

TOWARDS A NEW NORDIC REGIONALISM?

NRU Norden: Per Holmström

The themes of the plenary sessions were:

1. Regional change in the Nordic Countries - state of reforms?
2. Economic change and the building of regions - fit or fashion?
3. Leadership and democracy - deficit or abundance?
4. Is there a Nordic model? The Nordic countries in an European perspective

Janne Antikainen **Ministry of the Interior, Suomi/Finland**

In the future there will be a reduced protection of regions and municipalities that are having problems. The global competition has definitely changed the rules of the game on all levels of society. The Finnish state can, as other states, not distribute necessary resources any longer. The role of the state concerns much more an ambition to strengthen existing growth processes in place and through this contribute, through networking, to combine different growth **centras**. On this basis, Janne Antikainen from the Finnish Ministry of the Interior, chose to describe how Finland is meeting this challenge today.

The Finnish response to this development is to support growth within and the network between bigger cities (a so called polycentric development policy). This policy is not unique in Europe, but it puts Finland among the most proactive countries. According to the government and the ministry the challenge is to connect the different initiatives that the government and the municipalities launch. This is not the case today.

Since the end of the 1990s the state has therefore focussed on the so called larger city regions which, from the beginning encompassed five mayor cities. Today there is a discussion to redistribute resources from advanced to smaller and medium size city regions with specific resources as university colleges or certain kind of advanced competencies within the economic community. The reason for this is that there is, from a national level, an ambition to improve the competitiveness in each and every region and at a national level at the same time. The reason for the appearance of the question depends on the European experiences on how close larger city regions have to be, in order to secure such a dynamic process. Today the need for between 20 and 35 regional centers is mentioned.

In order to strengthen the large city regions the Finnish state is inviting these to compete in order to be recognised or accepted as Centres for Expertise as well as Regional Center programs. One other part of this effort is to tie these regions into an international network. The philosophy behind this is that every center should generate growth that, in turn, should be spread out into the region. With this a distribution effect is achieved.

Today the Finnish structure is fragmented and contains among other, 5 provinces, 19 regions, 74 subregions and 431 municipalities. According to Janne Antikainen this structure was rational as long as there was welfare to distribute. Today new structures are needed to simplify a more efficient administration and network building.

There is a joker in this deck of cards. In order to achieve a more cohesive societal structure the gap between the two large government parties, social democrats and center, has to be bridged. The social democrats prefer larger and stronger municipalities, while the center party prefers to see a strengthened regional level while maintaining the structure of small municipalities. Where this tug-of-war will end up no one knows.

Lise Hauge, Kommunernes Sentralförbund (KS), Norge

It is an understatement to say that Norway has been on its way to a definite political decision in regard to the regional issue. The subject has been the object of a number of investigations but the political level has not reached a decision. Now there is a government that wants strong regions. This is the opinion of Lise Hauge from the Norwegian KS. She is responsible for the regional project in this organisation and hope that this time the subject will reach the finishing line.

The Norwegian government has defined the date for the reform to 2010. Then everything should be ready. During the spring and summer of 2006 the government will put forward suggestions as to what functions should be defined at what administrative level. During the upcoming autumn and winter the process of defining possible geographical delimitations should take place.

The viewpoint from KS, with a great deal of support from municipalities and fylke (administrative regions) is that the new regions must have such an influence over different political sectors that chances are reasonable to develop a cohesive development policy. Therefore there has to be a clear substance in the upcoming regional mandate.

The strongest opposition to the regional reform comes from representatives among the Norwegian *etater* (functional administrative entities on state level). There is a more wellgrounded hope that the Parliament (Stortinget) will delegate or transfer some of its real power, although this is naturally not a simple question. One of the main reasons why the question will mature today is the growing awareness of developments and tendencies in the world at large and the increasing cooperation between the regional level (primarily the fylke) and the European Union.

