Redistributive regionalism
Narratives on regionalisation
in the Nordic periphery

Lisa Hörnström
To my grand-father
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Abstract

During the last decades a stronger role for the regions has developed in many West European countries. To a significant degree this regionalisation trend has coincided with European integration. The key change in the role of the regional level has been with regard to its status as an agent of regional development. In most West European countries there has been a shift from an approach to regional policy that has focused on redistributive measures from the centre in which the regions play a relatively weak role to a perspective that is sometimes labelled “new regionalism” in which the focus is on the region taking responsibility for its own development. In this new regionalist perspective, which is both descriptive and normative, the region is considered as the appropriate arena for both economic activities and decision-making.

In the political systems of the Nordic countries the regional level has traditionally been in a relatively weak position and regional policy has emphasized centralisation and redistributive measures. Not unexpectedly, the pan-European trend toward a stronger role for the region has also found its way to the Nordic countries. The aim of this study is to describe and analyze if and to what extent key actors in three peripheral regions, situated in countries with a strong tradition of redistribution from the centre and a weak role for the regional level, have embraced the new regionalist perspective. The three regions are Troms in Norway, Pohjois-Pohjanmaa in Finland and Västerbotten in Sweden. All are peripherally located with small populations and economies that rely heavily on natural resources. The analysis is based on interviews with regional and local politicians, civil servants, and business representatives. The empirical material is presented in the form of narratives formulated by the regional actors who express their views on regional policy and the role of the region.

The results of the study show that regional actors in the three peripheries express similar narratives. To a certain degree actors have embraced the new regionalist perspective in the sense that they see the regional level as an important coordinator for development initiatives and measures. However, the actors' claims for a stronger regional level must be understood in the context of the unitary state. In this context, the actors' perspective combines the new regionalist and the centralist redistributive approach, one that can be labelled 'redistributive regionalism'. The state remains the key actor and is expected to guarantee equal conditions in all parts of the country. The emphasis on strengthening the administrative region is more pronounced in Troms and Västerbotten than in Pohjois-Pohjanmaa, where instead there is a stronger focus on the functional region. Actors in the three regions do not see any contradiction between a strong state and increased regional influence on development issues. In sum, the study finds that the new regionalist perspective has been embraced to a certain extent but that it has been adapted to national characteristics, as well as to the specific conditions in the three regions.

Key words: regional governance, regional policy, new regionalism, peripheral regions, redistributive regionalism, Nordic regionalism
Local (or regional!) patriotism does not seem suitable to serve as the motivation for writing a scientific dissertation and I would hardly proclaim myself to be the strongest defender of my home region in the north of Sweden. However, my participation in a one-week graduate course on regionalism in Europe at the EUI in Florence, Italy, opened my eyes to the need to study the Nordic periphery in the light of new regionalism in Europe. It was on the first day of the course during the introductory lecture that this became clear to me. It occurred when a map of the regions of Europe was shown to us. This map delineated the most commonly known regions of Europe, such as Catalonia, Scotland, the Basque country, Bavaria, and as I looked at the map it reminded me of the typical TV weather map routinely shown on the 7:30 pm news back home and my eyes automatically sought my own familiar part of Europe. To my consternation (though not necessarily to my surprise) I realised that on this map Europe ended at the latitude of Gothenburg. This meant that two-thirds of Sweden and the whole of Norway and Finland were non-existent on this map! This revelation, backed up scientifically-grounded arguments, provided the initial motivation for performing this study.

Writing a scientific dissertation is a one-woman-work but this work could of course not have been undertaken without support from other people. First, I want to thank my supervisor Anders Lidström for his comments, support and encouragement and for being extremely patient with all my worries and doubts about my own capacity. I also would like to thank my co-supervisor Gunnel Gustafsson whose insights, comments and advice on how to get through the academic world have been most valuable. An additional thanks to Niklas Eklund who dedicatedly followed and commented on my work – thanks for very inspiring discussions! I also would like to thank Bo Hallin who together with Niklas contributed very valuable advice at the final seminar. Me and Bo also share a special admiration and gratitude towards a certain Dr. Johansson. In addition, I would like to thank Katarina Roos whom I admire both as a friend and as a scholar.

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Kungsholmen, Stockholm, 14 April 2010
1. Setting the scene

Devolution in United Kingdom, regionalisation in France and successive federalisation of Belgium are cases where the position of the regional level in the political system has been strengthened. These and other similar developments in other countries have tended to fuel a debate on regionalisation and inspire policy-makers to take steps towards increased regional autonomy in many Western European countries. In a study of 42 countries Marks, Hooghe and Schakel (2008) conclude that in general the sub-national regional level has been gaining strength since 1950. In many ways the debate on regionalisation in Western European countries has been linked to European integration. It is often argued that the supra-national level and the sub-national level have both strengthened their positions simultaneously (e.g., Gren, 1999). The concept ‘Europe of the regions’ has coloured both the academic and the political debate. As far as the academic debate is concerned, the point of departure of this concept is that European integration is a bottom-up process, with the European Union being composed of regions and not only nation-states (e.g., Keating, 2008).

The strengthened position of the regional level is also linked to the fact that national economies are becoming more and more integrated into a global market. These changes affect regional markets and pit regions against each other (e.g. Keating, 1998). The region is therefore considered an appropriate level for co-ordination of the economy. Focus has shifted from investments in large heavy-scaled industries to promoting innovation and learning in order to foster economic growth in a region (Storper, 1995). There has also been a shift of focus from a centralist policy based on redistribution of resources between different parts of the country towards a regional policy concerned with enhancing the contribution of the region itself (Keating, 1998; Hudson, 2005). Regional actors are expected to identify the strengths of the region and draw on these strengths to compete with other regions both within and outside the country. Thus the region is given – and takes – a more important role in the formation of regional policy. The more active role
of regional actors and the increased influence and power of the regional level in the political system have frequently been labelled new regionalism (e.g., Keating 1998 but also Hudson, 2005; Jeffrey, 2008; Lovering, 1999; Loughlin, 1996; Süßner, 2006; Deas and Ward, 2000). New regionalism has, like every concept involving ‘new’, been defined in opposition to something ‘old’ or traditional. The ‘old’ in this case is, as mentioned above, a regional policy based on redistribution and central solutions in which the regional level plays a limited role. New regionalism is based on the experiences in core regions that have a strong and diversified economy and dense population (e.g., Lovering, 1999). The Nordic countries have a long and strong tradition of centralised regional policy measures focusing especially on supporting peripheral areas. In addition, the regional level has traditionally played a weak role in the Nordic countries (e.g., Halkier, 2008). In the context of the unitary constitutions of the Nordic countries and the characteristics of Nordic regional policy, the particular conditions of peripheral areas that make them dependent on state redistribution suggests that actors in the Nordic peripheral regions would be less likely to adapt the new regionalist perspective than economically-strong core regions. The Nordic tradition of strong local government can also be expected to counter demands for stronger regions. On the other hand, increasing European and international contacts can result in peripheral regions striving to profile themselves more highly and make claims for a strengthening of the regional level. Ideas about stronger regions have influenced policy-making, resulting in ongoing regionalisation processes in all the Nordic countries. Research on the role of the region has also been bolstered in the Nordic countries (see for example Gren, 1999; Olsson and Åström, 2003; Baldersheim and Fimreite, 2005; Süßner, 2006; Loughlin, 2007; Lidström, 2008; Sandberg, 2009).

The purpose of this study is to describe and analyse how actors in peripheral regions in Norway, Finland and Sweden view the role of the region in the political system. Do they embrace the new regionalist perspective of competitive regions with regional actors steering regional development? Or do they rather express a view giving redistribution and central steering a prominent position? To accomplish this I explore the views of key actors in three administrative regions in the northernmost parts of the Nordic countries; Troms County in Norway, Pohjois-Pohjanmaa in Finland and Västerbotten County in Sweden (see map). These are administrative regions characterised by their peripheral location both within their countries and within Europe. As these three regions along with other Nordic peripheral regions have many similar characteristics actors in them are likely to view the role of the region in a similar way. At the same time, however, as Troms, Pohjois-Pohjanmaa
and Västerbotten are located in three different national contexts and therefore it is relevant to study whether this can give rise to differences worthy of investigation. To meet the objectives of the study I pose and attempt to answer the following questions:

- How do regional actors view the role of the region?
- To what extent do these actors view a strengthening of the regional level in relation to other levels in the political system as a suitable way of promoting development in the region?
- Can their views be interpreted as having embraced the new regionalist perspective or are they rather defending the centralist redistributive perspective?
- To what extent are there differences between the three regions in the actors' views on the role of the region?

The aim of this thesis is primarily empirical: to describe and analyse how regional actors in three Nordic peripheries view the role of the region and particularly if and to what extent their views can be characterised in terms of new regionalism. A further objective is to test the influence of a dominant policy perspective and the extent to which this perspective can and will be adapted to particular conditions in the region and the country in question.

1.1 THE NORDIC PERIPHERY

The northern parts of Norway, Finland and Sweden have been objects of much attention in each country both among policy-makers and scholars (e.g. Brox, 1966; Lundgren and Ylinenpää, 1999; Arter, 2001; Løvseth, 2004; Niemi, 2008). Regional policy and much of the research on regional development in the Nordic countries share a primary objective of fostering the development of the remote northernmost regions of their respective countries. There are, however, some differences between the three countries in the attention paid to the northern regions. Norway has always had a more active rural policy particularly focused on the northernmost parts than was the case in Finland and Sweden. In addition, regional policy in Norway is characterised by a major ambition to encourage companies and individuals to settle down in North Norway by the use of incentives such as partial or full redemption of payroll tax and higher family allowances. In Sweden, income equalisation among municipalities aim to create similar conditions in small rural municipalities especially in the northern
parts of the country, as in rich municipalities in the largest city-regions. Transport subsidising to facilitate for companies particularly in regions located far from the main markets is another example of a redistributive measure used in the three countries.

Identifying regions as being peripheral first and most obviously gets at their territorial location, but a region can also be peripheral in an economic and cultural sense. Centres are “the gathering places where the major decisions are made, where the dominant actors in the system (…) interact most frequently” (Flora et al., 1999, p.108). Peripheries on the other hand are “areas controlled from these centres” (Flora et al. 1999, p.108). Peripheries are located at a considerable distance from the centre; they are dependent on the centre both economically and politically and are also culturally different from the centre (Rokkan and Urwin, 1983). The tension between centre and periphery has a clear north-south dimension in the Nordic countries. There are, however, contradictory aspects to the images of the northern areas of the Nordic countries. On one hand, they are considered dependent and in need of massive support from the state, with constraints on development due to long distances, sparse population and cold climate. On the other hand, many of the resources on which economic development in the Nordic countries are based are found in these areas: forestry, mining, hydroelectricity, fish, oil and natural gas. Moreover, the attributes that hamper development can also enhance growth, for example tourists come from all over the world to experience the untouched wilderness of Northern Scandinavia.

The three regions included in this study are political and administrative and do not have any distinct cultural or historical identity. Troms is the second northernmost county in Norway with Tromsø as its most important city. The key economic activities are tied to fishery but the public sector is the most important employer. New ways of using resources from the sea are developed and have become an important source of development in Troms as well as in Northern Norway as a whole. Pohjois-Pohjanmaa1 extends from the Gulf of Bothnia to the Russian border with the city of Oulu as the main centre. The economy has traditionally been based on forestry and related industries but since the 1980s IT industry in and around the city of Oulu have grown rapidly and now IT has become a dominant industry. Finally, Västerbotten and its principal city Umeå is, like Pohjois-Pohjanmaa, very much dominated

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1 The official English translation of the administrative region of Pohjois-Pohjanmaa is ‘the Oulu region’ (see www.pohjoispohjanmaaliitto.fi) but throughout the thesis I will use the Finnish name of the region. For Swedish and Norwegian readers I would like to note that the Swedish name is Norra Österbotten (this must not to be confounded with Österbotten).
by forestry and in addition, mining. I return to the reasons underlying the selection of these three political and administrative regions in chapter three.

Figure 1. Map of the location of Troms, Västerbotten and Pohjois-Pohjanmaa in Europe.
1.2 OUTLINE OF THE STUDY

The point of departure of the study is to extend the new regionalist perspective beyond the experiences of densely populated and economic strong regions located in the ‘core’ of Western Europe. The new regionalism approach to the political and economic system is one in which the importance of the nation-state has been reduced and the regional level has gained importance. It sees the region as a key unit in the political and economic system and strengthening of the competitiveness of the region as the best mean of meeting economic and demographic challenges (e.g., Keating, 1998; Lovering, 1999). This new regionalist perspective has to a large extent replaced a perspective according to which regional policy should stress redistribution through centralised solutions and where the regional level plays a weak role. The shift from a centralist redistributive policy to new regionalism is the basis for the two ideal types that will serve to classify and analyse the empirical material. The material is drawn from three groups of regional actors; politicians, civil servants at relevant institutions and business representatives. First, politicians in the directly or indirectly elected assemblies on regional level are included in the study. In Finland, regional politicians have a local mandate as they are indirectly elected by the municipalities and they are therefore active both in local and regional arenas. In Norway and Sweden, the regional or county politicians are directly elected, thus I include local politicians in the study of Troms and Västerbotten, given the important role they play in the regional arena. Second, civil servants working with regional development issues and regionalisation are included as they are involved both in formation and implementation of regional policy. Third, representatives of business organisations in the regions are included in the study. Business organisations take stands on issues related to regional development, seeking to encourage infrastructure investments, business support and services are of crucial importance to their member companies. I have thus chosen to limit this study to regional elites. These regional elites are considered as key actors when it comes to detecting and adopting new ideas concerning, in this case, the role of the region.

The views of regional actors will be presented as narratives about regional policy and regionalisation. Actors tend to express their views through narratives or stories (Czarniawska, 2004) and it would thus appear to be a fruitful basis for analysing empirical material. It will be analysed to what extent these narratives contain elements of the two ideal types, new regionalism and centralist redistributive policy. Two main data sources will be used: interviews and policy documents. Policy documents tend to reflect the official narratives whereas the interviews
allow for a more nuanced narrative. Moreover, the interviews make it possible to detect differences between the actors.

1.3 DISPOSITION OF THE THESIS

In the second chapter concepts central to the study, namely region, regionalisation and regionalism, will be defined and discussed. Then a survey of regionalisation processes in other parts of Europe will be presented. Following that the centralist redistributive perspective will be contrasted with new regionalism. On the basis of these definitions and discussions, the analytical framework based on the two ideal types will be outlined in chapter three, followed by a number of methodological considerations. In chapter four the national contexts of Norway, Finland and Sweden will be set out, focusing on reforms and changes that have occurred and are currently in progress. In chapter four the three regions will also be looked at more closely. In chapters five to seven the findings from each of the three regions will be presented and analysed. These will be presented separately for each region in order to allow for a more detailed description and profound analysis of the narratives in each region. In the eighth and last chapter I will compare the narratives of each region and describe and analyse differences and similarities among them. Finally, I will review and analyse the main results of the study.
2. From centralist redistributive policy to new regionalism

In many countries in Western Europe in general and in the Nordic countries in particular regional policy primarily focused on centralistic and redistributive incentives aimed at striking a balance between different parts of a country. Now this perspective on regional policy has largely been replaced by one based on finding the particularities of each part of the country and letting the regions have more influence on development issues. This desire to strengthen the role of the region is reflected both in the political debate and among scholars of political science and economic geography.

In the first section of this chapter I will define and discuss concepts crucial to the understanding of the study. Naturally, the concept ‘region’ plays a central role in the thesis and accordingly the various definitions of ‘region’ will be discussed. As well, the concepts of ‘regionalisation’ and ‘regionalism’ will also be analysed. In the second section, I used examples of regionalisation processes in Western Europe to illustrate recent development in which the regions play a strong role. This European outlook serves as an empirical background to why the focus on regions in both political and academic debate has increased. Regional policy in the Nordic countries, and in Europe as a whole, has developed from a policy focusing on redistribution and centralised measures – and thus a weak role of the region – to a policy which allows regions to be agents of their own development (e.g., Hudson, 2005). In the third section the two main perspectives on regional policy and the role of the region, namely, the centralist redistributive perspective and new regionalism, will be discussed. In this section I will also outline and discuss the criticisms against the new regionalist perspective.
2.1 KEY CONCEPTS

What is a region?
The concept ‘region’ is clearly crucial to this thesis and part of analyzing the views of regional actors is to consider how they use and thus define ‘region’. In the broadest sense an understanding of territorial divisions, such as local communities, regions and states, is essential to understanding the world and, in a more practical sense the understanding of societal administration. While the focus in this study is on the region as a political and administrative unit, one of the key characteristics of changes in the role of regions is that the definition of ‘region’ has been widened (Keating, 1998; Gren, 1999). A general understanding of ‘region’ is that it is the intermediary level between central and local level (e.g., Loughlin, 1996; Lidström, 2008; Gren, 1999; see also Süssner, 2006, p. 28). The academic debate around the concept of region and on what basis regions are constructed and understood is vast (e.g., Paasi, 2002; Süssner, 2006) but in the interests of conciseness I present below a rather straightforward overview over commonly-used definitions of the concept.

‘Political regions’ have a regional mandate and are directed by an elected institution that can either be directly elected (by the citizens) or indirectly elected (by the municipal units in the region). Political regions can have very diverse status ranging from ‘constitutional regions’, such as ‘states’ or ‘provinces’ in federal systems with constitutionally-funded autonomy, to regions in unitary states with very limited autonomy. In countries without political regions (i.e., regions with some sort of elected assembly) there are still administrative, cultural and/or functional regions. ‘Administrative regions’ are centrally steered authorities that are mandated to provide particular services or oversight within a particular area. A ‘cultural region’ is a territory with a particular identity based on history and language that distinguishes it from other parts of the country, e.g., Catalonia in Spain, the Basque country in the border area between Spain and France and Sápmi covering northern Scandinavia and northwest Russia (e.g., Loughlin, 1996). A ‘functional region’ on the other hand is formed on the basis of common interests (e.g., Gren, 1999). Functional regions are often understood as areas defined by a common labour market and common trade and business interests. A functional region must, however, not only be understood as a labour-market region or an economic region, it can also be based on other functions such as education and health care.

The concept of ‘region’ is effectively also evolving and, depending on the regional worlds in which it operates, it is being reformulated (Paasi,
2002). Specifically, increased economic integration and interdependence, increasing competition between regions both within the country and with regions in other countries as well as changing commuting patterns have all had an impact on the way the concept of region is considered. In new regionalism the region is defined as based on functionality and the political and administrative region, this perspective asserts, should correspond to the functional region.

**Regionalism and regionalisation**

The literature, which looks at sub-national regions in general and focuses on the increasing importance and influence of political regions in particular, uses both the concepts ‘regionalism’ and ‘regionalisation’. ‘Regionalisation’ is defined as the process of increased importance of the regions imposed from above (Loughlin, 1996, p.149); it is the central government that decides to transfer planning, decision-making and/or implementation to the regional level. Regionalisation is a form of decentralisation when it implies transfer from the state to the regional level but when it implies transfer from local to regional level it can be considered as centralisation.

‘Regionalism’ on the other hand is a process that comes from below (e.g., Loughlin, 1996; Swenden, 2006) and implies striving to strengthen regions in a wider sense. In making claims for increased autonomy for their regions, regional actors use arguments of democracy (bringing decision-making closer to the people), economic development (giving power to regional actors to steer development policies) and culture (allowing cultural regions with historic roots to become more autonomous within the state).

Regionalisation and regionalism tend to be mutually reinforcing processes. Advocates of bottom-up regionalism can persuade the state to take steps towards regionalisation and the resultant reforms can enhance and even create regionalism. Sometimes the definition of regionalism is characterised by having strategies and visions about stronger regions (Olsson and Åström, 2003) and this leads to regionalism being perceived as a territorial ideology (e.g., Süssner, 2006).

Regionalism is also linked to ‘regional identity’ or, to put it differently, ‘a sense of belonging’ to a particular region. Regional actors sometimes underline and strengthen the authenticity of regional identity by creating among citizens greater pride and attachment to their region (e.g., Süssner, 2000). Additionally, regionalism carries the connotation of regional differences within a state being emphasised, thus providing each region with the possibility of developing its own characteristics or identity. Regionalism is also about bringing decision-making closer to the people in the region. In addition, the underlying idea of regionalism is
the belief that for particular tasks the municipalities, on the one hand, are too small whereas the central level, on the other hand, is too large to adequately manage the job, and therefore a level – a regional level – between the two is needed. Regionalism can have many different characteristics and several classifications of different types of regionalism have been made (e.g., Süssner, 2006; Keating, 1998). For the purposes of this study regionalism is considered to be ideas about strengthening the overall role of the region – one that is perceived as an economic, cultural and political territorial unit. As mentioned above regionalism is often defined as originating from sub-national actors but it can also be a national or even a supra-national strategy (e.g., Süssner, 2006, De Frantz, 2008). New regionalism is a form of regionalism that has come to influence policy-makers in most European countries. It is based on ideas about making the region more competitive by gathering resources and actors in the region and finding the particularities of the region in order to enhance development. The next section will show examples of regionalism and processes of regionalisation in a number of Western European countries. I argue that in these countries and regions, as well as in the EU system, the growing focus on regions has, to a large extent, formed the new regionalist perspective.

2.2 Changing Role of Regions – A European Outlook

The recognition of the increasing importance of regions has mainly emerged as a result of experiences in regions in the ‘core’ countries of Western Europe (e.g., Süssner, 2006). In recent times there have been a number of changes affecting territorial government in the European countries. Given the diversity of the various changes it is not possible to put one single label on changes. Still, we can note that there has been a tendency towards a stronger role of the regional level particularly when it comes to governing of regional development. Devolution in the UK, especially the Scottish case and the de facto but not de jure federalisation of Spain, have been objects of much research and have to a large extent formed the research field on regionalisation and regionalism in European political science (e.g., Cairney, 2006; Keating, 2001; Moreno and McEwen, 2005; MacPhail, 2008). France, the archetype of a centralised state in Western Europe, has gone through important changes when it comes to the role of the regional level (e.g., Loughlin, 2008). Also in Italy, with its large differences between the poor south and the prosperous north regional autonomy has been strengthened (e.g., Swenden, 2006). Outside Europe, the status of the provinces in Canada
and particularly Québec, has contributed to the research on aspects of regionalism and regionalisation (e.g., Simeon and Turgeon, 2006).

The move towards a stronger regional level in Western Europe has sometimes been described as the nation-states losing power vertically both to the sub-national level and to the EU level, and meanwhile losing power horizontally to the market. It has, however, been claimed that this depiction of diminishing power of the nation-state is somewhat exaggerated (e.g., Keating, 1998, p.74f). Another view of the changing relations between different levels in the political system envisions it as a matter of public policies forming in complex negotiating ad hoc networks rather than in hierarchical systems (e.g., Le Galés, 2003). The regional level is thus-conceived as being nested in a complex network where many different actors, both private and public, are involved. Accordingly, regional government is perceived as being replaced by regional governance (e.g., Hudson, 2005). However, it should be noted that it is not a question of there being a distinct shift from a state-focused system to a system where both public and private actors interact in networks and where the regional level has gained importance. While at first impression it might be that powers and influence have been transferred to the regional level and that many different actors are encouraged to be involved in the policy processes, upon further investigation we find that this impression does not last as the state level in reality is still present and active (Hudson, 2005; Harrison, 2006).

Europe of the regions

The debate on Europe of the regions and the impact of EU membership on how regional policy is governed in new member-states have been the focus of attention of many scholars (e.g., Bruszt, 2008; Moore, 2008). For example, some see the EU as pushing for new ways to govern regional policy and this has opened up the way for sub-national challenges to the nation-state:

> Europeanisation offers regions and cities a relative capacity to escape the constraints and hierarchies of the national political system – that is, partial exit. There is an almost automatic risk that engagement in challenging this national order will increase. The state's capacity to structure its territory is being questioned.” (De Galés, 2003, p.392)

The concept ‘Europe of the regions’ has been a key slogan in the focus on regions in both political and academic debates. Its origin stems from the 1960s when the Swiss philosopher Denis de Rougemont coined the concept. Subsequently, in 1978 at the European Council Conference of Local and Regional Authorities it was adopted as the established concept associated with regional development in Europe (see Lindeborg, 2005).
Efforts have been made to make actors from the sub-national level more present in the EU policy-making process, e.g., through the establishment of the Committee of the Regions, CoR. The objective was to increase the legitimacy of EU policy-making by making sub-national actors more active in the process. The power of the CoR is, however, practically non-existing as it only has a consultative role. Nevertheless, the symbolic value of the CoR, especially to sub-national actors, should not be underestimated (Loughlin, 1996; Christiansen, 1996; see also Kettunen and Kungla, 2005).

Even though the formal power of sub-national entities in the EU system is limited, the presence of regional interests in Brussels is growing rapidly (Moore, 2008). European integration seems to be “boosting” the confidence of regional actors. Regional lobbying to influence policies is today an important part of the EU system; every region and even some cities have established their own links to decision-making in Brussels (Jerneck and Gidlund, 2001; Bruszt, 2008; Moore, 2008). Even so, activities of regional offices are not focused on an abstract idea about forming a ‘Europe of the regions’ but rather on more pragmatic issues that can lead to benefits for the region in question (Moore, 2008). This is especially true because EU cohesion policy has become an integrated part of national regional policy and the Structural funds are an important source of income for development projects in the regions. Regional actors see the necessity in being present on the EU arena in order to benefit from the transfer of resources through the Structural Funds. A consequence of this is that ‘Europe of the regions’ has contributed to a, perhaps naïve, belief that every region can be a winner (Loughlin, 2007). It has resulted in those member states that do not have a regional level establishing some type of region simply to participate in the competition for EU funding. Consequently, regional and local actors gain confidence and seek higher profiles for their regions within the EU system. Of course, the outcome of the competition for EU funding is that only some regions will be winners and others losers (Loughlin, 2007, p.395). This is evidenced in the recent disbursement of monies from the EU Structural Funds; regions in Eastern and Central Europe were given priority and peripheral regions in North Sweden and North Finland lost their previous status as being classified among the higher-priority regions. While ‘Europe of the regions’ is a strong and forceful slogan for regional actors, as a concept for describing the position of regions in the EU system it has become somewhat obsolete (e.g., Hepburn, 2008). Nation-states are still dominating the policy-making process in the EU as it is representatives of national governments that take the formal decisions in the Council of Ministries. Despite this, regional actors still tend to use European integration and the common regional policy as an
argument for a strengthening role of the region (e.g., Loughlin, 2007). EU membership has to a large extent contributed to the changing view on regions in both Sweden and Finland (Kettunen and Kungla, 2005) as well as in the most-recently admitted member-states in Central and Eastern Europe (Bruszt, 2008, p.615).

Examples of regionalism and regionalisation processes in Western Europe

Devolution in United Kingdom and strengthening of autonomous regions in Spain are the focus of attention for many scholars of regionalism and regionalisation (e.g., Keating, 2001; Gren, 1999; Moreno, 2007; McPhail, 2008; Dahl Fitjar, 2010). Clearly, the regionalisation processes in the UK and Spain differ substantially from what is going on in the Nordic countries. I argue that since these processes have a large impact on the pan-European debate on stronger regions they influence the debate in the Nordic countries as well. The establishment of the regions of Västra Götaland and Skåne in South Sweden (where tasks of regional development were transferred to the directly-elected regional assemblies from the state representative in the region) is an example where moves toward regionalisation have reached the Nordic countries (e.g., Olsson and Åström, 2003). Another example is the installation of regional councils in Finland, which was a response to demands by the EU that a regional level should administrate the Structural Funds (e.g., Virkkala, 2008).

The question of devolved powers to Scotland, Wales and Northern Ireland have been on the agenda for a long time in the UK but it was not until 1997 when New Labour took power that the decision to install directly-elected regional institutions was taken. The Scottish Parliament was established in 1999 after a referendum in 1997 in which a large majority voted in favour of devolved powers to Scotland. In Wales, the support for devolved powers was weaker than in Scotland but still a majority voted in favour of installing a Welsh assembly, and in 1998 the National Assembly of Wales was established. The situation in Northern Ireland differs from Scotland and Wales because of the long-standing conflict. In the Good Friday or Belfast Agreement of 1998 it was decided to devolve powers to a Northern Irish Assembly. This was in fact a re-installation of the assembly since prior to 1972 Northern Ireland had been granted devolved powers. The assembly was installed

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2 It is significant that the elected institution in Scotland is named ‘parliament’ whereas the Welsh elected institution is an ‘assembly’. This marks the difference in amount of devolved powers between the two elected institutions.
around the same time period as the Scottish Parliament and the National Assembly for Wales but, due to the difficulties related to the on-going Northern Ireland conflict, it was suspended several times prior to May 2007 when full power was finally restored to the Northern Ireland Assembly.

There is an asymmetry in the UK system both because of the differences in the degree of autonomy between Scotland, Wales and Northern Ireland and especially because there are no directly-elected regional assemblies in England. The public support for establishing directly-elected regional assemblies in England is rather weak. For example, in northeast England in a referendum on the installation of a regional assembly 77% voted against. Nevertheless, it is argued that this should not be considered as closing the door on the regional issue in England. It should be kept in mind that there is an EU driving-force behind the creation of regional institutions in England, namely, the regulations affecting administering of the Structural Funds (e.g., Elcock, 2008; Deas and Ward, 2000). In 1999, Regional Development Agencies, RDAs, were established in all English regions. The aim of the RDAs is to promote regional economic development, enhance business investments so as to increase the level of employment and encourage sustainable development (Deas and Ward, 2000). Even though there are no real identity-based regions in England the strength of functional regions may eventually lead to the creation of directly elected assemblies (Elcock, 2008, p. 90). The development in England can be compared to the situation in the Nordic countries. The driving-force behind regionalisation in England is mainly functionality and not identity as is the case in Scotland, Wales and Northern Ireland (e.g., Elcock, 2008). On this basis, some argue that it would be more rational to give power over development issues to elected regional assemblies because regional actors know their regions best and therefore are better able to adjust incentives to the specific conditions in the region (Deas and Ward, 2000).

Some observers claim that the UK and Spain are going in the same direction towards ‘asymmetrical federalism’ (e.g., Swenden, 2006, p.63). When Spain was democratised after the death of Franco in 1975 the regionalist tendencies that had been suppressed during the Franco regime began to re-emerge. Indeed, the constitution of 1978 raised the possibility of regional autonomy. Today Spain has 17 autonomous communities and two autonomous cities. Even though Spain is not a federal state there are some characteristics that make it a de facto federation. In the constitution it is stated that the communities themselves could decide on the degree of autonomy. Consequently, some communities have claimed greater autonomy than others. Regions
with historic identity claims have stronger autonomy than other regions but it should be noted that this ‘asymmetry’ has diminished in recent years (Moreno, 2001; Swenden, 2006). The historic region of Catalonia has been especially interesting for policy-makers and scholars as its historic regional identity is combined with strong economic success. As a consequence, Catalonia has been seen as a case of how regional identity and ‘branding’ of a region can enhance economic growth. Experiences from Catalonia also demonstrate the possible impact that a regional centre, i.e., Barcelona has on the development of the region as well as showing the risks when development is concentrated in one single city.

Before 1980 France might have been the best example of a unitary centralised state in Western Europe but since then several decentralisation reforms have been implemented. In the beginning of the 1980s the socialist government launched a reform in which regional councils were directly elected. Regional councils used to be led by prefects appointed by the central government but after the reform a directly elected representative, the president of the regional council, took over the role as the main political actor at the sub-national level (Loughlin, 2008). At the same time ‘départements’ and local authorities were strengthened. It was feared that the regions would dominate over the départements on the meso-level and even though there is no hierarchal relationship between regions and ‘départements’ the regions have strengthened their role at the expense of the ‘départements’ (Loughlin, 2008). France has 25 regions; 21 on mainland France, 4 overseas. Corsica is formally a ‘territorial collectivity’ and its status differs from those of the rest of French regions. The regions were given responsibility for economic development and territorial planning. They also have a shared responsibility with the central level, départements and/or local authorities for education, culture, health care and transport. Traditionally regional planning in France has been steered by the state through state agencies at the regional and local level. A system of planning contracts between the state and the regions was introduced in the 1990s to replace the state agencies. These contracts consist of regional plans that are the result of negotiation between state and regional level. The plans have come under criticism because it is claimed that the state still is too dominant in the planning process (Loughlin, 2008). After a constitutional reform in 2003 local and regional authorities were given larger freedom to intervene in different policy areas and have the right to decide upon the internal structure of their own organisations. To put it succinctly, decentralisation reforms in France can be characterised as a top-down effort to transfer responsibilities to lower levels in order to ease the burden of central administration (Moreno and McEwan, 2005, p.12). The French state, the ‘role model’ for other
centralised states has not been unaffected by the pan-European regionalisation tendencies even though the process has moved forward in an incremental way (Loughlin, 2008).

Italy has a two-tier system at the regional level: 20 regions and 109 provinces. Five of the regions have greater autonomy; among them are the two island regions of Sardinia and Sicily (Swenden, 2006). The regions have both legislative and administrative powers, directly elected presidents and assemblies; the autonomous regions also have financial powers. The claims of increased regional autonomy and even independence for Northern Italy, especially formulated by the right-wing separatist party Lega Nord, is an example of regional actors wanting to have increased autonomy in order to improve development in the region. The main argument is that the economically prosperous Northern Italy (between the southern and northern parts of Italy there is a large difference in GDP per capita) would be even better off if it did not have to support 'Il Mezzogiorno', the poor southern part of Italy (e.g., Giardano, 2000). The Italian system has become asymmetrical as each region can negotiate its autonomy with the central level. There is a process of further regionalisation continuing in Italy but it has slowed down in recent years (Swenden, 2006).

Regionalisation processes in Finland, Norway and Sweden have clearly not proceeded as far as devolution in the UK or as regionalisation in Italy. Nevertheless, we can see that the Nordic regionalisation processes are part of the same overall tendency, albeit to different extent, towards an increased role of regions. The regionalisation tendencies in France and the installation of RDAs in England are closer to the Nordic situation. Both are the results of an aim to strengthen the role of the regions as actors of regional development.

The discussion above has presented a brief overview of the increased role of the regions. It leads to the claim that there has been a shift from a policy perspective in which the region has a weak role and in which regional development is created by state subsidies to a policy perspective in which focus is on regions taking responsibility for their own development.

2.3 PERSPECTIVES ON REGIONAL DEVELOPMENT AND THE ROLE OF THE REGION

As shown in the previous section regionalisation in many countries has been a question of giving sub-national regional level more power over regional policy. Many different policy areas are involved when it comes
to enhancing regional development. Widely defined, regional policy includes all policies that have a territorial effect, such as labour-market policy, taxation policy, education policy, etc. A narrower definition sees regional policy as comprised of all public policy incentives primarily aiming at a territorial effect (e.g., Johansson, 1991). In considering the changes in the role of the sub-national regional level in a range of countries in Western Europe, I present in the next section an outline of the shift from the perspective that advocates centralist solutions and redistribution to the new regionalist perspective that advocates for a more market-driven perspective where the focus is on the contribution of the region itself. One should note, however, that this shift is not distinct – elements of both perspectives have existed during different periods of time. However, the overall tendency is that a perspective where the state is the main actor and centralist solutions and redistribution endeavour to create equal conditions in the whole country has largely been replaced by the new regionalist perspective. For analytical reasons the two perspectives have been clearly distinguished from each other. In the third part of this section I will turn to the discussion around the criticisms that have been addressed towards the new regionalist perspective and its applicability in different contexts.

