



Perspectives on rural development in the Nordic countries

– Policies, governance, development initiatives

Based on discussions and presentations at seminars held by the Nordic working group 1b: Future rural areas

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Nordic working group b1: Future rural areas

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Nordic co-operation

Nordic co-operation

takes place among the countries of Denmark, Finland, Iceland, Norway and Sweden, as well as the autonomous territories of the Faroe Islands, Greenland and Åland.

The Nordic Council

is a forum for co-operation between the Nordic parliaments and governments. The Council consists of 87 parliamentarians from the Nordic countries. The Nordic Council takes policy initiatives and monitors Nordic co-operation. Founded in 1952.

The Nordic Council of Ministers

is a forum of co-operation between the Nordic governments. The Nordic Council of Ministers implements Nordic co-operation. The prime ministers have the overall responsibility. Its activities are co-ordinated by the Nordic ministers for co-operation, the Nordic Committee for co-operation and portfolio ministers. Founded in 1971.

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Stockholm, Sweden, 2005

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Summary

As part of the work of the Nordic working group on rural development (appointed by the Nordic Council and the Nordic Council of Ministers), a series of seminars were held during 2009 and 2010. All in all four seminars were organised – one in each of the largest Nordic countries. The seminars focused on service provision, governance and business development in rural areas. This report functions as a documentation of the presentations given and the discussions held at the seminars. It is designed to provide an overview

of Nordic rural development policies, to highlight the work of the various actors and initiatives at the centre of rural development work and to present ideas for future Nordic cooperation in the field of rural development. The four largest Nordic countries; Denmark, Finland, Norway and Sweden constitute the geographical focus of the work as these countries provided the active members of the working group and the venues for the seminars.

Nordic rural policies

Rural development has not traditionally been addressed as a policy field in its own right in Denmark, Finland, Norway or Sweden. Half a century ago politics in the Nordic countries was dominated by a concentration on building the welfare state and the development of rural areas was felt to be effectively addressed in the context of strong regional policies, combined with policies supporting the primary sector. Over the years however the focus began to shift from national redistribution and welfare service provision towards a greater focus on competitiveness. Simultaneously, cross sectoral and 'bottom up' development have gained attention in rural development discussions.

Despite the existence of significant geographical differences a shared perception across the Nordic countries of the emerging challenges in terms of rural development has developed. On the one hand a number of megatrends such as globalisation and global climate change are identified as major challenges and on the other more specific challenges connected to the centralisation of the population and the economy are highlighted.

Though many similarities can be found in terms of policy aims and the methods differences nevertheless remain between the four countries' respective approaches. National definitions of rural areas and the various solutions to the challenges highlighted above can differ markedly as do the potentials of the rural areas in focus.

In all four countries the argument for sustaining rural areas is mainly implicit. In Norway the line of argument is most explicit, there it is argued that the

individual's basic choice of where to live and work is deemed to be of value, as is the notion of having population located near the nation's dispersed natural resources. In Finland the cohesion question provides a basis for the measures undertaken. In all countries the importance of making use of the human and natural resources available in rural areas, which could contribute to strengthening the growth and competitiveness of the entire country are stressed though. Various formulations in respect of addressing the economic and environmental demands associated with living in rural areas, including the provision of realistic possibilities for living and working, are visible in the national objectives and priorities of each country.

In Denmark, Finland and Sweden today's rural development work is shaped by national and EU rural as well regional development strategies while in Norway rural and regional strategies are interwoven into one (agricultural policies not included).

In terms of implementing the policies Finland stands out as adopting the most cross-sectoral and coherent approach. Some years ago Finland introduced a distinction between its *broad* and *narrow* rural development policy. Even though this is not explicitly stated in the various national documents all four countries are now practising these two kinds of policies in parallel. Instruments for the coordination of different kinds of sectoral policies aiming at rural development can be found at both the regional and national levels. At the local level the involvement of communities is prominent in the implementation and coordination of national policy as well as of EU-policy. In addition,

village associations and LAGs¹ play more or less formal roles in shaping local, regional, national and EU rural

development policies.

Actors and initiatives

One of the factors seen to differ between regional and rural politics at a European scale is the significant involvement of local level actors in the development of rural areas. In the seminar on 'governance and local capacity' the roles of a great variety of actors from the local to the national levels were presented. As expected, given the seminar's title, the importance of the lower levels was repeatedly reinforced. Five of the presentations made at this seminar are addressed in the context of this report. The primary focus among these presentations was, to a large extent, on bottom up processes and the involvement of a variety of actors.

In the presentation of the Swedish Rural Parliament (*Landsbygdsriksdagen*) special attention was given to the inclusion of rural inhabitants of all ages in development work, as well as to the Swedish rural parliament. The new discussion tool developed in close cooperation between the All Sweden shall live (*Hela Sverige ska leva*) association and some youth organisations, is introduced. The aim of the tool is to include people of all ages in local development processes.

Another way of involving a number of different actors is through partnerships. The presentation of the regional Growth Forum in Zealand, Denmark and that for the triple and quadruple helixes in Kainuu region, Finland, revolved around partnerships. The lessons learned about how to stimulate rural development from the regional level in Denmark show that the regional level needs to establish contacts with both the local and national levels. They have also learned that partnerships are important when they bring different kinds of knowledge and businesses closer to each other. The Finnish example shows us that involving the public, private and voluntary sectors allows for a better internalisation of, and support for, policy goals at the level of the citizens. It further allows for a professionally mediated inter-institutional dialogue, as well as a better awareness of local and business priorities among decision makers.

¹ Local Action Group; initiated to carry out and design parts of the EU Rural Development Programmes by using the *Leader* method which is a bottom up approach to rural development offering a way of working with rural development through local engagement. The groups are local and built on a partnership with representatives from both the private and the public sectors. They are non-governmental organisations and are partly EU and partly nationally, regionally and locally financed.

Two presentations on actors at local levels can also be found here with the role of the municipality in strengthening the image of a settlement in Norway and the role of the Local Action Group (LAG) *Sepra* in rural development in Finland. In the former the growing importance of "branding" places and an example of how this can be done is discussed. Here we witness the importance of the engagement of citizens, the municipality, the business sector - and local ownership over the vision. In the second, LAGs are seen as important tools in the empowerment of local citizens helping to engage them in the development of their own area. Experience from the work in *Sepra* tells us that organising the work based on a number of thematic groups was an excellent way of getting local people involved.

From the two seminars held on the private and public service supply theme five presentations have been singled out and are addressed more closely in this report. Focus here is mainly on private services. In Norway the issue of private service supply in rural areas is used to justify public intervention within the context of the development of the *Merkeur* support programme. This initiative has shown to result in a higher survival rate for small rural shops. It has also shown that the interaction between such businesses and the local population has to be strengthened to further increase their sustainability.

As illustrated in the presentation on *Affär på landet* initiatives to strengthen private services do also exist in Sweden. Private efforts are however more prominent there. The focus in this action is to help shop managers develop new skills with the support of mentors. With regard to rural shops multi-tasking is key to success.

An example of the work carried out in Sweden to enable the maintenance of the fuel supply in small rural communities is also presented. After a dialogue between public and private actors, petrol station owners, distributors and the local community have joined together to run local petrol stations under the common brand *By-Macken*.

Two examples of initiatives focusing on the provision of public services in rural areas are also presented in this report; both concern the coordination of services. The first is *Citizen Services* in Finland. This programme provides a way of organising various services provided by the authorities and other services jointly from within the same office; effectively a "one

stop shop”. What is important in the concept of the “one stop shop” for services is that they should be allowed to be different. Local circumstances and needs are the deciding factors for the design of these service centres. The second example helps highlight new ways of coordinating health services between the municipal and county levels in Norway. These were developed after a coordination reform was passed at the beginning of 2010. The creation of District Medicine Centres is an initiative designed to adapt to the new needs. The centres create a new type of joint municipality institution designed to work as a decentralised alternative to hospitals. The most important effect already seen has been a better discernable level of quality in treatment terms.

Four of the examples of actors and initiatives are based on presentations made in the seminar on business development. Two of them highlight actions taken by private actors - supported however by public programmes. Both have come to develop businesses in rural areas. One of them illustrates how Norwegian small businesses joined together to attract more tourists and hence also customers. By working together they managed to develop their local area into a tourist destination creating a common brand. The key to success, according to the actors involved, is the common rules set up and strengths and challenges

identified by the members working together. The second example shows how an initiative to develop local food production in Sweden has grown from involving a few small businesses to becoming a national resource centre. Today this centre called *Eldrimner* aims at providing small scale food producers and salespersons with knowledge, support and inspiration. They stress the importance of highlighting and developing interest in and knowledge of traditional and ‘artisanal’ food.

The other examples illustrate municipal initiatives aimed at the development of the local business sector. Both are from Denmark. The first one can be seen as an example of how a public initiative has attracted the interest of private actors in and outside of the region, which in turn have come to invest in the region creating more jobs for the local building and energy sectors. The overall ambition of Ringkøbing-Skjern municipality - and now also of the private actors within it - is to increase incomes from tourism. The second example illustrates the work done in the municipality of Thisted which has seen the former fishing hamlet turned into a place known for being climate-smart and good for surfing. Businesses are to be attracted and developed through making use of geographical as well as other local potentials, a society and public organisation open to new ideas and discussions and one which uses new media in a proactive way.

Inquiries for future development work

Some conclusions can however be drawn on the potential responses to the challenges rural areas face based on the presentations and discussions held at each of the four seminars. Here the focus is on how to organise measures addressing the challenges facing Nordic rural areas.

Firstly, it was acknowledged that there is a need to share knowledge and experiences to promote learning across the Nordic countries. This is also the overall objective of the Nordic working group which organised the seminars on rural development. Secondly, there is clearly a need to identify potential ways of strengthening rural development both through internal work in the regions, municipalities and villages and by means of national action and cooperation within and between geographical scales. In line with the broader trend in rural development politics there also seemed to be a consensus between seminar participants that a move away from sectoral policies towards a more cross-cutting and territorial focus was requested.

One of the keys to enhancing future rural development work was identified as a strengthened local level and the empowerment of local capacities (the

issue of governance and local capacities was the specific focus of one of the seminars though these general themes emerged repeatedly also within the context of the other seminars). In addition, the increased importance afforded to the inclusion of actors from different sectors and with different roles; public, private and voluntary as well as from all geographical levels was also seen as positive.

In the two seminars on service supply some of the lessons learned were highlighted regarding relations between the various administrative levels. In relation to discussion on future work, multitasking was highlighted as one way of addressing the decline in both private and public service supply. It was also suggested that a Nordic network should be set up to cooperate around the development and preservation of local services.

In the seminar on business development the links between support systems and entrepreneurs were highlighted. The potential for civil servants to act as active links was forwarded as were the importance of networks and research centres. Further, the initiatives were clearly seen to illustrate that an awareness of the potential connected to individuals with ideas and

competences is crucial in the development of rural areas. An additional conclusion was that support systems able to grasp opportunities and support ideas are needed for success while links to ongoing discourses improve the chances of success even more.

The working group further highlights, not surprisingly, that the creation of attractive places to live and work is an overall response to the major challenges faced by rural areas. The concepts of place-based and diversified development are at the centre of this work. The method used here is often that of multi-year project-based work. One conclusion emerging from

the seminars is however that it is hard to learn about the long term effects of these projects. The lessons learned have instead mainly concerned the process of carrying out good ideas and successfully developing and implementing the resulting projects. The seminars further show that many of the local solutions are similar to each other even though the debate is, to a large extent, focused on place-specific assets. As such, in the ongoing work on making Nordic rural areas more attractive many of the rural communities involved seem to use similar strategies.

Introduction

The Nordic working group on rural development

Nordic cooperation is well established, has a long history and covers a number of political fields; regional policy being one of them. Here the focus lies on generating growth and better living conditions based on the specific potentials and needs of each area.

To guide this work the Nordic Council of Ministers has adopted a Nordic regional-policy cooperation programme for 2009–2012. The basic vision is of the Nordic region as a world leader in the development of new and more effective regional policy with Nordic cooperation as the driving force in the development of a new, stronger policy. At the heart of this is the use of close cooperation between various decision-making levels and sectors. The vision is to be implemented by a focused effort within the three priority action areas: sharing experiences and knowledge building; globalisation and cross-border collaboration; and third-generation regional policy.

To develop these priority areas, the Nordic Committee of Senior Officials for Regional Policy (EK-

R) appointed four taskforces at a meeting on 16 June 2008, tasked with developing proposals for specific initiatives and projects in each action area in dialogue with EK-R. One of these taskforces (also called *working groups*) connected to the first of the three themes; sharing experience and knowledge building, is concerned with the development of Nordic rural areas. Members of this working group include officials from the Nordic countries and representatives from Nordregio (a Nordic research centre for regional development set up by the Nordic Council of Ministers). Denmark, Finland, Norway and Sweden have chosen to have active members. This working group is tasked with the exchange of experiences and developing knowledge about the role of rural policy in regional development in the Nordic countries. Its brief is also to seek to improve the conditions for future cooperation among the Nordic countries with regard to development and growth in rural areas.

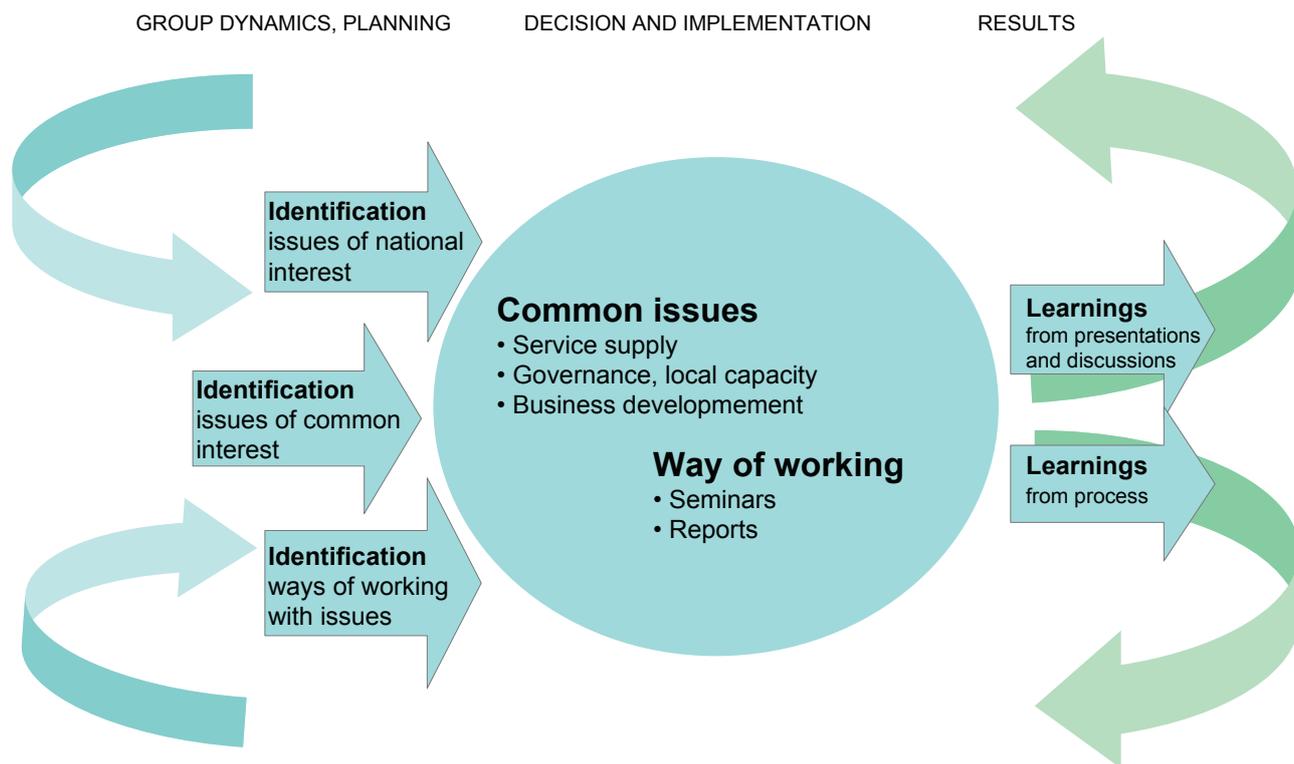
The seminars

With a view to carrying out this task a series of seminars was organised by the Nordic working group on rural development. All in all four seminars were held during 2009 and 2010 – one in each of the largest Nordic countries. Behind this decision to hold seminars lay two factors: firstly, the working group took over an already up and running project the aim of which was to run Nordic seminars focusing on rural development. Second, as can be seen in figure 1 below the group believed seminars to be a suitable way of carrying out its tasks.

Since the working group is made up of people from four different countries working at different kinds of institutions and at different levels the initial challenge for the group was to define common interests and ambitions. This initial phase resulted in the creation of

a long list of issues of interest and with time the list has been refined and shortened and has subsequently guided the work of the group. Service supply was one of the major themes appearing in all countries hence this was the first issue to be examined more closely. The best method for doing this was found to be a seminar. From this initial burst of activity the group went on to gather knowledge on both the administration and design of seminars and the issues discussed. This information was then used to fuel the conversations within the group and resulted in the planning of a new seminar around topics highlighted during this initial period of activity. This approach has been consistently adopted while in addition, where necessary, decisions have been made to deal with some issues in the form of individual reports.

Figure 1 Workflow within the Nordic working group on rural development



In the figure above the three themes in focus in the seminars are presented under ‘Common issues’. The two seminars held in Steinkjer, Norway in May 2009 and in Tällberg, Sweden in November 2009 focused on public and private service provision in rural areas. The seminar held in Tuusula, Finland, in March 2010 shone light on the governance of rural areas and on

roles and forms of local capacity. The fourth seminar was held in Skarrildhus, Denmark, in November 2010 and focused on rural business development. Public and private actors as well as the researchers involved in rural development at the national, regional and local levels were invited from all four countries.

Aim of the report

This report documents the presentations made and the discussions that took place at the seminars. The aim of the report is to provide an overview of Nordic rural development policies, to highlight examples of actors and initiatives dealing with the creation of rural development, to offer innovative ideas and to inspire future Nordic cooperation in the field of rural

development. Focus here is on the four largest Nordic countries; Denmark, Finland, Norway and Sweden since these countries provide the active members of the working group and the seminars were held in these countries.

Structure of the report

As rural development is in focus the report begins with a discussion of the term *rural*. Two different definitions are presented; one developed by the OECD and one developed by Nordregio.

In chapter 3 an introduction to rural development

politics in the four largest Nordic countries focusing on the evolution of the policies can be found. Chapter 4 begins with a comparison of current rural policies in the four countries and ends with descriptions of the actors involved as well as the policies and instruments

to be used to carry them out in the respective countries.

The focus of chapter 5 is divided into three themes following the focus of the seminars; governance, service provision and business development. Here some of the presentations made at the seminars are discussed. The ambition here is to highlight examples of initiatives and actors in rural development work at different scales in Denmark, Finland, Norway and Sweden.

The final chapter (chapter 6) is designed to capture some of the discussions held at the seminars and to reflect upon the four meetings more generally. The chapter also presents proposals for future work to promote rural development in the Nordic countries. A number of conclusions are also drawn on the various responses made to the challenges rural areas face.

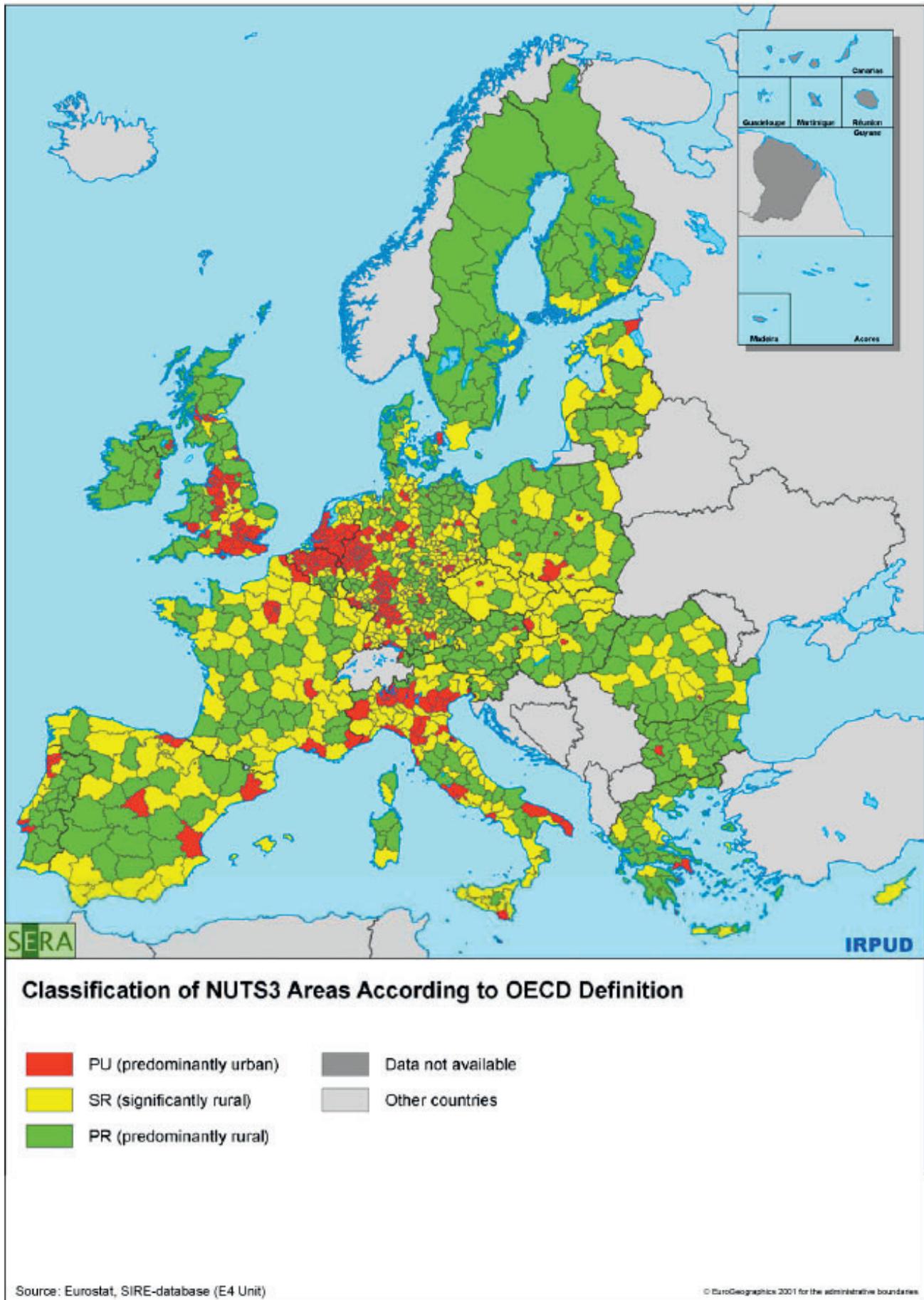
Defining rural areas

When focusing on rural development a definition of the term “rural” is fundamental. Defining the term is however not a straightforward task. Definitions of rurality vary between and within countries and groups of actors at different levels, reflecting different experiences, environments, and administrative structures. As shown below the different definitions are more and less suitable at different scales and in different contexts. In a European context there have been various attempts at the regional classification of rurality but only the OECD approach has been widely adopted both as a basis for socio-economic analysis and in the context of rural policymaking itself.

The map below shows the OECD classification (2006 version) used European wide. The OECD scheme at that time identifies 3 classes of regions:

- Predominantly urban < 15% population in rural communities
- Significantly rural, 15 – 45% population in rural communities
- Predominantly rural > 50% population in rural communities

Figure 2 Classification of NUTS3 areas according to the OECD definition



Source: Eurostat

Communities with a population density below 150 inhabitants per square kilometre are classified as rural. This classification is not however appropriate to the Nordic context because the basis for the classification is the so called NUTS3 region – a formulation which suggests that there are no predominantly urban regions in either Sweden or Finland. Norway, moreover, is not even included in the NUTS regime. According to this classification almost 90% of the population in the four Nordic countries live in rural NUTS3 regions covering 95% of the area.

The OECD later modified its approach with the updated approach recently used in the production of the Rural Policy Review on Finland 2008. The scheme still operates with three classes namely: predominantly rural, intermediate and predominantly urban.

A supplementary criterion concerning the size of the biggest urban centre has however been added. For Finland this implies that the review operates with one predominantly urban region (the Helsinki region) and three intermediate regions with urban centres of more than 200 000 inhabitants while the rest of Finland is classified as predominantly rural.

Nordregio has developed a classification system that is more suited to the Nordic context but remains quite simple to understand. It operates with two classes, namely, 'rural' and 'mixed'. Once again, population density below or above 150 inhabitants per square kilometre is used as the main criterion but is supplemented with an additional criterion about whether the biggest city of the NUTS3 region is below or above 25 000 inhabitants.

Table 1 Nordregio classification of rural areas in the Nordic countries

	Low Density		Rural		Mixed	
	Population Density Less than 150 per Km ²		Population Density Less than 150 per Km ² and having no town >25,000		Population Density Less than 150 per Km ² but having a town >25,000	
	Total Population (m)	% of Total Population	Total Population (m)	% of Total Population	Total Population (m)	% of Total Population
Denmark	2.72	50.20	0.19	3.50	2.53	46.70
Finland	3.03	57.70	2.14	40.70	0.89	17.00
Iceland	0.11	35.90	0.11	35.90	0.00	0.00
Norway	2.51	54.20	2.05	44.10	0.46	10.10
Sweden	6.14	67.90	2.17	24.00	3.97	43.90
Nordic Total	14.52	58.90	6.66	27.00	7.86	31.90

Source: Copus, Andrew (ed.) 2007, *Continuity or Transformation? Perspectives on Rural Development in the Nordic Countries (R2007:4)*, Nordregio

The table above illustrates the results of this exercise, carried out in 2007. Use of this methodology sees the total Nordic-wide population of 'rural' municipalities fall to 6.6 million or 27% of the population of the five Nordic countries (Denmark, Norway, Iceland, Sweden and Finland). Furthermore it should be noted that according to this simple definition striking contrasts emerge between the Nordic countries, both Finland and Norway have more than 40% of their populations in 'rural' municipalities, while Sweden has

just 24% and Denmark only 3.5%. The differences are however important to bear in mind when we are comparing the countries and their rural policy.

At the European level work is also being carried out to produce more fine-tuned generalisations and classifications of rural areas. In the context of the EDORA project (ESPON) an analysis framework was developed combining three different regional typologies; rurality/ accessibility, economic restructuring and performance.²

² See Nordregio's webpage for more information about the EDORA project. www.nordregio.se/EDORA

The evolution of Nordic rural development policies³

Rural development has not traditionally been addressed as a policy field in its own right in Denmark, Finland, Norway or Sweden. After the Second World War, politics across the Nordic countries was dominated by a concentration on building the welfare state while the development of rural areas was understood to be effectively addressed in the context of the existence of strong regional policy traditions combined with vigorous policies supporting the primary sector.

With the EU accession of Denmark, and subsequently also some twenty years later of Finland and Sweden, more attention was given to the issue of rural development. Policies affecting rural areas, with a wider focus looking beyond agricultural activities, were implemented. In the same period, rural areas were also affected by the shifting focus of regional policy away from regional balance towards a greater focus on competitiveness and regional growth, as well as by an increased competition between places. This imposed

a new set of challenges for policies aiming at the development of rural areas.

Since 1945, Danish strategy has shifted from supporting national redistribution and welfare service provision towards a greater focus on grassroots developments. Swedish politics have shifted from a focus on regional equalisation policy to the creation of competitiveness based on the endogenous strengths of each region combined with support to the primary sector for the securing of public goods, such as various environmental benefits. In Finland, rural development politics have gained increasing attention and acceptance over the last twenty years. Finland is today characterised by a holistic view of rural areas and by the search for a coherent policy covering a number of administrative sectors. In contrast, distinguishing it from the other larger Nordic countries, Norway has attempted to maintain established settlement patterns – and continues to do so.

Denmark

The Danish welfare state developed after the Second World War supported decentralisation and aimed at distributing the wealth of the country evenly between places and people. This idea was further strengthened by national and municipal reforms in the 1970s and, until recently, signs of convergence between the different regions could be seen.