In this process KS is an active partner and has gathered both municipalities and fylke in a process of mobilisation and penetration in a continuing anchoring process. There is a clear majority for larger and stronger regions although there are fylke that are opposed as Oslo, Finnmark and Møre och Romsdal.

Peter Ehn, Ministry of Finance, Sweden.

The Swedish reform will probably not affect the structure of municipalities or take away the responsibility of the health care from the *landstingen* (regional administrative structure, popularly elected, with taxing authority). It is, however, possible that we will see somewhere between 6 to 10 larger health care regions. Also, there will appear regional planning areas linked to the structural funds of the EU that reaches outside of the present county borders.

Peter Ehn also mentioned that the cooperation between the landsting and the municipalities will take the responsibility for work around regional development issues in increasingly more

counties. In order to reflect this change the county administrations will have an increased authority as to coordination of sectoral, state activities on a regional level.

You can find the background to this development in the Swedish regional debate. It has its roots in the economic crises of 1990s but also in the fact that the country became a member of the EU. In the beginning of the millenium the question of what the regional mandate should be, was raised. In the same phase four experiments related to regionalisation and functional issues was launched: Västra Götaland, Region Skåne, Kalmar and Gotland. In the same period an increased cooperation between the Association of Local Authorities and the Associaton of Regions which strengthened the lobbying activity towards parliament and government. During 2003 a special committee (THE COMMITTEE OF RESPONSIBILITY) was appointed to investigate the future of the regional question. Deadline is in February 2007.

After the appointment of the committee a lot has been said and little has been done. Two of the experimental regions have been prolonged to 2010. As a safety valve in this connection, when no county is allowed to establish permanent regional parliaments as in the experimental regions, the possibility of cooperative entities (samverkansorgan) where municipalities and landsting, together, takes the responsibility for certain aspects of the functions in regional development processes of the county councils. Today these exist in nine counties but more are on their way. The process is primarily taking place in the south of Sweden while the northern territories relies more on state intervention. Apart from this there are no signs of any more farreaching reforms. Instead we find different dimensions of adaptation and legalisation of existing circumstances.

Søren Thomsen Hansen, Ministry of Health, Denmark.

It took only 4 ½ year for the structural reform to be implemented when we pass January 1, 2007. How was that possible? Five strategic solutions or keys could be defined and were crucial: the death of the democratic myth, the report of the commission, the high reform speed, a dynamic political debate and a positive attitude towards reform among the citizens.

The starting point is far from clear. This could be an interesting subject for a future generation of researchers. The interpretation, made by the speaker, was a growing frustation on both a municipal and regional level. It was related to inability to deliver service and quality on a level of the citizen expectations. This was clearly seen in the Commissions report and gave an extra impetus to its concluding remarks.

The challenge was simple – it was focusing on how to create a system that handled demands from the future like, issues regarding welfare, democracy and an improved system and decisionsmaking closer to those involved. In the political debate there was an agreement in substance. The disagreement were between social democrats who wanted to keep a regional level (amt) while extending their geographical coverage and the government that wanted to reduce the influence of the regional level to the advantage of the municipal level. Today this structure is beginning to appear; 13 amts is reduced to 5 regions, 271 municipalities becomes 98. 357 politicians on the amt level becomes 251 in the regional entities and 4597 politicians within the municipalities becomes 2520.

The speaker voiced the opinion that this should create better politics as the new politicians should be more seen and therefore more inclined to get the confidence from the citizens. He also proposed that this reform will increase the influence of the state level through more clear

decrees and more thorough follow-up routines. The local level is also strengthened given a number of new functions. On the regional level the responsibility for hospitals and coordination of elaborations around growth within a new organisational form called growth fora has appeared.

In the discussion, issues about taxation were raised with the answer that the regional entities were not given that authority. The reasons for this were that the state wanted to control the general level of taxation and that the regions are guaranteed the same incomes as the former ams. Another reason was that now the state has the possibility to reallocate resources more efficiently.

