triple and quadruple helix partnerships in rural development processes. This kind of partnerships combines supporting local capacity with inter-level, inter-institutional, intra-regional and cross-sector co-operation.
- Example Kainuu region
Regional level “self-government experiment”
Part of this the rural development group, under Kainuu regional strategy group. A large group of actors working (dividing it self into) in a number of action programs.
- Difference between triple helix and quadruple helix
The later includes also citizens (associations and such) to the mix of public authorities, Industry and SME:s, R&D (academia). In the intersection between these groups we can find the rural development group in Kainuu
- Kainuu region differs from other:
The example of Kainuu does not represent the average situation in Finland
Hopefully the model from Kainuu can inspire the work nationally.
Kainuu region has actual power at regional level. The context has had a certain impact.
The actors “available” differs. But there seem to be a growing interest at regional level in working with the local level and local level capacities.
- An ideal model?
The different groups often have different agendas,
You need a moderator, mediator, which is neutral. University experts and LAG coordinators might work.

Development of rural areas in Denmark

Rita Munk, Ministry of Food, Agriculture and Fisheries, National Network Unit
www.fvm.dk/English.aspx?ID=14541
http://ferv.fvm.dk/National_Network_Unit.aspx?ID=43715

- General intro to the RDP
Strengthening the governments green growth strategy
Land use and agricultural activities plays important role in green growth in DE
The ministry does not have a long tradition of framing a local rural policy,
- General intro to the LAGs
40 action groups, covering all areas except for the urban municipalites
11 combined working with both rural areas and fisheries areas
5 LAGs in fisheries areas
- Power sharing – local, regional and central levels.
LAGs cross cutting and multi level governance.
New ways of working established through meetings, forums, seminars, educational training and courses, try and involve all three levels in management of RDP. Difficult to learn all procedures especially for the more local levels.
- Organization of LAG borad:
Public authorities, local citizens, local associations, the trades and industries. Election among LAG members

on yearly basis to secure democracy.

Success of a group seems to depend on only a few individuals.

- Conclusions:

We are in the middle of a process, do not know where it leads (but includes involvement of actors at different levels)

- Focus on outcomes – less focus on activities at central level would be positive? (Motivation and passion at lower level is harder to find if there are a lot of regulations and rules, makes it more difficult to achieve the outcomes wanted)
- Governance through political and financial framing

Rural development from the point of view of Governance at regional level (Growth Forum) in Denmark

Birgitte Echwald, Consultant, Region Zealand

<http://vfsj.dk/Sider/Default.aspx>

- Growth Forum

A regional business partnership working with business development through regional and EU structural funding (objective 2). Represents businesses, knowledge- and educational institutions and public organisations.

- Rural development

is one of the issues focused on.

The challenges are often closely connected to needs of innovation without big businesses or knowledge institutions. Growth Forum's primary instruments are funding and have within the past years funded different kind of partnerships and clusters aiming at stimulating innovation in rural areas in different ways.

- Examples of partnerships working with different ideas of rural innovation

Clutter to Cluster

Food platform

REGLAB

- Conclusions

Complex challenges

Cross sectors

Instruments (needed?)

Partners to participate / triple helix

Different kinds of partnerships addressing different issues

Organizational setup

Resources - are we lacking resources or traditions to deal with the issues?

New Emphasis in Capacity and Competence Building – Strengthen Municipalities' Work on Community Development in Norway

Tore Vabø, Senior Adviser, Department of Regional Development, Ministry of Local Government and Regional Development

www.regjeringen.no/nb/dep/krd/prosjekter/lokalsamfunnsutvikling.html?id=607504

- LUK

Five year programme for strengthening the municipalities work on community development

Strengthening the role of the county municipality as collaborator, coordinator, network builder, adviser and supporter to municipalities

- Key actors

KRD (Kommunal- og regionaldepartementet, Ministry of local Government and Regional Development)

County municipalities (all counties are positive and want to take part in project)

Municipalities

Centre of rural development knowledge

- New way of working
Primarily project developing through cooperation between ministry and counties
In a second phase in all the different counties through cooperation between the municipalities and the county.
Combination of bottom up and top down strategies.
- Expected outcomes:
 - Municipalities become stronger development actors
 - Integration of local initiatives
 - Increase capacity and expertise at county level
 - Coordination at county level
- Examples presented to show how the county and municipalities can work together
Hedmark county
Hoppid, Møre og Romsdal county

Rural Development Work at Government Office in Sweden

Ina Berggård, Chair of Nordic Working Group on Rural Development, Ministry of Enterprise, Energy and Communications
www.sweden.gov.se/sb/d/10371

- Swedish rural development strategy
Goal: Include rural perspective as issue in all policy areas
Working group with representatives from most of the ministries is created
Rural proofing in the ministries
Two national authorities most relevant in work with rural strategy:
Growth analysis
Swedish Agency for Economic and Regional Growth
Greatest challenge: incorporate rural perspective at all levels and different sectors, it requires a change of attitudes

The National Rural Network in Sweden

Hans-Olof Stålgren, transnational cooperation coordinator at the Swedish Rural Network
www.landsbygdsnatverket.se

- Each Member State shall establish a national rural network (NRN)
- Aims of the Swedish network
Bring together parties
Improve the programme implementation and strengthen its potential for rural Development
National and transnational forum
Broaden the dialogue on implementation at and between levels
- Different kinds of networks:
Formal/ Informal
Closely connected to programme organization/ independent
Focus on Leader/ focus on whole programme
- The Swedish NRN
Formal official network
All actors at national level working with rural development can be members.

Steering Committee of 11 members

Based at the Managing Authority, the Swedish Board of Agriculture

Activities can be initiated of the service unit or driven directly by the member organisations

Arena for dialogue and learning

Forum for the feed back

Governance in rural policy in Västerbotten region, Sweden

Thomas Westerberg, Manager Regional Planning, Region Västerbotten

www.regionvasterbotten.se/

- Steering documents for regional and rural development in Sweden
 - Lissabon and Gothenburg agendas
 - National regional strategy
 - Regional development programme, regional growth programme/- process
 - Rural Development Programme
 - Regional Rural Implementation Strategy
- Bad timing when the national and the regional documents were created.
- At regional level in Västerbotten:
 - Large county mainly covered by rural areas
 - Regional Development Programme and Rural Implementation Strategy handled by different organizations
 - Rural strategy based on the contents of the regional programme. Growth programme includes a chapter on rural development
- Two actors:
 - County Administrative Board (CAB) and Region Västerbotten (RV)
 - Can both fund project in programmes
 - CAB administers the RDP and supports rural commercial services
 - RV funds “other” regional development issues
 - What is rural and what is regional?
 - Development of Västerbotten dependent on coordination between them for success. All actors contributing are responsible. But someone needs to coordinate the development process
- Opportunities and challenges:
 - Cooperation, coordination and consensus is required to create rural and regional development
 - More specification and focusing is needed
 - Go from project to process
 - Prestigeless when it comes to functionality

Local capacity

Role of Local Capacity and Democracy in Rural Development

Peter Backa, Rural Developer, Svenska Byaservice, Svenska studieccentralen

<http://byaservice.web.mios.fi/>

www.ssc.fi/start/

- What is local?
 - Defining “local” affects the outcomes
 - Here: local as “a sense of place”
 - Focus: Bottom up

We are dealing with NGO:s smaller than municipalities generally in the Nordic countries,
But this is not always the case in the world

- Capacity – Capital (social capital)
Local capital
Natural capital
Infrastructure capital
Human capital
Key: Social capital, already existing in rural areas but can be better used and developed and is crucial for creation of development
- Agenda
How to make capital into development?
Development sequence starting at the bottom with human capital, can with the right steps be turned into vitality, social capital is the fuel
- Empowerment
Understanding: (of your role and the process) is needed
Governance: Exists in many different ways, all governance is not good governance, no social capital – no governance!
Democracy: Is gained when citizens can equally make a difference – the rest is tools