The so-called ‘village movement’ was first to draw attention to the need for a more explicit rural development policy in Denmark, a policy which went beyond regional and agricultural policies. Local associations mobilised to make the voice of the countryside heard during the 1980s and 1990s.

In 1997 the first national rural development initiative was designed to support development initiatives at the local level. Recently the role of the village movement was enhanced when the Local Action Groups (LAGs) were strengthened in the implementation of the EU rural development programme – a programme playing a major role in Danish rural development.

The state, the primary sector and civil society have all taken part in shaping the rural development work that today mainly consists of support programmes for local development projects, combined with business and environmental support to the agricultural sector.

³ See Hedström, M. (2010) *Politics of Nordic Rural Development* Journal of Nordregio no 2 2010

Finland

The 1960s and 1970s saw a period of heavy urbanisation and structural change in Finland. This gave rise to the first measures directed at peripheral areas, concerning fields beyond agriculture. In addition, a more holistic approach highlighting the desirability of conceptualising rural areas as entities composed of nature, people and different activities emerged in the 1970s and 1980s. These changes also gave rise to the Finnish village movement, today one of the cornerstones of the country's rural development policy.

As in Denmark rural policy emerged as a policy field in its own right in the 1990s; in 1991 a first rural

development programme defined the initial tools for rural development. In the same period a national rural policy committee with representatives from a number of different administrative sectors was created. The rural policy system since then has expanded and is today designed to ensure cross-cutting territorial rural development at all levels.

The key focus here has long been about enabling rural areas, including remote areas, to keep pace with urban areas. In recent years, however, regional policy has, as elsewhere, focused increasingly on competitiveness.

Norway

The Norwegian welfare state was developed after 1945, while the country recovered from the war through economic growth based on the transfer of labour from the primary sector to industries in more urban settings. The first actions to reverse the relative decline of rural areas came in 1961 when a public fund was established to prevent the loss of rural jobs and depopulation. However, the term rural was, and is still, not used. Instead, such policies used the term *districts*. Over time specific policies for agricultural, fisheries and businesses were developed with the aim of creating a balance between rural and urban areas.

In the 1960s and 1970s the development of infrastructure and industry, as well as the decentralisation of higher education, was high on the rural policy agenda. Since the 1980s competitiveness, deregulation

and the development of regional urban centres once again became the main focus. Compared with the other Nordic countries, Norwegian policies remain to a much greater extent focused on adapting to the situation in the different regions of the country.

The political debate in Norway has over the last fifty years been dominated by two camps; one promoting decentralised growth and local development initiatives, the other promoting policies focusing on the provision of infrastructure and growth centres. Current policies are a mix of the two, but the focus is still to some extent placed on sustaining existing settlement patterns. In the debate on the future development of regional policy in Norway a discussion has been initiated on giving a stronger focus to growth centres.

Sweden

A strong welfare state policy dating back to the 1950s, a redistributive regional policy and a well-developed local public sector have for many years all helped to minimise urban-rural disparities in Sweden. In the 1970s the welfare state model started to weaken, partly in the wake of increased globalisation and the influence of neo-liberalism. One of the major results was a gradual change in regional policies, from an emphasis on redistribution towards competitiveness and endogenous growth. The aim of achieving regional balance in economic development was thus largely superseded by the new focus on competitiveness. In the late 1980s policy started to attach more importance

to local village associations and community initiatives. "Regional enlargement," primarily concerned with increasing labour markets, has also attracted more interest as a tool for sustaining rural areas.

Specific policies supporting the primary sector did previously also exist but were phased out by the 1990s. When reappearing after the attainment of EU-membership in the mid-1990s, public interest in payments to farmers was low. The policy did however gain public acceptance when the argument was framed in terms of supporting farming activities with positive effects on environmental and other public goods.

Nordic rural development policies of today⁴

Similarities and differences in the national policies

In the following paragraphs the national rural policies of the Nordic countries are briefly compared according to the following topics:

- Definition of rural areas
- The main actors
- The arguments for sustaining rural areas
- The challenges addressed by the national policy level

- National objectives and priorities
- Means and instruments in the implementation of national policy

The sources for this comparison have primarily been recent national policy documents on rural development policy.

Definition of rural areas

The Nordic countries each define 'rurality' in a slightly different way - population density below a certain threshold and distance or accessibility to urban centres are the two most common criteria here - often supplemented with reference to a number of additional socio-economic criteria.

Denmark and Finland deal with three classes of rural areas, Sweden with two while, as discussed in chapter 3, the term 'rural area' is simply not used in Norway. The Norwegian term for rural regions,

districts, is mainly defined in relation to socio-economic criteria. In the newest Swedish national strategy on rural development it is argued that a more flexible and context-dependent definition of rural areas should be used.

Denmark and Finland and to some degree Sweden also make a distinction between urban-adjacent rural areas, intermediate rural areas and remote rural areas but with each based on different criteria.

The main actors

At the national level the ministry responsible for agriculture and food remains an important actor in all four countries, especially in the three EU-Member countries where the implementation of EU Rural

Development Policy, the CAP Pillar 2⁵, has become an import part of national rural development policy.

In addition, the ministry responsible for regional policy also plays an important role especially in Norway

⁴ Based on a paper written by Ole Damsgaard and Anu Henriksson, (Nordregio) for the seminar in Steinkjer, May 2009. For more information about regional policies and trends see Maria Lindqvist (ed.) (2010) *Regional Development in the Nordic Countries 2010*, Nordregio. www.nordregio.se/?vis=artikkel&fid=5699&cid=2912201011015118782&magasin=ja

⁵ The EU has a long history of supporting farmers through the EU Common Agricultural Policy (CAP) but over time the focus has to some extent shifted from agriculture towards the more general development of the countryside. The CAP has two pillars; the first pillar supports farmers while the second has a focus which goes beyond farming, aiming to develop rural areas in general. In order to implement the second pillar the Rural Development Programme (RDP) has been established.

and Sweden while in Denmark the Ministry of Interior and Health is responsible for the national non-EU related rural development policy.

In Finland the Rural Policy Committee (*Landsbygdspolitikens samarbetsgrupp Maaseutu-politiikan yhteistyöryhmä YTR*) is a unique national actor. The Committee is a cross sectoral management group and responsible for the formulation of the rural development policy while also assisting with the implementation of the policy. In Denmark a similar committee has been set up but contrary to the Finnish situation the Danish committee functions only as an advisory body to the minister for agriculture and food.

Below the policy making ministries a number of national agencies play a role at the operational level. In Sweden the national Growth Analysis (*Tillväxtanalys*) and the Swedish Board of Agriculture (*Jordbruksverket*) and in Norway the national innovation agency Innovation Norway (*Innovasjon Norge*)

could be mentioned in this context.

At the regional and local levels the regions and the municipalities also play an important role. The regions have a coordinating role and are responsible for the regional development strategies. Following a larger European trend the regional and local levels are to varying degrees strengthened in the design and implementation of rural development policies in the four countries. In comparison with other European states however the Nordic counties already have strong municipalities and a tradition of grassroots movements as well as one of carrying out local development initiatives. The village movement has been an active player in this respect for many years and its engagement remains an important factor in the process. In the EU member states of Denmark, Finland and Sweden local engagement has taken a new form with Local Action Groups (LAGs) the most prominent actors shaping development work at the local level.⁶

The arguments for sustaining rural areas

From a historic point of view it remains a national objective to ensure national self-sufficiency in terms of food and other strategic products. This has for example been a part of the political discourse in Norway and Finland for some time. Another line of argument in this context is rooted in security discourse e.g. in Finland while laterally the discourse on national social cohesion and welfare has become more important e.g. in the Danish context.

In the recent policy documents of all four countries the arguments used to sustain rural areas are

in the main implicit. In Norway the line of argument is most explicit, there it is argued that the individual's basic choice of where to live and work is deemed to be of value, as is the notion of having population located near the nation's dispersed natural resources. In Finland the cohesion question provides a basis for the measures undertaken. In all countries the importance of making use of the human and natural resources available in rural areas, which could contribute to strengthening the growth and competitiveness of the entire country are stressed though.

The challenges addressed by national policy

The challenges addressed by the national policy documents seem to be quite similar despite the existence of significant geographical differences. On the one hand a number of overarching megatrends such as globalisation and global climate change are identified as major challenges and on the other hand a range of more specifically focused challenges impacted by the centralisation of the population and of the economy are highlighted. Shrinking and ageing populations, the lack of private and public services, small labour markets and the need for economic diversification are some of these specific challenges.

A significant 'image' problem and poor public presentation in the media are seen as specific challenges faced by rural areas in Swedish national documents. The existence of numerous empty and run-down houses is highlighted by Danish policy documents as another problem for the rural development resulting in a risk of social dumping which may simply boost this negative social trend.

⁶ Local Action Group; initiated to carry out and design parts of the EU Rural Development Programmes by using the *Leader* method which is a bottom up approach to rural development offering a way of working with rural development through local engagement. The groups are local and built on a partnership with representatives from both the private and the public sectors. They are non-governmental organisations and are partly EU and partly nationally, regionally and locally financed.

The national objectives and priorities

Different formulations addressing the need for economically and environmentally liveable rural areas with good possibilities for living and working are mainstreamed in the national priorities of the Nordic countries. In Norway it is a national priority to maintain the settlement pattern while in Denmark it is a priority to strive for balanced development across the country. At the strategic level more entrepreneurs and innovation and better competitiveness in terms of encouraging business development in rural areas are prioritised.

Means and instruments in the implementation of national policy

Some years ago Finland introduced a distinction between *broad* and *narrow* rural development policy. In this context broad policy includes all kinds of sectoral policies affecting the development of rural areas e.g. transport policy, environmental policy, social policy, industrial and labour market policy. Narrow rural development policy on the other hand only includes those policies directly targeted at rural development. All four Nordic countries practice both kinds of policies in parallel.

The most important example of narrow rural development policy in the three EU-Member states is the second pillar of the EU-agricultural policy – the Rural Development Programme. This policy directly addresses specific rural areas and aims at implementing specific objectives connected to the development of these areas.

Another example of narrow policy is the Norwegian *Merkeur* initiative where local shops in low population density areas are supported or the Danish national fund for rural development, *Landdistriktspuljen* (Rural fund).

Concerning broad policy, Finland is often mentioned as exhibiting an international level of best practice e.g. in the recent OECD-review of Finnish rural policy. Broad policy is driven and coordinated by the Rural Policy Committee.

The committee uses different kinds of instruments e.g. programmes and projects. An important part of the programmes is to formulate objectives and identify the actions and initiatives that shall be used to implement the objectives. These actions and initiatives are often ongoing or new initiatives which are carried out by different ministries and national agencies etc. Hence the programmes function as coordination tools.

In addition these programmes also have an important information function.

For the other Nordic countries national rural programmes do also, to some degree at least, have such a coordinating function. One example here is the Swedish 2009 national strategy for rural development, *En strategi för att stärka utvecklingskraften i Sveriges landsbygder*. The strategy lists a number of national initiatives and actions carried out by a number of different ministries and national agencies. The actions and initiatives taken, together and in combination, help with the implementation of the overall objectives of rural development. Unlike the situation in Finland however responsibility for the implementation of such national programmes belongs to one ministry or one specific national agency without the power to coordinate the activities of other ministries.

Norway practices a specific variation of narrow and to some degree also broad policy in this regard. Here rural development policy is integrated with regional policy and regional policy is practiced in a differentiated way so the different kinds of policies are adapted to the specific and often quite different regional or territorial settings. An example of such a differentiated policy is the so-called 'payroll tax' where the country is divided into a number of zones according to a set of socio-economic indicators.

Other important instruments for the coordination of different kinds of sectoral policies aiming at rural development can be found at the regional level where regional development programmes in e.g. Sweden have a coordination function relating to EU, national and regional policies.

At the local level the involvement of communities is prominent in the implementation of national policy as well as of EU-policy. In addition, village associations and LAGs play more or less formal roles in implementing and shaping local, regional, national and EU rural development policies. The makeup of the LAGs themselves however differs across the various countries. In Denmark public actors must not have more than 30% representation at the decision-making level of the LAG, which leaves a minimum of 70% representation for the economic and social partners and civil society organisations.⁷ In Finland the boards of the LAGs consist of 33% municipal officials and politicians, 33% representatives of associations and enterprises, and 33% rural residents.⁸ In Sweden the boards consist of a minimum of 50% of representatives from the

⁷ Danish Rural Development Programme 2007-2013

⁸ Rural Development Programme for mainland Finland 2007-2013

private and voluntary sectors.⁹

In all countries local engagement is nevertheless seen as an important tool. The Norwegian statement “Growth has to be a bottom up process” (Norwegian

White paper no 25 2008-2009, *Local growth and hope for the future*) and the rural and regional policy of the Norwegian Government more generally, exemplifies this approach.

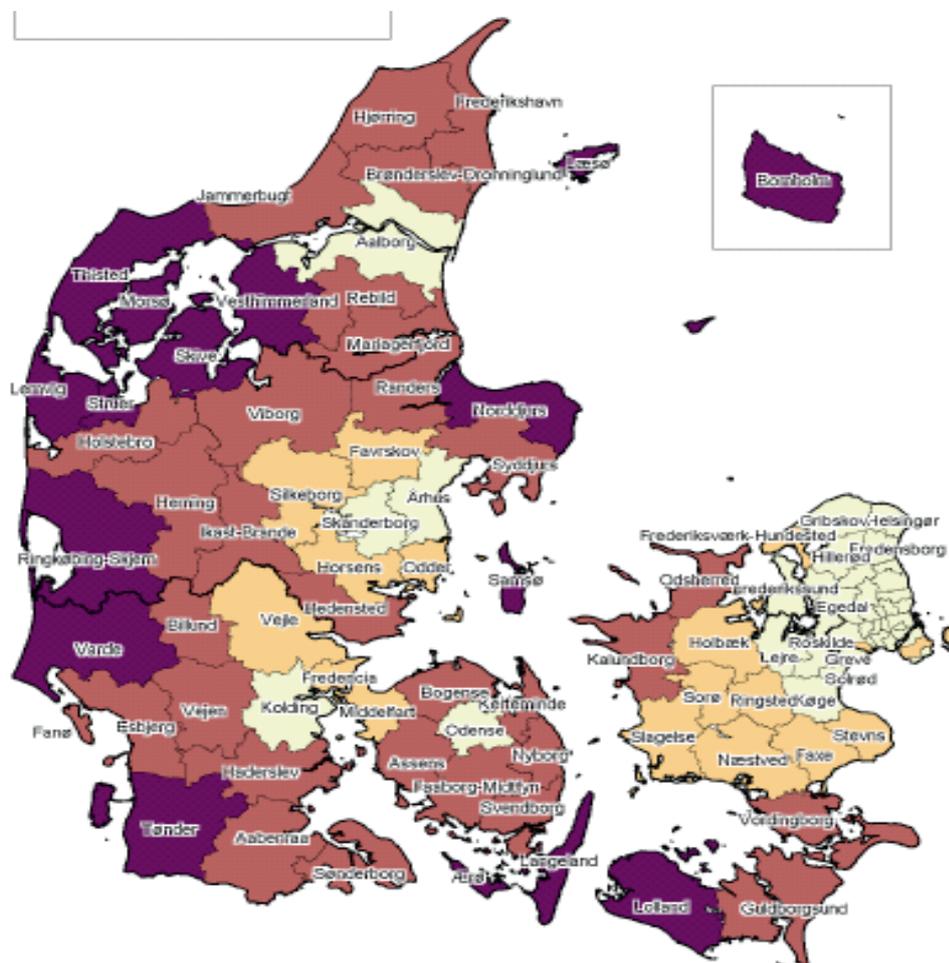
Denmark

Definition of rural areas

Until the development of the Danish Rural Development Programme 2007–2013 for the implementation of EU rural policy the formal definition of rural areas

was “areas without continuous built up zones or areas with only small towns with up to 1000 inhabitants (not making any structural or functional differences)”.

Danmarks Landdistrikter



The four classes of municipalities:

- Peripheral municipalities (dark purple colour): 16
- Rural municipalities (red colour): 30
- Intermediate municipalities (orange colour): 17
- Urban municipalities (light yellow colour): 35

Figure 3 Classification of Danish municipalities for the demarcation of Leader areas

Source: Danish Rural Development Programme 2007 – 2013

⁹ Rural Development Programme for Sweden the period 2007-2013

For the demarcation of the Leader areas¹⁰ and the preparation of the 2007–2013 EU programmes a new classification system based on 14 indicators was developed, see figure 3. This classification system draws up a structural and socio-economic profile of the 98 Danish municipalities. The classification ends up with 4 classes; Peripheral municipalities, rural municipalities, intermediate municipalities and urban municipalities.

The following 14 indicators are weighted equally in the classification process:

- Population per km²
- Population in rural areas and town less than 1000 inhabitants
- Proportion of the municipality's area in rural zones
- Percentage employed in agricultural enterprises
- Percentage of population aged 17-64 years
- Percentage of the population aged 25-44 years
- Employment trends, 1994–2004
- Population trends, 1994–2004
- Average distance to motorway
- Jobs in proportion to employees
- Percentage of the workforce with basic education, 2005
- Percentage of the workforce with medium or tertiary education, 2005
- Average distance to areas with a high surplus of jobs, 2004
- Taxation base *per capita*, 2007

According to this classification the municipalities of the first two classes (peripheral and rural) could be labelled as 'rural Denmark'. However, the intermediate municipalities are also eligible for funding from EU rural policy.

A supplement to this definition of rural areas developed for the implementation of EU-policy can be found in the Danish national report on spatial planning from 2006; *Landsplanredegørelse 2006* where the overall urban pattern and the main transport corridors are identified. Some of the municipalities labelled as 'intermediate rural' especially in parts of Jutland in fact contain medium sized urban centres. This map does not however reappear in the national report on spatial planning from 2009 (*Landsplanredegørelse 2009*).

The Main actors

Responsibility for rural development policy in Denmark is rather fragmented. The main national players are the Ministry of Food, Agriculture and Fisheries (*Ministeriet for fødevarer, landbrug og fiskeri*) which is responsible for the implementation of EU agricultural policy and the Ministry of the Interior and Health (*Indenrigs- og sundhedsministeriet*) which is responsible for the

implementation and coordination of national rural development policy. In addition, the Danish Enterprise and Construction Authority (*Erbverves og byggestyrelsen*) responsible for the regional policy in general and the Ministry of the Environment (*Miljøministeriet*) responsible for the spatial planning and the environment and nature in general could also be mentioned here.

The monitoring of EU-rural development policy is undertaken by a national committee – Board for a living countryside (*Udvalget for et Levende Land*). The members represent 6 different ministries, the regions and municipalities, farmers and industrial associations, the labour unions and various grassroots organisations. The committee has an advisory function reporting to the Minister of Food, Agriculture and Fisheries.

An Advisory Board focusing on rural issues was put in place by the Danish Government in 2005. The Minister of the Interior and Health is the chairperson and the other members are from both organisations and public authorities.

At the regional and local levels the regions and the municipalities also play a role. After the administrative reform of 2007 the five Danish regions are now responsible for the regional development programmes including the rural and the peripheral areas. Another important institution is the regional Growth Forum – a public-private partnership - which is responsible for the development of the regional growth strategies and for the regional allocation of EU-structural Funds.¹¹ The Growth Forum cooperates with the Local Action Groups (LAGs).

The Local Action Groups are viewed as important actors here particularly in relation to the local anchoring of rural policy as they cooperate with the municipalities, regions and other organisations, even though their budgets are restricted.

The national report on rural development from 2009 (*Landdistriktsredegørelse 2009*), studying the 98 Danish municipalities, shows that about half have formulated a specific rural development policy, even though this is not a mandatory municipal task. The municipal physical plans and the participatory process developing these plans play an important role. In addition the municipalities play an important role in relation to the provision of basic public services.

The regions generally have a focus on development and growth, especially in relation to business development, tourism, culture, regional transport, access to health care etc., while the municipalities focus on social services, local transport and settlement.

¹⁰ Areas where the EU Rural Development Programme can be carried out by LAGs: One LAG is to be found in each *Leader* area.

¹¹ See chapter 5.1.2.1

The argument for sustaining rural areas

In the national report on rural development from 2007 (*Landdistriktsredegørelse 2007*) the government emphasises the need to create the very best framework for growth and development across the entire country. In connection with this it is important that a balanced development takes place with the focus on territorial cohesion.

No explicit further argument is made as to why it is important to sustain the rural areas as such besides that the government wants to promote good living conditions for its citizens and protect nature and the environment while also ensuring the competitiveness of the agricultural sector.

The challenges addressed by national policy

In addition to challenges such as those posed by globalisation and the international financial crisis two sets of specific challenges to rural development are identified in the national report on rural development from 2009;¹²

- Challenges relating to changes in the national settlement pattern in combination with structural economic and industrial changes
- Challenges in connection with the provision of public services

The out-migration, particularly of young people, from peripheral municipalities is highlighted here as a major problem. This out-migration results in a gender imbalance and in empty houses proliferating in these rural communities.

The development of rural areas is however rather heterogeneous; in addition to those peripheral areas suffering from out-migration other areas closer to major urban centres have experienced population growth over the latest 5 years.

The report from 2009 notes that, in connection with the issue of rural development, public transport and the ongoing changes in the hospital sector have undoubtedly been the main themes of the public debate in recent years. The administrative reform of 2007 which saw 14 counties merged into 5 regions, and 271 municipalities reduced to 98, has resulted in an even stronger process of centralisation e.g. concerning the environment and the funding of hospitals.

In the national report from 2007¹³ it is stated that housing quality in some rural areas is below national standards and that environmental conflicts between industrial agriculture and housing makes rural areas less attractive places to live. Other problems raised here

include the lack of possibilities for secondary education and the low level of local engagement in some rural areas.

National objectives and priorities

In the report from 2007 it is stated that the overall objective is a balanced development of Denmark to ensure attractive conditions for living and the running of businesses all over the country¹⁴. Further it is stated that it is an objective to promote more entrepreneurs and jobs, better competitiveness of the agricultural sector, better living conditions a rich nature and a clean environment in the rural areas. These objectives are repeated in the report from 2009.

Means and instruments in the implementation of national policy

Based on the national rural development reports from both 2007 and 2009 three kinds of means and instruments can be identified:

- Specific national means and instruments targeted at rural development
- General national means and instruments which will also impact rural development
- Implementation of EU-policy

Three specific national means and instruments can be highlighted. Firstly, the Danish Centre for Rural Research (*Center for Landdistriktsforskning, CFL*) which monitors the development of the rural areas. The objective of the Danish Centre for Rural Research is to contribute to the development of sustainable rural areas specially focusing on business development and the population's life conditions.

The second example is a number of administrative and formal changes designed to provide the municipalities' with a better ability to react to issues relating to poor housing in rural areas. One problem highlighted in the rural development report from 2007 is that of negative demographic development and the proliferation of rural areas with a surplus of poor quality housing stock – often leading to empty housing units. Empty, low standard and run down houses further influence the impression of decline in these areas. In addition, the problem is often compounded when such stock is bought by investors from outside the area and rented out to social clients, thus creating a sort of 'social dumping' from the cities to the rural areas. The new set of administrative rules will give the municipalities better possibilities to act, e.g. to use national funds for urban renewal in such a way that empty and run down houses can more easily be demolished.

¹² Landdistriktsredegørelse 2009

¹³ Landdistriktsredegørelse 2007

¹⁴ Ibid.

The Government allocated 150 million DKK (approximately €18.5 million) through a specific strand of the 2010 national urban renewal funds budget to upgrade the physical environment in the rural areas including aid for the demolition of empty and run down houses. The specific fund is only accessible to municipalities labelled as remote or rural. The funds are also available in 2011.

The third example of specific national instruments here is the national programme or national fund for rural development; *Landdistrikspuljen*. This national instrument funds projects that support the development of local democracy, civic engagement and the use of local resources and opportunities.

Another important policy-paper is the National Green Growth Strategy (*Aftale om grøn vækst*) from 2009, which has two main elements; an environment and nature plan for 2020 and a strategy for green agriculture and a food industry undergoing growth. The strategy mainly consists of a number of ongoing national initiatives e.g. the implementation of the EU Water Framework Directive and NATURA 2000, but there is also focus here on technological development as well as on local and regional foods. In the new green strategy efforts are made to provide a more comprehensive presentation of these initiatives while at the same time it is stated that room should be made for the development of a more industrialised and productive agricultural sector. The total budget for the 'green growth' strategy is 13.5 billion DKK (approximately €1.6 billion) for 2010-2012. This also encompasses the Danish Rural Development programme 2007-2013 with a total budget of €800 million.

In 2010 the government presented its plan for creating 'a Denmark in Balance in a Global World'. The purpose of the plan is to provide equal opportunities for living, working and studying in every part of Denmark, including the rural areas. The plan has six focus areas: Business development and green growth, more local opportunities in the planning field and better conditions for shops, better infrastructure in the rural areas, education in the rural areas, health: increased emergency response with a focus on rural areas and the localisation of public work places.

Other general national initiatives are mentioned in the National Rural Development Report from 2007 e.g. changes to the national planning act opening up new possibilities for development areas for summer houses and second homes and the establishment of new regional university colleges (*professionshøjskoler*)¹⁵.

A total overview of the various fields of policy impacting rural development is given in the 2009-report¹⁶ and can be outlined in the following headlines:

- Climate and energy
- Culture
- Environment
- Food, agriculture and fishing
- Health and prevention
- Science and technology
- Taxes
- Transport
- Education
- Welfare
- Economy and business affairs

The implementation of EU-policy

Four overall objectives are stated in the Danish Rural Development Programme 2007 - 2013¹⁷:

- Entrepreneurship and new jobs in rural areas
- Improved competitiveness in the agriculture, food and forestry sectors
- Improved nature and environment
- Attractive quality of life in rural areas and encouragement for the diversification of economic activities

As a national guideline the government has decided that 75% of its EU funds should be used for the improvement of the environment and nature. This has so far been the case, as the majority of EU-funds have been used on nature and environmental issues. With the above-mentioned green growth initiative Denmark now places major emphasis on these matters.

Another important instrument for the implementation of EU policy is the Local Action Groups (LAGs). In 2009 56 LAGs were established with a total of more than 700 members and running about 600 projects. 40 of these LAGs have been established in connection with the rural development programme, 5 in connection with the fisheries programme and 11 groups are supported by a mix of the two.

The LAGs specifically address the issue of living conditions and the creation of new jobs in rural areas. To ensure the effective coordination of the rural development funds and the structural funds addressing regional development it has been decided that the working programmes proposed by the LAGs have to be reviewed by the Regional Growth Forums.

15 Landdistriktsredegørelse 2007

16 Landdistriktsredegørelse 2009

17 Approved by the EU in 2008

Finland

Definition of rural areas

Finnish rural areas are classified into three groups:

- Rural municipalities close to urban areas
- Core rural municipalities
- Sparsely populated rural municipalities.

The rural categories are portrayed in the national rural policy programmes in the following way (presented in figure 4):

Rural municipalities close to urban areas; These municipalities have the best development opportunities. Residents have the chance to work in nearby towns and cities. Agricultural and other businesses have highly diverse markets nearby. These economically integrated rural municipalities are located in southern and western Finland. These parts of the country enjoy the best conditions for agriculture and for the diversification of the rural economic structure.

