

JOURNAL OF NORDREGIO

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- **The challenge of territorial R&D**
- **Increases in EU research founding**
- **A farewell to the Pentagon-model?**
- **The Regions come to Brussels**



From the yearly visit of regional representatives to fight for their territory at the EU-headquarters at Brussels. Photo: Odd Iglebaek



NORDREGIO
Nordic Centre for Spatial Development

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New Nordregio Publications (2006)

The role of urban areas in regional development – European and Nordic perspectives: Proceedings of the Nordic Working Group on Cities and Regions
(Nordregio WP 2006:4) 112 pp. SEK 100

Hanell, Thomas & Neubauer, Jör:
Geographies of knowledge production in Europe
(Nordregio WP 2006:3) 39 pp. SEK 100.

Lähteenmäki-Smith & Dubois, Alexandre: **Collective learning through transnational co-operation – the case of Interreg IIB** (Nordregio WP 2006:2) 60 pp. SEK 100.

Erik Gløersen et al:
Northern Peripheral, Sparsely Populated Regions in the European Union and in Norway.
173 pp. (Nordregio Report 2006:2) SEK 200.

Edited by Åge Mariussen & Åke Uhlin:
Trans-national Practices - Systems Thinking in Policy Making.
Nordregio 2006. 270 pp. SEK 100

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NORDREGIO
Nordic Centre for Spatial Development

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Nordregio is a centre for research, education and documentation on spatial development, established by the Nordic Council of Ministers.

Territoriality matters!

During November two different reports were presented at two different events in Finland. Both reports underline the important role 'territoriality' continues to play in the debate over competitiveness and globalisation.

In The State of the Regions Report 2006 presented at the summit of the Baltic Development Forum in Helsinki the key message is that location matters, and even more so now in an economic environment characterised by globalisation.

In the third and final Synthesis Report on the ESPON 2006 research programme presented in Espoo the message was that the territorial potentials of Europe's regions and, in particular, their overall diversity, are factors of increasing importance for the European economy in the context of globalisation.

Based on an analysis of the 34 applied ESPON research projects, it was further observed that even though, at present, a number of trends point towards increasing territorial balance in Europe, the overarching and increasingly predominant market forces trend continues to promote geographic concentration in economic development and in the localisation of investments. The European objective of enhanced territorial cohesion is therefore being fundamentally challenged. Strong forces are pulling in the opposite direction!

A very important aspect of the concentration trend is demonstrated in the articles based on the Geographies of the Production of Knowledge (pp 6 - 8). Some 75% of the total European investments in R&D (research and development) take place in the Pentagon, the economic core of Europe.

In this area which covers around 14% of EU territory the highest ranking European universities and the most important financial institutions are

located. The concentration of R&D investments and universities indicates that the highest innovation and development potential is situated here while extended parts of the European territory – mainly in the East and the South – have a relatively low innovation potential. The Nordic countries however remain an exception to this general Europe-wide pattern of peripherality linked to poor innovation potential.

In addition, a distinct core-periphery relationship can be observed at the national level, where R&D activities are generally concentrated to a few regions, often near the capital city. This territorial pattern is largely replicated in the regional share of cultural employment, which includes 'creative' jobs that normally stimulate the processes of innovation.

The new 7th European Framework Programme for research (see page 4) can be viewed as an important pan-European instrument for the implementation process of the Lisbon Agenda. Innovation can still be viewed in a broader perspective than that simply of new ideas and new products based on research. As such, the 7th Framework Programme contains some new elements which may better enable those regions lagging behind to benefit from the new opportunities available.

One can however legitimately ask whether the considerable amount of EU money which is going to be allocated to R&D in a 'free competition' across Europe will not simply further enhance the innovation capacities of those already strong regions leaving the more peripheral regions to lag even further behind? If this is indeed the case then it could be argued that Europe will continue to develop in an increasingly polarised direction where disparities in the potential innovation capacity between regions continue to grow.

In the article 'Farewell to the

Pentagon' (page 11), concerning future strategies for the European periphery, it is suggested that peripheral areas should neither rely on an extension of the Pentagon or on its decentralisation. The periphery will gain from neither approach. Instead it is proposed that access to the global economy for peripheral regions is ensured through the development of connectivity, and by the further reduction of linguistic and regulatory barriers and entrepreneurial cultures.

In relation to R&D functions then it remains crucial to connect peripherally located universities and research institutions to more well-situated institutions in other parts of the world. A more elaborate understanding of globalisation and of the way innovation processes take place in different types of regions is thus a necessity. Territoriality thus continues to matter placing continuous demands on the promotion of new ways and means to overcome its pejorative cultural and socio-economic consequences.

Originally we had planned for four issues of the Journal of Nordregio in 2006. Unfortunately, our editor Odd Iglebaek, suddenly became seriously ill on early November. Therefore we had to reduce to three issues. If all goes well, Odd Iglebaek will be back up to full capacity early next year.

The *Journal of Nordregio* wishes all of its readers a happy and innovative new year! ■

Ole Damsgaard
Director of Nordregio



Major increase in EU research funding

The forthcoming 7th Framework Programme (FP7) will run for seven years, from the beginning of 2007 to 2013. The FP7 is intended to be a straight follow-up to FP6. The FP7 will however lay greater emphasis on activities in basic research while also promoting more policy-relevant research based activities. The total FP7 budget is planned to be 54.7 billion euros, that is a 60 per cent increase in relation to FP6. The FP7 also emphasises the increasing competitiveness of the EU and is expected to be an essential instrument in achieving the strategic goals of the Lisbon agenda. Research and innovation are the principal tools used in reaching this goal.

The Framework Programme is EU funded and provides a long-term instrument for funding European research and development. The Framework Programme, presided over by the European Commission and approved by the European Parliament, has been in existence since 1984, with each 'period' originally lasting five years. The current 6th Framework Programme will run until the end of 2006.

The new FP7 is organized into four separate programmes addressing cooperation, ideas, people and capacities.

- Cooperation between universities, research institutions, public authorities and enterprises. The cooperation programme corresponds to trans-national collaborative projects in nine major areas. Approximately half of the FP7 budget is allocated to support for the Cooperation programme.
- Ideas refer to the establishment of a European Research Council (ERC) whose task it is to stimulate and support the research activities of

individuals and teams of researchers competing at the European level.

- People strengthen training, support mobility and human resources.
- Capacities enhance the development of research and innovation capacity among different types of actors through wide-ranging research, cooperation and innovation activities.

Development and research projects are collaborative and based on multi-national cooperation. The minimum requirement for projects is that they

EU financial contribution for public institutions and SMEs will be up to 75%.

An important new element in the FP7 is the focus on the financing of science-based research projects as opposed to issue or policy-based questions. This takes place within the context of the Ideas programme where, for the first time researchers will be eligible to receive individual or team-based funding assessed through a peer-review process. The new European Research Council (ERC) provides direction to frontier research activities in universities and institutions. The ERC allocates funding on the basis of research excellence alone.

In contrast, the Cooperation programme is organised into ten issue- and policy-based activities. These areas are:

1. Food, Agriculture, and Biotechnology
2. Information and Communication Technologies
3. Health
4. Nanosciences, Nanotechnologies, Materials and new Production Technologies
5. Energy
6. Environment (including Climate Change)
7. Transport (including Aeronautics)
8. Socio-economic Sciences and the Humanities
9. Security
10. Space

Theme 8, socio-economic sciences and humanities has an estimated budget of 623 million euros over the full period 2007-2013.

Research in the socio-economic sciences and humanities field plays a major role in understanding regional development aspects in the FP7.



Janez Potocnik, EU's commissioner for research and development, can look for forward to major increases in his budgets.
Photo: ODD IGLEBAEK

have three participants from three different countries. It should be noted however that during the current Framework Programme, the average size of the research consortiums varied from seven to twenty partners. The EU will not however cover all expenses and thus collaborators also have to allocate their own resources to the project. In the new programme, the

Research on this theme will include analyses of the problems and challenges that Europe will in future face. These problems are seen as being of a high priority at the European level. It is expected that research on socio-economic and humanities issues will contribute to the development formulation, implementation and assessment of key policy measures.

The Socio-economic sciences and humanities theme is further sub-divided into the following seven activities:

- Growth, employment and competitiveness in a knowledge society
- Combining economic, social and environmental objectives in a European perspective
- Major trends in society and their implications
- Europe in the world
- The citizen in the European Union
- Socio-economic and scientific indicators
- Foresight activities

Each activity is, in turn, separately organised into research areas and then further into research topics. The activities in Theme 8 include significant policy level impacts that will generate and reinforce political discussions and support decision-making from a European perspective.

Other themes in the Cooperation programme include a wide range of dimensions and issues that are relevant for the social sciences. The intention here is that research and development are structured along diverse issues and challenges and not along traditional disciplinary lines. The socio-economic element is thus horizontally developed across many other themes.

For regional actors the Capacities programme includes a particularly relevant activity called 'Regions of knowledge'. Within this activity support is given to actors including local and regional authorities, research institutes, companies and other actors. Regions

of knowledge activities can e.g. be based in existing or emerging clusters, or they can take the shape of transnational cooperation between actors. Activities can include analysis, development, mentoring and the implementation of research agendas.

In relation to the former framework programme, the FP7 complements the implementation of various activities in the Member States as well as other Community initiatives, such as the structural funds. The complementary element however remains a crucial part in the research infrastructures part of the capacities programme. This makes it possible to support research facilities and personnel enabling new research institutions to compete for funding from the FP7. It will also improve regional stability as research funding will also be directed beyond the core regions.

The FP7 can also be implemented in non-EU states that have cooperation agreements with the Commission. Norway and Iceland have participated in the preparation and implementation of framework programmes. Both of these countries will also have an important role to play in implementing the FP7.

The first calls within FP7 are expected in late December 2006 or early January 2007.