Leader LAGs as Sub-regional Developers in Finland

Marjo Lehtimäki, Executive Manager, Development Association Sepra
www.sepra.net

- LAGs support development of the whole region, they cooperate with many local and regional organizations horizontally, they are the best experts of the needs of their own area and thus able to write successful development programmes with local people.
- Development Association Sepra is a registered, non-profit association as are all of Finland's 55 Leader LAGs. Sepra operates by the Baltic Sea, close to the Russian border in the area of seven South- Eastern Finnish municipalities.
- Sepra implements its Development Programme through the board of 10 members and 10 deputies, three theme groups with altogether 30 members (Communities, Entrepreneurship and Environment) and personnel including manager, project advisor and secretary
- Sepra involves community into Leader work by having board members and deputies from all parts of the area as well as of all the "interest groups" (public sector, associations /entrepreneurs and local actors).
- The Board has 20 members representing the area equally who are elected by members of Sepra once a year for a limited stay in the board of max. 4 years. They activate and spread information to local people, have meetings and deal with project applications.
- Anyone can join a TR, according to their own interest. Every TR has 1-2 members of Sepra's board too – they act as a link between the Board and Theme Group. TR's interview project applicants before Boards Meeting -this allows Project applicants to explain verbally the contents of the Project and TR members to ask questions and give suggestion to improve the projects. Theme Groups is a way of getting local people involved in Leader work.

Cohesion and Competitiveness Programme as a Tool for Regions Networking, Finland

Antti Korkka, Development Manager, Upper Tampere Region, DEMO Regions Network

www.ylapirkanmaa.fi/ylapirkanmaa/tekstisivu.tmpl?navi_id=240

www.tem.fi/koko/demo

- The Cohesion and Competitiveness Programme (KOKO in Finnish) is the government's special programme for regional policy acting at the horizontal level. Launched for the period 2010–2013, 52 regions have been formed.
- The Ministry of Employment and the Economy is responsible for the national coordination. The objective is to reduce economic, social and regional differences in development.
- National development supports a nationwide network of regions with multiple centres, comprising urban regions and the surrounding rural areas. The intention is to make Finnish regions attractive for enterprises and residents alike and needs broad-based innovative development for living environments.
- KOKO is active tool for regions networking. Seven national networks were launched at the beginning of 2010.
- The network themes are:
 - Innovation environments,
 - Wellbeing,
 - Creative sectors and culture,
 - Internationalization (Russia in particular),
 - Tourism,
 - Cooperation in land use, housing and traffic,
 - Demographic change and regional transformation (DEMO).
- DEMO Regions Network is focusing on the problems of regions facing the challenge of an ageing and/or declining population. It concentrates on benchmarks and indicators for services and search for practical solutions especially in the fields of local economy, housing, traffic, education and health services.

Village Action in Finland - Rural Peoples Movement and a Local Resource for Development

Henrik Hausen, Village Coordinator, Village Action Association of South Savo Region

www.jasky.net

www.village-action.fi

- Peoples movements is an important part of Finnish democracy, was the base for an independent Finland and is still important, there are 3900 village action groups today.
- South Savo region has 220 village action groups. The region is mainly rural but has municipal centres quite evenly spread and comparatively reachable service centres.
- The activities of the LAGs have gone from focusing on leisure, via activities more in accordance with pressure groups to the current focus on the local economy.
- There is a regional forum for rural cooperation. The regional association ensures cooperation between villages and a coherent village planning.
- Results:
 - New inhabitants, services
 - Multi service centres
 - Village cooperation
 - Cooperation between enterprises
 - Influence on planning

Rural development from the point of view of Governance at Regional Level in Denmark

Karsten Baekgaard, Head of Department, Region Midtjylland

www.regionmidtjylland.dk/

- The part played by the Danish regions in the rural areas is statutory and defined by:
Legislation on planning (§10 – The Regional Development Plan)
Legislation on business development
- The Danish Rural Development Programme 2007-2013 is a key factor in the development of the rural areas, determines the framework which supports the establishment of new jobs and attractive conditions of life in rural areas (3rd axis).
- Implementation of the 3rd axis of the Rural Development Programme is handled by the Local Action Groups (LAG), in which the regions play no part.
- Regional as well as local actors have expressed their wishes for development of rural areas to be included in the regional development plan. The plan contains limited "tools" and means.
- The regional effort in rural areas takes starting point in the responsibilities of the regions in the field of business development, as regional business development must include development activities in the rural areas. Regional business development is anchored in Growth Forum; a partnership between region, municipalities, trade and industry, educational institutions and the unions and the employers' organizations.
- So far the contribution of the Central Denmark Region in the field of rural areas has focused on:
Networking between the LAG's and the municipalities
Subsidies to development projects in villages
- Within the framework of Growth Forum, a number of other regional business development initiatives are also supporting development in rural areas of the region, like for instance in the fields of experience economy, energy and environment, etc.

How to Make Cooperation between Different Levels in Local Area for Development of Local Community in Denmark?

Henrik Willadsen, Head of Department, Skive Municipality

<http://www.skive.dk/>

- Civic participation in Skive Municipality – why and how?
Has been a field of work for 15 years now, is developing constantly.
- Skive has a lot of villages and one larger city, majority of the inhabitants lives in rural areas. A main focus of the development work is to prevent population decline.
- In the municipality the debate moved from focus on hard facts towards more soft values and ended in the understanding that the "citizens is an important and powerful resource"
- Key matters:
How to build up local development?
Motivate people is crucial
- Also important to change the way of working in the municipality from hearing to cooperation/dialogue.
- Power has to be transferred from the authorities to the citizens.
- Knowledge sharing. Local knowledge and external inputs needs to be shared
Education about how to carry out projects
- The municipality works with the citizens using a long time perspective
- Recommendations:
Projects need to be rooted in the village
Input from outside
Process work takes time – volunteers
Necessary to learn how to organize groups

It takes courage – also politically
Yield influence
Lots of resources are released

Positive Image and Identity – Capitalizing on Opportunities to Become Attractive Places for Residence, Norway

Halvard Læg Reid, Adviser, Department of Regional Development, Ministry of Local Government and Regional Development
www.regjeringen.no/en/dep/krd.html?id=504

- Advise from the young: Strengthen the work on image and reputation
- Resent reseach on motives for moving:
Not only work, also identity
- Actions:
School for image and reputation builders in local municipalities
Webpage with recourses on reputation building
Inspirational seminars
- Actors:
Department was the initiators
County councils (long time supporter)
Centre of rural development (long time supporter)
Municipalities (eager local executors)
- Attractiveness, reputation and reputation building goes hand in hand with general development work.

A case from the Municipality of Rauma

Arnt Øyvind Siem, Manager, Nordveggen AS
<http://nordveggen.no/>

- Rauma, with the slogan: the world's best municipality for people loving the nature
- Nordveggen AS, a local development company, started in 2003 and is owned by Rauma business association and Rauma municipality. Their task is to work to strengthen Rauma as a place to live and work in, this is done in dialogue and cooperation with the two owners
- Rauma is located in the region of Romsdal. The region has about 70,000 inhabitants, of whom about 7400 live in Rauma municipality. From the mid 70'ties until the early 2000's Rauma had an alarming negative population development. In 2002, the business community and the municipality decided to work together to reverse the negative trend. A commitment to teamwork, pride and reputation building was emphasized
- In 2005, Rauma started an effort to "brand" Rauma. After countless meetings, dialogues, questionnaires, and ad campaigns the following vision was decided upon: "We will be the world's best municipality for people loving the nature."
- A mapping of strengths and weaknesses, possibilities and threats was made - as well as a listing of proposed projects and measures in line with the new vision.
- Rauma municipality has in recent years experienced a positive upswing. Since the trend began to reverse in the positive direction in 2003, Rauma has collected a lot of good effort and enthusiasm from municipalities, commercial sector, cultural sector, organizations, and the political environment; this has led to over 1700 people moving to Rauma in the last seven years (creating a surplus of 115 persons).