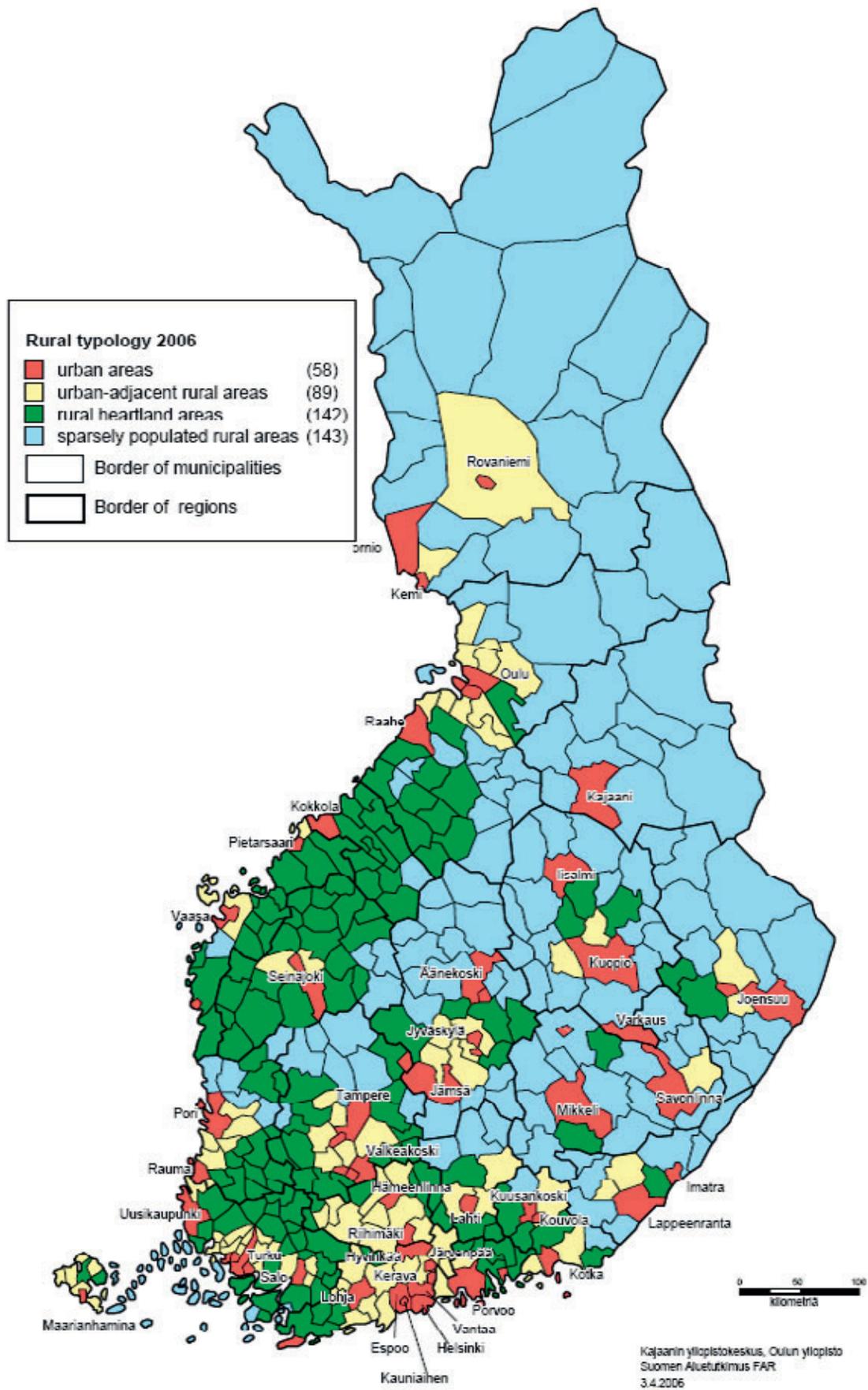
Core rural municipalities;

These are important municipalities for primary production. They also contain some rurally located sector-specific industrial centres here and there. Core rural municipalities are situated close to a number of medium-large centres. Core rural municipalities are to be found in southern and western Finland.

Sparsely populated rural municipalities;

The threat to these municipalities is the cycle of poor development: depopulation, ageing population, unemployment, problems in public service provision, stagnation of economy. Most sparsely populated rural municipalities are to be found in eastern or northern Finland.

Figure 4 Classification rural areas in Finland 2006



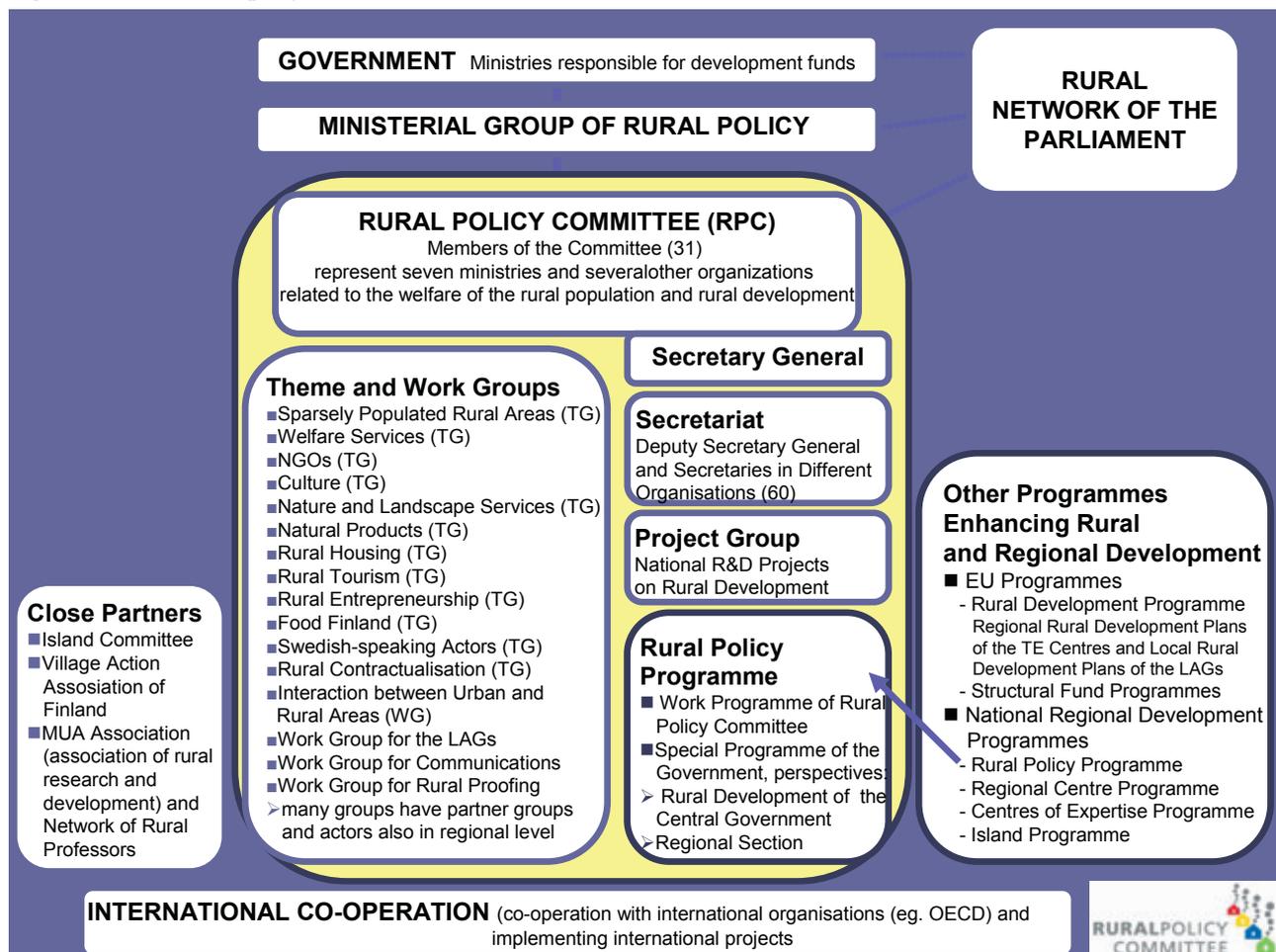
Source: Rural development programme for mainland Finland 2007-2013

The Main actors

The most important and unique national actor in Finland is, as noted previously, the Rural Policy Committee (*Landsbygdspolitikens samarbetsgrupp/Maaseutupolitiikan yhteistyöryhmä YTR*).¹⁸ This is a cross-sectoral management group appointed by the government. It brings together the national level administrative actors involved in rural policy and rural interest groups (see Figure 5). The 31 members are from 7 different ministries and also from national research institutes and several other organisations

and associations. The Committee prepares the rural policy programme, organises national research and development projects, and assists the Government in implementing the proposals of the programme. It is also tasked with ensuring that rural areas are adequately addressed in terms of sectoral policy while developing a theme and working group for each of the sectors. The committee also has vertical contacts with actors in the regions and at the local level.

Figure 5: Finnish rural policy committee



Source: Presentation by Eero Unsitalo, Secretary General of the Rural Policy Committee, Tuusula, 2010

Overall responsibility for broad rural policy is shared between the Ministry of Agriculture and Forestry (*Maa- ja metsätalousministeriö/Jord- och skogsbruksministeriet*) and the Ministry of Employment and the Economy (*Työ- ja elinkeinoministeriö/arbets- och näringsministeriet (TEM)*).¹⁹

At the regional level, there are some rural

sections of the rural committee which participate, but the most important actors are the 55 Local Action Groups (LAGs)²⁰.

Village development, not least through the LAGs, is an increasingly important part of rural development. Villages are seen as the action units that bring the available resources together. Finland was a forerunner in

18 For more information see the webpage for rural policy, Finland, www.ruralpolicy.fi/en/

19 For more information see Rural Policy Committee 2009:31, *Countryside for Vigorous Finland*, Government Report to Parliament on Rural Policy.

20 For more information about Finnish Local Action Groups: www.mmm.fi/en/index/frontpage/rural_areas/rural_policy/localactiongroups.html

Europe in implementing the *Leader* method at a larger scale and today LAGs are found all over the country. There are 3 900 villages in Finland, and 2 800 of them have established LAGs. More than 2.5 million permanent and free-time residents are involved in village development activities. A village development plan has already been prepared for 2 000 villages. These plans define development targets and propose concrete measures for achieving these targets.²¹

Research also plays a role in the Finnish rural development system. There are several research and development programmes which specifically address rural development and that some universities have special professorships for rural issues.

The arguments for sustaining rural areas

A major motive for rural policy in Finland, although not explicitly stated, is that more than 40% of the country's population lives in rural municipalities.²² Historically the national intention to support rural areas has been bound up with the notion of self-sufficiency the issues like strengthening national social cohesion have also been part of the Finnish discourse.²³

The challenges addressed by national policy

The 2nd Special Rural Policy Programme from 2007 "Viable Countryside – Ministries' Responsibilities and Regional Development" (*En vital landsbygd – ministeriernas ansvar och regionutveckling/Elinvoimainen maaseutu – ministeriöden vastuut ja maaseudun kehitäminen*) emphasises the importance of meeting the following future challenges in rural policy: regional differences in economic development, balancing migration patterns and population structures inside the country and diversifying the economic structure.

National objectives and priorities

The overall objective of rural policy is to create a diversified business and service structure and a balanced age and gender structure by conducting business and pursuing entrepreneurship, engaging in telecommuting, providing social services and carrying out village action.²⁴

Key priorities for the future are delivering public services to an ageing and dispersed population more equitably and efficiently, enhancing the competitiveness of an increasing number of non-farm related rural firms, and improving the business environment in rural areas by fully utilising their abundant natural amenities.²⁵

In the 5th Rural Policy Programme Rural areas and a prosperous Finland (2009-2013) the importance of the countryside to the whole of the country is referred to. Finland should offer equal possibilities for welfare in all parts of the country.

In the Special Rural Policy Programme 2007-2010, Viable Countryside – Ministries' Responsibilities and Regional Development the rural policy is categorised into four priority areas: 1) restructuring of the economy and work, 2) raising the level of competence, 3) improving basic services and living opportunities and 4) reinforcing the operational structures in the rural areas.

The Government Report on Rural Policy 2009 (*landsbygdspolitiska redogörelsen/Maaseutupolittinen selonteke*) refers to current global questions such as access to clean water and food and climate-friendly energy which enhance the importance of countryside. The rural areas offer important material and immaterial resources for competitiveness and welfare in the form of natural resources, cultural heritage and biodiversity. The competitiveness of rural areas rests upon specialisation based on endogenous strengths, profitability and local anchoring.

Means and instruments in the implementation of national policy

One of the roles of the Rural Policy Committee is to facilitate cooperation and coordination between different administrative sectors. Important instruments here include the development of different cross sectoral programmes and new methodologies.

The figure below provides a picture of the tools used to ensure the delivery of a coherent and inclusive rural development package in Finland. It also shows how different sectoral policies are seen as playing a part in the regional and rural policy of Finland. The main tools associated with this "broad" policy concern the room for negotiations and discussions between sectors that the committee has created. In addition, a "narrow" policy also exists which is also directed at rural areas. Tools for implementing this include programmes and projects designed to carry out or to develop rural areas.

21 For more information see Rural Policy Committee 2009:33, *Countryside for Vigorous Finland*

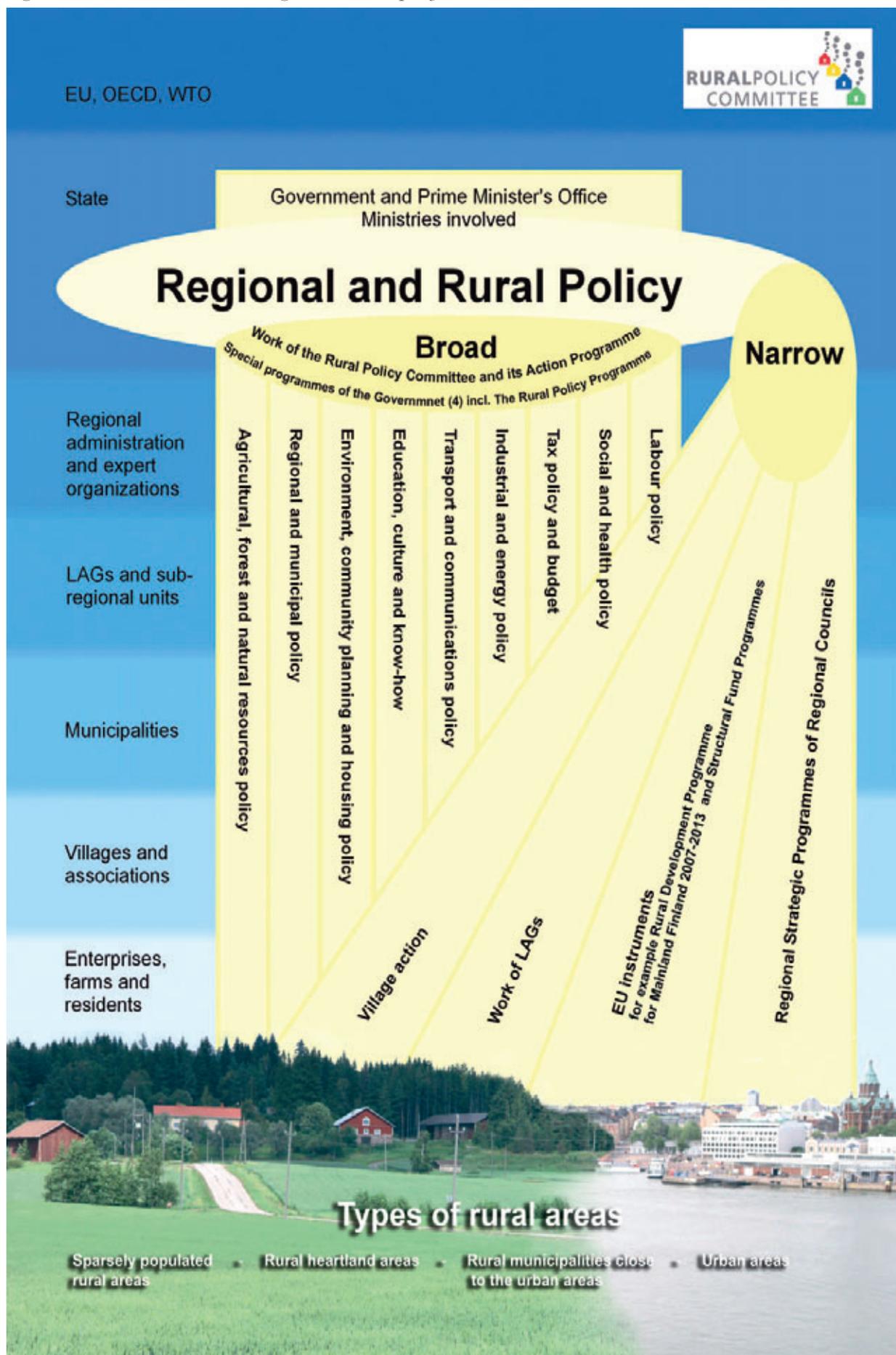
22 Statistics Finland, Rural Indicators, (2005)

23 Vihinen (2007) *Overview of Rural Development Policies in Finland*

24 5th Rural Policy Programme

25 OECD Rural Policy Reviews: Finland (2008)

Figure 6 Finnish broad and narrow regional and rural policy



Source: Presentation by Eero Uusitalo, Secretary General of the Rural Policy Committee, Tuusula, 2010

The committee is also promoting the creation of network projects across the thematic and regional boundaries especially in the wood products sector, small and medium-sized food enterprises, and rural tourism, telecommuting and village actions.

Examples of the cross-sectoral programmes:

The Rural Policy Programme A Viable countryside – our joint responsibility 2005 – 2008 (*landsbygdspolitiska helhetsprogrammet/ Maaseutupoliittinen kokonaisohjelma*) includes, firstly, an overall programme with 15 strategic perspectives and 146 concrete initiatives. These are divided in three headlines: the countryside as a living and working environment, work and the economy in rural areas and developing a rural policy system.

The 2nd Special Rural Policy Programme, (*Landsbygdspolitiska specialprogrammet En vital landsbygd – ministeriernas ansvar och regionutveckling / Maaseutupoliittinen erityisohjelma*) covers the government's policies and decisions concerning rural policy for the period 2007-2010.

The Special Rural Programme also includes a regional section²⁶ (*Den regionala delen inom det särskilda landsbygdspolitiska programmet/ Alueellinen maaseutuosio AMO*) focusing on the rural regions not included in the Regional Centre Programme or Urban Programmes in the Uusimaa region, and which are located outside the capital region or the Åland Islands (*regioncentraprogrammet eller Nylands stadsprogram eller är belägna i huvudstadsregionen eller på Åland*). The Regional Section, set up in 2007, seeks to identify areas of strategic focus in the development of rural business and the related knowledge-base. It also aims to strengthen the interaction between cities and rural areas and to complement the operational models and range of tools available for rural development. Furthermore, it aims at helping rural regions to make better use of the development funds available in the EU programmes. The regional section together with other regional development special programmes was merged into the new COCO programme (Regional Cohesion and Competitiveness Programmes/KOKO programme) in 2010.

The COCO programme²⁷ is the government's special programme for regional policy launched for the programme period 2010-2013. The Ministry of Employment and the Economy is responsible for the national coordination of the programme. The programme improves the operating methods of regional development, consolidates inter-regional cooperation, creates networks between regions and expedites the exchange of information and experiences. One of the main ideas underlying COCO is to promote interaction between urban and rural regions. The municipalities have formed 52 operative regions. Regions themselves define their development needs and strengths.

Seven national networks were launched in the context of the COCO programme at the beginning of 2010. The network themes are 1) innovation environments, 2) well-being, 3) creative sectors and culture, 4) internationalisation (with Russia in particular), 5) tourism, 6) cooperation in land use, housing and traffic, 7) demographic change and regional transformation (DEMO).²⁸

Implementation of EU-policy

The main objectives of Finland's implementation of EU-agricultural policy's second pillar are to preserve a viable and active countryside, improve the state of the environment and promote the sustainable use of renewable natural resources²⁹.

Three common principles will be applied in the implementation of the programme:

- economically and ecologically sustainable agriculture and forestry
- competitiveness of business and new enterprises and networking among entrepreneurs to diversify rural economies and improve employment
- improve the viability and quality of life of the rural areas

About 73% of the total funding is allocated to improving the environment.

26 The webpage of the Ministry of employment and economy, www.tem.fi/?l=en&s=2395

27 The webpage of the Ministry of Employment and Economy, www.tem.fi/koko

28 Based on the presentation by Antti Korkka held in the seminar in Tuusula, March 2010

29 Rural Development Programme for Mainland Finland 2007 – 2013

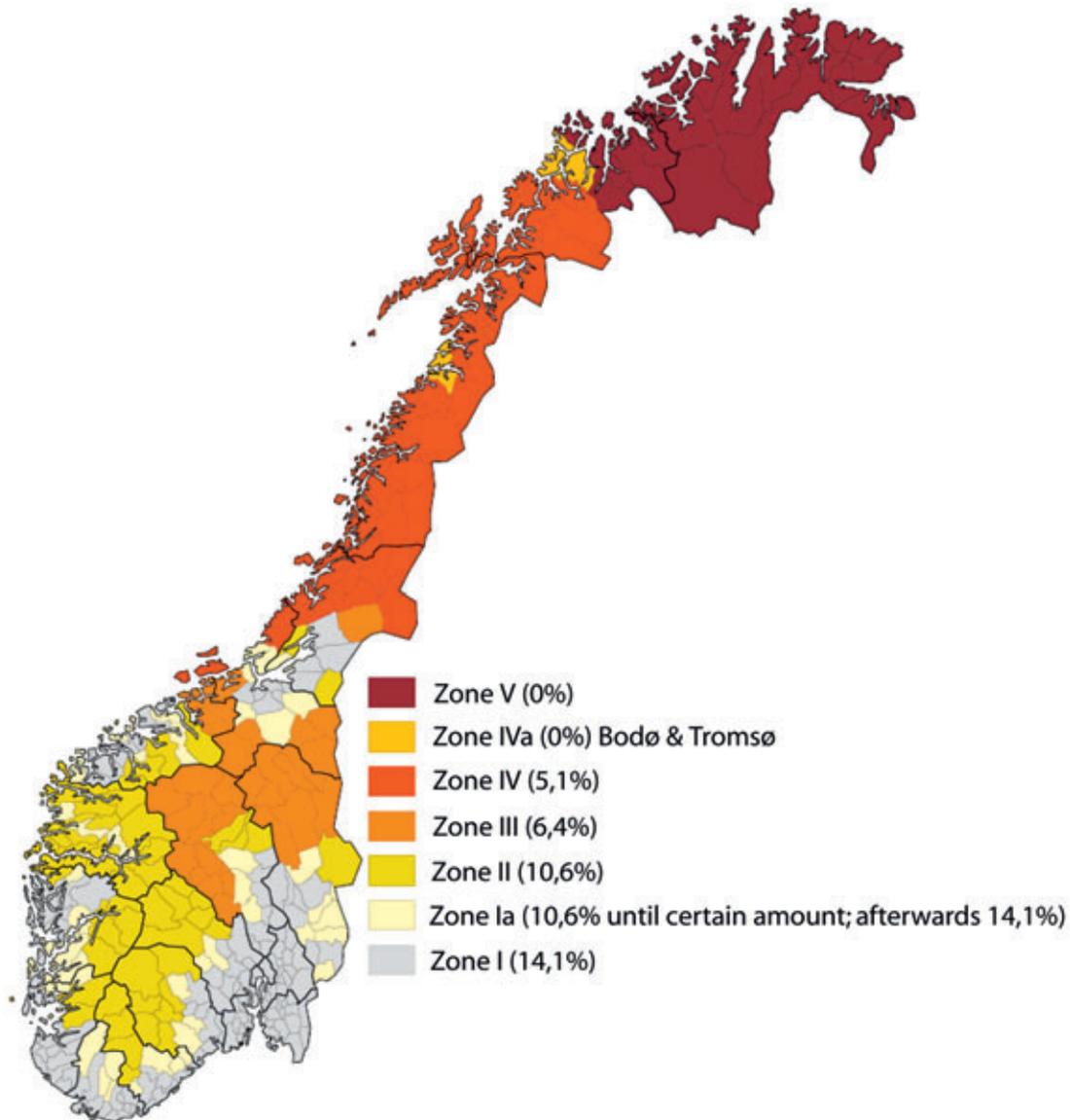
Norway

Definition of rural areas

As noted above Norway does not use the term 'rural area' in its national policy documents. Instead the term 'district' is used which means peripheral areas consisting

of at minimum one municipality eligible for national aid concerning transport, investment and differentiated payroll tax³⁰.

Figure 7 Classification of areas in Norway based on geography, demography, labour market, business and standards of living.



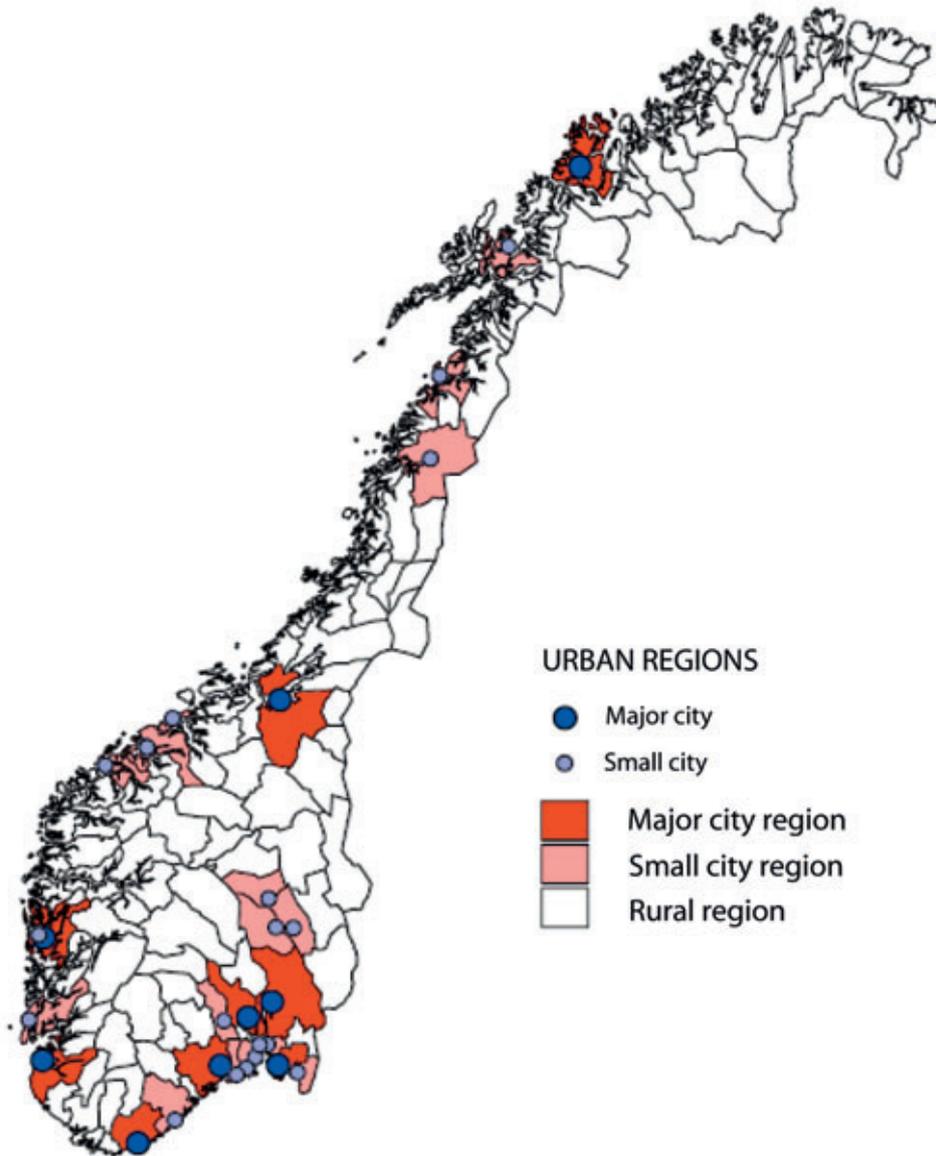
Source: The homepage of the Norwegian Ministry of Finance (translation by Nordregio).