Harald Baldersheim, Department of Political Science, University of Oslo.

The future peripheral regions in the information society – or Stein Rokkan meets Manuel Castell.

In a general comparison, when the possibility for Internet availability is in place, the peripheral regions are more active. This conclusion is made in an empirical study of how different regions relate to the new information technology.

The results are interesting on the simple basis that this situation could have an important impact on relations between centre and periphery. Behind this process technical advances is an important, if not crucial, cause. New technology increases the possibilities for all regions, wherever their geographical location to participate on equal terms. Not all regions are similarly active. The difference is explained, primarily, on the climate within the region as to cooperation in developing the new advantages and an active IT policy as a basis for this. The conclusion is that stimuli to look for closer cooperation and the development of a practical political program for this purposes seems to be more dispersed in peripheral regions than in other areas. The longterm impacts are therefore of substantial interest for researchers.

Tom Donnelly, Economic Faculty, University of Coventry.

David Morris, Center of E-learning, University of Coventry.

Martti Hyry, Center of Innovation and Learning.

Certain regions are defined as more successful than others. The Finnish Oulu region is among them. Good living conditions and high growth are factors defining the situation. How is it possible to keep this positions in the long run?

There are no shortcuts and more questions than answers. The most prominent challenge is not in the knowledge of which ‘ingredients’, like competence, financial capital etc that are needed to succeed. It is rather about how to mix these in the unique case and how the process should be guided/driven to reach the final destination.

The study of the Oulu region is the object and the largest, outstanding question in the region is what role the big company Nokia play in this. If Nokia should relocate to another country the question is if the Oulu region could survive in the long term.

Those lifelines that are seen and which primarily relate to the regional capacity of adaptation could be defined in three different areas; the existence of an independent knowledge network in the form of a Triple Helix, the existence of knowledge and experiences that could be tapped

into and, finally, if there is some fertile room for other branches than the dominating ones. Sustainability and the possibility for rejuvenation in a region are intimately linked to these prerequisites.

Arild Farsund, International Research Institute for Stavanger

Knut Hidle, Agder Research

Hans Kjetil Lysgård, Agder University Collage

The role of large cities in regional development is increasingly noticed. In 2002, in Norwegian policy, a special large city policy was introduced as an alternative to the existing regional one. The same phenomenon has been noticed in the scientific field, where borders between city and countryside are reduced or fading in importance. The authors have focused their research on economic policy in five major cities.

Noticeable trends within these cities are a growing cooperation with local economic community, where the regional Chambers of Commerce has stepped forward into the role of broker. The conclusions are, among other factors, that this networking has contributed to show that political adaptation is not changing in the same pace. Cooperation in day-to-day activities, especially in economic structures, is developing much faster than policies manage to renew and restructure. If this is true there is a good argument in increasing the number of partnerships to compensate for this lagging behind. This is both in regard to relations among public and between the public and private actors.

In order to meet these challenges there are two possibilities. One suggestion, is to let the large city region encompass a larger number of municipalities in order to speed up the scale and efficiency of the restructuring process in the public sector. Another suggestion is to demand a higher level of transparency in the decisionmaking processes in the partnerhips. The reason is that the latter tend to work in the conditions of the market, and also in a higher degree is an arena where strategic decisionmaking is performed. Without this transparency there is a possibility, or risk, of losing political legitimacy.

Anne Lise Fimreite, Department of administration and organization theory, Univerity of Bergen

Per Selle, Department of comparative politics, University of Bergen

When resources and decisionmaking power is concentrated to larger cities – is it possible that all parts of a region can grow? This is a provocative question – especially in Norway, that during a long time has had this objective high up on the agenda and loudly declared. There are three challenges. If a new regional policultural regulation should win the confidence of the citizens they have to have the right to participate, but more important to experience that the issues are relevant for their ordinary life.