All Sweden shall live (Hela Sverige Ska Leva) and National Rural Parliament in Sweden

Lotti Jilsmo, All Sweden shall live

www.helasverige.se/

www.helasverige.se/kansli/landsbygdsriksdag-2010/

www.helasverige.se/kansli/vi-arbetar-med/demokrati-inflytande/projekt/landsbygd-20/

- About the rural parliament
 - Every other year
 - How to develop rural areas
 - Sweden's largest meeting place for discussing these issues
 - Not for making decisions but for discussions
- Who attends?
 - "Doers"
 - Local development groups (makes up a large part)
 - National associations
- "Deciders"
 - Local politicians, civil servant
 - County administrative boards
 - Academia
 - National politicians
- What is done?
 - Visiting "good examples"
 - Seminars
 - Entertainment
 - Meetings
 - Vision workshops
 - The rural parliament was used for discussing the design of the National Rural Strategy
- Youth organisations from rural areas have developed a new discussion method; Landsbygd 2.0

How Can a Local Community Assist in Municipal Planning in Sweden?

Bo Lönnkvist, Swedish Village Action Movement

www.helasverige.se

- Project "One plan in each village"
 - Local groups involved in the community planning
- How can local capacity assist in community planning?
 - Collaboration
 - Rural strategie
 - Democracy and responsibility
 - Education
 - New planning method (Collaboration: planning job carried out in study circle)
 - The process more important than the documents
- The final document becomes a good product for the municipality, and the citizens become proud of the document

Notes from the closing brain storm in Tuusula the 17-18th March 2009

Chair: Janne Antikainen, Director for Regional Development, Vice Chair of the Rural Policy Committee, Ministry of Employment and the Economy

How can governance be enhanced in rural development?

- Starting point:
All citizens need the possibility to decide themselves where to live, but what is needed in different places, quality or quantity?
- Ways of strengthening the local level
Lag
Understanding of your own role and the context
Quadruple helix
Values are connected to the context
Strategies (Make a difference, informally. Through the kitchen method?)
Develop new roles, new methods and responsibilities and inside these frames you have the freedom, then we can decide where to live
- What we need:
Flexibility
Political consensus is needed in some respect, the political will is crucial
Bureaucratic consensus
- What we need to strengthen:
Cooperation
Planning
Mobilization
Implementation
- But the methods are still lacking?

How can the cooperation between different levels (national, regional and local) be enhanced in order to generate and implement common policy goals?

- What we needed:
Pride
Positive attitude
Holistic approach crossing sectors
Expressing and talking about bottlenecks and problems
Addressing the question of what rural development is (Part of regional development? Village development?)
To learn from the lower levels when making strategies, e.g. learning from the local level when making regional strategies.
- The need of governance in working with rural development questions:
Power needs to be divided between actors and levels
A move away from sectoral decisions are needed
Dialogue and partnerships are needed
- Issues raised in the discussion:
Should we focus on challenges or possibilities?
Lots and lots of policies is produced, there is so much information spread, what tools should we use to filter

and also to spread our information?

Governance is made up of dynamic systems, there is not one everlasting solution

Creating cross sectoral planning requires public bodies to give power away, gains can be found if this can be done

What kind of partnerships and network support local capacity the best?

- To develop a local community you need to develop the region as “a whole”, not dividing it into different sectors. You need to take a starting point in the citizens.
- The kind of partnership wanted:
 - Triple helix
 - Local authorities
 - Business
 - Citizens
- What is needed for success:
 - Bottom up thinking including the citizens, create a “we – feeling”
 - Work towards the same goal, dialogue is needed
 - Involving and including networks of citizens
 - Seeing elderly people as a resource
 - Methods to “light the fire” and keep it burning (strengthen the local initiatives both in initial phase and in the long run)
 - Linking the grass root level and the strategic level

How is local capacity utilized and supported best in the rural development work in the Nordic countries?

- Cooperation, vertically LAGS and regional developers
- Empowerment of local capacity
- Facilitating and monitoring the fire
- Optimism
- Working towards the same goals
- Problems of rural areas:
 - Young people moving out, how do we get them to move back?
- What is needed:
 - Regional program, should collect all ideas of the region to give us the same goal,
 - After feeling of ability to change, next step: branding
 - Money
 - “If not rural capacity is not empowered Rural Development might end up like banks in a bank crash”
- Issue raised in the discussion
 - Do all areas need the same goals? Or will we see a next generation of programs with room even for conflicting goals?
 - Or are macro-region strategies the next step? Maybe in connection with local initiatives?

Appendix 4 Business development in Nordic rural areas

Skarrildhus, Denmark 24-25th November 2010

Introduction

Regional development and business development in rural districts

Henrik Toft Jensen, Associate professor, Roskilde University

[http://rucforsk.ruc.dk/site/da/persons/henrik-toft-jensen\(d866383f-d187-46ec-9bce-88c4d27bc7d9\).html](http://rucforsk.ruc.dk/site/da/persons/henrik-toft-jensen(d866383f-d187-46ec-9bce-88c4d27bc7d9).html)

- European examples to illustrate that the current rural problem has been occurring for long
 - E.g. Cotton production and coal production in UKGrew fast and then fell
Development and changes are always occurring
 - In general industrial production has fallen and financial and public and private service sectors have grown. Mainly growth in sectors that are centralized and decrease in decentralized sectors.
 - Age structure in Europe:
Four Nordic countries not bad in comparison
(some concentrated regions in DK, FI and SE with higher average though)
- Is there a real periphery in Denmark?
Regional differences in income are small - partly due to financial redistribution between regions.
- Centralisation and decentralisation of businesses
E.g. breweries and dairies in DK.
Development from many local producers to centralized situation and lately back to a higher amount spread over the area.
Local production and branding has become more important.
How much can the rural areas benefit from this?
How much are we prepared to pay for “local stories” connected to the product we buy? Today 10 % of the population seems willing to pay extra for this. Can this be changed?
- Danish public business support and development systems
Complex system - no guarantee less complex system would be more efficient
Why so many people in rural areas not connected to agriculture?
Increase in production, decrease in labour, productivity has increased enormously.
Old farm housing needs to be used in new ways
Increase in working from home (distant), workplace still important though
- What can we do in the countryside?
Initiatives should be related to the specific assets of the countryside
 - Agriculture
 - Gardening
 - Food production
 - Tourism

Clean tec. And bio-energy

- Constrain to development of rural areas in Denmark:
 - No access to loans for businesses
 - Lower educational level
 - Real estate prices have decreased in last years resulting in people unable to move from large cities to rural areas (unable to sale urban apartments)
 - Lower average life expectancy
 - Higher rate of social support (however urban districts with high rates also exist)
 - A lot of public services moving out of rural areas (economies of scale, quality)
 - How much money is saved when doing this?
 - What are the relations to the business support?
 - No interaction between public service suppliers and business support actors?