The map above in Figure 7 shows the differentiated payroll tax where the zones are classified according to the scores on the following four main indicators:

- Geography (accessibility and population density)
- Demography
- Labour market and business
- Standards of living

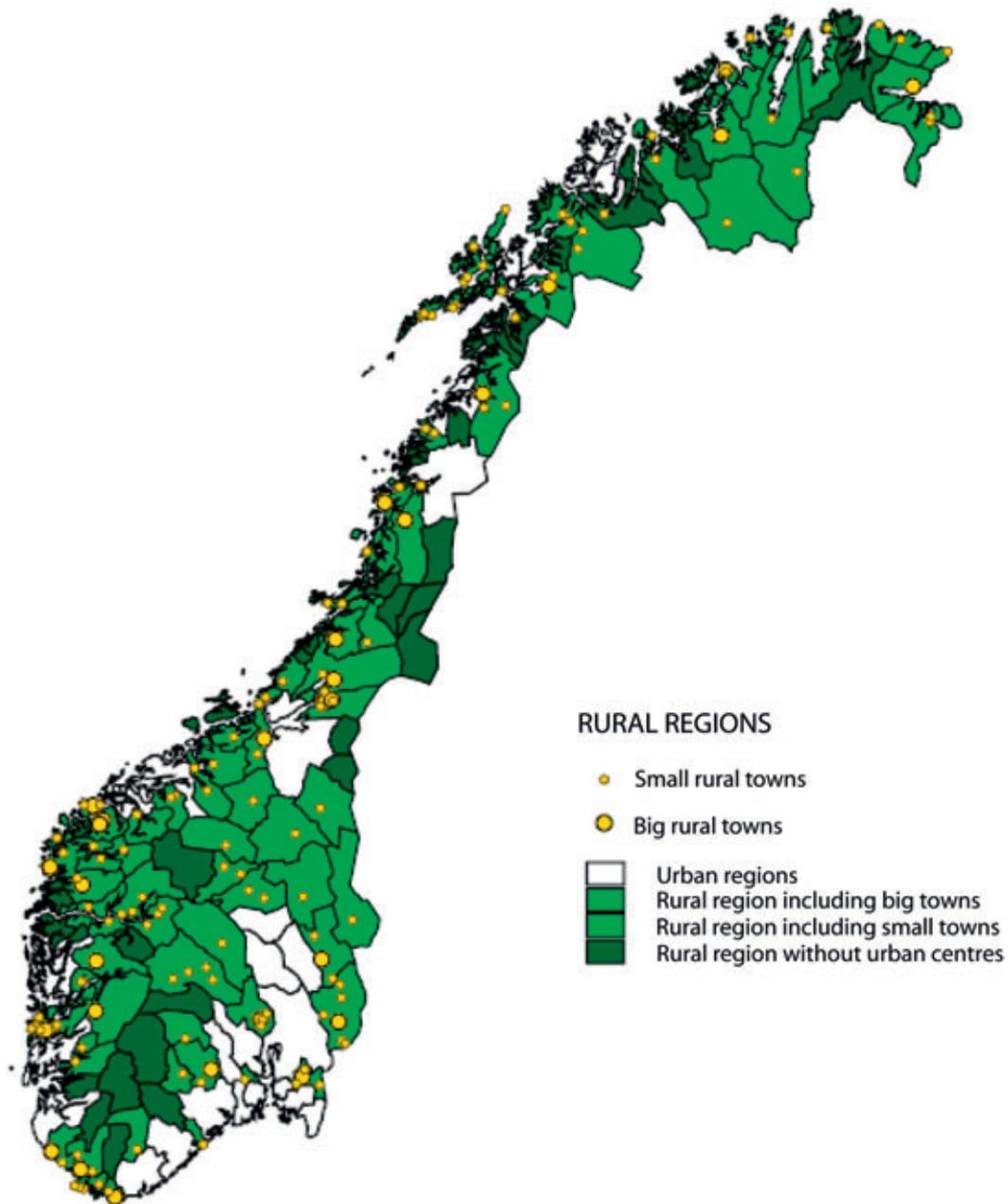
30 Landsbyggsdefinitioner i Sverige och andra länder (2008) Glesbygdsverket

Figure 8 Classification of urban areas in Norway. Local labour markets and cities



Source: *Regionenes tilstand 50 indikatorer for vekstkraftige regioner, rapport 02.09.2004, Ministry of Local Government and regional Development (translation by Nordregio).*

Figure 9 Classification of rural areas in Norway in 2004. Local labour markets, towns and small service centres



Source: *Regionenes tilstand 50 indikatorer for vekstkräftige regioner, rapport 02.09.2004, Ministry of Local Government and regional Development (translation by Nordregio).*

The maps above were drawn up by *Østlandsforskning* in 2004 and demonstrate another approach to classification based on a differentiation of urban areas, the map in Figure 8, - and rural areas, the map in Figure 9. The rural areas are further differentiated into three zones; areas with big rural towns, areas with small rural towns and areas without rural towns.

The Main actors

The Ministry of Local Government and Regional Development (*Kommunal- og regionaldepartementet*) is the main responsible national authority for regional and district policy.

Other important actors at national departmental level are the Ministry of Trade and Industry (*Nærings-*

og handelsdepartementet), the Ministry of Agriculture and Food (*Landbrugs- og matdepartementet*), the Ministry of Environment (*Miljøverndepartementet*) and the Ministry of Transport and communications (*Samferdselsdepartementet*).

At governmental level the Committee for Regional and District Policy (*Regeringsutvalget for distrikts- og regionalpolitikk*) is responsible for the implementation of the policy. The committee is chaired by the minister of Local Government and Regional Development and consists of a further six ministers responsible for fisheries, agriculture, administration, culture, industry and trade and transport. Other ministers participate in the four annual meetings when needed.

At the national operational level institutions such as Innovation Norway (*Innovasjon Norge*), the Industrial Development Corporation of Norway (SIVA) and the Research Council of Norway (*Norges forskningsråd*) play a crucial role in the direct interaction with the regions regarding local and regional business development and innovation.

Also worth mentioning here in connection with the districts is the new national competence centre; *Distriktsenteret* that has been established as a resource base for the development of the districts.

The regions (*Fylkeskommunerne*) are responsible for the regional planning, regional growth and the provision of certain public services. The municipalities are responsible for local development and planning and for the engagement of citizens in community activities.

The arguments for sustaining rural areas

In Norway it is even more clearly underlined than in the other Nordic countries that all individuals should have the freedom to settle wherever they choose. This political statement has been consistently repeated by Norwegian governments of all political stripes over the last ten years or more in a number of white papers, the latest being white paper no. 25 from the spring of 2009³¹ where the minister responsible for regional and district policy states that the current settlement pattern should be maintained in order to enable the utilisation of resources from all parts of the country. It is, moreover, noted that this free choice has an intrinsic value of its own rather than being an instrumental policy choice in itself.

In the 2009 white paper a study analysing the diseconomies of the centralisation process is presented³². The main conclusion of the study is that no negative impacts of centralisation can be found at an individual, regional or national level. It is however concluded that even while individuals will gain when they move from

the periphery to the more central areas as will those regions experiencing in-migration, the peripheral areas left behind will however face an increasingly difficult situation. The white book's comment on this is that the periphery has to be made more attractive as seen from an individual point of view.

The challenges addressed by national policy

In general the processes of centralisation and globalisation are identified as the most important challenges facing the districts and are seen to be at the root of the growing regional disparities. In specific terms, the ongoing centralisation of the settlement pattern which is seen to be a result of the less attractive nature of 'small places' is addressed. In addition it is stated that the narrow economic basis of the small labour market and the low growth rate together result in a higher level of vulnerability to social change.³³

The primary driver of this centralisation process is the out-migration of young people from the peripheral areas to the more central and urbanised areas. In recent years, contrary to previous experience where young women predominated, no differences in gender terms can now be seen within this group of out-migrants.

In a recent Norwegian study on the motivations for migration³⁴ it was concluded that labour market related arguments, although still most important, now play a minor role compared to what was once the case and that arguments addressing family matters and environmental and urban quality play an increased role in decisions to move.

National objectives and priorities

In line with the arguments for sustaining rural areas the overall national objective is to ensure that all citizens have the freedom to settle wherever they choose. At the same time this objective is an important strategic element in maintaining the current settlement pattern.

Work opportunities for all citizens and the creative utilisation of the resources situated in close proximity to the population as well as the creation of a rough equality of living conditions are important strategies in achieving the overall objective. At an instrumental level however the attractiveness of local communities remains an important aspect.³⁵

Small insular labour markets with a negative demographic development are seen as particularly challenged and in need of extra attention. The role of small and large urban centres in respect of the provision

31 White Paper no 25 2008-2009, *Local growth and hope for the future*. The rural and regional policy of the Norwegian Government.

32 Johansen, Steinar (red.) (2009) *Sentraliseringens pris. Er sentraliseringen et problem?*

33 White paper no 25 2008-2009, *Local growth and hope for the future*

34 *Bo og flyttemotivundersøkelsen* 2008, NIBR Norsk institutt for by- og regionforskning (2009)

35 White Paper no 25 2008-2009, *Local growth and hope for the future*.

of services and the development of environments of knowledge and competence is also acknowledged here.

Means and instruments in the implementation of national policy

The implementation of Norwegian regional and district policy is structured around three main categories of means and instruments:

- Initiatives addressing the positive development of local communities
- Initiatives addressing entrepreneurship and innovation
- The overall national framework and general national initiatives

The municipalities play an important role in the development of local communities as growth is seen as a 'bottom up' process. An important tool here has been the national programme addressing small local communities. This programme has over the last four years funded about 50 different projects addressing a variety of different themes e.g. the local provision of services (*Merkur*), exploitation of local natural and cultural resources etc. In specific terms the Merkur project supports local shops in low density communities. Another example is a project supporting municipalities and other actors in developing projects aiming at attracting immigrants and refugees to districts with a declining population.³⁶

The Ministry of Local Government and Regional Development plans to take on new initiatives to encourage the municipalities to further develop their role as process facilitators and community development actors. The voluntary village development work plays an important role here and has been addressed in a number of governmental white papers.³⁷

During 2010 the regions were given a number of new functions influencing their ability to play a

more active role with regard to district development. Among other things the regions now manage a portion of the regional research funds; they are co-owners of the national innovation agency and have been given a number of new tasks concerning the management of nature and culture.

In relation to initiatives addressing entrepreneurship and innovation it should also be noted that the possibility exists to give direct public economic support and loans to enterprises in the districts through a specific programme. The promotion of innovation is an overall objective. The programme is managed by Innovation Norway in line with recommendations from the regions. Specific innovation initiatives addressing 'green' tourism, new business opportunities in agriculture, forestry and fisheries³⁸ can also be viewed as instruments for the development of the districts.

An important part of the overall national framework for regional and district policy is the principle of a differentiated national policy adapted to specific regional and local contexts. Important tools for the implementation of this policy include the differentiated payroll tax and the rules for supporting private enterprises. In addition, regional differences are also taken into consideration in relation to the national regulations for the municipal economy.³⁹

A third field where national policy targets specific and local needs is the overall coordination of sectoral policies. Important sectors highlighted⁴⁰ here include:

- Agriculture
- Forestry
- Fishing
- Transport
- ITC
- Research and innovation
- Regional universities
- Specific health services
- Localisation of national institutions
- Nature and cultural heritage

Sweden

Definition of rural areas

Rural areas are defined in the context of rural development policy in a variety of ways. Different classifications are used depending on what issues or problems are being analysed or what kind of action is being planned. This is designed to make actions and analyses more accurate. In

the Rural Development Programme for Sweden 2007-2013 and in most of the regional rural strategies one definition based on accessibility is used.

For more analytical purposes the Swedish Board of Agriculture (*Jordbruksverket*) and the National Rural

36 White paper no 25 2008-2009, *Local growth and hope for the future*

37 E.g. St. meld nr. 33 (2007 – 2008), *Eit sterkt lokaldemokrati*

38 White paper no 25 2008-2009, *Local growth and hope for the future*

39 Ibid.

40 Ibid.

Development Agency (*Glesbygdsverket*)⁴¹ have together developed a classification of rural areas based on accessibility. Three zones can be identified:

- Urban areas with more than 3 000 inhabitants and a hinterland within 5 minutes travel time
- Rural areas within 5–45 minutes travel time from urban areas with more than 3 000 inhabitants
- Remote rural areas more than 45 minutes travel time away from urban areas with more than 3 000 inhabitants and islands without fixed connections to the mainland

However within the three classes considerable differences exist in respect of preconditions and growth potentials therefore the classification is combined with a regional classification taking these different preconditions into consideration. This results in the following four types of regions:

- Inland forest counties
- Other forest counties
- Large city regions
- Other parts of Sweden

Figure 10 shows both of the classifications presented above.

41 From 2009 the National Rural Development Agency (*Glesbygdsverket*) has been integrated into two new national agencies, namely, the Swedish Agency for Economic and Regional Growth (*Tillväxtverket*) and Growth Analysis (*Tillväxtanalys*)

Figure 10 Classification of regions and types of areas in Sweden by the Swedish Rural Development Agency (Glesbygdsverket).



Source: Nordregio

This classification has over the years been used in a number of national reports and studies on rural development.

The main actors

A national strategy for rural development - A strategy for strengthening the development capacity of Sweden's rural areas (*En strategi för att stärka utvecklingskraften i Sveriges landsbygder*) was developed in 2009 in a process led by the Ministry of Enterprise, Energy and Communication (Näringsdepartementet) in cooperation with the Ministry of Agriculture (Jordbruksdepartementet) and through a process involving most of the other ministries. During the work with the national strategy a number of networks, national forums and organisations were also involved.

At the operational level three national agencies play an important role:

- The Swedish Board of Agriculture (*Jordbruksverket*) which is responsible for the implementation of the EU-agricultural policy including so called Pillar 2 activities
- The Swedish Agency for Economic and Regional Growth (*Tillväxtverket*) responsible for the implementation of the regional, national and EU-regional policy, including policy for rural areas.
- The Swedish Agency for Growth policy Analysis (*Tillväxtanalys*) – responsible for the evaluation and analysis of national and regional growth policy, including that for the rural areas.

In terms of the implementation of EU-agricultural policy 54 local actions groups (LAGs) are currently recognised.

The regions, responsible for development and implementation of the regional growth programmes and rural development strategies at the regional level, and the municipalities responsible for physical planning and different kinds of service provision, are also important actors here.

The arguments for sustaining rural areas

The 2009 national rural strategy: *A strategy for strengthening the development capacity of Sweden's rural areas* states that rural areas can help to contribute to the sustainable growth of the country. Rural areas are further seen to be rich in natural resources and in skilled, entrepreneurial people. In addition they are considered to offer good living environments and natural and cultural values that visitors appreciate. Innovation, entrepreneurship and modern technology create new opportunities and rural areas are regarded as important for the development of a sustainable society, not least as producers of renewable energy.

The challenges addressed by national policy

The national rural strategy from 2009 further identifies a number of challenges:

- Population and demography
- Commercial and public service
- Infrastructure
- Higher education
- Labour market

In addition, ongoing globalisation is also mentioned as a challenge which also could result in the emergence of more opportunities even in rural areas.

National objectives and priorities

The goal of the national growth policy; A national strategy for regional competitiveness entrepreneurship and employment 2007-2013, is dynamic development in all areas of the country, with greater local and regional competitiveness.

The goals of the national rural strategy are as follows;⁴²

- A dynamic and competitive business sector throughout the country, characterised by openness and diversity.
- An eco-efficient and resource-efficient green sector that plays a key role in Sweden's energy production.
- A green sector distinguished by concern, responsibility and high ethical standards.

The aim is to make it natural, easy and more profitable to operate a business, thereby creating jobs and increasing growth in rural enterprises.

Means and instruments in the implementation of national policy

There are a number of development strategies affecting rural areas in Sweden. A mix of general national efforts and policies could be highlighted as important, some of general character addressing all kinds of areas in the country. Others are of a more specific character addressing the rural areas directly. Together these national initiatives are designed to deliver better preconditions for the development of rural areas in order to ensure that a broad understanding of rural issues the effects on rural areas are to be considered when new policies and strategies are developed in all policy fields. In order to present the measures for rural development initiated by the government in the last three years and the strategic and cross sectoral ambition the strategy for strengthening the development capacity

42 *A strategy for strengthening the development capacity of Sweden's rural areas*, Regeringens skrivelse 2008/09:167

of Sweden's rural areas was written in 2009. This document, published by the government, includes reference to a number of sectors and programmes.⁴³

In addition there are three other national strategies affecting rural areas; the National strategy for regional competitiveness, entrepreneurship and employment 2007-2013, the Rural Development Programme tasked with carrying out the second pillar functions of the EU rural development policy and the Regional Development Programmes (*Regionala utvecklingsprogram RUP*). The latter are important as strategic regional instruments and as coordination tools for the implementation of regional, national and EU-policy at the regional level.

The general and specific national efforts cover the following topics:

- Better possibilities for running business
- Efforts concerning specific industrial branches
- Better possibilities for education, research and innovation
- Access to public and private services
- Communication and infrastructure
- More attractive rural areas and local involvement

The efforts to create better conditions to support the running of business enterprises cover a multiplicity of activities from liberalising the regulation of small and medium-sized enterprises and supervising enterprises in rural areas to direct subsidies for specific purposes in pre-determined remote areas.

The industrial branches of interest for rural development are generally agriculture, food production, forestry, aquaculture and the utilisation of minerals though creative enterprises, culture and tourism could also be included here.

Efforts concerning education, research and innovation are designed to create better possibilities

for research in respect of rural development, better possibilities for a regional and more diversified secondary education policy, training for those persons involved in rural development, training for persons running enterprises in rural areas, the promotion of innovation in industrial branches located in rural areas and many other activities.

Efforts in respect of better access to public and private services specifically include maintaining private and public services in low density and remote areas. One such example here includes the various initiatives designed to maintain petrol stations in remote and/or sparsely populated areas.⁴⁴

In terms of communications and infrastructure efforts here include providing rural areas with the possibilities for electronic communication, maintaining and promoting public transport and ensuring the provision of electricity to all rural areas.

More attractive rural areas and local involvement covers initiatives concerning local democracy, community organisations and municipal activities concerning planning etc., as well as landscape management.

The implementation of EU-policy

In Sweden the implementation of EU-agricultural policy (The Rural Development Programme of CAP Pillar 2) has one overall objective; to promote better conditions for the 'green industries' and other industries in the rural areas. The aim is to ensure that natural resources are utilised in a more sustainable manner.

Other prioritised objectives include promoting competitive enterprises, innovation, economic growth, employment and the quality of life. However, more than 70% of the total programme budget is directly allocated to efforts addressing environmental measures while sustainable development has also to be addressed in many of the activities funded by the remaining 30%, not only those specifically directed at environmental measures.

43 Ibid.

44 For more information and an example relating to the maintenance of petrol stations in rural Sweden, see chapter 5.2.2

Examples of current actors and initiatives

In the four seminars, all part of the seminar series arranged by the Nordic working group on rural development, many fruitful presentations were made and discussions held. Some are given extra attention in this chapter. The contents of each and every presentation made in all four of the seminars are briefly outlined in the appendixes.

In the March 2010 seminar on *Governance and local capacity in Nordic rural development* held in Tuusula, Finland, light was shone on the governance of rural areas and on the roles and forms of local capacity. Some of the issues discussed there are presented in the next section in order to illustrate the roles of various actors at different levels in the current structure of Nordic rural development.

In the two seminars *Nordic rural areas – potentials*

and challenges, Service provision in the rural areas held in Steinkjer, Norway and *Service provision in Nordic rural districts* held in Tällberg, Sweden, in May and November 2009 respectively, service supply in rural areas was the main focus. A closer look at a number of individual presentations, mainly in relation to private services but also on new public solutions, is taken in section 5.2 below.

A fourth seminar focusing on Business development in Nordic rural areas was held in Skarrildhus, Denmark, in November 2010. Examples of the various issues presented there can be seen in section 5.3. These examples are chosen to illustrate public as well as private initiatives used to support the development of businesses in rural areas.

Governance

While the EU is an active player in shaping rural development all over Europe, and the public actors at the national level in the four largest Nordic countries are also active in this sphere, a consensus that rural development is best created at lower levels is clearly discernable.⁴⁵ Hence a number of actors at different levels are engaged in designing and implementing strategies and projects.

It can be argued that rural policy has evolved in the Nordic countries partly as a response to changes in national regional policies as well as to influences from the EU. Even though the historical links between regional and rural policies are closer here than at the EU level both show similar differences in regard to how their respective rural regional policies are designed and implemented.

50 years ago when the Common Agricultural Policy was introduced in post-war Europe rural areas were primarily seen as food producers and their problems were connected to marginality. They were perceived as distanced from urban centres technically, economically and culturally. Rural development was

45 Ray, C. (2001) *Transnational Co-operation Between Rural Areas: Elements of a Political Economy of EU Rural Development*, in *Sociologia Ruralis* 41(3)

seen as an exogenous process “driven from outside”. Hence rural policy was designed to improve efficiency in agricultural production, develop the infrastructure and increase mobility in labour and capital in order to reduce the distance to the cities.

Both the economy of the countryside and the concept of rural development have however changed over time. As the role of agriculture transformed and different needs and expectations emerged, new activities started to take place in rural areas and new products emerged. At the same time rural development came to be seen as a process that was self-driven and rooted in the specific culture and history of a place. Thus the general view of rural development was altered and focus comes to be placed on local resources and potentials as well as on development as an endogenous process. Currently an appreciation of rural development created through approaches strengthening local resources, but also in combination with exogenous inputs, can be seen.⁴⁶

In general, the Nordic countries have a tradition of widespread local engagement and active village associations. As shown in chapter 3 in some places these groups even acted as drivers when the rural

46 Ibid.

emerged as a policy field in its own right. *After Leader*⁴⁷ was introduced at the EU level as a 'bottom up' method for carrying out the EU *Rural Development Programme* in the 1990s the status of local development groups have increased even further in the Nordic member states.

Meanwhile, this new approach is debated. On the one hand it is seen to represent a locally grounded holistic form of government where civic participation is encouraged. On the other hand the focus on endogenous development is being connected to the withdrawal of the state's public services, and to the increased role of partnerships and hence of non-democratically elected bodies in the development of a region.⁴⁸

General European trends which can be connected to the new approach to rural development include a shift to a more decentralised form of governance with the state increasingly taking on a regulatory role and a shift from sectoral policies to a greater focus on territorial approaches. At the same time the awareness and importance of regional and local identities and assets becomes more evident at the sub-national level.⁴⁹

In connection with the adoption of multi-sectoral approaches in respect of rural policy Finland stands out as a particularly interesting example. The OECD, in its *Rural Policy Reviews: Finland* (2008), notes that:

Finland is one of the most rural countries within the OECD and it is also one of the early adopters of a multi-sectoral approach to rural policy. As such, the origins and evolution of Finnish rural policy are of great interest to both OECD countries and non-OECD countries alike, many of whom are still in the early stages of development [...] The Finnish model of rural policy has been reasonably successful in achieving coherence among sectoral policies oriented to rural areas (the so-called broad rural policy) and in tailoring specific programmes to promote rural development (the so-called narrow rural policy). The Rural Policy Committee has played a crucial role in the governance of rural policy, bringing together diverse actors and advocating for rural communities. (OECD Rural Policy Reviews: Finland (2008)).

The Rural Policy Committee, already discussed in chapter 4, is a crucial actor in the implementation and shaping of rural policy in Finland. Examples of other actors involved at the national, regional and local levels not only in Finland but also Denmark, Norway and Sweden are presented in what follows. They help to illustrate the wide spectrum of actors, public as well as private and voluntary, involved in the development of rural areas. The first example, The Swedish Rural Parliament, focuses on civic engagement and not least

on the inclusion of rural inhabitants of all ages in the development work. The second and third examples, Growth Forums in Denmark and Triple and Quadruple helixes in the Finnish Kainuu Region, present other ways of engaging a number of different actor groups, namely through partnerships. The first concerns the issue of how regional development tools are used in rural areas while the second focuses specifically on development in rural areas. Two presentations of local level actors can also be found, namely, the role of the municipality in strengthening the image of a place in Norway and the role of the Local Action Group (LAG) Sepra in rural development in Finland. In the former the growing importance of "branding" provides an example of how this can be done. In the second, LAGs are seen as important tools in the empowerment of local citizens engaging them in the development of their own area.

National level actors

The national rural parliament in Sweden

Based on a presentation by Lotti Jilsmo in Tuusula, 2010

References:

Lotti Jilsmo, *Hela Sverige ska Leva, U-Land*

Hela Sverige ska Leva:

www.helasverige.se

Landsbygdsriksdag 2010:

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

For discussion tool "Rural 2.0" (Landsbygd 2.0):

www.helasverige.se/kansli/projekt/landsbygd-20/ladda-ner-materialet/

The National Rural Parliament (*Landsbygdsriksdag*) in Sweden provides an illustrative example of the high level of civic engagement in the development of rural areas in the Nordic countries. Today similar initiatives are carried out in other countries but in Sweden as many as 11 rural parliaments have been set up attracting a large number of actors. The well developed contacts with national public authorities also make Swedish national rural parliaments stand out.

The parliament brings together people from all parts of Sweden and from abroad. All actors share the same interest in 'bottom up' development. Many are also involved in such activities and can share experiences and ideas. The parliament is both a platform where actors interested in rural development can meet and influence the rural agenda, and an instrument to help shine light on rural issues and the village action movement. Behind the initiative the national association All Sweden shall live (*Hela Sverige ska leva*) can be found. A presentation about the parliament and their new tool Rural 2.0 (*Landsbygd 2.0*) was held by Lotti Jilsmo, All Sweden shall live, in the seminar in Tuusula, Finland.

47 For short information about LEADER see chapter 4.1.2

48 Ray, C. (2000) *The EU LEADER Programme: Rural Development Laboratory*, in *Sociologia Ruralis* 40(2)

49 Ibid.

All Sweden shall live is a national association consisting of close to 5 000 village action groups and 40 member organisations, among the later many are large national NGOs. The local members have developed networks at county level working with information and advisory services. At the national level a board consisting of representatives from local groups and member organisations is responsible for the activities of the association. A small secretariat in Stockholm handles contacts, administration and information dissemination.

The association was established in 1989 as the result of a campaign under the slogan "All Sweden shall live". At this time the Swedish countryside was experiencing depopulation with the sparsely populated northern inland areas facing difficulty principally in terms of the lack of jobs and declining service provision. Most of the out-migrants were young people. Hence, in addition these areas also experienced an ageing population. It was thus to fight this trend that the campaign was initiated since, as stated on the homepage of All Sweden shall live: "The villagers felt abandoned by the authorities."

From the start the aim was not only to mobilise villagers but also to affect the political agenda and change the attitudes of the general public and the decision makers. By the end of the initial campaign around 1 000 village action groups had been formed. Today the association estimates that about 100 000 people are involved in village action work and that about a third of the Swedish population are affected by their work.

Every second year All Sweden shall live organises a National Rural Parliament. This event gathers together up to 1 000 people from Sweden and other countries. Jilsmo divides the typical attendants into two groups; the 'doers' and the 'deciders.' In the first group actors such as the members of the association, local development groups and national NGOs can be found. The event also attracts local, regional and national politicians, civil servants and academics – this group are the deciders. As Jilsmo points out in her presentation the event is not primarily a decision-making forum but is focused rather on discussions over how to develop rural areas.

When the rural parliament is held there are seminars, meetings, foresight and visionary workshops to attend to, as well as presentations of 'good examples' to learn from and entertainment to enjoy. In evaluations of the rural parliaments the potential to arrange meetings or to benefit from the exchange of experiences, as well as the chance to learn from 'good examples,' is highly appreciated. Another positive side effect here is level of additional attention given to rural issues in the media.

According to Jilsmo an important part of the village action work, and thus also of the national parliament, is to ensure that all of the various parts

of rural society are included. She stresses how one of the most important groups of actors in future development is the rural youth; "*Their ability to shape the areas they live in is crucial for how attractive they will find the place*" (Jilsmo, Tuusula, 2010). For this reason the All Sweden organisation works to make sure that young people in the countryside are seen as potentially valuable resources and are thus afforded a place in local development processes and decisions. The latest parliament, held in Sunne, Värmland, 2010 was given the theme: "In meetings between generations rural areas are developed" (*Där generationer möts utvecklas landsbygden*).

The Swedish village action movement has however experienced problems in attracting young rural inhabitants. According to Jilsmo the same trend can be seen in the whole of the voluntary sector. They have also experienced resistance towards the inclusion of new generations and ideas in their local development work. The current actors in the local development groups are sometimes quite negative towards the changes suggested by the younger generations. For this reason All Sweden shall live, in cooperation with member organisations for the young; We Young (*Vi Unga*), The four H of Sweden (*Sveriges 4H*), the association of agricultural high schools (*lantbruksgymnasierinas förening*) and the Young farmers association (*Jordbrukarungdomens förening*) has developed a tool; Rural 2.0 to enable new types of meetings between generations and new ways of organising discussions.⁵⁰

The aim was to develop a method to enable the active participation of all rural inhabitants. According to Jilsmo the regular ways of meeting in local development groups with chairmen, secretaries and formal agendas can scare some people – young as well as old - away. To use the discussion tool a group of eight rural inhabitants need to meet and together answer a number of questions. The ways the meeting and questions are formed resemble a board game which encourages an informal discussion where the participants' views on rural areas, local needs and resources are discussed.