The second precondition is that political regulation should be connected with a clear identification. Based on earlier experiences the authors believe that this identification could grow if the issues are interesting enough. The third challenge is connected with what issues will be linked to the fast growing large city region. If these issues or challenges are not raised for discussion or debate or by any other reason are found outside of the mainline there is a clear risk that the promising regionalisation experiment will finish up with quasi-regions based on a combination of diffuse objectives and the lack of a new political thinking.

The challenge is also found in what objectives are given to the new region – within this the potential of a popular mobilisation is found and also a long-term political solution of the regional question. Will things grow in another direction, the new regions, by the same logic, will have a rather short lifespan.

Christine Hudson, Department of Political Science, University of Umeå

When power is decentralised a number of voices are heard. A trend is clearly noticed where questions about gender has become prominent. The paper presented approached some consequences of this.

The background is found in the fact, which a number of regions in Sweden has chosen to adapt equality as a part of the regional profile. Behind this, in turn, is the state that promotes, through different means, the idea that regions should integrate equality dimensions in the development process.

Questions of equality, similarly to other ‘horizontal’ problem areas, that touches on the choice of perspectives and day-to-day attitudes, is found in a very clear field of tension. On the one hand, equality perspectives is a ‘feather to wear in the hat’ for those regions that have chosen this profile. At the same time, it is evident that other principles govern the daily work on regional development issues. Here we find alliances between strong actors that define or are the given strategy. To promote or lift a perspective of gender is not regarded as a resource but rather as an unnecessary complication that could weaken the position of the region and the possibility of being competitive.

The interpretation of the situation is that female attributes (characteristics) are interpreted and judged from a male perspective, which remains the basic reference and measurement. Therefore, the competitive situation between the sexes is maintained. The alternative, that differences are complementary, has no foundation as long as the feminine perspective is not given a value in itself.

Aleksander Izotov, Karelian Institute, University of Joensuu.

The border between the Russian Federation and Finland has been closed for a long time. The reasons has primarily been political and had a more profound meaning than just separating two countries. The border was a symbol of separation between the capitalist West and the socialist East. The focus in this presentation was to investigate what has happened along the border since the downfall of the Soviet Union. What role has to border come to play and in what way can the meaning of the border be reinterpreted?

The border has successively been opened and the daily contacts between people on both sides has created possibilities of a more institutionalised cooperation. EU is one of the major forces in the bridgebuilding activity, through its crossborder programs like TACIS and Interreg. These different initiatives has, above all, the purpose of creating economic, social and cultural advantages through increased collaboration and cooperation. The Karelian Parliament took, on the basis of this development, the initiative, in the beginning of 2000, for a more formalised level of cooperation between the Karelian region and the three Finnish borderregions Kainuu, Northern Österbotten and Northern Karelia, naming it “Euroregion Karelia”. There is according to the speaker different opinions among politicians, experts and ordinary citizens as to what actually is the outcome of the agreement. The opinions span all

the way from cosmopolitan interpretations of a closer integration of Russia with the EU. Other opinions take note of the lacking efficiency and results of the resources used. The debate in itself reflects different aspects of the appearance and symbolic values of the border as a phenomena. The physical border is no longer a major obstacle. The mental border appears on the agenda. The question today is what is the main obstacle.

Arne Isaksen, University College of Agder

When there are local clusters with a high technological profile, there is also qualified and high demand for regional support structures and efforts. The situation is the same when it comes to state support for necessary infrastructure. Existing activities has received necessary development resources through new ownership. That does, however, mean that the link with the local community is weakened. Both the municipality and the region has to join forces in order to meet the increasing demands of the new economic activities.

These remarks are made on the basis of a study of the economic change in the municipality of Horten in Norway. This is a municipality that is characterised by its high-tech industry with a military profile. State ownership was transferred in 1990 to international entities that are restructuring the activities to civilian production. A change that has had an impact on the local economic structure.