The Nordic countries each have a national information point for the FP7. Further information can be found at the Community Research & Development Information Service CORDIS <http://cordis.europa.eu/pf7/>

In the Nordic countries further information, individual assistance and advice will be provided *inter alia* by the following institutions and agencies:

Denmark:
EuroCenter in the Danish
Technological Institute
<http://www.eurocenter.info>

Finland:
Academy of Finland
The National Technology Agency of
Finland Tekes
<http://www.tekes.fi/eu/eng/ncps.html>

Iceland:
IceTech <http://www.impra.is>
RANNIS, The Icelandic Centre for
Research <http://www.rannis.is>
Research Liaison Office of the
University of Iceland
<http://www.rthj.hi.is>
The Federation of Icelandic
Industries <http://www.si.is>

Norway:
The Research Council of Norway,
Division of Science
<http://www.rcn.no/eu>
The Norwegian Space Centre
<http://www.spacecentre.no/>

Sweden:
VINNOVA <http://www.vinnova.se/>
Swedish National Space Board
<http://www.snsb.se/>
Swedish Research Council
<http://www.vr.se/> ■

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R&D does not necessarily yield high growth

– Little empirical evidence currently actually exists on a European scale to suggest that high R&D investments yield better economic growth. In fact, the most R&D intensive region of Europe (Braunschweig in Germany) is the fourth slowest growing regional economy in the EU. Similarly, among the ten fastest growing regional economies, not a single one has an R&D rate exceeding 2% of the GDP, not to mention the 3% target limit.

This is how Thomas Hanell and Jörg Neubauer summarise what they call the ‘Geographies of Knowledge Production in Europe’, published as Nordregio Working Paper 2006:3. The paper was prepared for the conference ‘Investing in Research and Innovation’ and was well received. The conference, held in Copenhagen, was jointly organised by the Nordic Council of Ministers and the European Commission, Directorate-General for Research and Directorate-General for Enterprise and Industry on 16-18 October this year.

The EU’s Lisbon agenda set the target of an R&D investment rate of 3% (of GDP) which was to be reached by 2010. During 2000-2003 the un-weighted annual average economic growth rate for regions where R&D spending exceeds 3% of GDP was 2.2% per year on average.

– However, as Hanell and Neubauer note, for those regions where R&D spending was below this 3% target limit, the corresponding economic growth rate was 2.3%, i.e. higher.

Europe modest on R&D

Today a rather modest share – when compared to the US or Japan – of 1.9 % of the EU25’s GDP is spent on R&D. In the USA and Japan however, expenditures are mainly allocated to experimental development while the EU25 tend to

focus in general on applied research. In absolute terms, expenditure on R&D has, with the exception of the last five years, seen a steady growth.

The lion’s share of Europe’s R&D financing is spent in the core economies of Germany, France and the United Kingdom. In contrast, expenditures on R&D are generally low in Southern and Eastern Europe. On a national level currently only the Nordic countries of Finland, Sweden and Iceland meet the 3 percent EU expenditure target.

Strong concentration

Furthermore, the EU’s overall investment in R&D is actually based on the expenditure of only a few regions, all of which are located in the EU15. The top positions are dominated by German and Nordic regions led by Braunschweig (8.7% of GDP spent on R&D). In the New Member States (NMS) the most R&D intensive region is Stredni Cechy (2.6%) surrounding Prague.

Research investment is thus highly concentrated within the European Union and EEA countries with 30% of all R&D investment concentrated in only ten regions, these ten regions account for a mere 12% of the corresponding population.

Moreover, R&D funding varies significantly from region to region within countries. Finland and Germany are good examples of this. Other larger regional disparities in funding intensity are for example to be found in Norway, Sweden, the UK, the Czech Republic and Poland.

The major part of the EU25’s R&D expenditure stems from the business sector (54%), two thirds of which is spent in manufacturing and one third in services. This is, however, modest compared to the USA, Japan or China.

The private sector dominates R&D investment especially in the EU15 with the exception of Austria,

Greece, Italy, Portugal, Spain and the UK. In Luxemburg, Finland and Switzerland already today more than two thirds of R&D expenditure originates from the private sector.

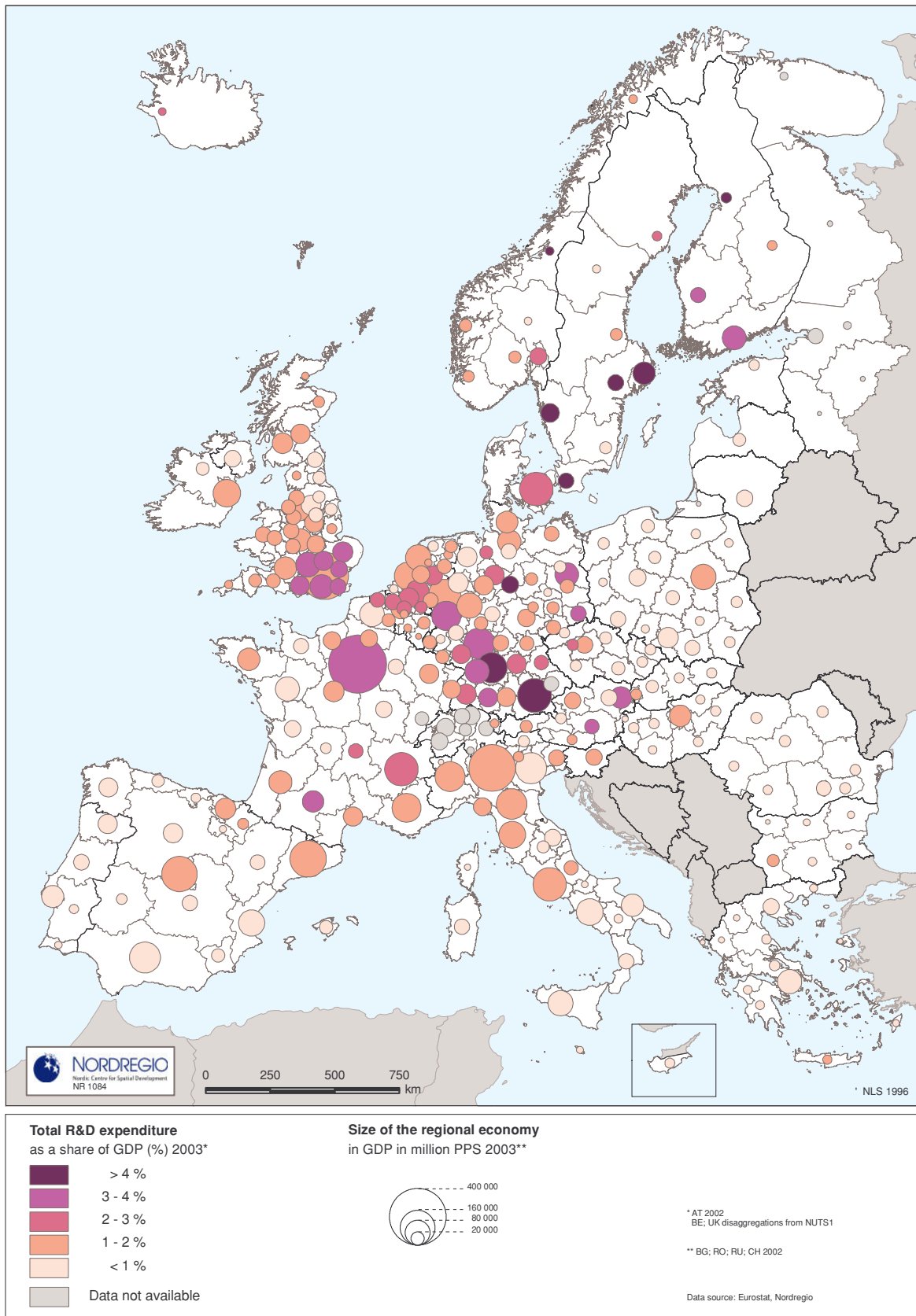
The governmental sector (35%) is the second major contributor in the EU. Compared to the other world economies this percentage remains rather high. The public sector dominates in the New Member States, except for the Czech Republic and Slovenia, and in the cohesion countries. The Russian Federation also finances most of its research from governmental sources, while Norway and Iceland fall in between the two extremes as, financially, the R&D ‘spend’ is roughly balanced between the private and the public sectors.

The remaining R&D expenditure originates from other (third sector) national sources (2%) and from a comparatively large and increasing share from abroad (9%). The latter sector is particularly evident in Austria, Latvia, Malta and the UK, where every fifth Euro invested in R&D comes from abroad.

In the Nordic countries domestic financing predominates, except for Iceland where 14% of R&D financing comes from outside the country. The situation in Iceland is thus nearly on a par with that in countries who receive substantial Foreign Direct Investment, such as Estonia, Lithuania and Cyprus. ■

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Total R&D expenditure as a share of GDP 2003.

Universities supply R&D-labour

– From a “knowledge economy” point of view it is still definitively the universities and other higher education institutions that are the core suppliers of qualified R&D labour. At the same time however, an increasing amount of R&D funding now stems from private sources, note Hanell and Neubauer.

Currently some 54% of all R&D funding in the EU stems from private sources, i.e. largely outside the academic field. Indeed, there is strong pressure on universities to more actively seek financing from the private sector.

More generally, universities are being challenged to contribute more to local and regional development. This does not imply that universities are necessarily seen as significant suppliers to the local workforce, but that the societal and local/regional effects of their work have to be taken into account. This mission is often labelled as the “third task” of universities.

- In this respect, universities have a dual role in the knowledge economy, both as suppliers of raw material to the labour market and as producers of knowledge, explain Hanell and Neubauer.

Historically, universities have been the main, and indeed often the only, *milieus* for science and innovation. In the last thirty to forty years the substantial rise in corporate and/or other private sector research has however seen a steady loosening of the formerly umbilical ties between universities and the local or national economy.