To try this new tool 40 'process leaders' were educated all over the country. Most of them are young, about a quarter somewhat older. The leaders were also encouraged to initiate local discussion forums. In a second step the leaders were asked to support the participants in carrying out development projects based on their ideas. The rural parliament was used to spread information about the method and to develop it further. This resulted in significant demand from across the country for the product.

Researchers have followed the process looking at the level of engagement among the young with an evaluation also set to be carried out. The ambition here is to effectively disseminate the findings of the research

⁵⁰ The web page of Hela Sverige ska Lev: www.helasverige.se/kansli/projekt/landsbygd-20/ladda-ner-materialet/

as well as the method to help make the discussion of rural issues more attractive to young people.

Regional level actors

Regional Growth Forums, Denmark

Based on the presentation by Birgitte Echwald in Tuusula 2010

References:

Birgitte Echwald, Region Zealand

Growth Forum Zealand:

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

Region Zealand:

www.regionsjaelland.dk/Sider/english.aspx

In line with the changing importance of sub-national levels and with new roles for regional and local actors, growth forums have been established in Denmark. Hence, in Denmark at present there are two main actors at the regional level given an official role in the creation of rural development: the regional council designing and administering the Regional Development Plans (RDPs) and the growth forums responsible for the Regional Business Development Plans (RBDPs). Both actors work at the same geographical level. While at national- and (in about half of the municipalities) local level plans are designated to rural areas the regional level plans are designed to develop regions: both rural and urban development is to be addressed.

The growth forums are regional partnerships aiming at the creation of regional growth. Representatives from the region, the local authority, knowledge and education institutions, the business community and the labour unions are involved. The executives and the secretariat of the growth forum are part of each region's Department of Regional Development.

Their work focuses on the implementation and design of RBDPs and they fund the emergence of a number of new partnerships set together to develop the regions internally. Hence they are both good examples of new actors in the development of Danish regions and indeed of a new type of actor (the partnership), but they are also an example of a new way of supporting business development in central as well as peripheral locations. The growth forums focus is on both regional growth and on the internal regional balance. The latter aspect of the focus is legitimised by a national policy of distributing a certain percentage of the Structural Funds to the region's rural hinterlands. This double focus has, in general, resulted in the wide-ranging implementation of the regional growth forums' business development strategies. Thus they are profoundly connected to the discussion on initiatives to strengthen business development held in chapter 5.3 below.

In the March 2010 seminar on Governance and local capacity held in Tuusula, Finland, Birgitte Echwald presented the work on rural development carried out by the growth forum in the region of Zealand, Denmark which was established in 2007. The following is based on her words. As Echwald notes:

“The growth forums are partnerships working with typical ‘partnership instruments’, such as administering funding to regional and local actors and administering a development strategy” (Echwald, Tuusula, 2010).

The growth forums are not legal authorities but consist rather of a cooperation process between local and regional public and private actors and are designed to bring together the knowledge and business assets of the area. In the partnership in Zealand representatives from the regional council, municipalities, business organisations, the educational sector and labour market organisations can be found. All in all there are 20 participants.

Their primary instruments for carrying out their development strategies and supporting business development initiatives in the region are the funding of projects through EU (objective 2) and regional funds. The forums create a platform where knowledge and experience from regional and local actors is used to steer the implementation of the EU and regional funds.

Region Zealand is a very diverse region covering both areas close to Copenhagen and remote rural areas with elderly populations and low educational levels. Rural development is therefore one of the issues focused on by the growth forum. Echwald stresses that a first step in developing all areas, rural as well as urban, is to find potential assets to base the business development on. In a second step the challenge is to find ways of making use of the potentials. Their experiences in Region Zealand highlight the development potential for the rural areas of the region in the food, tourism and educational sectors.

The forum has in recent years funded different kinds of partnerships and clusters aiming to stimulate innovation in rural areas in various ways. One of the projects funded by the growth forum in Zealand was called *Fra Clutter til Cluster* (From individual actors to clusters) and was connected to the agricultural- and related industries. The aim of the project was to develop traditionally rural agricultural industries by making use of cluster theories in practical development work. An underlying theme here was that clusters, defined as geographical concentrations of specialised businesses, research and development, financial institutions and public actors all related to the same thematic field and

connected naturally to each other, create knowledge sharing, synergies and spin-offs which would not otherwise take place to the same extent among actors not involved in such clusters.

The first phase of the project ran from 2007 to 2009 and was supported financially from both regional funds and the EU regional development fund. Behind the project stood seven different regional actors including a university, other educational actors and business development centres for example. Within the project the first step was to identify where the potential for clusters and specialisation was to be found in the agricultural industries of the region. The project was further tasked with supporting the evolution and development of clusters. It was also to focus on supporting company-tailored innovation by improving the innovation culture, regional competences and regional education. Based on 'local' knowledge, interviews with firms and on workshops etc., five different business areas were found with a view to developing and supporting clusters in the first years of the project. In a second phase running from 2009 to 2010 greater focus was placed on increasing the 'value added' in the firms and on creating new rural jobs.

Even though this example amply highlights the development of the green sector Echwald reflects upon the fact that the agricultural sector has not come out as an important driver of growth in their work. According to her it is important to highlight this in order for other regions not to think of the green sector automatically when they work with business development in rural areas; "*Farming is one line of business among many others in rural areas*" (Echwald, Tuusula, 2010). The example does however illustrate how this sector can be seen as one among many, also in terms of the ways in which it can be developed: clusters and networks are seen as important tools.

Echwald has experienced how challenges in relation to the stimulating of growth in rural areas are often closely connected to the needs of innovation without the help of big business or knowledge institutions (i.e. universities). Support for partnerships, clusters and networks can be one way of strengthening and stimulating innovation and knowledge sharing in rural areas. The experience economy and the tourism industry are examples of sectors where the growth forum of Zealand has experienced how partnerships between private businesses and public organisations have had a positive effect on the development of the sector. According to Echwald:

"General business development is based on the idea that development occurs where the 4 growth drivers (innovation, entrepreneurship, skills and ICT) are in place and are activated. Therefore drivers can be built up if missing. Also in the rural areas business development can be developed based on the presents of strengths. But business development in rural areas ought to be a process involving relevant partners" (Echwald, Tuusula, 2010).

The lessons learned here about how to stimulate rural development from the regional level in Zealand, show that the regional level needs to establish contacts with both the local and national levels. Partnerships are important when they bring different kinds of knowledge and businesses closer together. Just bringing different actors together is only a first step a second and more important step is to activate the actors at the different levels.

Finally, Echwald brings attention to the fact that rural areas are part of many regions and that Region Zealand is seen to work with regional development, but that rural development is but one building block in the fostering of development in the region. Development actors may not necessarily lack only the resources for doing this however – they might also lack experiences and tradition in working with partnerships and networks.

Triple and Quadruple Helix in Kainuu region, Finland

Based on the presentation by Andra Aldea-Partanen in Tuusula 2010

References:

Andra Aldea-Partanen, Project Manager, Sociologist, University of Oulu, Kajaani University Consortium, AIKOPA
<http://www.kajaaninyliopistokeskus.oulu.fi/yhteystiedot/aikopatr.htm#andra>

As illustrated above, partnerships have increasingly gained in importance and now play a prominent role in the development of many rural areas. The growth forums in Denmark being one example, the rural development process in Kainuu Region, Finland another. In an attempt to strengthen the development of the remote rural area of Kainuu the regional level has been enhanced. This experiment must however be seen in the light of the larger trend in respect of the changing role of regions in the Nordic countries hence lessons learned here can be used not only in Finland but also in other countries.

The development process in Kainuu Region is the subject of study chosen by Andra Aldea-Partanen from the University of Oulu. She presented some of her results at the seminar in Tuusula stressing however that

the example of Kainuu Region is not representative of the general situation in Finland. She did though express a hope that the Kainuu model could inspire similar work both nationwide and internationally.

Aldea-Partanen assumes that governance can be enhanced in rural development by mobilising triple and quadruple helix partnerships in rural development processes, starting with the strategic level and continuing down to the operational level.

Partnerships, consisting of public and private actors as well as representatives from academia have come to be known as 'triple helix' partnerships. These partnerships are seen to have a positive effect on the development of regions and are proven to boost innovation. In addition, 'quadruple helix' partnerships have also come to be given attention in regional and rural development work and research. The concept has been used in various projects and programmes and expanded as a tool in relation to EU regional policy while also being taken into consideration in the current regional projects and programmes. Quadruple helixes can also be found in the region of Kainuu. They can be seen as an extension of the triple helix concept by adding a fourth group of actors, namely, the citizens. Recent use of quadruple helix is related to interactions in the processes of supporting local and regional development such as in knowledge regions. These regions pay increasing attention to engaging the public in the processes of knowledge creation and, according to Aldea-Partanen, "*Innovation emerges and is consolidated or spread in such types of interactions, allowing for robust innovations to be supported.*" (Aldea-Partanen, Tuusula, 2010)

The Kainuu Region is located on the Russian border in the middle of eastern Finland. It consists of 9 municipalities, 2 cities and 150 villages. The region has about four inhabitants per square kilometre and is currently experiencing an ageing population. Initiated from the national level in an attempt to see how new modes of governance could affect rural development, a Joint Authority for Kainuu Region

was developed in 2005. In a first step this authority is to be active until 2012 and is to obtain experience of the strengthening of regional self-government on:

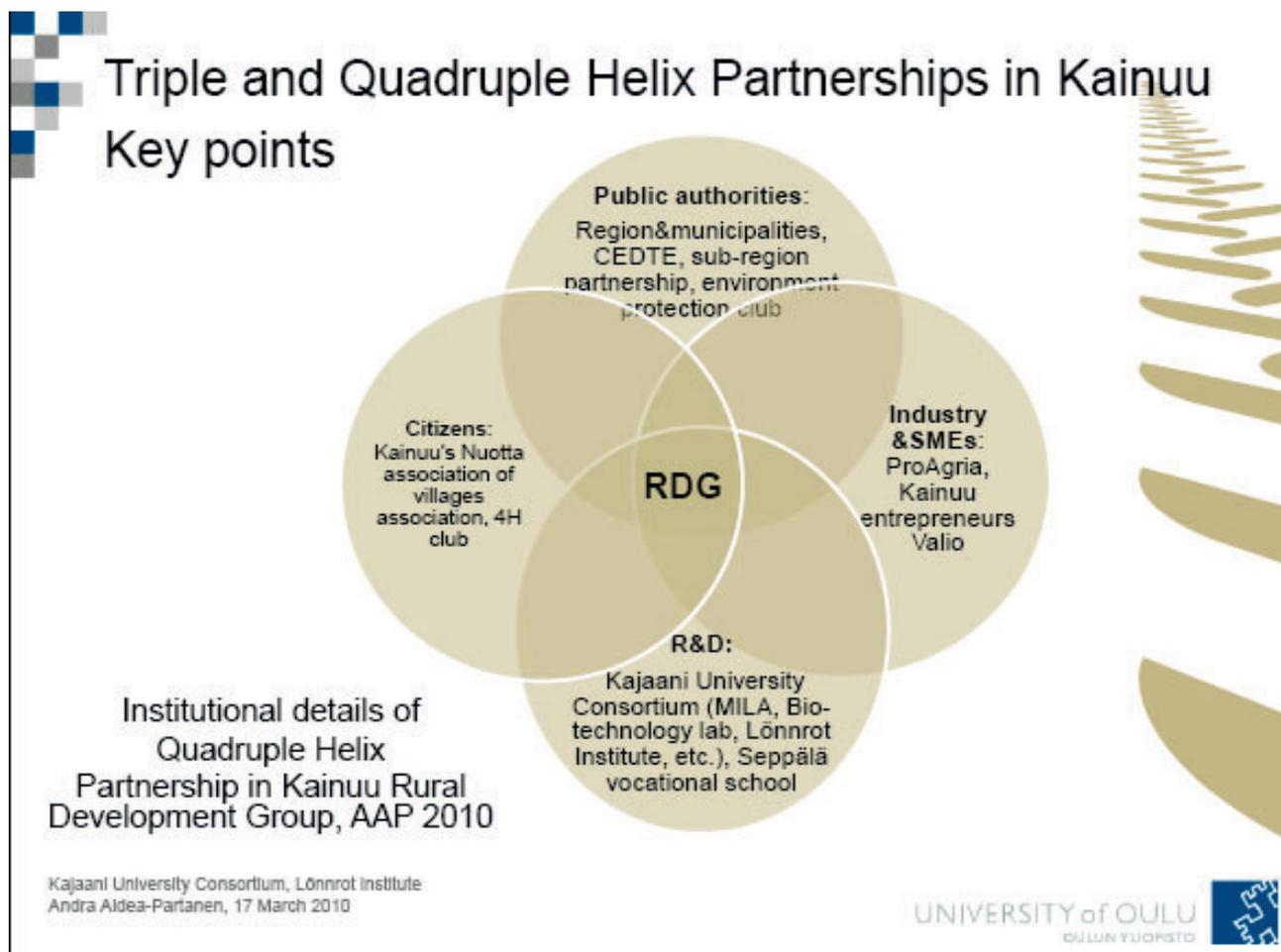
- Development of the region
- Organising basic services
- Citizen participation
- Municipal administration
- Activities of the governmental regional bodies
- Relations between the governmental and regional administrations

The region is given increased responsibility over its own development, this is designed to strengthen regional democracy and improve the provision of basic services at the regional level. For this reason new tasks have also been allocated to the regional level with the Regional Council granted powers traditionally in the domain of the Governmental administration, the regional administration have come to decide on the allocation of resources allotted in the national budget (including EU funding) while regional planning, development and industrial policy now all fall under the responsibility of the regional authority.

Much of the work of the Joint Authority can be viewed in the light of governance and partnerships. A Programme for citizen participation has for example been set up. Here special attention is given to the participation of citizens and the third sector in general but also to the participation of children and youngsters, the elderly, handicapped, unemployed and minority cultures in particular. The programme is carried out via an information service (including online services), educational and advisory material developed to be used in schools, youth councils, interactive cooperation forums as well as through various feedback channels.

The Kainuu rural development group (RDG) is a concrete example of a partnership at the strategic level mobilising local capacity in relation to rural development, such as thematic action programmes.

Figure 11 The RDG Quadruple Helix Partnership in Kainuu Region.



Source: Presentation by Andra Aldea-Partanen, seminar in Tuusula, 2010

The tasks of the RDG include the preparation and maintenance of Kainuu's Rural Development Strategy and the corresponding action programmes; rural entrepreneurship, rural natural tourism, forestry and wood-processing, bio-energy & new energy, village action programmes. They are also responsible for the integration of the rural strategy with the Regional Plan and Regional Programme. In addition they are to monitor and evaluate rural development processes and perspectives and try and initiate further development processes. Last but not least, they are also to formulate suggestions to decision makers from different levels and institutions.

According to Aldea-Partanen the partners represented in the RDG are from all 4 helixes of the quadruple helixes therefore assuring the co-operation needed to mobilise the different and relevant sectors of society: public authorities from the local and regional levels, as well as inter-ministerial co-operative regional institutions, industry and SME representatives, citizens associations and knowledge producers as well as the representatives of regional research, development and training institutions.

They design strategic documents, operationalise

them and carry them out at the regional level down to the grassroots level through the thematic action programmes. This is done by mobilising the variety of actors representing the different parts of the quadruple helix.

Aldea-Partanen sees these kinds of partnerships – triple as well as quadruple - as combining support for local capacity with inter-level, inter-institutional, intra-regional and cross-sector co-operation. Support for local capacity takes place whenever the process accounts for and mobilises local capacity, present, for instance, at the level of local entrepreneurs or village associations. Aldea-Partanen further stresses how co-operation crosses institutional borders, as well as municipal and sub-regional borders. In addition she states that involving the public, private and voluntary sectors thereby addressing the fact that different types of expertise exist within these areas allows for a better internalisation of, and support to, policy goals at the citizen level. This allows for a professionally mediated inter-institutional dialogue⁵¹ as well as a better level of awareness of the local and business priorities promoted by decision makers.

51 At least in Finland where universities have a defined role of

The difference between the Kainuu region and other regions is that in Kainuu actual power is cited at the regional level. Aldea-Partanen also sees a growing level of interest at the regional level in working with the local level and local level capacities. However, she stresses that in order to make this model of development work one needs to remember that different groups of actors often have different agendas hence a neutral mediator or moderator is needed. Her experience tells us that university experts and LAG coordinators might work well in this position.

Sub-regional level actors

Municipality branding and reputation building - strengthening the image of the municipality

Based on presentations made by Halvard Laegreid and Arnt Øyvind Siem in Tuusula 2010

References:

Halvard Laegreid, Department of Regional Development, Ministry of Local Government and Regional Development

Arnt Øyvind Siem, Manager, Nordveggen AS
Ministry of Local Government and Regional Development:

www.regjeringen.no

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www.nordveggen.no/nordveggen/inet.nsf/
Municipality Branding- Cooperation and development in Steinkjer, Sollefteå, Akureyri and Sortland. (2006) Marie-Louise von Bergmann and Joar Nordtug

The out-migration of the younger population from peripheral regions now represents a significant demographic trend. Recent studies show that providing sufficient employment opportunities alone cannot change this trend. When individuals move from rural to urban areas this is often part of a broader search for identity and a sense of attractiveness, especially for younger people. The motivations for out-migration also often relate to what can be termed family issues and to the search for urban qualities (see section 4.4.4.).

In response to both demographic change and increasing competition municipality branding has become more evident as a local development strategy. Local development is to be created by strengthening the trademark or 'brand' of a place. The municipalities recognise that they are now in competition with other communities for living places, public service and economic activities. As such, the role of the municipality is changing.

Municipality branding differs from commercial branding primarily in its relationship to the notion of local identity. Research shows that to be useful the

brand must be connected to local conditions and to the historical heritage of the place concerned. A good place branding should be unique, obvious for the place as well as sustainable over time; immune from structural changes and of course true. The brand must be truly owned by the inhabitants. The goals of the branding work are to create a better image and a more attractive city. But what is attractive and what kind of reputation is sought is highly subjective. It is important then to create something tangible behind the brand. There are for example municipalities that have been criticised for being "too much brand and too little profile."⁵²

In his presentation in Tuusula, Halvard Laegreid, from the Department of Regional Development, focuses on the need for municipalities to create a positive image and a clear identity for the city. For him the reputation building process is a chance to identify the strengths and characteristics of a place thus capitalising on the opportunity to become more attractive to both current and potential residents.

Laegreid highlights the need to strengthen local communities as places for living, especially for young people, to make them more attractive to employers and to strengthen the market value for local products. The level of attractiveness to tourists has also to be increased as does the level of attractiveness for investment.

In 2008 the Department of Regional Development ran both educational seminars and a project to educate and inspire municipalities in Norway. A school for image and reputation-builders in local communities was started and a homepage with articles and inspirational material was created, today these activities have been taken over by the Centre of Competence on Rural Development (*Kompetansesenter for distriktsutvikling*).

An example of a municipality that has used city branding as a strategy for local development is Rauma in Norway presented by Arnt Øyvind Siem, Nordveggen AS, in Tuusula 2010. Rauma is located in the region of Romsdal on the north western coast of Norway, on the coast between Bergen and Trondheim. The region has about 70 000 inhabitants, of whom about 7 400 live in Rauma municipality, where Åndalsnes is the administrative centre. From the 1980s up to the early 2000s Rauma suffered from an alarmingly negative population development and the general feeling was that "something has to be done". In 2002, the local business community and the municipality decided to work together to reverse the negative trend and create a positive development.

The new strategy's keywords were:

- Cooperation. The negative trend had created a negative business environment. Better cooperation
- 52 von Bergmann, M., Nordtug, J. (2006) *Municipality Branding- Cooperation and development in Steinkjer, Sollefteå, Akureyri and Sortland*

was necessary, both between the municipality and the business community and within the business community.

- Pride and Identity
- Branding as a strategy to achieve these goals

A decision was made to emphasise the commitment to teamwork, pride and reputation building, and in 2003 a project entitled Rauma Development was created – which, by 2005, had become the local development company of *Nordveggen AS*. The company has two employees and is owned by Rauma business association and Rauma municipality. *Nordveggen's* task is to work to strengthen the image of Rauma as a place to live and work in, this is done in close dialogue and cooperation with the two owners, the municipality organisation and the private sector.

In 2005, *Nordveggen AS* started a comprehensive effort to brand Rauma as a good place for living and working. The branding process contained surveys, meetings and advertising campaigns. The meetings gathered together various stakeholders such as politicians, business, youth, officials etc. The process lasted for a year and it was seen to be important that everybody should be involved. Based on the views of the inhabitants the following strengths were identified:

- Closeness to beautiful nature
- Attractiveness and recreational opportunities offered nature, e.g. hiking and trekking
- Strong and varied business life

Finally the following vision was decided upon: “We will be the world’s best municipality for nature loving people” (*Verdens beste kommune for naturglade mennesker*). In addition, the core values of genuine, attentive and cooperative were adopted - and the branding document (Merkevareprosjektet i Rauma) also contained a thorough mapping of the strengths and weaknesses, opportunities and threats facing Rauma - as well as listing the proposed projects and measures in line with the vision to become the world’s best municipality for nature loving people.

Today the vision is implemented in the municipality and in the business sector through a number of projects on various scales. At least one city council meeting every year should for example be held in the open air while schoolchildren should be educated about nature and in marketing to encourage people to move to Rauma. Nature-based themes are also visible in the graphic design work done to profile Rauma as a conference location with a specialisation in nature and culture etc.

According to Siem, Rauma municipality has in recent years experienced a positive upswing, not only in population development, but also in attitudes, mood

and commitment. Since the trend began to reverse in a positive direction in 2003, Rauma has seen good efforts made and a lot of enthusiasm from the municipalities, the commercial sector, and the cultural sector and in various other organisations as well as in the political environment. The sum of this has led to over 1 700 people moving to Rauma in the last seven years. As such, the population has increased by 115 persons. Siem further states that this is a lot for a small municipality, especially for a municipality like Rauma which over a 25 year period lost over 1 000 residents.

Both Halvard Laegreid from the Department of Regional Development, Arnt Øyvind Siem, manager at *Nordveggen AS* and the literature all agree that the most important factors in municipality branding are the connection to the location and anchoring in the local community. In Rauma this has been successfully achieved during an extensive branding period with the strengths of the place identified in a process involving large groups of citizens. However, in the branding process *Nordveggen* realised that a beautiful nature endowment alone is not enough, especially in a country like Norway that is world famous for its fjords, mountains and forests. They also understood that Rauma could never compete with urban qualities and they realised that they have to find their own target group, people who wants to live in close proximity to nature.

Arnt Øyvind Siem identifies the success criteria as follows:

- Involve everyone, this is crucial when dealing with the need for local ownership of the vision
- The business community has to stand behind the initiative together with the municipality. This cooperation is fundamental in giving the project credibility, but is also important economically.

According to Laegreid it is crucial for municipalities working with branding to understand that this process should not be confused with traditional marketing and advertising. A municipality is not a good able to be consumed. Thus local ownership and anchoring in the community as well as systematic work throughout the process are vital. The brand and message is also a promise and says something about the community and therefore the reality must be presented and represented. With empty words or promises that cannot be fulfilled a more negative effect and great harm is risked according to Halvard Laegreid. It is also important which precise words are used. The Department of Municipal and Regional affairs has used the term ‘reputation building’ here rather than ‘branding’ to illustrate the difference from traditional marketing. Siem further states that working with the municipalities on ‘branding’ is a never ending process.

The role of the Finnish Local Action Group Sepra in sub-regional rural development

Based on the presentation by Marjo Lehtimäki in Tuusula 2010

References:

Marjo Lehtimäki, Executive Manager Development Association Sepra

Sepra LAG:

www.seprat.net

Jordbruksverket, Sweden, (2010) *Leader areas in Sweden 2007–2013* (2010):

www2.jordbruksverket.se/webdav/files/SJV/trycksaker/Pdf_ovrigt/ovr198gb.pdf

As noted previously Local Action Groups are set up to carry out and design parts of the EU Rural Development Programmes using the ‘bottom up’ Leader method. The groups are based on a partnership between the private and the public sectors as well as local citizens. The method has been in use since 1991 and now *Leader* and LAG groups exist in all EU countries. Sweden has 63 LAGs, Denmark 56 and Finland 56 (55 in mainland Finland and 1 in Åland) (Norway has none as it is not an EU member).

Using the *Leader* method offers residents an opportunity to influence their own living conditions and rural development. LAG activities, including the creation of development strategies and financing development and business projects is seen as a good way to contribute to the aims of the rural development programmes. The LAGs train, inform and activate applicants and project workers, both during the preparation and implementation of the projects and in the contacts with the authorities. The method gains its strengths from the focus on the local perspective and on cross-sectoral cooperation. As the Director General for the Swedish Board of Agriculture Mats Persson puts it thus:

“The partnership in LAG, combine the responsibility of the public sector with the efficiency of the private sector and the commitment of the non-profit sector.” (Mats Persson, Leader areas in Sweden 2007–2013, 2010, www2.jordbruksverket.se/webdav/files/SJV/trycksaker/Pdf_ovrigt/ovr198gb.pdf)

In the seminar presentation in March 2010 Marjo Lehtimäki addresses *Leader* LAGs as sub-regional developers in Finland and presents the Sepra association. According to Lehtimäki, at the sub-regional level, LAGs provide an important measure of support for the development of the entire region as they can cooperate

horizontally with many local and regional organisations, not only with those who work on rural development. She further states that as the LAGs consist of local citizens they are the best experts in terms of defining the needs of their own area and thus those best able to write successful development programmes. Local knowledge provides access to important background information about local circumstances and actors. LAGs should thus be seen as an important tool in empowering local citizens to engage in the development of their own area. Sepra’s development strategy is to support small development projects which are based on the ideas of the inhabitants themselves.

The Sepra development association is a registered, non-profit association, a LAG using the Leader method. The association operates in south-eastern Finland by the Baltic Sea, close to the Russian border. It includes seven municipalities: Miehikkälä, Virolahti, Hamina, Kouvola, Kotka, Pyhtää and Ruotsinpyhtää. There are approximately 57 000 inhabitants in the Sepra area but the population has decreased steadily over the past 30 years.

Sepra was founded in 2000 and started working as a LAG in April 2001. The word “sepra” comes from an old Estonian word “söber” meaning “friend”. It sounded like “sepra” to the ears of Finns who started calling their Estonian trading partners “sepras.” Historically this region has had a lot of contact with Estonia and the organisation’s name can thus be seen to connect with this heritage.

Sepra has supported many small local projects; 118 during the last funding period (2000-2006) and so far 35 in the current programming period. Yearly they are involved (either supporting or as the main actor themselves) in organising a rural forum in the county. They comment on regional programmes and plans and try to determine the ‘rural perspective’ in them. In addition they offer project management training to local actors. In 2010 they have been a partner for two university projects that have applied for funding from Interreg and the ENPI (European Neighbourhood and Partnership Instrument) to widen the perspective and financial background on which they develop rural areas in the region. Sepra tries to influence parliament members from their own area, is involved with the Commission focus group work and attends transnational seminars and meetings and lecturers as often as time permits.

Their budget is approximately €1.2 million *per annum*. 30% of this amount comes from the EU, 18% from the Finnish state, 12% from the seven municipalities, and 40% from the inhabitants of the area.

The main principles of the programme include the maintenance of population in rural areas and increasing entrepreneurship. The programme has ten

sub-themes: businesses, services, renewable energy, know how, infrastructure, environment, culture, internationality, children and youth and cooperation.

On their homepage the aims of the association are summarised as follows:

"...We have a dream. We want our villages and population centres to be pleasant places to live, with a variety of lively activities. We want to see them grow economically and culturally. We picture plenty of cooperation between active inhabitants, as well as the creation of new companies and new jobs." (The webpage of Sepra, www.seprat.net/?lang=en)

The programme attempts to attain the set goals by means of the following measures:

- By improving internal functions in the villages and other communities
- By developing tourist services, service industries and other entrepreneurship activities
- By promoting marketing and the product development of new and existing local products
- By supporting new small businesses
- By utilising the close proximity of Russia and Estonia, as well as developing other international connections
- By organising various functions where country people and townspeople can meet

The implementation work has been done with the help of the board of 10 members and 10 deputies as well as three theme groups with altogether 30 members. In total there are 50-60 people on the board and in the various groups. A good level of dialogue is developed as the public sector, associations/entrepreneurs and local inhabitants are all equally represented. In the projects people who do not normally work with rural development are encouraged to become involved e.g. as business advisors, entrepreneurs or farmers. Sepra also cooperates with the summer university, the fisherman's association and other associations such as sports clubs, the mental health care sector, and maritime heritage associations all of which apply for money from them.