Centralist redistributive policy
Regional policy in Western European countries in general and in the Nordic countries in particular has been characterised by a centralised governing of regional development and by measures aimed at redistributing resources from strong parts of the countries to weaker parts. The intention of regional policy at its inception was to fully integrate all territories into the national economy. Authorities on national level had the key responsibility to create good conditions for regional development; the role of the regional level was reduced to implementing state policies in the region (Loughlin, 2007). The national government was not desirous of increased regional autonomy since it would challenge the unity of the country and possibly hinder the state’s ability to ensure consistent implementation of policies throughout the country. One of the policies designed to create equality between different parts of the country was to transfer key industries from one part of the country to another (e.g., Keating, 1998, p.47ff). These key industries could be expected to attract other investments and thus promote greater development in the regions. Other measures consisted of state investments in infrastructure and public service in the least developed regions. In addition, the state tried to induce companies to establish in these regions by giving them tax allowances. The centralist redistributive policy can be considered a part of welfare policy. Its aim is to create a
better balance between different territories by redistributing resources; in a similar vein welfare policy aims at creating more equal conditions by redistributing resources between individuals (Loughlin and Peters, 1997; Loughlin, 2007). Thus, the starting-point of centralist redistributive policy is that there are different conditions in the stronger parts of the country, that is, the centre as compared to the weaker parts of the country, the periphery. The underlying assumption is that the periphery is dependent on the centre. Centralist redistributive policy seeks to correct territorial differences by using redistributive measures. This goal, however, tends to reveal and even reinforce the differences and tensions between centre and periphery. The fact that the periphery provides the centre with natural resources give rise to the claim that the centre takes advantage of the periphery in a similar way as on a global scale the North takes advantage of the South. This is referred to as ‘internal colonialism’ (e.g., Keating, 1998; Dahl Fitjar, 2010). While it may be true that the centre compensates the periphery by redistributing resources this tends to manifest and withhold the dependence of the periphery.

Hudson (2005) describes as part of a more general European trend the shift in the rhetoric of national policy documents in Sweden from traditional redistributive policy to regional development policy. According to Hudson the redistributive policy is characterised by centralisation, hierarchy, development from above and elite projects. It is directed at smoothening out differences between regions and is especially concerned with the peripheral regions. The regions tend to be passive receivers of state money and are completely dependent on the well-being of the national economy (Hudson, 2005). State measures are concentrated on building of physical infrastructure and available incentives tend to be targeted at short-term goals (Hudson 2005; see also Keating, 1998). The traditional centralist redistributive way of conducting regional policy has also been labelled ‘territorial Keynesianism’ (e.g., Bruszt, 2008, p.614-615) to underscore the idea that the central state can and should take measures to ‘correct’ differences between regions. To take the example of the UK at the beginning of the 1980s the state’s efforts to correct differences in the economy drastically declined, leading to a changed approach to regional policy. State subsidies were no more than ‘artificial respiration’ and therefore the focus instead turned towards enhancing bottom-up initiatives (Cooke and Morgan, 1998).

In centralist redistributive policy there is a strong hierarchy where the state is the main actor and the importance of sub-national levels is limited:
Regional policy (…) was formulated at the centre and directed towards the region with a view to building up the overall economic capacities of the national territory. It was often implemented without very much input from regional actors. (Loughlin, 2007, p.389)

In centralist redistributive policy the power relations between the different levels are strictly defined. The state is the ‘principal’ and sets up rules and frame-works for policies whereas sub-national actors are ‘agents’ of the state, implementing what has been decided on the state level (Loughlin, 2007). During the formation of regional policy sub-national actors tend to be involved only to a limited extent. It is at the final stage, when policies are implemented on the ground, that sub-national actors are involved.

**New regionalism**

Starting in the late 1980s in opposition to the centralist redistributive policy new ways of thinking and doing regional policy emerged. This new focus was on the region as a more autonomous unit. Due to larger economic integration and interdependence between countries today the ability of the state to intervene in the economy has decreased and regions are expected to be in charge of their own development (e.g., Gren, 1999; Hudson, 2005; Loughlin, 2007). Restrictions on fiscal capacity have reduced the ability of the state to smooth out differences between regions using redistributive measures. Increasing competition with other countries and regions has actually forced the state to favour economically strong regions at the expense of less prosperous regions (Keating, 1998). The focus of regional policy has shifted from state subsidies to finding the comparative advantages of a region and making use of them. The concept of new regionalism is used to label these ideas about regional policy and the role of the region. Keating (1998) defines new regionalism in the following way:

(…) there is a search for new mechanism for managing the impact of economic change on territories, focused more on the contribution of regions themselves and less on the directing and planning policies of the state. (Keating, 1998, p.74)

[New regionalism] is not contained within the frame-work of the nation-state; and it pits regions against each other in a competitive mode… (Keating 1998, p.73)

In the aftermath of the works of political scientists like Keating and Loughlin and geographers like Amin and Thrift (1994) new regionalism has been frequently defined, redefined and applied to the development in different regions (e.g., Baldersheim and Fimreite, 2005; Gren, 1999,
New regionalism asserts to be a ‘chaotic concept’ (Harrison 2006) but is
evertheless crucial to the debate on regions both in political, economic
and cultural terms. It is a market-driven perspective towards regional
policy and what role the regional level should play. Whereas the
centralist redistributive policy is linked to standardised solutions and
redistribution as ways of creating territorial equality, new regionalism in
its turn is based on finding solutions adapted to the conditions in each
region. The point of departure for new regionalism is that all regions
have potential for development. Each region should find its own
advantages and make use of them. From a new regionalist perspective,
the assumption that there are structural differences between centre
regions and peripheral regions is of little or no importance. New
regionalism recognises that many regions have problems that impose
obstacles to development but from the new regionalist perspective the
salient point is that regional actors must be given, and conversely, take
initiatives to find the potential of the region in order to enhance
development. All regions, no matter if they are peripheral or central,
should find their own strengths and weaknesses and be in control of
their own development. All regions have the potential to be winners.

New regionalism can be considered as both descriptive and
normative. As a descriptive perspective, it looks at the process of
regional actors positioning their region within the nation-state and
making demands for increased influence on policy-making and
resources. In undertaking research on regions the researcher can find in
new regionalism a way of labelling and analysing a tendency that has
been observed in many regions in Western Europe. As a normative
approach, new regionalism encourages a development towards stronger
regions. The region is given a crucial position and is considered as an
appropriate unit for both political and economic activities. The region is
perceived to be an actor in its own right and it is argued that it should be
more autonomous vis-à-vis the nation-state (Keating, 1998; Gren, 1999).
In addition, research and political debate tend to reinforce the focus on
regions. On the one hand, the research on regions inspires and fuels the
political debate and, on the other hand, some policy-makers are
welcoming and encouraging research on regions and on how to enhance
regional development.

Because of the Nordic experience of weak regions the presence of a
regional level in the political system is not taken for granted in this study.
Different forms of more or less formalised co-operation in a regional
setting and regional division of state administration will of course exist,
no matter if there is a directly-elected regional level or not.
An important part of new regionalism is that the concept of region is widened and that it is important to take the borders of cultural and functional regions into account when (re)shaping political and administrative regions. Borders of political and administrative regions should correspond to cultural and functional regions in order to be more legitimate and efficient entities.

According to the new regionalist perspective, regional representatives are considered best placed to make decisions concerning regional development because they know their region best. Regional and local government is recognised as an important part of the democratic system and therefore should have increased autonomy. This is referred to as a choice model replacing the model referred to earlier where the state is the principle and the regional and local levels take the role as the agent of the state. According to the choice model, sub-national actors have a certain “freedom from central government control” (Loughlin, 2007, p. 397). Regions are expected to find their own incentives and develop them in order to compete with other regions. The region is considered to be a market-place where both public and private actors are the entrepreneurs (Storper, 1995). Thus, regional development is not based purely on building the right institutions; it is also a question of the presence of innovative networks and social capital (Harrison 2006, p. 23; see also Amin and Thrift, 1994; Cooke and Morgan, 1998). The choice model views it as necessary to have well-functioning networks linking public and private actors together with a common ambition to develop the region and that the best long-term conditions for creation of social capital and trust are in the regional arena. In this policy approach, unlike the centralist redistributive policy, the power relations between different levels are not so distinct. The hierarchy that characterised centralist redistributive policy has been replaced by governance as an important principle. In this context governance can be considered as a way of not restructuring the formal institutions but of finding new ways of co-operating within the existing institutional structure.

Part of the idea about the regions being in charge of their own development is that regions are actors in an international arena to an increasing extent. Contacts with regions in other countries are often established in order to learn from experiences made elsewhere and to contribute with their own experiences to the development in other regions. International contacts previously were handled at the state level and regional actors only participated in state activities. However, this relation has changed and today regions tend to be international actors in their own right (e.g., Süssner, 2006). This ‘para-diplomacy’ mostly operating within fields such as education, economic development and
culture has become part of every-day activities at the regional and city levels (Gren, 1999).

In addition, new regionalism is about revalorisation of regional cultures and the rise of regional identity (Keating 1998, p.74). Regional identity can be based on a language spoken in the region that is different from what is the major language in the country (e.g., Wales and Catalonia). Regional identity can also be based on the fact that the region has been part of a country other than the current one, e.g., like Skåne, the southern-most county in Sweden that used to be Danish. Actors in regions with historical roots are making claims for increased autonomy, e.g., Catalonia and Scotland. In regions with a historically rooted identity this is used to promote regional development and in some regions where there is no such identity it tends to be ‘invented’ (Paasi, 2002; Süssner, 2006).

**New regionalism contested**

New regionalism both as a descriptive and a normative perspective has been criticised for over-emphasising the importance of regions (Harrison, 2006). There tends to be an overstated conviction that the region is the key territorial unit for economic as well as social activities. The shift from a regional policy based on centralised measures and redistribution to one focused on ‘regions on their own’ does not necessarily imply a weakened state. If the state becomes an ‘animateur’ rather than an interventionist, i.e., the state encourages and enables regions to find their own ways for development, this can even indicate a stronger state (Cooke and Morgan 1998, p. 21ff). New incentives for development within the region are steered by the state and not by regional and local actors as both described and prescribed in new regionalism. As Harrison (2006) puts it, ‘the state can actually become stronger by doing less and enabling more” (Harrison, 2006, p. 29). Harrison also claims that:

> the new regionalism is firmly rooted in a dangerous paradox: the state remains the primary channel through which regional policy is co-ordinated and mediated, yet we are accused of failing to incorporate the state into our theories. (Harrison 2006, p.30)

According to the new regionalist perspective the state has been challenged from below by regional and local actors and from above by the EU. The power of the nation-state has been reduced because of that sub-national and supra-national are increasing their powers. Bruzst (2008) rebuts this by asserting that this can be seen as the state spreading its power and thus getting increased authority rather than that the state is
weakened. Le Galès (2003) underscores that the state has “lost part of its monopoly, not its importance” (p.384). Hudson (2005) shows that in Sweden the establishment of regional partnerships, whose goal was to increase regional influence on development issues, has instead lead to “bringing the state back in.” She shows that regional partnerships have in fact become a way for the state to retake control over regional development issues. There is a strong national rhetoric of regional empowerment in Sweden but this does not correspond to what is actually happening (Hudson, 2005).

The perhaps fiercest criticism against new regionalism was expressed by Lovering (1999) in a debate article on the hegemony of new regionalism to the formation of regional policy in Wales. Development in Wales has been described as a success story whereas in reality this picture is a poor description of the Welsh situation (Lovering, 1999, p. 381). Lovering argues that new regionalism is:

a set of stories about how parts of a regional economy might work, placed next to a set of policy ideas which might be useful in some cases. (Lovering, 1999, p.384)

Lovering (1999) also criticises the importance accorded to regions for the success in creation of job opportunities through various regional innovations. He claims instead that most new employment in recent years is due to investments made by the British state (Lovering, 1999, p. 385). Lovering’s criticism against new regionalism is based on experiences made in Wales, a part of the UK that is considered peripheral and thus dependent. The new regionalist perspective is mainly developed in centre-regions with a strong economy and therefore he sees that it would be less appropriate and successful to apply those ideas to peripheral regions dependent on state regulation and aid (Lovering, 1999). Lovering also argues that in developing concepts and perspectives concerned with enhancing regional development one must take into account the situation in less prosperous regions and not only, as has often been the case, in more fortunate regions. He firmly questions the proposition that ‘models’ that happened to function in fortunate regions can function in less prosperous regions. Policy-makers, as Harrison (2006) underlines, adapt ideas based on activities developed and used in prosperous regions. Harrison claims that some special conditions have to be present in a region in order for new regionalism to be a successful model for regional development (Harrison, 2006, p.22). It is very difficult, maybe not even possible, to create development by establishing the same kind of institutions in a less favoured region as in a successful one. Institutions co-exist and it is not possible to copy the whole
institutional structure from another region. Hence, the same structure transplanted to a new context will not have same effect. Harrison also points at the problem of having a strong belief that the global economic race is a win-win-situation and that all regions can be winners (Harrison, 2006, p. 37).

The general impression is that the goal of EU regional policy is to empower regions, but it has also been claimed that this misunderstands the logic of EU regional policy (Keating, 2008). Keating claims that this misunderstanding also embraces a view that the European commission is using regional policy as a strategy to bypass the governments in the member states. Even though the EU aims to strengthen the influence of regions, EU regional policy is not entirely based on ideas expressed in new regionalism. Rather, it also contains elements of the more traditional regional policy, only on a larger scale than the nation. It is true that it is about redistribution of resources but what is understood as regional development and ways of enhancing development are defined on EU level and not on nation level (Keating, 2008).

In this section we have looked at the shift from centralist redistributive policy focused on state steering of regional development to a perspective on policy based on the idea that the region should be more self-reliant, subsumed in the concept of new regionalism. This leads to the next chapter where two ideal types are constructed with the purpose of using them as analytical tools in the study of the narratives of actors in three peripheral regions.
3. Analytical framework and methodology

In this chapter the analytical framework will be set out and a number of methodological issues will be discussed. The analytical framework follows from the discussion in the previous chapter. First, two ideal types will be constructed as a basis for classifying and analysing the empirical material. After that, further explanations for the selection of the three Nordic regions will be provided. The process of collecting the empirical material, i.e., the interviews and policy documents will then be described. In the empirical chapters to follow, the empirical material will be presented in the form of narratives or stories through which regional actors express their views. Narratives are therefore a way of presenting the empirical material (Patterson and Renwick Monroe, 1998). These narratives will then be analysed using the two ideal types.

As noted earlier, centralist redistributive policy focused on centralisation and redistribution, while the new regionalism focuses on regions “on their own”. These ideal types represent two distinct perspectives on regional policy and on the role of the regional level in the political system. The ideal types are defined using two main dimensions; ‘the role of the region’ and ‘external relations’. On the basis of these dimensions empirical questions are formulated for the interviews (see Appendix). The results of the interviews and the analysis of the content of the policy documents will be presented in forms of narratives. The narratives will then be analysed using the dimensions that distinguish the two ideal types, centralist redistributive policy and new regionalism.

3.1 CONSTRUCTING IDEAL TYPES

The discussion in the previous chapter outlined the shift from a redistributive and centralist policy perspective, which placed the regional level in a weak position, to a new regionalist perspective, which focuses on the contribution of the region itself. It is this shift that is the point of
departure for the ideal types that serve as the analytical framework in this study. This categorisation technique is essential in this study in order to collect, classify and analyse the empirical material, which consists of interviews with regional key actors as well as policy documents. In political science researchers employ several established and formalised ways of analysing texts (the transcribed interviews are considered as texts), notably, content analysis, idea and ideology analysis and discourse analysis (e.g., Bergström and Boréus, 2005). Content analysis is used to categorise and describe, while idea and ideology analysis can be used both to make a pure description but also to criticise the logic of ideas whereas discourse analysis is used to detect and ‘deconstruct’ power relations (Bergström and Boréus, 2005). Discourse analysis can be considered both as a theory and a method to detect power relations by analysing texts but also by analysing social practices (e.g., Bergström and Boréus, 2005, p.308).

The shift from centralist redistributive policy to new regionalism in political and academic debate is characterised in this study as one dominant perspective being replaced by another dominant perspective. Here I use the term ‘perspectives’ but the two could also be considered as ‘ideologies’ or ‘discourses’. However, the concept of ideology is to a large extent, associated with the classical political ideologies though some researchers have broadened the definition of ideology beyond its classical association. For example, regionalism is sometimes referred to as a ‘territorial ideology’ (e.g., Süssner, 2006). In this study, however, I have chosen not to use the concept ‘ideology’ but rather ‘perspective’ when talking about the two ideal types. ‘Discourse’ on the other hand is an appealing concept but it has come to be mostly associated with discourse analysis.

To use ideal types is an appropriate and fruitful way of categorising and analysing different dimensions of what is being expressed in a text or an interview. It does not imply that only one of these ideal types will grasp all dimensions of regional actors’ views. In the real world an ideal type does not, by definition, exist but rather simply serves as a way of conceptualising empirical material (e.g., Bergström and Boréus, 2005, p.159ff). In this study, in order to define two ideal types, two dimensions are considered. The first focuses on the way the two ideal types regard the role of the region. It is further divided into three sub-dimensions, namely, regional institutions, the term ‘region’ and the importance of regional identity. The second dimension deals with the external relations of the region. Of course, these two dimensions are closely connected. In other words, the role of the region is intimately related to its relations to the state level and the local level. An important aspect of the strengthening of the region is its role as an international actor and
therefore the international aspect is also included in the second dimension. In the following section the two dimensions – 1) the role of the region and 2) external relations – will be defined more closely. These definitions are summarised in table 1.

**The role of the region**

Each of the two ideal types address the role of the region but the characterisation differs. So as to comprehend how the two ideal types regard this aspect, i.e., the role of the region, the following questions were addressed: How is the role of the region in governing of regional policy considered? What should be the role of regional institutions? How is the term ‘region’ defined? How is regional identity viewed? Is regional identity considered relevant for region-building and development in the region and if so, in what way?

**Regional institutions**

The organisation and strength of regional institutions differ greatly between different countries. For instance, regional institutions can be indirectly elected by local bodies or have a direct regional mandate. They can be single-function or multi-function institutions. It should be noted that the term ‘regional institution’ is a wider concept than regional government, the latter defined as a directly-elected general-purpose institution (e.g., Keating, 1998, p.113). It is also important to make the distinction between regional institutions and state institutions on regional level.

Major differences exist in the type of responsibilities that regional institutions have. In federal systems, the sub-national units have a constitutionally-funded right to legislate, implement policies and levy taxes (e.g., Swenden, 2006). A weaker form of autonomy is regional devolution where the state transfers important decision-making powers and sometimes also legislative rights within certain areas to regional level but where the state retains the power to withdraw these competences (Keating, 1998). Functional decentralisation, an even weaker form of autonomy, means that ad hoc agencies are set up on regional level to solve special issues. It is a way of solving functional problems but without actually challenging the authority of state or local institutions.

In centralist redistributive policy, regional institutions have a very limited role when it comes to formation of regional policy. Policies are decided at the state level and implemented and administrated by state agencies at the regional level. When administrative tasks are transferred from state level to regional level the intention is often simply to reduce the administrative burden at the state level. There is no intention to transfer real decision-making power to regional level. This is one of the
ways that equal conditions can be safeguarded throughout the country. The focus of centralist redistributive policy is on establishing state agencies in the regions that play a co-ordinating role. Regional institutions are part of a system characterised by hierarchy with the state as main actor. On the other hand, the new regionalist perspective sees that regional institutions should play a key role and have large and increased responsibility for regional development issues. According to this view, regional institutions should be able to develop strategies for regional development on the basis of the particularities of the region. They should also be active and involved in creating good conditions for innovation and entrepreneurship and consequently for economic growth. The regional institutions should also undertake a co-ordinating role between different actors, both public and private, in the region.

*The term 'region'*

In this section I outline two opposing conceptualisations of the term ‘region’ that apply to the two ideal types. These conceptualisations hark back to the different definitions of the concept of region given in the beginning of chapter two. The reason to include this aspect in defining the two ideal types is that the use of the term ‘region’ is important in understanding how the role of the region and regional institutions are viewed in the narratives of regional actors. In the centralist redistributive perspective the focus is primarily on the region as an administrative and/or political unit. The administrative and political region is seen as a complement to state and local level and should only handle tasks necessitating a territory larger than the local community. New regionalism has a broader understanding of the term ‘region’ compared to the more narrow definition in centralist redistributive policy. New regionalism focuses less on the administrative and political region and more on the region as a functional unit (Gren, 1999). Its objective is that the borders of political and administrative regions should correspond better to the borders of functional regions. Among the positive benefits of these borders being the same is the facilitation of commuting and creation of better incentives for economic activities and growth. Regions can be based on functions other than economic activities such as health care and education. Similarly, the cultural region tends to play a more important role in new regionalism than in centralist redistributive policy. Culturally defined regions can be the basis for a strong region in a political and functional sense. When the cultural region is present in centralist redistributive policy it is not to assert any claims for increased regional autonomy but is rather an expression of folklore, provincial history and bottom-up movements that make claims for the right to express the historical characteristics of the region (e.g., Gren, 1999).
Defining the region as a cultural unit leads us to the next sub-dimension of the two ideal types, namely, the meaning of regional identity.

Regional identity

The revival of cultural regions and the role of territorial identity for regional development and region-building is an important part of new regionalism (e.g., De Frantz, 2008; Gren, 1999). With the emergence of ideas of more autonomous regions, there was also a revival of historically-based regional identities. In regions with a strong historical identity, like Catalonia and Scotland, actors have stressed the already-existing sense of attachment to the region in order to make claims for increased autonomy and also to enhance regional development.

The cognitive and emotional aspects of regional identity are about a public awareness and attachment to the region (Keating, 1998, p.86ff). People in general are aware of the region, they feel that there is some sort of belonging together in the region and they also feel personally attached to the region. A third aspect of regional identity is instrumental and refers to how regional identity is a basis for mobilisation to attain political and/or economic goals (Keating, 1998, p.86ff). These goals may be increased autonomy and/or general economic development in the region. The focus of attention here is primarily on the instrumental aspect of regional identity. Do regional actors consider that regional identity is important for the development of the region and in strengthening regional institutions? In centralist redistributive policy regional identity either plays no role at all or if it does play a role it is in a negative sense. The aim of centralist redistributive policy is to strike a balance between different territories and therefore there is less room for different regional characteristics. In contrast, the new regionalist perspective sees that regional identity as awareness about the region plays an important role in the region-building process and leads to enhanced regional development. I argue that, on the basis of experiences from regions in Western Europe, there are two ways of proceeding when it comes to using regional identity to enhance autonomy and/or development. In cultural regions the strong historically-rooted regional identity is modernised and used to reach political and economic goals. In other regions without such a strong territorial identity regional actors tend to ‘invent’ an identity. Either way, the regional identity is crucial for strengthening the region in political and economic terms.
External relations

Relation to state and local level
The role of the region is evidently linked to how power is distributed between different levels in the political system. The sub-dimension 'regional institutions', as described above, to some extent portrays the relationship to other levels but I have also chosen to define a separate dimension to contrast how the two perspectives – centralist redistributive policy and new regionalism – view the relationships between regional level on the one hand and state level and local level on the other hand.

In the centralist redistributive perspective the state is the most important actor in the political system and is the entity that should steer regional development policy. Only the state level can, it argues, guarantee equal conditions and prevent that some parts of the country are lagging behind. This policy sees the regional state as having a double role – it should both form policies and control implementation of these policies at the regional level. In new regionalism the role of the state is weaker. Its role is limited to monitoring and ensuring that the regions and municipalities follow state policies. The regional level is a more appropriate arena for decision-making within many policy fields, especially regional policy.

At the local level some tasks demand large resources and it is impossible for each municipality to handle them on their own. But at the same time these tasks are not of the magnitude required to be handled at the state level. Hence, an institution at the regional level is necessary.

In centralist redistributive policy the regional level plays a weak role. The regional level only functions as a complement to state and local level. In new regionalism, on the other hand, the region is seen as the appropriate arena to overcome the difficulties at the local level to gather enough resources as well as being able to meet competition from other parts of the country and from regions in other countries. Municipalities are simply too small and do not have the overall image needed for certain types of projects. Conversely, on state level, there is the necessary financial capacity but not enough knowledge about the conditions and needs specific to each region. Thus, the regional level emerges as being able to fulfil an important function as coordinator between state and local level (e.g., Keating, 1998, p.81).

International aspect
An important aspect of the strengthening of the region is its increased role as an international actor. This is in itself an expression of a greater degree of autonomy of the region. In recent decades both the regional
and local levels tend to have increased and widened their international contacts. Yet, the para-diplomatic activities of regions and municipalities/cities keep to fields that are uncontroversial such as education, culture, research and development of trade and business. Matters of high politics are still dealt with on the state level (e.g., Gren, 1999).

In centralist redistributive policy the international contacts are always mediated by the state. In new regionalism on the other hand the region is an international actor in its own right. Regional and local actors put their development in their own region/local communities into an international context, establishing co-operation with regions/local communities in other countries. This international awareness is an important aspect of new regionalism. In my study I used this aspect to describe and analyse to what extent regional actors view the region as an international actor in its own right and to examine the importance accorded to international contact when it comes to enhancing the development in the regions.

The two ideal types and the dimensions used to characterise them is summarised in table 1 below.
Table 1. The two ideal types: Centralist redistributive policy and New regionalism

<table>
<thead>
<tr>
<th>The role of the region</th>
<th>Regional institutions</th>
<th>Centralist redistributive policy</th>
<th>New regionalism</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Regional institutions should be administrator of state policies and thus, equal conditions in the whole country can be guaranteed. Regional institutions are part of a system characterised by hierarchy with the state as main actor</td>
<td>Regional institutions should be autonomous especially when it comes to regional development policy Regional institutions should co-ordinate their work with other actors, both public and private</td>
</tr>
<tr>
<td>The term region</td>
<td>Focus on the region as a political and/or administrative unit</td>
<td>The understanding of region is widened: focus on the functional and cultural region</td>
<td></td>
</tr>
<tr>
<td>Regional identity</td>
<td>Regional identity is considered of little importance to region-building and to enhancing regional development</td>
<td>Regional identity is considered important to region-building and is used to enhance regional development</td>
<td></td>
</tr>
<tr>
<td>External relations</td>
<td>Relation to state level</td>
<td>The state is the main actor The state should both form, finance and implement regional policies</td>
<td>The region is the main actor The state should only have function of survey and control</td>
</tr>
<tr>
<td></td>
<td>Relation to local level</td>
<td>Regional level should be a complement to local level</td>
<td>Regional level should play a role in its own right and not only be a complement to local level</td>
</tr>
<tr>
<td>International aspect</td>
<td>International contacts should exclusively be handled on state level</td>
<td>The region should be an international actor in its own right</td>
<td></td>
</tr>
</tbody>
</table>
3.2 METHODOLOGY

Choice of regions
Moving on from the analytical framework I will at this point present my rationale for the selection of the three administrative regions included in this study: Troms in Norway, Pohjois-Pohjanmaa in Finland and Västerbotten in Sweden. All three are embedded in similar national contexts as the three countries are unitary states with a strong local level. Because of these similarities regional actors are likely to share the same or at least similar views on changes in the role of the region. The fact that Finland and Sweden are EU members while Norway is not is perhaps the most obvious difference between the three countries. This also means that regional actors in Pohjois-Pohjanmaa and Västerbotten more directly have to deal with EU issues than what actors in Troms do. Preparation for and administration of the structural funds are additional tasks for actors to handle at the regional and local level. When it comes to regional institutions those in both Norway and Sweden are directly elected institutions at the regional level whereas Finland has regional institutions indirectly-elected by the municipalities. There are also differences, which will be further explored in chapter four, in the division of responsibilities between the levels in the political system.

The three regions are peripheral both in a national and a European context. The regional economies depend to a large extent on natural resources and associated industries. The public sector is, however, the most important employer. The commonly-used definition of a periphery was coined by Stein Rokkan: that is, a periphery is located at a considerable distance from the centre, is dependent on the centre both economically and politically and is also culturally different from the centre (Rokkan and Urwin, 1983). A small population spread out on a very large territory with large distances between different parts of the territory can create obstacles to regional development. It is, therefore, considered necessary that the central state takes responsibility for creating good conditions for companies to establish and for people to live and work in these regions.

One of the factors that contributed to these particular regions being chosen is that they are all three characterised by the domination of one city to which population and economic and public activities are concentrated. Furthermore, the three cities are not only main centres of their counties/regions but also of the extended region. Tromsø is the largest city in Northern Norway and is the main city of Troms County. It has more than one third of the population of the county. Oulu is the largest city in Northern Finland and has one third of the population in
The main city of Västerbotten County has almost half the population of the county as a whole. Umeå is also the largest city in the extended region Norrland which corresponds to the four northernmost counties in Sweden.

**Collection of empirical material**

In this study both policy documents and interviews are used as empirical sources. Policy documents express a more overall view, especially the documents involving many different actors. Interviews, on the other hand, can give a more nuanced image and have the potential to detect differences between actors.

In the case of Troms, the county council has produced a number of documents related to the regionalisation debate. In 2003, the board of the county council (fylkesrådet) in Troms assigned a committee consisting of politicians, civil servants and business representatives; the Committee of Regionalisation (Regionaliseringsutvalget). The scope of forming this committee was to investigate the strong and weak points of the current county councils and suggest which competences local, regional and state level should have in the future. In 2004 the committee presented its report entitled, “Who should govern in the north?” (Regionaliseringsutvalget, 2004). In 2005, the board of the county council presented a report to the assembly (Fylkestingsmelding, 1/2005), in which the new regional structure was discussed and in which the board outlined its view on what responsibilities the regional level should have. One year later, the board presented another report (Fylkestingsmelding, 2/2006) that was mainly a response to the national Strategy of the High North (see chapter 4). I have also included responses from the municipalities on the regionalisation reform. In the case of Västerbotten I have considered responses from the county council, the county administration board and municipalities in Västerbotten (not all municipalities gave a response) to the Committee of Responsibilities’ report on regional reform. I have also examined the section on regional development in the annual planning document for the county council of Västerbotten (Nämnden för regional utveckling, 2006) and the international plan of the county council of Västerbotten (Internationellt program, 2009). In the case of Pohjois-Pohjanmaa most policy documents produced by the regional council of Pohjois-Pohjanmaa are only available in Finnish and as I do not read Finnish my access to written documents was limited. Consequently, I relied on English summaries of the Regional Strategic Programme 2007-2010 and the Northern Ostrobothnia Regional Land Use Plan.

The main source for empirical data is interviews with key actors in the three regions. The interviews were performed over a period of two years, from spring 2007 to spring 2009. Two field trips were to Troms, the first
in August 2007 and the second in April 2009, and encompass a period in which a reform of regionalisation was under debate in Norway. The left-centre government had launched a reform proposal in 2005 and one important intention of the reform was to create larger administrative regions and transfer tasks to these new regional bodies. When the first interviews in Troms were made in August 2007 the proposal on creating larger administrative regions was still on the political agenda and the interviewees largely reacted to this proposal. When the most recent interviews were made in Troms in April 2009 the context in Troms had changed as the Norwegian government had decided not to amalgamate counties into larger administrative regions. Even though the situation had changed as a result of this shelving of the reform, I do not see that this had any significant impact on this study since it is the overall views of the role of the region that was the scope of this study rather than the reform process in particular. I have also made two field trips to Pohjois-Pohjanmaa and Oulu in Finland, the first in February 2008 and the second in May 2008. Additional phone interviews were conducted in April and May 2009. In Finland the merger of municipalities is ongoing and a reform of regional state administration was implemented 1st January 2010. In Västerbotten (Sweden) the first interviews were made in June 2007 and the last ones during spring 2009. In Sweden, the Committee of Responsibilities presented in February 2008 a reform proposal concerning the territorial division and the transfer of responsibilities to the regional level. Since then the issue has been widely discussed and the Västerbotten County Council together with Norrbotten County Council and five municipalities in Västernorrland County have agreed to demand that the government form a new larger administrative and political region in North Sweden. At this moment, however, it is still unclear whether this reform process will move on or not. Reform processes in the three countries will be further outlined in chapter four.

The view of regional actors varies over time and they react to current events. What I try to grasp in this study are the more general narratives expressed by regional actors about the role of the region, although the focus during the period of the study was distinctly on the ongoing regionalisation reforms.

The interviewees have been chosen with the intent to include politicians and civil servants at the key institutions as well as business representatives in the regions. In Troms, those interviewed were representatives from each party represented in the assembly of the county council, local politicians from the two largest municipalities, civil servants at the county council, a representative of the county administration board, a representative of the Chamber of Commerce in
Troms and a representative of the Norwegian Employer’s Association (NHO) in Troms County. The objective was to include representatives from different parts of the county; hence, interviewees include politicians representing the municipalities of Harstad, Lenvik, Sørreisa, Tromsø, Salangen, Karlsøy, Målselv and Bjarkøy. These represent municipalities of different sizes, ranging from Bjarkøy with around 500 inhabitants to Tromsø with 65,000 inhabitants. In Pohjois-Pohjanmaa I have interviewed representatives from the political parties in the assembly of the regional council, a representative of the Oulu Chamber of Commerce, civil servants working at the regional council and at the city of Oulu. The politicians interviewed represent the municipalities of Haukipudas, Oulu, Raahc, Liminka and Taivalakoski – five municipalities of different sizes and different locations in the region. In the Finnish case the number of interviews was limited because of difficulties in contacting some of the key actors. In Västerbotten interviews have been performed with politicians from each party represented in the assembly of the county council, local politicians, representative of the Chamber of Commerce, civil servants at the county administration board and a civil servant at Region Västerbotten. The politicians represent the following municipalities: Umeå, Dorotea, Vindeln, Vännäs and Skellefteå.

In this study most of the interviewees are politicians. As the focus of the study is on views expressed through narratives about the role of the region, politicians are considered main actors. However, I wanted to broaden the analysis to include other key actors and therefore civil servants representing relevant institutions and business representatives have also been interviewed.

In order to depict and understand the view of regional actors as accurately as possible, I have used a semi-structured approach in conducting the interviews (e.g., Denzin and Lincoln, 2008; Dalen, 2007). This involved devising a questionnaire with a number of key questions (see appendix) to be covered during the interview but which did not have fixed answer categories. Thus, the interviewees were allowed to comment rather freely on the questions and to some extent also lead the conversation in the directions they wished (e.g., Patterson and Monroe, 1998, p.326). By using the semi-structured interview schedule, while the interviewees were encouraged to speak freely they were also ‘kept on track’ and prevented from talking about issues less relevant to the study. All interviews were recorded, transcribed and summarised. The transcriptions and summaries were then sent out to the interviewees to give them the opportunity to make additional comments and/or correct misunderstandings, if there were any. All the translations of citations into
Reflections on language obstacles

This study encompassed three language groups – Finnish, Swedish and Norwegian – and this posed particular problems. Most interviews were conducted in Swedish or Norwegian but some were in English. Furthermore, some of the interviews in Pohjois-Pohjanmaa were conducted in Finnish with help of a translator who translated from Finnish to Swedish. In the discussion below I will relate some of the difficulties language presented and describe the attempts to overcome these problems.

In Troms, the questions were asked in Swedish and the interviewees answered in Norwegian. An important part of the preparation for the interviews involved being cognisant of the terminology in Norwegian in relation to regional institutions and regional policy. Given that I do not read or speak Finnish, the access to written documents was limited in the Finnish case. Obviously, I knew that this would also pose problems in carrying out interviews. Nevertheless, I decided to include a Finnish region in the study since I was convinced that a study that included Finland, Norway and Sweden had the potential of making an important contribution to the understanding of regionalisation in the Nordic countries as well as in Europe as a whole. The fact that comparative studies between these three countries are rather limited was a further reason to include all three countries 4.

