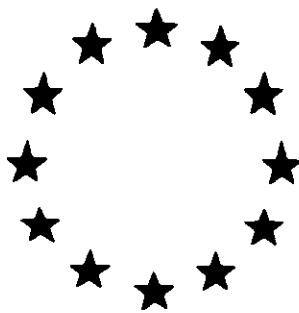


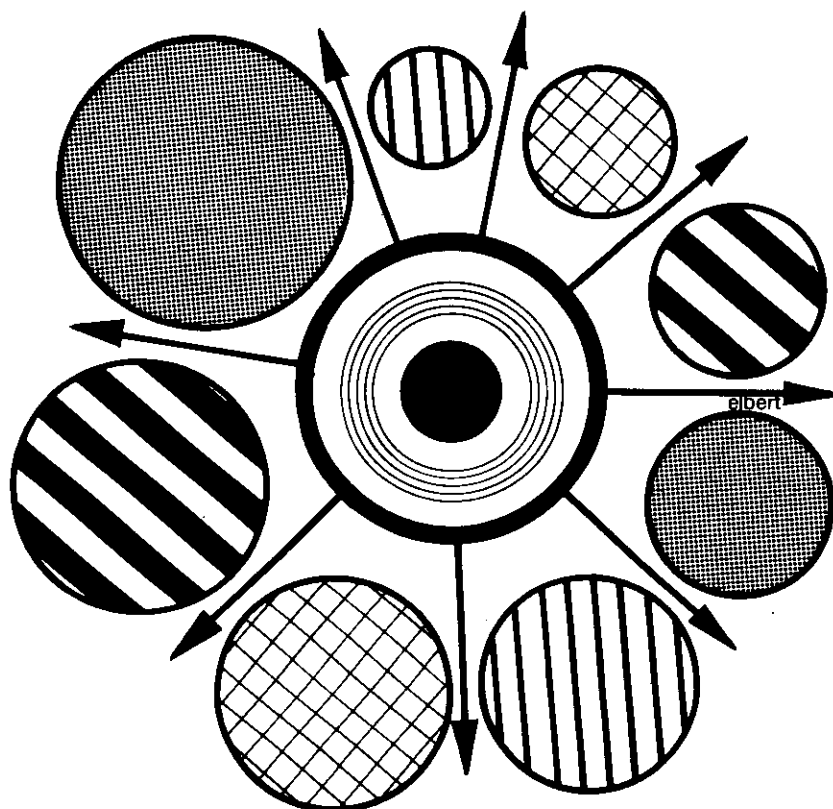
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RURAL REGIONS IN THE SCANDINAVIAN COUNTRIES
Problems and perspectives

STRASBOURG
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Study No. 36

RURAL REGIONS IN THE SCANDINAVIAN COUNTRIES

- Problems and perspectives -

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PRELIMINARY NOTE

This study, devoted to rural areas in the Scandinavian countries, was prepared by Margareta Hammarberg at the request of the Secretariat General of the Council of Europe. It represents a follow-up to the fourth session of the European Conference of Ministers responsible for Regional Planning (Vienna, 1978) where the Ministers discussed the strategies for and problems of rural areas in Europe.

This study, conducted in 1980 as part of Activity 17.10.3 "interdisciplinary study programme for a series of pilot regions based on common criteria", of the Council of Europe's intergovernmental activities programme, is part of an overall analysis of rural problems in Europe. A study in this field was made by Graham Moss in 1979 (study No. 29 in this series).

The author is responsible for the opinions expressed in the text; they do not necessarily reflect the views of the Council of Europe.

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SUMMARY

Regional developments in the Scandinavian countries during the 1960s and 1970s have described several different phases. The period up to the mid-1960s was one of rapid growth for big cities and medium-sized regions. The main expansion during the second-half of the 1960s was in the medium-sized regions, at the same time as population losses in the smallest regions attained unprecedented proportions. From the early 1970s onwards, metropolitan expansion diminished or ceased and steadier developments ensued in the smallest regions. Regional population figures have been stabilised in spite of persistent regional differences in terms of employment participation rates and unemployment.

Developments in the Scandinavian countries have many features in common. Great regional problems still remain in the northerly, sparsely populated regions of Sweden, Norway and Finland.