Governance structures in the Nordic countries

Stefan Brendstrup, PhD senior consultant, DAMVAD

www.damvad.dk/media/18455-international%20sammefnigning%20-%20erhvervsudvikling%20og%20innovation.pdf

- Substantial differences regarding governance structures in Nordic countries
- Comparison based on:
 - Division of work and responsibilities
 - Ownership and commisioners
 - Mandat, autonomy and influence
 - Degree of regionalisation
 - Contact to users of the system
 - Complexity of the eecuting system
(Interfaces to private services – not included)
- Different divisions of work in four countries.
 - Finland and Sweden most solutions in common
 - Questions solved in different parts of the systems
- Organisations:
 - Norway has a high number of commissioners, large process to agree on common strategies, resulting in more long term strategies however.
 - Denmark many commissioner and also many executing organizations – gives flexibility but coordination might be problematic and initiatives are short term
- Mandate, autonomy and influence of executing organizations
 - Policy implementation
 - Policy formulation
 - Agenda setting
 - Executing organizations in Denmark:
 - All three (implementation, formulation, agenda setting)
 - the independent executing actor
 - Executing organizations in Sweden and Finland:
 - Two first – the advising actor
 - Executing organizations in Norway:
 - The first – the administrating executing actor
 - What is preferable? Overlaps or gaps?
- Degree of regionalization
 - Tendency to strengthen regionalization in business development and innovation policies

Norway most regionalized
 Denmark: regional element but low coordination
 Sweden. Some regionally targeted instruments
 Finland: instruments and mandate mainly centralized

- Contact to users
 Norway and Sweden: One stop shop
 Denmark and Finland: No wrong door
- Complexity of systems
 Systems differs in complexity and design
- Overall comparison
 Denmark: fragmented implementation, “medium” political rooting
 Finland: medium fragmentation, medium rooting
 Norway: centralized implementation, fragmented political rooting
 Sweden: Most centralized political rooting, relative centralized implementation
- To be able to support business development in rural areas one need a map of political system
- These maps important to keep in mind when trying to learn from other places
- Give, at least partly, answer to why policy integration is such a complicated issue: the innovation policy systems are complex, so are the others?
 Integration of agricultural policy into innovation and business development policies
 – difficult to integrate when policy is so fragmented!

Development of trade and industry in the Central Denmark Region – the regional aspect in Denmark

Erik Sejersen, Head of Section, Central Denmark Region
www.regionmidtjylland.dk/Om+regionen/English

- As seen above – the work of the regions are one part of a complex, fragmented system of business development
- Tasks of the regions:
 Health
 Regional development:
 Regional development plan, business development, tourism, employment, education, culture, international cooperation etc.
 Psychiatry and social care
- Structure:
 Regional councils (41 members)
 Executive committee (13 members)
 Growth forums (20 members)
- Regional development tasks:
 Statutory:
 Regional Council:
 Regional development plan, Education, Culture, Land and raw materials
 Regional Council/transport authority:
 Public transport
 Regional Council/Growth Forum:
 Development of trade and industry
- Regional development plan
 Long term, consensus, forum for discussion for vision of future society

Strategic tool

Umbrella for the most important policies

Dialogue, choices, priorities

- Short term business development plan:
Regional development of trade and industry
One part: development of “fringe areas”
- Regional development’s budget:
“We do actually have some mussels to carry out initiatives”
DKK 585.2 million (approximately €72 million) in 2011
Most from state, local governments contribute with 1/3
50 % of money used for public transportation
- Challenges for rural districts in Denmark:
 - Falling number of jobs
 - Falling or stagnating countries
 - Out migration of young people and women
 - Falling share of people working
 - Fewer possibilities for higher education
 - Need of infrastructure development
 - Villages and houses falling into despair
 - Negative reputation
- Instruments to meet problems
EU: Danish rural development programme 2007-2013, spread over most parts of Denmark, classification of areas exist though
LAGs
Pool from projects in regions and municipalities, focus green growth
Regional trade and industry development measures addressing rural areas in specific.
Tourism and food development mainly. Local food production important in region
LAGs
Work of the region:
 - Developing core businesses
 - Advice small businesses
 - Experience economy and tourism
 - Developing food industries
 - Analyse potentials for industrial growth in different municipalities
 - Support implementation of potentials found
 - Advice to micro businesses (0-10 employees)
- In all of the region’s development work:
Focus on results
Show politicians what the money for rural development contributes to

Local examples

Development of Tourism in Österbotten, Finland

Erkki Laakso, Bothnia Tourism, Finland

www.pohjanmaanmatkailu.fi/Default.aspx?id=355108

- Example of development in the archipelago (Kvarken skärgård) – a Unesco world heritage

- Situation in 1990:
Ferry only way to get there
Few tourists
Out migration
Bad infrastructure
Only few businesses in tourism
- 1995:
Finland member of EU
New possibilities for development through support and networks
- 1999:
No more tax free consumption in Kvarken
(from 1,3 million to 100 000 travellers between Finland and Sweden a year in the region)
New actions for tourism sector needed!
- Municipality of Vasa and tourism businesses common initiative
- 1997:
Bridge from mainland to archipelago
- 2006 - Today
UNESCO world heritage status
Development of tourism sector starts in larger scale
Local community engages
Tourism guides trained
Nature, fishery, canoeing, biking, boat trips, bird watching, marinas, cabins, restaurants, cafés, info points, etc. developing
The organisation Bothnia Tourism takes responsibility for tourism development in area
- Development of businesses:
From 10 businesses in tourism in 1990 to 50 2010
Support aid resulting in jobs and viability
Nature tourism established
Development of infrastructure
Maintenance of walking trails
Laws and regulations sometimes complicated
Financial support to investments low
A lot of support to research, development and planning

Local development of rural districts in the southwest Skerries, Finland

Sami Heinonen, I samma båt-samassa veneessä rf ry, Finland

www.sameboat.fi

www.saaristo.org

www.turkutouring.fi

- The rural development programme for mainland Finland
€7.5 billion
Leader €242 million (+ 35 % private funding)
55 LAGs
In the Same Boat LAG: €4.1 million
- In the Same Boat
Established in 1996
2008: 15 municipalities, 2009: 5 (mergers)
Population 30 000 (Swedish 50 % Finnish 50 %)

Archipelago

Key words: Tourism, second housing, nature

- Tourism in archipelago
Not for masses
Due to capacity, nature, climate
Target groups: “green people”, fishing tourists, boat people, families
- Two recently financed projects
 1. ”Archipedalo”; a project where the goal was to make bicycle tourists to find alternative bicycle routes and thus stay longer time in the archipelago (and bring more money...)
Amount of bicycle tourists has increased with 300 % in last ten years
Challenge: Find safe routes for bicycle tourists
80% EU Funds
10% municipalities
10% private funding
In Åland a similar project is carried out.
 2. Archipelago bike (Skärgårdscykel)
Aiming at assisting in reaching the goals of “Archipedalo”
Town of Västaboland bought (financed by Leader action group ”In the same boat”) 40 bikes which were for hire (with low fee) in several service points in the archipelago summer 2010
75 % EU funding
Results 2010:
The bikes were actively in use
Feedback of the project was positive
The bikes survived the season with almost no damage done (somewhat surprisingly)
Hiring of bikes will continue next season

Cold Hawaii – a front runner of local commercial and economical development, Denmark

Jesper Hosbond Jensen, Thisted Municipality, Denmark

www.thisted.dk/

climate.thisted.dk/da/the-thisted-video/

- The story of how to use the geographically fixed resources and transform a place from fishing hamlet to surfers paradise
- In the process: opposites collide and conflicts arise
Key: actors started to talk to each other about the future of the place
- From anarchy to master plan – building the Cold Hawaii
Entrepreneurs with far reaching ambitions:
problematic – you need to give them space to develop but also wish to “control”
- Cold Hawaii as front runner
Should attract new citizens; should say that if you have an idea come here, we are open to new ideas
- The significance of Cold Hawaii
Slight increase in sales of houses
Slightly more tourists – not the kind that spend much money though
Increased scientific interest
Media attention
Next step: economic sustainability, business development
- Experience
The starting point: geographically fixed potential

- Support the entrepreneurs
- Seize every opportunity
- Turn anarchy into strategy
- Municipality has also grasped the chance to develop other brand:
 - Denmark's leading climate municipality
 - 100% self sufficient with electricity from renewable energy
 - 85 % of collective heat production from renewable energy
 - Ambitious plan for communication
 - Media: film as focal point. Successful
- The brand is alive – now in a new era
 - DANWEC – Wave Energy in Hanstholm
 - Test wind turbines in Østerild
 - Collaboration with Aalborg University
 - New education: Energy Technologist
 - New business network: Passivhus Nordvest
- Experiences
 - Communication and branding takes time
 - Verbalize strengths and potentials
 - Access to funds and political focus etc
 - Frugality as motivation
- What is interesting about Thisted?
 - Have not invented anything - good at using others inventions in local ways

