

Regional development policies—messages from a Nordic research programme

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Dtp: Allduplo, Stockholm, Sweden
Linguistic editing: OnLine English
Repro and print: Allduplo, Stockholm, Sweden

Nordic co-operation

takes place between the countries of Denmark, Finland, Iceland, Norway and Sweden, along with 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, founded in 1952. The Council consists of 87 parliamentarians from the Nordic countries. The Nordic Council takes policy initiatives and monitors Nordic co-operation.

The Nordic Council of Ministers

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

Nordregio—Nordic Centre for Spatial Development

works in the field of spatial development, which includes physical planning and regional policies, particularly from a Nordic and European comparative perspective. Nordregio is active in research, education and knowledge dissemination and provides policy-relevant data. Nordregio was established in 1997 by the Nordic Council of Ministers. The centre is collectively owned by the five Nordic countries and builds upon more than 30 years of Nordic co-operation in its field.

Stockholm, Sweden, 2010

Contents

Preface	7
Internationalisation of regional development policies in the Nordic countries—the programme	9
Shifting paradigms for regional development policy	9
The research programme	10
The aim of this report and how it was produced	10
Regional governance	13
Introduction	13
Division of territories—from a territorial to a functional logic	13
New governance practices	14
Policy learning	14
Closing comments	15
Innovation and regional growth	19
Introduction	19
Economic structural change	19
Innovation support	20
Economic–social interface	20
Closing comments	20
Demography and labour migration	23
Introduction	23
Peripheral and shrinking regions	23
Metro and expanding regions	24
The common Nordic labour market	24
Closing comments	24
EU enlargement and the challenges for Nordic regional development policy	27
Introduction	27
EU co-operation and regional development policies	27
Closing comments	28
The three dimensions of sustainable development	31
Introduction	31
Economic dimension	31
Social dimension	31
Ecological dimension	32

Closing comments	32
Future challenges and trend issues for regional development policy in the Nordic countries	35
References	37
Appendix 1 Overview of funded projects	39
Phase I	39
Phase II	40
Appendix 2 List of reports published in the series	43

Preface

The research programme *Internationalisation of Regional Development Policies—Needs and Demands in the Nordic Countries* was commissioned by the Nordic Council of Ministers (NCM) in the spring of 2005. The aim of this programme was to undertake research on key issues, where it was identified that new knowledge was needed and where such knowledge could be seen to benefit the development and implementation of regional development policy in the Nordic countries.

The basis for the research programme is its Nordic character. Research should lead to new knowledge for both the academic world and the world of policy and practice. Projects should also add “Nordic value”; i.e., they should produce knowledge of relevance for several regions and countries across the Nordic countries. Moreover, the research should be comparative and collaborative across at least three Nordic countries or self-governed areas.

Three themes of high priority for the research programme have been identified; namely, “regional governance”, “innovation and regional growth”, and “demography and labour migration”. In addition to these priorities, two additional cross-cutting topics were defined: “the enlargement of the EU and the challenges for Nordic regional development policies” and the broad topic of “the three dimensions of sustainable regional development”; i.e., social, economic and environmental sustainability.

The prioritised themes and cross-cutting topics of the research programme were generated from the previous NCM research programme *Future Challenges and Institutional Preconditions for Regional Development Policy* and from the *Nordic Regional Policy Collaboration Programme* (*Nordisk regionalpolitisk samarbeidsprogram*) in 2005–2008.

In the first round of the programme in the spring of 2005, it was decided to fund five projects. These were reported during 2007. In the second round in the spring of 2007, it was decided that a further five projects should be funded. These were reported in 2008 and 2009. The total financial allocation to all projects has been approximately DKK 6.4 million, with more than 50 researchers across all of the Nordic countries involved in the different projects.

The final projects were finalised during autumn 2009. The project results have been published in 10 reports in a publication series dedicated to the programme and can be downloaded from <http://www.nordregio.se/>.

The aim of this, the eleventh report of the programme, is to revisit the point of departure of the programme based on the three prioritised themes and the two cross-cutting topics. Within these fields, some of the results of the research projects will be extracted. In September 2009, a brief questionnaire was distributed to project members for the purpose of obtaining an overview of the project results. In October 2009, a workshop was also held with some of the project researchers and practitioners working with regional development in the Nordic countries to process further the results of the projects and these questionnaires.

The questionnaire and the workshop that concluded the programme will contribute to input that highlights themes of importance at the end of the programme and will provide pointers to issues in need of further study in the future. While it is not possible to provide an exhaustive synthesis of all of the research projects in the programme, the aim is instead to link key findings with trends and to draw attention to issues of particular relevance for policymakers and practitioners working within the broad field of regional development.

The target groups of this report are above all policymakers and practitioners working with regional development policies in the Nordic countries along with a wider audience drawn from the world of research and others interested in the topics addressed.

On behalf of Nordregio Sigrid Hedin, Margareta Dahlström and Jonathan Metzger have worked on compiling this report.

Nordregio wishes to thank the Nordic Senior Official Committee for Regional Policy and the Nordic Council of Ministers for providing this unique opportunity to develop new research-based knowledge and for encouraging co-operation and the exchange of ideas between Nordic researchers.

Nordregio would also like to thank the programme's Steering Committee for their ongoing contribution to the Nordic discourse on regional development.

Finally, we wish to thank all of the research teams involved and the participants in the workshop for their interesting reports and contributions to the questionnaires and the final workshop.

Stockholm, August 2010

Ole Damsgaard
Director

Margareta Dahlström
Coordinator of the research programme

Internationalisation of regional development policies in the Nordic countries—the programme

Shifting paradigms for regional development policy

Over recent decades, policies for regional development have changed fundamentally in the Nordic countries. From a set of measures to support lagging regions that were intended to reduce regional disparities, they now encompass a plethora of strategies and initiatives for all regions and aim to build on regional strengths to support regional growth.

Within the European Union (EU), the Lisbon Strategy and now Europe 2020 as a follow-up have set out the overarching agenda of promoting competitiveness and regional growth through supporting innovation and entrepreneurship. For EU members, this agenda steers the funding stream of the Structural and Cohesion Funds that are of great importance for regional development policy. For countries outside the EU, the same focus on competitiveness, innovation and entrepreneurship and their importance at the regional level underpin these policies. There has also been some Europeanisation of the regional development policies by including a geographical area wider than the EU. The European Territorial Co-operation priority under the Structural and Cohesion Funds, also known as the INTERREG programmes, is an example of how this Europeanisation occurs both in practice and in the mindsets of those involved in the projects, even outside the EU.¹

National governments that were previously in charge of designing and funding policies for regional development remain major players in this regard. However, they have been joined by various types of regional actors, some with devolved responsibilities for regional growth strategies, and by increased importance in terms of both strategies and funding from the EU. The regional bodies charged with responsibilities for regional growth strategies and funding come in different shapes and forms. Some are regional councils under directly elected bodies, and others include state representation at the regional level by county administrative boards, while yet others are regional development agencies with limited direct involvement of a politically elected body. There is consequently the increased involvement of different levels of government, sometimes referred to as multilevel governance, in processes concerning regional development policy.

There has also been a change in the composition of the actors involved in policy activities for regional development, such as working with strategies, programmes and projects towards regional growth. Higher education institutions, key private businesses, chambers of commerce, and the parties involved in the labour market are all involved in the strategic and practical work for regional development. Furthermore, responsibilities and funding sources have also changed among the various actors.