- Nevertheless, universities continue to carry out important research tasks in the fields of technology and medicine, as well as in so-called ‘primary’ or ‘basic’ research, a prerequisite for truly new and innovative thinking, the two researchers underline.

Although there are universities in virtually every corner of the European

continent, the location of highly ranked universities is, by and large, a matter for the Pentagon. Of those 100 ranked highest in Europe, nearly a third (30) are in the UK, nearly a fourth (23) in Germany and 13 in France, followed by nine in Italy, the Netherlands and Sweden respectively.

Of the larger European countries, Russia, Poland and Spain are clearly underrepresented, and more generally, Eastern Europe in its entirety is virtually void in this respect. Globally however, most leading universities are located outside Europe, primarily in North America.

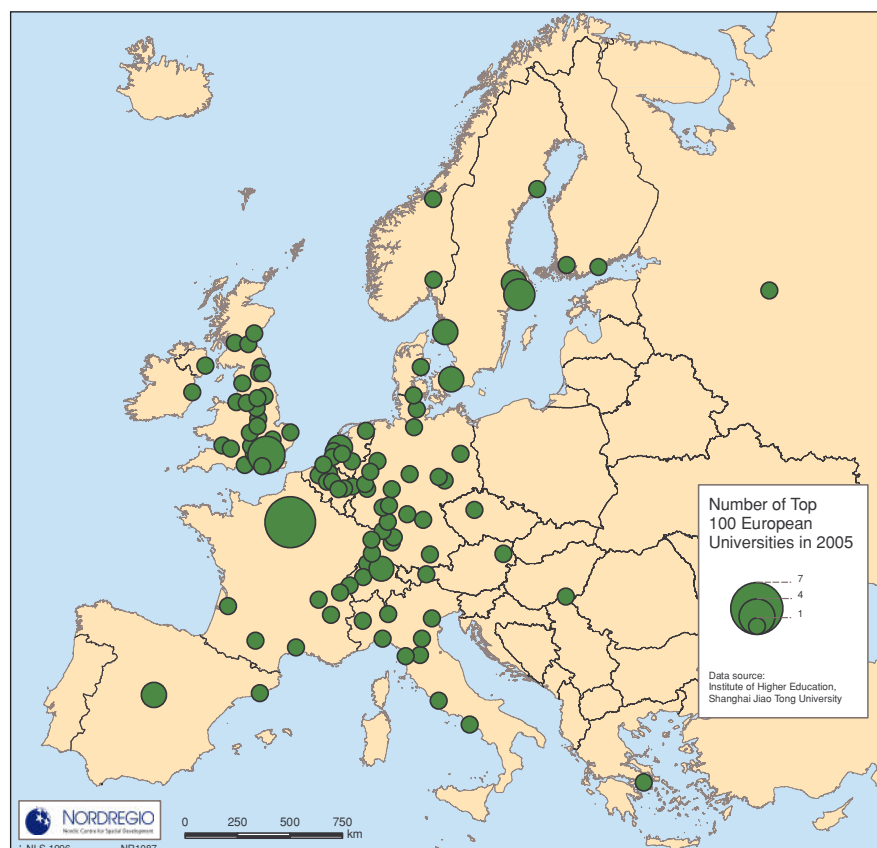
On the city level, Paris, with seven universities, and London, also boasting numerous universities and other tertiary educational establishments (in the top 100-list) remain outstanding European academic centres.

In Sweden many of the largest universities (e.g. Uppsala or Lund) are located outside the major cities of Stockholm, Gothenburg and Malmö. In Norway, which has a rather centralised university system in comparison with e.g. Sweden or Finland, the position of Oslo predominates.

– From a Nordic point of view, the authors note, Copenhagen is in this respect the primary academic *milieu*, being particularly vigorous in medical sciences publications. ■

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Preliminary data: DK, EE, FR, GR, NL. Eurostat estimates: AT, DE, SI. Data for 2003: CH, CN, GR, IT, JP, LU, NO, PT, UK, US. Data source: Eurostat, OECD



Leading university cities of Europe 2005.

Territorial debate: A presentation of ESPD and ESPON

- The European Spatial Development Perspective (ESDP) is an advisory reference document adopted by the European Ministers of Spatial Planning at Potsdam in 1999. The aim of the document was to define the main priorities for the balanced territorial development of Europe.
- The ESDP is the first EU level policy document on spatial planning. The philosophy and the objectives of the ESDP relate to the wider objectives of the European Union such as sustainability and competitiveness.
- The ESDP is a non-binding document, implying that the Members States are not obliged to apply it.
- The ESDP mirrors a number of prevailing aims and principles from both the national and European-level planning discourses of the 1990s. The three main ESDP policy guidelines for the spatial orientation of policies are:
 - 1 *Development of a balanced and polycentric urban system and a new urban-rural relationship.*
 - 2 *Securing parity of access to infrastructure and knowledge.*
 - 3 *Sustainable development, prudent management, and the protection of our natural and cultural heritage.*
- The novel approach fostered by the ESDP is that of cooperation between all levels (vertical integration) and all sectors (horizontal integration) that have spatial impacts.

In practise, the ESDP has largely inspired the research activities undertaken by the European Spatial Planning Observatory Network (ESPON).

This network was set up in 2001 to support policy development and to build a European scientific community in the field. In total, the ESPON community includes over 600 researchers from across Europe.

- The ESDP is not a master plan for Europe. It should rather be understood as the basis for an ongoing policy process and discussion, in which all of the actors associated with European territorial development are invited to participate.
- The upcoming Territorial Agenda for the European Union does not replace the ESDP, but builds on it by drawing on the achievements of ESPON. It also tries to specifically focus on economic growth.
- A core issue concerns the need to find an acceptable vocabulary which enables fruitful trans-national discussion on possible planning solutions to take place. As in all processes, there are conflicting views on which words to use.
- ESPON was allocated a total budget of 17 million euros for this purpose for the period 2001-2006. This budget is foreseen to be increased to between 45 and 50 million euros in the period 2007-2013.

For more on the territorial issues, see the following pages. ■

Viewpoint:

- Has the ESPD really been applied?

Seven years on, has the ESPD really been applied?

The ESPON project, "Application and effects of the European Spatial Development Perspective (ESDP) in the Member States" 2004-2006, assesses the implementation of the ESPD at the EU level and in the Member States. In particular, policy-making, planning legislation and documents, institutional changes and planning discourses are scrutinized. The main finding is that the ESPD has had only a limited impact on the EU and the Member State level and few direct references to the document are found at the local and regional levels.

The Tampere ESPD Action Programme (TEAP) dating from 1999 was established to promote the application of the ESPD. It included 12 implementation actions. The aim here was to translate the policy aims into examples of good practice. The Member States and the Commission were assigned different tasks.

The TEAP was however soon forgotten and many tasks were never completely fulfilled, particularly relating to questions over the spatial impacts of enlargement on the EU for example, due to the emergence of new political agendas (i.e. Lisbon and Gothenburg) and other new European policy concepts with spatial relevance.

Though a number of clearly defined tasks were subsequently carried out – in addition to those that did not require significant transnational cooperation – the major endowment of this period was the ESPON programme itself.

With the exception of the Strategic guidelines for the structural funds 2000-2006 including the Interreg III B Initiative, the ESPD has had a limited impact on EU sectoral policies and programmes. (Interreg III B = transnational cooperation, while Interreg

IIIA=two-countries cooperation)

The main priorities found in the Interreg III B programmes are coherent with the ESPD policy guidelines. In this context, a geographical difference can be observed. In Southern Europe, sustainable development, prudent management and the protection of nature and cultural heritage have been highlighted. In Northern Europe on the other hand, parity of access to infrastructure and knowledge and the concept of polycentricity have been stressed.

The direct impact, i.e. formal and institutional changes, of the ESPD is very limited in most Member States. Many of the Member States involved in the preparation of the ESPD however had planning policies and practices that already conformed to the ESPD's objectives.

In general, the three main ESPD policy guidelines are present in national planning discourses, however often without specific reference to the ESPD. To some extent then the ESPD has ensured, that European issues are now more fully addressed in a national planning context.

The project also reveals a number of knowledge gaps in need of addressing if more knowledge about ESPD application is to be secured. Practitioners and planners at the local and regional level in most Member States are not aware of the ESPD-policy guidelines. There is then a need to perform a more systematic investigation of planning practices.

Despite the rather limited effects of the ESPD document it can be concluded that the 10-year process of intergovernmental cooperation, did make a difference in European spatial planning and policy making.

The enlargement of 2004 from EU 15 to EU 25 moreover produced an ever greater level of diversity between regions within the EU, creating in

the process a new spatial reality. In this new context future European-wide cooperation on spatial development is now imperative.

In its origin the ESPD was not pan-European. As such new themes, like climate-change and migration, have to be considered. Alternative approaches aiming to balance horizontal and vertical integration are also needed.

In addition, practical advice and examples which can be understood and used by regional and local planners in their daily work are also needed. Additionally, a greater sense of process ownership at the local and regional levels would undoubtedly help.

However, due to the low level of recognition at the EU-level of the ESPD-document, it is unlikely that the ESPD itself will feature in future EU-policies. Instead, territorial cohesion, which emerged in 2001, has gained ground and is now a central term in the development of key spatial EU-documents. Examples include the "Territorial State and Perspective of the European Union" and "Strategic guidelines for the Structural Funds for the period 2007-13". ■



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For more information on the Draft Final Report can be downloaded at www.espon.eu

Viewpoint:

- Let's say farewell to the Pentagon-model

Erik Gløersen, researcher at Nordregio, argues in the article below that one of the key ESDP notions, namely the 'Zones of global economic integration', has little relevance for future planning. Rather, European spatial planning needs to integrate a more elaborate understanding of globalisation, and Gløersen argues, that Norden provides a useful example in this context.