The Holiday House of the Future, Denmark

Peter Donslund, Ringkøbing-Skjern kommune, Danmark

www.rksk.dk/English-12235.aspx

- Slight population increase in municipality before crisis, mainly due to immigration from Germany and Poland. Last years: slight decline
- Public- private cooperation creating growth
- Municipality is one of the main tourism destinations in DK
 - The tourists mainly stay in holiday houses during summer
- Ambition to change into all year season tourism
 - High share of renting out privately owned summer houses to tourist
- Two goals:
 - Self sufficiency in energy in 2020
 - Requires improvements in housings – not least in summer houses if used all seasons
 - All season destination.
 - Three measures:
 - Improved quality
 - Develop possibilities for experiences
 - Stronger public private cooperation to reach goals
- Characteristics of the area:
 - No higher education
 - Distance to main roads etc.
 - Low educational level
 - High unemployment rate among unskilled
 - Strong businesses especially in tourism, metal industry and wind mills, farming and fishery

- Traditionally low unemployment rate and entrepreneurial area
- Project: The holiday house of the future (Framtidens feriehus)
 - Cooperation between municipality and regional tourism organisation
 - To motivate owners of holiday houses to renovate and improve quality of (most are privately owned, many owners)
 - Higher quality and more energy friendly to enable all year around use
 - Renters of holiday houses strong partner in project – imagine positive effects
 - Inspiration catalogue produced and sent to all holiday house owners
- All house owners invited to fair autumn 2010
 - Inspiration for improvements of holiday houses
 - Message from fair:
 - Owners interested in energy efficiency
 - The owners can be motivated to renovate
 - Building companies received many orders
 - Owners expect to be able to increase service
- Lessons learnt
 - Private public cooperation worked well, the private participation was important
 - Possible to combine initiatives with different aims:
 - Increase tourism sector
 - Increase work load of building sector
 - Win-win
- Aims: more over night stays
 - Attract tourists with more money, to spend more, higher quality enables this

Creating a support system for start-ups and development of industry and commerce in municipalities, Norway

Christopher Rosenkilde, Innovasjon Norge, Norge

www.innovasjon norge.no/default.aspx

www.skape.no

- Background
 - Municipalities key players in the process of developing local trade and industry However they prioritize differently and development work not mandatory
 - Smaller municipalities and municipalities with a difficult economy might choose not to prioritize this
- Vision
 - Increase the number of new business start-ups, increase their quality and survival rate and strengthen existing businesses by qualifying, developing and establishing well functioning support system.
- Success factors in municipalities
 - Genuine and long term priority and commitment
 - Awareness among the politicians and administration
 - Allocation of resources
 - Efficient and effective organization
 - Competence
 - Collaboration (small municipalities should cooperate with others to achieve critical mass)
- Carried out
 - “We need the municipalities to commit to this work, and give it priority. And we need to build competence in the support-apparatus in order for them to be a good guide for the entrepreneur in the start-up and development of his or her business.”*
- Remember who the customer is: entrepreneurs, SMEs SMBs, they need:

“one door policy” easy access to the public support and basic information

Be met with respect and positive.

Guidance in the entrepreneurial process

Follow up and demands regarding results and progress

Introduction to network and contacts

Funding (or information about funding opportunities)

- New businesses are not created in a vacuum

- Examples work of county to support municipalities

Hordaland:

Roles – who is doing what? Visualize and inform

Educate the consultants

Introduce the consultants to networks

Offer tools to help the entrepreneur

The municipality must allocate resources and take part in the activities

- Rogaland

Offers:

Relevant courses for the entrepreneurs

Introduction courses

Start-up courses

Theme-courses

Network

Practical information for the entrepreneur/start-up

Does not offer:

Economic support

Fixed recipe for successful start-up

- Hedemark

Focus on agriculture – borders between agriculture and other businesses often erased with diversification

Offers:

Free university courses for the consultants

Service tools to help the entrepreneurs

Role definition

Statistics of businesses and start-ups in the municipality

Survey of how satisfied the businesses are with the service given by the municipality

Network

The statistical services and surveys good for municipalities to know how to design measures

- Summing up

The municipalities must commit to the development of local commerce and industry

Long term priorities and political foundation

Allocation of resources

Define roles and cooperate to achieve critical mass

Skills-/competence upgrading

Network – entrepreneurs and consultants

“One door” policy and a low threshold is important to the entrepreneurs

- We need the municipalities’ knowledge about their community and their power as initiators

Enterprise via the "The Golden Route" project, Norway

Ragnbild Vist Lindberg, Nord-Trøndelag fylkeskommune, Norge

www.dgo.no

www.trondelag.com

- Regional perspective
 - Nord-Trøndelag fylkeskommune
 - Middle of Norway, rural county, no big city, 6 small
 - 131 000 inhabitants
 - 24 municipalities
 - Main industries:
 - Agriculture (11% of national production)
 - Forestry
 - Marin industry
 - Energy industries
 - Tourism
 - Challenges:
 - Northern part: weak industrial base, depopulation, long distances
 - South: positive business development, attractive place to live, airport
 - ReGional development programme (RUP), yearly
 - To develop industries
 - Society
 - Financing projects
 - With concrete actions
 - Basis for RUP:
 - County plan
 - Regional process – focus on process
 - Partnership
 - Economic and social development in focus
 - Focus:
 - Entrepreneurship and young people
 - What is done?
 - Conference where youth and politicians meet,
 - Support to innovation businesses,
 - Incubators (näringsshage),
 - Trainee programmes (eg. firms cooperate and hire student for shorter period together),
 - Innovation Norway
- Local example
 - Travel and tourism industry
 - A regional strategy is prepared to coordinate development in partnerships Aim to develop package products
 - Golden route is one example of package product
 - Storytelling
 - 20 small businesses create story, start to cooperate and becomes destination.
 - Small businesses with small budgets – can become more visible when cooperating
 - Key to success:
 - Specific demands to be a member
 - The members have defined their strengths and challenges
 - Member firms promote each other

Cooperation equals attraction
Joint marketing
Quality
Generous, but strict demands

Results

Lot of free marketing through national attention and awards
The businesses make more money because the number of visitors increased when they started the cooperation

Why is this entrepreneurship?

They do it all by themselves, bit by bit
Strengthening each other
Started with the product, not the website!

In rural areas you have to cooperate to attract people and market

The municipality of Orsa's strategy for growth and welfare, Sweden

Ola Granholm, Municipality of Orsa, Sverige

www.orsa.se/Default.asp?PageID=496

- Process to develop tool to work with development over sectoral borders and among many actors
- Change the trend from years of negative development to positive
- Orsa
300 km North West of Stockholm
North of Orsa: forests
Population concentrated to central parts, only one village not connected to the central town
Orsa today: Wilderness, winter sports, bear park, lake
Background: largest population in first half of 1900 then decreasing population and jobs
Municipality got engaged last years, discussed their ambitions and aims
Goal came to be increase in tax incomes to use for service
- How to increase in tax incomes?
"Definitely not only through the staff at the trade and industry office"
Change the attitude of all municipal employees
What the municipality could do:
 - More citizens
 - The citizens earn more
 - Unemployed people get a job in the regionWhat the municipality could not do:
 - Raising taxes
 - Lower the costs
 - Changes in the national subsidy systems (also a risk)
- The process of developing common development platform in municipality
Did not find good model for how to carry out this work, developed one of their own, process and participation important
Rough outline
Coordinate/"tune" with mayor/kommunchef
Municipal government (kommunstyrelsen)
Discuss with the municipal departments (ledningsgrupp)
Discuss with the local entrepreneurs
Discuss with the municipal companies

County of Dalarna

National organization for municipalities

The final design less important than the road that leads to the solution...