In comparison with the “old” regional policy developed at the national level and characterised by grant schemes, the new paradigm of policies for regional development increases the demands on development bodies. Importantly, these actors require greater knowledge resources, both in relation to the competence of their staff and with regard to the access to external knowledge not only in the region but also nationally and internationally.²

¹ Böhme & Waterhout (2008)

² Halkier & Cooke (2010)

The research programme

Bearing in mind the shifting paradigms for regional development policy, the aim of the research programme *Internationalisation of Regional Development Policies—Needs and Demands in the Nordic Countries* was to research key issues in need of new knowledge for the benefit of regional development policy and debate in the Nordic countries.

In the programme, the following three themes (Figure 1) were prioritised.

- Regional governance
- Innovation and regional growth
- Demography and labour migration

Furthermore, two cross-cutting topics were also defined to be of relevance.

- The Nordic countries and the enlargement of the EU, including its challenges for Nordic regional development policy
- The three dimensions of sustainable regional development; namely, economic, social and ecological sustainability

Figure 1: Prioritised themes and cross-cutting topics in the research programme *Internationalisation of Regional Development Policies—Needs and Demands in the Nordic Countries*

Cross-cutting topic	The Nordic countries and EU enlargement		
Prioritised themes	Regional governance	Innovation and regional growth	Demography and labour migration
Cross-cutting topic	The three dimensions of sustainable regional development		

Here it must be stressed that these were the themes and topics thought to be crucial for regional development policies in the Nordic countries at the time of designing the programme in the autumn of 2004. Fortunately, most of the prioritised themes and cross-cutting topics remain of fundamental importance for regional development policy in the Nordic countries. However, during the time the programme has run, “new” challenges have appeared on the agenda; for instance, the climate change debate and during the autumn of 2008 the global financial crisis.

During the call for proposals, there was also a request that the projects address a research question of relevance for more than one Nordic country. Researching themes of relevance for regional development policies in different countries is of great importance as it enables identification of differences and similarities. For instance, one theme is: how Europeanisation and globalisation are played out and approached regarding policy focus and funding combined with changing mindsets and everyday practice in the Nordic countries.

The aim of this report and how it was produced

In all, 10 projects were funded during the two phases of the programme period 2005–2008, and the research results were published in 10 separate reports.³ Unfortunately, it is not possible to provide an exhaustive synthesis of all of the research projects in the programme. Instead, the aim of this eleventh report of the programme is to discuss the outcomes of the research projects from a wider perspective and to develop conclusions at the programme level. Above all, we attempt to link key findings in the projects to issues of particular relevance for

³ See Appendices 1 and 2 for an overview of the funded projects and a list of the reports. All reports are freely downloadable from Nordregio (www.nordregio.se).

policymakers and practitioners working within the broad field of regional development. In particular, in what way have the funded research projects helped to benefit the quality of regional development policy and debate? Furthermore, what new perspectives and future challenges, trends and issues of relevance for regional development policy in Nordic countries have been identified in these projects?

We approach these questions by extracting the results of the research reports published by each of the funded projects. We also distributed a questionnaire⁴ to all project members at the end of September 2009. In addition, a workshop was held in October 2009 including some of the researchers participating in the funded projects and practitioners working with regional development policy in order to discuss the results of the projects and to identify issues in need of further study. Before the workshop, an overview based on the project results and the responses to the questionnaire were distributed to all participants. During the workshop, the results relating to the three prioritised themes and two cross-cutting topics were discussed so as to develop so-called “dos” and “don’ts” regarding regional development policy. The list of dos and don’ts has been subsequently developed into a set of pointers with the aim of drawing attention to issues of particular relevance for policymakers and practitioners working within the broad field of regional development.

The remainder of the report is divided into six chapters. These chapters cover the three prioritised programme themes and the two cross-cutting topics. The report concludes by highlighting some future challenges, trends and issues facing regional development policy in the Nordic countries. In Appendix 1, brief summaries are given of all research projects performed during the programme, and the aims of the projects and methods applied are presented. In addition, a summary is made of the main project results, especially if examples of good practice have been highlighted. In addition, the main implications for regional development policy are addressed.

⁴ The questions included were as follows. (i) What are the most important lessons about regional development policy in the Nordic countries that can be drawn from the research project you participated in and that can be related to the three prioritised programme themes and two cross-cutting topics? (ii) Were there any other important lessons concerning regional development policy in the Nordic countries developed in your research project(s) that do not fit under the above headings? If so, which were these insights, and what theme(s) can be used for categorising them? (iii) Future directions: If there were to be a follow-up research programme regarding regional development policy in the Nordic countries, what themes, topics, processes, etc. would you consider to be of relevance to this research?

Regional governance

Introduction

When the research programme began, regional management and governance were identified as issues of great relevance for the Nordic countries. Topics of particular interest were the geographical structure of public administration. More than five years later, these issues remain contentious in at least some of the Nordic countries and will probably remain so over the coming decade.

As mentioned in the previous chapter, several actors are involved in both formulating and implementing regional development policy in the Nordic countries. Partnerships and collaboration structures are, for instance, a necessity in the implementation of the EU Structural Funds, an example of an international trend, but are apparent in domestic developments. Here it has been of interest to see whether there are any disparities between how partnerships work in different regions or across different types of regions. The issue of whether the accountability of different actors in the partnerships is clear was another interesting aspect. Furthermore, gaining new knowledge and examples of more effective, efficient and democratic processes in local, regional and national level governance were of interest.

Based on the project results, the questionnaire responses and the workshop discussions, we have identified the following three sub-themes in the prioritised theme *Regional governance: Division of territories—from a territorial to a functional logic*, *New governance practices* and *Policy learning*. We provide below some of the main findings relating to these sub-themes. We close the chapter with some brief concluding remarks and some pointers relating to the theme of regional governance.

Division of territories—from a territorial to a functional logic

A core issue for regional development policy in the Nordic countries is the administrative division of the territories and functions attached to the territorial governance level. In one of the funded projects,⁵ the arguments concerning the role of regions and changes in responsibilities, either proposed or implemented, in the Nordic countries have been further analysed. The changes in regional administration and governance can be seen as both a result of international trends and a response to specific national challenges and needs. However, the role of the regional level continues to be contested in some of the Nordic countries.

There are still, for instance, unsolved questions regarding the elected regional level in the Nordic countries, which have resulted in different models and understandings on how best to organise and develop regions. An asymmetric system is thus evolving in some Nordic countries. Functional responsibility at the regional level also differs within the Nordic countries. The role of political steering and the financing of “regional functions” has also become much more differentiated during the period 1996–2009. The role of the regional level also varies depending on the context. For example, a voluntary intermediate (regional) level between the state and municipality is generally very important in rural areas and areas with small municipalities. International and transnational perspectives will then become more important; for instance, by the inclusion of cross-border perspectives in regional governance.

⁵ Aalbu et al. (2008)

Larger regions and amalgamations of municipalities in the Nordic countries will dominate development because of economies of scale and to enable efficient service production. However, an alternative to “formal” restructuring processes may be territorial coordination and networking solutions, as it is recognised that administrative borders may hamper development and because functional regions are considered to have a positive effect upon regional development.

New governance practices

A “new governance paradigm” is practiced in regional development policy. Regional governance in the Nordic countries is currently in transition, and the regional policy level is both celebrated and contested. The transition process includes tensions between central and local politics, coordinative and sectoral tasks, and conventional and innovative management.

Examples of new governance practices are the increasing roles of networks and the performance of project-based activities. The world of planning is a concrete example of the shift from government to governance. Practice has moved from command-and-control to horizontal policy relations, and from control to guidance. There is also now a strong emphasis on the actions of policymakers regarding, for instance, EU policy. A consequence of these developments is that public sector activities have become much more difficult to follow up and account for. Accordingly, whether the transparency of the new practices is working may be questioned.