According to Marjo Lehtimäki, Sepra involves the entire community in the *Leader* work by ensuring that board members and their deputies represent all parts of the area as well as all of the region's interest groups (public sector, associations/entrepreneurs and local actors) thus ensuring that information about *Leader* and the various projects is widely disseminated. In activating and informing the sector groups' members are vital. They are Sepra's 'network of networks.'

The 20 board members are to come from all parts of the region. They are elected by the members of Sepra once a year and serve a time-limited period of a maximum of 4 years. The members disseminate information to local people and convene meetings every 4-6 weeks. The board deals with project applications 4-6 times a year, decides which projects they think should be granted funding and attends the project steering group meetings.

The theme groups on the other hand can be joined by anyone with an interest in the topic. To create a link between the theme groups and the board some board members are also members of the theme groups. The themes are as follows; communities, entrepreneurship and environment. All three groups have a particular focus on how to mobilise the younger population. Additional personnel including a manager, project advisor, secretary and project managers work with Sepra.

Before decisions are made by the board on funding applications, the theme groups interview project applicants to allow for a verbal explanation of the contents of the project, as well as suggestions for improvements. The chair of each theme group is not a member of the board but they attend Sepra's meetings to introduce the applications.

The Sepra 'experience' suggests that theme groups are an excellent way of getting local people involved. It is important to have access to local knowledge as it can otherwise be very hard to get. This background information can indicate whether the project in question has the potential to succeed and what its most significant challenges are. Sepra's view is that the more people that get involved in implementing the programme the better the results.

Although the experience has been good Sepra nevertheless had to face a number of significant challenges, especially at the beginning of the process. A number of municipalities initially had a hard time accepting that Sepra makes the initial decision regarding where the money should go even though the municipality pays 20% of the funding. In addition, some of the bigger actors have tried to apply for money in a way that did not meet the *Leader* requirements.

Marjo Lehtimäki suggests that it has taken almost a decade to be noticed as a serious actor among county level administrators and she notes further that they still have work to do in this regard. The lack of resources is also a perennial problem stopping Sepra from being as active as it would like to be.

For Lehtimäki the best experience has been the positive effect this way of working has had on local actors and on the involvement of local people in the decision-making process. It has concretely supported the notion that individuals can really make a difference

in their own area when they just work together with others. As part of the organisational process local citizens have been able to have a significant impact on the region. Sepra has also been able to assist actors

who would not normally act together (like hunters and bird watchers for example) to find a way to cooperate that still continues after their joint project is officially concluded.

Initiatives to strengthen service supply

In Sweden the number of grocery stores has been declining for decades. Indeed, the total number of stores declined by 21% between 1996 and 2008. The trend continues and a further decline, albeit at a slightly lower pace, can also be seen for the last two years. The changes are most evident among the small independent stores; 66% of these have disappeared since 1996 while the number of large stores has increased. The latter are often to be found in the outskirts of urban areas while many of the small stores were to be found in rural areas. Between 2005 and 2009 84 towns experienced the closing down of their only store. In the same period only 31 towns previously without a store gained one.⁵³

According to the Swedish Agency for Growth Policy (*Tillväxtverket*) this trend is expected to continue in the years to come due both to ongoing demographic changes and to structural changes in the market. The agency also shows how centralisation is a feature not only just of grocery stores but also of many other parts of the service sector.

Even though the nature of demographic change differs between - and within - the four largest Nordic countries Sweden is no exception when it comes to trends in service supply. In general centralisation and increasing populations in and around cities can be seen in many places. Market re-structuring and more mobile rural citizens are phenomena also now experienced in Denmark, Finland and Norway.

These changes in both private and public service distribution have not gone unnoticed in the political sphere. By reading the review of national policies above one can see how this issue is now being addressed as one of the underlying challenges in the development of rural areas today. In particular the notion of the local shop as a focus of small communities, maintaining public transport links, access to health care and education are all high on the political agenda.

Service supply is not only connected to the quality of life among local citizens but also to migration trends. In a Norwegian study from 2009 one can see how the motivation for out-migration from rural areas is generally not connected to labour market-related arguments as was once thought but rather to the attributes of a place. Here service supply can play

a role in increasing or decreasing the attractiveness of rural areas. Today when competitiveness has come to be important for places attractiveness is crucial for the development of an area.

In what follows we highlight some of the presentations from the seminars in Steinkjer, Norway and Tällberg, Sweden, held in May and November 2009 respectively. These illustrations help paint a picture of contemporary initiatives to strengthen service supply. The focus here is mainly on private services. As can be seen from the first presentation the issue of private service supply, in the form of grocery stores in rural areas, is perceived as crucial for the survival of small villages in Norway. This in turn is used to justify public intervention and lies behind the development of the public support programme, *Merkur*. As shown in the next presentation, *Affär på landet*, initiatives to strengthen private services also exist in Sweden. Private efforts are however more prominent here. An example of work carried out in Sweden to enable fuel supply in small places is also presented. After a dialogue between public and private actors, petrol station owners, distributors and the local community have come together to run local outlets in various places under the common brand *By-Macken*. Two examples of initiatives focusing on the provision of public services in rural areas can also be seen below. Both focus on the coordination of services. The first is Citizen Services in Finland; this is a way of organising various services provided both by the authorities and others jointly into the same office; a “one stop shop”. The second example highlights new ways of coordinating health services between the municipal and county levels in Norway through the creation of District Medicine Centres. The centres are a new type of joint municipality institution designed to work as a decentralised alternative to hospitals, in a way they bring the issue of health care back to the local level.

Rural Shops

Merkur - Private Service Supply in Norwegian Rural Areas

Based on the presentation by Helge Schei in Steinkjer 2009

References:

⁵³ Rapport 2009:10 *Befolkning, service och företagande i Sveriges gles- och landsbygder*. (2009) *Tillväxtanalys*

Helge Schei, Secretary General Merkur
Merkur: www.merkur-programmet.no

“My store is now experiencing a new era – Merkur has brought a whole new life to it.” (Shop owner in the Merkur programme 2010, www.merkur-programmet.no)

Merkur is a Norwegian public programme designed to support small rural grocery shops. The programme focuses on retailers in areas suffering from population decline and with long distances to other retail opportunities. Many of these retailers are in delicate financial situations given their inability to generate a regular or sufficient level of cash flow.

The goals of the programme are divided in three parts, to develop the service range, to support local shops and to create a sustainable local community. To attain these goals the most important tool is education in the form of raising competence levels among local shop owners to enable them to run their businesses better and to incorporate public and/or private services in their work.⁵⁴

The support mechanism (*Stønadordningane*) for local shops was introduced in 1976 and was incorporated into the *Merkur programme (Merkantilt Kompetanseprogram for Utkantbutikkane i Regionane)* when this was initiated in 1995. Until 1998 the programme was financed by the Ministry of Trade and Industry (*Naerings- og Handelsdepartementet*),⁵⁵ thereafter control shifted to the Ministry of Local Government and Regional Development (*Kommunal- og Regionaldepartementet*). In 2010 and 2011 Merkur's budget was 11 million NOK (approximately €1.1 million)

According to Helge Schei, Secretary General of *Merkur* the programme cooperates with *Norgesgruppen* (wholesale, groceries and kiosks) as well as the grocery chains COOP and ICA. Of the total of around 1 000 district shop units in Norway 60% are connected to *Merkur* (district here is defined as rural area, see section 4.4.1.). Schei stresses that the *Merkur* concept is designed to maintain sustainable rural districts by supporting local shops helping them to be multifunctional and in this way securing their existence. It has specifically helped the shop owners to cooperate with other service providers like postal services, betting and tourist information. Half of the *Merkur* shops have gambling stations, 25% run postal services and 20% sell petrol. Many *Merkur* shops also offer environmental and waste management services. The programme aims to facilitate the maintenance of good quality service provision and to ensure access to a local shop is available for every

home.

To participate in the programme the shop has to fulfil at least one of three criteria: A customer base under 200 households, located in places without permanent access to main roads (for example islands) or with a long distance (normally 10 km) to another purchase option, or being considered by the *Merkur* board as having special importance. Shop units interested in participating in the programme can contact the counsellors or the secretariat directly. Today some 600-700 shops have been or are currently in the programme.⁵⁶ Not all shops in rural districts have experience profitability problems. Shops in strategic locations, accessible from multiple communities and in central positions near tourist locations are able to make a good profit without any assistance. According to Helge Schei however it may still be profitable for these stores to join in the cooperation efforts in terms of the networking and experience exchange.

In 2004 the programme was modernised with the focus on individual shops now divided into two parts. The first part consists of an analysis of the current situation, relating in particular to customer surveys and inventory issues. The second part is the implementation phase of the measures and the educational seminars. Common measures here include:

- Marketing
- Customer needs/surveys
- Service and customer
- Economy
- Organising the store
- Activities
- Connection with the community⁵⁷

Eleven counsellors located throughout the country assist the shop owners with various business-related matters. The counsellors help mobilise the community and disseminate information about the importance of supporting the local shop.

During 2010 *Merkur* has continued with this work but has started also to shift more resources into supporting the dialogue between shop and community. A crucial part of this work is the effort is awareness-raising, both among the local population and at the political level, of the importance of the local shop to small communities in particular. Help with re-building shops has also increased, today 25-30% of the total budget goes to shops facing acute difficulties or that have had to adapt to big changes according to Schei. *Merkur* also assists their associated retailers to support and sell local food. They have a shared interest here with local food producers in maintaining a viable community.

It is worth noting here that the municipalities

⁵⁴ The webpage of *Merkur*, www.merkur-programmet.no

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Ibid.

have not been a driving force behind *Merkeur* but have helped the programme directly and indirectly by, for example, connecting the shops to various other ongoing actions in the field of rural development. Developing interest among the municipalities and generating active support for local shops is important for *Merkeur*. In May 2011 *Merkeur* will host a conference on engaging with the municipalities. Schei argues that the situation today is much better than it used to be. The municipalities now much more clearly understand the importance of *Merkeur's* work and when he meets officials from the municipalities it is rare that they do not already know about the programme. Schei notes however that while some municipalities are doing excellent work in supporting their local shops significant nationwide differences nevertheless remain.

In addition to the programme supporting stores the organisation has also broadened its work in terms of rural development. *Merkeur-Bok* is a programme directed at book retailers in rural districts designed to help with networking and profitability. The programme was initiated by the book retailers association and is financed by the Ministry of Local Government and Regional Development. It consists of meetings with the retailers, a number of surveys and at the end, individually structured action plans. The programme was developed by *Merkeur* counsellors together with representatives of the book retail sector.⁵⁸

The *Merkeur* programme was evaluated in 2006. The evaluation highlighted the high proportion of female managers (58%), the small number of family-run business and the rising level of education among shop owners compared to previous studies. Follow-up studies moreover highlight the need to develop additional services as well as other economic activities and further conclude that the interaction between shops and their local communities has to be strengthened further for many to survive.

The newest development for *Merkeur* is that the Ministry of Local Government and Regional Development has launched a new investment support programme focused on rural shops. The ministry has in recent years acknowledged the need for additional support to be made to the most remote areas. This new stream of support is directed at helping remote stores modernise and be more competitive and is divided into separate investment and development funds. Investment support is prioritised to the purchase of new fridges, freezers and computers while development support focuses on marketing and new services.⁵⁹ The investment support element is 15 million NOK (approximately €1.7 million) per annum for 2010 and 2011.⁶⁰

58 Ibid.

59 Ibid.

60 Schei 2010

The main programme run by *Merkeur* is quite similar to the Swedish example *Affär på Landet* (outlined below) but compared to the Swedish programme *Merkeur* has more ways of supporting stores with active help and has experienced a more stable level of financing and a firmer degree of anchoring among the local authorities. In these programmes effort has been made to develop the level of dialogue between the shops and the community while one of the main lessons to learn from this Norwegian example is that active work has to be done to engage local citizens and the municipality.

Services in rural areas- New solutions in Sweden! *Affär på Landet*

Based on the presentation by Lars Ove Jonsson in Steinkjer 2010

References:

Lars Ove Jonsson vice president *Landsbygdsservice*, ICA Sverige AB

Affär på landet:

www.landsbygdsservice.se/script.asp?sida=39&p=asp\sda39.asp

Test av nya lösningar, delredovisning mars 2007. Rapport 2007:4 (2007) Konsumentverket

Bollplanket 4:2009: www.landsbygdsservice.se/dokumentbibliotek/bollplanket/bollplanket_nr_4_2009.pdf

Landsbygdsmentorerna:

landsbygdsmentorerna.se/index.php/nyheter

In 2001 the Swedish parliament decided on a new regional development policy after the passing of the bill 2001/02:4 *En politik för tillväxt och livskraft i hela landet* (A policy for growth and viability for the whole country). The new policy specifically focused on maintaining a sustainable service level in all parts of Sweden. As a part of this work the Swedish Consumer Agency (*Konsumentverket*) received in total 23 million SEK (approximately €2.5 million) between 2002 and 2007 to try out and evaluate new solutions for commercial services.⁶¹

One of the projects supported by the Swedish Consumer Agency was *Affär på landet* (Shops in the countryside) operated by *Landsbygdsservice* (the Rural service association, formally called *Föreningen för Landsbygdens Främjande*, FLF).

The members and funders of *Landsbygdsservice* include SSLF (the Grocery Traders Association *Livsmedelshandlareförbundet* or formally *Sveriges Spiceri- och Lanthandlareförbund*) together with the grocery chains ICA, KF and *Axfood Närlivs*. *Landsbygdsservice*

61 *Test av nya lösningar, delredovisning mars 2007*. Rapport 2007:4 (2007) Konsumentverket

was founded in 1982 and focuses on service provision in rural areas centred on local shops and the *Affär på Landet* programme.

The programme was developed between 2002 and 2006 by Landsbygdsservice together with the Swedish Consumer Agency and was a competence and development programme focusing on shops in rural areas. The programme aimed to maintain or increase the level of commercial service in vulnerable rural areas. In May 2010 (with only a few months left until the programme was scheduled to come to an end in its original setting) 365 stores in 19 counties had implemented the programme.

In 2010 there were approximately 1 119 villages with only one store in Sweden, 393 of them with an annual turnover of less than 4 million SEK (approximately €400 000). In the last 6 years (2004-2010) 21% of shops like these have closed down, but among those in the programme, only 10% have done so.

The programme spans a time period over 18 months and consists of an initial study and a main part focusing on various measures and competences. The programme is designed to help the shop managers to self-help and is executed under the supervision of 15-20 mentors distributed across the country. These mentors are appointed by *Landsbygdsservice*.

The aim of the initial study was to raise the consciousness of the shop manager as well as that of other authorities and actors. For the programme it was important to choose the right stores, to secure service accessibility for as many people as possible and to be able to direct the proposed measures to best satisfy local needs. The study was carried out on the basis of a shop to shop analysis, consumer surveys, and an analysis of the surrounding area as well as by gathering information about age structures and the needs of the clientele from the Consumer Agency's service database. After the initial study the county and concerned municipalities decided which shops were in most need of help in terms of the main measure and competence development etc.⁶²

The programme aims to help the individual shops analyse and develop their business towards greater financial sustainability and to become service points offering both groceries and other important services. The width of the shop's selection of services was determined by local needs and conditions. Cooperation between traders, local residents, mentoring, public authorities, local businesses and others was encouraged. To attain these goals a mentor was appointed to each business that helped to analyse the situation and market the individual shop. Training both in business economy,

62 Ibid.

accounting etc., and on more practical issues such as the handling of fresh food was also provided. The mentor also supported the shop managers in communicating both with the authorities and the local community.

Common measures here included:

- Shop refitting and the distribution of goods
- Improving the technical equipment.
- Modernisation of inventories.

The counties or their equivalents were pivotal in commissioning *Landsbygdsservice* to initiate the programme with a large proportion of the funding coming from the CAP.

The stated goals of the programme were to maintain strategically located shops, to maintain social meeting points and to support good accessibility to the goods and services connected with the local shop. The Swedish Consumer Agency evaluated the programme through a survey drawn up by SIFO (the Swedish part of the international market research company TNS). This evaluation shows that in areas with many shops involved in the programme these shops have been able to raise their market share. Average profitability was however lower among those in the programme.⁶³ It is though reasonable to assume that this was the case because the retail units involved were the most vulnerable from the outset. According to Lars Ove Jonsson in his Steinkjer presentation, of all the stores in rural areas 8% of those in the programme have subsequently closed as compared to a 33% closure rate among those outside the programme.

The evaluation also show that strategically located shops in particular have been able to survive and that few customers have had to change their consumption patterns because of the closures which indicates that, in the main, shops of only marginal importance have closed.

Lars Ove Jonsson points out that some of the most important results cannot however be measured in terms of numbers and money. Surveys carried out by FLF itself have shown a number of additional less tangible but nevertheless positive effects. Many shop owners experience a 'boost' to their self esteem' simply because of the support they received from their mentor based on the feeling that they have been taken seriously and had been prioritised by the local authorities. The programme had given them the courage to invest and a new found self-confidence in their own abilities.

Many said that they would not have had the courage to continue investing if they had not received

63 Ibid.

mentoring support. County and municipality officials have also benefited from having a greater appreciation of the importance of local shops particularly in relation to the provision of commercial and public services in rural areas again through contacts with the mentors.

Among the shops taking part in the programme a number of specific trends are clearly visible according to Jonsson:

- A greater capacity for survival
- Shops that are better able to maintain turnover volumes
- In some cases also increased profitability
- Staffing levels have been maintained thus contributing positively to maintaining local employment

Despite the relative success of the programme *Landsbygdsservice* is however closing due to its inability to attract stable financing of its own. Previously rural development funds in Sweden went through The Swedish Consumer Agency but now questions relating to the work areas previously addressed by *Landsbygdsservice* have been reallocated to the Swedish Agency for Economic and Regional Growth. Their position is that *Landsbygdsservice* simply cannot get further funding support as they are a private company. With the closure of *Landsbygdsservice* all projects will be concluded during 2011. According to Jonsson *Hela Sverige Ska Leva* will take over the business as of 31st January 2011.

Many of the mentors have in response been instrumental in the setting up of *Landsbygdsmentorerna*, an association that seeks to continue working with the development of shops in rural areas. The association was created in the autumn of 2010 and is able to use the experience gained from work done in the context of *Affär på Landet*. According to their homepage the mentors now work as private consultants for the counties that wanted the mentoring programme to continue.⁶⁴

The supermarket chains argue that they alone cannot be expected to take responsibility for sustaining service levels in the countryside. They have expressed their disappointment with the closure of *Landsbygdsservice* and agree moreover that it will likely be the small, independent stores that are going to be hardest hit. According to them the big chains have the ability to offer their stores help in terms of investment and contact with the authorities, a service that only the *Affär på Landet* programme and its mentors have been able to give the independent shops.⁶⁵

⁶⁴ The web page of *Landsbygdsmentorerna*, landsbygdsmentorerna.se/index.php/nyheter

⁶⁵ Bollplanket 4:2009, www.landsbygdsservice.se/dokumentbibliotek/bollplanket/bollplanket_nr_4_2009.pdf

Affär på Landet has proven to be a successful programme helping the most vulnerable stores. The basic idea of educating and supporting local shop owners is the same as that of the Norwegian Merkur programme. The major differences are that Merkur was initiated from central government level and has access to a much more stable financing base. *Affär på Landet* was initially supported by the supermarket chains they however now feel that they alone cannot continue to take responsibility for service provision in rural areas, as they are profit-driven companies. Another significant difference with the *Merkur* experience is that *Affär på Landet* simply does not have the means to help those in acute need in the most vulnerable shops.

Fuel supply

The countryside needs its petrol stations! *Bymacken*®- an example from Värmland, Sweden

Based on the presentation by Owe Nordling in Tällberg, November 2009

References:

Owe Nordling, *Hela Sverige Ska Leva*/
Landsbygdskommittén Värmland, Project manager for
Landsbygden behöver Drivmedel (The Countryside
needs fuel!)

Hela Sverige Ska Leva:

www.helasverige.se/kansli/vi-arbetar-med/lokal-service/projekt/drivmedel-paa-landsbygden/Tillgänglighet_till_drivmedel_i_gles-och_landsbygd. Rapport 2008:14 (2008). Konsumentverket

30 miljoner till drivmedel på landsbygden, Government offices of Sweden (2009):

www.regeringen.se/sb/d/11610/a/121308

The local petrol station has a similar importance in many rural areas to that of the local shop, in some places the petrol station is also combined with the local shop. In Sweden many petrol stations have been closed in recent years and the Swedish Consumer Agency (*Konsumentverket*) expects that two thirds of counties are set to experience a significant decline in the number of fuel providers in the near future. The Swedish trade association for fuel retailers *Svensk Bensinhandel* (The Swedish petrol trade association) predicts that about 1 000 gas stations will close in the next three years (numbers from 2008). The main reasons for this are - according to representatives from the industry - ongoing structural change and the over establishment of retail outlets which have compromised individual unit profitability. Other noted reasons include the new “pump-law” from 2006 which stipulates that all petrol stations over 1000m³ must provide renewable fuel like bio-gas or ethanol. Strict requirements for

decontamination that have to be financed by the individual owners also complicate ownership changes.⁶⁶

In 2008 the Swedish government invited the branch organisation, concerned authorities and organisations to discuss the current and future accessibility of fuel for all parts of the country. The government's opinion is that responsibility for finding solutions is shared by the state, the private companies and the community.⁶⁷

The Swedish Consumer Agency has investigated the current situation and collected a list of general proposals for the Ministry of Enterprise, Energy and Communication (*Näringsdepartementet*):

- Stimulate local initiatives for fuel service through Leader-projects
- Direct support for commercial service towards increased fuel accessibility
- Give financial support to farmers to maintain their own petrol tanks
- Investigate the connection between transport and sustainable community planning
- In recent years the rising petrol price has also seen a significant increase in government tax revenues through the fuel duty thus bringing about the possibility of creating a fund for investment and decontamination

Countering this somewhat the Government pointed out that the "pump-law" has not been a major factor in the closing of petrol stations as most of those that closed were likely for other reasons or were smaller than 1000m³ and therefore were not affected by the law.

In February 2010 the government decided to invest 30 million SEK (about €3 million) to secure service accessibility in rural areas, especially through securing the availability of fuel. According to the press release the rationalisation process (streamlining and centralisation) embarked upon by the big fuel companies is a major cause of the declining numbers of petrol stations in rural areas.⁶⁸ In response, *By-macken*® (The Village Petrol Station) is a network of locally owned stations, private owners and local business chains working together under a common branding.

The need to create an initiative on local petrol stations was first raised at a conference held by the Swedish Consumer Agency in 2007 where among others *Merkeur* participated. The question of the declining number of petrol stations was raised but was not fully explored. As such local people were increasingly left with the feeling, "we have to do it for ourselves."

66 *Tillgänglighet till drivmedel i gles- och landsbygd*. Rapport 2008:14 (2008). Konsumentverket

67 Ibid.

68 30 miljoner till drivmedel på landsbygden - the web page of the Government offices of Sweden, www.regeringen.se/sb/d/11610/a/121308

A year later at the conference "Landsbygden behöver Drivmedel" (The countryside needs fuel) in Kil discussion came back to the issue and it was decided that *Hela Sverige Ska Leva/Värmland* (All Sweden Shall Live/ County of Värmland) should find a solution and the idea for *By-macken*® (the Village Petrol Station) was born.

During the development process goals were set to find an effective way of implementing a strategy that would survive structural and market changes, encourage regional cooperation and let as much as possible of the of the profit stay in the local economy. One conclusion was that information must be spread to create a deeper understanding among the locals of the importance of the local petrol station and thereby secure their turnover. One way of doing this was, according to the presentation by Ove Nordling in Tällberg, to use the *Hela Sverige Ska Leva* (HSSL) network to promote the opinion, "cooperation is the key for a future living countryside!" Today *By-macken*® is a trademark owned by HSSL.

The solution was to encourage the station owners, distributors and the local community to act together early in the process to involve the customers. Common branding was to be used while the need to take advantage of local knowledge and the experience of *Landsbygdsservice* and that held by the counties was also stipulated.

At the end of May 2009 the stakeholders gathered together to create a working group. A survey was undertaken and inquiries made with quotes collected during August to September that same year. In September the association was created and the first delivery came in early October. The homepage was sponsored by HSSL as was the commercial material.

According to the project leader Ove Nordling the strength of *By-macken*® is that it is a national project with very concrete results. Since the project began more and more petrol stations have joined from all over the country. In October 2010 a new network was started in north Norrbotten. A national network for independent stations has also been started. All the networks function as a cooperative project where the stations can take advantage of working together and thus play a stronger part in negotiations.

Hela Sverige Ska Leva, the project owner of *By-macken*® has also developed a project entitled Bo Smart which will be presented to The Swedish Board of Agriculture (*Jordbruksverket*). Bo Smart is designed as a supplement to *By-macken*®, dealing with broader questions than that of petrol stations and with the ultimate goal of promoting a more sustainable lifestyle primarily through illuminating questions relating to total travel costs in both money and time. The programme will seek to understand how daily routines affect the

questions than that of petrol stations and with the ultimate goal of promoting a more sustainable lifestyle primarily through illuminating questions relating to total travel costs in both money and time. The programme will seek to understand how daily routines affect the community while also, in a practical sense, promoting the expansion of the fibre-optic fast internet to rural communities. Carpools could be another area of interest here but again they require a significant change in attitude. Today, especially in the countryside, people are too used to having their own car says Owe Nordling.

Since the presentation in Tällberg, in November 2009, the project has been further developed. When it comes to renewable fuel *By-macken*® has had contact with a German company that produces syntactical diesel from garbage and forest waste. The plants are also self-supporting in electricity. This has many positive effects as the garbage and waste could be taken from the local area while total transport volumes would decrease as the transport of fuel from another area would be reduced.

By-macken® has been in contact with other rural development initiatives like *Merkur* and *Landsbygdsmentorerna* (see section 5.2.1) and Nordling thinks that they all have a lot to gain by intensifying this cooperation. Merkur is working with a petrol station programme as well but the difference is that it is developing a chain of stations to compete on the regional and national market when *By-macken*® becomes a common brand for individual stations as well as a forum for cooperation at negotiations.

According to Nordling one of the strengths of *By-macken*® is the focus on the individual and the project tries to show in economic terms how one is affected by lifestyle choices. If the local shop closes house prices in the area immediately drop by 5, 10 or 20%. By shopping in a bigger store further away the goods may be cheaper but transport costs, the use of cars and not least the time spent all add up. It has been and remains a very exciting and successful project notes Nordling. “A

living countryside is dependent on local business and cooperation, cooperation and cooperation.” (Nordling, Tällberg, 2009)

Coordination of public services

Citizen Service in Finland- the One Stop Shop a Citizen Service office

Based on the presentation by Susanna Hyvärinen, in Tällberg, 2009

References:

Susanna Hyvärinen, Association of Finnish Local and Regional Authorities

Ms. Tanja Rantanen, Responsible for ‘One stop shop’ issues in the Association of Finnish Local and Regional Authorities 2011

Association of Finnish Local and Regional Authorities:

www.kunnat.net

Yhteispalvelu.fi 2010: [www.yhteispalvelu.fi/intermin/hankkeet/yp/home.nsf/files/Yhteispalvelu_2010/\\$file/Yhteispalvelu_2010.netti.pdf](http://www.yhteispalvelu.fi/intermin/hankkeet/yp/home.nsf/files/Yhteispalvelu_2010/$file/Yhteispalvelu_2010.netti.pdf)

Se medborgarna för bättre offentlig service (2009)

SOU2009:92: www.sou.gov.se/lokalservice/pdf/SOU2009_92.pdf

The Finnish citizen service offices strategy is another example of an initiative aimed at facilitating service accessibility. In 2009, Finland had 348 municipalities. The municipalities in Finland are important service providers and work as self-governing units where the highest decision-making authority is vested in democratically elected local councils. Municipalities provide citizens with basic services, the most important of which relate to social welfare, healthcare, education, culture, the environment and technical infrastructure.