- Running the strategy
Started March 2009
Follow up system – easy to follow
The strategy concerns all parts of the general development strategies developed in the municipality
- Parallel with developing and running the strategy the attitudes and image changed also due to strong positive development of main tourism attraction in municipality: Orsa Grönklitt
Was privatized in 2006
Large investments made lately
Has grown economically and in terms of employees
Other activities carried out to turn the negative trend around
 - Hostmanship* (vårdskap)- 650 employees together with tourism companies
 - Forum Orsa* - a model for reducing bureaucracy for investors)
 - Förenkla helt enkelt* ("Simply simplify it")- education in making it simple
 - Service assurances* - a guarantee for time and quality
 - Renovating the town centre* - our "entrance" and a symbol for belief in the future
- Success factor
Trust (has taken many years to develop)
 - Between and within public and private actors and politiciansMaybe also a need for a model?

Eldrimner, national resource center for artisan food, Sweden

Bodil Cornell, Eldrimner, Nationellt resurscentrum för matbantverk, Sverige

www.eldrimner.com

www.smaklust.se

- National resource centre for artisan food
Part of county council of Jämtland
- The goat has lead the way
Started with inventory of goats in Sweden, conclusion was that system of large dairies did not support production of small scale goat milk
Production was instead carried out locally
Work to develop this knowledge and production was started
Eldrimner came to realize the importance of knowledge and developed to be a knowledge centre
- Has come to include more and more different kinds of food productions
"With imagination you can find ways to develop local food production to become economically sustainable"
- Overarching goals of Eldrimner is to develop the countryside through:
Contribution to creation of new businesses within small scale food production
Support to development of existing businesses (develop organization/knowledge/turnover)
Develop and maintain the unique food production
- Challenge
Provide support to both start ups and already established businesses
- Working with *artisan food* is not the same as working with industry development
Who makes the products is central
Products that are developed slowly in "its own pace"
Products often connected to specific place
Products developed in natural process, presence of people throughout whole process

- After a few years of working regionally national interest became large and Eldrimner developed to become a national resource center
Today funded via the RDP
Government initiative to develop Sweden as a food producing country
- Main field of knowledge: Processing
- Vision
Artisan food to grow 10 times from 2008-2018
Small firms are growing, most will however remain small, new are started though
- Examples of what is done
Inspiration
Courses and classes
Counseling (experienced entrepreneurs)
Exchange with actors in other countries – building networks between grassroots
Product development groups
Promotion of tourism attractions connected to local food production
Fair for locally produced food
News letter
Knowledge is the base
Three parts of knowledge: theoretical, practical and “feeling”
- Involvement of the businesses
“The businesses are the experts”
Experienced entrepreneurs in steering group and different groups for different lines of business
- Yearly national championship in artisan food
Shines light on local food production and knowledge

Notes from the closing work shops in Skarrildhus the 24-25th November 2010

Chair: Ole Damsgaard, Director Nordregio, Stefan Brendstrup, Senior Consultant, DAMVAD

Workshop 1

- *“We do need a lot of tourists in the Nordic countries if all areas are to grow due to tourism”*
- Development of the initiatives presented above
First step: triggers, are often some kind of crisis
Second step: active person as “driver”, initiating
Many of initiatives presented are linking their answers to different crisis to current “hot topics”; environment, bicycling, locally produced food, “telling stories” etc.
- Why are the examples specific?
Have some innovative elements:
E.g.
Summer houses: engaging the private owners of summer houses, often external, engaging external resources.
Cold Hawaii: make use of external actors, anarchistic but innovative people and making use of social media used by the surfers – made part of municipal work
Golden route: the development of a very strong organisation
- Lessons learnt:
Awareness of potential connected to individuals with ideas and competences
A facilitating system able to grasp opportunities and support ideas needed for success

Links to ongoing discourses improve chance of success
Accessibility – crucial but will not always create development automatically

Workshop 2

- Role of public agencies
Actors toll fill the gap between the public support system and the outcomes
Need to find connections between the actors in the support system and the entrepreneurs
Roles:
 - 1) A positive attitude, active listener
 - 2) Guide
 - 3) Facilitator (even if “enablers” do not have the finances to support the process financially)
 - 4) Coach – develop the idea based on experiences and knowledge.Problematic for public servant – you need to know your mandate when coaching
Ways of filling in the gap between the business support system and the real world
Role of civil servants – improve the system!
- Instruments to make it easier for enterprises to find ways into the systems
Networking:
finding a way of qualifying enterprises to improve in order to survive
Many different kind of networks – when are the different ones functioning well?
How to connect knowledge (from e.g. universities) and enterprises?
Research centers
Hard to cooperate with universities
Experiences show that this is problematic for businesses
Use of knowledge/ resource centers as a stepping stone between universities and enterprises? - Future seminar?
Two kinds: bottom up / top down: institutions have the tendency to attract resources

Summing up

Ole Damsgaard, Director Nordregio, Stefan Brendstrup, Senior Consultant, DAMVAD

- Actors at local levels need to learn the national support system
Enhances the possibilities to make use of the resources
Cross sectoral linkages made at local level enhance competitiveness of area
- Resources
Differs between municipalities
Some have some funding (other lack financial possibilities to support business development)
However links to national system are needed.
- How can we best support local initiatives and connect them best to the system?
- Movement from social servant to entrepreneur? Or enabler? Do the four steps make sense? (See presentation of Workshop 2)
“I could not imagine working in any other way”
- Interesting:
How to be the entrepreneurial public agency?
Looking beyond vertical systems, focusing on horizontal issues:
What is the need of the area?
But with knowledge about the national system
Connect local condition, with national and global ones
Is there room for acting like this as a civil servant?
Easier in smaller organizations?
Depends on the attitude of the organization?
- *“We need to realize that the national system cannot be shaped after local conditions but the local actors needs to learn to make use of the national system.”*

Appendix 5 Business development in Nordic rural areas – learning and inspiration

Skarrildhus, Denmark 24-25th November 2010

By Stefan Brendstrup, senior consultant, DAMVAD

Introduction

Region of Central Denmark in November 2010 hosted a seminar for the working group (1B) on rural development under the Nordic Council of Ministers. DAMVAD, a Danish consultancy firm specialized in regional development, participated in the conference and have afterwards prepared this paper representing learning and inspiration from the seminar. The paper is based upon the presentations made at the conference, discussions which took place in workshops and in the corridors during the seminar as well as impressions from the general debate on business development in rural districts. The aim of the paper is on the hand to

extract learning and inspiration from the seminar, and on the other hand to put the seminar into a broader context of rural district development. DAMVAD is however responsible for any statements, judgements ect. made in the paper.

The paper is introduced by an overview of the international debate on business development in general and the more specific debate on rural district development. What is in focus internationally, what are we looking for answers to and how could the seminar contribute to this? Secondly the structure of the seminar

Purpose and context of the seminar

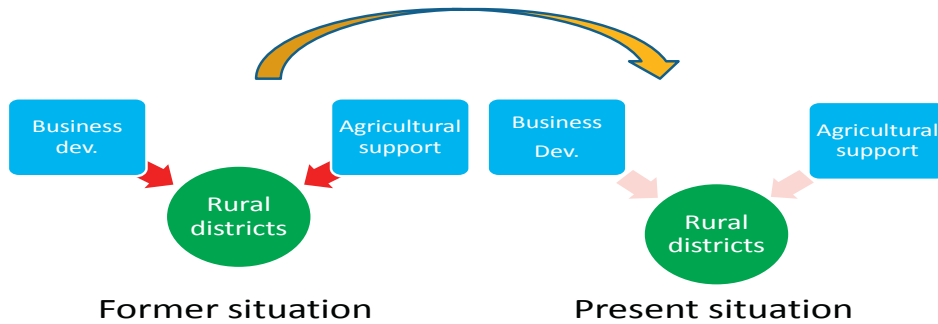
Villages and rural in the Nordic countries – as well as everywhere else - are increasingly being trapped in a negative spiral in which business activities concentrates around the big and medium-sized cities. Consequently business activities in rural districts and villages decreases and the global tendency of the population to move towards major cities which offer more options within education and business is reinforced.