The European Spatial Development Perspective (ESDP) identifies a European core area, delimited by the London, Paris, Milan, Stuttgart and Hamburg metropolitan areas and designated as the 'Pentagon'. Within this zone, one can observe a concentration of people, wealth production and command functions. This concentration is judged detrimental by the ESDP.

The ESDP moreover claims that the main driving force behind the Pentagon's development is its status as 'global economic integration area'. In consequence, the solution to improving the territorial balance in Europe would be to develop alternative zones of 'global economic integration' through an increased level of integration between existing metropolitan areas. The ESDP in other words favours the idea of multiple 'Pentagons' across Europe.

Where does this leave the Nordic countries? None of the Nordic cities can claim to be 'Global cities'. There is also very little hope that integration between the existing urban regions would ever allow them to achieve a higher degree of global significance.

There is, in other words, no potential for creating Zones of global economic integration able to counterbalance the Pentagon in Norden. But does this imply that the Nordic countries are bound to be increasingly subjected to centralising European trends?

Economic trends over the last

decades tell a different story. The lack of globally significant nodes has not prevented the Nordic countries from experiencing an overall level of economic development that is either equivalent or superior to that of the European core areas of Germany, France or the Benelux countries.

Given this relative Nordic success, how then should they now relate to European spatial planning's focus on globally significant urban nodes?

What is globalisation about?

The globalisation debate can be traced back to the mid-1970s when some academics observed that multinational companies had begun to transcend the nation state. From the mid-1980s onwards, there was an increasing awareness that a new hierarchy of global cities was emerging.

Demographic size is not the core element of this hierarchy. A city's importance depends rather on the number of transnational company headquarters, high-level financial services and other advanced business-to-business services it hosts. The presence of such 'global activities' implies a concentration of economic command functions.

In parallel, the role of the nation state is shifting, from impulse provider and decision maker to enabler and regulator. The awareness that cities can transcend states becomes a central element in geographical debates over globalisation.

As such, one can easily demonstrate that these so-called 'global activities' are largely overrepresented within the European core or 'Pentagon'. But is this sufficient to earn global city status?

It has been demonstrated by global city researchers that the types of activities that are characteristic of global cities require large labour markets because of the wide scope of specialised competencies that need to be pooled. This however

implies the need for a large number of persons living within commuting distance of each other, within the same city or metropolitan region. Inter-urban entities such as the Pentagon are difficult to relate to this view of the global city.

'Global integration zones': An answer to territorial challenges?

What does the ESDP then imply when it characterises the 'Pentagon' as a "zone of global economic integration"? One does indeed find a higher concentration of people there than in the rest of Europe, whose share in the continental production of wealth is more than proportional.

This production however develops within competing cities; the rest of the European territory does not relate to the 'Pentagon' as such, but to a given city or metropolitan region within the Pentagon.

The 'Pentagon' is a geographical concentration of globally significant cities. But it is strikingly heterogeneous, and contains a number of regions with structural challenges and a weak connection to global economic circuits.

ESPON however tends to consider the 'Pentagon' as a "recipe for growth". The development scenario map of Figure 1 assumes that global integration can be further developed if neighbouring metropolitan regions integrate and cooperate. It therefore builds zones with major, functionally well-endowed, metropolitan regions within one hour from each other by rail or air.

These zonings are selected so that access to the large cities is better within each zone than between the zones. Actors at all scales are presumed to turn to the metropolitan regions within their zones for global connections, rather than to other cities. More generally, global integration is seen as contingent on spatial proximity to metropolitan regions.

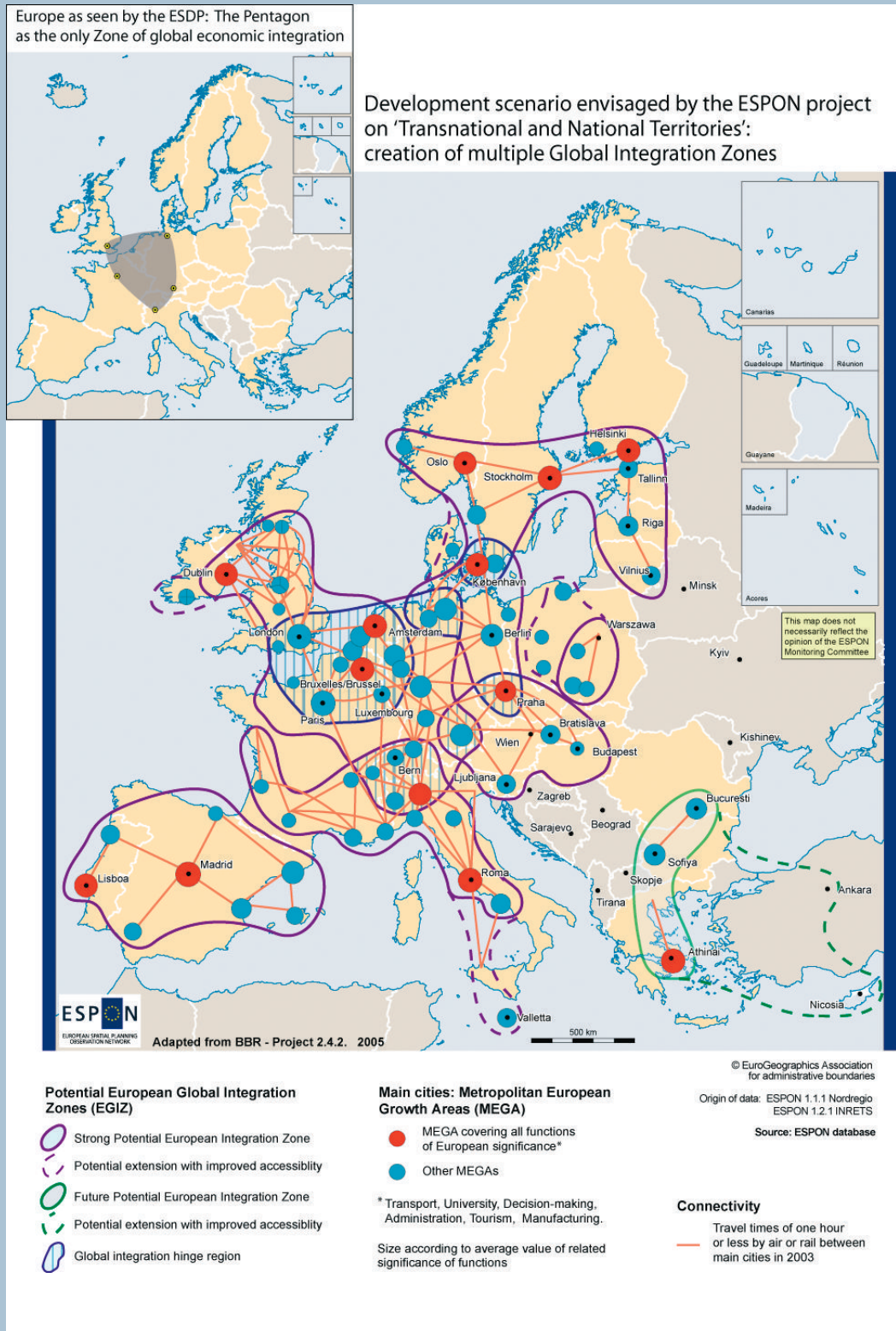


Figure 1: A Europe of Global integration zones

According to this approach, global integration occurs through major metropolitan regions. It can be further developed if neighbouring metropolitan regions integrate and cooperate. The zonings also suggest that areas situated around and between the concerned metropolitan regions can benefit more from global integration than other parts of Europe. Nordic regions north of the capitals are therefore considered as having a lower potential for global integration.

Northern Norden: An alternative model?

This produces a scenario in which Mid- and North-Norden are excluded from global integration, in spite of these regions' high proportion of industries operating on the global market. These traditionally export-oriented economies have forced Nordic regions to integrate into global economic circuits, and to develop a deeply rooted culture of adaptation to external change.

Their economic performance is linked to a process of global integration in which distance to the European 'Pentagon' has not been a significant obstacle. They demonstrate the need to differentiate between "global command functions", of which they have few, and "globally integrated activities", with which they are richly endowed.

This in turn should encourage a revised approach to European territorial balance. If "global integration" is more important than "global command functions" in achieving regional economic growth, the objective should not be to "counter-balance the Pentagon", but to promote better integration in global economic circuits in all parts of Europe.

This opens up a whole new set of possibilities, as the current urban structure of Europe is seen as less of a constraint on balanced European territorial development. It however also implies that other challenges need to be analysed and dealt with. Two main types of issues can be identified. First, global integration can put small labour markets in a vulnerable position. This higher degree of risk, and the ensuing periodical crises that will occur in some communities, require adequate political responses.

Secondly, the transport infrastructure needed for global integration is not necessarily the same as for European integration. A critical analysis of the European infrastructure priorities could therefore be envisaged, with a focus on peripheral industries' needs in view of improved global integration.

Changing the European understanding of global economic integration is in other words an important issue. Indeed, as counterbalancing the Pentagon is not an option in most European peripheries, these areas will be excluded from any policy pursuing this objective. As shown, this thinking however derives from an unfortunate conflation of 'global integration' and the 'presence of global command functions'.

The Nordic countries are in a particularly favourable position to advocate a focus on global integration in all European regions, irrespective of their size and situation. Their relative economic success, in spite of their peripheral location and small populations, shows that the harmonious territorial development of Europe does not presuppose the presence of counterbalancing 'urban zones'.

Territorial balance in financial service provision

The Nordic example shows that growth can be achieved without a massive endowment of high-level services and transnational company headquarters. Nonetheless, all economic actors, in some way or another, need to relate to these factors of economic power.

The ease with which they can access risk capital, bank loans or insurance services is of importance for regional growth. A policy for European territorial development therefore needs to relate to the geography of global economic functions.