The problems of rural areas can be summed up in the following points:

- negative development
- a large proportion of aged residents
- a low level of employment
- a large proportion of residents employed in agriculture and forestry
- heavy unemployment.

These problems are due above all to the scattered nature of settlement. The population base for collective activities of different kinds is weak and large parts of the population have to travel long distances to get to various amenities. Often it is necessary to combine different activities in order to secure continuous employment all the year round.

A description of rural areas according to their statistical definition (viz those parts of the country which are not conurbations, the latter being settlement groups of at least 200 persons with houses not normally more than 200 metres apart) is of limited relevance to a discussion of the problems of rural regions. The geographical scope of the problems of rural regions depends on one's definition of such problems and on the changes undergone by those problems with the passing of time. It is therefore impossible to delineate rural regions once and for all.

The measures taken with a view to solving the problems of rural regions have been variously framed in the Scandinavian countries regarding policy content and the scope and design of policy measures, and also in terms of administration and organisation. The problems of rural regions are to be regarded as part of the problems of regional policy. Sweden has developed a special policy for rural regions to supplement its regional policy. Finland and Norway have developed measures aimed at problems of rural regions in various sectors, eg farming, forestry and fisheries.

The initial aim of policy for rural regions in the Scandinavian countries is to improve the conditions affecting existing economic activities, to support combined employment and small scale activities, and to acknowledge that permanent amenities cannot be maintained in more than a limited number of places.

The problems of rural regions vary a great deal, and there are considerable local and individual differences. Public initiatives in rural regions therefore have to be based on a close knowledge of local needs. Naturally, therefore, the problems of rural regions are considered as a task to be tackled mainly by the municipalities.

Scandinavian co-operation on policy for rural regions has existed since the mid-1970s. So far its purpose has been to test and encourage transnationally the type of co-operation already occurring between existing bodies within the various countries. Work has been made to concentrate on charting impediments to co-operation due to national boundaries and on practical efforts to find ways of eliminating them.

During 1981, Scandinavian co-operation on policy for rural regions will be expanded to include not only co-operation between frontier communities but also a deeper interchange of information and experience concerning national policy measures.

I. REGIONAL DEVELOPMENT

By international standards, Finland, Norway and Sweden are all large countries in terms of area but with small populations. Taken as a whole they are very sparsely populated, the density of population being 14 inhabitants per sq km in Finland, 12 in Norway, and 18 in Sweden, as against 27 for the world as a whole and 90 for Europe (1970). Denmark's population is comparable in numbers to those of the other Scandinavian countries, but since it is far smaller in area (about one-tenth the size of Sweden), its population density (115 inhabitants per sq km in 1970) is comparable with that of Central Europe.

The population of the geographically large countries is mainly concentrated within their southern parts and coastal communities and also (where Finland and Sweden are concerned) within the areas surrounding their big lakes and in their principal river valleys. In Norway, the Gulf Stream and fishing opportunities have helped to make the sea coast heavily populated. For topographical reasons, settlement is mainly confined to a narrow strip along the shores of the fiords and to some extent round the lakes.

These three countries are characterised by great intra-regional differences in population density, the extremes being represented by the southern coastal areas, which are quite limited in area and have a density of population and a settlement structure resembling that occurring in large parts of Central Europe, and on the other hand by extensive parts of their interior and northern regions (about 50 per cent of the total area) with an extremely low density of population (5 inhabitants per sq km) and a very far-flung network of main localities. In between there is an intermediate belt which can be termed "typical" of the inhabited areas of these countries but appears quite sparsely populated by European standards.

Regional developments in the Scandinavian countries have described several different phases. During the 1960s the metropolitan cities grew very fast and the rural regions lost population. At the same time the medium-sized regions began to grow, especially in Finland and Sweden.

Metropolitan population growth stagnated in the 1970s, the population of the medium-sized regions grew and regional development became more balanced. Great regional differences still remain, however, in terms of employment and living conditions.

There are many reasons for this development of regional population, but the great importance of the decline of agriculture and forestry has been amply verified.

Figure 1 shows the relative importance of farming, forestry and fisheries in various parts of the Scandinavian countries in 1960 and 1970. Relatively speaking, agriculture and forestry were least important in Sweden, their figures for 1960 being generally below 20 per cent; only the county of Jämtland recorded more than 25 per cent. Figures of between 30 and 40 per cent were not uncommon in Denmark and Norway, but the highest figures are in Finland, where about half the gainfully employed population of the eastern and northern parts were employed in agriculture and forestry.