In light of this development the seminar aimed at:

- providing an overview of the efforts in the Nordic Countries to create development in trade and industry in villages and rural districts

- creating a forum in which knowledge and experience could be exchanged
- contributing with ideas on future initiatives towards development of trade and industry in villages and rural districts
- contributing recommendations to the work of the Nordic Council of Ministers (studies, analyses etc.)

The purposes of the seminar should be seen in context of a recent development in which the business support system and the agricultural support system have both lost influence on the rural districts, which makes new approaches necessary.



The national business support systems and the European structural funds no longer reserves specific amounts of money for development of rural districts. For some years now almost all policies aiming at creating growth have focused attention on the general sources of growth; that is innovation, entrepreneurship, human resources/education and ICT. The focus on these general sources of growth has its background in the OECD report “The new Economy – Beyond the hype” from 2001 in which differences in growth rates between European regions experiencing growth to different degrees were explained with differences in the framework conditions behind these four sources of growth. The policy recommendation therefore was to improve the general framework conditions behind these sources of growth where after growth rates could be expected to increase. This rationale is clearly visible in the European structural funds.

In addition to this growth paradigm it has also become mainstream policy to focus attention on the centres of growth which are supposed to pull the economic development in their geographical surroundings. As a consequence business development in rural areas and villages has been more or less excluded from the overall business development policy according to which it makes more or less no difference for the regional growth how these areas are performing economically.

At the same time agricultural production as the primary engine of economic development in rural districts has lost momentum as the need for manpower has been dramatically reduced. The agricultural support

schemes therefore no longer provides for economic development of the rural districts and villages in general.

As a result rural districts in the present situation are more or less lost between two different systems that do not provide for the needed business development in rural districts and villages.

More recently however, attention has returned to the economic development of rural areas and villages for two reasons: When most resources are directed towards the centres of growth the overall trend of depopulation of rural areas and villages is reinforced resulting in an even more geographically unbalanced development than already existing which is to some degree politically unacceptable. But more importantly doubt has emerged concerning the risk that we are actually leaving a possible potential for regional growth unexploited if we forget about the possibilities of business development in rural areas and villages.

The seminar therefore was a contribution to an answer to the question: Are we missing a growth potential in rural areas which can be activated through dedicated policy initiatives?

The best answer to this question would be actual examples of growth created in rural areas or villages. And the second best answer would be examples and experiences regarding new ways of trying to release the potential for growth that rural districts might possess. Because if examples of growth created in rural districts or villages could be found, they could be seen as the answer to our question; yes, rural districts and villages do possess a potential for growth that we do not exploit if we focus all our attention at the centres for growth.

Structure of the seminar

As a response to the situation described above a new rural paradigm has been formulated (The New Rural Paradigm – Policies and Governance, OECD 2006) that

hopefully will provide for renewed economic growth in rural districts and villages and subsequent development of the communities as such.

The new rural paradigm calls for increased co-ordination at three different levels:

- Between sectors dominating the national administrative structures (horizontal level)
- Between central government, regional authorities and municipalities (vertical level)
- Across administrative boundaries that do not correspond to geographic boundaries

And suggests future focus should be on developing:

- Multi-sectoral approaches
- Place-based approaches

The seminar roughly looked into these two different dimensions of the new rural paradigm. The seminar was introduced by three presentations dealing with the overall governance structures of business development policies in rural districts in a Danish and Nordic context. And after this eight different examples of multi-sectoral and place-based initiatives were presented. In the following the learnings provided by the presentations and ideas for future seminars are presented.

What did we learn from the seminar?

Did the cases presented at the seminar answer our question about the existence of an yet unexploited potential for growth that we will miss if we do not try to find it and release it?

Actually the answer is not clear. We have reasons to believe that place-based development and multi-sectoral approaches will be successful, but we have still too little documentation to make a clear answer.

Some of the cases have documented a positive economic development whereas others are still too premature to evaluate their contribution to the economic development of the area in which they are located. Tourism in Österbotten has grown significantly over a 20 year period, and more people have been employed in Orsa, whereas the outcomes of the other initiatives are not yet fully explored.

The reason the seminar did not provide for a clear answer to our central questions is not that the cases were irrelevant or otherwise poorly selected. Rather it reflects a “system-error” of our evaluation practice.

Cases unable to document effects occurs in most case-based studies in which examples are more illustrating successful organizational set-ups than documenting the way to real economic effects. The challenge is that most projects are funded for a period of two or three years which is in most cases too short time to experience the real effects (outcome). Therefore many cases illustrates how inputs can be organized, who are involved, what kind of activities takes place, what kind of political support has been experienced ect. Sometimes cases are also able to document effects on output indicators such as organizational improvements, network creation, improved dialogue, and new initiatives resulting from project activities ect. which are all important stepping stones on the way to local empowerment and possible growth creation – but which are not the real effects politicians and others are looking and waiting for.

As already indicated, the problem is that most projects has a time span which is too short for the real effects (outcome) to become measureable before the project has come to an end. This is actually part of a systematic problem related to the way we deal we the question of effects of projects. We keep on talking about outcome measures (i.e. jobs created, increase in annual turnover etc.) as the objective of the projects we are either funding or facilitating, but most often the projects are too short-lived to be able to demonstrate more than interim effects (i.e. participant satisfaction, businesses who expect to make use new knowledge, new products on the way to the market ect.).

To escape this trap we either have to take initiatives to evaluate also at a later point in time where we will be able to see, if more holiday houses in Ringkøbing-Skjern (Holiday house of the Future) for example have been renovated to improve their energy efficiency and if that could be related to the inspiration catalogue. Or we have to improve our ability to measure interim effects and at the same time more systematic when we assess the probability of the outcome effects to be fulfilled. The assessment of the likeliness of success in terms of outcome-effects in turn has to be based upon a sound “program-theory” behind the project, which means a systematic explanation of how the final effects are supposed to occur.

If we do not try to correct the “system-error” of our evaluation practice we run the risk of keep on presenting each other for interesting cases, which apparently are doing well, but are unable to fulfill our need to answer the question from the introduction: Are we missing a growth potential in rural areas which can be activated through dedicated policy initiatives? This is not a critique of the initiatives presented at the seminar. They did certainly deliver input to some learning points outlined below. In addition it is also important to stress that short-term outcome measures should not

be the only rationale for creating new initiatives. The processes involved in the projects can in itself enhance the capacity of an area to create further development and growth by delivering new knowledge to important actors, create new networks, foster a new common identity ect. Therefore projects can have long-term capacity-building effects that are far more important than the short-term effects, meaning that a project can provide for future projects and thereby turn an area in

to a positive circle. We need to be open to this kind of “soft” effects, but if we would like these kinds of effects to count, we certainly need to improve our ability to formulate this kind of effects and if possible follow up on the development. Even though the cases do not offer a final answer to our question of the existence of an unexploited potential for growth, they do offer answers or learning points worth noticing.

Multi-sectoral approach

The cases to a high degree demonstrate the possibilities of applying a multi-sectoral approach where agriculture and fishery is replaced by other forms of economic activity, whereby alternative employment possibilities emerge. If however, tourism replaces agriculture/primary production as the new main source of economic activity, the vulnerability of the rural societies may not be reduced. Tourism as an economic activity on the one hand is growing fast globally and therefore is important to engage in as a driver for growth. On the other hand

however, employment is seasonal, exposed to many uncontrollable factors and much less regulated than primary production, which makes it a more fragile basis for rural societies than they have been used to. Therefore applying a multi-sectoral approach does not only mean switching from primary production to something else but also to strive for economic diversification as a way to reduce the vulnerability of the rural societies and villages.