The network approach in policy processes, in both initiation and implementation, implies that politicians are assigned a broker role between different socioeconomic spheres. However, do they remain “unbiased” in this process?

The emergence of new governance practices does not imply that the role of government disappears. Instead, in the fragmented new world of regional and local governance, all levels of government need to strengthen their role as “meta-governors” to set down visions, rules and aims of governance processes so as to ensure accountability and transparency. The role of the local, regional and national public administration may be to become the “watchdog” over the free stakeholder-owned processes and to ensure democracy, transparency and, for instance, the removal of gender-biased policy and practice.

The inclusion of stakeholders in policy-making processes is of special importance in relation to large international megaprojects such as the establishment of an aluminium smelter in Greenland. When such major external economic interests are on the agenda, an open administrative process may be hampered. Policy-making by including evidence from local inhabitants may then be an asset in the development of regional development policy.

Policy learning

The new governance practices and network participation in regional development policy may also imply the establishment of policy learning, which may result in policy innovation. The regional politician is a knowledge broker across institutional borders in this process. This development is exemplified by the organisation of regional international activities. To facilitate policy learning, it is then important to involve both politicians and civil servants in these processes.

However, the “projectification” of policy actions may be a problem for learning in regional development policy, as capacity building is not a part of the project results, and there is a risk that project activities will not be embedded in existing regional frameworks and institutions.

In regional development policy-making, there is a separation of horizontal and vertical activities. Vertical activities involve several political levels, while horizontal activities are cross-sectoral and involve actors from different sectors at the same geographic level. Different strategies are needed for both of these dimensions. In this process, the LIRP-model introduced in the project *Fusing Regions? Sustainable Regional Action in the Context of European Integration* may be applied (see text box).

The LIRP model

This model can be utilised as a way to identify indicators for successful regional action in relation to, for instance, EU policies and instruments. LIRP stands for the following.

- **Leadership.** The exercise of regional leadership. Who formulates the regional interest?
- **Institutions.** How are regional institutions built? What is the region–EU connection?
- **Resources.** How and where are the available resources put to maximum use?
- **Policy and projects.** What does the region want? How can that be communicated to decision makers?

Source: Lindh *et al.* (2009)

Regarding policy learning, the role of evaluation is essential; for instance, evaluating the effects and efficiency of the recent restructuring processes and the merging of network activities. In addition, more empirical data and theoretical considerations are needed in order to obtain more knowledge about how policies work. For instance, the gathering of empirical data for responding to questions concerning the effects of different regional mandates, size and financing is needed in order to obtain a better empirical foundation for the political discourse about regional structure and functional issues. In addition, theories need to be developed that capture the complexity of Nordic network governance. Plainly, an improved research–policy interface is required.

Closing comments

In the following section, we make some closing comments and provide some pointers for policymakers and practitioners regarding regional governance and regional development policy in the Nordic countries.

Regional power structure

An interesting issue is the asymmetric development in the Nordic countries regarding regional organisation and regional power structures. However, what does the regional power structure in the Nordic countries actually look like? How are the networks constituted with regard to the actors involved? Are they men or women, and do they represent local, regional or national interests, etc.?

Pointers

- Identify the role and function of the regional level—“Who has the ownership to the region?”
- Strengthen regional political mandates and ensure that the national level recognises and legitimises the regional actors.
- Raise awareness of the need for political action at the regional level.
- Exercise strong leadership among regional policymakers.

Functional regions

Because of the increased demand for efficiency and the lack of administrative reform in some Nordic countries, it is also likely that functional regions will be further developed. Furthermore, with regard to an increasing number of extra-regional interactions, regional development strategies do not cease at the administrative borders of the regions. That is, regions cannot be considered as “closed containers”.

Pointers

- Strive to develop functional regions through development of infrastructure.
- Remove regulations hindering co-operation within functional regions.
- Promote collaboration between different regions both nationally and internationally.
- Attempt to streamline EU regional definitions with national formal regional structures.

Networking and collaboration

There will be even greater focus on networking, both formal and informal, influencing formal government practice and structures. An interesting question here is: what regional leadership—for instance, skills and tools for managing networks or for being a broker—is needed in regional development? Considering the future, it may be interesting to see what will happen with regions that do not succeed in involving a broad range of stakeholders.

Pointers

- Promote policies on networking between different actors and different regions.
- Support the regional policymakers' role as brokers to facilitate collaboration between actors within and beyond the region.

Accountability

An interesting topic regarding the evolving structures for regional development policies in the Nordic countries is the democratic aspects of the new governance. A relevant cross-cutting theme is democratic accountability, which stretches from the individual role of regional politicians, policymakers and partnership members to the accountability of the entire system. Where is “the political” in regional development processes that are ostensibly apolitical? What is the relationship between the new functional regional governance and democratic development/regional accountability? What are the concrete effects of new governance ideology upon bureaucratic practice?

Pointers

- Raise questions of the democratic accountability of regional policymakers.
- Examine what regional accountability means in the different types of regions that are emerging from administrative changes.
- Re-examine the instruments where policymakers have to show accountability.

Strategies and policy learning

A crucial issue is also how to develop the ongoing learning processes regarding regional development policy within ministries and agencies, and actors at the regional level. Many initiatives are now being applied in the regions. This raises the question of who has the overview. Furthermore, how is the issue of the efficiency of policy instruments followed up? In all Nordic countries, continuous evaluation of programmes is now being applied. What advantages and disadvantages does the application of this method have? Another challenge is to identify and critically evaluate failures and experiences of good practice in regional growth policy. What has made these policies successes or failures?

Pointers

- Consider the complexity and context of the horizontal and vertical dimensions of regional governance.
- Attempt to find out what is the best regional interest at the horizontal level.
- Promote institutional building of successful projects so that promising developments do not end when the project funding is finished.
- Consider the EU as part of the everyday practice of regional development.

Further reading

The following reports produced within the research programme more thoroughly explore issues of relevance for regional governance.

Nyseth, Torill & Brynhild Granås (editors): *Place Reinvention in the North: Dynamics and Governance Perspectives*. Nordregio 2007. 157 pp. (Nordic Research Programme 2005–2008. Report 1).

Nenseth, Vibeke & Arvid Strand: *Environmental and Regional Governance—Squeezed or Sustainable?* Nordregio 2008. 35 pp. (Nordic Research Programme 2005–2008. Report 5).

Aalbu, Hallgeir, Kai Böhme & Åke Uhlin: *Administrative reform—Arguments and values*. Nordregio 2008. 92 pp. (Nordic Research Programme 2005–2008. Report 6).

Hukkinen, Janne & Jarkko Levänen (editors): *Knowledge-based Tools for Sustainable Governance of Energy and Climate Adaptation in the Nordic Periphery*. 136 pp. (Nordic Research Programme 2005–2008. Report 7)

Lindh, Magnus, Hans Lödén, Lee Miles, Curt Räftegård & Malin Stegmann McCallion: *Fusing Regions? Sustainable Regional Action in the Context of European Integration*. 126 pp. (Nordic Research Programme 2005–2008. Report 8)

Johansson, Mats, Lisa Van Well, Heikki Eskelinen, Matti Fritsch, Timo Hirvonen, Olaf Foss, Dag Juvkam & Niels Boje Groth: *Polycentricity and Beyond in Nordic Regional Governance*. 87 pp. (Nordic Research Programme 2005–2008. Report 9).