Earlier this state was responsible for everything, demand, competence building, production and development and investments. Now, the local and regional level has to guarantee that the local level is given preconditions so that they will remain competitive. The municipality together with the region stands for the combined attraction. In the case of Horten this means a very specialised labour market with a highly upgraded university college. Complementary to this the market relations between the companies are competitive while, at the same time, they find themselves in an environment with a high degree of trust.

The focus of this speaker was on how the prerequisites for learning between the actors has changed in view of the change in ownership and consequential circumstances. He discovered that the presence of the state created a situation of learning coming from the economic community out into society. The municipality and the public sector were reactive. Today learning is primarily within companies and secondly between companies within clusters. Changes in society and learning within the public sector is, today, defined by the initiative of these sectors themselves and defined by matching the needs of the economic community.

Jørgen Amdam, University College in Volda

Oslo is a selfevident regional center of Norway. It is only the regions along the southwest coast that could give this large city-region some competition and contribute to a more balanced regional development. The probability for the Norwegian Vestlandet to become a functional region is, however, quite limited.

Today the question of larger and stronger regions has a high profile. The region of Vestlandet is in this situation quite interesting as a large share of the Norwegian economic growth, outside of Oslo, is taking place here. Therefore, the argument is that the functional preconditions for regional enlargement should be present as there is a need for a larger labour market and better infrastructure etc.

There are, however, a number of reasons why this will not take place. When a region is functionally growing there is a number of changes in different areas; the planning horizon is geographically stretching outside of the county (fylke) borders, the networks among the relevant cities are increasing in numbers, investments are taking place in infrastructure between areas and the flow of products, services and people is increasing noticeably within the expected region.

This is not really taking place in the Vestlandet. Population, economic activities and the consequential labour markets are concentrated to the large cities of Stavanger, Bergen and Trondheim. In the south there is a clear lack of cooperation between the major cities and the regional level. There is a great need to link administration and political visions.

In the third potential growth region, that is comprised of Ålesund, Volde, Molde and Kristinesund the main obstacle is the problem of shortening travel distances and travelling time. Large investments in tunnel construction will demand huge volumes of investment. The conclusions are that new regions could become political superstructures that only through very heavy investments could grow into large functional regions. A future with a low probability.

Rickard Ek, University of Lund, Sweden

There are not many projects that have had such local and regional political backing as that of the region of Öresund. At the same time there has been a, more or less, total lack of an ordinary political debate and the complementary critical scrutiny. A general conclusion is that this region is defined primarily by the market not by political ambitions, in spite of its political roots.

The region, in itself, would hardly have appeared without the physical creation of a bridge and a massive political backing. The political support has, according to the speaker, been transformed into pure marketing efforts in order to establish the region mentally in peoples minds. The effect has become an objective that fulfilled itself (a prophesy realised by its own logic) that has not had a need for any democratic procedures and backing. The support of the general public were given by the political representative system already from the start. The argument is instead that the region plays on the strings of identity and belonging and this has become a nucleus in the political message. The contents of this message is, by logical reasons, more focussed on consumption than on the good conditions for participation. By the same logic possible political conflict areas like 'center-periphery' are redefined into more acceptable marketrelated concepts like the 'win-win'- concept.

The conclusion is that the future of the Öresund regional concept will continue to develop under the flag of the market. A choice that clearly impregnates the definition of problem areas, use of language, the logic of action and the instrumentality. The speaker sees a monotopia where decisions are made outside of the democratic arena and where political decisionmaking processes are replaced by consideration of the demands of the market. There has been a clear choice in which road to follow.

Dr Tassilo Herrschel. Centre for Urban and Regional Governance (CURG) University of Westminster

Is it possible to talk about the growth of new virtual region? The answer is yes – this phenomenon appears as a result of the ongoing globalisation. But, how does these regions define themselves in relation to the old physical, established region and does the new Nordic regionalism have any future in this perspective?