In Finland, web sites of authorities and organisations provide much of their information in both Swedish and English and there are also summaries of key documents in English. In Pohjois-Pohjanmaa, the first interviews were made in English but later on the interviews had to be made with the help of a translator. The interview questions were translated into Finnish in advance to facilitate the work of the translator. After the interviewee answered the question in Finnish the translator gave a short summary of each answer. The interviews in Finnish were also taped and the summaries made during the interviews were available for later correction and addition. Here it also has to be mentioned that

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3 Here it must be noted, for those who are not familiar with the Scandinavian languages, that Swedish and Norwegian are mutually understandable.

4 A comparative study between Norway, Finland and Sweden that I would like draw attention to is Lindh, Magnus et al. (2009), Fusing Regions? Sustainable Regional Action in the Context of European Integration, which consists of a comparison between Hedmark county in Norway, Värmland county in Sweden and Varnais-Suomi ‘Egentliga Finland’ in Finland.
the use of citations in the empirical chapter on Pohjois-Pohjanmaa is more limited than in the chapters of Troms and Västerbotten. As the Finnish interviews were not translated precisely word-by-word but rather the gist of the response was translated, I do not use direct citations from these interviews but rather refer indirectly to the interviews.

Presentation and interpretation of the empirical material
In order to interpret the empirical material it has to be related to its context (e.g., Dalen, 2004). In the fourth chapter I will therefore outline the overall context to which regional actors relate in the interviews and policy documents. This context is threefold: a focus on development of regional policy, institutional framework and regionalisation reforms in the three countries during the last decade.

Narratives
As human beings, we use narratives or stories to make the world understandable. It has even been argued that we should be considered as narrative actors rather than rational actors (Czarniawska, 2004; Robertson, 2003). A narrative is by definition a story about the world and how it is evolving but it also contains normative or even moralising aspects (Patterson and Monroe, 1998). Narratives are “the ways in which we construct disparate facts in our own world and weave them together cognitively in order to make sense of our reality” (Patterson and Renwick Monroe, 1998, p. 315). Analysis of narratives has its origin in literature theory but variants of it has spread to other disciplines such as anthropology, psychology, sociology, media studies and organisation studies (Czarniawska, 2004). In anthropology and psychology narrative analysis is used to detect and analyse individuals' perceptions of their own reality. In an interview situation respondents often answer questions by telling a story, a narrative (Czarniawska, 2004). This is a way of defining and positioning oneself in a wider context. Here the narrative has a distinct sender, i.e., the individual that is being interviewed. Narratives can also be used as a way of describing overall models for organisation or policy. Highly relevant to the topic of this thesis is a study by Jensen and Trädgårdh (2004) where they analyse the viability of what they call the Triple Helix narrative in different kinds of regions. They use the concept of narrative to show that Triple Helix is defined as something positive but that it can and will turn into a negative narrative when applied in regions with economic difficulties. Jensen and Trädgårdh use the concept of Triple Helix narrative to designate a model to enhance economic growth and development. Here the narrative is an overall model without a distinct sender. In political science the use of
narrative analysis has been limited. When used it is chiefly a question of describing how collective identities are shaped and how they evolve.\footnote{Worth mentioning here are two studies of the image of Europe and cosmopolite identity in different news medias: Robertson, Alexa (2003), "Narrativanalys och identitetsforskning" i Bo Pettersson och Alexa Robertson (red.), \textit{Identitetsstudier i praktiken}, Malmö: Liber Ekonomi and Robertson, Alexa (2008), "Cosmopolitanization and Real Time Tragedy: Television News Coverage of the Asian Tsunami", \textit{New Global Studies}, 2(2), p.1-25.}

In this study I consider the views of regional actors to be expressed through narratives. Regional actors express narratives about the situation in their region, about regional development policy and which role the regional level should have in the political system. It is not the view of each individual per se that is in focus of interest but the piece each individual as a representative for a certain institution can bring to the broader narratives in each region. Thus, narratives are used as a way of grasping the overall or main views in each region.

\textit{Validity, intersubjectivity and reliability}

Validity is a necessary consequence of the two main steps of research: the first being the theoretical step where a problem is formulated and the second being the operational step where the investigation is performed (e.g., Esaiasson et al., 2005). Validity in qualitative research is about openness and transparency through the whole research process, in this particular study from the stage of working out and defining the ideal types to the formulation of the question addressed to the empirical material to the interpretation of empirical findings. This openness and transparency requires paying careful attention to documenting references and to using direct quotations from the empirical material so that the reader can be assured of the accuracy and reasonableness of the study’s findings. Another criteria for qualitative research is intersubjectivity, in other words, that different researchers would make the same interpretation when analysing the same material (e.g., Esaiasson et al. 2005, p.174f). However, in using qualitative text analysis it can be particularly difficult to follow the demand of intersubjectivity. Discourse studies and other types of studies using qualitative text analysis are often criticised as being difficult to replicate because the tools for analysis are 'blurry' or the different steps in the analysis process are not described in a clear way (Bergström and Boréus, 2005, p.352f). It is therefore important to clearly define the ideal types and argue for the different dimensions. In order for the study to be reliable it is important to stick to the same themes or overall questions in each interview and when analysing the policy documents. The scope of this study is to formulate
overall questions to be covered during the interviews and investigated in
the policy documents in order to seize the overall narratives told by
regional actors. At the same time these questions have to be open
enough to let the interviewees speak rather freely and allow for the
interpretation of policy documents to be less constrained. The narrative
approach is also a way of making the analysis less rigid and a way of
grasping the overall views in the region. There is always a risk that the
interview takes a new direction and ends up being about something that
is less relevant for the particular study. Thus, the challenge as a
researcher is not to ‘get carried away’ but rather to ‘stick to the subject’
and make sure that all the themes or key questions are covered.
4. Regional policy and regionalisation reforms in Norway, Finland and Sweden

This chapter consists of an overview of regional policy, regional organisation and the changes and reforms in regional organisation in Norway, Finland and Sweden. This overview serves as a background and framework to the empirical chapters. Many changes in the relations between different levels and in the role of different levels in the Nordic countries are a direct or indirect consequence of the European integration and this also to some extent applies to Norway, a non-member of the EU. The chapter begins by outlining the institutional framework with focus on institutions on regional and local level in the three countries. Here I will also give an overview of national institutions with a responsibility for regional development issues. Thereafter I will present a brief overview of regional policy in the three countries with a focus on the role of the regional level. Then regionalisation reforms and changes will be outlined. Regionalisation reforms have been discussed for several decades in all the Nordic countries but for purposes of this study I begin the overview with developments in 1995. In this chapter the three regions will also be described more closely both when it comes to economy, geography and population and more specifically when it comes to regional institutions and measures taken to enhance regional development.

4.1 INSTITUTIONAL FRAMEWORK

Regional institutions
In Norway the 19 directly-elected county councils (fylkeskommuner) were established as an elected body in 1976. Before that the county council administration was part of the county governor’s office. County councils are currently responsible for dental care, upper secondary schools, culture institutions and regional development. In 2002 specialised health
care was transferred from the county councils to state-owned health enterprises. This marked an important change in the division of responsibilities between different levels in the public welfare system in Norway. The role of the county councils changed from being important welfare service providers to having a more distinct role as regional development actors. The county councils are responsible for the Regional Development Programmes (RDP), which contain joint strategies for the development of the region, and also for distribution of funding from the state-owned company Innovasjon Norge, whose goal is to promote innovation in business and industry. There are also more or less formalised co-operation between municipalities within the counties in sub-regional councils (regionråd).

Finland, unlike Sweden and Norway, does not have a directly-elected regional level. Finnish sub-national government instead consists of municipalities and in addition an extensive system of co-operation between municipalities in ‘joint authorities’. There are 184 joint municipal authorities of which the most important are the regional councils, hospital districts, districts for care of the disabled and joint authorities set up to perform functions related to public health and education. Joint authorities are independent legal public entities steered by municipal legislation (Gateway to Local Finland, www.localfinland.fi). The 19 regional councils (maakuntien liitot) are financed by the municipalities and the politicians of the assembly and board of the regional councils are appointed by the municipalities. The regional councils are responsible for general regional development, land-use planning and international co-operation. They also have an overall responsibility for administration of EU funding. Since 1993 when it was shifted from the provincial offices (Lääninhallitukset) the regional councils have been mandated to deal with regional development issues, but responsibility for regional development is still shared with state institutions. Starting the 1 January 2010 the state administration at the regional level in Finland is operating under a new structure, which will be described in more detail in the section on reforms and changes in Finland.

In Sweden, the 21 county councils (landsting) are directly elected regional institutions in charge of health care, dental care, public transports, regional culture institutions (museums, theatres, etc.) and

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6 The Åland islands have a special status compared to other regions in Finland. The assembly of Åland has the right to legislate on health care and education whereas decisions on international affairs and state fiscal matters are still taken by the national parliament in Helsinki. Åland is exclusively a Swedish-speaking region and has a cultural tradition that differs from the rest of Finland (e.g. Roslin, 2006).
regional development. In the administrative regions of Västra Götaland and Skåne in South Sweden the county councils have an extended responsibility when it comes to regional development issues. The label region is also used to designate these two county councils: the Västra Götaland region and the Skåne region but their formal label is still county council. On the island of Gotland the municipality is in charge of tasks that are handled by the county councils in the rest of Sweden. Specialist health care on Gotland is administrated by a joint board with the Stockholm county council. In 14 of the 21 counties in Sweden regional co-operation councils (kommunala samverkansorgan) have been established to deal with regional development issues. These institutions are co-operations between the municipalities and sometimes also the county councils in the county. They are led by assemblies elected by the municipalities.

It is important to note that there is no hierarchy between municipalities and county councils in Norway and Sweden. In Sweden, both sub-national bodies are included in the principle of local self-government. In Sweden the competencies of both bodies are regulated in the Law of Local Self-Government (Kommunallagen).

To conclude, in Norway and Sweden the directly elected assemblies at the regional level would be translated in English as ‘County Councils’. In Finland the assembly on regional level is indirectly elected and is called ‘regional council’ in English. The literal translation of co-operation between groups of municipalities within a county in Norway is regional council (regionråd) but to avoid confusion with regional councils in Finland they will instead be called sub-regional councils. In Sweden, ‘regional co-operation councils’ (kommunala samverkansorgan) designate the co-operation between all municipalities and often also the county council in a county (see the section on reforms and changes further down).
Table 2. Regional and local institutions

<table>
<thead>
<tr>
<th></th>
<th>Norway</th>
<th>Finland</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional</td>
<td>19 county councils (fylkeskommuner)</td>
<td>19 regional councils (maakuntaliitot) + other joint municipal authorities</td>
<td>21 county councils (landsting) Regional co-operation councils (kommunala samverkansorgan)</td>
</tr>
<tr>
<td>Local</td>
<td>431 municipalities</td>
<td>342 municipalities</td>
<td>290 municipalities</td>
</tr>
</tbody>
</table>

The state representative in the regions

In Norway, the county governor (fylkesmannen) is the state representative in the region and the role is to be the coordinator of incentives and activities in emergency planning and crisis management, environment protection, social affairs, education, agriculture, etc. In Sweden, the state representative, the county administration board (länsstyrelsen) has a double function – supervising and controlling the implementation of state policies in the regions as well as being in charge of regional development issues. This responsibility is shared with other actors: municipalities, county councils and other state authorities. The county administration boards in Sweden are equally responsible for different types of subsidies. During the last decade as will be shown in the section on reforms in this chapter, many responsibilities related to regional development have been transferred to elected (directly or indirectly) regional assemblies.

As of 1st January 2010 the regional state administration in Finland has undergone a reform. In the later section on regionalisation reforms in Finland I will discuss the changes in regional state administration. At this point I will simply outline the institutional framework in the way it looked before the reform since it is those institutions to which interviewees in Pohjois-Pohjanmaa refer in the interviews performed for this study. The five state provincial offices (lääninhallitukset) were responsible for general administration, supervision of municipalities and security issues on regional level. The 15 Employment and Economic Development Centres, (TE-keskus) were responsible for promoting establishment and development of businesses and industry, securing a high level of employment and promoting rural development. They were

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7 Västra Götaland and Skåne are formally labelled ‘county councils’ but most of the time ‘region’ is used to show that regional government in these two counties have an extended responsibility for regional development issues.

8 After the latest amalgamation of municipalities 1st January 2010.
also responsible for granting EU funds. The main part of regional development resources from the state is also channelled through the Employment and Economic Development Centres. In addition there are 13 Regional Environmental Administration (Ympäristökeskus) responsible for all environmental issues in the regions.

Table 3. State representatives on regional level

<table>
<thead>
<tr>
<th>Norway</th>
<th>Finland 9</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 county governors (Fylkesmennene)</td>
<td>6 provincial offices</td>
<td>21 county administration</td>
</tr>
<tr>
<td></td>
<td>(lääninhallitukset)</td>
<td>boards (Länsstyrelser)</td>
</tr>
<tr>
<td>15 Employment and Economic Development Centres (TE-keskus)</td>
<td>13 Regional Environment Centres (ympäristökeskus)</td>
<td></td>
</tr>
<tr>
<td>21 county administration boards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Länsstyrelser)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Institutions on national level

In Norway, at the national level the Ministry of Local Government and Regional Development (KRD) has the main responsibility for regional policy issues. KRD is responsible for coordination between different policy areas with regional aims such as labour market, economic development, fishery, agriculture, education and research. Founded in 1968 the Industrial Development Corporation of Norway (SIVA) supports regional and local industrial centres by making investments in infrastructure and competence and by establishing business incubators. Innovasjon Norge was founded in 2004 as an amalgamation of the Norwegian Tourist Board, the Norwegian Trade Council, the Norwegian Industrial and Regional Development Fund (SND) and the Government Consultative Office for Inventors (SVO). The mission of Innovasjon Norge is to support innovation, encourage the establishment of new enterprises and to promote Norway as a tourist destination.

In Finland, the Ministry of Employment and the Economy was established 1 January 2008 and took over tasks formerly handled by the Ministry of Trade and Industry, Ministry of Labour and the Regional Development Unit in the Ministry of the Interior. The Ministry, acting mainly through the Employment and Economic Development Centres (TE-keskus) is responsible for the implementation of regional policy. In addition, the Ministry of Finance is responsible for development and

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9 Institutions before the reform in 2010.
reform of the public sector including the local and regional structural reforms.

In Sweden, the Ministry of Trade and Business (Näringsdepartementet) has the overall responsibility at the national level. Three state authorities with main responsibility for regional development; the Swedish Agency for Economic and Regional Growth (NUTEK) and Swedish National Rural Development Agency (Glesbygdsverket) and the Swedish Institute for Growth Policy Studies (ITPS) were amalgamated in 2009 and now form Swedish Agency for Economic and Regional Growth, (Tillväxtverket) and Growth Analysis (Tillväxтанalys).

4.2 REGIONAL POLICY

Traditionally, regional policy in the Nordic countries has been based on redistribution. The instruments used in order to create equal conditions have mainly been state incentives and support for localisation of investments to remote parts of the country. The principle of equality between different parts of the country has been deemed more important than giving regions the possibility to govern themselves (Bukve, 2008; Virkkala, 2008). The basic idea of the Nordic welfare state – to create equality between individuals – is reflected in the ambition of regional policy to create equality between territories.

In Norway, there is a distinction between regional policy (regionalpholitikk) and rural policy (distriktspolitikk). Regional policy aims at creating equal conditions for population growth and economic development in all parts of the country. Rural policy is a complement to regional policy and focuses on parts of the country that need special attention to secure welfare services and promote economic growth (St.meld. 34, 2000/2001), i.e., peripheral regions with a low population density. There are several instruments intended to support development and encourage people and companies to establish in peripheral areas. Differentiated employment tax and differentiated support to companies are examples of such measures. National transport subsidies (compensating companies for long transportations) were abolished in 2007. Now regional transport subsidies are decided and financed by each county council.

Finnish regional policy is steered by a law passed in 2002 (Regional Development Law 12,7, 2002/602) stating that regional policy should aim at creating a balanced development in all regions and that the different conditions in the region should be integrated with national strategies. In addition, the goals formulated in EU regional policy should be integrated into the national strategies. The law mandates joint
municipal organisations, i.e., the regional councils, to be in charge of regional development issues. The regional councils were established as a consequence of EU membership and this marked a shift in the implementation of regional policy in Finland (e.g., Virkkala, 2008). Regional policy in Finland used to be characterised by hierarchal relations but it has, like in many other countries, been replaced by a more pronounced role for the regional level and is now characterised by networks involving different actors on many levels (Virkkala, 2008). Kettunen and Kungla (2005) state that the strengthening of the role of the regional councils when it comes to regional development is part of “a novel idea of regional, democratic power” (Kettunen and Kungla, 2005, p.370). Nevertheless, in practice the action space for regional councils is still limited (Kettunen and Kungla, 2005).

In 1997, the Swedish government introduced a new regional trade and business policy (Prop. 1997/98:62). The main argument for introducing a new policy was that the conditions for regional growth had changed during the 1990s. The increasing globalisation, as well as the fact that companies depend more and more on international trade and are exposed to increasing competition from countries with a lower wage level, has contributed to changing conditions. Strategies to realise this new regional policy tended to give the regional level a more pronounced role; strategies should be specific for each region and incentives to enhance trade and business should to a larger extent be the responsibility of local and regional level (Prop. 1997/98:62). In 2000 regional growth agreements were introduced. These were replaced with regional growth programs in 2004. The aim of regional growth programs is to coordinate incentives in the region, adjust incentives to regional and local conditions and thus make these incentives more efficient. Regional partnerships involving many different actors are responsible for developing the regional growth programs.

The mission to secure employment and different forms of services is still leading regional policy in the Nordic countries even though the tools to realise this have changed. It is not only a matter of which policy measures are taken but also which actors and institutions that should be in charge of these measures.

4.3 REFORMS AND CHANGES

In recent years, the regional structure and the division of responsibility for regional development policy between different levels in the political system have gone through important changes in Norway, Finland and Sweden. However, the character and magnitude of these reforms differ
between the three countries. In the following section, I will outline the most important reform proposals and changes in regional organization.

**Norway – regionalisation with constraints**

In 2005 when the first government made up of the Labour Party (Arbeiderpartiet, Ap), the Socialist Left Party (Sosialistisk Venstre, SV) and the Centre Party (Senterpartiet, Sp) made their co-operation declaration (Soria Moria-erklæringen, 2005) it included a reform proposal concerning a new regional structure. The aim of the reform was to transfer issues, especially those related to regional development, from the state level to the regional level. The county councils were considered too small to handle these assignments and therefore larger regions were considered necessary. The intention of the government was that the new regional structure would be implemented in the beginning of 2010 (Soria Moria-erklæringen, 2005). The two largest opposition parties, the Conservative party (Høyre, H) and the Progress Party (Fremskrittspartiet, FrP) want to abolish the county councils and replace them with a two-level system with larger municipalities. The internal division on the regional issue within almost all parties in Norway is important (e.g., Sandberg, 2009). The regional issue is also linked to the problem of providing welfare services in smaller municipalities. Should the problem be solved by increased co-operation between municipalities or by amalgamating municipalities? Defenders of abolishing the county councils claim that no matter which one of these two solutions is selected it will make the regional level superfluous. By co-operating, municipalities will be capable of taking over dental care, upper secondary school, administration of roads, regional development and planning issues currently handled by the county councils (see Baldersheim and Fimreite, 2005).

In 2004 the Norwegian Association of Local and Regional Authorities published a report on a new regional structure (KOU 2004:1) that proposed the creation of seven regions. According to the report the three northernmost counties in Norway should form one single region but with an adjustment of the southern border. The new administrative regions would be based on three principles: size, functionality and identity. 'Size' implies that regions should be large enough to have the fiscal capacity to provide public services; ‘functionality’ means that the new regions should correspond to economically functional areas and ‘identity’ refers to their corresponding to territories within which there is some sense of mutual belonging. In the report on regional reform

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10 The southern part of the current county Nordland, from Saltfjellet and downward would not be part of the northern region.
(St.meld. 12, 2006-2007) these three principles are presented as the point of departure of a new regional structure. The report states that both decision-making and financing will be transferred to the regional level. It advocates tasks being transferred to directly-elected regional institutions in order to make their role as regional development actors more pronounced: “the regions should be the central actors when it comes to regional development” (St.meld. 12, 2006-2007, p.6). Administration within certain areas would cover a larger population than that of a single municipality and thus the government envisions inter-municipal solutions being necessary. Individual municipalities do not have the financial capacity or the specialist competences to provide all necessary welfare services on their own.

The main goals of the reform are democratisation through decentralisation to local and regional level and better co-ordination between different state institutions at local and regional levels. A further goal is to encourage development by being better able to adjust to the special conditions in each municipality and region but without compromising the accomplishment of national goals (St.meld. 12, 2006-2007). The reform seeks to avoid measures that would lead to a concentration of decision-making in regional centres. Rather, it stipulates that municipalities and regions should continue to have an equal position in the political system. The suggested system is symmetric; all regions should be responsible for the same tasks. However, the government proposes a special solution in the capital region (St.meld.12, 2006-2007).

Taken as a whole, the regional reform proposal goes in the direction of giving more responsibility to the regions and making them more of regional development actors. There is also a pronounced desire that development strategies should be adjusted to the conditions in each region, something that marks a shift away from a ‘one size fits all’ policy.

In 2004 experimental projects were initiated in the counties of Møre og Romsdal and Hedmark where the county council administration and the county governor’s office were integrated with each other. This idea of one single body on regional level dates to before 1976 when the county councils were part of the county governor’s administration (Stigen and Sandkjær Hanssen, 2007).

In the beginning of 2008, after responses from all county councils and other actors, the government decided not to amalgamate counties and thus the current county councils continue to exist. The reason for this retreat was that important differences in opinions between counties existed over the issue of creating larger administrative regions; this was, for example, the case in Northern Norway. The County Councils of Finnmark and Nordland were against a larger region whereas Troms County Council was in favour. There were also important differences in
opinion between and within the political parties in government. The government’s intention is, however, still to transfer a small number of tasks to the county councils. The government intends to give county councils responsibility for maritime resources management, environmental issues, training colleges and subsidies for rural development. In addition, the government sees that the county councils should have the right to nominate individuals to the university boards. Additionally, the county councils should be responsible for regional research funding and have an extended responsibility for road administration. The government also intends to transfer 49% of the ownership of Innovasjon Norge to the county councils (Ot.prp. 100, 2008-2009). It must however be kept in mind that this transfer of tasks is very limited compared to what was the original intention in the regional reform proposal. Thus, the regionalisation process in Norway has been slowed down and in some cases the development even goes in the opposite direction.

The legitimacy of the county councils in Norway has been constantly questioned since they were established in 1976. The objective to give county councils a stronger legitimacy by making them directly elected was not fulfilled and county councils have always had a weaker position than the municipalities. Baldersheim and Fimreite (2005) argue for a scenario where Norway goes towards less regionalisation in opposition to the general regionalisation trends in Western Europe. When the responsibility for hospitals was transferred to the state the role of the county councils was largely reduced. The county council expenditure (as a proportion of total public spending) has dropped from 11.3% in 1998 to 4.1% in 2003 (Baldersheim and Fimreite, 2005 p.770). Popular support for the county councils is also falling from an already low level. Further adding to the reluctance towards regionalisation is the long-standing competition between the large cities and the county councils that might make the change towards regionalisation more difficult. Baldersheim and Fimreite (2005) draw the conclusion that Norway might move towards a more centralised system rather than towards increased regionalisation. The recent reform of social security and labour-market aid, the NAV reform, is the latest and perhaps largest change towards centralisation. The strong identification with the extended region (landsdelen) might however still be a foundation for the creation of larger administrative regions in Norway (Baldersheim and Fimreite, 2005, p.778). The decisions not to form larger administrative regions show that there is strong reluctance towards reforming territorial government in Norway.

In the regional reform proposal the government also states the importance of local self-government and local responsibility for welfare
services (St. meld. 12, 2006-2007). However, many municipalities in Norway are confronted with major difficulties in providing welfare services for their citizens. The question of amalgamation of municipalities has been on the agenda for several decades, but there has been strong resistance against the state forcing a merger of the municipalities. Amalgamations should be voluntary but since many local politicians are reluctant to merge their municipality with the neighbouring ones an amalgamation reform will be difficult. Local steering of welfare services is considered important as the decisions are taken closer to the citizens using the services. It is perceived that municipalities should be more active when it comes to promoting business and encouraging a more active civil society within the local community (St. meld. 12, 2006-2007). The government does not want a differentiated system in which one or several municipalities in a county have a more extended responsibility in comparison to other municipalities. Large regions, rather than reducing local identity, can lead to stronger local identity as the new regional level will be more distant than the current county level and therefore people may feel more attached to their local community.

**Strategy of the High North**

In its declaration on co-operation in 2005, the centre-left government also made a statement that is of special relevance to the northernmost regions, the Strategy of the High North (Nordområdestrategin). In this strategy the government underlines that the northern areas are “the most strategic areas in Norway in the coming years” (Soria-Moria erklæringen, 2005). Regional actors in Troms have reacted to the Strategy and see both potential opportunities and potential problems in it (Fylkestingsmelding 2/2006). Given that many other countries are claiming their rights in the Barents Sea, it has become very important for the Norwegian government to pay attention to what happens in the Northern areas and in Northern Norway in general. Snøhvit, the first natural gas field to be exploited in the Barents Sea and the recently discovered oil field Goliat, both located outside Hammerfest in Finnmark, have the potential to have a strong impact on regional development, not only in the Hammerfest area but in Northern Norway as a whole (Nordområdestrategien, 2005).

The northern areas are defined as the administrative units in parts of Norway, Sweden, Finland and Russia tha are included in the Barents co-
operation area\textsuperscript{11} (Nordområdestrategien, 2005, p.11) and thus Troms County comes under this definition. The northern areas have attracted increasing international attention, given that it is estimated that one quarter of the world’s unexploited oil and gas resources is located in the Arctic areas and that two-thirds are within the Norwegian borders. It has also been shown that the arctic areas including the Barents Sea are very sensitive to climate change and therefore can serve as an indicator of the effects of global warming. The primary aim of the Strategy of the High North is to focus on natural resources in the Barents Sea in order to compete internationally. The strategy of the High North is focused on enhanced co-operation with Russia as it is the most important competitor in the Barents Sea. The government states that the Barents co-operation agreement initiated in 1993 is an important part of the relations to Russia (Nordområdestrategien, 2005).

\textbf{Finland – amalgamation of municipalities and state administration reform}

In Finland, the Reform Project for Regional State Administration, ALKU, was launched with the intention to reform regional state administration in order to make planning and implementation of regional policy more efficient. In August 2008 a half-time report was presented proposing some preliminary changes: Finland should be divided into functional regions within which all regional state administration would be organised. During the period in which research for this study was being conducted (before 1 January 2010) there were several different organisations of regional state administration that covered different territories. The Employment and Economic Development (TE-keskus) and the Regional Environment Centres (ympäristökeskus) had different territorial divisions that sometimes made co-ordination between the authorities difficult. In April 2009 the government presented a bill on reforming the state regional administration. From 1 January 2010 two new institutions, Regional State Administrative Agencies (AVI) and Centres for Economic Development, Transport and the Environment (ELY), replaced the existing regional state administration. The objective of the ALKU project is also to give the regional councils more responsibility, e.g., regional councils will be responsible for setting priorities when it comes to infrastructure investments in the regions. The project stresses that while the task of regional state administration is to implement national decisions it has to be based on the special conditions

\textsuperscript{11} This also includes the sea area and the islands from the Greenland Sea to Barents Sea and the Petsjora Sea.
in each region. In addition, the co-ordination between the regional state administration and the regional councils will have to be better. The intention has also been to reorganise at the national level in order to facilitate co-ordination of incentives on regional development. One first step in this process was to make the new Ministry of the Economy and Employment responsible for regional development. The two-level system (state-municipality) has a strong tradition in Finland and even though it has been discussed it is not likely that a third, directly-elected regional level will be added. The Social Democrats and the Coalition Party (Liberal Conservatives) are not interested in having a third level whereas the Centre Party wants to further strengthen the regions and make regional councils directly-elected units. There are, however, divisions within both the Social Democratic Party and the Coalition Party as both parties have members of parliament mainly from rural areas who are in favour of a third level (Kettunen and Kungla 2005, p.372).

The amalgamation of municipalities is high on the reform agenda in Finland but unlike in Norway the discussions have been transformed into actual reforms of local government. The aim of amalgamation is to secure quality and access to service and to reduce costs. The government has drawn up the limits and guidelines for reforming and amalgamating municipalities. In the beginning of 2009 the number of municipalities in Finland was reduced from 415 to 348. In the beginning of 2010 the number was reduced again and today, there are 342 municipalities in Finland. The reforms in Finland is primarily focused on restructuring state administration on regional level and the amalgamation of municipalities but the role of the regional councils have also been an important part of this reform debate (see Sandberg, 2009).

Experimental projects
In 2005 an experimental project of regional self-government was initiated for the Kainuu region in East Finland. This region has a total population of 85,000 inhabitants and has been struck by high unemployment and a decreasing population. The experiment is designed to find new solutions to the problems in Kainuu. The municipalities in Kainuu will not be capable of providing all welfare services themselves and therefore the resources will have to be concentrated to the regional centre Kajaani (e.g., Leskinen, 2005). Responsibility for health care, education (except elementary schools) and social services were transferred from the municipalities to a directly-elected regional council. The council also has decision-making power related to certain issues on regional development. The experiment was mainly set up to solve the
financial problems of the municipalities in Kainuu and it is not clear if there is a more profound idea about regionalisation behind the project.

In 2000 the government launched an initiative to encourage co-operation within economic regions (subregions). The first projects started in 2002 in eight city-regions: Tavastehus, Lahti city region, Loimaa region, Nivala-Haapajärvi region, Oulu city region, Pieksämäki region, Northern Lapland and Turunmaa. In 2005 seven additional projects started in Kaustby, Kemi-Torneå region, Kupio, Kuuma, St Michel, Nyslott and Ylivieska. According to the law on experimental projects concerning regional co-operation, the municipalities within these economic regions have the right to establish regional assemblies to which decision-making can be delegated from the municipalities (Law on Experiment for Regional Co-operation, L 560/2002). In 2004 the project was enlarged to 15 regions composed of municipalities but the law was abolished in 2009.

Swedish – long-standing debate on regionalisation

The regional debate in Sweden is far from new. The regional issue has been on the political agenda since the 1960s and a large range of committee reports have been published on the issue. However, up until the 1990s not much changed in regional government and in the relationship between the counties and the state. During the 1990s, some important decentralisation reforms were realised but they mainly implied transfer of responsibilities from the state to the municipalities, e.g., upper secondary school in 1991 and from the county councils to municipalities, e.g., the 1995 reform that transferred the responsibility for psychiatric care to the municipalities. After 1995 when Sweden entered the EU, the regionalisation issue re-appeared on the political agenda and a parliamentary committee PARK-kommittén was initiated to further investigate the possibility of establishing directly-elected regional assemblies with extended responsibilities. The debate on who should govern regional policy has been dominated by two groups – those who want the county administration board to be in charge and those who want a directly elected assembly at the regional level to be responsible for regional development. Before 1997, the county administration boards had the main responsibility for regional development policy in all counties in Sweden but the county councils also played a minor role in implementation of regional policy. However, in 1997, an experimental

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project with a new regional organisation in Skåne, Kalmar County and on the island of Gotland was initiated. Two years later, in 1999, the county of Västra Götaland was included in the experimental project. The new region of Skåne was the result of amalgamation of the countries of Malmöhus and Kristianstad; the region of Västra Götaland was created as a result of the amalgamation of three counties: Bohuslän, Skaraborg and Älvsborg. The parliamentary committee presented a report in 2000 (SOU 2000:85) where it was proposed that the experimental projects should be prolonged. A new regional organisation in Västra Götaland and Skåne has been on the agenda for many years but when Sweden entered the EU it opened up the possibility of finding a solution based on increased regional self-government (Nilsson, 2004). In the beginning of 2009 the current right-centre government decided to make the experimental projects permanent as of the end of 2010. In the case of Skåne and Västra Götaland regional development tasks were transferred from the state representative in the region (the county administration board) to the directly-elected regional assemblies. This process can be considered as a result of both regionalisation and regionalism. The formal decision to establish a new political and administrative region was made on central level whereas the initiative to undertake this change was taken from below (Jensen, 2004, Pierre and Schütt, 2004). Olsson and Åström (2003) describe the establishment of the region of Västra Götaland in Sweden as a “new-found regionalism of Sweden” (p.67). It is argued that the experimental projects in Västra Götaland and Skåne are examples of making the region more competitive both in a national and in international context (Olsson and Åström, 2003).

Towards new regional government?

In 2002 the Swedish parliament passed a law that gave the municipalities the possibility to create regional co-operation councils (kommunala samverkansorgan). The idea of regionalisation is seen in this proposal through the inter-municipal co-operation model that was launched as an alternative to the two main models for regional organisation, namely, having the regional state representative in charge of regional development or having elected regional assemblies be responsible for the same issues. However, inter-municipal co-operation seemed for many to be a second-best alternative and it did not please either side in the regionalisation debate (Mörck, 2008). Another interpretation is that by introducing regional co-operation councils the Social Democratic government wanted to put an end to the long-standing discussion on stronger regions. As has been shown in this section this has not happened, rather, the regionalisation debate in Sweden has been reinforced.
In 2003 a new parliamentary committee, the Committee of Responsibilities (Ansvarskommittén) was appointed and in February 2007 the Committee presented a report (SOU 2007:10) proposing the establishment of larger regions with increased influence on regional development. In this report, the establishment of Region Skåne and Region Västra Götaland serve as models for the rest of Sweden. It is concluded that the existing county councils should be replaced by a new form of administrative regions, regionkommuner. These regions should cover a larger territory and thus a larger population than the current county councils. Responsibility for regional development should also be transferred from the county administration boards to these new regions. The role of the county administration boards will be to control and survey the implementation of state policies. The proposals given by the Committee aim at creating regions in Sweden that are large enough to handle new tasks. One of the central conclusions in the report is that the present regional division in Sweden does not correspond to functional regions and therefore a change in the structure is motivated and necessary (SOU 2007:10). Functionality is thus a key word in the report. It is stated that regional identities are weak in Sweden and therefore the new regions cannot be identity-based regions (SOU 2007:10, p.287). The Committee has not proposed a map of new administrative regions; instead it insists that decisions about the borders of the new administrative regions should be a bottom-up process. When it comes to North Sweden, the report stated that a region made up of the present four northernmost counties is justified. It is claimed that the growing number of co-operation between the northern counties already make up a common basis for agenda-setting and mobilising of resources (SOU 2007:10, p.287). After the presentation of the report the government appointed a coordinator to meet regional and local actors and collect their opinions on the creation of new administrative regions. In North Sweden, the initial ambition was to amalgamate the four northernmost regions but the county council of Jämtland, as well as Sundsvall and Ange municipalities in the county of Västernorrland, contested this proposal. Therefore two different demands were sent to the government: one for the county of Jämtland and the two municipalities mentioned in Västernorrland and one for the counties of Norrbotten and Västerbotten and Örnsköldsvik, Sollefteå, Kramfors, Timrå and Härnösand municipalities in Västernorrland County. Two organisations, Norrstyrelsen and Mittstyrelsen, with members from the four county councils and from the municipalities were established in order to work out details for the creation of possibly one large region or as it turned out more likely two regions. In February 2009, two years after the Committee of Responsibilities had presented their report, the
government presented its intentions regarding the issue. The experimental project of Västra Götaland and Skåne will be a permanent solution from 2010 and the demands of the county of Halland and the municipality of Gotland, respectively, to form new administrative regions were accepted. The demands from the Northern counties were, however, tabled for further investigation. 13

Two reports (SOU 2000:85; SOU 2007:10) on an overall reform of regional organisation have been presented in Sweden during the last decade but no reform has yet been realised. However, some steps have been taken towards increasing regionalisation in Sweden, such as the experimental project in Skåne and Västra Götaland and the establishment of regional co-operation councils in a majority of counties.