Baldersheim, Harald, Are Vegard Haug & Morten Øgård (editors): *The Rise of the Networking Region: The Challenges of Regional Collaboration in a Globalized World*. 158 pp. (Nordic Research Programme 2005–2008. Report 10).

Innovation and regional growth

Introduction

Regional innovation policies have received increasing attention during the last decade. For the Nordic EU Member States, the regional dimension of innovation has become even stronger as innovation constitutes a priority within the Structural Funds programme 2007–2013. Globalisation and technological development imply a challenge for regions, especially given that specialisation and the ability to innovate within firms or other organisations are crucial in order to remain competitive on the world market. A challenge here is to be able to exploit regional and local strengths so they can be transferred into new or improved products (both goods and services).

While many policy efforts still concentrate on innovations connected to the development of technology, there is also potential to connect innovation and regional growth to public health and culture in the Nordic countries. A challenge for regional development policy in the Nordic countries is to be able to measure and map regional competitiveness, growth and the potential for innovation in different regions, especially if innovation is no longer confined to the development of technology.

Based on the project results, the questionnaire responses and the workshop discussions, we have identified the following three sub-themes to the prioritised theme *Innovation and regional growth: Economic structural change, Innovation support* and *Economic and social interface*. We provide below some of the main findings that may relate to the three different sub-themes. We close the chapter with some brief concluding remarks and some pointers relating to innovation and regional growth.

Economic structural change

Today, many parts of the Nordic countries are facing dramatic changes in their economic structure. A long and accelerating trend is the concentration of economic activity in major metropolitan regions. Employment in modern service sectors in metropolitan regions is growing, and manufacturing and construction in more peripheral regions is declining.

Some Nordic regions are internationally competitive in highly productive, non-labour-intensive industries because of high levels of R&D, innovation and education. This profile needs to be further developed and invested in. The lack of regional markets in sparsely populated areas means that businesses need to reach out to the global market straight away, an area where small companies especially often lack knowledge, networks and resources.

At the same time, we must attempt to mitigate the severe negative social impacts of economic structural change in some of the more sparsely populated, peripheral regions. This would, in many cases, entail a process of “place reinvention”. Place reinvention in remote areas is often driven by new local elites who have broad experience and wide networks, competence, vision and creativity. They often act as motors for place reinvention and are in many instances motivated by a strong local identity but without being unnecessarily parochial. Many places that reinvent themselves are inspired by the existing global discourse on quality of life and business climate development. At the same time, places undergoing reinvention processes need to consider their truly unique capacities and resources and to build on these.

Innovation support

Innovation support is currently high on the agenda in regional development. However, we still lack a common understanding of what we mean by innovation, and this makes it more difficult to design policies for supporting innovation.

In addition, we must also learn not to be too limited in our perception of what innovation with regard to activities within the economy could be and where it could potentially come from. Not all innovations spring from scientists in R&D laboratories. We need to support better and pay attention more to cross-boundary settings, including new constellations of actors, as this is where the radical innovation of goods and services potentially emerges.

Our perception of what is useful with regard to innovation, and the types of knowledge that it is possible to commercialise is also thoroughly gendered. Men and male-dominated fields are created as norms of innovative actions. The Danish globalisation strategy is, for instance, an example of a broader definition of innovation and how to support it.

Economic–social interface

We have to become better at understanding the social effects of economic development and also the regional social foundations of economic development. For instance, we now know that attractive places for tourism often also become attractive places to live in. As such, tourism adds value to a place and attracts inhabitants. We need to learn more about how economic investment and restructuring affect the attractiveness of a place.

We also know that inflexible and outdated self-images can lead to limitations in the space for innovation; for instance, for entrepreneurs. Resistance to cultural and economic change must therefore be challenged through participative and inclusive practices that can help places to develop new self-perceptions.

In order to improve the economic–social interface, social impact assessment can be used as a strategic tool to evaluate innovation and regional growth strategies and to link them to the development of local and regional social and welfare questions.

Closing comments

Innovation will remain an important issue on the policy agenda. In the EU, the Lisbon agenda has now been replaced by the Europe 2020 strategy. A question that may be posed here is why the ambitious objectives of the Lisbon Agenda were not met by the EU Member States in 2010. How are the experiences from the application of the Lisbon Agenda used in the development of initiatives connected to Europe 2020? This issue also relates to the policy learning dimension addressed in the previous chapter. A major challenge for regional development will now be to tackle the effects of economic crisis—how do regions have the capacity to change, transform, and constantly be capable of reacting to major events and remaining proactive?

Broader understanding of innovation

In terms of innovation and regional growth, it may also be worthwhile to cease spending time on the definition of innovation as the definition is constantly evolving. It is evident that innovation does not belong only to the technology field. In the future, there will most probably be an increasing importance of, for instance, culture in

innovation processes, not only in terms of creative industries but also across the entire spectrum of culture and by including cultural aspects with other sectors.

Another opportunity for the Nordic regions is the relation between regional “health care” and regional growth. How can the “Nordic welfare system” be used for creating growth? Are there, for instance, export possibilities for selling Scandinavian welfare policy?

Pointers

- Adopt a broad understanding of innovation.
- Support the transformation of mindsets with regard to the links between regional development and innovation.
- Improve ways of combining technology-based and service-based innovation.
- Exploit the potential for social welfare exports.
- Move innovation policy towards user-driven innovation.

Inclusion of actors and collaborations

There is also a demand for collaborations between different kinds of actors; for instance, when it comes to developing innovation systems. A well-established concept is the triple helix, consisting of collaboration between actors from higher education and research institutes, industry and the public sector. Sometimes the inclusion of a fourth party, the civil society, is mentioned.

Pointers

- Support and encourage interaction between different actors.
- Stimulate higher education institutions to be involved in regional development.
- Build different actors’ capacity to develop user-driven innovation.
- Support inter-regional links along with international links.
- Address the gender issue and new social stratifications regarding the use of new knowledge.

Differentiated policy approaches and support

Because of rather different understandings of innovation and regional preconditions when it comes to innovation potentials, differentiated approaches may be called for. After more than a decade, it may be interesting to obtain more comprehensive knowledge about what is beyond the buzzword consensus in innovation policy. What is done in practice?

More research on radical systems of innovation may be needed. How does systemic innovation take place? As it is also some kind of common knowledge, interconnected innovation systems, may be difficult to manage, so talks about facilitation or even orchestration at the mega level are now being introduced. What skills and instruments are needed for this function?

Pointers

- Tailor-make innovation policies for different types of regions (rural, medium-sized towns, metropolitan areas, cross-border regions).
- See innovation as a comprehensive policy strategy that is simply bigger than economic growth.
- Engage regions in comprehensive management of innovation policy.
- Utilise innovation when profiling regions.
- Encourage radical systemic innovation through working with attitudes and knowledge.
- Support cultural aspects of regional development because cultural activities promote creativity and new developments.
- Strive to match the supply and demand of competence.

Further reading

The following reports produced within the research programme more thoroughly explore issues of relevance for innovation and regional growth.

Nyseth, Torill & Brynhild Granås (editors): *Place Reinvention in the North: Dynamics and Governance Perspectives*. Nordregio 2007. 157 pp. (Nordic Research Programme 2005–2008. Report 1).

Edvardsson, Ingi Runar *et al.*: *Demographic Changes, Labour Migration and EU-enlargement: Relevance for the Nordic Regions*. Nordregio 2007. 149 pp. (Nordic Research Programme 2005–2008. Report 2).