Virtual regions should be seen as clusters of close actors with similar interests. The physical delimitation can vary and do not necessarily be one geographical unit. Regions are not democratically governed in a traditional sense. The basic characteristics are that these regions are project based, limited in time and not technocratic in structure. These regions exists parallell to the administrative regions. The virtual alternative is an expression for the existence of interests within these physical regions that could not be realised within their borders. It is the link between the physical/technocratic and virtual/interestbased regions that in the end defines the efficiency and development potential of the administrative entities.

For the technocratic regions this development raises the question of how to relate to the new phenomena on the agenda. In Poland, for example, some ‘old’ regional entities have taken the initiative themselves for new virtual regions where the principal actors remain in the initiators hand. This simultaneously puts a new physical region on the map while strengthening an already existing one.

What is the impact of this tendency on the ongoing regionalisation? A new more pragmatic regionalism that combines the virtual and technocratic regions. It is not enough with one or the other. For the Nordic countries the important question is whether the ongoing reforms open up for these new combinations. The future remains with the dynamic technocratic regionalism and combinations of actors that promote that.

Tor Selstad, University College of Lillehammer, Norway.

According to the plans, the Norwegian regional reform can not fail. If one, however, chose to look at the development from the perspective of a number of scenarios a number of possibilities are presenting themselves as well as a number of pitfalls. This was the theme of the paper.

Since one year, Norway has had a left-center coalition government. Already in the election campaign issues of regionalisation appeared on the agenda. When the election was won a roadmap for the further development of the regional reform soon appeared. New larger and stronger regions with a popular, democratic decisionsmaking process should be created and state responsibilities should be decentralised, both to the regional and local levels. The structure of municipaliteis should not be touched.

The outcome of this is, naturally, not known as the reform should be finalised in the year 2010. What is going to happen is open for speculation. However, based on development processes in other countries as well as tendencies in Norway today it is possible to find a number of possible scenarios. Here is presented five.

The first scenario encompasses an increasing resistance towards state bureaucracy. In practice the future regions just get som minor part of the authority that was primarily discussed. The

geographical enlargement is taking place anyhow. This provokes an increasing critique from the municipalities and the regional legitimacy is reduced faster and faster. This halfmeasure of reform is closed down in 2009 when a new government finds the new regions unhealthy.

In a second scenario, Norway gets a rightwing government from the next election and a structure of a two-level administration is enacted and the regional level disappears to the advantage of a reduced number of larger municipalities in combination with a higher degree of centralisation. The process has its similarities with the Danish modell.

In the third scenario a reform process similar to the Finnish model is defined. Here the smallest municipalities is opposing any kind of unifying tendencies and an upcoming rightwing-center coalition is forced to give up the generalist principle, that all municipalities should have the same rights. As a consequence of this a number of large cities appears and takes the responsibility for the regional development of the region. The smaller municipalities carries a responsibility of a reduced number of functions.

The fourth scenario is the one most similar to that of the present Norwegian government. Here the region gets more political influence as has been the meaning all the time and that means that they can take the responsibility of an increased production of welfare. At the same time there is a smaller reform on a municipal level. Together this lead to a survival of the Nordic welfare model, but with a new division of responsibility between the local and regional levels. It is of crucial importance that the regions get responsibility for the central heavy issues of welfare production like health care, for these responsibilities are linked to its legitimacy.

In the last scenario Norway becomes a member of the EU and choses in a European manner a radical reform of the internal structures. A division of the country in a structure with similarities to federalism is enacted. The Spanish solution means a farreaching autonomy within a number of larger regions that are given a large share of the responsibility for welfare questions and strategic development issues. The role of the municipalities is reduced to handle the local roads and local physical planning. Based on this scenario the Nordic welfare model is dead.

Which one of these scenarios that will be most close to reality will be seen. What is known, however, is that the choices made by the Norwegian government in the future will, step by step, indicate which direction we are heading.

Translated and adapted by Peter de Souza