**Similarities and differences between Norway, Finland and Sweden**

The Nordic countries are unitary states and the idea of conformism is still affecting the planning and implementation of regional policy. The overall aim of regional policy has been to create equal conditions in the whole country through redistributive measures. State authorities both at the central, regional and local level play a major role in the policy process even though there are tendencies indicating that the influence of the regional level is increasing.

The overall similarity between the three countries is that the regional elected institution has a rather weak position compared to other European countries. Regional elected institutions have a relatively small number of tasks and the degree of decision-making power is limited. This is also reflected in the fact that regional elections in Norway and Sweden can be considered second-order elections; voters simply care much less about regional elections than about local and national elections. Norway and Sweden have actual regional governments that are directly elected institutions with several functions. In Finland, on the other hand, the indirectly-elected regional councils are not examples of regional government according to this definition. The county councils in Sweden are important providers of welfare services whereas in Norway the role of the county councils as welfare actors was reduced when specialist health care was transferred to the state.

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The debate on division of responsibilities between different levels in the political system is ongoing in all the three countries but this has not necessarily been a question of regionalisation. It has rather been a more general decentralisation debate where the attention has been on the transfer of responsibilities from the state and sometimes from the county councils to the municipalities. In Sweden regionalisation has been on the political agenda for many years and various proposals, with varying degrees of regional autonomy, have been discussed. In Norway the regionalisation has not been as strong as in Sweden and it even appears that Norway is becoming more centralised (Baldersheim and Fimreite, 2005). In Finland prior to the EU membership the regionalisation debate was very weak but since EU membership the role of and relations between the regional councils and state administration at the regional level have been widely discussed (Virkkala, 2008). In the beginning of 2010 new state institutions at the regional level were established.

One of the reasons for the Finnish reform of state administration is to make the organisation of the implementation of regional policy more efficient and with a clearer division of tasks between different institutions. In Sweden, the Committee of Responsibilities argued for a reform of state administration and advocated making the territorial divisions the same between different policy sectors. A separate report was presented proposing a reform of state administration (SOU 2007:75). The aim of the reform proposals is that all institutions with responsibility for regional policy should have the same territorial divisions. The rationale for this is to make it easier to co-ordinate incentives between different institutions.

Regionalisation is also closely linked to the question of amalgamation of municipalities especially in Finland and Norway. In Norway, it was argued that an enlargement of the administrative regions must be combined with the amalgamation of municipalities. Otherwise, the gap between the regions and the municipalities will be too wide. For instance, a region made up of the three northernmost counties in Norway would have as many as 88 municipalities.

There have been different types of experimental projects of regionalisation in the three countries. In Finland, the Kainuu region experiment involved directly-elected regional institution taking over tasks from the municipalities. The motivation behind this experiment was not to increase regional autonomy but instead to help (if not, ‘save’) poor municipalities in a region suffering from out-migration and high unemployment. In contrast, the aim of the experimental project of Västra Götaland and Skåne in Sweden was instead to strengthen the regional self-government in already strong regions by transferring tasks related to regional development from the state representative in the
region to the directly-elected county council. In Norway, the experimental project in More og Romsdal County and Hedmark County created a joint organisation for the county governor and the county council and aimed at making the administration and thus the implementation of regional policy more efficient.

4.4 THE THREE REGIONS
The three administrative regions chosen for this study, Troms in Norway, Pohjois-Pohjanmaa in Finland and Västerbotten in Sweden are peripheral both in a national and a European context. Peripheral regions in Northern Europe, obviously, differ from centre regions but also from regions labelled peripheral in other parts of Europe. Earlier in chapter 3, I elaborated on the selection of the three regions. Here follows a more in-depth presentation of the features characterising the three regions.

Troms (Norway)
Troms is the second northernmost county in Norway. The county has 153,000 inhabitants and the average population density is 5.9 inhabitants/km². The population is concentrated in the municipalities of Tromsø with 65,000 inhabitants, Harstad with 23,000 inhabitants and Lenvik municipality with 11,000 inhabitants. As a great part of the population in Troms live on islands, transport by boat is important and often more time efficient than land transport. The topography with deep fjords and high mountains imposes, not surprisingly, constraints on road construction. Short-track fast ferries link together most of the larger communities in Northern Norway. The ‘Hurtigruten’ shipping line, which starts in Bergen and ends in Kirkenes, is mainly aimed at tourist traffic but plays a role in intraregional transport as well. The railway stops in Bodø in Nordland County and consequently air transport connections are crucial to link North Norway with South Norway and also for intraregional connections in North Norway. The railway linking Narvik in Nordland County with Kiruna and Gällivare in Sweden plays somewhat of a role in North Norway and was originally built to transport iron ore from the mines in Kiruna and Gällivare in Sweden to the harbour in Narvik for further ship transportation. There are regular air connections between Tromsø and Murmansk in Northwest Russia. There used to be flights between Tromsø and Luleå in North Sweden but due to withdrawal of subsidies these routes have been removed.

Fishing is the traditional industry that still is of crucial importance to most municipalities in Troms. More efficient catching methods have, however, diminished the number of professional fishermen. The capacity
of the whole industry has increased but at the same time the number of ships has been reduced. Increasing international competition when it comes to both fishing and the refinement of the fish has led to severe challenges to companies in Troms. To meet this increased competition companies in North Norway are obliged to find new ways of selling their products, and many of them have increased their focus on export of ‘fresh’ fish. The traditional industries form the major source for employment in North Norway but the structural changes and increasing international competition have weakened this base (Fylkestingsmelding, 1/2005, p.83). There is a relatively low degree of innovation and entrepreneurship in Troms (and in the rest of North Norway). The distance to other markets and also climate and topographic concerns make establishment of companies more difficult than in many other regions (Løvseth, 2004, p.22f).

Unemployment in Norway is low by international comparison. The unemployment rate in Troms County was in 2006 at 2.2% of the working force. As in other peripheral regions in Norway, Finland and Sweden the dependence on public sector employment is high; 48% of the work force in Troms was employed in the public sector in 2006. The University of Tromsø, the university hospital and the Norwegian Polar Institute in Tromsø are the most important public employers. The University of Tromsø was established in 1972 and is the northernmost university in Norway (there are seven universities in total in Norway). In 2008 the University of Tromsø was amalgamated with the University College of Tromsø.

Demographical changes impose difficulties for Troms County, especially as people move from the rural areas to the larger cities. As a consequence, 10 out of 25 municipalities in Troms County have today less than 2,000 inhabitants. This imposes a difficult challenge to the municipalities as the tax incomes are reduced while the demands of welfare service persist, or even increase, due to an ageing population.

The political organisation in Troms County Council is based on a principle of parliamentarism, thus the assembly of the county council (fylkestinget) select a ‘county government’ that is accountable to the

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14 Source: NAV, http://www.nav.no/805327169.cms
assembly. The ‘county government’ or board (fylkesrådet) consists of four representatives responsible for one sector area each – culture and business, environment and transport, education and health – and in addition it includes the chairperson of the board who has the overarching responsibility. The current county assembly in Troms (2007-2011) consists of 38 members; 12 representing the Labour Party (Ap), 4 the Centre Party (Sp), 3 the Socialist Left Party (SV), 5 the Conservative party (H), 8 the Progress Party (FrP), 2 the Christian People’s Party (KrF), 1 the Liberal Party (V), 1 the Red Party (Rødt) and 1 member representing the Coastal Party (Kystpartiet).16

The county council is responsible for coordinating the work on the Regional Development Program (Regionalt utviklingsprogram) and is financing different development projects, e.g., subsidies to fishery, broadband, transports and to grocery stores in rural areas. The county council is also financing Innovasjon Norge. In addition, the county council is in charge of RDA resources (RDA-midler) that were contributed to Tromsø as a compensation for the increase in the payroll tax. Companies and organisations in the city of Tromsø and the surrounding municipalities can apply for funding from RDA.

There are four inter-municipal co-operations or sub-regional councils (regionråd) in Troms County. The municipalities co-operate within different sectors, especially when it comes to economic development policy, public transport and service production but the degree of co-operation differs between the sub-regional councils. The sub-regional councils do not have any decision-making power; all initiatives are the result of consensus between municipalities. The sub-regional councils are 1) South Troms (Sør-Troms) including the municipalities of Bjarkøy, Harstad, Gratangen, Ibestad, Kvefjord, Lavangen, Salangen and Skånland, 2) Middle Troms (Midt-Troms) including the municipalities of Bardu, Berg, Dyrøy, Lenvik, Målselv, Sørreisa, Torsken and Tranøy, 3) North Troms (Nord-Troms) including Lyngen, Storfjord, Kåfjord, Skjervøy, Nordreisa and Kvenangen and finally 4) the sub-regional council for Tromsø, Balsfjord and Karlsøy.

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15 This system can be compared to the system in municipalities and county councils in Sweden and in municipalities in Finland. In Sweden, the board (kommunstyrelsen or landstingsstyrelsen) consists of representatives of all the political parties in the assembly (kommunfullmäktige or landstingsfullmäktige). The leading principle is therefore proportionality. However, the majority in the assembly can appoint the leader of the board as well as the leaders of the committees (nämnder) and therefore the system has been labelled ‘quasi-parliamentarism’ (Bäck, 2003, p.48).
16 Rødt is a socialist, revolutionary party (www.roedt.no).
17 Kystpartiet is a centre party based on conservative Christian values (www.kystpartiet.no). The party has its largest voter support in North Norway.
The Executive Committee for Northern Norway (Landsdelsutvalget) is an organisation funded in 1974 by the three northernmost counties, namely, Finnmark, Troms and Nordland, with the aim to promote regional development. It has 18 members elected by the four county councils. In 1995 the Nord-Trøndelag County joined the group. The aim of the organisation is to find and solve issues common to the four counties and also to try jointly to influence national policy-making. In addition, the three northernmost counties have a joint European office in Brussels, the North Norway European Office.

NHO Troms is the regional branch of the employer’s association, Confederation of Norwegian Enterprises (Næringslivets Hovedorganisasjon, NHO). The main purpose of the organisation is to influence decision-making at the regional and local level and to spread information and advice to companies in the county. The Chamber of commerce in the region of Tromsø (Næringsforeningen i Tromsregionen) was established in 1844 and has changed from being an organisation exclusively for merchants to an organisation for all types of companies.

**Pohjois-Pohjanmaa (Finland)**

Pohjois-Pohjanmaa is the second northernmost administrative region (maakunta) in Finland (see map) and has a population of 386,000 (2008). The population is concentrated in the city of Oulu on the coast in the western part of the region. Oulu and the surrounding municipalities form an agglomeration which has almost 200,000 inhabitants, making it the second largest urban centre in Finland after the capital region. Pohjois-Pohjanmaa as a whole has an average population density of 10 inhabitants/km² but the inner parts of the region are more sparsely populated; 22 of 34 municipalities in Pohjois-Pohjanmaa have a population density of less than 5.9 inhabitants/km². Raase is the second largest municipality with a population of 22,500, Haukipudas with a population of 18,400 and Kuusamo with 16,800 are the third and fourth largest municipalities in the region. Oulu City, the University of Oulu and the Hospital District of Pohjois-Pohjanmaa are the largest public employers in Pohjois-Pohjanmaa. Nokia and the forest company Stora Enso are the largest private employers.

Oulu city has a population of 137,000 and is a not just the centre in Pohjois-Pohjanmaa but in North Finland as a whole. Historically the Oulu City has been an important centre for trade along the coast of the

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Gulf of Bothnia. During the 19th century the lion’s share of the global need of tar was covered by production in North Finland. The tar was transported from the inner parts of North Finland to Oulu and from there it was shipped all over Europe. Other than tar production, which began to decline in the early 20th century, traditional income sources in Pohjois-Pohjanmaa have been forestry, agriculture and fishery. Forestry and related industries still play an important role in the regional economy along with steel production concentrated in Raahe in the southwest part of the region. In 1958, the university was established in Oulu and this marked a crucial step in the development of the city as well as the region. The “Oulu phenomenon” characterises Oulu as a region that has succeeded in transforming itself from an economy based on natural resources to a strong high-tech industry (e.g., Morris, Donnelly and Hyry, 2008). Technology Town Oulu was established in Oulu in the early 1980s and it served as an incubator for small high-tech companies. Nokia has played a crucial role in the development in Oulu. Nokia established its first divisions in Oulu in 1973. Subsequently, small high-tech companies started to provide Nokia first with products but then through co-operative endeavours expanded their fields to providing for new technological innovations and skills. The university developed in parallel and provided the companies with a well-educated workforce (Morris, Donnelly and Hyry, 2008).

The regional council is an indirectly-elected regional organisation in charge of regional development. The assembly of the regional council of Pohjois-Pohjanmaa has 96 seats and consists of representatives of the Centre Party (Kesk.) with 47 seats, Left Wing Alliance (Vas.) with 15 seats, the National Coalition Party (Kok.)19 with 14 seats, Social Democratic Party (SDP) with 13 seats, Green League of Finland (Vihr.) with 6 seats and the Christian Democrats (KD) with 1 seat.

Pohjois-Pohjanmaa is divided into seven sub-regions (sentukunta): Koillismaa, Nivala-Haapajärvi, Oulu subregion, Oulunkaari, Raahe subregion, Siikalatva and Ylivieska. Municipalities mainly co-operate within these regions when it comes to developing regional strategies and to promoting business development and establishment, e.g., the Oulu Regional Business Agency that includes Oulu City and the 10 surrounding municipalities. These sub-regions were established when Finland entered the EU and it proved necessary to have entities larger than the municipalities in order to apply for EU funding. Consequently, for the purpose of EU lobbying Pohjois-Pohjanmaa shares a regional office in Brussels, the North Finland European Office, with the counties

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19 The National Coalition Party is a liberal conservative party.
of Lappi and Central Ostrobothnia. The Oulu Chamber of Commerce is the main business representative in the region, covering the Oulu province, i.e., the administrative regions of Pohjois-Pohjanmaa and Kainuu.

**Västerbotten (Sweden)**

Västerbotten is the second northernmost county in Sweden and has 257,800 inhabitants, 112,700 (2008) of them live in the city of Umeå on the coast. Five of the six smallest municipalities (in terms of population) in Sweden are situated within Västerbotten County. The smaller municipalities in the county, especially those in the hinterland, have a weak economic growth and suffer from migration and an ageing population. The economy of the region is dominated by forestry, paper industry and mining but in all Västerbotten municipalities the public sector, especially health care and education, is the largest employer. Based on demographic census of 2008, the largest municipalities, after Umeå, are Skellefteå with 71,800 inhabitants, Lycksele with 12,500 inhabitants and Vännäs with 8,350 inhabitants.

The directly elected assembly of the Västerbotten County Council has 71 seats: for the mandate period of 2006-2010 the Social Democrats (S) hold 32 seats, the Moderate (Conservative) Party (M) and the Centre party (C) 8 seats each, Left Party (V) and Liberal People’s party (FP) 7 seats each, Christian Democrats (KD) 6 seats and the Green Party (MP) 3 seats.

In the late 1990s representatives of the county council and the Federation of Municipalities in Västerbotten together established the Västerbotten Council (Västerbottensrådet) in order to better coordinate regional development activities between the county council and the municipalities. The co-operation council was part of desire to show that actors in Västerbotten could join together and have a common vision on the development of the region. **Västerbottensrådet** was a forum for discussions between the county council and the municipalities but the lack of decision-making power led to representatives losing interest in the co-operation. The next initiative was to form a regional co-operation council in Västerbotten, following the 2002 law that gave county councils and municipalities the right to form regional co-operation councils. On 1 January 2008 the 15 municipalities and the county council of Västerbotten established a regional co-operation council known as Region Västerbotten. It is the only regional co-operation council in north Sweden; the other three counties have not established any co-operation councils. This new organisation took over tasks related to regional development from the county council and from the county administration board. **Region Västerbotten** is steered by an assembly made
up of representatives from all municipalities in the region and the county council. Actors in Västerbotten have been more reluctant to establish a regional co-operation council than in many other regions (Mörck, 2008). The establishment of the regional co-operation council came after a long period of discussion and by the time it was established in the beginning of 2008 the process of forming a larger administrative region in North Sweden had also begun. According to the proposal of the Committee of Responsibilities the new regions will take over regional development tasks from the regional co-operation councils. Thus, Region Västerbotten can now be considered as just an intermediary step towards a strengthened regional assembly in control of regional development issues. In the process of forming a new larger region an organisation (Norrstyrelsen) was established to prepare for this (see Eriksson, 2009).

The North Sweden European Office is the joint office for the counties of Norrbotten and Västerbotten and was established in 1997. Västerbotten and Norrbotten formed a common association for monitoring the structural funds and therefore it was natural that the two counties opened a European office. The office was established to co-ordinate the activities aimed at linking the EU system and the region closer together.

There is a range of inter-municipal co-operations in Västerbotten established to save resources on co-ordinating administration and services and working to solve common issues. The Umeå region is a co-operative arrangement between Umeå, Bjurholm, Vännäs, Vindeln and Robertsfors municipalities. This co-operative structure does not have any formal decision-making power, but has been successively extended to include more areas (Lidström, 2005). The E12 Alliance is a co-operative effort encompassing the municipalities along road E12. Co-operation here is more informal than within the Umeå region. In addition, Västerbotten co-operates with the other counties in North Sweden. The four northernmost counties, Norrbotten, Västerbotten, Västernorrland and Jämtland, co-operate on specialised health care (Norrlandstingens regionförbund). Europaforum North Sweden is a co-operation between the four northernmost counties established to strengthen the position of North Sweden for the current EU funding period 2007-2013. The county council and municipalities in Västerbotten are involved in Europaforum Norra Sverige together with the counties of Norrbotten, Västernorrland and Jämtland. The aim of Europaforum Norra Sverige was from the beginning mainly to form a common strategy when it comes to EU’s structural funds but it has developed to be an arena for developing more general strategies for regional development.
Differences and similarities between the three regions

All three regions are peripheral even though Pohjois-Pohjanmaa might be considered less peripheral as the distance to the capital region is considerably smaller than what is the case for Troms and Västerbotten. In addition, Oulu is a much more important city in the national context both in terms of population and economic activity than Umeå and Tromsø are. Nevertheless, the dominance of the three cities within their administrative regions is comparable. When it comes to the economic structure the three regions have many common characteristics such as its industry being based on natural resources, mining, forestry, oil, fishery and steel industry. The establishment of universities, towards the end of the 1950s in Oulu, in the mid-1960s in Umeå and in the beginning of 1970s in Tromsø, has had a crucial impact on the development of the three regions. The three regions have also been objects of redistributive measures within national regional policy from the 1960s and onwards. Västerbotten and Pohjois-Pohjanmaa became part of the EU funding Objective 1 when Sweden and Finland entered the EU in 1995.
5. Troms: potential in the northern areas and a joint region in North Norway

In the first of the three empirical chapters I will look at the narratives of regional actors in Troms County in North Norway. This chapter provides a description and interpretation of the way regional actors in Troms County see the role of the region and its relationship to other levels in the political system. The previous chapter considered the regionalisation discussions and processes in Norway to which regional actors in Troms react. It also looked at the general characteristics of Troms as a county. That discussion serves as the back-drop to this section. First, I will present the findings from the empirical material using the dimensions set up in the beginning of chapter three. Second, these findings will be summarized in narratives through which regional actors express their views. Third, these narratives will be analysed: to what extent can the views expressed through the narratives be characterised as being influenced by the centralist redistributive perspective and to what extent can they be characterised as being influenced by the new regionalist perspective?
5.1 THE ROLE OF THE REGION

The first part of this chapter addresses the question of how regional actors in Troms view the role of the region. The main issues in this part is how regional actors view the role of regional institutions. What should be the role and function of regional institutions? At this point in the study I also indentify how actors in Troms consider the term 'region'. Furthermore, I explore the extent to which regional identity is perceived to be important in the process of region-building and regional development.
Regional institutions
Regional actors claim that there is a need for a political institution closer
to the citizens than the state but one that covers a larger geographic and
population area than the single municipality (Fylkestingsmelding
2005/1). Regional actors in Troms put a lot of effort into arguing for a
joint administrative region in North Norway. It is stressed both in the
report from the Committee on Regionalisation (Regionaliseringsutvalget,
2004) and in the two county-council reports (Fylkestingsmelding 1/2005;
Fylkestingsmelding 2/2006) that there is a determined will to establish a
larger region with more responsibility and decision-making power in
North Norway:

Norway needs a stronger North Norway – and North Norway needs stronger
integration across current county borders. The northern region shall consist of
Nordland, Troms and Finnmark (Fylkestingsmelding 1/2005, p.10).

County politicians and other regional actors in Troms are generally
positive towards a strengthening of regional government. General
agreement is that it is simply a question of what degree and kind of
regionalisation actors want. Despite this, there is not unanimity on
regionalisation among the parties represented in the county assembly.
Some actors consider that there is no need for a third intermediate level
in the political system (interview no. 11; interview no. 7). In opposition
to this, other actors claim that with a two-level system it would be too
difficult to reach all municipalities as the distance between state and local
level is too large. Regional government, it is asserted, can help
municipalities to develop as the county council has resources that can be
invested in rural areas (interview no. 8).

The region as agent of its own development
It is a stated that the objective, both at the national level (St.meld.
12/2006-2007) and the regional level (Fylkestingsmelding 1/2005), is to
make the county council more of a regional development actor. Troms
County Council argues that regionalisation will lead to the region being
better capable to make use of opportunites and handle challenges in the
northern areas. Regionalisation would lead to a better co-ordination of
development incentives in the region and they will therefore be more
efficient:

The directly elected regional institution will and should have a strong role as a
promoting force. It will also be able to have an overall perspective and co-
ordinate incentives. (Regionaliseringsutvalget, 2004, p.53)
Regional actors in Troms claim that the most important challenge is the one that North Norway and Troms County have struggled with during the last thirty years:

…it has always been the same problem in Northern Scandinavia: North Norway, North Sweden…we struggle with out-migration. (interview no. 4)

The actors underline that the out-migration, especially of young people, leads to less people working and thus to a reduction of the tax base. Those that do stay in the rural communities are older and generally in larger need of health care and support. Many small municipalities are today struggling to provide services to their citizens because of the weakening tax base. The generator for population growth in the county is that of the city of Tromsø, which has grown from 58,000 inhabitants to 66,000 inhabitants in ten years (1999-2009). Some of this increase is accounted for by people moving from other parts of Norway or from abroad, but the bulk of the increase in population in Tromsø is, however, due to in-migration from other parts of the county. Hence, the population of the county is growing but it is becoming more concentrated in Tromsø.

Regional actors highlight the fact that natural resources form the basis of the regional economy in Troms and North Norway as a whole and that this presents several challenges. For instance, the fishing industry is facing increased international competition and more efficient catching methods have reduced the need of labour force. It is therefore necessary to find new ways of handling traditional resource economies such as the fishery (interview no. 7). Exploitation in the Snøhvit gas field came on stream in 2007 and the oil industry has now turned its attention towards the sea outside Lofoten and Vesterålen. Fears are being expressed that exploitation in this area will severely threaten fishery and bio-diversity in the sea. In 2008 this came to a head when fishers claimed that they were being restricted from fishing areas because the seabed was being explored for oil exploitation. Even though in Troms there is no common view among the regional actors on the merits of allowing oil exploitation in the sea outside Lofoten and Vesterålen, they do emphasise the potential of alternative ways to make use of resources in the sea, for example, bio-prospecting.

Regional actors see that the need to build better infrastructure is a key issue to encourage development of production in the region. A case in point, currently the fishing companies are not able to deliver their products because some roads are too weak for the pressure of transport vehicles (interview no. 8). The actors identified a problem connected to the transfer of responsibility for national roads to the county councils.
The county councils have been given power to decide on repairing existing roads and building of new roads but they also need to obtain resources to do it (interview no.8).

Interviewees asserted that it is necessary to increase the number of people with academic degrees in North Norway to meet demands from industry and take advantage of the great potential there is in oil, gas, fishery, bio-prospecting and telemedicine (e.g., interview no. 5). Better co-operation between political institutions and trade and business is necessary to be able to provide the competence requested by companies within the region (Fylkestingsmelding, 2/2006, p.26). As observed by one of the interviewees, in order to attract people with the right competence Troms County has to be an attractive place to live and thus it is about more than just creating employment opportunities:

…there has to be diversity in the community to make it interesting to settle down there…find a life partner or that you have a flourishing culture life, sport facilities… (interview no. 5)

Thus, the main challenge according to the actors is to attract more people with the right competences and to steer higher education in the region so it will meet the demands of industry. It is, however, not only about creating employment but to make Troms an attractive place to live in from other aspects as well.

It is asserted that if the directly-elected regional institution has more influence and space to act there will be a greater possibility to have a more co-ordinated and efficient use of natural resources and other potential sources of development in the region (Fylkestingsmelding 2/2006, p.11). As expressed in one interview, the state administration is seen as not having enough knowledge about regional conditions to take decisions within these fields (interview no. 4). Regional actors know their region best; they know which are the needs and can establish priorities among different parts of the region and among different sectors. It is, however, also a matter of whether the county council is able to find its role in the northern area:

…the county council has to find its role (…) in relation to the state, in relation to actors on the international arena in the northern areas...if we can manage those things we have a role to play... (interview no. 6)

If the county council cannot do that, it was declared, then it will be nothing more than a service-producer and this will lead to regional development tasks being handled by others in order to reduce administration costs and save money (interview no. 6).
In its report (Fylkestingsmelding 1/2005) on regionalisation the assembly of Troms County Council states that the regional partnership should be responsible for resources destined for regional development. It anticipates that within this partnership it will be possible to set priorities specific to the region (Fylkestingsmelding 1/2005, p.45). This is linked to the claim of regional actors referred to earlier that increased responsibility for regional development issues also must include the transfer of resources to regional government. Some of the actors said that the worst-case scenario under regionalisation would be if the regional level was given more responsibility but no money to do the job (e.g., interview 4).

Actors in Troms are convinced that regional government can be responsible for regional development; it is simply a question of being allowed to take that responsibility: “We mean ourselves that we can but we are not allowed to do it” (interview no. 4). Many of the actors expressed a disappointment about the lack of coherence between the rhetoric of the state concerning increased power for the regions and a reality in which the regions are not given any resources to implement the assignments they are given. In other parts of Europe regions have a much greater possibility to steer regional policy (interview no. 4). In Norway, there is in practice a strong central steering and unwillingness from the central level to give away power and resources:

…on central level, national parliament and government are emphasizing the importance of regional government when it comes to regional development but if regional government is also going to be responsible for state resources then power has to be transferred…and there are very few people who want to give away power…(…)…therefore it is much more difficult in reality than in the rhetoric (…). (interview no. 9)

The county council, it was affirmed, should be a regional development actor and thus be able to release the potential in the region by bringing together municipalities, business and people to “take action on the development of the region” (interview no. 5). It is argued that Troms County Council is well-positioned to be more than just a provider of welfare services (interview no. 6). If the region gets more responsibility, the actors will be more motivated to take measures for development:

Regionalisation motivates. When regional actors get more resources to act upon development in the region, it will inspire to commitment and initiatives. This will stimulate creativity in the region. (Fylkestingsmelding, 1/2005, p.91)

NHO and the Chamber of Commerce in the Tromsø region are in favour of larger regions having more responsibility but at the same time
it is in their interest that politicians should intervene less. Whereas policy-makers should, it was asserted, create good opportunities and possibilities for the enterprises, they should not steer the process. Economic development policy should not be used simply as a tool to secure employment and growth in smaller communities (interview no.15; interview no.16).

It is contended that the added-value in North Norway needs to increase and thus there must be a focus on stronger co-operation between universities, business and decision-makers. The region should be an arena for innovative solutions to enhance entrepreneurship and thus create development in the region. To do this there must be more arenas where actors can meet (Regionaliseringsutvalget, 2004, p.31).

Discussion on creation of a larger administrative region
Troms County Council argues that a new regional directly-elected assembly for the three northernmost regions should be established:

The new directly elected regional institution will have a strong voice on national level (Fylkestingsmelding, 1/2005, p.13).

A new regional division, it is alleged, will lead to a more distinct division of responsibilities between different actors and levels; subsequently, transparency for both citizens and companies will increase (Fylkestingsmelding, 1/2005). Regional actors view the region as a functional entity and argue that the administrative regions should correspond to the functional regions in a better way. North Norway can be considered a functional region not from the standpoint of it being a common labour-market region but rather in terms of shared conditions and challenges that result in many common interests in the region (interview no. 4). Troms County Council has advocated for a strong city as being important for the development of the whole region (Fylkestingsmelding, 1/2005, p.22). The intention was to make the city of Tromsø the centre of such a region but other parts of the new region also had to be taken into consideration. The County Council especially emphasised the importance of Bodø in Nordland County and Alta and Vadsø in Finnmark County (Fylkestingsmelding, 1/2005). Still county actors in Finnmark and Nordland feared that everything would be concentrated in Troms County, especially in Tromsø. Thus, the debate was very much characterised by an “old-fashion localisation discussion” (interview no.6). This discussion, not unique to North Norway, is illustrated thusly by one of the interviewees:
(…) if the Lord came down to earth on the last day to judge the living and the dead there would be a debate in North Norway on where to put the office (interview no. 15).

County politicians in Finnmark and Nordland were against creation of a larger region in North Norway and the government decided in 2008 that the counties were not going to be amalgamated. Regional actors in Troms still claim that a larger administrative region would give the northern peripheries a stronger voice and better ability to influence at the state level. It was also seen that there would be better co-ordination of interests in the north (e.g., interview no. 3; interview no. 7). Even though the merger did not come to fruition, the regional actors in Troms express a wish to increase co-operation between the counties:

The northernmost counties in Norway are (…) complementary: Finnmark has advantages because of the closeness to Russia and to the gas and oil resources in the Barents Sea; Troms has competence within disciplines related to the northern areas and Nordland is strong on industry. All this implies that North Norway has a range of advantages but these can only be used fully if we work together. (Fylkestingsmelding 2/2006, p.18)

It is perceived that a larger region would be capable of steering or at least have an increased influence on the university sector. In addition, environmental protection and area and resource planning, should be more regionalised, e.g., the regional government should decide on the establishment of new national parks (interview no. 3). The county council should be both a regional development actor and a producer of welfare services. Some of the actors claim, however, that it is necessary to realise that there are tasks that are too large for the regional level, for example, specialist health care (e.g., interview no. 5). It is argued that if specialist health care is transferred back to regional level then larger administrative regions would be necessary.

Many of the political challenges the regions are facing are global and therefore it is necessary to act on several arenas. To do this there is a need for closer co-operation between the counties in Northern Norway, it is argued. There has been an increase in co-operation, particularly when it comes to tourism with joint tourist companies being established in North Norway (interview no. 10). Part of the current problems in North Norway result from it being divided into three counties and it is asserted that this will be overcome when creating a new larger region (e.g., interview no. 8).

Regional actors argue that the existing structure with three counties leads to competition between the different parts of North Norway and that this makes it more difficult to influence national decision-making. A
case in point is the competition between Bodø and Tromsø, which impedes the ability to act strongly as one region in North Norway. In addition, it is feared that a larger region will not eliminate the differences in opinion within the region and perhaps will it even reinforce these differences (Fylkestingsmelding, 1/2005, p. 13). Interviewees ascertained that there could be other negative aspects of creating a regional structure such as necessary administrative changes requiring a great deal of resources and the fact that the geographical distances within the region will be too large. There is apprehension that disagreement among the three northernmost counties over creating a larger region will lead to the government putting less trust in the ability of regional actors in North Norway to steer development in the region:

...when we don't manage to agree how things should be on regional level the state level becomes sceptic and we end up with a reform where some responsibilities are transferred but without any large changes at regional level. (interview no. 6).

Regional actors also address the question of what will be the major issue during the next regionalisation debate. Will it be whether to create three large municipalities (or ‘regions’) in Troms large enough to be responsible for upper secondary schools and road administration? (interview no. 1).

**Democratic aspects of stronger regional government**

Regional actors argue that the principle of subsidiarity should be central to the regionalisation process, that is, decisions should be taken as close as possible to those who are concerned by them:

The Committee wants to underline that it is a fundamental principle that decisions should be made by local government and by people who live in these areas concerned by the decisions. This principle – ‘subsidiarity’ – is one of the most important arguments for changes in the division of responsibility and transfer of power to regions and municipalities. (Regionaliseringsutvalget, 2004, p.16)

Accountability will be facilitated, it was asserted, and decision-making will be more legitimate if it is regional politicians and not state authorities that are responsible. In addition, the dialogue and co-operation between the region and national authorities can be more formalised and thus more efficient (Fylkestingsmelding 1/2005, p.13).

However, the legitimacy of the county councils has been questioned for a long time and county elections are second-order elections; voters care much less about county elections than about local and national
elections. One of the interviewees illustrates how county politicians are viewed:

I am now on the list for the county elections and the local newspaper editorialist writes that I have begun my ‘walk through the valley of shadows’ (interview no. 12)

It is also mentioned that there is a certain paradox here since people generally care a great deal about the quality of roads and upper secondary schools, tasks that are handled by the county council (interview no. 6). The regionalisation reform can be considered as an ambition to increase the legitimacy of the county councils by giving them more tasks.

The term ‘region’

We will now consider another dimension of the role of the region. In this part I will outline how the regional actors view the term ‘region’. Regional actors in Troms mainly talk about the ‘region’ as a regional institution led by a directly elected assembly covering a larger territory than the county council does today. This interpretation of the term ‘region’ underlies the support given to the proposal to create a new larger administrative region in Northern Norway which would replace the existing three counties:

a solution where the new northern region should include Finnmark County, Troms County and the whole or parts of Nordland County. (Regionaliseringsutvalget, 2004, p.11)

The predominance of this view among regional actors in Troms is also confirmed in the county council’s 2005 report (Fylkestingsmelding, 1/2005). The general tendency in Troms is that regional actors consider the important region to be the extended region of North Norway and to a lesser extent the three counties of Finnmark, Troms and Nordland. In this regard the Regionalisation Committee (Regionaliseringsutvalget, 2004) also poses the question whether or not North Norway is a functional region. Their immediate answer is that currently North Norway cannot be considered as a functional region because of the lack of common institutions and because of weak ties between companies and ‘innovation environments’ in different parts of the extended region. Furthermore, there is no joint political institution that can steer the development (Regionaliseringsutvalget, 2004, p.31). Nevertheless, it is possible that the three northernmost counties can become a functional region in the future. Different parts of North Norway are facing the same problems and should therefore be able to find common solutions:
Establishment of a joint administrative region in North Norway would also contribute to strengthening the functional ties between different parts of the region. A common arena for political decision-making will give better incentives for a common labour-market and common grounds for trade and business (Regionaliseringsutvalget, 2004, p.32). In addition, there are joint efforts to brand and market North Norway as a tourist destination for the international market. Organised co-operation within tourism and also health care can spill-over to other areas, but this must not necessarily mean that the counties should be amalgamated and a new region should be created (interview no. 6). The emphasis is focusing on what is most functional; a larger region would correspond better to the functional region in North Norway:

…the (current) county borders do not consider the economic development…labour-market regions versus administrative regions. So there I think North Norway will function better as its own labour-market region… (interview no. 16)

In addition to perceiving North Norway as a region, some actors proposed that sub-regional councils (regionråd), resulting from the regrouping of the municipalities in Troms – North Troms, Middle Troms, South Troms and the Tromsø-Karlsøy-Balsfjord region – would be important regional entities (e.g., interview no.8, interview no.1). However, these four sub-regions do not necessarily form ‘real’ functional regions, for example, commuting from one municipality to another in one day is not easy. In some parts of South and Middle Troms it is possible to commute to other municipalities on a daily basis but in North Troms the distances are much too large:

...in North Troms (...) it is actually very difficult...there are some people in municipalities in north Troms who commute on a weekly basis but to commute on a daily basis is simply not possible. (interview no. 6)

The difficulty of commuting and the lack of an infrastructure facilitating commuting hinder the creation of better labour-market regions.