Pettersson, Katarina: *Men and Male as the Norm—A Gender Perspective on Innovation Policies in Denmark, Finland and Sweden*. Nordregio 2007. 71 pp. (Nordic Research Programme 2005–2008. Report 4).

Demography and labour migration

Introduction

There is a wide diversity in size and demographic trends among local labour markets in the Nordic countries. The diversified picture implies a major challenge for policy-making at the national level. In 2004, there was a fear that the Nordic countries would be flooded by cheap labour from the new EU Member States. This expectation was not realised (see also the following chapter)

A real challenge when it comes to demography and labour migration is the ageing population of the Nordic countries. Here regional differences may be seen; for instance, the situation is expected to be more severe in peripheral regions in the coming decade. A third challenge is economically inactive people of working age.

With regard to the prioritised theme *Demography and labour migration*, we have—based on the project results, the questionnaire responses and the workshop discussions—elaborated two sub-themes referring to regional types; namely, *Peripheral and shrinking regions* and *Metro and expanding regions*. Furthermore, *The common Nordic labour market* was defined as a sub-theme. We provide below some of the main findings that relate to the sub-themes. We close the chapter with some brief concluding remarks and some pointers relating to the theme and sub-themes.

Peripheral and shrinking regions

Demographic and labour market trends are a serious challenge in many of the more peripheral and sparsely populated Nordic regions. The general Nordic trend is that large and metropolitan regions have growing populations while rural and peripheral regions have, sometimes dramatically, declining populations. Lengthy trends of outmigration to more metropolitan regions in many cases lead not only to an ageing population structure but also to a “brain drain” and uneven age and sex balances in the regions concerned.

There is a high risk that these regions will become caught in a negative spiral of low demand for skilled labour, which results in a low supply of skilled labour, which in turn leads to a weak innovation climate and a low demand for all labour.

The imbalances are further strengthened by the fact that immigrants who arrive in more peripheral areas often rapidly move to, and settle in, more metropolitan areas. Nevertheless, immigrants have higher labour market participation rates in some of the less central regions than in the major metropolitan regions.

One way of minimising mismatches in regional labour markets could be through regional enlargement; that is, the expansion of regional labour markets through enabling commuting. Another way of tackling the issues in addition to addressing the age structure is to look at labour market participation rates among different age groups and marginalised groups in society. If we can tap into these reserves of labour, ageing is not as great a problem as it might be considered otherwise.

Metro and expanding regions

In contrast to the peripheral and sparsely populated regions, Nordic metropolitan regions generally have a highly expansive labour market. The supply of human capital (that is, skilled personnel) is generally good, but demand is growing very rapidly in many places.

One way to redeem mismatches in the labour market is through regional enlargement and the enabling of commuting. Another way is to tap into unused potentials including older people and marginalised groups. However, we still face the dilemma that most of the unemployed today lack the qualifications and education required by employers.

The common Nordic labour market

Labour immigration from the new EU countries cannot solve future labour shortages in the Nordic countries. The reason is that supply will dry up because of future labour shortages in emigrant countries and a rising standard of living in the same countries, leading to a dramatic decrease of “push” factors for emigration. Instead, we will be seeing more symmetrical migration flows around the Baltic Sea, which will lead to further integration of the macro region and a higher level of international competitiveness.

Nordic and Western immigrants have the same employment rate as natives, whereas some other immigrant groups have rates that are considerably lower but increasing with time of settlement in their new countries. Iceland, at least before the economic crisis, and Norway pose good practice examples in respect of activating immigrants in the labour market. Nevertheless, limited success with activating non-Western immigrants remains. Measures have to be taken to activate this group in the labour market. In this context, social impact assessment can be further developed as a tool for cultural impact assessment where difficult issues of multiculturalism and ethnic relations and the adaptation of various cultures to each other can be evaluated and assessed using communicative methods.

Closing comments

To sum up demography and labour migration, the ageing population in the Nordic countries and the depopulation of some areas are trends that will continue in the foreseeable future. Below are some closing comments and future directions that relate to the theme and are of relevance for regional development policy in the Nordic countries.

Need for mobility and spatial perspectives

Mobility and migration in a society are needed in order to obtain the circulation of people and knowledge. A challenge in the Nordic countries during the coming decade is to tackle outmigration in peripheral municipalities and regions and population increase in the metropolitan areas. Regarding geographical perspectives, the cross-border dimension and the relation to neighbouring countries are of relevance for regional and local inward and outward migration.

Pointers

- Recognise that demography and labour migration have asymmetric effects upon regions and the Nordic countries.

- Develop policies for a changing world where citizens must cope with retraining, moving, and seeing new opportunities.
- Avoid seeing regions as containers where people should be “locked in”.
- Think about brain circulation instead of brain gain and drain.
- Ensure that mobility within and between the Nordic countries is smooth; for example, through adapting the social welfare system.
- Recognise that demography and labour dynamics enhances macro-regional development but will not solve demographic problems for shrinking regions and might add problems to overheated regions.
- Attempt to match the competencies of immigrants with regional needs.

Policy approaches and support

From a policy perspective, a comprehensive approach involving different policy actors and fields may be taken into account in order to meet the challenges of depopulation and an ageing population.

Pointers

- Develop regional attractiveness and image; for instance, accept that good living conditions in remote areas attract immigrants and facilitate distance working and remote studying.
- Develop approaches supporting “civilised depopulation”; for instance, innovative methods such as the co-location of service institutions and transport solutions.
- Continue to work towards labour market integration of marginalised groups, including young men with low educational attainment.

Further reading

The following reports produced within the research programme more thoroughly explore issues of relevance for demography and labour migration.

Edvardsson, Ingi Runar *et al.*: Demographic Changes, Labour Migration and EU-enlargement: Relevance for the Nordic Regions. Nordregio 2007. 149 pp. (Nordic Research Programme 2005–2008. Report 2).

Heikkinen, Timo & Rauno Sairinen: Social Impact Assessment in Regional Land Use Planning: Best Practices from Finland. Nordregio 2007. 52 pp. (Nordic Research Programme 2005–2008. Report 3).

Johansson, Mats, Lisa Van Well, Heikki Eskelinen, Matti Fritsch, Timo Hirvonen, Olaf Foss, Dag Juvkam & Niels Boje Groth: Polycentricity and Beyond in Nordic Regional Governance. 87 pp. (Nordic Research Programme 2005–2008. Report 9).

EU enlargement and the challenges for Nordic regional development policy

Introduction

The topic of Nordic countries and EU enlargement was included in the research agenda mainly because there was some concern that the enlargement of the European Union in 2004 would imply that the EU Structural and Cohesion Funds available for Nordic regions would decrease substantially. This fear did not materialise to the extent expected, so this aspect turned out to be somewhat of a non-issue for regional development policy. However, in relation to the enlargement of the EU, there were also some concerns that the Nordic labour market would be flooded by cheap labour from the new member states (see previous chapter). Fortunately, this also did not become a major issue. Instead, issues related to EU enlargement of relevance for regional development policy in the Nordic countries tend to address cross-border regional governance and collaboration.

Below are some of the main findings relating to the cross-cutting topic *The Nordic countries and the EU enlargement and the challenges for Nordic regional development policies*. We close the chapter with some brief concluding remarks and provide some pointers relating to the theme.

EU co-operation and regional development policies

Labour migration from the new EU Member States is not a means for solving the foreseen Nordic labour shortage. This supply will only last for a short time because of the increased labour shortage as well as a rising standard of living in the labour-exporting countries. The “push factor” will consequently decrease. Instead, more symmetrical migration flows from the Baltic Sea Region are expected, implying further integration of the macro region and a higher level of international competitiveness. Migrants from the new member states also tend to prefer English-speaking countries.