Employment in farming and forestry changed dramatically during the period ending in 1970, but even so there were regions in the Scandinavian countries where these two occupations still accounted for about half the total volume of employment.

The public sector has grown rapidly in all the Scandinavian countries. In 1970 about 55 per cent of the employment of the metropolitan population was in trade, public administration and private services. The proportion of the working population employed in these sectors declined in the less populous regions.

The thinning out of population often led to the closure of schools and other public amenities in the smallest regions. At the same time regional and central services were heavily expanded. In this way the public sector reinforced the urbanisation process of the 1960s.

A new phase in the regional development of the Scandinavian countries became apparent in about 1970. Urbanisation now proceeded at a steadier rate than in the 1960s. In Denmark, Finland and Sweden the most thinly populated regions continued losing population during the early years of the 1970s, but the decline was less rapid than during the 1960s. In Norway the loss of population in the smallest regions came to an end.

Population figures and the changes undergone by them provide only rough indications of developments. Population decline in a region can be attributed both to net emigration and to a births deficit. During the 1950s and 1960s, many communities in the northern parts of Finland, Norway and Sweden had much higher birth rates than other parts of the same countries. This has had repercussions on today's age structure, and there is still a small proportion of persons aged 65 and over in the northernmost parts.

During the 1960s there was a great deal of migration from the northernmost parts of Finland, Norway and Sweden, but a certain stabilisation occurred in the 1970s.

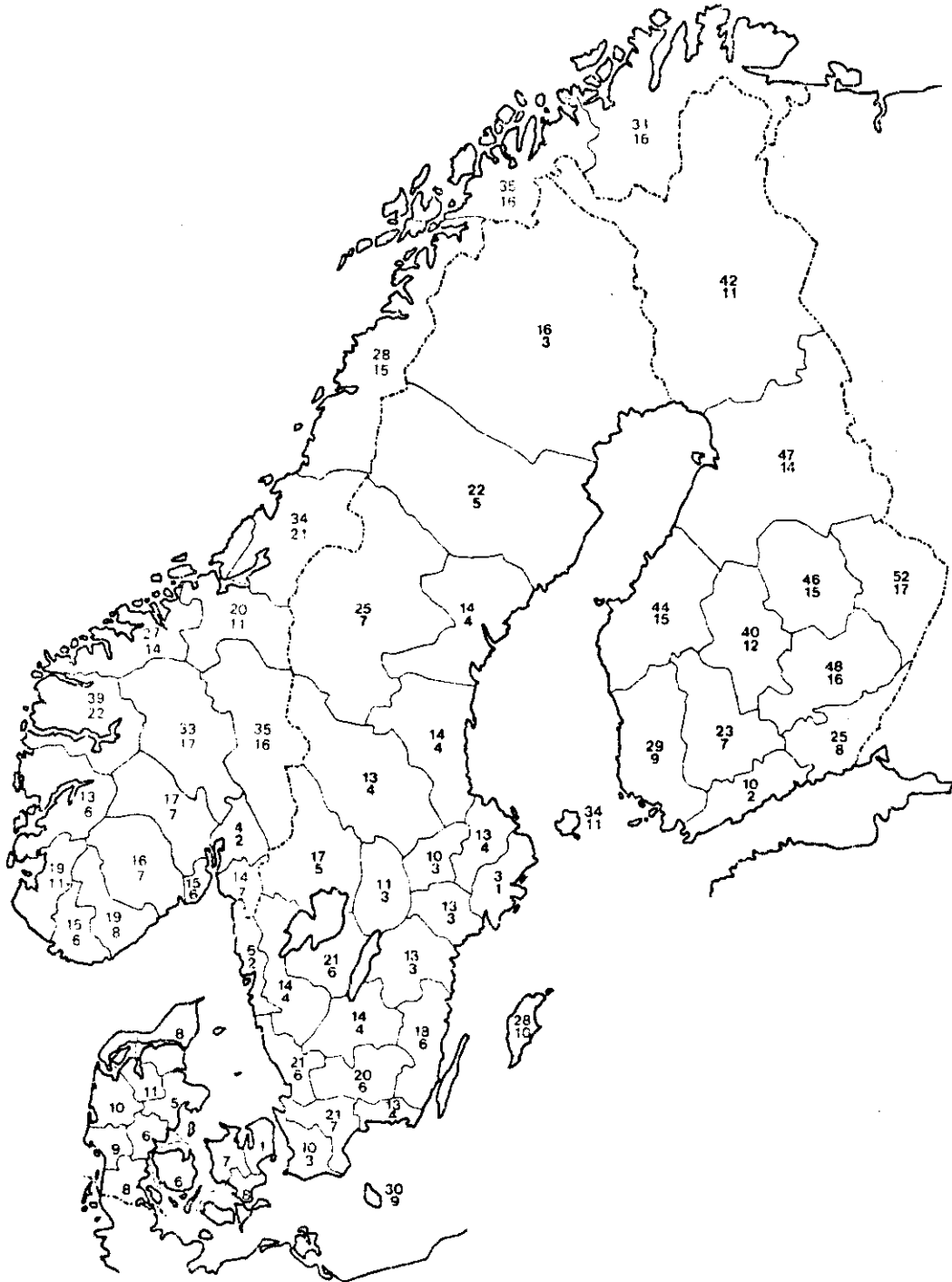
In all four of the Scandinavian countries, the proportion of persons in employment in 1970 is highest in the most populous regions, and the same goes for the female share of employment. Finland has the highest figures in these two respects, Norway the lowest. Many women in Finland are employed in farming, while in the other countries the numbers of women employed in farming and forestry are relatively small.