The question then is whether European spatial planning has the right tools with which to approach these issues. Both in the ESDP and in ESPON, the predominant approach has been developed in terms of regional or urban endowment with global functions.

One can however ask whether global economic activity is relevant only for the city or region that hosts it, or rather to all actors that have access to it and can draw advantages from it.

Typically, an industrialist or entrepreneur in a medium-sized city in northern Sweden, with a good command of the English language and access to an airport with frequent connections to Frankfurt, London and Paris via Stockholm, can benefit from the global service offered in these cities relatively easily.

A colleague in the north-western outskirts of the greater Paris region ('*Bassin Parisien*') will be just a few hours drive from a 'Global city', but may find it considerably more difficult to access the same range of global services.

Irrespective of this, European spatial planning is likely to characterise the geographic context of the former economic actor as "extreme periphery" while the latter would belong to a "global city's wider functional region".

The second problem with a focus on regional and urban 'endowment' is that the functioning of high-level services is increasingly network-based. Stock exchanges, a typical high-level financial service provider, currently reinforce this network aspect through a series of mergers and acquisitions.

Admittedly, geographic proximity plays a role in some cases. The integration of the main Nordic and Baltic stock exchanges (except Oslo) in the OMX group, and that of Spanish stock exchanges in BME illustrate the emergence of regional entities.

Other networks however develop independently of distance. The advanced discussion in view of a merger between the New York Stock Exchange (NYSE) and Euronext would for example create a trans-Atlantic entity transcending not only the nation states concerned, but Europe as such.

Another proposal suggests reinforced cooperation between Euronext, Milan and Frankfurt, and would constitute a more "Pentagon-like" type of entity. The discussions between the stakeholders however demonstrate that none of these

processes are essentially linked to spatial proximity.

Given these networking trends, the development potentials of a given region are related to the capacity of its economic actors to integrate with their counterparts, rather than with geographic proximity.

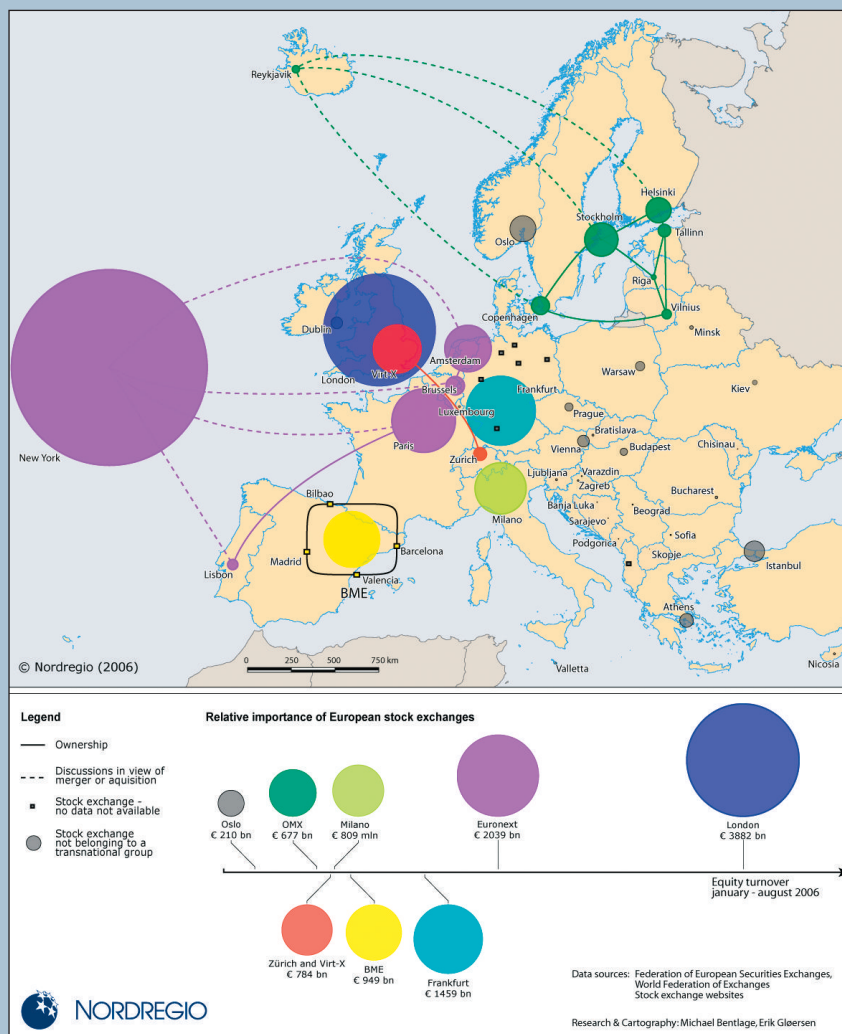
As shown by Figure 2, the geography of stock exchanges is characterised by extreme core-periphery contrasts. The contrast is especially striking between Eastern and Western Europe.

The total turnover of stock exchanges in all new member states, plus Bulgaria and Romania, amounts to less than 4% of the value of the London stock exchange. Oslo and Helsinki each have higher turnover values than all new EU Member States.

In this context, networks in a given part of Europe, such as OMX in Norden and the Baltic countries, and BME in Spain, can at best compensate for the increasing integration between the most central and largest stock exchanges. Overall, current trends do not, it would appear, contribute to an improved territorial balance in Europe.

The zoning scenario of global integration defined by the ESDP and applied in ESPON is therefore increasingly inappropriate. The regional entities that are identified, especially in Central and Eastern Europe, will not counterbalance the Pentagon in a meaningful way. Furthermore, the transnational integration of global command functions is not based on spatial proximity, but on networks and shared strategic interests.

The core issue is therefore access to global economic functions, which depends on factors such as network connectivity, the reduction of linguistic and regulatory barriers and entrepreneurial cultures. Counting significant global functions in cities and defining 'zones' will not help build a more globally integrated Europe.



European spatial planning needs to integrate a more elaborate understanding of globalisation. Acknowledging that regions can still successfully integrate into global economic circuits without either a large population or by hosting global economic service activities and command functions would be a significant first step in this direction.



By Erik Gløersen
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It is particularly important for Norden to promote a change of perspective. The prevailing view on global integration sets its capitals and southern regions off the rest of the national territory. Developing the individual profiles and roles of all cities and regions implies taking onboard their characteristics, rather than negating them artificially through 'zones'. ■

Sweden changes

The Swedish road and rail networks will be progressively opened up to private interests enabling them to participate in the financing of new roads and railroads. Four government authorities will be closed down as of the first of July 2007. All municipalities and county councils will have to take part in financing the higher wage costs of the big city regions. These are just some of the key proposals in the regional context from the new Swedish government.

For the first time in twelve years Sweden has seen a change of government. When the result of this September's parliamentary election was announced, it was clear that the Social-Democrats had to leave office to be replaced by the *Alliansen*, an Alliance of four conservative and liberal parties.

On the 16th of October, the new government formed by *Moderaterna* (The Moderate Party (m)), *Centerpartiet* (the Centre Party (c)) *Kristdemokraterna* (The Christ Democrats (kd)) and *Folkpartiet* (The Liberal Party (fp)), presented its first budget. Here they clearly stated their intention to reduce the number and importance of state-owned companies in Sweden. At the same time however, Maud Olofsson (c), the Minister of Industry, reiterated that two of the major companies, the power company *Vattenfall* and the mining company LKAB, would remain state-owned.

In addition, the new government has also confirmed that four government authorities will be closed down from July 1st next year. They are as follows, *Arbetslivsinstitutet* (The National Institute for Working Life), *Djurskyddsmyndigheten* (Swedish Animal Welfare Agency), *Myndigheten för skolutveckling* (The Swedish National Agency for School Improvement) and *Integrationsverket* (Swedish Integration Board). Previously, The Moderate Party also had plans to close the *Glesbygdsverket* (Swedish

National Rural Development Agency); however the current budget proposal contained no mention of this.

One of the decisions taken by the previous government was to relocate *Riksantikvarieämbetet* (The National Heritage Board), and *Riksställningar* (Swedish Travelling Exhibitions), from Stockholm to Gotland. These plans are now however rather uncertain, as no funds have been allocated in the budget proposal to finance the move. According to the new government however, the plans remain unchanged. Sweden's 21 *länsarbetsnämnder* (County Market Boards) will also be closed down and their main tasks will be transferred to *Arbetsmarknadsstyrelsen* (The National Labour Market Board). Similarly, from the first of January 2007 the *Sameting* will be the central administration authority for the reindeer industry.

The new government has announced that it will use public-private partnerships to finance the country's infrastructure. Through this approach, state authorities will commission private companies to finance, build and maintain roads or railroads. Profits and cost-compensations will primarily be paid through road-tolls and other fees. The government argues that PPP can realize investments sooner than would otherwise be possible.

In 2002, the previous government decided that in order to improve the national rail-system a new link under the city of Stockholm, called *Citybanan* was needed. The total cost was estimated to be 14 billion Swedish crowns, with construction having already begun.

The new government however thinks the costs are too high, and has thus decided to investigate alternatives, for example more tracks at ground level. At the same time, *Banverket*, the authority for rail traffic in Sweden, has been ordered to continue with the project, but to work within strict financial restrictions.