The inclusion of Estonia, Latvia and Lithuania in the European Union was of great importance, as the Nordic countries have more in common with these new member states than the “Pentagon” region of Europe regarding, for instance, the pattern of population settlement and the polycentric structure.

During the programme period 2007–2013, all regions belonging to the Nordic EU Member States—Denmark, Finland and Sweden—have been eligible to apply for money from the European Regional Development Fund (ERDF) under the Objective 2 *Regional Competitiveness and Employment*. It remains to be seen whether all these regions will remain eligible for these funds in the future. What will happen if not all regions remain eligible? Will they use the learning achieved in participation in the projects during the current programming period? This may be an interesting way of following the Europeanisation of regional development policy in practice.

Closing comments

Despite the lesser than expected impact of enlargement, the practical consequences of the past and future enlargement of the European Union remain an issue, particularly in relation to the fact that negotiations for the budget period 2013–2020 have already begun. It is rather plausible that money allocated to the Nordic countries will decrease, as from a European perspective, they are considered rather well off, with support more needed in other parts of the EU. However, substantial regional differences exist in the Nordic countries. It is consequently also a question whether all regions remain eligible in the ongoing programme or whether funds and governmental efforts should be concentrated on certain specific regions.

EU co-operation and the focus of regional development policy

A decreased EU allocation to the Nordic countries implies that Nordic actors need to access EU funding through competitive calls such as the INTERREG and Framework programmes. What capacity is available or needs to be developed in order to meet this demand, and how can public actors support this? Furthermore, access to funding is not the only benefit regarding regional development planning and processes. By being involved in the Structural Funds processes, participating actors from the national to the local level are also part of developing and implementing new policies for national policy and regional planning. One should not underestimate the role of this type of involvement with regard to the drivers of, and momentum in, policy-making. What capacity is available or needs to be developed in order not to lose this involvement?

Pointers

- Recognise the qualitative changes in conditions for regional policy-making because of enlargement.
- Support cross-border collaboration within the enlarged EU and across its external borders.
- Explore new possibilities for a coordinated Nordic strategy on EU regional development policy; for example, in relation to the Baltic Sea Region.

Cross-border governance and co-operation

Within EU co-operation, we have during the last several years observed the emergence of a new way of co-operating with neighbouring areas, manifested in the launch of the EU strategy for the Baltic Sea Region in 2009. How does this way of co-operating influence regional development policy in the Nordic countries?

Pointers

- Capitalise on the fact that the Baltic Sea Region is internal to the EU and is now becoming focused as a macro region; for instance, this offers a change in the mindsets about opportunities within new co-operation combinations; e.g., innovation policy.
- Increase mutual understanding for specific governance structures, logics and contexts in different countries of the Baltic Sea Region.
- Develop co-operation projects in the form of goal-orientated and action-orientated concrete interventions.
- Continue to prioritise and develop regional networks; for instance, inclusion of new stakeholders that really work and contribute to the objectives.

Further reading

The following reports produced within the research programme more thoroughly explore issues of relevance for the EU enlargement and the challenges for Nordic regional development policy.

Edvardsson, Ingi Runar *et al.*: Demographic Changes, Labour Migration and EU-enlargement: Relevance for the Nordic Regions. Nordregio 2007. 149 pp. (Nordic Research Programme 2005–2008. Report 2).

Lindh, Magnus, Hans Lödén, Lee Miles, Curt Räftegård & Malin Stegmann McCallion: Fusing Regions? Sustainable Regional Action in the Context of European Integration. 126 pp. (Nordic Research Programme 2005–2008. Report 8)

Baldersheim, Harald Are Vegard Haug & Morten Øgård (editors): The Rise of the Networking Region: The Challenges of Regional Collaboration in a Globalized World. 158 pp. (Nordic Research Programme 2005–2008. Report 10).

The three dimensions of sustainable development

Introduction

Sustainable development is an overarching political goal in regional development policies and an issue of interest for regional development and regional programming arenas. However, both the definition and the operationalisation of the concept need to be elaborated further. An overarching interest in this research is to go behind the rhetoric and get down to concrete methods in which sustainable development is operationalised, measured and carried out in regional development policies and programmes.

Below are some of the main findings related to three sub-themes of the three dimensions of sustainable development; namely, the *economic*, *social* and *ecological* dimensions. We close the chapter with some brief concluding remarks and provide some pointers relating to future policy directions.

Economic dimension

The role of regional development policy is to cover broader issues such as the general business climate, quality of life and economic development. Economic development remains a priority in regional development policy when it comes to sustainable development. Given demographic, educational and economic trends, it may be questioned whether it is really possible to create economically sustainable communities in many of the peripheral locations in the Nordic countries. Demographic change is a core issue for sustainable regional economic development. Here, both national policies regarding family and child-care issues and regional quality of life and policies regarding service provision have important impacts.

In sparsely populated areas, the limited home market forces businesses to reach out to the global market from the start. At the same time, these businesses have a strong dependency on the locality as a setting and asset. The role of EU policies in such areas is to concentrate on tourism, agriculture and small-scale enterprise.

Social dimension

Social sustainability is often neglected in regional planning. It is also often under-represented relative to the powerful regional lobby representing the economy and environmental protection. There has been, for instance, a neglect of social aspects in innovation policies in Denmark, Finland and Sweden, where gender equality is a missing element, even though this is stipulated by EU policies and the Lisbon Strategy.

The competencies of people migrating to the Nordic countries do not fully match the competencies needed in today's knowledge-driven economies. This is a challenge that needs to be addressed by education policy as well as regional development policy. Consequently, immigration per se is not the solution to structural change and labour shortages in the Nordic countries.

Functioning service production is considered the key to social and economic development of everyday life in peripheral locations. Inclusion and social cohesion processes whereby people feel empowered to influence their own situation are also important for place reinvention.

Ecological dimension

An issue now being related to sustainable development and the ecological dimension is climate change, where regional development policies can play a role in both mitigation and adaptation processes. How does regional development planning respond to the challenge of climate change? Furthermore, how do efforts dealing with climate change interact with those related more generally to sustainable development?

Macro-scale climate change policies and transnational mega-projects include new power relations and notions of unbalanced economic relations, which challenge the existing regional policy institutions, procedures and knowledge foundations. In relation to this development, regional and local attempts to address environmental challenges and climate change should be supported.

Closing comments

Despite the fact that the concept of sustainable development has been in use for more than 20 years, we can see that developing an understanding for, and an operationalisation of, the concept remains an ongoing process. Moreover, the climate change debate has added a new dimension to this concept and may also imply that the concept becomes even stronger when connected to regional development policy.

Comprehensive approach

We can see that a more *comprehensive approach*, meaning where the three conventional elements of sustainable development are not separated, is needed. However, the reliance on the three dimensions may be a counter-productive approach, as it hampers integration of the different spheres. In policy processes, it is essential to develop an integrated approach to the key themes of sustainable regional governance in land-use planning and regional planning programmes by, for instance, the development of impact assessment, such as the EU mandatory Strategic Environmental Assessment. There is hence a need to improve the research–policy interface through, for instance, the design of research projects, think tanks, and personnel rotation, in order to conceptualise sustainable development.

Pointers

- Develop territorial cohesion governance structures that integrate all dimensions of sustainable development at the regional and inter-regional levels.
- Develop ongoing knowledge exchange for understanding the systemic interplay between social, demographic and economic institutional and legal frameworks across Nordic borders.
- Recognise that the issue of sustainable development demands internationalisation—perhaps think about macro regions, but also consider national and international collaborations.