		Average	Smallest	Largest
Population 31.12.2007		5 300 484 (total)	116	568 531
Population density	inh./km²	17,4	0,2	3 051,0
Area (net of water areas) km²		303 901 (total)	6,0	15 052
Economic structure				
Agriculture and forestry	%	3,9	0,1	33,2
Manufacturing	%	25,1	5,1	48,0
Services	%	70,1	38,0	86,3
Age structure				
0–14 year-olds	%	16,9	9,6	34,6
15–64 year-olds	%	66,6	54,2	72,1
65 and over	%	16,5	7,4	35,6
Local tax rate 2009,				
% of taxable income		18,60	16,50	21,00

Table 2 Statistics for Finnish municipalities

Source: Presentation by Susanna Hyvärinen in Tällberg 2009

Work to improve citizen service in Finland began in the 1990s but was intensified only in the last few years. In 1993 the law on citizen service was promulgated but was subsequently updated 2007 becoming the citizens service Act (2.3.2007/223). During the period 2006-2008 a project was run to improve efficiency in provision of citizen services.

The main points of the Citizen's Service Act were to allow central and local government authorities and affiliated supportive customer services of the social insurance institution to be organised and provided collectively. Supportive customer services involves receiving and handing over documents, giving advice on how to initiate and handle various proceedings and offering assistance on how to use eservices. This means that one administrative authority can offer supportive customer services on behalf of other authorities. These authorities, in turn, compensate the supplier of the citizen services directly for the cost of the service.

Work continued until 2008 when a report on new models for service provision and new recommendations emerged from a joint cooperative venture between the Ministry of Finance (*Finansministeriet, Valtiovarainministeriö*), the Ministry of Employment and Economy (*Arbets- och näringsministeriet, Työ- ja elinkeinoministeriö*), the Ministry of the Interior (*Inrikesministeriet, Sisäasiainministeriö*), the Finnish Tax Administration (*Vero, Skatt*), the Social Insurance Institution of Finland (*Kela*) and the Association of Finnish Local and Regional Authorities (*Suomen Kuntaliitto*).

The key development aims of public administration are to improve services and to increase profitability and productivity. Availability and quality of services both in centres of population and in sparsely populated areas can be best secured through close collaboration between central and local government service providers. Services provided through the same service point have a competitive advantage for municipalities and cooperation partners, which improves customer service and the image of municipalities, raises efficiency and reduces costs.

The concept is to be able to offer service from various authorities at the same place, the 'One Stop Shop'. Citizen services offices are one way to organise the various services provided by the authorities and other public services jointly in the same office.

From an administrative point of view the concept helps to provide a better service to citizens and to minimise costs. From a civic point of view the advantage is that you only have to go to one place. In the peripheral areas the citizen services offices can also provide access to multiple service types or provide information about where people can turn for information and/or help. They may also have different service-contracts: a range

of local authorities are represented. Some services are only offered on certain days, others are only available as 'remote services' (telephone counselling, video meeting with caseworker), etc. It is hoped that in future some citizen service offices can offer sign language and translation assistance.

In December 2008 the Ministry of Finance set out to expand the project aiming to increase the numbers of citizen's offices, diversify the range of services available in existing offices, branch out service practices and create new procedures. A working group from the local state administration and services operating under the Ministry of Finance oversaw this initiative. A project group held a number of media events describing citizen services and how they functioned. They also assisted in the setting up of new offices. The project's financial working group drew up guidelines for a discretionary government grant to finance citizen services. The pilot project for remote services proved to be so successful that it was decided to continue and that measures would be taken to introduce more widespread use of remote services.⁶⁹ By 2010 about 50 new citizen service centres has been opened.⁷⁰

Many citizens' offices are located in municipal offices or government office buildings, but may also be situated, for example, in libraries, post office franchises or in premises rented together with other authorities and service providers.

For citizens, it is important to have a wide range of information about public affairs, advice and a variety of services across administrative boundaries in one place. At the citizen office in the city of Espoo one can, for example, buy and load YTV cards (regional public transport cards), get information, maps and brochures, submit letters to the city, read municipal decisions and announcements, check local draft plans available for public inspection, buy season tickets for municipal gyms and buy books etc.

It is important for the concept of the one stop shop that they should be allowed to be different. Local circumstances and requirements are the deciding factor here. The use of remote services for personal meetings on distance has proven to be very successful in the Finnish project. The work of expanding the use of remote services in Finland is now done in the context of the eservices and democracy programme (SADE Programme) within the Ministry of Finance.⁷¹

In spite of the success of the one stop shop initiative Susanna Hyvärinen stresses the need for money to start a new centre. In Finland it has been possible for the local authorities to apply for a start up

69 Yhteispalvelu.fi 2010
[www.yhteispalvelu.fi/intermin/hankkeet/yp/home.nsf/files/Yhteispalvelu_2010/\\$file/Yhteispalvelu_2010.netti.pdf](http://www.yhteispalvelu.fi/intermin/hankkeet/yp/home.nsf/files/Yhteispalvelu_2010/$file/Yhteispalvelu_2010.netti.pdf)

70 Hyvärinen 2010

71 Ibid.

grant. Experience gained from the project will lead to some changes in the law handling citizen service issues. The changes are designed to make an official registry of the one stop shop offices and to make it mandatory to register new one stop shops.

In conclusion it can be said that the project has delivered very satisfactory results from both the customer and the service provider points of view. Citizen service centres have clearly been shown to work and demonstrated that they can be a good way to update services and service processes in a customer-friendly way. Remote services are definitely the future, and according to Susanna Hyvärinen “[...] *the people who participated in the expansion of the one stop shop services project were enthusiastic, on both sides, nationally and locally*” (Hyvärinen, 2010).

Public health coordination at the regional level- District medicine centres in Nord Trøndelag, Norway

Based on presentations by Kyrre Kvistad and Dagfinn Thorsvik, in Steinkjer, 2009

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www2.fhi.se/upload/9e%20Nordiska%20

folkh%C3%A4lsokonferensen/Nordiskfolkhalsa_arbmr0806.pdf

The Nordic countries have a long tradition of public health policies. Pervading for all countries is, according to a study from 2008, the focus on the social justice and ways to counter social injustice in the health care system. In common for the Nordic public health policies is also the focus on preventive health work.⁷²

In Norway, municipalities are responsible for primary health services, while the counties organise specialised health services. Significant problems getting the two levels to function as one system have however emerged. Since January 2010 the county councils (*Fylkekommunerna*) have been required to have a regional coordinator for public health.⁷³

Kyrre Kvistad is the public health coordinator for Nord Trøndelag County. The county of Nord Trøndelag has a population of 130 708 (as of 01.01.2009) in an area of 22 396 km², with Steinkjer as

⁷² *Nordisk Folkhälsa- En översikt för navigering i det nordiska folkhälsoarbetet 2008*, www2.fhi.se/upload/9e%20Nordiska%20folkh%C3%A4lsokonferensen/Nordiskfolkhalsa_arbmr0806.pdf

⁷³ Kvistad, Steinkjer 2009

the county ‘capital’. Kvistad defines public health work as: “The society’s total input to maintain, improve and promote public health”. The public health coordinator’s work is regulated in the law concerning the counties’ responsibility for public health (*Lov om Fylkeskommuners oppgaver i Folkehelsearbeidet*). The counties role is to coordinate and promote public health work by building alliances and partnerships between municipalities and regions and supporting the public health work carried out in the municipalities. This can include supporting the partnership agreements between the municipalities for example. The county’s public health coordinator contributes with data (from HUNT3, see below) and with the interpretation of this data. Network building and experience exchange are important ways of supporting the municipalities and a lot of effort here goes into competence building. The counties give financial support to local health coordinators and help them with the implementation of measures in accordance with local needs. To get this help the municipality must highlight and anchor its public health work in the municipalities work, and have resources set aside for a local coordinator who makes an annual plan for public health.

Kvistad further shows how the county council in Nord Trøndelag appoints three of its members to the responsibility of leading a public health council. They determine target areas and add technical and financial constraints. The working areas are physical activity and diet/nutrition, drug and tobacco misuse prevention, mental health, culture and health etc. The most important management tool is *Folkehelseplan for Nord Trøndelag* (the public health plan for Nord Trøndelag) on the organisation of public health work in North-Trøndelag adopted by the County Council.

A research group at the *Norges Teknisk-Naturvitenskapelige Universitet* (The Norwegian University of Science and Technology) that has an ongoing collaboration with the county of Nord Trøndelag has produced a health and population survey which is now in its third update, HUNT3. According to Kvistad the study has developed a large database with population and health data for the county and from this data local health profiles are developed. The main objective here is to promote a better quality of public health work in the county enabling it to attain national, regional and local public health goals. This work has helped Nord Trøndelag to establish a position as something of a pioneer in the field of public health across Norway.

The presentation by Kvistad in Steinkjer shows that in Nord Trøndelag and the rest of Norway, as well as the other Nordic countries, the general trend is that there are more and more old people (the proportion of people over 67 will increase by 25% over the next 20 years in Norway). He further states

that this has led to a situation where a lot of resources are used in treatment during the last years of life and too little is left for prevention work. This, as well as population movements and too little interaction and cooperation between the specialist and primary care sectors, as well as financial constraints and bureaucracy is a big challenge for the Norwegian health service Kvistad continues. The older the population gets the more they need health care. Today 42% of patients in internal medicine wards are over 75 years old and those over 75 are diagnosed with 2.6 different diseases on average. According to Dagfinn Thorsvik, *Helse Nord-Trøndelag* (Nord Trøndelag Healthcare), also attending the seminar in Steinkjer 2009, every 5 patients over 80 years is re-hospitalised within 2 months and the elderly have, on average, a longer stay time in hospital. Today Norway spends twice as much on healthcare as Finland. This situation has led to the focus on public health, on coordination and on the development of a strategic plan concludes Kvistad.

The strategic plan is to decentralise but at the same time maintain the academic environments and also to make sure that the entire system gets better says Thorsvik. This goal can only be reached by better organisation designed to lower prices and improve quality at the same time. Resources must be shifted from treatment to prevention, in the new health reform this is going to be implemented by creating bridges between specialists and the primary health care system Thorsvik continues.

Following the strategic plan, the municipalities have started cooperating with a view to producing better health care. Partnerships have been organised for the municipalities with annual cooperation conferences held. Coordinators have been appointed for rehabilitation, and a network created for health promotion and prevention.

The strategic plan aims at “*Moving specialist care closer to patients and improving the competence of primary health care*”. This shall be achieved by:

- Strengthening specialist treatment and having it closer to the patient’s residence
- Moving the competence to the primary healthcare (*1.linjetjenesten*) without weakening expertise in healthcare
- Introducing partnership projects with local regions
- Better dialogue between the specialist health services and primary care
- The clarification of financial responsibility for services through partial agreements

At the beginning of January 2010 the Coordination Reform Bill was passed. The reform contains measures for more health promotion and prevention. According to the reform more treatment

places should be situated in the municipalities and more doctors made available in the local hospitals. More treatment (assessment, treatment, control) should be shifted to the municipalities and 20% of the health care budget should be managed by the municipalities. A better framework for the financing of hospitals should be created and information technology should be used more intelligently according to Thorsvik.

Thorsvik further states that district medicine centres are an initiative designed to adapt to the new needs. The centres are a new type of joint municipality institution functioning as a decentralised alternative to hospitals. The centres have departments with beds (alternate to a hospital bed) and work as specialist clinics outside the hospital. They can have decentralised hospital functions like x-ray and dialysis as well as municipal health and social services. The aim with the district medicine centres is that they should be a cooperation forum for community health services and specialist health. The initiative to open a centre comes from one or several municipalities cooperating together.

Two examples of district medicine centres, presented by Thorsvik, can be highlighted in Stjørdal and Inn-Trøndelag. The one in Stjørdal opened in 2007 with 12 beds and 4 municipal short-term or rehabilitation places as well as a dialysis unit with 6 places. Stjørdal Medicine Centre has a specialty clinic for gynaecology and maternity, for orthopaedics and an x-ray facility. The regional medical centre in Inn-Trøndelag was created in cooperation by five collaborating municipalities with the objective of designing a comprehensive treatment chain for people with complex and chronic diseases. The goals here were to create a professional arena, good teamwork, a better flow of information and mutual knowledge transfer between primary and specialist health services to achieve greater cost-effectiveness in relation to specialist health services, local authorities and the community at large. The centre opened in January 2011 and has one department with beds for longer stays, an x-ray facility, administration and support. The centre in Inn Trøndelag will have sixteen places for dialysis as well as specialist clinics for orthopaedic surgery, for gynaecology and maternity, but these functions will not come on stream until sometime later due to budget restraints. They will also have ophthalmology, psychiatry, adult and youth psychiatry, a specialised geriatric ward and a cancer clinic.

The expected benefits of the centre in Inn-Trøndelag are:

- Better quality services
- Improvements in the functioning for users
- Reduction in re-admissions
- Less travel time
- Proximity to services
- Improved collaboration and knowledge transfer

between local and specialist

- Cost efficiency
- Overall, less need for care and health services
- Lower treatment costs
- A 'freeing up' of hospital beds for acute needs
- Less expenditure on ambulance services and the improved recruitment of staff for primary care

The district medicine centres are expected to be beneficial economically and socially by reducing transport and being able to assist patients closer to home. By establishing a better level of cooperation between the primary and specialist care sectors as well as between the municipalities greater 'value for money'

can be leveraged. The decentralisation process also means more money locally and more jobs created.⁷⁴

According to Thorsvik, the most important effect already witnessed has been the better quality of total treatment. An ongoing research project is studying whether the other expected effects are occurring and if cost efficiency savings are really being made. Experience already gained from the centres suggests that both patients and staff are satisfied with the new centres. From the county's point of view the centres have been able to address the needs of patients that are not sick enough to stay in a normal hospital but are deemed too sick to be treated as 'out-patients'.

Initiatives to strengthen business development⁷⁵

75 Based on a text written by Karsten Baekgaard, Region Central Denmark region, for the seminar in Skarrildhus, Denmark, November 2010

A viable business development environment is crucial for economic development in peripheral areas. A sound business sector secures employment, incomes and growth in the local area. Moreover, good and attractive jobs are important in maintaining the settlement structure beyond the urban areas.

For decades the share of businesses located in large and medium-sized cities has been on the increase across the Nordic countries. Simultaneously, economic activity in rural areas (and villages) has decreased. This is connected to the global urbanisation trend with migration to cities where more opportunities to study and to make a career can be found. This development is strengthened further by new firms locating where skilled labour is to be found, namely, in cities. In addition competition between businesses makes firms centralise to gain economic and knowledge advantages, hence more and more workplaces are located to cities.

Jobs are also lost in rural areas for other reasons. These include the restructuring of the agricultural sector. New technology is introduced and economies of scale are created by the mergers of farms to generate large industrial units. Another reason is connected with globalisation and the relocation of traditional low-skilled jobs to countries beyond the Nordic area where production costs are often much lower. Fewer jobs in rural areas contribute to the general process of out-migration which sees people of working age leaving rural areas and can often be the precursor to a vicious circle of demographic and economic decline.

These changes are examples of the new

geographies and divisions of capital and labour brought about by globalisation. The current challenge lies in finding ways for rural areas to make use of these new preconditions. In addition to the ongoing changes described above a number of new issues, bringing with them significant opportunities, have also emerged. Instantaneous communication and the ability to develop long distance networks, not least thanks to the internet, have for example brought new opportunities both for businesses and rural citizens. Another example here is the increasing acknowledgement of the role rural areas play in providing public environmental goods which also brings business opportunities. The challenge then is to provide a better framework for rural transformation and adaptation to help realise the commercial potentials which can be found in many rural areas.

The important role played by the public authorities in doing this is highlighted in all four of the larger Nordic countries. There are however differences in how public support is designed and implemented, and in what the aims of the interventions are. Stefan Brendstrup, DAMVAD, showed in Skarrildhus how substantial differences emerged in the governance structures of the four countries in respect of business development policy. He stressed the importance of mapping these systems; "*To be able to support business development in rural areas one needs a map of the political system*" (Brendstrup, Skarrildhus, 2010). He further underscored the importance of bearing these maps in mind when trying to learn from interventions and actions in other places.

74 Kvistad, Steinkjer 2009

75 Based on a text written by Karsten Baekgaard, Region Central Denmark region, for the seminar in Skarrildhus, Denmark, November 2010

The four examples outlined below are based on presentations made in the seminar on business development. As in the seminar in general primary attention is given to tourism and local food production. Two of these examples highlight actions taken by private actors - however supported by public programmes. Both have come to develop businesses in rural areas. One of them, the 'Golden Route', illustrates how Norwegian small businesses joined together to attract more tourists and hence also customers. The other example shows how an initiative to develop local food production in Sweden has grown from involving a few small businesses to becoming a national resource centre. Today this centre, called *Eldrimner*, aims at providing small scale food producers and salespersons with knowledge, support and inspiration. The other two examples illustrate municipal initiatives aiming at developing the local business sector. The first, in Ringkøbing-Skjern municipality, can be seen as an example of how a public initiative has attracted the interest of private actors in and beyond the region, which in turn have come to invest creating more jobs for the local building and energy sector. The overall ambition of the project is to increase incomes from tourism. The second example illustrates the work done in the municipality of Thisted on turning a former fishing hamlet into a place known for being 'climate smart' and good for surfing. In addition new ways of supporting business development at the regional level in Denmark through regional partnerships are presented in connection with the discussion on governance, chapter 5.1.2 above.

Private initiatives

The Golden Route - entrepreneurs cooperating in Norway

Based on the presentation by Ragnhild Vist Lindberg, in Skarrildhus, 2010

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htm

"The Golden Route (Den Gyldne Omvei) in the heart of Trøndelag is an interesting stretch defined by 20 small businesses and sights. Here you will find an art gallery, a small sculpture park, ceramic studios, crafts, farm products based on local recipes, accommodation, and a wide range of activities. With its scenic route and dynamic environment the tour gives you golden opportunities" (The webpage of the Golden Route, www.dgo.no/about-dgo).

The Golden Route is a 'bottom up' initiative for cooperation between entrepreneurs working with arts, handicrafts and local products in Nord Trøndelag County, Norway. The initiative is a good example of projects supported and promoted by the Norwegian regional development programmes.

The Regional Development Programmes (RDP) are designed to develop and assist industry and society. The RDPs finance projects and promote and support concrete actions. Most Norwegian counties have their own RDP. The basis for the RDP is the county plan. Developing an RDP is a regional process that includes industries, organisations and municipalities on a year-by-year basis.

Nord Trøndelag County is situated in the middle of Norway. The county consists of 24 municipalities and has some 130 000 inhabitants. The main industries are agriculture, forestry and marine industries, energy production and tourism. The region has no big cities and is polarised between the northern and southern parts. The Northern part has a weak industrial base, suffers from ongoing depopulation and is characterised by long distances. The southern part on the other hand has a positive business development and this is also where the airport is located. The main purpose in the RDP for Nord Trøndelag is economic development and the creation of the 'good life' in the area. It has a total budget of 160 million NOK (about €20 million). The focus here is on, among other things, entrepreneurship, travel and tourism.⁷⁶

The 'Golden Route', as noted above, encompasses 20 small businesses working together. They consist of an art gallery, a small sculpture park, ceramic studios, and crafts, farm products based on local recipes, accommodation and a wide range of activities. According to Lindberg, Nord-Trøndelag fylkeskommune, Norway, presenting in Skarrildhus 2010, the objective is to have joint-marketing for the whole area and thus to create one destination instead of 20 individual ones. The companies are all small in scale and they see the strengths in cooperating to make one brand out of many businesses, they also want to use their beautiful surroundings as an attraction. To become a member of the association you have to meet the high entry standards. New members must write

⁷⁶ Regional Development Plan 2010

an application, they must prove that they have a high quality product, situated in pleasant surroundings, give good service, have predictable opening hours and of course, only use local goods. There are also various rules for exclusion if the standards are not met.

The Golden Route initiative began about ten years ago and although the initiative came from the business owners themselves the municipality initially provided a great deal of help, both financially and practically. Even today the association still gets a small subsidy every year and maintains a good level of collaboration with the municipality to get help when needed. The county has not been involved in this specific initiative in a financial sense but this is 'exactly the kind of project that they want to support' and *the Golden Route* was for example nominated by the county for the Norwegian rural tourism award according to Lindberg.

Lindberg further states that the strength of the cooperative venture is its ability to provide one experience with a diversity of offers. They recommend each other and can also guarantee high quality. The beautiful surroundings are also important in ensuring that the travel experience between the stops is a pleasure in itself.

The association has focused on growth one step at a time Linberg concludes. By being selective over who is able to join the group they effectively protect the quality of the entire 'product'. Significant challenges have however also been experienced. The numbers of partners is crucial. The greater the number of members the more they have to offer and the stronger they get, but as they all depend on each other's quality and their ability to work together accepting new entrants is always a risk. Cooperation is time-consuming and the level of personal involvement differs between the actors. It is important to remember here that they are all different companies and therefore they often have different ambitions and interests. Other challenges include the problems associated with reaching a bigger market, and the lack of financing.

The key for success is the joint marketing strategy so that they are able to promote each other while delivering their own product or service. Cooperation creates an attraction bigger than any of the companies would be able to create by themselves. The initiative has also received national attention through media and entrepreneurship awards which have provided a lot of free marketing and publicity.

The Nord Trøndelag RDP has a strong focus on entrepreneurship and tourism. *The Golden Route* is an excellent example of how these can be combined. Local business owners have clearly understood the need for action if they want to develop in their own environment. They have recognised the benefits of cooperating but also understand the need to protect

and develop their common brand. Travel and tourism are important issues in the RDP and here the initiative combines local culture, tradition and economy with the creation of an attraction.

The initiative works intensely with storytelling. The 20 small businesses create stories, both a common story about the local community, traditions and history but also individual stories about their own products and locations. Through their own cooperative efforts they create 'a destination'. As the individual businesses are small they have limited budgets for marketing but together they can leverage economies of scale and work more intensively.

One of the keys to their success - according to the actors involved in *the Golden Route* themselves - has been the tough membership entry criteria and the fact that the members have defined their own strengths and challenges. Today the businesses involved make more money because the number of visitors has increased since the cooperation process began. By working together the businesses can develop further thus maintaining current and creating new jobs.⁷⁷

***Eldrimner* - Swedish national resource centre for artisan food**

Based on the presentation by Bodil Cornell, in Skarrildhus, 2010

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Today with sustainability and environmentalism keywords in many policy debates a discussion about the benefits of small-scale locally grown food has developed. At the same time traditional methods and small-scale production is having a hard time when modern agriculture is highly industrialised and competing on a global market. Local food has though the possibility to contribute to sustainable development in a number of ways. It can create and maintain jobs in rural areas, it can help people maintain traditional methods of work and production, it reflects traditional culture and identity and it reduces the need for transport.

At the end of 2008 the Swedish government launched its new vision Culinary Sweden! (*Sverige-Det nya matlandet*) The food industry is Sweden's fourth largest industrial employer and together with growing tourism, it is of major importance to rural areas. The

⁷⁷ Lindberg, Skarrildshus 2010

purpose of Culinary Sweden is to create growth and employment by promoting this connection. Statistics from the Swedish Agency for Economic and Regional Growth (*Tillväxtverket*) show that turnover in the Swedish tourist industry amounted to more than SEK 236 billion (Approximately €25 billion) in 2007, with meals accounting for around one third of this tourist spending. In a survey on food and holidays more than 80% of those asked consider food and culinary experiences an important part of any holiday. Three in four people think that a culinary experience in the countryside can be a reason in itself to visit a certain destination.⁷⁸

To maintain knowledge and support producers Sweden has a national centre for small scale artisan food financed through Culinary Sweden. The centre is called *Eldrimner* and it is tasked with spreading knowledge, support and inspiration to small-scale food producers or salesmen throughout Sweden, both in start-ups and in the development of existing companies. According to Bodil Cornell, one of the funders of *Eldrimner*, they help entrepreneurs with counselling, seminars, study trips, development work and sharing experiences. *Eldrimner* also works on highlighting and developing interest in traditional and artisan food among consumers.

The initiative that would eventually lead to the creation of *Eldrimner* came from goat farmers in Jämtland when they could not sell their goat's milk to the industry dairies as the production volume was too small. Instead the milk was processed at the farm for 'own use'. They felt that something had to be done to maintain the knowledge in traditional methods in the region as well as to get what they felt were excellent products out onto the market Cornell states.

The project began in 1995 under the name *Matora*, an EU financed Objective 6 project in Jämtland, Sweden. The aim was to stimulate the development of locally produced food in the county. In 2001 the name was changed to *Eldrimner Resurscentrum för småskalig livsmedelsförädling* (Eldrimner Resource Centre for Small Scale Food Production) when it became an objective 1 project. During the project period an average of 5 companies were started every year while the quantity of products on the market grew markedly. Interest from consumers was growing also. The main purpose here was still support for local food producers and artisan food in Jämtland, but interest in the project had grown and the goal to become a national centre was born.⁷⁹

Given the visible and concrete results from the Jämtland project and the positive impact on local business life, the Swedish government wanted *Eldrimner* to be active across the whole of Sweden as a national

centre, a goal that was realised in 2005. The activities carried out by *Eldrimner* were developed to also include marketing, logistics, networking and the exchange of experiences. *Eldrimner* has existed in its current form since 2008 with its current goals being to develop the countryside by supporting and creating new companies working with artisan food. Funding currently comes from Culinary Sweden.

According to Cornell the aim is now to increase the number of artisan food companies tenfold in ten years. A model has been created for education/success, to combine theory, practice and 'feeling' or 'passion', which, according to *Eldrimner's* philosophy is the key element for success. One of *Eldrimner's* key philosophies is that 'working with artisan food is not the same as working with industry development'. Who makes the products is seen as central, as well as where they are made, These are important factors when it comes to making the product special and attractive on the wider market, and in addition, promoting tourist attractions connected to local food production not only sells the food but also the place Cornell further states..

The work focuses on five branches: dairy, meat, bakery, berries, fruit and vegetables and fish. The working model is to offer a holistic view where food production is seen as one element of the whole with, tourism, community development and environment being the others.

An important part of *Eldrimner's* work is to be inspiring, to attract new people to work with artisan food and to raise interest levels among consumers. This is done by having inspiration days with study trips and artisan food days around the country. For example they arrange the annual Swedish championship in artisan food. Other examples of such activities include the fair *Smaklust*. In 2009 about 350 companies participated with a total of several thousand different products. Classes are also held about production and traditions in artisanal food. Examples here include the 25 basic and advanced courses conducted in the areas of dairy, bakery, berries and vegetable processing, meat, fish processing, industry guidelines, HACCP (hazard analysis and critical control points) and self-control during 2008-2009.⁸⁰

Eldrimner is also actively working to attract young people into the artisan food business. To do this *Eldrimner* has recorded seven films showing the work of young food artisans. The target groups are students at restaurant and chef schools as well as those undertaking agricultural education. By promoting these films on the webpage and in schools *Eldrimner* hopes to spread a positive image and make these young entrepreneurs into icons for interested youth. At the fairs and seminars held by *Eldrimner* the inclusion of youth is seen as

⁷⁸ Culinary Sweden! At the webpage of the Swedish Government, www.sweden.gov.se/sb/d/11310/a/117765

⁷⁹ The webpage of *Eldrimner*, www.eldrimner.com

⁸⁰ Ibid.

fundamentally important Cornell states.

Eldrimner does not sell specific products but works actively to enable the industry to sell itself and thereby raise the interest among consumers. Under the name *Smaklust* they have created an experience map book, currently presenting 700 companies to function as a guide to Sweden's artisanal food sector. In addition the various food fairs create media interest. This and future work to attract the interest of the costumers is presented on the webpage - www.mathantverk.se.

Several of the previously small companies supported by the initiative have now started to grow. Some have been able to employ more staff, others to build new production spaces and restaurants and some have started exporting. One challenge for *Eldrimner* has however been to provide support to both start-ups and already established businesses as each have different needs.