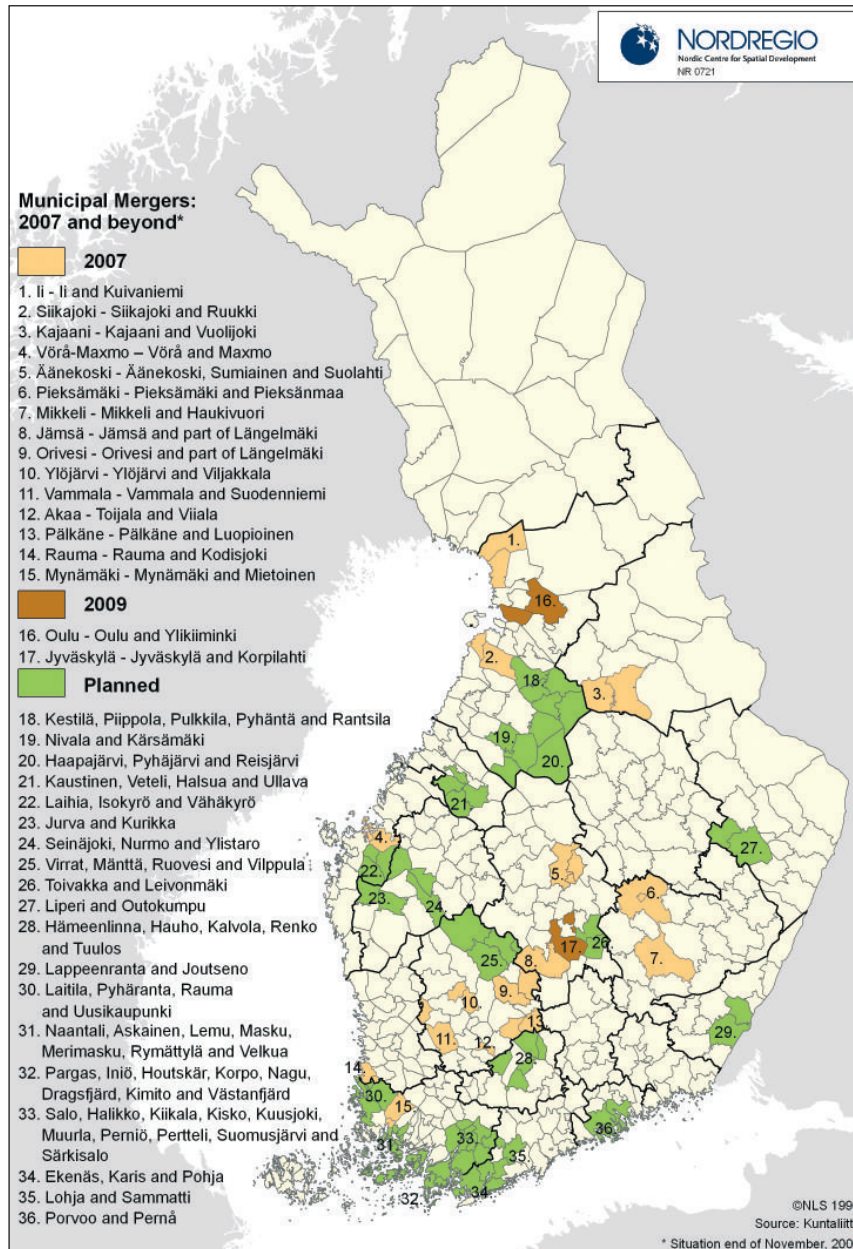
This year Stockholm also went through a trial period with congestion tolls on all roads into the city. It seems now that also the new government will reintroduce and maintain the tolls in one way or another. Part of the challenge here is to reach equitable agreements with the municipalities neighbouring Stockholm.

The new government is also planning to change the general system of government subsidies given to municipalities and county councils. This became clear in an inquiry presented to Mats Odell (kd), Minister of Local Government and Financial Markets, where it was proposed that the 38 municipalities in the city regions will receive a specific wage supplement. The argument is that the generally higher wage levels and the very high cost of housing in cities need to be taken into account. At present, wages for public employees in Swedish city municipalities are ten percentage points higher as compared to those in less central regions. For county councils, we see a similar difference of some six percentage points.

Under the current system, municipalities and county councils with high-income earners have to give money to municipalities and city councils with low-income earners. The suggestion is that a total of 1.2 billion SEK of these transfers will be relocated. 1.1 billion SEK will go to the 25 municipalities in the county of Stockholm. The county council of Stockholm will receive 336 million of the 360 million crowns that are to be relocated. ■

By Therese Thorén

PARAS and how many?



Basic model of the municipalities in Finland

“PARAS”, which is both as an abbreviation based on the words “service structure” (*palvelurakenne*), while also meaning “best” in Finnish, has been a highly symbolic epithet in the new reform process.

The project has at its core the ambition to identify the best, or at least the best achievable and politically feasible structure for local authorities and service provision. Therefore, the question soon became one of “how many municipalities” or “how many inhabitants”, crystallising into a political debate centred on achieving or avoiding municipal mergers, depending on the political affiliation of the interested party.

Similarly to other Nordic countries, the ideal size of local authorities has been the most eagerly debated issue connected to the reform thus far: In Finland, 20 000 inhabitants has emerged as the ‘magic figure’ for the minimum size of a viable municipality.

20 000 has also been set as the threshold figure in basic healthcare and social services, while in secondary vocational education the ‘ideal size’ of units is deemed to be around 50 000. Some more specialised services will also in future be provided by larger associations of local authorities (‘joint municipal boards’).

Currently there are 431 municipalities in Finland. Thus far, the merging of municipalities has mainly taken place on a voluntary basis. However, the number of municipalities is likely to decrease further, with 12 mergers set for the beginning of 2007 with an additional 20 mergers being prepared for sometime thereafter.

A number of alternative scenarios have been discussed in the media, all of which have in common a drastic reduction in the number of municipalities, varying, conservatively, between 123 units on the one hand, and rather more radically to something between 40 and 50 units, based on different constellations of commuting and services, on the other. ■

Reforming Finland's municipalities

The Finnish Parliament is due to adopt the government's proposal for the so-called Framework Act. This law outlines the government's approach in relation to the merging of municipalities in order to ensure, in future, effective and efficient public service provision. Questions over the location of responsibility and the allocation of costs between Central Government and the municipalities, historically speaking talismanic issues in Finnish politics, are also dealt with.

It is something of a tradition in Finland that coalition-governments are made up of three parties - two larger and one smaller. Currently, one of the larger governing parties is the Centre Party, which prioritises the regional model (see below). The Social Democratic Party is the other large governing party. The Social Democrats have however opted for the 'basic municipalities' model. The small 'third' party, the Swedish People's Party, with its main support base in rural areas, lies somewhere in between the other two.

The actual proposal for the Framework Act can thus be seen as something of a watered-down compromise. Actually, the proposal does not include any major changes, nor does it oblige the municipalities to

implement any legislative changes in the structure of their welfare service provision, though it is intended to encourage such development on a voluntary bases.

The new law does, however, require that plans be made by sixteen regional centres and their neighbours covering issues of land use, housing policy, transport and service provision. All municipalities are to formulate plans on how they intend to put in place a more effective structure for local level government by 1st of September 2007. The restructuring of local government will be achieved, it is assumed, by the merging of municipalities into larger entities. The reform proposal has also been characterised as a mix of voluntary, semi-voluntary and forced collaboration, reflecting the political sensitivities and compromises that lie behind it.

The metropolitan region and its needs is another issue in the debate on the future of Finland's municipalities. The Framework Act proposes that Espoo, Helsinki, Kauniainen and Vantaa (which together make up the Greater Helsinki area) should improve cooperation and coordination in the areas of land use, housing policy and transport.

The municipalities are a major source of employment, and thus

constitute an important interest group within their labour market. Currently the Finnish municipalities employ 422 000 persons, amounting to approximately 20 percent of total employment. Though their share of total employment has been decreasing, it remains important.

The aim of regional development policy in Finland has always been associated with notions of equality in the provision of welfare services. The present debate on the restructuring of the municipal and service structure ("PARAS"-project) has reflected a change in this traditional view, with a new consensus forming around the notion that the public sector cannot be the sole provider of welfare. If nothing else, this fact alone will ensure that the new law has a significant impact when it is put into practise. ■



By Kaisa Lähteenmäki-Smith and Petri Kahila

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Underground to Espoo

Earlier this autumn Espoo municipal council took one of its most debated and high-profile decisions in recent times. Their resolution, reached by a clear majority, was to extend the underground train connection from Helsinki to Espoo.

The actual extension will be from Ruoholahti in western Helsinki to Matinkylä in Espoo. Later, the environmental impacts of a further

extension to Kivenlahti will be investigated. The alternative is a combination of bus and tram.

The cost of the new underground line is estimated at half a billion euros. It is clear that the sharing of cost between the involved partners will however be a hot potato, particular the division between the municipalities of Helsinki and Espoo. Most probably, the government will

cover 30 percent of the cost.

Primarily, it will be 15 000 students and 600 businesses currently located in the Otaniemi technology cluster, that will benefit from the new underground link. By 2030, it has been envisaged that Espoo will see an increase of 50 000 jobs. The new transport system is a key factor in realising such a possibility. ■



All of the regions and cities promote themselves via information-stands at the premises of the EU Commission's offices for regional policies.

The Regions go to Brussels

Brussels 9-12 October 2006:
For four days 4000 delegates from 30 different countries and 135 regions and cities converge on the EU's headquarters. They line up outside the Commission's newly renovated suite of buildings to take a snapshot of their visit, but most of all they are there to highlight what they, or more particularly, their region or city, can do.

In the cacophony of voices and claims only the most forthright prevail. Their primary target is the secretariat of the Directorate-General for Regional Policy as well as the Committee of the Regions (CoR) the

elected committee of regional politicians, for these two together with the regions themselves, are the three groups that organise the Open Days – The European Week of Regions and Cities – as it officially is known. Eventually they will also become the key partners in securing the transfer of fiscal-resources to the regions, or what is often termed the Structural Funds in EU-terminology. More details of this process are provided in the previous issue of Journal of Nordregio, no. 2 -2006.

It is the third year running that this massive EU regional event has been

undertaken. It is now more popular than ever. The many thousands of delegates participate in and organise seemingly countless seminars. In fact, a total of some 115 such events, with more than 320 presentations, were undertaken in the many meeting-rooms around Brussels' Schumann metro-station. At least 21 of these have the words *innovation* or *innovative* in their titles. In fact, innovation is undoubtedly this year's buzzword. Moreover, most of the seminars were over-subscribed and filled well in advance.