Practical application of the concept of sustainable development

Development of approaches and methods on how to integrate the concept of sustainable development in regional development is still needed. However, the recent development of so-called regionally integrated strategies where economic, spatial, environmental and other key regional strategies are combined into a single document is an interesting development to follow. Here, deeper knowledge about how different actors

collaborate vertically and horizontally in the preparation of the integrated regional strategies will be of interest to see whether this type of strategy results in more holistic and sustainable approaches and solutions.

Pointers

- Recognise the tensions between the “must” of sustainable development as a horizontal theme of regional development policy and the difficulties this provides in practice at the regional level.
- Promote modernising mindsets regarding the theme of sustainable development at the policymaker level. Do this in liaison with the practical level in the regions.
- Promote research–policy interface opportunities as a tool in achieving joined-up/horizontal thinking.
- Include thinking on sustainable development and innovation opportunities; for example, in relation to green growth.
- Highlight ethnic segregation as one of the major common Nordic issues concerning sustainable regional development in the future.
- Consider how to develop policies for communities where demographic and economic trends are so challenging that it is no longer possible for these communities to survive.

Further reading

The following reports produced within the research programme more thoroughly explore issues of relevance for the three dimensions of sustainable development.

Heikkinen, Timo & Rauno Sairinen: Social Impact Assessment in Regional Land Use Planning: Best Practices from Finland. Nordregio 2007. 52 pp. (Nordic Research Programme 2005–2008. Report 3).

Nenseth, Vibeke & Arvid Strand: Environmental and Regional Governance—Squeezed or Sustainable? Nordregio 2008. 35 pp. (Nordic Research Programme 2005–2008. Report 5).

Hukkinen, Janne & Jarkko Levänen (editors): Knowledge-based Tools for Sustainable Governance of Energy and Climate Adaptation in the Nordic Periphery. 136 pp. (Nordic Research Programme 2005–2008. Report 7).

Future challenges and trend issues for regional development policy in the Nordic countries

All prioritised themes and cross-cutting topics in the programme are pertinent when it comes to the conduct of research of relevance for regional development policy in the Nordic countries.

Continuous *administrative reforms* affecting regional development policies will probably be seen in many of the Nordic countries. The financial crisis will, for instance, affect public finances and result in even higher demands on efficiency.

It is still crucial to connect regional development policies in the Nordic countries to overall development in the extended Nordic region and the rest of the world. It is important to recognise that *internationalisation* requires the updating of discourses and regional futures as well as demographic regional development. How does, for instance, the fact that the financial crisis has hit the neighbouring Baltic States rather hard influence regional development policy in the Nordic countries? Moreover, the recent collapse of public finances in some EU Member States must be carefully followed.

EU co-operation and enlargement is also an ongoing theme for regional development policy in the Nordic countries. What impact will, for instance, new EU enlargement have on the future EU Cohesion Policy? Regarding the EU enlargement, everything points in the direction that Iceland will become a member of the EU. What effect will this have on regional development policy in that country and on Nordic co-operation?

Furthermore, the macro-regional approach now being applied in the EU Strategy for the Baltic Sea Region will be interesting to follow, as it may open up for *cross-border and transnational co-operation* within a broader field of issues. However, for the Nordic countries, while the development of a Baltic Sea macro region will, on the one hand, give Nordic co-operation a unique opportunity to demonstrate its strength in a broader international context, on the other hand, it may also imply a challenge for the “Nordic” internal balance, putting up West Norden against the Baltic Sea Region.

Another challenge that will remain is *climate change*. Here, both mitigation and adaptation measures foster new innovative mindsets and policy approaches in regional development policies. The implementation of the Europe 2020 Strategy is just one example.

Finally, there is a *knowledge dynamic in the field of regional development policy*. Recent research⁶ indicates indeed that “one size does not fit all” for policies that aim to support regional development. There is clearly a need for research and the evaluation of regional development policy to be more “modern” with quicker feedback. In addition, practitioners and policymakers need to be involved in knowledge interactions about policy. What are, for instance, the results of the continuous evaluation of policy instruments or programmes now being applied by many policy actors in the field of regional development in the Nordic countries?

⁶ Dahlström et al. (2010)

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Lindh, Magnus, Hans Lödén, Lee Miles, Curt Räftegård & Malin Stegmann McCallion (2009) Fusing Regions? Sustainable Regional Action in the Context of European Integration. *Nordic Research Programme 2005–2008 Report 8*, Stockholm: Nordregio.

Appendix 1 Overview of funded projects

Phase I

Place Reinvention in the North: Dynamic and Governance Perspectives

Aim: How have eight regional and municipal centres in Iceland, Sweden, Finland and Norway been reinvented in the context of globalisation? How do places change meaning as a result of continuous and strategic processes of place making and identity building?

Method and material: Case studies in eight regional and municipal centres in Iceland, Sweden, Finland and Norway.

Outcome: There are complex dynamics between the intentional and strategic processes of change; i.e., place marketing and the continuous process of change that proceeds more or less unintentionally. These processes imply a changing image of place. It is also proved that globalisation and everyday life influence place identity. As a result, it is difficult to govern the processes of place reinvention, as they are very complex. This implies a challenge for the governance system and a need for collaborative forms of governance including a multiplicity of agencies and interests. The local government can be assigned to be a meta-governor of the process of place reinvention in order to retain control.

Implications for regional development policy: How is the conception of place translated into policies that are significant regarding quality of life, economic competitiveness and environmental sustainability?

Nyseth, Torill & Brynhild Granås (editors): *Place Reinvention in the North: Dynamics and Governance Perspectives*. Nordregio 2007. 157 pp. (Nordic Research Programme 2005–2008. Report 1).

Demographic Changes, Labour Migration and EU enlargement—Relevance for the Nordic Regions

Aim: Analyse what impacts ageing, structural change in the economy and broader international trends, especially the EU enlargement, have on the future demand for labour in the Nordic countries.

Method and material: Investigation of structural change in employment between 1991 and 2004 in all Nordic countries using demographic data.

Outcome: The structural change in employment in the Nordic countries between 1991 and 2004 is characterised by deindustrialisation and increased employment in the “new” services sector. Outsourcing and the offshoring of low-productive and labour-intensive industries to low-cost countries is seen as a response to regional labour shortages and wage rigidity. Thus far, immigration from the new EU Member States has been smaller than expected, with Iceland and Norway, and the capital areas and major cities the most attractive destinations. In the new knowledge-based service sector, there is no demand for low-skilled labour from, e.g., new member states. Instead they tend to occupy so-called “3d” (dirty, dangerous, and degrading) jobs.

Implications for regional development policy: In the future, highly skilled people are needed in the knowledge-based service production. This demands further investment in innovation, R&D and education in order to obtain competitive highly productive and non-labour-intensive industries in the Nordic countries.

Edvardsson, Ingi Runar *et al.*: *Demographic Changes, Labour Migration and EU-enlargement: Relevance for the Nordic Regions*. Nordregio 2007. 149 pp. (Nordic Research Programme 2005–2008. Report 2).

Social Impact Assessment in Regional Land Use Planning—Best Practices from Finland

Aim: Describe the experiences of using Social Impact Assessment (SIA) in regional land use planning in Finland. Analyse and compare the contents, methods and working practice of SIA.

Method and material: Three case studies in three Finnish regions.

Outcome: The methodological choices and the “know-how” of SIA practitioners are of great importance for the application. A number of practical examples for people working with the social dimension in regional planning and policy-making are presented. A toolbox and best practice for how to address the social dimension in regional development plans are provided.