According to Bodil Connell, *Eldrimner's* recipe for success is that they are constantly working with a 'bottom-up' approach and involving company owners in the management and councils of *Eldrimner* as well as letting them be experts and advisers. In consultation with company owners *Eldrimner* has succeeded in developing courses with knowledge of food craftsmanship that the companies want and need, and *Eldrimner* as an organisation has been able to attract the best experts. Experts are gathered from all of Europe especially from France and Germany where according to Cornell there is more knowledge, research and not least greater awareness and status among consumers for food craftsmanship. Cornell further stresses that *Eldrimner* understands that the companies they cooperate with do not always function like other companies. Often they are driven more by creativity than the pursuit of profit. Of course, economics is necessary for all businesses, but many of *Eldrimner's* entrepreneurs see more value in its production and through appropriate support and training *Eldrimner* has seen that even these companies can be stable and develop further. Therefore it is important to respect the entrepreneurs' own way of running their business, notes Cornell.

In the other Nordic countries, there are no national centres for artisan food but *Eldrimner* have cooperated with organisations in Norway and Finland, both locally and regionally. Through projects like Finding Old-Creating New (*Sök gammalt-Skapa Nytt*) knowledge and experiences have been exchanged.

Public initiatives

The Holiday House of the Future, Denmark

Based on the presentation made by Peter Donslund, in Skarrildhus, 2010

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www.rksk.dk/Fremtidens-Feriehus-12160.aspx

The municipality of Ringkøbing-Skjern:

www.rksk.dk

The Holiday House of the Future (*Fremtidens Feriehus*) is an example of how public and private actors cooperate to create business development.

The municipality of Ringkøbing-Skjern is one of the main tourist destinations in Denmark with tourists renting houses from both private persons and rental companies mainly during the summer months. The holiday house of the future project aims to enable tourists to visit the area all year around, bringing investment, purchasing power and new jobs to the municipality. Many of the investments are to be made to make summer houses more energy-efficient. This also creates work for the local energy and building sectors as well as building the image of an environmentally-friendly destination.

According to the Ringkøbing-Skjern municipality web page, 'the beautiful and varied natural surroundings provide the perfect Danish vacation experience'. There it is also stated that tourists from all over the world wanting to enjoy life by the sea, the fjords and rivers are attracted to visit, and people are also choosing to relocate to the municipality. This trend is welcomed by the municipality that stresses the work carried out to attract even more newcomers who want to work, live and enjoy life in Ringkøbing-Skjern. The municipality is the geographically largest in Denmark at 1 489 km² and has 59 000 inhabitants.⁸¹ In recent years, according to Peter Donslund at the seminar in Skarrildhus, a slight decline in population growth has however been noticed. In the years immediately preceding the crisis the population increased mainly due to immigration from Germany and Poland.

The area has 9 300 summer houses with some 50% rented out to tourists. The municipality estimates 3-4 millions individual nightly stays a year, mainly in the summer months. The large cottage areas provide over one billion Danish kroner (€12 million) of annual turnover and several hundred jobs. In 2007 the area was appointed to be a nationally promoted all-year-around tourism destination by Visit Denmark, the official travel guide organisation. The appointment was part of a national development project in which selected Danish coastal destinations were to be developed as year-round destinations. Around 82% of the tourist beds

⁸¹ The webpage of the municipality of Ringkøbing-Skjern, www.rksk.dk

in Ringkøbing-Skjern municipality are in single houses. One of the main reasons why tourists only come in the summer is that many homes are inadequately insulated and poorly maintained.⁸²

The holiday house of the future project was set up in a collaborative venture between the Ringkøbing Fjord Trade and Tourism Centre and Ringkøbing-Skjern Municipality. Together they have a formalised cooperation on tourism development in the municipality. Similarly, a steering committee was established for the project, consisting of local cottage owners, who have been very active in the renovation of the houses. The project manager Karina Villumsen thinks it is really important to link the cottage industry closely in these kinds of projects because they already have a huge amount of knowledge about rental, tourists and holiday-home owners. For her, this aspect has certainly been crucial to the success of the project.

The holiday house of the future project is divided into three categories:

- To create year round usable houses for tourists. This is accomplished by the use of insulation and renewable energy solutions.
- To have a common quality measurement. The cottages should be adapted to existing and potential tourists' demand in terms of standards and quality.
- Houses must be adapted to the requirements of specific audiences. Theme houses will attract new tourists and help to increase the number of nights they are occupied, even outside of the peak season.⁸³

The project aims to highlight the cottage as tourism product. The house owners have been encouraged to ask their tourist clients what is required both today and in the future. These demands require investment in the area's houses and this is what the project has focused on.⁸⁴

Energy consumption in winter makes it necessary to refurbish old cottages and make them habitable for year-round use. If they are not properly insulated they cannot be used by tourists in the winter months and where they are this creates the potential for bad publicity with the tourists unlikely to recommend the destination to others. Insulation and renewable energy solutions is the key here when turning former summer houses into all-year-round homes, according to the project website.

The project began with the commissioning of an 'inspiration catalogue' which was then sent to all holiday home owners. The owners were then invited to a fair in the autumn of 2010 focused on providing inspiration for house improvement and the refurbishment of their properties. Some 1 200 house owners attended and the fair attracted a significant amount of interest among holiday home owners who

82 Ibid.

83 Ibid.

84 Villumsen 2010

wanted to make their properties more energy efficiency etc. A number of building companies were represented at the fair and they did good business. In addition, after the fair apartment owners had a far higher expectation of being able to offer good quality holiday accommodation in the future. Donslund see a significant interest shown in the project by the rental agencies who have been key partners in the project. They can clearly see a significant rise in profit margins in relation to properties that have been modernised and which are now energy efficient. This will allow them to attract more discerning guests, charge a higher rental price and rent the properties throughout the year.

The municipality of Ringkøbing-Skjern has the goal of being 100% self-sufficient in renewable energy by 2020. This goal provided a further incentive for the municipality to work with the holiday house of the future project. The 9 300 holiday houses represent a large part of the municipality's building stock. Therefore energy efficiency and sustainable solutions have been a significant focus in the catalogue and at the fair. According to Villumsen this is a very popular topic among holiday home owners, who also saw the potential to save money this way. From the municipalities' point of view there is also an employment angle to this because local businesses were given the opportunity to advertise in the catalogue and participate at the fair.⁸⁵

In the discussion after the seminar in Skarrildhus the participants saw that this is a good example of what can be done when the building industry, the tourism sector and holiday home owners' interests are combined with environmental aims. The seminar participants thought that it was interesting that the project also sought to engage with house owners who did not live in the area. From the municipalities' perspective it has also been important to involve these holiday home owners in the attempt to attract investment from outside.

At this time no specific financial initiatives have been taken but a lot of information has been given to the home owners. Nevertheless it is interesting to see how the municipality has come up with an initiative and an agenda to get holiday home owners and companies to invest in the municipality, as well as bringing new tourists and income to the municipality as a whole Donslund says.

According to Villumsen, the project leader, the project has been so well received both by holiday home owners and holidaymakers that the municipality has been asked to evaluate its progress and activities, while there is also great desire to reproduce the model elsewhere. Villumsen highlights some lessons learned, not least about the good level of dialogue that has

85 Ibid.

been entered into with the holiday home owners. This is regarded as being crucial in the effort to upgrade the area's rental housing stock. There is also now clearly a positive willingness to invest, according to the project leader, who further states that it is "*obviously a lengthy process to move from mere expressions of interest to real investment but a really good step forward has been taken with the project*" (Villumsen, Project Manager Holiday House of the Future, 2010).

According to Peter Donslund the project experience suggests that cooperation between these private and public interests has worked well. Private participation has been important in giving the initiative strength. The work undertaken thus far has shown that it is possible to combine initiatives and actors with different aims, the tourist sector's desire to increase profit margins and the municipality's desire to attract investment and jobs. The inspiration fair was a great success with the local building companies contracted to provide the renovation work.

Danish Cold Hawaii – a front-runner in local commercial and economic development

Based on the presentation by Jesper Hosbond Jensen, in Skarrildhus, 2010

References:

Jesper Hosbond Jensen, Director of Thisted Municipality's social and cultural administration.
Webpage of municipality of Thisted:
climate.thisted.dk

In Skarrildhus, November 2010, Jesper Hosbond Jensen told the story of *Cold Hawaii* - about how to use geographically fixed resources to transform a Danish fishing hamlet into a surfer's paradise. He stressed the connections between local branding and business development and showed how the Danish municipality of Thisted works in two ways simultaneously to brand the place with the ambition of enlarging its business sector. One way is through the production of climate friendly energy the other through cooperation with the region's surfers.

Thisted has undergone a period of major structural change. Traditionally the area was dependent on fishing. In today's global economy the fishing industry has become highly industrialised and rationalised, now employing far less people than in the past. The municipality and its 45 000 inhabitants enjoy 226 km of coastline as well as 245 km² of national parkland - Thy national park - covering almost a fourth of the total area. It is within the national park area that most of the surfing spots can be found.

Located on the western coast of Denmark, Thisted is known for its *klint*, a steep slope made by

wind and wave erosion. These waves have long been recognised by surfers as making the area an excellent surfing spot. The transformation of the area into today's surfing paradise was not however always a harmonious process. In the 1980s the area was 'discovered' by a group of surfers. According to Hosbond Jensen the surfers came in old cars with boards on the roof and brought canned food from home, living as a parallel community. They were camping illegally, making noise and soon became unpopular. A genuine culture clash between the locals and surfers emerged. The surfers became more and more unpopular and the municipality did not know what to do. Luckily a group of visionary enthusiasts from the surfers saw that they had to do something about the situation, so they started to talk to the surfers saying that they must use the campsite, behave properly and show respect for the locals in order to continue to be allowed to surf there. Meanwhile, some locals saw that there was life in the old fishing village. The surfers started to buy products from the local shops and some even started moving to the area and building houses, thus becoming part of the local community. Today the relationship is better and the surfers have also placed Thisted, and not least Klitmøller, on the map by bringing a surfing world cup to the city.

Jensen talked about a particular conflict the solution to which effectively kick-started the development and brought the municipality to where it is today. In 2005 the city of Hanstholm, in Thisted municipality, wanted to expand by building a dyke to erect wind turbines on. But as the site for the dyke was one of the best surfing spots a conflict arose. Hanstholm asked the surfers to make a proposal for a master plan for surfing along the coast with the plan being partly financed by the municipality and partly by private sponsors.

Launched in 2007 the master plan contains three goals:

- To attract a major surfing event
- Surfing as a part of an alternative settlement strategy for Thy
- Surfing as a part of one or more of the established education opportunities in Thy

The process leading up to the master plan Building the *Cold Hawaii* started with the opening of a National Centre for Outdoor Activities. Already from the beginning the goal to attract the Surfing World Cup to *Cold Hawaii* was set. The project was initiated by the surfers themselves. From the municipalities' point of view the work with *Cold Hawaii* started with regulation management and was designed to make use of the strong positive initiatives already in place. The goal was to make the initiative economically self-

sufficient through commercialisation. The project has not however come that far yet.

The world cup was held in the summer of 2010 and was supported by 200 volunteers. It was the first world cup to be held in a northern European location. The world cup was subsidised by Thisted municipality, *Sport Event Denmark*, LAG Thy/Mors and other sponsors. The event attracted hundreds of visitors, primarily from northern Europe and offered a unique media platform for the municipality and the area in general.

According to Jensen the municipality understood that they were working with entrepreneurial young people with high ambitions. The challenge was, and still is, to make room for the good and the ‘crazy’ ideas within the context of a proper framework where help can be offered. The municipality is now able to connect the events more closely with all the other tourist developments they have in the area so that synergies can be produced and more investment attracted. The municipality itself provides subsidies and wants to support the new ideas but the ultimate goal is that through commercialisation and a proper level of business orientation the initiative can eventually become self-supporting.

NCOA (National Centre for Outdoor Activities), set up in 2008, is a pilot for a business and settlement project in Thisted municipality, with support from the regional growth forum, in cooperation with Visit Nordjylland, Thy National Park, local educational institutions, a local bank and a major local tourist operator. The focus is on business development and settlement construction.

It is too early, Jensen notes, to say anything concrete about what the world cup has meant to Thisted. Klitmøller is however now known for surfing worldwide. The *Cold Hawaii* notion has however undoubtedly helped to provide a continuous stream of new people to Klitmøller. After the world cup was held there estate agents reported that they had enquiries from several interested buyers. The actual event attracted more tourists than was previously the case but there are currently no hard statistics available and it is unclear whether visitor numbers remained at this level in the following season.

Just as the municipality seized the opportunity with the *Cold Hawaii* motto, they have sought also to develop another brand as a leading climate-focused municipality and here communication has been critical to their success.

The municipality was awarded the 2007 Solar Prize in Berlin. They had 226 wind turbines, a heating plant and a Nordic centre for renewable energy that for

over 20 years had inspired people to create their own energy solutions. The goal is now to become known throughout Denmark and worldwide as the leading climate-focused municipality. The approach used was a communication plan, where they organised the targeted communication for a variety of audiences. Now they are developing the project further and have started to work concretely. Projects to make the municipality even more environmentally friendly and strengthen the focus on the development of ‘green-tech’ include a new test centre for wave energy and a major new port at Hanstholm the new national centre for giant wind turbines in Østerild. The municipality is also involved in an ongoing process of collaboration with Aalborg University to educate energy technicians.

“We’ve achieved a lot. We used that as branding on the road to COP15 Denmark’s leading climate municipality”
(Hosbond Jensen, Skarrildhus, 2010).

According to Hosbond Jensen the Thisted experience shows that communication and branding take time, it is important to realise that and to really “dig in!” Strengths and potentials must be verbalised and media can be used for communications, films etc., while the use of new social media attracts new target groups. It is also of course important to have access to funds and to have a strong political focus. He further stresses that the municipality has proved to be willing to join forces with and support enterprising individuals with great ambitions and therefore has been able to utilise the available store of local potential. It is also worth noting that not many jobs have been created thus far though a longer view here would suggest that some businesses might be started and if a strong brand is created people and businesses will be attracted to the area Hosbond Jensen suggests. So far a slight increase in the sale of houses and slight rise in the number of tourists can be detected. The next step is to make the initiative more economically sustainable and focus more on business development.

What is interesting about Thisted in a Nordic perspective? Despite ongoing structural change, here the loss of the area’s traditional reliance on fishing, Thisted has been able to see and seize what they have. They have not invented anything, the waves where there as well as the surfers. Local potential and the strengths of the area have been used and the branding combined with the discussion on ‘green-tech’ and the environment. The municipality has tried to seize every opportunity and to turn a situation initially based on anarchy into a development strategy notes Hosbond Jensen.

The future – further development work

As seen in chapter 4 the rural parts of Denmark, Finland, Norway and Sweden face a number of common challenges. In general the two major international trends globalisation and climate change are seen as having a fundamental impact on Nordic rural areas as does the issue of centralisation, in respect of both population and businesses and services. Some thoughts on how to promote measures designed to address the challenges to Nordic rural areas, are presented below. These are based on the four seminars held by the Nordic working group on rural development during 2009 and 2010; the two seminars on service supply in rural areas held in Steinkjer, Norway, and Tällberg, Sweden in May and November 2009 respectively, the one on governance

and local capacity held in Tuusula, Finland in March 2011 and the last one focusing on business development, held in Skarrildhus, Denmark in November 2011.

The reflections on these issues to be found in chapters 6.1 and 6.2 were provided by the seminar participants themselves during the seminars. Due to the different nature of the discussions held at the various seminars the extent to which they are referred to vary in the text below.⁸⁶ The concluding remarks are based on discussions in the Nordic working group as well as reflections on the results of the seminar on business development produced by Stefan Brendstrup, senior consultant, DAMVAD.⁸⁷

Seminar discussion

The need to share knowledge and experiences and to promote learning from actors in the other Nordic countries was repeatedly stressed. This is also the overall objective of the Nordic working group who organised the seminars on rural development. However, in Skarrildhus the need to pay attention to the differences between places when trying to learn from each other was consistently underlined.

Some further reflections on the content of the exchange of experiences and studies on rural areas were also provided. The current general focus on the promotion of ‘good examples’ was regarded as useful and, judging by the closing discussions of the various seminars, lessons were learned about both the similarities and differences in defining challenges as well as on the issue of potential solutions among the participants. Some asked for more good examples to be disseminated. The potential to learn from more ‘challenging’ projects and from less successful examples, as well as the need to identify bottlenecks and problems, was also highlighted.

Secondly, the position of rural development policies and measures within the political and administrative systems was repeatedly examined from various angles. The roles of the different geographical levels, the coordination and cooperation between sectors and levels and the coordination within levels where, for example, issues that were addressed in all of the seminars.

Horizontal coordination

In line with the larger trend in rural development politics there seemed to be a consensus between many of the seminar participants that a move away from sectoral policies towards a more cross cutting and territorial focus was necessary. The local and regional levels were repeatedly put forward as an arena where different sectoral policies are already coordinated horizontally. Cross-sectoral linkages made at local levels were seen here to enhance the competitiveness of areas.

⁸⁶ During the process of implementing the seminars the working group developed its skills in respect of promoting discussion.

⁸⁷ For further reflections on learning and inspiration from the seminar in Skarrildhus, November 2010, see annex 5 By Stefan Brendstrup, senior consultant, DAMVAD.

The issues of the need for a stronger local level and the empowerment of local actors (governance and local capacity issues provided the focus for the seminar in Tuusula, thus the theme was naturally focused on there) were addressed in all seminars. The strengthening of the local level was addressed in the following ways:

- Horizontal cooperation locally and regionally
- Understanding of your own role and the context
- A realisation that values are connected to the context
- Development of new roles, new methods and responsibilities and inside this framework a freedom to shape the development work can be found
- Need for strategies
- Importance of flexibility as well as a political and bureaucratic consensus
- Need for increased: (at local level)
 - Cooperation
 - Planning
 - Mobilisation
 - Implementation
 - Facilitating and monitoring of development initiatives
 - Optimism
 - Work towards the same goals

The question of whether the necessary methods to be used for the strengthening of the local level are currently lacking was raised and some methods were suggested and discussed. Dialogues and partnerships were also highlighted in this context. The issue of LAGs, in particular, and triple- and quadruple-helix partnerships in general, were raised in Tuusula. For these partnerships to succeed a number of critical points were identified:

- ‘Bottom up’ thinking including the views of the citizens was required to create a ‘we – feeling’
- Dialogue - work towards the same goal important
- Involving and including networks of citizens
- Seeing elderly people as a resource
- Methods to ‘light the fire’ and keep it burning (strengthen the creation of local initiatives in the initial phase and supporting them in the long run)
- Linking the grassroots and the strategic levels

Some of the seminar participants questioned whether the local level would necessarily be a prominent future arena for rural development and thus whether other levels were likely to become more important. One suggestion was that macro-regions might eventually play a larger role. On the other hand a discussion was also had as to whether: “...all areas need the same goals, or will we see a next generation of programmes with room even for conflicting goals?” (Seminar participant, Tuusula, 2010).

The increased importance given to the inclusion of actors from different sectors and with different roles; public, private and voluntary as well as from all geographical levels, was seen as positive in the seminars. A recurring statement, raised among participants in all seminars, was that power needs to be divided between actors and levels and that cross-sectoral inclusive planning requires public bodies to give power away.

The complexity of rural policies and support systems, as well as the large number of strategies and information spread, making coordination a complicated task for local, as well as regional actors, was however highlighted in both Skarrildhus and Tuusula.

Vertical coordination

With regard to enhancing cooperation between levels a good starting point was seen to be to address the question of what rural development really is in a multi-level forum. Should it e.g. be closely connected to regional policy, as is the case in Norway? And how closely connected to village development should rural development be?

Another aspect of coordination and of the role of rural development within the political system discussed here was the need for different development actors to know the system and the work of the other actors and levels. In Skarrildhus the need for local levels to have good knowledge about the national support systems was highlighted. This was undoubtedly seen to enhance the possibilities for the local levels to become more active and to enhance their ability to make use of the resources available. A conclusion was that however strong local societies are the need remains for links to be made with the national governance and support systems.

“We need to realise that the national system cannot be shaped around local conditions instead local actors need to learn to make use of the national system” (Seminar participant, Skarrildhus, 2010).

In Steinkjer on the other hand, it was concluded that it is important for the regional and national levels to maintain good connections with local actors “to experience how matters are approached in reality” (Seminar participant, Steinkjer, 2009). Worth noting here is how seminar participants in Tällberg were pleased to see that there actually was increasing interest from the national level in learning how issues can be solved locally: “*This is inspiring in the work with supporting local initiatives*” (Seminar participant, Tällberg, 2009). In addition, national actors were pleased to learn from the presentations at the seminars that many issues can be solved, and a lot of tasks carried out, at the local level even in the rural

areas. One of the main conclusions drawn here among participants was that the idea of creating development really could be found at all geographical levels but that actors from the different levels need to be aware of each other's work.

Public-private coordination

The need for greater coordination between public and private actors was raised in particular. In Skarrildhus the discussion circled around links between the public support system and private entrepreneurs – those thought to make use of the system. Civil servants at the local level were positioned between policies, programmes and the businesses and seen as an important potential link between the system and its outcomes. The possibilities of being an 'entrepreneurial public agency' were discussed. They were even highlighted as actors with the potential to change unwanted systems. Looking beyond the vertical system, the need to focus on horizontal issues such as the overall needs of an area, the requirements in respect of knowledge about national systems and the ability to connect local conditions with global ones were all raised as being important. The possibilities for civil servant to utilise different roles when working with entrepreneurs were discussed and four potential roles were distinguished:

1. The active listener with a positive attitude
2. The guide
3. The facilitator (even if they do not have the financing to support the process)
4. The coach – to help develop the idea based on their experiences and knowledge⁸⁸

In addition, a number of other ways of enabling entrepreneurs to find their way into the support system were discussed. Networking and research centres were put forward as the main instruments here.

Some overall reflections made in the context of the presentations held in Skarrildhus can be connected to the development of rural areas in general. It was concluded that a first step in the development of many of the initiatives presented was taken as a response to a specific 'trigger', often some sort of a crisis. In general the second step was taken due to individual persons acting as 'drivers' and initiating further work. Further, many of the examples presented linked their answers to the particular crisis in focus to current 'hot topics'; the environment, bicycling, locally produced food, telling 'stories' etc. The initiatives were seen to illustrate that an awareness of the potential connected to individuals with ideas and competences is crucial. In addition a system able to grasp opportunities and support ideas is needed for success while links to ongoing discourses improve the chance of success.

Suggestions put forward at the seminars

More concrete suggestions for future actions were also put forward. Not least in the seminars on service supply. The issue of multitasking was raised here as one way of meeting the reductions in both private and public service supply. Local shops were held up as examples and their importance not only as service suppliers, but also as local meeting points, was stressed. The Norwegian Merkur initiative was given prominent attention. It was suggested that this should be tried in mainland Finland as well as in Åland. Other examples from Norway were also seen as good sources of inspiration - the extensive local commitment (*dugnad*) where local communities support local activities/shops financially as well as the concept of mobile petrol stations. It was suggested that "*a Nordic network should be set up to cooperate around the development and preservation of local service*" (Seminar participant, Steinkjer, 2009).

Some further requests were also made in the two seminars on services. The need for comparative studies on service provision and supplementary functions was for example put forward as was the desire to learn more about how problems with district medical centres are solved in other countries beyond Norway. A more general reflection made in Steinkjer, directed to the working group, was that, "*image problems should be included in the work of the working group*" (Seminar participant, Steinkjer, 2009).

The discussions in Skarrildhus also resulted in suggestions for further seminars. The role of networks as drivers of rural development, the role of resource centres and knowledge centres in the same process as well as the issue of how to improve the policy system supporting rural business development were put forward (see the discussion on the role of the civil servant above). Suggestions were also made to explore

88 See annex 5 by Stefan Brendstrup, senior consultant, DAMVAD

the possibilities of municipalities and public agencies being more active players in rural development by focusing on the following questions:

- How can we expect public agencies/municipalities to act when put under strong economic pressure?
- Do we need to develop new ways of organising public support for business development?
- Do we need to develop new ways of cooperating?
- What does penta-helix cooperation require from public agencies/municipalities?⁸⁹

⁸⁹ See annex 5 by Stefan Brendstrup, senior consultant, DAMVAD

Concluding remarks

This final section brings together some concluding remarks about how Nordic actors can, and do, approach the challenges faced by their rural areas. To begin with it is clear that despite declining political support for national redistribution and welfare state provision and the increasing focus on competitiveness the specific challenges facing rural areas have not been forgotten in the political debate. The topic is kept alive at all geographical levels, albeit at different levels of strength. To make use of the variety of resources available actors at different levels need knowledge about each other as well as on each other's roles, tools and measures.

Many of the challenges highlighted are the same across all four countries and between the various levels in each. The effects of the underlying trends creating the challenges however bring about different results at the different geographical and administrative levels.

The notion of 'attractiveness' emerged as a central theme in all of the seminars, both in the presentations and during the discussions afterwards. Creating an attractive place is in turn a response to the perceived impacts of the major challenges faced, namely, globalisation, climate change and the centralisation of the economy, the population and of services. Globalisation increases the importance of attractiveness by making the level of competition between places greater. However it also facilitates the spreading of information and the ability to promote a place which, in a way, gives small places the ability to compete effectively. With regard to climate change some rural places use climate friendliness as a way of promoting themselves. Numerous examples of places using their climate strategies in their work towards becoming more attractive were provided in the context of the seminars. In the end, attracting both businesses and people, and in turn preventing further centralisation, is seen as an important goal here. Developing/maintaining services is used as a tool to prevent the further centralisation of economic activities and people, in some places it is also used to attract new citizens and businesses.

Throughout the discussions concepts such as 'place-based' and 'diversified' reoccur continuously. The focus here is on enabling each place to develop its own solutions based on its own assets and abilities. Unique answers to the challenges of rural areas are to be created at the local level in cooperation with regional, national and EU actors and measures. Further, the development is to be based on the results of development projects designed to be supported for a limited number of years only. Long-term measures are still implemented but the focus has increasingly come to be on short term projects.

The seminars show that:⁹⁰

- *Difficult to distinguish effects of initiatives*
Even though the presentations at the seminars have highlighted numerous examples of good ideas and initiatives, and been inspiring at the same time, it is still difficult to talk about the effects of the initiatives. This is partly due to the timing of the seminar, for some it was too early in the process to talk about long-term effects. This could however also be in part due to the fact that the focus among funders, initiators, implementers and evaluators is on the *current* situation and not the future.
- *Focus on the process of developing and implementing an initiative*
The seminar discussions were thus mainly on administrative issues and the process of developing, organising and implementing an initiative. This was a topic within which experiences could easily be exchanged and lessons learned. Accordingly, at present the lessons learned about running a project can be seen as one of the most important effects of the project-based development work. This strengthens rural society by contributing to the development of local capacities.
- *Different places, similar solutions*
The seminars further showed that many of the locally devised solutions are actually rather similar in nature, even though the debate is, to a large extent, focused on place-specific assets. To reach a common development strategy with a common aim and means, based on these assets, an increasing number of different kinds of actors are becoming involved; civil society, academia and the private as well as the public sector. Despite this, many of the strategies presented at the seminars have striking similarities. As such, in the ongoing work on making Nordic rural areas attractive many rural places seem to have adopted similar strategies.

Finally, these reflections can also be connected to the ongoing European debate on the post 2013 EU cohesion policy. In many ways this debate follows the same logic as many of the seminar discussions; place-based development is highlighted as the way forward, and as a way of improving the effects of the policy. What the working group has seen is that, at present, it may be so that many of the local development strategies are rather similar in nature. On the other hand the debate also addresses the issue of efficiency with the ability to measure effects and impacts being underlined. This

⁹⁰ For further discussion see annex 5 by Stefan Brendstrup, senior consultant, DAMVAD

requires the focus to be widened to also include long-term impacts in the world of development projects.

The seminars provided the possibility for actors at all levels from Denmark, Finland, Norway and Sweden to learn from each other. The exchange of experiences is also one of the main tasks of the working group. The birth, development and implementation of many new ideas for rural development were presented and discussed. The working group is also tasked with

the promotion and development of new knowledge. In order to further pursue this task inspiration for additional studies follows; long-term effect of different kinds of rural development initiatives, factors leading to successful/less successful results, develop new knowledge in respect of, for example, which level or what actors are most suitable for carrying out different kinds of development measures.

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