In their responses to the reform proposal to create a larger region, the municipalities in South Troms argue that if the three counties continue to exist the border between Nordland and Troms must be adjusted to better correspond to the functional region that is sometimes called
Hålogaland. In fact, an earlier idea was to establish a fourth county of Hålogaland\(^{20}\) in North Norway:

…there was also an idea about a fourth county in Northern Norway, precisely because this is the most populated area… and that it would be called Hålogaland.
(interview no. 2).

Historically Hålogaland was the name of the northern part of Norway as a whole but today it is mostly used to designate the northern parts of Nordland and the southern parts of Troms (Vesterålen, Lofoten, Ofoten and Sor-Troms). Some assert that Hålogaland indeed forms a functional region and that the current county border imposes obstacles to communications between different parts of this region.

The term ‘region’ does not just apply to national borders, but rather it can also apply to a transnational entity. Notably, the Barents area is an especially important transnational region. It is a region strong on natural resources and the exploitation of natural gas in the Barents Sea implies new challenges for contacts between Norway and Russia. There is a potential for increased contacts not only between those two countries but also for the whole Barents area:

We can make the Barents region a labour-market region. You have unemployment in North Finland, you have unemployment in North Sweden, in North Norway we have almost no unemployment but we will need new competences together with North West Russia... (interview no. 15)

There are still obstacles to free movement between North Norway and North West Russia. If these are torn down there will be better possibilities for Norwegian workers to work in Russia and vice versa (interview no. 15).

Region is seen as a more dynamic term than ‘village’ or ‘city’ – indeed it can mean many different things. Its definition depends on the point of departure. For instance, we find differences in the interpretation among politicians and those in the private sector:

From a politician’s point of view it is about power and influence. If you see it from a business point of view it is about making the best use of the resources.
(interview no. 16)

To conclude, regional actors view the term ‘region’ as signifying territorial units on different levels and with different functions, from

\(^{20}\) Hålogaland has long historic roots and before the conversion of Norway to Christianity it was a kingdom in its own right with Bjarkøy as the centre.
trans-national regions like the Barents region to the extended region of North Norway and the ‘sub-regions’ (sub-regional councils) within Troms County. The extended region and the sub-regions are actually considered more functional than the county. Regional actors tend to argue that the borders of a political and administrative region in North Norway should correspond better to the functional region (e.g., interview no. 10). North Norway has many common interests and with one single administrative region in North Norway the possibility to influence the national level will increase. The sub-regions do form, or can form in the future, labour-market regions but better communications are necessary to fully realise this (interview no. 8).

Regional identity
The regional actors were asked to discuss whether there is a territorial identity in Troms and what importance it has to region-building and regional development. There is obviously some sort of regional consciousness related to Troms County among regional actors, especially among county politicians as their mandate is based on the county. However, among people in general there is little or no sense of belonging related to the county (interview no. 3). Regional actors claim that Troms is purely an artificial construction and the territorial identity is instead linked to North Norway or to the local community:

The identity is related to North Norway (…) and then identity is related to what part of the county you come from, the northern part or from Senja or from the middle part or from Tromsø… (interview no. 3)

The local community is not necessarily equivalent to the municipality. An example of this is the island of Senja, which consists of the four municipalities Lenvik, Torsken, Berg and Tranøy. Here the territorial identity is linked to the island and not to the municipalities (interview no. 1).

One of the actors interviewed claims that “you wouldn’t find anyone that see themselves as a tromsing (that is, a person from Troms)” (interview no. 5). North Norway has historically been thought of as an entity or at most an entity divided in two parts, but not as one divided into three parts as it is today. This could be one reason why regional identity is not very strong in Troms County (interview no. 6). Tromsø and the surrounding municipalities tend to orientate to the north towards Finnmark and the Barents area whereas Harstad identifies more with Lofoten, Ofoten and Vesterålen to the south. This is reflected in claims from municipalities in the southern part of Troms County (Skånland, Bjarkøy, Gratangen and Harstad) that the north of Nordland
County should be included in Troms County (Responses to Government Bill no.12/2006-2007). It is asserted that it would be more logical to split Troms in two, even though that would mean dividing the Middle Troms municipalities that identify both with the south and the north (interview no. 5). Despite frequent contacts between South Troms and the north part of Nordland, lack of communications between the counties remains an obstacle to further co-operation.

The concept ‘North Norway’ (Nordnorge)21 was originally invented by a group of artists from North Norway at the end of the 19th century. The intention was to create a concept that would highlight the enormous potential of industrial growth as well as cultural and social development in this part of the country (interview no. 10). It was a way of ‘branding’ the region.

Another characteristic bringing the three counties in North Norway together is the Sami culture (interview no. 15). The administrative borders are, however, poorly adjusted to the area with which the Sami community identifies (Regionaliseringsutvalget, 2004, p.25ff).

There are also to some extent territorial identities related to the same areas covered by the sub-regional councils of North Troms, Middle Troms, South Troms and the Tromsø-Karloya-Balsfjord region (interview no. 10). Regional actors see media as important to create a sense of belonging within a community, but currently there is no media covering North Norway as a whole. One regional programme of the Norwegian National Television (NRK) covers Nordland and another programme covers Troms and Finnmark. The daily newspaper Nordlys, in a sense, unifies Troms County and contributes to the strengthening of a ‘county’ identity (interview no. 2). Other actors allege that media generally is not that interested in the county and that media reports are mostly based on what happens in particular cities and villages (e.g., interview no.3). Identity is always defined in opposition to something else and in Troms the regional identity is about defining the whole North Norway against the centre, Oslo. There is a tendency that a North Norway identity is defined as something negative: “We are bullied in Oslo because we are nordlenninger” (interview no. 4). The introduction to the county council report on regionalisation from 2005 (Fylkestingsmelding, 1/2005) stated that there is a low “self-esteem” in North Norway and that this negative self-image must be changed:

North Norway is not in the periphery. North Norway is in the centre of the world. It is all about how we consider ourselves. (Fylkestingsmelding, 1/2005)

21 For further information on the origins of the concept ‘North Norway’ see Niemi, Einar (2008), “North Norway an invention?”, Journal of Northern Studies.
This reflects a will to enhance awareness about the region among politicians, other regional actors and the public in order to find a profile for Troms and North Norway. There is already a regional awareness in Troms and North Norway but this has mostly been linked to negative features such as out-migration, etc. The report expressed a wish to change this awareness so as to focus on the positive features of Troms and North Norway. Clearly, regional identity is used as an argument in the regionalisation debate and is used as an important argument for the creation of a larger region by the county council in Troms:

It will be an important advantage that the new region has a strong common identity. (Fylkestingsmelding, 1/2005, p.21).

Regional actors refer to surveys showing that there is actually a strong identity attached to the extended region of North Norway (Fylkestingsmelding, 1/2005). Finnmark claims to have a distinct regional identity based on natural resources and culture whereas the identity of Nordland is built around a strong industrial sector. Troms County has tried to find a profile as the ‘competence county’ with the University of Tromsø and the Norwegian Polar Institute. On the other hand, in Finnmark and Nordland the regional identity argument is instead used to advance claims for keeping the existing counties (e.g., interview no.13). This was also one of the most important reasons why three northernmost counties have not been amalgamated.

5.2 EXTERNAL RELATIONS

In this section, the relationship to the other levels in the political system is examined more closely. How do regional actors consider the relationship to state level on one hand and to local level on the other hand? At this stage, the study will also analyse how regional actors consider the region’s international contacts.

Relation to state level

Despite the regionalisation ambitions in Troms, it was strongly stressed that decision-making in the national parliament (Stortinget) is more important than decision-making at the regional level (interview no. 6). It is important to keep in mind that neither county councils nor municipalities are mentioned in the constitution (interview no. 3). The ‘role of the region’ is the one defined by the state: “We have the role that the state gives us” (interview no. 5). Still, regional actors underline the importance of being responsible and using the action space that national authorities have given to the regional level (interview no. 11). In the
national rhetoric it is claimed that regions should be responsible for their own development but this is far from being realised. There is a gap between what is being said and what is being done:

State authorities don’t give enough action space to regional level. There are state sector authorities in all fields putting restraints on the capability of doing something [in the region]. (interview no. 7)

Regional actors underline that Norway is a unitary state and that the central level puts up the frames for regional and local actors. It is necessary to have (strong) national regulation within certain areas (Fylkestingsmelding, 1/2005). Concern is also expressed by regional actors about whether enough resources and competence will be transferred to the county councils so as to compensate for the increase in the number of tasks. One example mentioned is the transfer of responsibilities of national roads to the county councils. In transferring the responsibility it would have been logical to transfer necessary competence from the National Public Roads Administration (NPRA). Instead, it was decided that the county council will buy services from the NRPA (interview no. 7).

Regional actors describe the relation between regional and central level as essentially that of the relation between the county council and the county governor. It is also a matter of the relation between the county council and other centrally steered authorities represented at the regional level, e.g., Innovasjon Norge. According to most actors, the position of the county governor should not be abolished but its scope should be reduced:

The county governor is the state representative and of course, if the power and number of tasks of the state level is being reduced, the role of the county governor is being reduced. (…) I claim that the county governor should be reduced and be a control institution for the state… (interview no. 1)

Regional development issues, it is proposed, should not be handled by the county governor but by the county council. Transfer of tasks from the state to the county councils effectively means transferring from the county governor such tasks as as agriculture, environmental protection and area planning (interview no. 3). All tasks today handled by the county governor, it is suggested, that are not control functions should be transferred to the county councils. Within certain areas such as environmental protection, the county governor not only has a control function but also implements state policy at the regional level (interview no. 10). Nevertheless, in a national report on the division of tasks between different levels (NOU 2000:22) it was stated that the county
council had not succeeded very well as a regional development actor. The county council, the report observed, did not use the action space it was given because of the unclear division of tasks between the county council and the county governor. As a consequence, an important part of the regionalisation reform entailed better distinguishing between what the directly-elected regional institution should be in charge of and what are the responsibilities of the county governor.

Regional actors argue that while different sector authorities at the regional level are able to have an efficient administration within their areas they are unlikely to see things in a broader perspective. The regional actors claim that the directly-elected regional institution is more capable of seeing the broader picture:

…it is politicians in the region, who know the region that should be responsible for development policy. (…) Co-ordination between different sectors to achieve the best overall solutions and an efficient joint use of resources, is a task for political institutions. Good local and regional solutions demand a general view and co-operation between local and regional politicians. (Regionaliseringsutvalget, 2004, p.10)

Within sector areas the state is dependent on municipalities and county councils in the implementation process. An example of this regards Sami policy. It is the municipalities and county councils, along with Sami organisations, that have the necessary knowledge about the context in which Sami live and act (Regionaliseringsutvalget, 2004).

Responsibility, competence and economic resources within agriculture policy should and will be transferred from the county governor and Innovasjon Norge to the directly-elected regional institution (Regionaliseringsutvalget, 2004, p.41). If the general view is that each region has its particularities, its own challenges and its own ideas about how these challenges should best be handled, it is crucial to give regional level more influence over regional policy measures (interview no. 9). When it comes to higher education the Regionalisation Committee claims it is crucial to have a joint national education policy. Notwithstanding, the county council must be an important partner in the decisions about what type of training should be provided by universities in the region (Regionaliseringsutvalget, 2004, p.42).

Many of the interviewees mention the NAV reform when the question about the relation to state level is raised. NAV is the result of a merger of the National Insurance Organisation (NIO), the Directorat of Labour (DOL) and the Social Welfare System. NAV is one of the largest reforms in Norway undertaken in recent years and involves responsibility for the social welfare system being transferred from the municipalities to the state. Many regional actors expressed a certain scepticism about the
reform. One interviewee commented that rather than taking the step of centralizing employment services the new regions could have been capable of handling this task (interview no. 2).

When it comes to the regionalisation reform many of the regional actors are disappointed but not surprised that it was not realised. They see it as just more evidence that the state level does not want to give away power:

...there is a strong resistance (...) to delegate any power or tasks from the capital. They wish to be down there and have all the power. (interview no. 4)

It is argued that in an ideal world it would be reasonable for regional government to steer the implementation of regional development policy in North Norway (interview no. 7). But, in reality, it is questionable whether there is any real capacity to handle incentives for regional development at the regional level (interview no. 7). This is due to the fact that the state level does not transfer enough resources and power to regional level. In other words, the state level does not give the regions adequate tools to enable them to be agents of their own development. National authorities must be willing to disburse decision-making power. The national parliament and the government does not have adequate knowledge about the conditions of the regions, it is claimed, therefore regional actors are better positioned to take decisions that concern the region.

**Relation to local level**

The strong position of the local level in Norway plays an important role in the regionalisation reform process. The regionalisation debate in Norway is intimately linked to the debate on amalgamation of municipalities. When larger regions were still on the agenda, the implication was that municipalities would be merged because otherwise the gap between the new regions and the municipalities, in terms of the territory covered, population and tasks, would be too wide (Fylkestingsmelding, 1/2005).

In North Norway the long distances tend to isolate municipalities from each other. Consequently, neighbouring municipalities do not necessarily form commuting regions since it is not possible to commute on a daily basis to many of the neighbouring municipalities. Those in favour of abolishing the regional level claim that there must be a reduction in municipalities:
There has to be a reduction of the number of municipalities (…). No municipality should have less than 5000-7000 inhabitants (…). 435 municipalities and the state, it will be too difficult but if we have fewer municipalities and the state... (interview no. 7)

It was argued that under the existing structure municipalities will be too small to handle certain tasks, thus leading to centralization as tasks currently handled by the councils will be transferred to the state. In recent times municipalities tend to use the sub-regional councils (regionråd) as a forum for co-operation and contact with other municipalities rather than the county councils. Consequently, the establishment of sub-regional councils has in a way strengthened the municipality (interview no. 3).

Municipalities should have, it is advocated, a directly-elected institution at the regional level to talk to and co-operate with:

…the directly elected local level does not have the possibility to have a political discussion with the regional level when there is only the regional state on that level. The regional state gets its tasks from the state and can not develop policies and have a political discussion with the directly elected local level. (interview no. 9)

The local level depends on the directly-elected institution at the regional level. There is a necessity for a regional level in several policy fields, regional planning and infrastructure being two examples. In the report of the Regionalisation Committee (Regionaliseringsutvalget, 2004) it was also argued that upper secondary schooling cannot be handled on local level:

Relatively large education regions with a large number of pupils, many schools and a broad competence will preserve a rational, accessible and equal supply for upper secondary schooling. (Regionaliseringsutvalget, 2004, p.43).

There is need for a larger school population, more schools and a broader competence than the single municipality can provide for. Even through municipal amalgamation, these needs cannot be met and therefore a regional institution is required (Regionaliseringsutvalget, 2004). With a larger region, tasks could be transferred from the state to the new regions and then other tasks can be transferred from the regions to the municipalities. Thus, larger regions will de facto mean a strengthening of the municipalities. Nevertheless, it is important that new administrative regions complement the local level and that they do not become overarching institutions steering the municipalities (e.g., interview no.11; interview no. 9).
Regional actors underscore that the diminishing tax revenue not only makes it difficult to finance welfare services but it is also hard to get competent professionals to smaller municipalities. Consequently, it is difficult to maintain high quality services (e.g., interview no. 1). In many small municipalities the needs within each field of competence, e.g., child protection, do not provide for full-time employment and it is very difficult to attract educated and specialised individuals to part-time employment in a rural municipality (interview no. 5). Municipalities are, however, seeking to solve this by sharing certain services.

An advantage to regional government having increased responsibility, it is alleged, is that it reduces the risk of decisions only based on local interests (e.g., interview no. 9). Local politicians are elected to consider local interests and will defend those interests. The municipalities tend to compete with each other to have resources and public institutions located in their own city/community. But, if given responsibility for steering the resources, it was advocated, the county council should be better at considering the needs and wishes of all the different parts of the region and thus be better able to find a consensus on where to invest resources (interview no. 11).

The region as an international actor
The county council and municipalities as well as businesses operate in the international arena to a much larger extent than before. International issues, particularly since the end of the Cold War, have a greater and more immediate impact than before (interview no. 5). The expansion and deepening of European integration has also changed the incentives for international co-operation. Troms as a region is dependent on international contacts or as one interviewee puts it, “We can’t be shut out completely” (interview no. 8). Contacts with North Sweden and North Finland are important but not complicated whereas contacts with Russia are more complicated but not less important:

...the dialogue with North West Russia which is interesting. Where we also have a significant potential... (interview no. 15)

There is a need for bridging the cultural gap, it was pointed out, between Norway and Russia to be able to develop the huge potential for economic co-operation and benefits in North West Russia (interview no. 5). The Barents co-operation with Northwest Russia, North Sweden and North Finland is put forward as important:

The board of the county council presumes that the Barents co-operation will get increased national support... (Fylkestingsmelding, 1/2005, p.50)
It is crucial that co-operation not only take place on a high level between foreign ministers and the chairperson of the county council but also on the ground. The national government needs to establish a better legal framework in agreement with other countries to facilitate co-operation and mobility across the borders, especially between North Norway and North West Russia. At the regional level, it is important to work to create better understanding between peoples as this is for enhanced economic co-operation. One concrete example of ‘bottom-up’ co-operation between North Norway and North West Russia is that the Troms County Council has established an upper secondary school in Murmansk for both Norwegian and Russian pupils (interview no. 3; interview no. 5). The aim is to encourage mutual understanding between Norwegian and Russian youth. Norwegian pupils learn Russian and Russian culture and with these competences they should be attractive to the labour-market in the Barents area. (interview no. 5).

In North Troms a regional project with the Torne valley has been established. The project is supported by the county council but administrated by the municipalities of Storfjord and Nordreisa (interview no. 1). With a stronger directly-elected regional level North Norway would have stronger position in the international arena and could even obtain access to arenas inaccessible today (Fylkestingsmelding, 1/2005, p.12).

The EEC agreement is influencing policy-making in Norway, especially in North Norway, by limiting the action space. Regional actors want to realise certain ideas but under the EEC agreement are not allowed to do so (interview no. 4). It is argued that the county council has been forced to open up for private competition within certain areas: an example in point is the fast track boats between Tromso, Finnsnes and Harstad (interview no. 3). One positive consequence of EU that was mentioned is that enlargement has made it easier, especially in the construction sector, for people from the new member-states to work in North Norway. This has had an important impact on the supply of the work force in the region (interview no. 5).

**North Norway as part of a ‘resource region’**

Regional actors in North Norway in general and in Troms in particular want to have a key role in realizing the Strategy of the High North launched by the left-centre government in 2005 (see chapter 4). This is an important part of giving the region more power to take control of its own development:

> …an active and offensive regional participation in the development of the northern areas. (Fylkestingsmelding, 2/2006, p.6)
The rhetoric in the region is largely positive because of the strong focus on the northern areas (e.g., interview no. 15; interview no. 16). Oil and gas (but also fishery and tourism) are the comparative advantages of North Norway and the Strategy of the High North outlines how these advantages will be used. The county council wants a dialogue with national authorities when it comes to the Strategy of the High North (Fylkestingsmelding, 2/2006). The Barents co-operation and the contact forum of the Ministry of Foreign Affairs are the most important arenas in which the county council of Troms can influence national strategies.

Certain aspects of the Strategy of the High North have to be handled on a national level but nonetheless there should be a large action space for the county council (Fylkestingsmelding, 2/2006, p.17). The county council stresses that issues related to the north should also be handled in the north (Fylkestingsmelding, 2/2006). Especially important is that actors in North Norway participate in the process towards creation of a free trade zone between Norway and Russia (Fylkestingsmelding, 2/2006, p.8). To profit from the initiatives, the northernmost counties must act for themselves. In addition, it is crucial to strengthen the cooperation between the county council and the municipalities in the region. The leading principle in managing the Strategy must be the principle of partnership (Fylkestingsmelding, 2/2006, p.8). However, a major problem with the Strategy is that it risks favouring already-established institutions in Oslo, and to a smaller extent in Bergen and Trondheim, instead of giving more assignments to existing institutions or building new ones in North Norway (interview no. 10). If such a scenario will be realised the northernmost counties will not gain from the Strategy of the High North. To counter this, the main part of the research related to the northern areas should be situated in North Norway (Fylkestingsmelding, 2/2006, p.29).

The strategy of the High North can have a large impact on North Norway. However, if it is nothing but ‘symbol politics’ can it have any real consequences? Actors in Troms are ‘eager’ to make clear that regional influence over the process is crucial.

5.3 WHICH ARE THE NARRATIVES IN TROMS?

Regional politicians, civil servants and other actors in Troms in North Norway are, like everywhere else, concerned about the development of their own community. In their narrative the region of Northern Norway has a huge potential in gas, oil and fishery but lacks the population to
unleash this potential. The overall narrative in Troms is about a will to steer the growth in the county by being able to control financial resources to stimulate regional development, something that can be accomplished by giving development subsidies to new and already established companies and by being able to influence to a greater extent the supply of higher education in the region. Regional actors see the region as being highly capable of steering its own development and future. The actors defend the overall idea that the region should be a stronger actor, especially when it comes to development initiatives. In that sense, the views of regional actors in Troms can be characterised in terms of the regionalist perspective. Regional actors in Troms County are in favour of giving regional government increased control over resources and decision-making. Consequently, the regional level should be more autonomous when it comes to steering regional development. It is strongly emphasised that regional actors have a better understanding than national authorities about deciding on the priorities among different sectors and different parts of the region. Business representatives seem to stick to the overall narrative as they are enthusiastic about larger regions and they see that it will enable a policy that is better adapted to the particular conditions in North Norway.

The overall narrative is about a wish to strengthen the power of the directly-elected regional institution. However, regional actors point out that the action space of the directly-elected regional institutions is now decided at the state level. The frames and rules within which county politicians are able to act are set up at the state level. Regional actors emphasise that strengthening the region cannot be realised if national authorities are not willing to transfer responsibility and resources to regional level. Thus, we can see that the new regionalist perspective has been embraced at the same time as the centralist redistributive perspective persists among regional actors in Troms.

There is another narrative that differs from the overall one. This one asserts that there is no need for a regional level. The fact that Norway is a small country with less than five million inhabitants is used as an argument that there is no need for strong regional government. The representatives of the Conservative Party and the Progressive Party are reluctant to have a larger region. According to their narratives municipalities should instead be merged, thus making it possible to transfer tasks that are today handled by the county councils to the new larger municipalities. Inter-municipal co-operation can also be an alternative to stronger regional government.

In the overall narrative, regional actors to some extent view ‘region’ as a functional unit, for example, regional actors talk about the sub-regional councils as corresponding to labour-market regions. North Norway,
including the three northernmost counties, is considered a functional region because specialist health care is organised in a region for the whole of North Norway. Furthermore, the University of Tromsø provides the whole region with higher education and is the most important centre of research in North Norway. Regional actors also mention trans-national regions. Barents is a joint resource region and some regional actors claim that it also has the potential to be a joint labour-market and even an education region. However, in reality, there are many obstacles to overcome before the different regions mentioned by the actors – the ‘sub-regions’, North Norway and the Barents region – can be functional regions, at least in terms of having a common labour-market. Particularly in North Troms, the long distances make it impossible to commute between municipalities on a daily basis. There is also ambivalence in how regional actors describe North Norway as a whole. On one hand, regional actors talk about the importance of functional regions but, on the other hand, they report that the principle that administrative regions should correspond to functional ones is more difficult to realise in North Norway because the distances between different parts of the extended region are too large, much larger than those in South Norway. The regional actors see the region as a wider concept than just the administrative region but recognize the difficulty of realizing functional regions in the northern setting. Thus, the overall narrative in which the term region is seen as a functional region can be characterised in terms of new regionalism. The administrative region is important and necessary to ‘hold things together’.

In addition, there are different identities in different parts of North Norway. In terms of the role that regional identity plays in the overall narratives, regional actors in Troms claim that there is no strong regional identity related to Troms as a county, rather the territorial identity tends to be linked to a city or a village or to North Norway as a whole. North Norway as a concept was invented in the late 19th century; this was a way of branding this part of Norway. In the judgement of the actors, some sort of common regional identity in North Norway is advantageous for the creation of a larger administrative region but it is not necessary. Regional actors do not perceive awareness about the region as very important for regional development in general; the exception would perhaps be branding the region as a tourist destination. In the regionalisation debate regional actors in Nordland and Finnmark have claimed a distinct regional identity; this is part of the explanation of why they have been reluctant to create a larger region in North Norway. Troms has the weakest regional identity among the three counties and that can partly explain why regional actors in Troms are more eager to amalgamate counties and create a larger administrative region.
The overall narrative says that North Norway should speak with one voice. Regional actors in Troms were in favour of redrawing the map of North Norway and creating a larger administrative region in order to be more powerful vis-à-vis the national government. The main argument is that regional actors have knowledge about the region that actors at the state level do not have and that it therefore should be regional politicians who take decisions that affect the development of the region. It is also claimed that regional actors, compared to state actors, have a different perspective on the problems. The regional directly-elected institution should be in charge and not state civil servants, no matter if they are at the regional (the county governor) or state level. The argument is that this will make regional development policy more legitimate.

In addition, the actors see that regional government can have the role of co-ordinator between municipalities. Regional politicians can set the priorities within different parts of the region and this will reduce the room for narrow local interests. Another reason behind the will to strengthen the regional level is that regional politicians defend their own institution. This is similar to the county councils in Finnmark and Nordland proclaiming that they did not want an integrated region in North Norway; one of the main reasons was the tendency to defend one’s own position. In small municipalities or small county councils the importance of the jobs that the county administration provides must not be overlooked.

The ‘role of the region’ is the one defined by the state. Regional actors emphasise the importance of filling the action space given by the state. The narrative told by regional actors in Troms is about giving some responsibility to regional government but without reducing central steering; institutions at the state level are still in control. Regional actors in Troms are, however, concerned by the fact that there is a discrepancy between what the national rhetoric says about the regions being responsible for their own development, and the reluctance of the national level to give away enough power so that regional government can indeed steer development. Regional actors also question whether there is any real capacity to be an ‘agent of its own development’. Thus, both at the national and regional level actors have embraced the new regionalist idea about the region on its own but they are uncertain that this will work in reality. Is there enough capacity in peripheral regions to handle development on their own? At the same time, regional actors are far from satisfied with the way development issues are handled on national level.

In the overall narrative, regional actors argue that there should be a division between controlling functions and developing functions when it comes to the relation between the directly-elected regional institution
and the state representative in the region. These functions should be clearly separated with the county council being in charge of development and the county governor only having a control function. The role of the county council as development actor is underlined by regional actors. The state level must give away more power and resources. The state should, nevertheless, guarantee that national policies are implemented the way it was intended. The state level has an important overall responsibility to guarantee equal conditions in the whole country.

Regional actors in Troms claim that the region can and should function as a co-ordinator between municipalities. The elected regional institution can take decisions on tasks that cover a larger territory. From the point of view of those who want to abolish the regional level, municipalities should instead be able to take over tasks currently handled at the regional level. An amalgamation of municipalities would, however, be necessary as the current municipalities are too small to handle certain tasks such as management of upper secondary school, road administration, etc.

International co-operation especially within the Barents area plays an important role in the overall narrative in Troms. There are incentives of creating better long-term relations with Russia such as the county establishing an upper secondary school with both Norwegian and Russian pupils in Murmansk. The action space for regional actors to act upon international contacts is, nevertheless, limited and the decisions that will really make a change in the international relations, especially with Russia, are made at the national level.

The Strategy of the High North was a national document in which the Norwegian government presented its visions for the northern areas, especially in relation to exploitation of natural resources. This strategy is not a sign of a centralist redistributive policy in the sense that the national government will transfer resources to the northern areas. It is rather a statement from the Norwegian government to underline and strengthen the position of Norway in the Barents region and thus is not primarily aiming at developing North Norway. Yet even so, as it is focusing on the northern areas this will lead to new opportunities for this part of the country. Will the Strategy of the High North show that actors in North Norway are capable of creating development in their own region? At least, regional actors have this ambition and business representatives especially see numerous opportunities in development in the northern areas. Nevertheless, the region is still dependent on this type of state initiatives. The state builds the frames, defines the conditions and regional actors can act in terms of development within these frames but it is still the state that makes the rules.
While it is true that the Strategy of the High North is part of a national strategy to strengthen the position of Norway in the Barents Sea, to some extent regional actors also see it as part of their narrative about a stronger region in North Norway. Though there are not any direct regionalisation measures promoted in the Strategy of the High North, the Barents is being promoted and, as the counties have an important role to play in such a co-operation, the regional influence will increase. Thus, the Strategy creates possibilities for regional actors to be agents of their development. Still, many regional actors are sceptical of what can come out of the Strategy and some claim that this is just a new label on something that is already going on in the northern areas. As the Strategy does not lead to a transfer of decision-making power and/or resources, this invites the claim that it is nothing but rhetoric. The charge is made that this demonstrates that the state is reluctant to transfer resources and decision-making power.

The intended redrawing of the administrative map of Norway and transferring of responsibilities to the regional level launched by the left-centre government in their 2005 declaration on co-operation resulted in a White Paper on a regionalisation reform (St.meld. 12/2006-2007). However, after debate and hearing from municipalities, counties and a large number of other actors the government took the decision not to amalgamate counties. The overall narrative in Troms was very positive to the creation of a joint region in North Norway and regional actors therefore express disappointment over the government’s decision. The government still intends to regionalize within certain areas, especially by transferring tasks from the county governors to the county councils. Regional actors in Troms welcome this reform and consider that it would be a better use of development resources if directly-elected regional institutions are in charge. Even though the overall narrative conveys concern about the challenges, especially out-migration, it also expresses optimism about the region as an agent of its own development. In that sense the view of regional actors in Troms is inscribed in the new regionalist perspective. The focus on an increasing role of the regional level is a way for regional actors to position their region within the national and international context. Regional actors are using the vocabulary of new regionalism; they are telling a narrative about a region that can handle things on its own. But this is not the only narrative; there is also a less optimistic narrative. According to this narrative, the state is reluctant to giving away power and the regional actors have doubts if Troms and North Norway are really capable of handling things on their own.
The focus now shifts to a part of the Nordic countries situated quite far to the south of Troms, namely, Pohjois-Pohjanmaa in Finland. Pohjois-Pohjanmaa is the second northernmost administrative region in Finland and has a population of 386,000. The overall population density is low but there are great differences between the municipalities, as well as major differences in levels of economic growth, with both population and economic activities being concentrated in the city of Oulu and its surrounding municipalities. The IT industry – with Nokia as the locomotive – has since the early 1980s been of fundamental importance to the central parts of Pohjois-Pohjanmaa. Even so, its traditional industries of forestry and steel production still form the basis of the regional economy in this part of Finland. Raase, south of Oulu on the coast line, is the centre of steel industry. Tourism is also an important source of income, especially in the eastern part of Pohjois-Pohjanmaa.
6.1 THE ROLE OF THE REGION

This first section of chapter 6 considers the view on the role of the region expressed by key actors in Pohjois-Pohjanmaa. As well, the chapter describes the role of regional institutions and outlines the way regional actors define ‘region’. Then it describes the extent to which regional actors argue that regional identity and awareness about the region are important and looks at their view of how, if at all, it is being used to enhance regional development.
Regional institutions

“Finland is a strange bird” (interview no. 17) is the expression used by one of the interviewees to indicate that Finland differs from the other Nordic countries and most other European countries when it comes to the role of regional elected institutions. The regional councils in Finland are indirectly elected by the municipalities and are thus steered by local politicians. The role of regional councils is limited to being responsible for regional development and planning and for tasks related to internationalisation. Hence, there is no regional government per se in Finland but the debate on regionalisation and the importance of regions is present:

...regions are becoming more important and one step was the EU membership. (interview no. 23)

One objective of the regional state administration reform in Finland is to give more responsibility to regional councils. Regional councils will be responsible for making priorities when it comes to the need for higher education, infrastructure investments and strategies for environmental protection in the region. The aim is also to foster better co-ordination between the regional state administration and the regional councils. More and more tasks related to regional development have been transferred to the regional councils. The regionalisation debate in Finland finds, to a great extent, its roots in its EU membership. In the mid-1990s regional councils and regional planning authorities were merged and the new organisation became responsible for EU funding. Tasks were also transferred from the provincial offices to the regional councils. Regional actors in Pohjois-Pohjanmaa claim that transfers of more tasks from regional state administration to regional councils might lead to regional councils being more visible to people. The regional council will be seen as the decisive regional representative (interview no. 28).

What does regionalisation really mean in Pohjois-Pohjanmaa and in Finland in general? Is the goal a directly-elected regional assembly? Or is the aim to concentrate more decision-making in regional institutions, thus making it less important if they have a local, regional or national mandate? Regional actors in Pohjois-Pohjanmaa do not necessarily see regionalisation as meaning that there will be a directly-elected regional assembly. The contention is that there is no need for an intermediate directly-elected level between state and local level in Finland. There are even indications, it was asserted, that other European countries are considering the Finnish two-level model (interview no. 17). The current discussion at the national level points toward more power being
dispensed to the regional councils but there is no formal discussion on making them directly elected. However, the national level has made it clear that the action space of regional councils is determined by the outcome of municipal elections (Regional administration reform, the ALKU project). The small population in Finland and the Finnish tradition of a strong state and strong municipalities are the main arguments against directly-elected regional assemblies:

We are only 5 million and we should not have too much bureaucracy (...) ...if we had stronger municipalities, we didn't have to build such a strong regional bureaucracy. So there is this two-level government on my party's agenda: state-level, municipal level, then we have the regional level that is not so important. (interview no. 23)

The quotation above indicates that there is a will to amalgamate municipalities in order to create better conditions for the local level to deal with welfare services and other such tasks. The need for regional institutions, it is proposed, would be even more reduced as soon as the number of municipalities are reduced.

The number of tasks with which the regional councils deal is limited. Furthermore, they do not have the right to levy taxes. Such factors work against any proposals to make the regional councils directly elected (interview no. 17). However, not all are negative to directly-elected regional councils (interview no. 18; interview no. 22; interview no. 24). Some of the actors who are positively oriented say that it is a matter of bringing decision-making closer to the people:

I think it is a better way to really open the area to people who are elected. (...) I think it is better to vote directly. (interview no. 24)

These people find the Kainuu experimental project with a directly-elected regional assembly interesting but feel that it has to be evaluated before it can be applied in other parts of Finland (interview no. 22). The main reason, it was asserted, behind launching the Kainuu project was the extremely weak economy of the municipalities in the region (interview no. 28). The driving-force behind the Kainuu project is thus not a vision about stronger regions but a way of trying to find a remedy to an increasingly more serious economic situation. However, some actors are against this being used as an argument not to try this model in other regions. They hypothesize that it could even be interesting to try the model in other regions with conditions differing from those in Kainuu in order to see what the outcome will be (interview no. 22).