Implications for regional development policy: How can we use the applied approach for assessing other types of policies; for instance, innovation policies?

Heikkinen, Timo & Rauno Sairinen: Social Impact Assessment in Regional Land Use Planning: Best practices from Finland. Nordregio 2007. 52 pp. (Nordic Research Programme 2005–2008. Report 3).

Men and Male as the Norm? A Gender Perspective on Innovation Policies in Denmark, Finland and Sweden

Aim: Is gender equality mainstreamed, which is mandatory according to national and EU legislation, into innovation policies? How is gender constructed in innovation policies?

Method and material: Discourse analyses of policy documents and web pages of relevance for the initiation and implementation of innovation policies in the Nordic EU Member States of Denmark, Finland and Sweden.

Outcome: Gender is not mainstreamed in innovation policies. Male and men is the norm in innovation policies.

Implications for regional development policy: When a large part of the population is “by-passed” by the policy, it will be difficult to develop the whole society through innovation.

Pettersson, Katarina: Men and Male as the Norm? A Gender Perspective on Innovation Policies in Denmark, Finland and Sweden. Nordregio 2007. 71 pp. (Nordic Research Programme 2005–2008. Report 4).

Environmental and Regional Governance—Squeezed or Sustainable

Aim: Investigate shifts in policy orientation among the professionals in environmental planning and related agencies regarding environmental and sustainability strategies and look for innovative governance practices.

Method and material: Replicate survey of professionals in environmental and planning administration performed 10 years ago in Denmark, Norway and Sweden.

Outcome: A shift may be seen towards natural and social scientists in professional composition as well as more women. The activities relate more to guidance than to control. To some extent, innovative governance practices may be found in comprehensive planning and integrated urban land use and transport planning, but there is a striking stability despite overall changes.

Implications for regional development policy: There is a need to redefine the role of politicians for more long-term perspectives and local democracy. Does practice really change when the formal administrative structure changes? How rooted is this practice?

Nenseth, Vibeke & Arvid Strand: Environmental and Regional Governance—Squeezed or Sustainable? Nordregio 2008. 35 pp. (Nordic Research Programme 2005–2008. Report 5).

Phase II

Administrative Reform—Arguments and Values

Aim: Describe the processes and discourse of administrative reform with a focus on the arguments used and the values underlying the arguments.

Method and material: Analyses based on documents and interviews as well as discussions with national experts in the Nordic countries and three autonomous areas.

Outcome: The discourses include four types of arguments relating to democracy, efficiency, regional development and the reform process itself. The arguments used are based on forecasts about the future, pointing to a forward-looking political logic.

Implications for regional development policy: Illustrates how a theoretical approach can be used for understanding or deconstructing development, or sometimes non-development, in a policy process.

Aalbu, Hallgeir, Kai Böhme & Åke Uhlin: Administrative Reform—Arguments and Values. Nordregio 2008. 92 pp. (Nordic Research Programme 2005–2008. Report 6).

Knowledge-based Tools for Sustainable Governance of Energy and Climate Adaptation in the Nordic Periphery

Aim: How can local policymakers and practitioners in northern Nordic latitudes respond quickly to climate change?

Method and material: Performance of case studies in the northern Nordic peripheries regarding, for instance, energy systems in West Norden, planning of an aluminium smelter in Greenland, climate policy in Swedish municipalities and the implications of climate policy for reindeer management in Lapland (Finland).

Outcome: A set of knowledge-based tools, indicators and check-lists—for instance, public information flow, actor network tools, multicriteria decision analysis and technological road mapping, that could be used in the daily work to assist policymakers and practitioners in their planning for sustainable adaptation to changes in energy provision and climate conditions—is presented.

Implications for regional development policy: Offers concrete tools to be used in policy processes.

Hukkinen, Janne & Jarkko Levänen (editors): *Knowledge-based Tools for Sustainable Governance of Energy and Climate Adaptation in the Nordic Periphery*. 136 pp. (Nordic Research Programme 2005–2008. Report 7).

Fusing Regions? Sustainable Regional Action in the Context of European Integration

Aim: How can the European Union work as a political resource? What types and forms of functional activity are undertaken by regional actors when handling EU questions? What are the attitudes and ambitions for the future of regional actors? How does this help us to understand the present? What can be improved?

Method and material: Bottom-up micro-studies of three Nordic regions; namely, Hedmark (Norway), Värmland (Sweden) and Southwest Finland (Finland).

Outcome: By using innovative regional action and fusion approaches, a clearer understanding of the functional activities of regional actors can be gained. Hands-on examples of how to develop regional action are presented. There is a strong desire among the actors in the investigated regions to use the benefits of European integration as a way to bypass the nation state as well as to develop closer relations between their region and the EU. Presentation of LIRP (Leadership, Institutional-building and reform, Resources and Policy/project formulation and management tool).

Implications for regional development policy: What impact may the application of the operational tool have on regional development in the Nordic countries?

Lindh, Magnus, Hans Lödén, Lee Miles, Curt Räftegård & Malin Stegmann McCallion: *Fusing Regions? Sustainable Regional Action in the Context of European Integration*. 126 pp. (Nordic Research Programme 2005–2008. Report 8).

Polycentricity and Beyond in Nordic Regional Governance

Aim: Has the concept of polycentricity played a role in the debate on regional development policy and governance reforms?

Method and material: Country reports of Denmark, Finland, Norway and Sweden reviewing how polycentricity is interpreted in the various regional development policies and the regional/municipal reform processes by connecting the settlement pattern of the countries.

Outcome: Regarding settlement patterns, a North–South divide may be seen in Sweden and Finland, in contrast to Denmark, where there is an East–West divide and in Norway, which has a monocentric settlement pattern. In the investigated countries, there is a development towards larger regions and municipalities because of economies of scale and efficient service provision. The concept of polycentric development is not visible in the structural governance reforms. Instead, there is a focus on co-operation and relational networks less based on geographical proximity.

Implications for regional development policy: Illustrates how the use of the concept of polycentricity can be of benefit for the administrative reform debate in the Nordic countries.

Johansson, Mats, Lisa Van Well, Heikki Eskelinen, Matti Fritsch, Timo Hirvonen, Olaf Foss, Dag Juvkam & Niels Boje Groth: *Polycentricity and Beyond in Nordic Regional Governance*. 87 pp. (Nordic Research Programme 2005–2008. Report 9).

The Rise of the Network Regions: The Challenges of Regional Collaboration in a Globalised World

Aim: The challenges of regional governance are related to the capacity of regions to organise and run network activities. In this project, the changes in networking activities and related development activities that have taken place in the last 10 years are charted.

Method and material: Performance of a survey resulting in the update of a database from 1997/98 covering networking activities performed by all Nordic regions and larger cities

Outcome: A cleavage between urban and regional politicians may be seen regarding the distribution of functions and powers in regional development policies and network activities. Partnerships may be difficult to establish at

the regional level. In addition, the state remains an important actor; for instance, in the establishment of triple helix activities. Politicians with clear policy preferences are more deeply involved in networks of all kinds. More satisfaction with networks could be observed today than 10 years ago. An ICT tool assists cosmopolitan orientation.

Implications for regional development policy: What impact do differences concerning network activities between urban and regional politicians have for regional development policy?

Baldersheim, Harald Are Vegard Haug & Morten Øgård (editors): *The Rise of the Networking Region: The Challenges of Regional Collaboration in a Globalized World*. 158 pp. (Nordic Research Programme 2005–2008. Report 10).

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