Place-based development

The cases even more demonstrate how a place-based development can take place. Almost all of them take the place - the amenities, the local skills - as their point of departure. In this respect they do demonstrate that an unexploited potential for growth exists if we are able to understand the place and spot the potentials. Based on all of the cases (except the one on Innovation Norway), there is a basis for place-based development everywhere.

It is not an easy task to disclose “the place”

and its inherent resources and specific characteristics. We clearly need more inspiration in this respect. We also need to discuss the risk of a number of areas discovering more or less exactly the same resources, skills and amenities. Being amongst the first movers the strategy clearly can provide for a positive development. But what about the latecomers? Can they follow the same path? Will they also have something absolutely special? Or do they run the risk of being a duplicate of what already exists in nearby areas?

Improved development capacity

As already mentioned capacity building might be an important effect of rural district development projects. This is not meant as an excuse for lack of economic effects which have to be at the core of development projects. But as already indicated improved development capacity is an effect we could improve our ability to include in our effect evaluations. And secondly it could be a legitimate aim of a project if for example the capacity and resources in an area are not yet to exploit an economic potential existing. In this situation one

or two smaller projects could pave the way to a larger project if the development capacity is improved during the execution of the small projects.

The cases includes some examples of how economic development and improved development capacity can go hand in hand as new knowledge are transferred to an area, new networks are created, public-private partnerships are developed, and new people are attracted.

New knowledge

Eldrimmer, the Swedish case on a resource center for food-craftsmanship, most clearly demonstrates how local skills can be developed if new knowledge is added. Eldrimmer has found a subtle balance between the existing skills and the need to add new knowledge without overruling local traditions ect. This is a very clear example of an empowerment strategy.

The Holiday House of the Future in Ringkøbing-Skjern in Denmark in another way adds new knowledge to an area, as local craftsmen will gain an experience base on how to renovate holiday houses in an energy efficient way that most other will only know in theory - if they know it at all. By stimulating a demand for a certain kind of skills the municipality triggers a development which opens up new business opportunities. Also the Finish cases of tourism development, I samma båt, included training as did they case on the work done by Innovation Norway in relation to entrepreneurial training and the Golden Route project in Nord-Trøndelag fylkeskommune.

New networks

Supporting the creation of new networks might be another way of improving the development capacity in an area. Networks could empower an area either by linking people, producers ect. together but also by linking locals to outside areas and people possessing competencies which are not available in the area..

The Golden Route project in Nord-Trøndelag in Norway demonstrates how independent local actors could be linked together which not only opens up for common advertising ect. but also might provide for cooperation and common future development.

Eldrimmer, the Swedish food resource center, to some extent has created network out of the local areas by connecting local producers with foreign producers and experts which can both attract new knowledge on production but also create a advertising platform as local skills and products become known outside the

area.

Public-private partnerships

It is a widespread perception that in rural districts the municipalities often have to take the lead and trigger the development. There is a risk however, that initiatives seen as top-down initiated do not activate local actors and resources which in the long run reduces the effects of the initiatives. Development can not be imposed from the top without having "the bottom" linked in and ownership passed over to private actors.

Therefore examples of public-private partnerships are interesting and worth learning from. Amongst the cases presented, more examples on public-private partnerships were given. Cold Hawaii, the Danish case of surfers in Thisted, was an example of a municipality trying to exploit a possibility given to them, that started out as a disturbance and kind of cultural clash between outside surfers and local villagers, but has been turned into a common project facilitated by the municipality.

In Orsa in Sweden the municipality very deliberate developed a new strategy to become a much more open organization and thereby a much more accessible resource to the community and an active player in the field. Orsa also told the history of their search for inspiration or maybe a model as their point of departure, but ended up on their own as they did not find a suitable model anywhere else.

The cases in common represent a rich pool of inspiration as to how place-based development can take place and economic development in rural districts and villages can be initiated. As already discussed we can not say for sure what the final economic effects will be, and if they will be sufficient to reverse the negative development trend more of the areas had experienced.

The cases, and the discussions of them, at the seminar also gave new inspiration and ideas to future issues to be explored further, which are shortly presented below.

Ideas to future seminars

During the discussions and workshops some ideas as to possible themes for future seminars emerged. In the

following they are presented in very short.

The role of networks in rural districts

As the analytical focus changes from the poor framework conditions for growth typical for rural districts and villages into place-based development and search for the local strengths or potential strengths, we also have to focus more attention on the driving forces that can possibly pull the development. This is part of the idea of moving from triple helix to penta helix.

But including ngo's, associations, individuals and other partners in development plans and projects raises a number of new questions. Which role can they play in the partnership, what kinds of support will they need, can they be empowered, and can certain lacking qualifications be added? And how can we use education institutions in relation to networks?

Resource centers/knowledge centers

Another theme that emerged on the seminar was the role resource centers og knowledge centers as represented by Eldrimmer in Sweden as a nationwide knowledge center grown from a single individual. Do we need these kinds of knowledge centers, how could they be used and what kind of experiences do we have with the establishment of knowledge centers and the role they can play for the development of rural districts?

Some have noticed the tendency of knowledge centers to work as "runways" for national and regional funding looking for structures to manage development projects, guarantee the infusion of knowledge into the projects ect.. Is this observation correct, and if this is the case, should we carry on to establish more local resource centers?

How to improve the policy support system?

A final theme discussed in the seminar was the possibilities of improving the business support system. It could be recommended to take a step back and ask "What is the role of the public agency actually?". How can public agencies be as active development partners as possible without compromising their public obligations and regulations? In a top-down perspective the answer is not so difficult. Public agencies could engage in analyses of business strengths and potentials, design new initiatives ect.

But what is the role of the public agency in connection with bottom-up processes? Amongst the viewpoints and ideas mentioned was the importance

of the public agencies to bring forward a open and listening attitude towards local entrepreneurs. Maybe see themselves as "project coaches" who engage themselves in qualifying the idea presented to them and contribute to the design of possible projects. A further step could be to engage in facilitating processes and maybe linking actors together as the public agency most often are regarded as a neutral meeting place which might open possibilities not open to most individuals. One step further could include some kind of active partnership engaging in searching for funding, writing applications ect.

Exploring the role of municipalities in rural district development

Following the last idea about the possibilities of improving the public business development system and the learning point about public-private partnerships it could be worth exploring the possibilities of municipalities and public agencies to be more active players in rural district development.

- How can we expect public agencies/municipalities to act when put under strong economic pressure?
- Do we need to develop new ways of organizing the public support for business development?
- Do we need to develop new ways of cooperating?
- What does a further use of penta-helix cooperation

require of the public agencies/municipalities?

We know that all municipalities are under heavily economic pressure to provide basic services to their citizens and that demographic foresights predicts even more of the available resources needed to handle this in the future. In light of this development it might be worth considering if it is possible for municipalities to be a main driver of business development in rural districts or even to suggest municipalities to engage further into business development and community development.

The municipality of Orsa has made an interesting development. Could it be copied in other places and should it? What is the ideal role of the municipalities in rural districts, and what are the preconditions that have to be fulfilled if they should involve themselves in this

role? And is it the right role of the municipality, or do Orsa blur the limits of the public agencies that need to be kept clear?

Do we in the other Nordic countries have examples of municipalities or other public agencies that have engaged very actively in the fight to reverse the negative trend of rural districts and have been successful? And what resources (financial, in terms of manpower etc.) did it require?

In light of the cases presented throughout the seminar it seems very relevant to further explore and discuss the possible role of the municipalities in rural district development and it could be an idea to look for examples in the Nordic countries as a basis for this important discussion.