Other actors want to limit the role of regional councils. As long as only the state level and the local level have the right to levy taxes and as
long as there is no intention to make regional councils responsible for welfare service, they judge that there is no reason to transfer more tasks to the regional councils (e.g., interview no. 17). One of the actors says it would probably not affect development in the region if the regional councils are strengthened:

…but again to me it boils down to the fact that it doesn’t matter where the decisions are made as long as the system or the way decision-making is organized enables equal treatment for municipalities, for cities, for businesses, for societies, regardless of where they are located… (interview no. 27)

The question is not, it is argued, about the region as an agent per se; the important issue is what is functional for municipalities, business and people in general. It does not matter if the region or the state level is in charge (interview no. 26). However, the division of tasks between different institutions has to be made clearer. A clear and distinct division of tasks between regional councils and state administration is crucial. Currently companies have to turn to many different institutions when they are applying for different kind of subsidies. Consequently, a reform of the regional state administration that is designed to reduce the number of regional state actors will be positive for business (interview no. 26). From the point of view of business interest organisations it is not a question of what level makes the decisions but rather a question about how to make decision-making more efficient. The “duty” of politicians is to create good conditions for business, it is asserted, and the “duty” of companies is to create business (interview no. 25). Differences in conditions for establishment of trade and business within Pohjois-Pohjanmaa must be taken into consideration:

It doesn't matter where the decisions are made if they are made (…) in a way that takes into account the conditions in different parts. (interview no. 27)

It matters less how responsibilities are divided between state and regional levels and whether the regional councils or the state administration at the regional level is in charge, some actors assert, but rather it is about individuals doing things. The success of Oulu sub-region is due to strong actors who have been able to act and change things (interview no. 27).

An alternative, suggested by some of the actors, to strengthening administrative and political regions is to strengthen the city-regions (interview no. 18; interview no. 23) and this is also reflected in the national reform debate. At the national level, a program to promote regional centres has been initiated, the Regional Centre Programme. In Pohjois-Pohjanmaa the “1 + 3 regional centre model” has been initiated as part of the national programme. The “1 + 3 centre model” includes
Oulu Regional Centre, Raahé Regional Centre, North-East Finland Regional Centre and Oulu Southern Regional Centre (Council of Oulu region, www.pohjois-pohjanmaa.fi). Regional actors in Pohjois-Pohjanmaa purport that city-regions can be stronger and thus be a better platform to communicate with regions in other countries than the current administrative regions (interview no. 17). The city of Oulu has an especially vital role and it can serve as a support to the rest of Pohjois-Pohjanmaa. Given that small municipalities do not have enough resources to invest in projects, the Oulu City can initiate and finance projects that include smaller municipalities (interview no. 21).

The role of regional councils is illustrated in the debate about the regional state administration reform (ALKU). In this debate there was discussion whether Keski-Pohjanmaa (Swedish: Mellersta Österbotten; Eng: Central Ostrobothnia) should belong to Pohjois-Pohjanmaa or to Pohjanmaa (Swedish: Österbotten; Eng: Ostrobothnia) when new borders for state administration at the regional level are drawn. Some voices maintained that because the regional council in Keski-Pohjanmaa thought that the region should belong to the same area as Pohjois-Pohjanmaa this should be the deciding factor. In other words, the opinion of the regional council was considered most important. On the other side were those that argued that the city of Kokkola (Swedish: Karleby), which is the largest city in Keski-Pohjanmaa, wanted Keski-Pohjanmaa to belong to the same area as Pohjanmaa and that the opinion of the city is more important than what is claimed by the regional council.22

Regional actors tend to agree that the region should be able to take responsibility and decide upon its own development:

We have to be more powerful towards our government, to our state-level to show the politicians what we really want to do here. (interview no. 24)

Regional councils, it is advised, should have increased responsibility for issues related to labour-market, business and environment (interview no. 18). Currently the Employment and Economic Centres and the Environmental Administration (see chapter 4) are responsible for these issues. One interviewee goes further and argue that regional councils should be in charge of specialist health care as in Sweden (interview no. 18). If the regional councils obtain more responsibility and more tasks,

22 This situation is also highly related to the language issue (Keski-Pohjanmaa is both Finnish and Swedish-speaking whereas Pohjois-Pohjanmaa is exclusively Finnish-speaking). See for example an editorial in Hufvudstadsbladet (2009), “Karleby hör inte till Norra Finland”, 2009-06-17 (“Karleby does not belong to North Finland”).
assert these actors, the state has to transfer the corresponding amount of resources. These resources should not be special destined subsidies but rather the regional councils should be free to use them the way they deem appropriate (e.g., interview no. 21). The regional councils were also seen to have an important role to play when it comes to land-use planning, for example, in relation to the challenges of climate change:

Municipalities are too small players to make those plans and the state is too large and it is probably not a partial planning if the state does it. I think it is the regions that have to take responsibility for that. (interview no. 23)

One of the regional actors underlined that regions must take responsibility and not always expect the state to solve all problems. If a region or a community has an issue that they find important they have to act themselves and not expect someone else to do it (interview no. 19). Furthermore, it was seen that the region must also have better long-term strategies to avoid last-minute reactions (interview no. 26). Regional actors in Pohjois-Pohjanmaa do take major responsibility for the development of their own region but conditions, like large distances and sparse population, tend to make their efforts less efficient (interview no. 21).

Until the 1 January 2010 regional councils share the responsibility for regional development issues with state institutions at the regional level (with the Employment and Economic Development Centres, with the Environmental Administration and the provincial offices) but the intention is to strengthen the role of regional councils (Regional Administration Reform, the ALKU project). The actors are generally very positive to the proposal to increase regional control over incentives for regional development. It is underscored that actors at the regional and local level know the needs of the region and therefore they should have control over these issues (interview no. 22).

Speaking in terms of ‘regional policy’ is old-fashioned was one of the assertions (interview no. 26). Regional policy implies that policy measures and investments are taken to develop one part of the country for the survival and development of that part. It is, however, claimed that investments made in North Finland contribute to the development of the whole country. When regional actors in North Finland argue for improvement of flight connections and better roads it is not for the benefit of the region but for Finland as a whole (interview no. 26):

...nowadays when we have huge mining projects here going in Finland, in Lapland and in Kainuu and in this area also, they are not regional investments, they are national or international investments and they need good transportation connections... (interview no.26)
The mining industry contributes to a large extent to the national economy in Finland and good communications and transport links are essentials for a well-functioning mining industry. This is not simply a matter of regional interests - it is a matter of national and even international interests.

When actors in North Finland lobbied together with North Sweden to keep the status as two of the most prioritized regions in EU regional policy the dialogue between the regions in North Finland and the government was positive. In contrast, arguments by actors in North Finland to keep its status as one of the most prioritized in the funding period 2007-2013 were accepted and adopted by the government. This should signify to the Finnish government that the region is willing to but also capable of steering its own development. Consequently, the government should be willing, it is suggested, to give more power to the region.

To conclude, some of the actors emphasise that regional councils should play a more important role than they do today. They want to transfer regional development tasks to the regional councils. Other actors think that it matters less on which level tasks are handled; it is however important that there is a more clear division of tasks between different levels. Some of the actors think that the experiment in Kainuu with a directly-elected regional assembly should be applied to other regions as well.

The term ‘region’
The interviewees were asked to comment on the existence of different types of regions such as functional, administrative and cultural regions as these are commonly referred terms in the debate on regionalisation and regional policy. They were also asked to give their opinion on which is the most important type of region. We should note that the word ‘region’ does not exist in Finnish as it does in Norwegian and Swedish; depending on the context it is translated by ‘alue’, ‘maakunta’ or ‘seutukunta’. ‘Aalue’ is a general word and can be translated by many different words in English, among them ‘region’ but also ‘area’. ‘Maakunta’ is either ‘province’ or ‘region’ (I am using ‘region’) and ‘seutukunta’ is ‘sub-region’ in English.

In order for the reader to understand the Finnish case it is necessary to comment on the Finnish use of Pohjois-Pohjanmaa (Eng.=Northern Ostrobothnia) versus Oulu region. Pohjois-Pohjanmaa is the name of the administrative region, maakunta, (see chapter 4, table 1) that extends from the coast of the Gulf of Bothnia to the Russian border. The indirectly-elected regional council, the Employment and Economic Development centres (TE-keskukset) and the Regional Environmental
Administration (Ympäristö) cover the area of Pohjois-Pohjanmaa. The provincial office of Oulu (see chapter 4, table 1), however, covers a different territory, including Pohjois-Pohjanmaa and Kainuu region. The Oulu sub-region includes the city of Oulu and the ten surrounding municipalities: Haukipudas, Kempele, Kiiminkö, Oulunsalo, Muhos, Liminka, Tyrnävä, Lamijoki and Hailuoto (see map). However, the Pohjois-Pohjanmaa liitto, the indirectly-elected regional council, is officially translated ‘the council of Oulu region’. In this case, the Oulu region refers to the whole administrative region and not exclusively to the sub-region. Interviewees from the Oulu City (interview no. 17, interview no. 25, interview no. 27) tend to use ‘the Oulu region’ for the Oulu sub-region whereas representatives of the council of Oulu region (interview no. 28; interview no. 23) refer to the whole administrative region when they talk about the Oulu region. I will consequently use Pohjois-Pohjanmaa for the administrative region (maakunta) and Oulu sub-region to designate the business and labour-market region around the Oulu City.

Oulu as a city is known in other countries and therefore ‘Oulu region’ is used in an international context to designate the whole administrative region Pohjois-Pohjanmaa instead of using the literal translation ‘Northern Ostrobothnia’. One of the interviewees claims that the use of ‘region’ in the English translation in fact tells “a story about how regions are becoming more important” (interview no. 23). The use of the term ‘Oulu region’ becomes, it is claimed, a symbol of the overall tendency to enhance the importance of regions (interview no. 23). Thus, regional actors use the term ‘region’ in order to position their part of the country both in the national context and towards regions in other European countries.

There is lack of coherence in how regional actors interpret the term ‘region’ more generally. However, they tend to primarily talk about the sub-region based on functionality, i.e., clusters of municipalities that form common labour-markets and grounds for trade and business (e.g., interview no. 17; interview no. 19). It is stressed that each sub-region in Pohjois-Pohjanmaa must find its comparative advantages to be able to create and enhance development. Regional actors also talk about an extended region, i.e., North Finland that is usually interpreted as including Pohjois-Pohjanmaa, Lappi (eng. Lapland) and sometimes also Keski-Pohjanmaa. This is reflected in the establishment of the joint European office for the three northern regions. In addition, Pohjois-Pohjanmaa and Kainuu are sometimes seen as a common region based on the fact that the two regions form one of the six provinces in Finland. However, Kainuu is the poorest region in Finland and does not have much in common with the central parts of Pohjois-Pohjanmaa.
Therefore, it is perceived as being difficult to have common strategies for territorial development within the province of Oulu. On the other hand, the inner parts of Pohjois-Pohjanmaa share many characteristics with Kainuu and also with Lappi in the north (e.g., interview no. 17).

There is some focus on the seven sub-regional units (seutukunnat) within Pohjois-Pohjanmaa: Oulun, Oulunkaaren, Raahen, Siikalatvan, Nivala-Haapajärven, Ylivieskan and Koillismaan as important:

We have seven sub-regions, each of the sub-regions has kind of its own personality meaning that they have their own economic structures and traditions. (interview no. 28)

These units form functional regions; they have their own profile in terms of different industrial and business structures. In Raahen there is the steel industry, tourism in Koillismaan and the IT cluster in Oulu sub-region (e.g., interview no. 21). They are common strategies for sub-regional development and they co-operate with the regional council on these issues. Increased co-operation between municipalities within the sub-regions are sometimes put forward as a solution to economic difficulties of small municipalities. However, some actors claim that there is an exaggerated belief in formalisation of sub-regions and their ability to solve the problems that many municipalities in Pohjois-Pohjanmaa are facing:

In Finnish open debate ‘seutukunta’ (…) is a magic word that solves all problems. (interview no. 23)

Some claim that the system of sub-regions has not produced many results (interview no. 23). There was a strong focus on sub-regions when Finland entered the EU fifteen years ago but today sub-regions tend to be seen as less important (interview no. 21). Some even fear that these sub-regional arrangements could be the embryo to new and smaller administrative regions that will take over tasks from the municipalities (interview no. 23). In some cases, the sub-regions installed in North Finland were perceived as ‘unnatural’ on the basis that municipalities in the inner parts of Pohjois-Pohjanmaa do not have very much in common. It is thought that it is instead more important for these municipalities to co-operate within a larger region, i.e., the whole of Pohjois-Pohjanmaa, especially since long distances make it difficult to co-operate on welfare services between municipalities, such as is the case between Taivalakoski and Kuusamo (interview no. 18).

Although a difference in opinion exists among the actors about formalized sub-regional co-operations, the regional actors think that smaller functional region – smaller than the administrative region – are
important. The Raahe sub-region illustrates this importance. Raahe, located on the coast south of Oulu, is the second largest city in Pohjois-Pohjanmaa (see map). Residents of the surrounding municipalities commute to work and studies in Raahe, but in matters of culture, sport, higher education and specialist health care (Oulu University Hospital) it is the city of Oulu that is the magnet (interview no. 19). This example shows that different functions ‘create’ different regions. People commute on a daily basis to work and studies and this pattern ‘creates’ one functional region whereas the less frequent trips to a specialist hospital or to cultural and sport events create another larger functional region. Given that different types of functional regions are clearly important to regional actors, it is argued that political measures must be taken to strengthen them. Pohjois-Pohjanmaa as an administrative region is not promoted by the actors in the same way as the functional regions. The actors tend however to be sceptical about the formal sub-regions primarily established to deal with EU funding. Since the borders of the sub-regions do not necessarily correspond to the regions within which municipalities actually co-operate, it is asserted, cooperation between municipalities will take place even without these formal sub-regions (interview no. 17; interview no. 21).

Regional identity

The name ‘Pohjanmaa’ or ‘Österbotten’ (Eastern Bothnia) in Swedish dates to the time that Finland was a part of Sweden23. The historic region Pohjanmaa covered the current administrative regions Pohjanmaa, Etelä-Pohjanmaa, Keski-Pohjanmaa, Pohjois-Pohjanmaa, Kainuu and the southern parts of Lappi. There seems to be a general agreement among regional actors that regional identity related to Pohjois-Pohjanmaa is weak especially compared to other regions in Finland. Strong regional identities are, for example, found in Karelia and the current administrative region Pohjanmaa24.

Instead territorial identity tends to be related to a smaller entity (the sub-region or the municipality) or to a larger entity (North Finland) than the administrative region:

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23 Compare with the names of the two Swedish counties Västerbotten (lit. Western Bothnia) and Norrbotten (lit. Northern Bothnia) located on the opposite side of the Bothnian bay, Bothnian bay).
24 In Pohjanmaa or ’Österbotten’ the distinct regional identity is very much linked to that this region is dominantly Swedish-speaking.
..if we talk about regional identity from the individual's point of view...there has to be a connection, so you can compare with something else. So it is that people from here they are either from Oulu or from North Finland. (interview no. 28)

Even though the Pohjois-Pohjanmaa identity is not considered as strong there is reluctance to label it as the Oulu region rather than ‘Northern Ostrobothnia’:

...there are other regions in Finland where the identity is tighter, here it is looser, but it is there and you can see it if you take the question of changing the name of the region from Northern Ostrobothnia to Oulu region. We want to have the dynamic impact of the label Oulu but still there are some who want to maintain Northern Ostrobothnia.(interview no. 23)

In the Regional Strategic Programme 2007-2010 for the Oulu region the importance of regional identity is stated. This can be considered as a desire to encourage regional development by encouraging a regional self-consciousness in the whole region and is not intended simply to enhance Oulu City and its label. It can be interpreted as a means of better integrating the inner parts of Pohjois-Pohjanmaa with municipalities on the coast. The Regional Strategic Programme expresses that the whole administrative region is important. Oulu City is already well-known and therefore the focus of attention should be more put on different parts of Pohjois-Pohjanmaa and the contributions they bring in order to create a consciousness about the whole region.

On the other hand, the regional actors claim that strengthening regional identity related to functional regions, and to what industrial profile they have, might be a better strategy than to try to construct an overall Pohjois-Pohjanmaa identity. It is too difficult, they assert, to put different parts of Pohjois-Pohjanmaa under the same regional brand. To take one example, Kalajoki on the coast and Kuusamo, a ski resort area close to the Russian border, have very little in common. It is argued that there simply is no common territorial identity to build upon in Pohjois-Pohjanmaa (interview no. 17).

The question of regional identity is also related to what was outlined earlier about the name of the region. In an international setting, the ‘Oulu region’ is used rather than the literal translation ‘Northern Ostrobothnia’. Oulu is a label that is far more recognizable than Pohjois-Pohjanmaa (though probably not to the same extent as Lapland). Additionally, ‘Oulu’ has also been adopted by municipalities surrounding the Oulu sub-region because they see advantages of being under the appellation ‘Oulu’:
We underline the importance of Oulu as an image, everybody here wants to use it because it has such a good sound… (interview no. 23).

To companies the brand ‘Oulu’ is important because it is known worldwide for advanced IT competence. It is argued that an amalgamation of municipalities in the Oulu sub-region could lead to an even stronger brand (interview no. 26).

Furthermore, regional identity is considered important in the sense that it is an indicator of self-confidence in the region:

I really would like to see the day when people are speaking more about what kind of situation they have. Are they proud or not of their region? They are quiet about those ‘feeling things’…. (interview no. 24)

One allegation made was that in Pohjois-Pohjanmaa people are prone to saying that they “don’t have the capacity” and then sitting back waiting for the money to come along (interview no. 19). This is seen as an expectation that the state, and now the EU as well, will ‘fix things’, thus creating a culture of passivity. Another view was that Oulu has been so successful that actors in other municipalities have perhaps felt that they can never be as good as Oulu (interview no. 19). It is argued that the view in Helsinki is often that North Finland is far away and that there is not much potential. Actors in North Finland tend to think that there is no use in trying (interview no. 19). But the positive development and experiences in Oulu and its surroundings are strong and can be positive to the whole region:

One thing is the attitude…that is brave and forward-looking (…) the successes that we have had have led to this attitude of being successful and being proud of it. (interview no. 23)

The optimistic view sees the development in the city of Oulu as serving as the locomotive to other parts of Pohjois-Pohjanmaa. Many people who have worked and been responsible for Oulu’s success have their roots in rural areas in North Finland and there is a sense of belonging and feeling responsibility to other much less prosperous parts of the region (interview no. 25).

...if not 100 percent, 90-95 percent of people [in Oulu] have their roots in North Finland so what Oulu is today and even what Nokia is today is a result of people from North Finland and that cultural identity is very important. (interview no. 28)

Regional awareness is essential for actors in the region to understand what types of contributions each community can make. One of the
actors affirmed that “regional identity is an important resource” (interview no. 22). Regional actors suggest that the regional council can have a role to play when it comes to strengthening regional identity in Pohjois-Pohjanmaa. Regional identity is related to the cultural heritage and the regional council plays an important role when it comes to preservation of the cultural heritage (interview no. 22). A strong regional institution with increased power over regional development issues can be a gathering force and a way of keeping the region together.

It was pointed out that regional and local actors need a base in order to communicate better on the international arenas. Awareness about and attachment to the region can be this base. With the world ‘getting closer’ it is even more important to have a sense of belonging within the regional and local context (interview no. 22).

6.2 EXTERNAL RELATIONS

Regional councils should be in charge of some strategic areas that are suitable for them to handle, but the importance of state and municipalities is strongly emphasised: “It is important to underline that in Finland there is a strong state and strong municipalities” (interview no. 17). Actors argue that the state can guarantee that the principle of equal treatment is realised (e.g., interview no. 22) and the role of municipalities as providers of basic welfare services is essential (e.g., interview no. 23). The view concerning international contacts, including relations at the EU level, is considered in this section.

Relation to state level

Actors argue that it is necessary that the state steers and launches redistributive measures especially in favour of small and rural municipalities. Pohjois-Pohjanmaa is claimed to be a Finland-in-miniature in the sense that there is a large diversity in business and industry within the region. Hence, the support level has to be adapted to different parts of the region (interview no. 22). Smaller municipalities are dependent on such state-guaranteed support. The state level, it was claimed, has to be in control in order to secure basic services in the whole country. Redistribution is crucial to provide opportunities for people to settle down wherever they like (interview no. 23). This way, it was pointed out, better conditions can be provided in small places, e.g., through IT, but the out-migration especially of young people will probably be impossible to prevent (interview no. 27). However, it is recommended that there will be some limitation to subsidies as too much support risks making municipalities passive (interview no. 22). The
state also has to be responsible for areas like infrastructure and especially the railway system. Municipalities do not have the resources to finance building of massive infrastructure systems (interview no. 23). Some also argue that regional councils and municipalities should be in charge of higher education.

Given the role of various external factors in steering development and growth, the state cannot choose to be in control or not, one actor pointed out. Its ability to steer development and to create growth in peripheral parts of the country by redistributive measures is today limited (interview no. 27).

The ways of lobbying vis-à-vis the state has also changed. Local and regional actors should not wait for the state to solve their problems, e.g., when industries are closed down. The region must find long-term solutions to different challenges:

> We have to look more to the future and be more (...) patient. We have to be able to estimate trends in the future. (interview no. 28)

One actor also claims that the influence of politicians from North Finland is more limited than before:

> “What we are facing here today is a stronger and stronger debate with the national level (...) in the development of North Finland, simply because today our political representation in the parliament and in the cabinet is rather weak, we don’t have so strong position in that field and that means that our lobbying efforts have to be very strong in order to get any developments... (interview no. 27)

As shown in the previous section actors disagree on the extent to which the regional level should be strengthened. For some actors it is important that the regional councils are strengthened because they are the only institutions representing the region.

One of the actors says that the EU highlights the importance of regions and that this is a way of gaining more power vis-à-vis the member states: “Regions gain more power through EU towards their own member governments.” (interview no. 28).

Regional actors agree that the state level has to guarantee equal conditions in the whole country. As long as people want to stay or settle down in rural areas basic welfare services has to be guaranteed. Hence, the principle of redistribution is essential according to regional actors.

**Relation to local level**

The board and assembly of regional councils in Finland are indirectly elected. Hence, the regional councils and other joint authorities do not
have any independent decision-making power. Municipalities are, therefore, key actors both at the local and regional level. The regional council is seen mainly as a complement to the municipalities. It is argued that regional development issues demand a wider perspective and cooperation between municipalities and are thus better handled by a regional institution: “The regional council works as a channel for the municipalities…” (interview no. 21). Municipalities can be stronger in their claims vis-à-vis the state and EU if they speak with one voice and the regional council can be that voice (interview no. 28). The regional council can be a coordinator and create a balance between municipalities especially in Pohjois-Pohjanmaa and other regions where there are major differences between municipalities (interview no. 18). Changes in regional organisation and strengthening of the regional councils might be a way of creating a better balance between different parts of Pohjois-Pohjanmaa, in other words, intra-regional redistribution of resources (e.g., interview no. 17). Another function of the regional council is to provide necessary information to the municipalities about such matters as the EU’s structural funds (interview no. 21).

It is argued that even more power should be transferred to the municipalities; they should have an increased responsibility over regional development (interview no. 17). Today the state provides the solutions and the resources associated with these solutions flow through the national ministries (interview no. 17). But as municipalities have to work together on regional development, regional councils are best apt at taking care of these issues.

Most actors underline that regional councils are important because they will take care of problems that municipalities are too small and the state level too large to handle. Even though some actors commented that they want to see an extension of the tasks of the county councils to include also welfare services, generally the main role of the municipalities as welfare service providers is emphasised:

> It is the municipalities that are taking care of all basic services and that is what counts for the citizens. They need to go to the doctor, they need day-care for their children and this is the responsibilities of the municipalities. (interview no. 23)

Amalgamation of municipalities, it is suggested, is a more appropriate way to deal with challenges. Municipalities should join their resources together; with stronger municipalities there is no need for a strong regional level (interview no. 23).

As regional councils are made up of local politicians, the relation to the local level is about what regional councils can do for the
municipalities. The actors tend to agree that the regional councils can be a voice especially for small, rural municipalities.

The region as an international actor
International contacts in Pohjois-Pohjanmaa like in many other regions have new characteristics. International co-operation on regional and local level used to be about town-twinning and co-operative ventures of more ceremonious nature. Today international co-operation is more strategic, more focused on trade and business and also a more integrated part of the every-day working life both within the public and the private sector (interview no. 17). Internationalisation is one of five statements in the Regional Strategic Programme 2007-2010 for Pohjois-Pohjanmaa. This means, on one hand, making Pohjois-Pohjanmaa an open region where people from all over the world feel included and where different experiences are valued. On the other hand, the statement of internationalisation in the Strategic Programme is clearly aimed at developing the region by using and establishing international co-operation and make Pohjois-Pohjanmaa better known world-wide (Regional Strategic Programme 2007-2010). The regional council has given priority to a couple of strategic co-operation projects with the intent of realizing the international strategy:

The so called Archangel Corridor (connecting Northern Ostrobothnia with Archangel region in Russia), the Barents Corridor and above all the Bothnian Arc international development zone (along the Finnish coasts of the Gulf of Bothnia to Luleå coast on the Swedish side) that links Northern Ostrobothnia to the Motorway of the Baltic Sea realise the international connections and co-operation objective. (Northern Ostrobothnia Regional Land Use Plan, English summary)

It is charged that decision-makers and the public tend to neglect the fact that Finland is an open economy and dependent on the rest of the world. It is not a merely a question of choosing to be more open to the rest of the world, it is a necessity. Actors in Pohjois-Pohjanmaa cannot choose to simply care about what happens in this corner of the world (interview no. 27). It is not because of the choices of regional actors that strategies for development are outward-looking and inscribed in a European context. Rather, development in Pohjois-Pohjanmaa is highly affected by decisions taken on the other side of the world and regional actors have to adjust to this reality whether they like or not (interview no. 27).

The last fifteen years international contacts have been mostly about contacts with the EU system and with other member countries. It is crucial to be present and active in the EU arena and this is not only a
matter of resources but about establishing more and better contacts between people and companies (interview no. 24). The importance of establishing direct links to the EU level is stressed:

We strongly believe that we can say what we really want straight to EU level: what is our situation, our goals, what we are expecting…  (interview no. 24)

We have to use international connections, we have to lobby in Brussels. (interview no. 23)

It is claimed that regional presence in the EU arena has broadened the minds of local and regional actors (interview no. 23). Regional actors have become more aware of the surrounding world and about the importance of having a strategy leading the international contacts. They have also learnt to use experiences from other EU countries. Co-operation with regions in Norway and Sweden have always been in focus in North Finland. The EU membership has opened up new arenas and perhaps most importantly has contributed with resources targeted at co-operation with regions in other countries. EU membership has imposed new premises on regions (interview no. 28). Organisation both at the national and regional level in Finland was not adapted to the conditions set up by the EU and had to be reshaped (interview no. 27).

As decisions that used to be taken on national level now are taken at the EU level, the regions must turn towards EU rather than to the state level (interview no. 24). During the current structural fund period 2007-2013 North Finland consists of one single area of support and this facilitates co-ordination in order to initiate projects within the area. It also means that funding has to be equally divided between different parts of the region:

The authorities have to take into account that they treat all parts of this region in a democratic way, make sure that the southern part of this region and the eastern part of this region and so on they get their share of the funding. (interview no. 27)

One of the actors submitted that the new division has been a disadvantage to the city of Oulu (interview no. 27). Funding has to be equally divided between different parts of North Finland, resulting in diminishing resources to the Oulu City. Projects initiated in Oulu cannot be prioritized even though in Oulu there is ability to add to EU funding. The principle of equal treatment between different parts of North Finland will thus hinder projects in Oulu, projects that would have positive side-effects for the rest of the region. There will also be increased competition when all municipalities in North Finland are
entitled to EU funding. On the other hand, this will make it easier to find partners to be able to obtain a larger share of the funding (interview no. 27).

EU funding has become an important part of resources for regional development in North Finland but the meaning and real contribution of this funding is questioned (e.g., interview no. 27). An inordinate amount of time and resources are spent to prepare for the EU funding, e.g., building of new organisations and networks. Several of the actors interviewed questioned if there is something actually coming out of it:

...we are all the time wondering, “Is it really worthwhile?” All preparations, all the bureaucracy, all the effort we put into series of meetings... (interview no. 27)

It is purported that EU funding has been less important in the Oulu sub-region than in other parts of Pohjois-Pohjanmaa and most projects would have been done even without EU funding (interview no. 25). One of the actors claims that funding from industry, from private companies, is more important than the EU funding (interview no. 26).

There also seems to be a will among the actors to put a renewed focus on the Barents area. To North Finland there is an enormous potential in the Russian market (interview no. 26). The importance of the Barents co-operation is underscored both by the regional council and the chamber of commerce (interview no. 26; interview no. 27). Since Finland entered the EU there is much more focus on what happens in the EU arena. There is a wish that Finland again should turn more towards Russia:

We have a huge country next to Finland, very huge country and we don't use it as much as we could. (...) ...when we joined the EU, almost all of us, we just turned our direction to EU. We travel to EU countries... (...) ...our political leaders, they lost their way to discuss with the Russians... (interview no. 26)

There are still important connections between national elites in Finland and Russia and this is considered as a good point of departure to increase co-operation between the countries (interview no. 26). There is great potential in the Barents area but to release that potential actors have to find partners and co-operate with these partners in an efficient way (interview no. 27). Actors at the regional level are best apt at developing the Barents co-operation but it is also necessary to have increased and better co-operation between the national governments in Russia, Norway, Finland and Sweden (interview no. 26). One of the actors expresses a wish that it would be possible to “forget all the borders” in the Barents area in order to co-operate in a better way
(interview no. 27). One concrete example of what increased co-operation can accomplish is found in the Finnish construction companies; since the construction industry has somewhat slowed down in Finland, companies are working to expand their operations into Russia (interview no. 27).

Clearly the region has become more of an international actor in its own right. International contacts are generally more frequent and the content of the co-operation has also changed. Internationalisation is used as an instrument to enhance regional development by finding new markets and learning from strategies developed and used in other regions.

6.3 WHICH ARE THE NARRATIVES IN POHJOIS-POHJANMAA?

Regional actors in Pohjois-Pohjanmaa tell a narrative about North Finland that is very much dominated by the city of Oulu and where there are major differences between the inner and northern parts on one hand and the coast line on the other hand. Undeniably, in this narrative Oulu with its successful IT industry is the engine for North Finland. But, the narrative also says that Oulu must take its responsibility as a contributor and supporter to the rest of Pohjois-Pohjanmaa and North Finland as a whole.

The narratives in Pohjois-Pohjanmaa on regional policy and regionalisation express different views when it comes to the role of the regional councils. First, there is a difference between political parties in the view on what role regional councils should have. The Centre Party relates a narrative in which the regional level should be strengthened. The Social Democrats and the Coalition Party are more reluctant to regionalisation. The Social Democratic Party advances the classical argument about securing equality between different parts of the country. They argue that the risk with increased power to regional elected institutions is that this will create unacceptable differences between different parts of the country. A different narrative is expressed by the Chamber of Commerce and also by civil servants working with issues related to business. Restructuring of regional institutions and of state regional administration should be a matter of facilitating business development. To these actors it is less important if it is state representatives or politicians at the regional level that take the decisions. Politicians on the other hand want to strengthen the regional councils and see them as better able than state institutions to handle issues of regional development. Regional councils are close enough to the every-
day activities in the region but still have the necessary distance and overview to set priorities between different development projects in the region. The overall narrative says that the regional councils are considered as a complement to the municipalities and that the regional institutions should not overshadow the importance of the local level.

There is also a narrative about strengthening the role of city-regions, i.e., a larger city with surrounding municipalities as an alternative to stronger regional councils. City-regions that correspond to commuting areas could take over regional development issues from municipalities and regional councils.

When it comes to how the term ‘region’ is interpreted it is asserted that the use of ‘Oulu region’ rather than the literal translation ‘Northern Ostrobothnia’ to designate Pohjois-Pohjanmaa can be seen as a sign of the growing importance of regions. The use of the word ‘region’ is itself proof that the level between state and local level is given more attention.

According to the overall narrative regional actors in Pohjois-Pohjanmaa primarily see that the important regions are functional regions. These correspond in some cases to the sub-regions (seutukunnat) set up when Finland became an EU member. There are, however, different views among the actors on the value and use of these sub-regions. Some say that co-operation within sub-regions can be an alternative to amalgamation of municipalities. Others are more sceptical about further formalizing sub-regional co-operation; municipalities can co-operate even without these sub-regions. The functional region plays, however, a main role in the narrative. Different functions create different types of functional regions – labour-market, education, health care, etc. Some actors say that the current division into sub-regions does not correspond to the ‘real’ functional regions. Thus, regional actors tend to agree with one of the fundamental characteristics of the new regionalist perspective, namely, that administrative regions should correspond to functional regions.

North Finland is also to some extent judged by the actors to be an important region. Similar problems and possibilities in the region may serve as motivation for increased cooperation in North Finland. Regional actors see that it is important to come together in the north to find a common profile and accumulate resources in order to influence the state and EU level.

When it comes to the importance of regional identity the regional actors talk about regional self-confidence and branding of the region. They tend to agree that there is a weak or no historical identity in Pohjois-Pohjanmaa. The territorial identity is instead linked to the functional regions mentioned before, the local community and/or to North Finland as a whole. Regional actors put forward the idea of
instrumental aspects of regional identity; a sense of belonging to the region can be used to increase self-confidence and regional and local actors will be better at branding the region. This awareness of the region can be characterised as new regionalism. Branding the region in order to become an important actor both in the national and international arena is seen as crucial. Awareness of the region is essential in the sense that it creates a basis for regional self-confidence and increases the ability to compete better with other regions. This branding is not built on a historical identity but rather on the business and industry branches that are strong in Pohjois-Pohjanmaa. Such branding of Oulu sub-region is linked to its role as a centre of IT whereas in the eastern part of Pohjois-Pohjanmaa branding is based on the ski resort area.

In the Oulu sub-region there is self-confidence because of the successes this part of Pohjois-Pohjanmaa has had and because of its position as one of the largest agglomerations in Finland. The overall narrative is about the large differences in development within Pohjois-Pohjanmaa. Regional actors suggest that municipalities in the inner and more rural parts of the region can learn from Oulu but they also maintain that Oulu must be supportive to the rest of Pohjois-Pohjanmaa. This is also seen as a question of solidarity with North Finland as a whole. It is claimed that the success and branding of Oulu sub-region can spill over to other more rural parts of the region. The city of Oulu is a strong centre in North Finland and has already managed to earn an international reputation within the IT industry. Regional actors claim that actors in Oulu and surrounding municipalities have to work to contribute to good conditions in rural areas of Pohjois-Pohjanmaa. For example, the idea of technopolis is transferred to other small municipalities. It is argued that the sense of belonging together in North Finland can fuel regionalisation. If the regional councils are stronger then the regional actors can decide on incentives in order to secure development in all parts of the region.

Moreover, the overall narrative is about that the state guarantees equal conditions in the whole country, and especially in small, rural municipalities. Regional actors maintain that the state must be ‘in charge’ and take responsibility, but this does not mean the region relying entirely on the state. Regional and local actors have to find long-term strategies to avoid “panic reactions” to different challenges. The narrative in Pohjois-Pohjanmaa is also about redistribution within the region. Strong municipalities, especially Oulu City should take responsibility for development in North Finland as a whole.

According to the overall narrative, international contacts have become an important part of the work of regional and local actors. International co-operation, including the EU, the Barents co-operation and co-
operation with regions in the other Nordic countries is considered as an important part of enhancing regional development. The Oulu subregion has become an international actor in its own right. As well, in Pohjois-Pohjanmaa as a whole international contact have become part of everyday activities. It is purported that this is not a matter of choice – regional and local actors have to deal with internationalisation and they especially have to follow the EU path. EU membership has profoundly changed the terrain of international co-operation. To follow the EU path is a necessity but it is also questioned whether all the efforts and work that regional and local actors put on this really give as much outcome as can be expected.

Another narrative interprets the strong focus on the EU as being problematic, as overshadowing other possibilities for establishing international contacts, especially with the large eastern neighbour Russia. Finland has a long tradition of contacts with Russia and it is claimed that these contacts must be reinforced in order to take advantage of the potentials in business relations with North East Russia.