In addition, public cooperation with financial institutions is one of the central features of the year, launched under the headings *Jesper*, *Jeremie* and *Jessica*.

Subsidises to farmers and money for rural development still constitute the largest transfer from the EU-commission in Brussels to the Member States, some 46 percent of the 2007-2013 budget. At the end of this period, it is however foreseen that regional transfers will outstrip all other budget lines, with help to agriculture and rural development decreasing. This is perhaps why DG



Michel Delebarre and Danuta Hübner at a press-conference during the 'Open Days'.

Regio has begun to compare their activities to US-led 'Marshall-Aid' to Europe after World War II.

It is, moreover, not unthinkable that regional funding will displace agriculture and rural development at the pinnacle of EU spending before the new budgetary period is over. While agriculture and rural development will receive close to 400 billion euros from the EU in the next seven years, Ms Danuta Hübner, the EU's Commissioner for Regional Development, boasts of the creation of 400 regional programmes representing 500 billion euros in the period 2007-2013. – That is 350 billion from the Community and 150 billion from national public and private sources, she notes.

– Foremost we hope to get sustainable jobs out of these transfers, adding further that sustainable jobs are, jobs that are to stay in Europe and not to be transferred to low-cost countries in Asia. However, Michel Delebarre, who is a regional politician and the president of the EU's Committee of the Regions, cannot afford such limitations. As the Mayor of Dunkirk, a French port with high unemployment, he underlines that any new job is a good job. The issue of sustainability, when it comes to jobs at least, is obviously not on his agenda. ■



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Northern Nordic regional representatives. From left: Inge Andersson, Anne Berg and Seppo Heikkilä

- Excellent occasion for self-promotion

■ - We see this as an excellent possibility to promote our region to the rest of Europe but also to learn and to cooperate with other regions, explains Anne Berg, director of the Northern Norway European Office in Brussels.

During the Open Days, her office more than anything else tries to draw attention to the plan to establish a permanent rail-transport link between China and Narvik, the ice-free harbour in Northern Norway. – There will definitely be a lot of money and time saved compared to present transport arrangements, she underlines.

North Finland or Lapland Oulu, as they present themselves, is represented in Brussels by Seppo Heikkilä. He explains that his region is 'The home of Nokia' and that the region remains 'in the top bracket' when it comes to research and development: - In our region we spend the equivalent of 1800 euros on research and development per inhabitant per year, and that is almost double the average for Finland, he underlines.

He says that Lapland Oulu wants to keep it that way: - One of our two seminars during the Open Days also focused on research and development, and it was a great success, he concludes. It is perhaps also worth noting that in Finland, no less than 19 journalists from the local and/or regional media level received free trips to participate in the Open Days.

The Director of the Office for North Sweden in Brussels is Inge Andersson. He likes to draw attention to the fact that the money transferred from the EU's Structural Funds sometimes – through the principle of 'additionality' among others - grows by as much as 300% by the time it comes to be spent locally, as EU-transfers generate additional funds from central governments and private investors. ■

By Odd Iglebaek
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Civil protection in the Baltic Sea region



Oil spills provide a growing potential threat to the Baltic Sea and its coastal areas. Often cross-border cooperation is needed in responding to such accidents. Compatible equipment and joint training helps in such situations.

Our information about the world is largely shaped by different kinds of disasters, emergencies and accidents. We hear about natural catastrophes such as *tsunamis*, earthquakes, hurricanes, forest fires or floods. Or we learn about technological emergencies, say, a fire in a chemical factory or an oil spillage accident. Or we are told to be prepared for terrorist attacks in public spaces, potentially with radiological, chemical, biological or nuclear substances. Our routines may be changed because of the threat of bird-flu. In addition, we are also aware that all kinds of every-day accidents and emergencies are constantly taking place around us.

This is the world of 'civil protection'. The concept, which is derived from EU vocabulary, refers to protection for people, the environment, and property in the event of man-made, technological and natural disasters. Yet, civil protection is much more than simply the response to acute emergencies. An effective civil protection system is necessarily multi-sectoral and multi-dimensional,

starting from proper spatial and physical planning and preventive solutions, and ending in effective restoration. This requires clear-cut legislation and an effective division of labour, as well as workable coordinative mechanisms, bodies and mutual assistance systems across different ministries and agencies.

Nevertheless, in every country a specific system of civil protection exists, with its own main responsible authorities and institutions. Within the EU, civil protection remains a responsibility of the Member States. In spite of this, a specific EU-level for civil protection has emerged, not only in terms of the vocabulary used, but also in terms of institutions. Since 2001 a Community Mechanism to Facilitate Reinforced Cooperation in Civil Protection Assistance Interventions, which includes obligations both for the Commission and the Member States, has existed.

Cooperation has moreover already gone far beyond the simple joint-coordination of international interventions. Indeed, it has brought national civil protection systems, to

some extent at least, into line. A kind of 'epistemic community' has thus emerged, and even in the absence of any 'coercive' mechanism EU-integration can be said to be proceeding, albeit slowly, in the area of civil protection. Indeed, the EU's role has remained that of a network builder, coordinator and harmonizer, rather than an operative actor. Moreover, it has to compete with similar aspirations in the UN and NATO.

The national systems are still far removed from each other. This is especially striking in the Baltic Sea Region (BSR), with its mixture of new, old and older EU countries. This is particularly evident in respect of the difference between the Nordic countries with their cooperation traditions, and the post-socialist countries with their centralized legacy. Differences in history, culture, basic political and administrative systems, size, location and specific problems are also reflected in the respective countries' civil protection cultures.

The civil protection systems can be compared by looking at several variables. Perhaps the most obvious is

whether the civil protection duty is led, coordinated and organized by a central national authority, or whether the regional and municipal authorities retain considerable legal and operational responsibility. An identifiable pattern here is that the systems in the Nordic countries, Poland and Germany are flexible or decentralized in this respect, while the systems in the Baltic States and Russia are rather centralized.

Other comparable variables include whether the voluntary organisations or private rescue services are an integral part of the official civil protection system or not. The Nordic countries and Germany clearly place a significant level of reliance on voluntary organisations, followed by Poland and Estonia, while in other countries the situation is somewhat reversed. Denmark, in turn, is on its own when it comes to the role of private rescue services.

Yet another variable is whether close cooperation exists between the civil protection and military authorities. All of the countries, though presumably for different historical reasons, seem to have this level of cooperation as a rather important part of their civil protection systems.

In any case, differences are clear. One could see the differences as

encompassing the possibility to learn from each other's experience. On the other hand one could suggest that they create a significant hindrance to further integration in the field of civil protection.

A concrete challenge then is that the differences are bound to cause practical problems especially when dealing with issues with cross-border implications, such as responding to oil spills. For instance, while there is a need for joint planning and training in this field, the authorities may find it difficult to cooperate if the responsibility in one country lies at the central level and in other at the municipal level. Similarly, voluntary organisations in one country may find no counterparts in another, where this dimension of civil protection is not fully appreciated.

In some cases, these cooperation problems may be reflected in the ability to respond to cross-border emergencies in the best way. Therefore, the EU's effort to facilitate cooperation and interoperability between the national civil protection systems is most welcome. ■



By Christer Pursiainen
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The safety dimension of spatial planning and regional development has in recent years become one of *Nordregio's* priorities. *Nordregio* is one of the initiators of the Interreg IIIB part-financed Eurobaltic Project for Civil Protection in the Baltic Sea Region (2003-2007). The project is led by the Swedish Rescue Services Agency and it is a part of the Council for Baltic Sea States civil protection programme. For more information and publications, see www.eurobaltic.srv.se *Nordregio* is also the lead partner in the project Civil Protection Early Warning (2007), financed by the EU's DG Environment, and in the project Towards a Regional Strategy for Critical Infrastructure Protection in the Baltic Sea Region (2007), financed by the EU's DG, Freedom, Justice and Security. For more information, contact: christer.pursiainen@nordregio.se

Comparing the BSR countries' civil protection systems

Country	Centralized/ Decentralized organisations	The role of voluntary services	The role of private rescue	Civil-military cooperation
Denmark	Flexible	High	High	High
Estonia	Centralized	Medium (increasing)	Low	High
Finland	Flexible	High	Rather Low	Medium (increasing)
Germany	Decentralized	High	Medium	Rather high
Latvia	Centralized	Rather low	Low	Rather high
Lithuania	Centralized	Rather low	Low	Rather high
Norway	Flexible	High	Medium	High
Poland	Flexible	Medium	Medium	Medium
Russia	Centralized	Low	Low	High
Sweden	Decentralized	High	Low	Medium

Book review: Cities consume

The City's Hinterland – Dynamism and Divergence in Europe's Peri-Urban Territories, 2005. Keith Hoggart (ed.), Aldershot: Ashgate, 186 p.

By Jan Linzie, formerly Senior Advisor for International Affairs, Office for Regional Planning and Urban Transport, Stockholm County Council, Sweden.

The growth of cities – especially large cities – consumes ever increasing areas of physical territory. This is not a new phenomenon but rather something that has gone on at least since the beginning of the industrial revolution. In this context, people often seek to relocate away from the core city area, while incomers to the region, to an increasing extent, settle in the surrounding countryside. This results in increased flows of various kinds between city and countryside, and ultimately, to the urbanization of the countryside in the functional city region. Pressure then grows on the countryside in the vicinity of such cities due to the demand for housing, as well as for the supply of communications, water and other utility infrastructures and, recreation areas etc.

It is issues of this kind that are dealt with in the context of this book, which is based on a research programme on the transformation of the countryside in the vicinity of cities in England (Norwich, 175 000 inhabitants), France (Annecy and Valence, 142 000 inhabitants), Germany (Munich, 1 200 000 inhabitants) and Spain (Granada, 240 000 inhabitants). The focus of the contributions is on development trends, conflicts and results. The research was financed by the European Commission.