To profile the region in an international and European context has become necessary and, this comes natural as international contacts (especially in the Oulu sub-region) have for several decades been part of everyday activities in the business life. The region itself could play a large role in the international sphere, it is alleged, but is hindered because it cannot choose the contacts for itself – the EU focus tends to overshadow other possible contacts.

The overall narrative is about the domination of Oulu both in Pohjois-Pohjanmaa and in Finland as a whole. Every region has one or several centres attracting people and investments from other parts of the region but when it comes to North Finland the situation is somewhat extreme. Regional actors tend to claim Oulu City as an engine for the whole region and that the rural parts can benefit from the development in the city of Oulu. They concede that Oulu City is capable of managing on its own but argue that redistributive measures are necessary to create good conditions for people in all parts of Pohjois-Pohjanmaa and North Finland. The most fundamental characteristic of the centralist redistributive policy is that regional policy aims at creating territorial equality by means of redistribution. This also characterises the view of regional actors in Pohjois-Pohjanmaa, that there is clearly a dependence on the state. But regional actors also see that it is necessary for the region to find its own strategies for survival and development. This can, however, only be accomplished within the frames that the state gives to local and regional institutions.
7. **Västerbotten: a stronger “Norrland” and increased regional control over resources**

From Pohjois-Pohjanmaa in North Finland I now move the focus to the last of the three regions to be considered in this study, Västerbotten. Västerbotten is the second northernmost county in Sweden and has a population of 257,800 inhabitants. Like Troms and Pohjois-Pohjanmaa, Västerbotten is characterised by low population density and long distances to the main markets and political centres. It is therefore considered peripheral. The regional economy is mainly based on natural resources but the public sector is the largest employer. Umeå stands out in a comparison with all other municipalities in the four northernmost counties. Umeå has grown constantly over the last decades at the same time as the population of the rest of the county has been heavily reduced. People tend to migrate from the inner parts of Västerbotten to Umeå and to the south of Sweden.

I will follow the same structure as in the two previous chapters. In the first section, I will present the findings from the empirical material and in the second section the narratives in the region will be summarized and analysed using the two ideal types. The first section will be divided into one part where regional actors’ view on the role of the region is considered and one part where the views on external relations, i.e., relations to state and local level as well as the international aspect are outlined.
7.1 THE ROLE OF THE REGION

In this first section the view of regional actors concerning the role of regional institutions will be considered. Linked to this view is their conception of the term ‘region’ and the degree of importance that the regional actors give to regional identity.

Regional institutions

In chapter four it was shown that regionalisation has been on the political agenda in Sweden for quite some time though it is particularly highly debated today. The debate has been characterised by three main perspectives on the role of the regional level. According to the first
perspective the state representative in the region, i.e., the county administration board, should be in charge of regional development; the second perspective defends the establishment of directly elected assemblies at the regional level and the third perspective advocates that inter-municipal co-operation be in charge of regional development.

In Västerbotten the establishment of Västerbotten Council, *(Västerbottensrådet)* was an attempt to get increased regional influence and to co-ordinate incentives between different parts of the region. This attempt was, however, not successful. Instead the municipalities and the county council reached an agreement in the beginning of 2008 to establish a regional co-operation council, *Region Västerbotten*. Region Västerbotten is led by a board of representatives from the municipalities, thus it is an indirectly-elected regional institution. In February 2007 the Committee of Responsibilities presented a Report where they proposed changes in the division of responsibilities between the different levels in the political system and restructuring of the political geography of Sweden. The Committee proposed that the existing county councils would be replaced by new regions led by a directly-elected assembly. The intention of the Committee was that the new regions should cover larger territories than the current county councils. Regional actors in Västerbotten are in favour of a new administrative and political region led by a directly elected assembly and covering a larger territory. This new regional assembly is proposed primarily to handle health care and regional development. Regional actors claim that a new administrative region will be more rational for administration of health care but also for regional development tasks. The administrative borders should not divide existing labour-market regions like they tend to do today (SOU 2007:10). There is not unanimity on extending the territory and giving more power to the directly-elected regional institution. Some actors are strongly in favour of larger regions whereas others are more hesitant and some even argue that there is no need for a regional level.

One of the strongest arguments put forward by those in favour of a larger region is that it would make it possible to manage health care in a better way. With a larger region, administration can be reduced and this will release resources and thus enable a better provision of health care:

> [It is possible to] cut a third of the bureaucracy...administration corresponding to ONE county council will be cut (...) and the money can be used for health care instead. (interview no. 33)

25 *Region Västerbotten* is the name that the co-operation got but it should not be confounded with other interpretations of the term ‘region’ discussed later in the chapter.
It is also argued that within a larger administrative region it will be possible to gather more resources for investments in projects to enhance regional development (interview no. 39; interview no. 35). A larger region would also be beneficial to companies since public strategies and investments will be the same in Västerbotten and the neighbouring counties Norrbotten and Västernorrland. This would be a change from today when there can be differences between the counties in conditions set up for trade and business (interview no. 40). In addition, it is claimed that the region within which people move is continually increasing in size because of constantly improving communications. Consequently, people’s space of movement is expanding, and this results in the motivation to establish a larger political and administrative region:

...we travel further to our jobs, we go further for leisure (…) The geography is growing. People identify with a larger setting. (interview no. 36)

Democratic arguments for a larger region are stressed by the regional actors. The regional level is an important brick in a democratic system where one of the leading principles is that decisions should be taken as close to the citizens as possible (interview no. 32). One of the actors mentions that even though people tend to worry that decisions are going to be taken even further away with a larger administrative region, it is rather the other way around as many tasks will be transferred from the state level to regional level (interview no. 36). Within a new region, directly elected representatives will make decisions on incentives for regional development rather than state civil servants at the county administration board. With increased regional control, decision-making will be more transparent and it will be easier to hold policy-makers accountable for their decisions. Another argument is that actors will feel more responsible to take action if they have real decision-making power (interview no. 35).

It is also put forward that regionalisation means that actors will see beyond what happens within their own sphere:

The most important thing is that it is regional actors, the politically elected, that are in charge… (…). Because you struggle more and you see the best of the whole region compared to if everything is centralized. (interview no. 31)

It is also argued that larger administrative regions will be better adjusted to the European geography (interview no. 32). This is linked to the argument that the creation of a new directly-elected regional institution with increased power will be a better ambassador for the region. Today the county governor represents the region and there have been concerns expressed about this office representing the state at the regional level. It
is asserted that it would be more legitimate if a directly elected institution represents the region as is the case in many other regions in Europe. It is argued that the creation of a larger region is important in order to have a stronger voice and to be able to compete with other parts of the country:

If we don’t create a larger region we will be “losers” compared to Skåne with one million people. (interview no. 33)

Future regional politicians have to be ready to take a larger geography into account and be responsible for regional development within an extended region. Today, county council politicians are more anonymous than local and national politicians and county elections are considered as second-order elections. Health care is one of the policy areas that people care most about and therefore it is to some extent a paradox that county elections are somewhat neglected by voters (interview no. 39). It is stressed that a new administrative region will make the regional level better known and ‘upgrade’ the status of regional politicians (interview no. 36).

Originally the Swedish county councils were established to deal with issues that the municipalities were too small to handle on their own. The tax base especially in small municipalities is not large enough to provide all the obligatory welfare services. It is stressed that with a political institution covering a larger territory it is possible to redistribute resources between municipalities and thus secure a reasonable standard on welfare services in all parts of the region.

The Danish regional reform is mentioned in the interviews. In Denmark the county councils were replaced by larger regions with less tasks and no fiscal power and it is argued that this is not a model for Sweden (interview no. 36). With such a model it would be even more difficult for regional government to steer policies for regional development as they would not have any resources of their own. Transfer of responsibility must be accompanied by transfer of resources. With such a model it will also be more unclear who is to be held responsible when there is lack of money (interview no. 36).

The debate on regional reform in Västerbotten and in Sweden as a whole is to a large extent a question of how to secure a good public health care in the forthcoming years. Health care is by far the largest expense item for the county councils and therefore regional politicians are mainly concerned about how to finance and administrate health care in a more efficient way. Moreover, the strong focus on health care is tends to overshadow other issues such as regional development (interview no. 38). The argument about the necessity of a larger territory
to finance and administrate health care, it is alleged, is only used to convince more people about the idea of new regions:

[we don’t need] larger regions to finance health care (...) It is just some kind of argument that is put forward to make more people buy the idea [about a larger region]. (interview no. 42)

As health care is a key issue for the citizens this argument might have a convincing effect. One actor underlines that region-building will not be the remedy to all problems: “It won’t start raining manna from heaven just because we establish a region” (interview no. 32). In addition, it was questioned whether a large entity really is more efficient than a smaller one. One of the actors takes the example of Region Halland that has a small population but where the county council has a good economy compared to many other counties. The situation in Region Halland, it was asserted, gives an indication of small regions being more efficient and better apt to provide good quality on health care to the citizens (interview no. 29). Perhaps regional development, it is argued, is best handled within a larger region but instead of creating a larger region these issues can be handled by a joint regional co-operation for the four northernmost counties. The claim is that it is more important that health care is handled by a directly elected assembly because people generally do not care about regional development issues, but they do care about health issues. Those in favour of a larger region, it was charged, are too focused on the form of regional organisation and tend to forget what is best for the citizens have to be kept in focus:

The organisation gives incentives but organisation and organisational changes are never the solution. (interview no. 29)

In addition, it is claimed that the creation of a larger region is a project that a very small group of people supports, cares about or even knows anything about. It is argued that Sweden is actually too small to have regions (interview no. 30; Response from the County Administration Board to the Committee of Responsibilities).

Others argue that a larger administrative region in North Sweden runs the risk of continually being divided. The old counties will persist in the minds of politicians and civil servants and a new administrative region will be too large to handle (interview no. 37).

In the Report from the Committee of Responsibilities the regions of Västra Götaland and Skåne serve as models for regionalisation in the rest of Sweden as well. One of the interviewees in Västerbotten stressed that there were difficulties in Västra Götaland from the beginning but now the new administrative region has settled (interview no. 41). One positive
effect of forming a larger region is the national decision to support road and railway investments in West Sweden. According to one of the interviewees actors in West Sweden would not have succeeded if they had not joined together in their efforts to influence the Swedish government to make investments in infrastructure in the region (interview no. 41).

Major differences between different parts of Sweden, it was noted, make it necessary to combine the idea of a strong region with national redistribution:

If the regional idea, the strong region is not combined with some sort of national or overall redistribution then I think the inequalities will grow and the differences in access to service [will increase]. (interview no. 32)

Territorial redistribution is also claimed to be a matter of solidarity between generations. The situation is described as younger working people moving to the cities and their care-demanding parents staying in the inner parts of North Sweden (interview no. 32). Some of the actors proposed that different conditions in the country be receptive to different solutions; e.g., the Västra Götaland region can have a larger responsibility for infrastructure than many other regions. It was noted that the arrangement on the island of Gotland where the municipality is in charge of health care (and not the county council as in the rest of Sweden) has not been questioned (interview no. 34).

On the other hand, it is also claimed that regionalisation of Västra Götaland and Skåne cannot, nor should it, serve as a model for the whole country (response from the Västerbotten County Administration Board to the Green Paper, Committee of Responsibilities). It is claimed that it takes strong state actions to try to overcome the particular conditions of North Sweden (sparse population and long distances) and to create incentives for regional development. The proposal of the Committee of Responsibilities suits the more densely populated areas of Sweden but is less adapted to other parts of the country. The county administration board also claims that existing regional partnerships are a good way of combining state control and regional influence.

The region as agent of development?
The actors argue that the responsibility for regional development issues should be regionalized. There is clearly better knowledge about regional and local conditions among actors in the region than at the state level. They can also set better priorities between different areas:

…the state should finance regional development…(…)…but we should decide ourselves on how we use the money. (interview no. 33)
Even though responsibility for regional development issues formally is divided between the county administration board, Region Västerbotten and the county council, it is argued that it is the county administration board that is de facto in charge because it has the main part of the resources (interview no. 37). Region Västerbotten and the county council only have control over the ‘rhetoric’ as they are involved in establishing development plans but a lack of resources hinder them from acting. Umeå and Skellefteå municipalities are also important actors, e.g., as they are able to co-finance infrastructure projects (interview no. 37).

Regional actors see regional policy as shifting from an emphasis on economic development and creating job opportunities to a focus on attracting people, both tourists and new residents, by making the region more attractive in a wider sense. Enhanced development of cultural activities in Västerbotten is part of the aim to make the region more attractive (interview no. 39). Unlike in the neighbour county of Norrbotten, Västerbotten has many small villages and communities. Thus, there is a potential that the whole region shall live:

[Västerbotten] has many small communities, many small villages, there are people everywhere. (…) In Norrbotten there is Luleå and Boden and Kiruna and in between there is almost nothing… (interview no. 35)

This quotation demonstrates that there is a belief that good conditions can prevail throughout Västerbotten. Unlike its neighbouring county, Norrbotten Västerbotten is widely populated with many small villages and communities.

The actors also stress the crucial importance of Umeå University to the development in Västerbotten. In recent years, the university and others have invested in business incubators to encourage researchers to commercialize their findings. In addition, on a global scale there has been a constant and high demand for timber, forest products, steel, etc., which has had a positive impact on the industry in North Sweden (interview no. 38).

Actors in Västerbotten are, it was asserted, as likely as actors in other regions to be agents of their own development, but North Sweden must be given the possibility to act upon this:

…it is unfair that Skåne and Västra Götaland have other prerequisites for development (…) Skåne is merging with Copenhagen and Västra Götaland is really strong with Göteborg and the link to Oslo. We should also have this chance, North Sweden must be given the same chance… (interview no. 36)

One actor claims that the ability of the region to handle challenges on its own depends on the people involved in the process. When it comes to
regional development in North Sweden there is a need for people who do not only focus on the university, the university hospital, and the large companies but who are also interested in and see the necessity of development of small businesses (interview no. 34). Strategies for development of specific industry branches are sometimes developed at the national level and these strategies should be given priority in the whole country. It is claimed that, if they have increased decision-making power when it comes to regional development policy, regional actors would be able to choose not to follow the national strategies but to give priority to areas important to North Sweden (interview no. 40).

Some actors claimed that the ideological dimension when it comes to regional development policy is weak compared to welfare policy (interview no. 31; interview no. 29). Therefore, it is not necessary that a directly-elected regional assembly be in charge of regional development issues. The indirectly-elected regional co-operation council is a more appropriate institution to handle these issues (interview no. 29).

To illustrate how North Sweden (and Northern Scandinavia in general) is often viewed as a part of Europe that is lagging behind, one of the actors interviewed describe that during the preparations for the current Structural Funds period the European Commission turned to regional actors in North Sweden asking, “How much does your misery cost?” (interview no. 31). When the present general director of DG Regio stated her position she was instead asked, “What is your development potential? What kind of policy do you want to see in the future?” (interview no. 31). These questions reflect the double image of these regions – on one hand, an image of out-migration, low population density and long distances that are obstacles to business development and provision of welfare services and, on the other hand, the image of an area with great potential from exploitation of natural resources and related industries as well as development of the tourism industry.

Most of the regional actors stress the importance of strengthening regional government and are in favour of a larger administrative region. Their main arguments are that a larger region is necessary to finance health care. It will also be possible to gather more resources to invest in projects to enhance regional development and decision-making will be brought closer to the people. Power will be transferred from the state to directly-elected regional institutions. There will be better accountability because elected politicians are in charge rather than state civil servants. Other actors express a different view that a two-level system would be more appropriate because there is no need for an intermediate level between local and state level in a small country like Sweden.
The term ‘region’

In this part how regional actors view the term ‘region’ will be considered. Among the county politicians the important region tends to be the larger administrative region currently debated:

…for me as a county politician the most important issue at the moment (…) is a larger geographical entity within which we can co-operate (interview no. 35)

Because of the on-going regionalisation debate regional actors call attention to the four northernmost counties being seen as one single region (e.g., interview no. 37). The Committee of Responsibilities states in its report that the new administrative region should cover a territory with at least one million people (SOU 2007:10). The first idea launched by actors in North Sweden was to form a ‘Norrland region’ that would include the counties of Norrbotten, Västerbotten, Västernorrland and Jämtland. However, it was impossible to reach an agreement on this and therefore politicians in Västerbotten instead agreed to request the government to create a larger region together with Norrbotten and five municipalities in Västernorrland. In the beginning of 2009 the government decided to further investigate the consequences of a regionalisation reform and this was seen as a possibly re-opening for a proposed new administrative region that would include the four northernmost counties (interview no. 32). The regional actors only speak about the ‘region’ as Region Västerbotten, i.e., the formalized co-operation between municipalities and the county councils on development issues established to a limited extent in the beginning of 2008.

Regional actors also talk about the importance of labour-market regions, e.g., Dorotea with surrounding municipalities including Strömsund in Jämtland County (interview no. 34) and the Umeå region including Umeå, Robertsfsors, Nordmaling, Vindeln and Bjurholm. Umeå and Örnsköldsvik in the neighbour Västernorrland County is sometimes also mentioned as a labour-market region. It is stressed that the administrative borders should be more logical, that they ought to correspond better to existing functional regions (interview no. 41). More logical political and administrative regions will create better incentives for better functional regions:

People travel by bus and car to commute between Örnsköldsvik and Umeå and thus it can be seen as a joint labour-market region (…) but it is more important and there would be a better labour-market region if we (...) created a political region as well. (interview no. 35)

The understanding of ‘region’ also depends on whether it is a question of commuting to studies or work (the possibility to commute in one day to
other municipalities are, of course limited in most parts of Västerbotten because of the large distances) or if it is a question of going to the hospital that is located further away (interview no. 34). It is also suggested that co-operation to enhance development within a specific industry branch can also create a region, e.g., the BioFuel region (interview no. 41). One of the actors suggests that the current term 'län' (county) should be used rather than 'region' for the new administrative entity in order to underline the distinction between the labour-market region and the administrative region (interview no. 34).

Through new infrastructure projects, especially the coast railway, the Bothnian link (*Botniabanan*) that is currently being built between Nyland south of Örnsköldsvik and Umeå, it would be possible to create a larger labour-market region including Umeå and its hinterland as well as Örnsköldsvik:

…people commute within the Umeå region, it is a labour-market region and I am sure it will also include Örnsköldsvik with building of the Bothnian Link.  
(interview no. 41)

Building of the Bothnian link is an example of how infrastructure projects can draw new borders and contribute to the creation of functional regions. The new railway will link the cities of Umeå and Örnsköldsvik closer together (interview no. 41). If there were to be an extension of the coast railway to the north linking Umeå with Luleå and even further with Haparanda and Tornio in Finland, this will probably once again change what is seen as the important region. This demonstrates that a region is not a static concept and that the borders of regions are constantly changing:

A region can change, actually it depends on which issue you are talking about…the geography can be different things… (interview no. 42)

Different functions, such as health care, labour-market, etc., create different territorial settings and improved infrastructure and communications broadens what is seen as a region.

There are also different (historical) ties that cross the existing administrative borders. The municipalities of Dorotea and Åsele in the southern part of Västerbotten have in some aspects stronger ties to Östersund in Jämtland County and Örnsköldsvik in Västernorrland County than to Umeå (interview 34). One of the actors mentions Upper Norrland, Övre Norrland, i.e., Västerbotten and Norrbotten as a single region, because there is a common labour-market and some sort of common identity within this region (interview no. 37).
The transnational area known as the North Calotte (Nordkalotten)\textsuperscript{26} is also mentioned as an important region (interview no. 30). One actor mentions the national focus on the co-operation within the Baltic Sea region and the ambition to include also Västerbotten in this co-operation. While there are common conditions and challenges in this area, it is questionable whether it can really be considered a region (interview no. 31). The functional trans-national regions of interest for Västerbotten are instead co-operation with the city of Vaasa in Finland and with counties in Norway. Increased and more profound co-operation with the neighbour regions is, however, also difficult because of the long distances (interview no. 31).

Some of the actors underline that ‘region’ is a very modern word, a ‘buzz’ word and that it is used in so many ways without really being defined:

> I think it is a bit problematic that the word region is used so much, in many different contexts. You constantly have to think what does it mean...? (interview no. 36)

> ‘Region’ is multifaceted. A region can be anything... (interview no. 31)

‘Region’ is used when talking about the administrative regions of Västra Götaland and Skåne but at the same time it is used when talking about the labour-market region around Umeå. It is claimed that region is a term used to define many different things, e.g., both formalized and non-formalized co-operations between municipalities, labour-market regions, etc., and it is argued that in the end it does not mean much (interview no. 29).

Regional actors talk about the region on different levels, ranging from a number of municipalities co-operating (e.g., the Umeå region) to transnational regions. Regional actors, however, focus on the region as an administrative unit covering a larger territory than the current county.

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\textsuperscript{26} The North Calotte is in the strict sense the part of Scandinavia that is located above the polar circle. The North Calotte co-operation include Nordland, Troms and Finnmark counties in Norway, Norrbotten county in Sweden and the regional council of Lappi in Finland. The Barents co-operation is wider and in addition to the regions of the North Calotte co-operation it also includes Murmansk, Karelia, Arkhangelsk, Nenets and Komi in Northwest Russia, Västerbotten County in Sweden and Pohjois-Pohjanmaa and Kainuu in Finland. It was initiated by the Norwegian government in 1993. Since then co-operation within Barents has become more of a focus than the North Calotte co-operation (e.g., Svensson, 1998, Keskitalo, 2002, p.286).
**Regional identity**

The overall view among regional actors interviewed is that the local identity is stronger than the ‘county identity’. They also claim that there is some sort of identity linked to the extended region, a ‘Norrland’ identity:

…not many people see themselves as primarily from Västerbotten, people identify as coming from Umeå or Skellefteå or Dorotea or Norsjö… And it is almost like the next step is to identify with Norrland. (interview no. 33)

When it comes to identities within Västerbotten the actors particularly draw attention to the distinction between Umeå, Skellefteå and the hinterland. Regional actors in Västerbotten are sceptical about giving too much importance to regional identity when it comes to region-building (e.g., interview no. 32).

In Stockholm and the rest of southern Sweden, people from North Sweden are most of the time defined and define themselves as norrlänningar (people from Norrland). Effectively there is some sort of belonging within the extended region Norrland (interview no. 39) but it particularly seems most relevant when people from the north are elsewhere in Sweden. The Norrland identity is formed in opposition to Stockholm and the rest of south Sweden. The concept Norrland also tends to have a pejorative meaning (e.g., interview no. 38). It is asserted that since the 1960s when the Norrland issue (Norrlandsproblemet) was formulated in national regional policy the concept has a connotation of backwardness (e.g., interview no. 39). Even though regional actors emphasise the ‘Norrland’ identity, and local identities in particular, as more important they also see some sort of identity related to Västerbotten County. Västerbotten has existed as an administrative region for a long time and therefore the term has had time to settle in people’s minds (interview no. 29). It was also mentioned that media, e.g., the regional TV news ‘Västerbottensnytt’ plays a role in creating some sort of belonging in the region (e.g., interview no. 29), and this sense of belonging is enhanced by the economic structure. In Västerbotten entrepreneurship, small-scale production and innovations are more dominant than in the neighbour county Norrbotten. The label Frisinnade Västerbotten is mentioned by one of the actors to designate Västerbotten.

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27 In a strict sense Norrland includes the counties of Norrbotten, Västerbotten, Västernorrland, Jämtland and Gävleborg. The ‘Norrland region’ referred to in the regionalisation debate does not include Gävleborg.

28 The regional news (SVT – Swedish public service television) used to cover both Norrbotten and Västerbotten but today there are two separate emissions for the two counties.
as a region with a social-liberal political tradition linked to the Free Church movement and the temperance movement (interview no. 35). Norrbotten is in comparison to Västerbotten a county characterised by heavy industry and a strong labour movement tradition. It is claimed that these differences in the way of thinking between Västerbotten and Norrbotten can make it more complicated to create a larger administrative region (interview no. 35).

Some of the actors also talk about ‘Lapland’, a concept linked to the Sami population. The term ‘Lapland’ tends to have a connotation of colonialism and is associated with the time when the south started exploiting the north for natural resources. From an outside perspective Lapland covers the whole of Northern Scandinavia:

...northern Scandinavia is Lapland. That is what we are famous for outside the country, nobody knows about Norrland so when it comes to branding I think that Lapland is the strongest brand we have. (interview no. 39)

One actor stated that it is positive that within a certain territory there are factors that create a sense of belonging such as common values, a similar dialect, etc. (interview no. 34). This is important not only for prosperous regions but also for weak regions characterised by out-migration and an ageing population (interview no. 34). It is important to feel proud of the region if one is to be willing settle down here (interview no. 32).

Regional actors in Västerbotten argue that regional identity must not be decisive for the establishment of a new region. Even if a ‘Norrland region’ is established people will not start identifying more with Norrland; they will still define themselves with the city or community where they come from and/or live (e.g., interview no. 33).

Several of the actors compared themselves to the case of Skåne in South Sweden, where it seemed ‘natural’ to merge the two counties Malmöhus and Kristianstad into one region as there is a very strong sense of belonging to Skåne as an identity. In Västra Götaland, there was an active campaign to promote the new administrative region and to create a common image of the region:

In Västra Götaland they try to create a sense of belonging to the administrative regional level that you don’t feel exist today. (interview no. 29)

It was, however, questioned whether it is rational to put effort and resources into creating a regional identity that does not exist from the beginning (interview no. 29).

The claim was also made that regional identity and strong awareness about the region are not necessarily something positive. Identity does not matter much, according to some, and one should perhaps even be
cautious about putting too much focus on regional identities (interview 32):

I am not very keen on the idea of cultural identity or some sense of belonging... I rather have an idea (...) about a region that is rational in an administrative sense. (interview no. 32)

Despite different ways of considering the importance of regional identity to region-building, the actors tend to agree that the identity issue must at least not be the decisive factor when it comes to the creation of a larger region in North Sweden.

7.2 EXTERNAL RELATIONS

As in the chapters on Troms and Pohjois-Pohjanmaa I will in this section consider the view of regional actors on the relationship of the state and local level. Thereafter, the view on how international contacts are used and can be used to enhance regional development is outlined.

Relation to the state level

It is claimed that since the beginning of the 1990s regional policy in its traditional meaning has ceased to exist (interview no. 38). The state does not take responsibility the way it formerly did. The government transfers an amount of money to the county administration boards and it is their responsibility to use the money in their own way (interview no. 40). During the 1980s there was a tendency to make strong claims for help from the state but during the 1990s this changed and if “we wanted something done we had to do it ourselves” (interview no. 40). The state does not react when regions need help the same way as before and come to their ‘rescue’.

Even though as shown earlier there is a strong wish to increase the power of regional institutions, the importance of overall responsibility of the state level is firmly stressed. The state level must still be responsible for redistribution to smooth out differences in conditions between different regions (interview no. 32). It is claimed that the state can and should take responsibility. The state must be supportive towards lower levels but the support does not only mean financial support, it can also be interpreted as transfer of responsibilities:

The assignment of the state is to be supportive towards the region because together we agree that there are tasks that are best handled on this level. State and region agree on that. (...) Support does not necessarily mean money, traditional subsidies to rural areas... it has not always been so efficient... [Support] is also to transfer responsibility... (interview no. 36)
It is argued that the state should support the regional and local level by giving them the right to decide on certain issues, e.g., infrastructure and culture with relevance for development of the region. This does not exclude regional actors having to be ready to take their own initiatives and use the resources they are given in a considered way (interview no. 31).

Relation to the state level when it comes to regional development issues is, to a large extent, seen as a matter of the relation to the state representative in the region, the county administration board (länsstyrelsen). There is a clear distinction between different regional actors in Västerbotten when it comes to the view of the role of the county administration board. There are arguments that the county administration board should be in charge of controlling and surveying the implementation of state policies as well as working out strategies for regional development (interview no. 30). Conversely, most actors think that the county administration board cannot have both control functions and be in charge of large development programs and strategies at the same time (e.g., interview no. 37; interview no. 33; interview no. 41). Rather, most of those interviewed want the role of the county administrative board to be exclusively a controlling role:

[The county administration board] is an authority, it should control, take over some surveying tasks…not like they do today, initiating development projects and write county strategies. (interview no. 41)

Some assert that there has to be a separation between initiating and forming policies on one hand and surveying and controlling implementation of policies on the other. The directly elected representatives should be in charge of finding strategies for regional development and not civil servants at the county administration board. Related to the claim that the state representative only should have a control function is the claim that some tasks should not, as have been suggested, be transferred to the county administration boards. Some tasks are best handled on local level (e.g., environmental protection) (interview no. 39). In recent years there has been rapid closing of local offices. One of the actors reasoned that this is a problematic development as it is important that state authorities are present at the regional and local level. It is not possible to be in Stockholm and know what happens in the rest of Sweden in the same way as it is not possible to be in Brussels and know what happens in the rest of Europe (interview no. 34).

In its response to the proposal of the Committee of Responsibilities the county administration board claims that to create intra-
interregional balance it is indispensable that the state is the main actor at the regional level. The county administration boards in the northernmost counties, it was stated, have a much stronger role in practice than county administration boards in other parts of Sweden where public resources for regional development are less important (interview no. 40). The new model suggested by the Committee of responsibilities that presents a new role for the regional state administration will not strengthen the state’s possibilities to handle regional differences. Opponents to the committee’s proposal say it is possible to combine controlling functions with strategic work for regional development and the county administration board already has the competence to deal with regional development (Response from Västerbotten County administration board to the Committee of Responsibilities).

The Committee of Responsibilities proposed that the county administration boards and other state authorities at the regional level preferably should have the same geographical boundaries as the new administrative regions. This principle also seems to be important to the regional actors. It is underlined that if the geographical boundaries were identical the county administration board could be a better co-ordinator for the different state authorities at the regional level (interview no. 33; interview no. 39).

Regional actors argue that the state must act supportive to the lower levels. This does not mean only in terms of financial support but also that the state must be willing to disburse tasks that are considered better handled at the regional or local level. The actors wish to have a strong region and more power to decide and use resources for regional development but this must be combined with the national interest in order to secure equal conditions. The overall view is that the administration board should not be a regional development actor. These tasks should be handled by directly elected representatives.

**Relation to local level**

It is claimed that the link between current county councils and the municipalities is weak and that a new larger region must make efforts to strengthen this link. People are closer to their city or village and therefore actors on regional level have to be aware of what happens on local level: “Even though you have a regional perspective you have to work with local actors…” (interview no. 39). Regional actors stress the importance of strong municipalities and that the regional level should complement the local level (interview no. 37; interview no. 34). Issues that demand a larger territory should be handled at the regional level. Actors emphasise that it does not mean that a regional assembly should be superimposed on the municipalities. The regional level is particularly
important to small municipalities as it will guarantee that all parts of the region are taken into consideration and not only larger municipalities (interview no. 34). There is an aim to create intraregional balance and place different functions in different places in the region and not concentrate all functions in one city, i.e., Umeå (interview no. 33). Actors in each city/place must be allowed to make their own decisions, e.g., when it comes to health care (interview no. 33).

Local politicians are concerned about what happens in their own municipalities and they tend to be ignorant about what happens elsewhere. The regional level can therefore play an important role and be the co-ordinator between different municipalities. The regional level is:

a sort of ‘mediator’. Local politicians fight for their own municipality and therefore there is a need for this level to smoothen out differences. It can be a question of large investments, infrastructure... An intermediate level which takes an overall responsibility. (interview no. 37)

A strong regional level can also make it easier to coordinate incentives, e.g., for gender equality and business development between municipalities, the county council and the county administration board. This would lead to a better efficient organisation that can accomplish more (interview no. 32). It would also create a balance between different municipalities. For instance, today large municipalities can have separate organisations dealing with gender equality and business development whereas this is not possible in smaller municipalities (interview no. 32).

Regional actors especially signaled the poor economic situation of many municipalities. It is sometimes suggested that the solution to the economic difficulties is to amalgamate municipalities but the actors interviewed disagree on whether this is really the answer. One actor claims that “two empty bags would not make one full bag” (interview no. 34); i.e., two poor municipalities if merged will not be one rich municipality. The solution can instead be to further increased co-operation between municipalities. It is asserted that as long as people move from the smaller municipalities to Umeå rather than to other regions it is possible to redistribute resources within the region and in that way help small municipalities (interview no. 32). In addition, as long as there is an income equalization system there is no limit to how small a municipality can get in terms of population (interview no. 37).

The overall view is that a directly-elected regional institution should be in charge of regional development issues but there is also another view that intermunicipal co-operation, i.e., Region Västerbotten works better as a co-ordinator between municipalities (interview no. 31).
The region as an international actor

The international contact space has increased and this is much due to the EU membership where transnational co-operation is encouraged or often even obligatory in order to receive project money. *Europaforum Norra Sverige* was established to decide on common strategies for the four northernmost counties when it comes to EU’s structural funds. North Sweden European Office is put forward as the most important channel for Västerbotten in its relation to the EU system. It is asserted that North Sweden European Office also has played a crucial role in establishing renewed and closer contacts with regions in North Norway and North Finland (International program for Västerbotten County council 2009-2013). Currently there is a large amount of ongoing and planned projects involving Västerbotten and neighbouring regions. In addition, there are other forms of international contacts unrelated to the EU in Västerbotten, such as the traditional twinning town projects and the Barents co-operation.

In the Regional Development Program of Västerbotten 2007-2013 international co-operation is one of five strategic areas when it comes to regional development. This shows that the region’s role as an international actor is given priority and is seen as a strategic tool to enhance development. This shows that the region as an international actor is given priority and is seen as a strategic tool to enhance development. The county council sees that internationalisation has had consequences both for people in Västerbotten and for the county council as an institution. It is seen as a necessary tool to position and profile Västerbotten advantageously. The international programme of Västerbotten County council states that international strategic work must be integrated into every-day activities. (Västerbotten County Council international program, p. 6)

One of the principal advantages of the EU membership revealed in the interviews is that regional and local actors have started to think ‘outside the box’. It has made regional and local politicians talk more about co-operation (interview no. 37). Even though EU scepticism is still strong in the northernmost counties, regional and local actors see the value of participating:

> We have been good at receiving money…and almost all politicians even though they are EU sceptic have participated in the partnerships. (interview no.34)

On the other hand, it is also questioned to what extent the co-operation within EU has really been beneficial to the region and if it is commensurate with the enormous amount of time and effort it has taken to administer (interview no. 37).
Some of the actors mention the Baltic Sea region and the strong national focus on co-operation there has been within this area (interview no. 36; interview no. 31). Nevertheless, there are doubts whether this co-operation is really relevant to counties in North Sweden (interview no. 31). It is hard to maintain co-operation with the neighbouring counties because of the large distances and it will be even more difficult within a large area such as the Baltic Sea region (interview no. 31).

Regional actors concluded that the regional presence in the EU arena it has contributed to a better ‘self-esteem’ within the region and that North Sweden has succeeded well in the race for resources from the EU system to development projects. Actors in other counties in Sweden have even expressed admiration toward what North Sweden has achieved. Thus, despite persisting EU scepticism, regional and local actors have focused on taking advantage of the possibilities within the EU system.

The examples of international contact show that the region, as is the case in almost any region today, has established channels to the EU system. It is asserted that international contacts have become an established part of development strategies in Västerbotten.

7.3 WHICH ARE THE NARRATIVES IN VÄSTERBOTTEN?

The overall narrative in Västerbotten is about profiling North Sweden vis-à-vis the rest of Sweden as well as vis-à-vis regions in other countries. During the period when this study was conducted, the debate in Västerbotten about forming larger administrative regions was high on the political agenda. Regional actors see the establishment of larger regions as a chance to bring actors in North Sweden (Norrland) together and gather all resources available and thus strengthen the profile of North Sweden as a whole. Regional actors in Västerbotten argue that there is a need for a new administrative region led by a directly elected assembly. This new region should preferably cover all the four northernmost counties and thus form a Norrland region. This ambition or vision will, however, probably not be realised. Instead, there is currently preparation for formation of two new administrative regions in North Sweden. The discussion surrounding a larger region has been preceded by several attempts to establish a regional co-operation council with representatives from the municipalities and the county council. The co-operation council (Region Västerbotten) was finally established 1 January 2008. This signified an ambition among regional and local politicians to take control over regional development issues.
The overall narrative in Västerbotten can be characterised by a wish to have greater control over the resources in the region. Regional development tasks should be transferred to these new regions. The narrative also contains democratic arguments for the creation of a larger administrative region. Political decisions will be more legitimate if regional politicians make the decisions rather than civil servants at the county administration board. Regionally elected representatives can be held responsible for their decisions, something which is of course not the case for the civil servants. Part of the narrative about stronger regions is also that many municipalities in the region struggle with a diminishing population and thus a weakening tax base. It is claimed that regionalisation can be considered as a way of solving the problems municipalities are facing. Stronger regions can take over issues that municipalities are too small to handle. Regional actors argue that it can be a way of creating better balance between different parts of Västerbotten.

While the overall narrative in Västerbotten is about stronger regional institutions, there is also a parallel narrative which is not as pronounced that there is no need for a regional level. Advocates of this narrative argue that Sweden is simply too small to have an intermediate level between state and local level. In this narrative it is questioned if a new administrative region really will be the answer to the challenges that counties and municipalities in North Sweden are facing. It is even claimed that it is an elite project not supported by the public. The Moderate Party (Conservatives) stands out in the debate as it is the only party represented in Västerbotten County Council arguing against a new administrative region. Their main argument is that the focus on the structure for regional organisation takes away the focus from what is really important, that is, from what county councils are set to accomplish and this is health care to an overwhelming part.

In the overall narrative regional actors argue that the state should be supportive to lower levels. This does not only mean redistribution but also that the state must transfer power and resources to lower levels. The state level must widen the action space of regional and local levels. The importance of the state is firmly stressed and the core of the centralist redistributive policy therefore persists among the regional actors. The state plays a main role in the overall narrative even though it is argued that state actors have to be willing to give away decision-making power.

An overall tendency from the study of Västerbotten is that there are two distinct narratives and thus an important conflict dimension between the state representative at the regional level and county politicians. The county administration board argues that it is necessary to preserve state presence in a strong way. Furthermore, it says that regional
development incentives should be run by the county administration board especially in North Sweden as there are difficult conditions specific to this part of the country. Regional politicians fear, on the other hand, that North Sweden will be marginalized if the regionalisation process does not proceed. These two opposite narratives are perhaps not surprising. It can be argued that this is about power relations and that actors are simply defending their own positions. The county administration board defends its position and county politicians defend theirs. Interestingly enough, the two narratives are based on the same scenario. In the narrative related by the county administration board North Sweden will be marginalized if state influence is reduced and more power is given to regional government. In the other narrative related by county politicians North Sweden will be marginalized if state influence is not being reduced and if regional government is not given more power. The narrative told from a business point of view is more pragmatic. The aim expressed by the representative of the Chamber of Commerce is to get better conditions for their members in terms of infrastructure, services and so forth. The Chamber of Commerce expresses a positive standpoint to the regionalisation process. For business and industry in the region it would be better if regional actors made the priorities rather than national actors who do not have the same knowledge about local and regional conditions.

The argument that regional actors know the conditions best and therefore should have increased responsibility to make decisions on regional development is also stressed in the overall narrative about stronger regions. The county administration board should play a smaller role. It is advocated that regional elected representatives should decide on and implement strategies for regional development. Regional actors want regional institutions to be more autonomous when it comes to regional development policy. This is a sign that the regional actors have embraced the new regionalist perspective. But new regionalism also contains the idea of increased co-operation that is more or less formalized in order to gather different actors within a region. Among regional actors in Västerbotten the focus is rather on reshaping formal institutions and this way create better cooperation and coordination in the region. There is, however, also an alternative narrative according to which the existing counties could further extend their existing co-operations and establish new ones and that there is no need for an amalgamation of counties.

The strong tradition of local government is reflected in how regional actors view the role of the region. Regional actors underline the importance of the local level. The local level is closest to peoples’ everyday life and services provided by the municipalities are the most
important to people, that is, schooling, child care, primary health care, sanitation, etc.

In analysing the role that the term ‘region’ plays in the narratives it is clear that it is heavily influenced by the current regionalisation debate. The ‘region’ is primarily understood as the larger political and administrative region with extended responsibility, especially over regional development issues. Thus, it is the new larger region and not the current county that is important and that must be given priority. The regional co-operation council of Region Västerbotten is labelled region but it is not seen as being to the same extent as important as a potential larger administrative region.

The region is also interpreted as a functional unit, especially as a local labour-market region covering a group of municipalities. It has been shown that the term region is somewhat confusing as it is used in so many different ways that it verges on being emptied of its meaning. In a sense, the term has become a buzz word, as a new label used in an old context. Regional actors have, however, adopted this word primarily to designate the larger administrative region that will perhaps be formed. But, in the narrative the ‘region’ plays a role as something more than a political and administrative unit. This wider interpretation of the term can be described in terms of the new regionalist perspective. The term region is used in new ways and what is understood as a region is widened as people move within a wider area both on a daily basis, commuting to work and studies, and the not so frequent leisure travelling. Different functions create different territorial settings – one larger city with surrounding smaller communities form a labour-market region; municipalities co-operating within culture, administration and tourism, just to take a few examples, form a second type of region and health care forms a third. This dynamic of the term region is one key characteristic of new regionalism.

The regional co-operation council Region Västerbotten is mentioned by the regional actors to a limited extent, which is a bit surprising as this is the only formal institution on regional level that is labelled ‘region’. One reason for this limited attention is probably that regional actors tend to focus their attention on formation of a larger administrative region. Region Västerbotten is seen as a step on the way towards larger administrative region and not as a goal in itself.

Regional actors in Västerbotten do not envision the region as a cultural unit and this is linked to their view on the limited importance of regional identity. While regional identity exists to some degree, it plays a minor role in the overall narrative. Västerbotten is not considered to be an identity-region or a cultural region. Effectively regional actors are inclined to consider that territorial identity is linked to the local
community rather than to Västerbotten County. Regional actors are apt even to rank the sense of belonging to Norrland as more important than the Västerbotten identity. There is, however, an alternative narrative mentioning factors that can strengthen the sense of belonging within Västerbotten as a county. In that narrative regional media is mentioned as an important factor to enhance the county identity.

In the overall narrative regional identity is not perceived as being of any decisive importance to the formation of a larger region. Indeed, it was mentioned that different regional identities could actually be an obstacle to the amalgamation of counties. Thus, regional identity is used as an argument for those who are against an amalgamation of counties. Conversely, some claimed that an awareness of the region is in fact important because it creates a higher self-esteem, a factor that is seen as important for regional development. Thus, it can be said that regional identity is not considered as particularly important to region-building but it can be important to create better conditions for regional development.

There is also a conviction that people need to feel some sort of attachment to the region to be willing to settle down and for companies to invest in the region. The sense of belonging to the region and being proud of it can be an instrument for regional development. In the new regionalist perspective regional identity plays an important role both in terms of cultural identity and in terms of an awareness of the region in order to enhance development. Having a regional profile is important to regional actors and in that sense their view can be characterised as being associated with the new regionalist perspective.

According to the overall narrative, the region is strengthening and widening its network of international contacts. Regional actors claim that the international contacts are crucial and that fostering international contacts should be part of every-day activities. In that sense, regional actors see the region as an international actor in its own right. They also see that it is necessary to have an international profile in order to be on the same arena as other regions and to be able to compete with them. Effectively, this is a sign of the new regionalist perspective as regional actors see international contacts as a crucial part of the profile of the region.

The overall narrative expressed by regional actors in Västerbotten contains visions about a stronger region and in that sense they have embraced the new regionalist perspective. The regional level should be strengthened in order to meet challenges to the region. Their interpretation of the term ‘region’ is primarily the administrative region and more precisely a new larger region with more tasks. Regional actors also have an understanding of the region as a functional unit; they especially mention the labour-market regions and ways of strengthening
them. Regional actors also underline the importance of state support and redistribution. In the overall narrative, increased regional autonomy to decide on regional development issues is being combined with a conviction that the state must be strong and support the lower levels.
8. Redistributive regionalism in the Nordic periphery - comparisons and conclusions

The new regionalist perspective has to a large extent influenced policy-makers at the national level in the Nordic countries. This is evidenced by the ongoing reform processes aiming at giving more responsibility to the regional level and, according to the rhetoric at the national level the region should be the 'agent of its own development'. New regionalism has taken root on the basis of experiences in densely populated, economic strong regions. The implications of this are that the new regionalist perspective may be more difficult to transfer to and diffuse in peripheral regions with a low population density and a weaker economic growth. The purpose of this thesis has been to describe and analyse how regional actors in three Nordic peripheral regions, Troms County in Norway, the region of Pohjois-Pohjanmaa in Finland and Västerbotten County in Sweden, view the role of the region and more precisely if and to what extent their views can be characterised as new regionalism.

The empirical findings have been presented as narratives or stories on regional policy and regionalisation. The views of regional actors are expressed through these narratives. In order to analyse the narratives of regional actors in the three regions two ideal types were constructed on the basis of the discussion of the shift from centralist redistributive policy to new regionalism in the theoretical chapter. These ideal types were then defined using two dimensions. With these dimensions as point of departure empirical questions were addressed. The empirical material consisted of policy documents and interviews with regional key actors in the three regions. In this final chapter I will draw general conclusions about the view of regional actors in Troms, Pohjois-Pohjanmaa and Västerbotten. I will also contrast the findings from the three regions to each other and try to detect and explain similarities and differences between them.

In the first part of this final chapter the findings from the three regions will be summarized and contrasted to each other. Differences
and similarities between the narratives of regional actors in the three regions will be outlined and analysed. In the second part, main conclusions from the study will be presented and most importantly, it will be shown that the narratives of regional actors in the three regions studied express a perspective on the role of the region that can be interpreted as a combination of centralist redistributive policy and new regionalism.

8.1 COMPARING NARRATIVES IN THE THREE REGIONS

As stressed several times in this study the role of the regional level in the Nordic countries has been and still is weak in a European comparison. The Nordic countries are instead characterised by a strong state level and in addition strong municipalities. A large part of public resources are spent on local level and local autonomy is strong. Despite this, there has been a long-standing debate in the Nordic countries on the role of the region and a shared objective of strengthening regional institutions. Finnish and Swedish accession to EU membership marked an important change in the role of the regional level. Different measures have been initiated to strengthen the regional level and currently regionalisation reforms are in the process of being realised in Norway, Finland and Sweden. There are, however, large differences between the three countries both when it comes to scale and content of the reforms. Sweden may be expected to go furthest as the current reform process aims at completely redrawing the political and administrative map of the country and at transferring regional development tasks to new larger administrative regions. Regional actors in the three regions studied here react to and are part of these on-going regionalisation reforms. This study has sought to deepen our understanding of the ongoing regionalisation measures through portraying the narratives in these regions as to the wider role of the region especially when it comes to governing of regional development.

Regional institutions – agents of development

It is clear that regional actors in Troms, Pohjois-Pohjanmaa and Västerbotten want the regional level to be responsible for regional development, and that state authorities must allow the regional level to take this responsibility. The various actors argue that regional elected institutions should be in charge of regional development issues since at that level there is more accurate knowledge of the specific conditions of the region. Hence, regional actors are best apt at finding the right tools
for development and apply them according to the needs in the region. The overall narratives in all the three regions are similar in their contention that the region should be the key agent of its own development and the role of the elected regional institution as a regional development actor ought to be strengthened. This view is defended not only by regional politicians but also local politicians and business representatives. These overall narratives are, however, not articulated by all the actors. There are important differences between the actors depending on which institution or political party they represent.

The narratives in the three regions express a strong wish to strengthen the regional level by creating new administrative regions or by transferring more power and resources to the existing ones. This wish tends to be stronger in Västerbotten than in Troms and Pohjois-Pohjanmaa. The current Swedish regionalisation process seems to encourage and motivate regional actors. Regional actors in Västerbotten have a concrete reform proposal to react to and have been active in promoting the establishment of a larger administrative region in North Sweden. They see this reform as a chance to show that North Sweden is an entity and that different parts of North Sweden want to work together to encourage regional development. There is, however, another narrative that voices hesitation towards the regionalisation project.

Regional actors in Troms express a certain disappointment over the decision not to create larger administrative regions in Norway as they had put a lot of effort into arguing for a new administrative region covering North Norway as a whole. They have not however abandoned the idea about making North Norway stronger by merging the three northernmost counties and in that way draw together resources and initiatives for the benefit of the whole extended region. Regional actors in Troms welcome the transfer of responsibilities to the existing counties even though they still question whether this will lead to any real enhanced capacity to act. In Troms and Västerbotten regional actors also stress that the strengthening of regional government will be positive from a democratic point of view. Decisions taken by directly elected representatives will be considered as more legitimate than decisions taken by the state representative in the region since they are taken at a level closer to those who are concerned. In Pohjois-Pohjanmaa the municipal reform has been very much the focus of attention but the role of the regional councils have also been debated especially in relation to the reform of regional state administration. Generally the focus in Pohjois-Pohjanmaa and in Finland is primarily on making the regional state administration more efficient by reducing the number of institutions dealing with regional development issues. In part, however,
this entails transferring tasks to the regional councils and thus strengthening their role as regional development agents.

Regional actors in all three regions are concerned about the challenges to their region, e.g., out-migration, but they also express an overall optimism and a belief that these challenges can be handled in the region. The message of the overall narrative in Troms, Pohjois-Pohjanmaa and Västerbotten is that regional development policy should be steered at the regional level rather than at the state level. This focus on an increasing role of the regional level by regional actors is a means of positioning their region in the national and international contexts. Moreover, these narratives confirm that regional actors views can generally be associated with the new regionalist perspective, one in which representatives in elected institutions at the regional level should play a leadership role in regional development issues. This leadership role means that they should be able to control different policy tools and resources, coordinate the actions of municipalities and be responsible for mobilizing regional actors to work together. The opinions expressed in the regionalisation debate show that overall regional actors tend to seek a restructuring of formal structures. Some, however, emphasise instead co-operation and networking, e.g., in Sweden, through regional co-operation councils that have now been formed in most counties. According to the new regionalist perspective regional government works as a co-ordinator of incentives and should therefore be strengthened. But in new regionalism there is strong emphasis on networking, which does not necessarily entail restructuring formal institutions. Regional influence can actually be strengthened without restructuring of formal institutions.

**The term region – functionality in focus**

A key factor in how the role of the region is viewed is how regional actors interpret the term ‘region’. Several different understandings of the term were presented. In the narratives of regional actors in Troms, and especially in Västerbotten, the term is primarily understood as a new institution between the state level and local level led by a directly elected assembly. This new institution should, in the opinion of the actors at the regional level cover a larger territory, such as North Norway (*Nordnorge*) and North Sweden (*Norrland*), and have a larger range of functions than the current regional institution, namely, the county councils. The understanding of the term ‘region’ among actors in Troms and Västerbotten is clearly linked to the regional reform debates in the two countries, whereas in Pohjois-Pohjanmaa the region is to a larger extent perceived as a functional unit. The administrative region (*maakunta*) covered by the regional council is not considered as important as the local labour-market regions. Despite this the role of regional councils
have been widely debated in Finland both in relation to the reform on restructuring state administration at the regional level and in relation to the process of merging municipalities.

Actors in Troms, Pohjois-Pohjanmaa and Västerbotten contend that the functional sub-regions (regions smaller than the administrative regions but larger than the municipalities) are important. These are primarily local labour-market regions in and around the largest cities. Within these labour-market regions there is more or less formalized and efficient co-operation between municipalities. The overall narratives show that there are constraints to the forming of well-functioning labour-market regions in many parts of the northernmost areas of Norway, Finland and Sweden. In the inner parts of Pohjois-Pohjanmaa and Västerbotten and the northern parts of Troms the long distances make it impossible to commute to work and studies on a daily basis. Regional actors also talk about different types of functional regions; in addition to labour-market regions there are also health care regions and education regions. It is purported that different functions create different territorial contexts. Actors in Troms tend to consider the Barents region, which includes the northern parts of Norway, Sweden and Finland and northwest parts of Russia, to be a functional region. The functionality of this region is primarily based on common resources even though it is argued that it has the potential to be a common region for education and labour-market as well. While there is some focus on the Barents area in Pohjois-Pohjanmaa, there is practically none in Västerbotten. The difference in focus between Troms, Pohjois-Pohjanmaa and Västerbotten can be explained by the fact that Norway has a more direct strategic interest in finding ways to co-operate with Russia. It should be recalled that Norway and Russia have strong interests both when it comes to exploration of natural gas and the presence of the fishery in the Barents Sea.

Regional actors in all three regions are inclined to define ‘region’ in various and differing ways but, nevertheless, the functional region plays an important role in all their narratives. Actors in Troms and Västerbotten argue that a larger administrative region would be more functional for the provision of higher education and health care and investments in infrastructure.

A key characteristics of new regionalism is that its definition of the term ‘region’ is quite broad and goes beyond defining ‘region’ as merely a political and administrative unit. The narratives of regional actors can effectively be characterised as new regionalism. Even though the political and administrative region is emphasised the region is also seen as something beyond the political and administrative unit. Notably, regional actors consider the functional region as being an important entity.
Functional regions are not only defined as labour-market areas but also as regions for health care, education and culture.

**Regional branding and self-confidence**

Actors in the three regions view the importance of territorial identity in a similar way. The overall impression is that identity related to the administrative region is seen as weak in all the three regions. Rather than being a matter of attachment to the administrative and/or political region, territorial identity is about attachment to the local community (which is not necessarily the same as the municipality), as well as attachment to the extended region, i.e., North Norway, North Sweden and North Finland. This attachment is not identical between the three regions, however. The narratives of regional actors in Troms and Västerbotten show that they judge the attachment to the extended region as being more important and vital than do the actors in Pohjois-Pohjanmaa. In national policy documents in both Norway and Sweden the issue of identity has not been considered as a decisive factor in region-building. Actors in Troms and Västerbotten, however, argue that there is a sense of belonging within the extended region and that this will facilitate an amalgamation of counties. The proposed larger administrative region in North Norway would have included Nordland, Troms and Finnmark. Regional actors in Västerbotten tend to see the four northernmost counties in Sweden as a unit even though the current reform discussion envisions only Norrbotten, Västerbotten and five municipalities in Västernorrland forming a new administrative region; Jämtland County and the two remaining municipalities in Västernorrland has applied for creation of a separate administrative region. In both Troms and Västerbotten the actors claim that regional identity can play a role in the discussion concerning the establishment of new administrative regions but they maintain that this role is limited and that it cannot play a determinant role in deciding if a new administrative structure is to be established or where the borders might be drawn. Their position is that regional identities are not strong enough to be of decisive importance to the formation of new political and administrative regions.

In all three regions regional identity tends to be interpreted in terms of branding the region. Regional actors stress that it is important to have a sense of territorial belonging and a positive self-image within the region to be able to compete on the national and international arena. It is deemed particularly important for peripheral regions, which have particular circumstances that constrain development, to find this positive self-image and exploit it. Even though regional actors in the three regions view regional identity as rather weak, they still believe that awareness about the region is important and think it is that politicians,
business and people in general be aware about the region and its potentials. Rather than an identity linked to cultural characteristics or language, identity is interpreted in this case as being aware of the region, having regional self-confidence and developing a regional brand. In that sense, the regional actors have embraced the new regionalist perspective. Actors in all the three regions see the importance of regional self-confidence in order to compete with other regions. This self-confidence emerges from an awareness about the potentials of the region and the need to take advantage of those potentials to develop the region.

**Crucial role of the state and the local level**

Regional actors in all the three regions emphasise that the Nordic countries are unitary states and that the most important decision-making takes place in the national arena. The role of the state is central in the narratives of regional actors but there is also a strong desire that the state should disburse more power to the regional level. Though many regional actors see the regional level as an important arena, it is an arena shaped by national authorities. Authority and competences of regions (counties) and municipalities are provided by the state.

There is an overall desire among regional actors in all the three regions to make the state representative in the region more of a control institution. It was stated that even though the state representative should be controlling the implementation of state policies in municipalities and regions, formation and implementation of regional development policies should not be handled by the state representative but by an elected institution at the regional level. Wanting to transfer development issues to regional government from the state representative is a way to reduce state influence and is an indicator that regional actors have embraced the new regionalist perspective. However, there is still a strong focus on the importance of the state because only the state can guarantee equal conditions in different parts of the country. In this regard, the centralist redistributive perspective is more viable to characterise the narratives of regional actors. Thus, the relation to the state is, on one hand, about dependence and a will to have a strong state that can guarantee equality and, on the other hand, about a will to diminish state influence over regional development issues. The narratives in the three regions all include the notion that the state level must guarantee basic conditions and resources but that regional institutions must also have increased influence on how resources are used.

Another common thread central in the narratives of regional actors in all the three regions is the importance of local government. Municipalities are the main arenas for provision of welfare services and decisions at the local level are therefore of crucial importance to people’s
everyday lives. However, there are different views on the relation between regional and local level. One view sees the regional level as a complement to the local level. Tasks that can not be handled by the municipalities would instead be handled at the regional level. This view is dominant in Pohjois-Pohjanmaa. The Finnish two-level system with indirectly-elected regional councils in charge of regional development is not questioned in the overall narrative in Pohjois-Pohjanmaa. The overall narratives in the three regions focus on regional institutions being responsible for tasks that are too large to be handled at the local level but too small to be handled at the state level.

On the other hand, the regional level can be considered as more than just a complement to the municipalities. Whereas the role of municipalities as main welfare service providers is crucial, there has to be a regional institution to handle issues that municipalities are too small to handle. This view of regional actors in Pohjois-Pohjanmaa can be referred to as the centralist redistributive perspective. Regional institutions are based on a local mandate and they are set up to serve the common interest of the municipalities in a region. Regional institutions are co-ordinators and mediators between the municipalities. In Västerbotten and Troms regional actors see the strengthening of the region as making it more of an actor in its own right. The directly-elected regional institution can and must find its role as an actor in its own right. The narratives of regional actors in Västerbotten and Troms can thus be characterised through the new regionalist perspective.

**The region as an international actor**

The overall narratives in the regions perceive that the region has become more of an international actor and that international contact is a strategic tool to enhance regional development. Co-operation with and learning from regions in other European countries have become part of everyday activities. The conviction is that this has been a necessary step for the regions to take especially as a consequence of the European integration. Regional actors in Västerbotten and Pohjois-Pohjanmaa are focusing more on the EU than in Troms for the obvious reasons that Sweden and Finland are EU members and that Swedish and Finnish regions can therefore benefit from EU funding. There is a new level to take into consideration and therefore regional actors have to be present and active in the EU arena. Regional actors also express a certain concern that all the work required to apply for EU resources and express doubts that profiling the region in the EU arena will be of much benefit to the regions. It is also claimed that the EU focus has taken away the focus from other co-operations especially the Barents co-operation and the contacts with Russia. In Troms and Pohjois-Pohjanmaa the overall
narratives includes attention to developing contacts with Northwest Russia as means towards enhanced economic co-operation. Regional actors in Troms tend to have a stronger focus on the Barents area than in Västerbotten and Pohjois-Pohjanmaa. They see a great potential for development of North Norway as a whole. Actors in Troms argue that it is important to give regional institutions a main role in the process of positioning Norway in the Barents area. In Pohjois-Pohjanmaa there is the recognition that they must look to the east and not only to the south and to the EU. Acknowledging that Finland has a long tradition of contacts with Russia, regional actors argue that these contacts must be reinforced.

Regional actors in all the three regions saw that co-operation with regions in the other Nordic countries is vital. Resources from the EU have reinforced the possibility to develop new co-operation projects between neighbouring regions in Norway, Finland and Sweden. A significant factor is that co-operation with the other Nordic countries is much easier to initiate and maintain than the co-operation with Russia because of similar Nordic cultures and political traditions.

The overall narratives in the three regions show that there is a belief that increased international contacts for the region can enhance regional development. Contacts and co-operation with regions and municipalities in other countries, often financed with EU funding, are now a part of everyday activities at the regional level. An important part of the region as ‘agent of its own development’ is that it should create its own links to the EU system and more generally, establish its own international contacts.

8.2 REDISTRIBUTIVE REGIONALISM – CHARACTERISTIC OF THE NORDIC PERIPHERY

This study has shown that many aspects of the narratives of regional actors are similar when comparing Troms, Pohjois-Pohjanmaa and Västerbotten. The overall impression is that politicians, civil servants and business representatives in those areas share a common view that the region should be the agent of its own development. What does this really mean? How is it interpreted in the Nordic periphery? In the new regionalist perspective the region is not contained within the frame-work of the nation-state. The findings of this study underline that the claims for stronger regions is inscribed in the frame-work of the unitary state and that the state therefore plays the main role. Thus, it is not a question of making claims for increased regional autonomy, for example, in terms
of legislative rights. Regional actors, however, wish to widen the action space of regional institutions. There are claims for regionalisation, i.e., transference of responsibilities and resources from the state to the regional level but the necessity of redistributive measures and state control is also strongly emphasised. The narratives concerning regional policy and regionalisation in these three regions express a redistributive regionalism.

Troms, Pohjois-Pohjanmaa and Västerbotten are part of unitary states that have a tradition of a redistributive regional policy where the region has played a minor role. The particular conditions of these three regions with long distances, low population density and high dependence on the public sector for employment still make them dependent on state redistribution. Regional actors, however, do not see strong regional influence and state redistribution and central control as contradictory. Rather than defending the centralist redistributive perspective or having completely embraced new regionalism, regional actors in Troms, Pohjois-Pohjanmaa and Västerbotten tend to express a perspective that could be labelled redistributive regionalism. In their narratives they advocate for a regionalism based on a wish to brand and profile the region and to make elected regional representatives in charge of co-ordinating incentives for regional development. Decision-making power should be transferred to elected representatives, it is asserted, and they should have larger control over resources and the possibility to co-ordinate incentives in the region. Regional actors use arguments of democracy, efficiency and economic development. On the other hand, they underline that the state level sets up the frames within which local and regional actors can act. The state should provide measures to guarantee equal conditions in the country as a whole and be present in the regions.

The key elements of the new regionalist perspective have been embraced in these regions but it has been shown that it has been adapted to national characteristics in the thee countries and regional conditions in the three regions. The importance of the functional region is put forward in new regionalism and we see that actors in the three regions view the region as a functional unit in addition to as an administrative unit. Functional regions are often defined as labour-market regions by the actors but also as functional regions for education and health care. Political co-operation is seen as important to increase the incentives for well-functioning labour-market regions. This ambition is difficult to fulfil in peripheral regions because of the large geographical distances. Many cities and villages can simply not rely on neighbouring cities and villages to provide jobs for their citizens. Their labour-market is effectively limited to their own city or village. Consequently, rather than being
understood as local labour-markets, functional regions are understood as common territories for higher education, health care and, perhaps most importantly, for common incentives for regional development. Thus, the idea of the functional region is embraced but has been adapted to conditions specific to peripheral regions, namely large distances and limits in the infrastructure and lack of public transportations. The new regionalist perspective on the importance of regional identity has been embraced to a certain extent but has also been adapted to regional conditions. In short, regional actors are convinced that it is crucial to be aware of the region and that development strategies must be characterised by regional self-confidence.

Regional actors express a genuine wish to handle things in the region. They claim that there is a large potential in peripheral regions to take responsibility for economic and social development. On the other hand, there are doubts that there is any real capability to deal with regional development issues as well as other issues. Two main arguments about why the real capability is weak are found in the narratives. The first argument is that the state is reluctant to give away power and resources to the regions. Regional actors wish to take a more active part in the formation of regional policy but they are opposed by state actors who do not give their regions enough decision-making power and resources. The second argument is that regional actors are uncertain that their region is in fact capable of steering the development in the region more independently of the state. The characteristics of these peripheral regions, long distances and low population density, make it more difficult to believe that they really ‘play better by themselves’. Still, regional actors acknowledge that if the regions get more power, and regionalisation is reinforced, regional actors will be more motivated and in a better position to mobilize resources in the region and steer development. Thus, it is argued that regionalisation will create a better regional self-confidence.

There is also a difference between those who defend restructuring of formal institutions and those who argue that problems can be solved through networking and co-operation. In Pohjois-Pohjanmaa because of the Finnish tradition of inter-municipal co-operation, regional actors want to strengthen existing forms of co-operation. In Troms and Västerbotten it is rather about creating new political and administrative regions but there are also an alternative narrative expressing a wish to give more responsibility to existing regions or to enhance co-operations without restructuring formal institutions. Some actors in the three regions effectively see the possibility of getting more control, influence and power without undertaking any large institutional reforms, in other
words, that regional actors can exercise more power within the existing institutional framework.

Even though the view of regional actors in the three regions studied are influenced by the new regionalist perspective on regional policy and what role the region should play, they are still affected and dependent upon the fact that they act within peripheral regions in countries that have a tradition of a strong centralist redistributive regional policy and that are characterised by a weak position of the regional level. The role of the state as the main actor is not questioned. The state can and should guarantee equal treatment. One important element of new regionalism is that the state is ‘loosening’ control, it cannot interfere in the economy to correct differences between different territories to the same extent as previously. Regional actors in the three regions do not question the capability of the state to intervene in order to correct differences between regions and they defend the redistributive role of the state. Instead regional actors question the will of the state level to give away power and resources to the regions (and the municipalities). Thus, the possibility to strengthen regional level is constrained by national characteristics in the Nordic countries. There is an understanding of ‘regionalism’ as a wish to strengthen the regional level in the political system and to place elected representatives in charge of incentives for regional development, but there is also an acceptance of the need of ‘redistributive’ measures.

The two sides of the narratives of regional actors in peripheral regions bring us back to the two images mentioned in the introductory chapter. The first side deals with the need for support from the state and to an increasing extent also from the EU level in order for peripheral regions to uphold similar conditions as in centre regions. Regional actors see that their regions have characteristics putting constraints to development and use this to underline the need for support. The state must guarantee equal conditions and secure that some parts do not fall behind the rest of the country. The other side of the narrative says that the regions have a lot of potential. Much of this potential is related to their natural resources, the traditional income source of these regions, but increasingly important is the tourism sector. The latter is a recently-developed source of income and a resource for which the regional actors want to have larger action space to steer the development in the preferred direction.

Previous research has shown that Norway goes in somewhat another direction than many other European countries when it comes to regionalisation. Norway has been characterised by a strong position of the periphery, especially in North Norway. Regional policy has been very much focusing on developing small communities and thus on creating a more equally-distributed population. The regional reform, launched by
the left-centre government, was part of the ongoing regionalisation in all the Nordic countries. However, in recent years, there have been many signs of increasing centralisation in Norway. In this study I have shown that there is a strong desire among regional actors in one of the three northernmost counties in Norway to increase the action space of the region. Actors also expressed the desire to profile North Norway as an entity and thus have a stronger voice at the state level as well as in an international context.

Finland has not been unaffected by the pan-European development towards strengthening of the regional level in the political system. An important part of restructuring of regional state administration in Finland is to give regional councils a stronger role as regional development actors and co-ordinators between different actors and interests in the regions.

In Sweden, the regionalisation debate has been lively for a long time and claims of increased regional influence on regional policy is far from new. Many regional actors in Västerbotten express strong enthusiasm over increased regionalisation in North Sweden, but there are also voices claiming that this takes away the focus from more urgent and important issues. The regionalisation process in Sweden points towards a will to strengthen the regions, and even to create a ‘Sweden of the Regions’. The establishment of regional co-operation councils shows, however, that the position of local government is being enhanced. Municipalities are the important entities and regional institutions are just a complement. But, if larger administrative regions with directly elected assemblies and an increased range of tasks are established this will strengthen the position of the regional level, it is argued. In Norway the process was similar but the government decided not to establish any new larger administrative regions. In Finland, even though regional institutions have been strengthened and will be strengthened, the focus has been on reforming local government.

The main ambition of this study has been empirical; to study three Nordic peripheral regions closer and, in so doing, contribute to research on regionalism and regionalisation in the Nordic countries and in Europe as a whole. Moreover, I also wish to contribute to the discussion on the validity of the idea of the region as ‘agent of its own development’ in peripheral regions. Even though this research study has shown that regional actors in peripheral regions to some extent have embraced new regionalism, these actors still see the necessity of a strong state in order to guarantee the survival and development of small rural communities and the living conditions of the citizens of these small communities. The study also reinforces findings in earlier research that
even as regions are strengthened the state continues to uphold and sometimes even strengthen its position.

The pan-European debate on stronger regions has effectively found its way to the northernmost parts of Norway, Finland and Sweden. The three regions studied do not have any strong cultural identity and the regionalism expressed in these regions is effectively not of a cultural kind. The regionalism is expressed within the frames of what the unitary state and conditions, specific to this part of Europe, allow. The regionalism as it is expressed in the Nordic periphery must go hand in hand with redistributive measures from the state, thus redistributive regionalism.

Turning back to the point of departure of this research – that the new regionalist perspective being adopted in central economically-strong regions with a dense population – I conclude that the new regionalist perspective only is viable to the Nordic periphery if adapted to national characteristics and regional conditions. The new regionalism characterised by belief in stronger regions has been embraced by regional actors but they have adapted the new regionalist perspective to the conditions in their part of Europe. The principle of the unitary state and the conscience of the necessity of state along with EU support, however, put constraints on how far regional actors can and want to go when it comes to making claims for stronger regions.

Even though the results of this study show that the regional level plays a main role in the overall narratives as told by actors in Troms, Pohjois-Pohjanmaa and Västerbotten, there is hesitation among regional actors themselves on the capability and possibility of these regions to handle challenges on their own. The principle of the unitary state is not questioned by the regional actors as the state must be strong and active in order to guarantee equal conditions in the whole country. Redistributive regionalism characterises the narratives of actors in the three peripheral regions that have been in the focus of attention of this study. Regional actors have seized the idea about a more self-reliant region but they still rely on a strong state level. These actors effectively see no contradiction in stronger regions within the unitary state. New regionalism as it has developed in densely populated economic strong parts of Europe has been adapted to national characteristics of the Nordic countries and the particular conditions of these regions.
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Appendix: Interview questionnaire

• Which are the main challenges for and opportunities to your region?

• Both politicians and researchers talk about a development towards increased importance of the regions and that the regions should be more in charge of its own development. What is your opinion on this?

• What importance does the regional level have in relation to the municipalities and the state?

• To what extent does the national level steer regional development planning, implementation and financing in the regions? How free are the regions when it comes to regional development?

• To what extent should planning, implementation and financing of policies for regional development be the responsibility of the region?

• What should be the role of the state representative on regional level?

• How do you view the term ‘region’ and which definition of ‘region’ do you consider important? Why?

• Is there a regional identity in Troms/Pohjois-Pohjanmaa/Västerbotten? Is regional identity important to regional development? Why/Why not?

• How have international contacts evolved in Troms/Pohjois-Pohjanmaa/Västerbotten? In what way are international contacts important to regional development?

Pohjois-Pohjanmaa/Västerbotten:

• European cohesion policy and the Structural Funds have had a large impact on both the form and content of regional policy, on both national and regional level. According to you, what are the most important impacts of the EU membership on Västerbotten/Pohjois-Pohjanmaa? How has European cohesion policy and the Structural Funds in your opinion affected the relation between municipal, regional and state level?

Troms:

• What impact has increased European integration had on Troms?