The examples contained herein illustrate that the urbanization of the countryside is a universal phenomenon. As such, it does not only mark successful metropolitan areas like Munich, but is also equally applicable

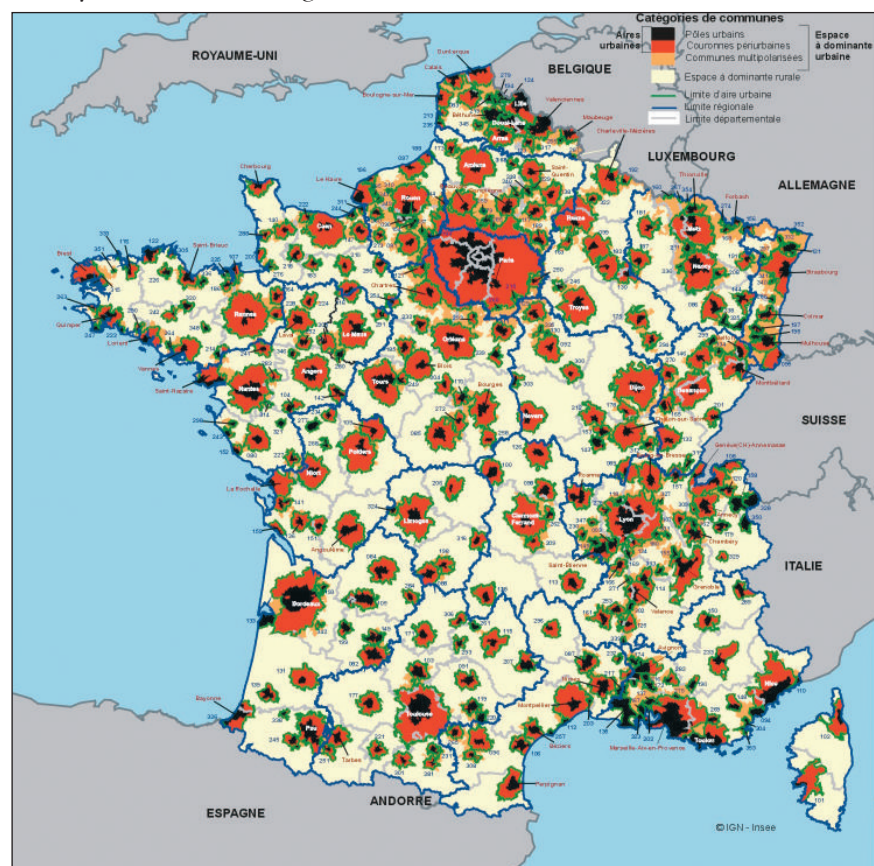
to smaller cities and poorer regions. The transformation of the countryside is also rapidly taking place in functional city regions of different kinds. In this light the author's conclude that in Annecy and Granada, the urbanization of the countryside is linked to the growth of tourism and the demand for second homes.

The book provides several examples of potential conflicts in the process of the urbanization of the countryside, for example relating to increasing price levels. Restrictions on using rural territory for housing have, in attractive landscapes, also led to increasing segregation, with only affluent households being able to settle in rural areas, putting upward pressure on prices and thus denying poorer households the luxury of countryside living. This is for example the case in some localities around Munich as well as in the urbanized countryside in much of England.

Swedish examples here include the Stockholm Archipelago, Österlen and Bjäre in the Öresund region and the coast of Bohuslän.

Conflicts also emerge in the context of the divergent demands for community services from the local population and in-migrants. Problems can also occur for the local commercial service providers when in-migrants do their shopping in regional shopping-centres rather than in local stores. It is also noted that in-migrants are less inclined to involve themselves in voluntary organisations.

The structure of the contributions to the book is built around the physical expansion of cities, changes in the functional and social mix in the city region, changes in accessibility and the preservation of the natural and cultural heritage. An important inspiration for the research on functional - as opposed to administrative



Cities, towns and countryside as perceived by INSEE in France is one of the illustrations in the book.

Different policies for rural areas

regions - in this book is the European Spatial Development Perspective (ESDP) and its promotion of poly-centrism and urban-rural partnerships as a basis for spatial development strategies.

Pressure on the countryside close to cities has increased awareness of the need for active planning involving the whole functional region instead of treating city and countryside as separate entities in a planning context. Moreover, in regions where the latter policy has historically been successful – e.g. in respect of London's Green Belt and the Green Heart of Randstad – a reorientation of traditional planning principles is now underway as reality is increasingly less likely to correspond to theory. Additionally, in the last decade, Sweden has also seen awareness grow of the need to see countryside and city planning as a unitary or integrated task. With the wider process being seen as complementary rather than oppositional.

Nevertheless, there remains a paucity of good examples and published research on planning for functional regions in Sweden, which is due, in the main, to the declining status of regional planning in the period immediately before Swedish membership of the European Union. Regional co-operation in Europe and activities such as ESPON and the Regional Development Programmes recently introduced into the Swedish planning system are however beginning to fill this void. As such, this book on cities and their hinterlands provides a useful introduction to the complexities involved in planning the development of urban-rural functional regions. ■

■ A number of common issues and concerns emerged from the rural workshop hosted by *Nordregio* 10.-11 October. Among the most basic was the current enthusiasm for “city region” theories, where urban areas are seen as the only drivers of growth, while rural areas are assumed to be blank intervening spaces, with little or no development potential. This was seen as overly simplistic.

Instead, the general consensus was that two broad types of regions can be distinguished:

Regions which are “accumulating” – characterised by population growth, balanced age structures, relatively high levels of economic activity, low unemployment etc. These regions are generally more accessible, being closer to cities or towns.

Regions which are suffering “depletion”: - often more peripheral in nature, losing inhabitants through out-migration, and with ageing population structures, low activity rates and high unemployment.

Similar trends were noted by speakers from across the Nordic area posing a number of very important questions for rural policy. Is depletion inevitable? If not, what should be done to try to slow it down? Are “accumulating” areas less deserving of rural policy, or are the issues simply different? For example, perhaps rural policy in these areas should focus on income differentials between farming and the “new rural economy”, or upon the environmental consequences of intensive agriculture?

Most speakers agreed that rural policy which focuses mainly on the needs of agriculture (sectoral rural development) is not the best response. Hilikka Vihinen from Finland suggested that agri-environment payments (which dominate the Swedish

Environment and Rural Development Programme) are in fact traditional support for farmers disguised to avoid the constraints imposed by World Trade Organisation rules.

Most of the workshop participants favoured what Vihinen termed “broad” rural policy. Keynote speaker John Bryden quoted from a recent OECD report, in which such an approach is presented as “the new paradigm”, typified by:

- “a shift from an approach based on subsidising declining sectors to one based on strategic investments to develop the area's most productive activities;
- a focus on local specificities as a means of generating new competitive advantages, such as amenities (environmental or cultural) or local products (traditional or labelled);
- more attention to quasi-public goods or “framework conditions” which support enterprise indirectly;
- a shift from a sectoral to a territorial policy approach, including attempts to integrate the various sectoral policies at regional and local levels and to improve co-ordination of sectoral policies at the central government level;
- decentralisation of policy administration and, within limits, policy design to those levels;
- increased use of partnerships between public, private and voluntary sectors in the development and implementation of local and regional policies. “

The workshop had forty participants, including key policy makers and leading academics from across the Nordic area and beyond.

The workshop thus provided a great deal of “food for thought”. A publication of the proceedings (early in 2007) is expected. ■

By Andrew Copus, Riikka Ikonen and Erika Knobbloek

NORDREGIO: Upcoming events

10th Annual Conference Nordic-Scottish University Network for Rural and Regional Development Innovation Systems and Rural Development

The Centre for Forest, Landscape and Planning at The Royal Veterinarian and Agricultural University will be hosting the 10th Nordic-Scottish conference on Rural and Regional Development. The conference will be held in Brandbjerg Højskole, in Denmark, on 8–10 March 2007.

Innovation is crucial to our nations' development and economies. It is often associated solely with agglomeration. There is a need to examine rural areas as environments for innovation and to better understand how to support such developments.

Conference themes:

Local economy and new businesses in rural areas

Keynote speaker: Senior researcher Åge Mariussen, NIFUSTEP, Norway.

Education and learning systems in rural areas

Keynote speaker: Senior researcher Ciaran Lynch, Tipperary Institute, Ireland.

Nature and landscape as an asset to development and innovation in rural areas

Keynote speaker: Professor Joergen Primdahl, Centre for Forest, Landscape and Planning, Denmark.

For further information, please visit our homepage: www.SL.kvl.dk or contact Hanne W. Tanvig, hwt@kvl.dk.

The Nordic Scottish Network for Rural and Regional Development is a network of researchers and practitioners with a special interest in rural and regional development. Each year we meet in a large and often varying circle at a conference. The conference usually comprises theoretical contributions together with a study tour.

Role of the regions and structural reform

All Nordic countries are currently investigating and implementing administrative reforms of relevance for territorial governance. How will relationships between the central, regional and local levels be characterised in light of these reforms? More importantly, what is the future role of the regions? This is the theme of a seminar commissioned by the Civil Servants' Committee on Regional Policy, organised at *Nordregio* on the 8th of March 2007. More information will be available soon at www.nordregio.se.

Sustainable Regional Development: From Rhetoric to Practice

The practical, organisational and political challenges of integrating sustainability into regional development work provide the main topic at the *Nordregio* conference on *Sustainable Regional Development: From Rhetoric to Practice*, which takes place on the 26-27 March 2007, at *Nordregio*, in Stockholm. The conference is arranged by *Nordregio* in co-operation with the Royal Institute of Technology and the EIA-Centre at the University of Agricultural Sciences, Uppsala. For more information and registration forms please see <http://www.nordregio.se>