Reference should also be made to geographical conditions. The difference between the regions with the highest and lowest employment participation rates was about 9 per cent in Denmark, 8 per cent in Sweden and 9 per cent in Norway. In Finland too there are considerable differences between various parts of the country.

The great differences in the employment levels of various regions and localities reflect the continuing existence of large groups of people in the Scandinavian countries who would accept gainful employment if it were offered in their localities of residence.

Figure 1

Farming, forestry and fisheries work force in relation to county populations in Finland, Norway and Sweden (1960 and 1970) and in Denmark (1970). Top figures are for 1960.



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Regional variations in unemployment rates also provide an apt indication of imbalances between different regions. The great regional differences existing in 1970 still remained in 1975. Thus in Finland the county of Nyland had an unemployment rate of barely 1 per cent in 1970 and in 1975. The Lappland counties had almost 5 per cent unemployment in both years.

In Sweden, the county of Stockholm had 1 per cent unemployment and the county of Norrbotten almost 4 per cent in 1975. Oslo/Akershus had an unemployment rate of 0.5 per cent as against 3.5 per cent for Finnmark. The steepest rise in unemployment occurred in Denmark, where in many counties figures rose from 1 per cent to 5 per cent. It is not possible, however, to discern any distinctly regional differences in unemployment. If anything unemployment in the aid areas was lower than in the Copenhagen region, for example.

It is above all in Finland that unemployment has risen since 1975. Danish unemployment rose between 1975 and 1977, and in Sweden the main increase in unemployment occurred in the county of Norrbotten. Events in Norway followed a different course from those in the other Scandinavian countries, and national unemployment declined between 1975 and 1977.

When comparing the unemployment figures of the various countries, one should bear in mind that open, registered unemployment does not convey the whole truth about the employment situation. There are liable to be differences in the scope of relief work projects, retraining schemes etc. But regional variations in unemployment figures are a useful indicator of imbalances.

The above descriptions of regional developments show that regional developments took an important turn in about 1970. This is to a great extent connected with economic developments. The decline of the agricultural sector has become less pronounced. The development of the public sector has meant a relatively even distribution of job opportunities, but changing environmental preferences and changes in the actions of households have probably also been instrumental in this respect. The residents of individual localities have become increasingly active in their search for alternative solutions to regional problems. Protest actions at factories threatened with closure are a case in point. Studies have shown that residents are taking an increasingly active interest in planning questions.

As has already been remarked, all four of the Scandinavian countries have in recent years displayed clear tendencies towards a diffusion of urban growth, as opposed to the earlier concentration of population growth within the metropolitan cities. Generally speaking this change occurred between 1970 and 1975, though in Finland it did not come until towards the end of that period.

There are fundamental differences, in terms of population density and economic structure, between Denmark and the other Scandinavian countries which may mean that extensive decentralisation of settlement and residence is more likely in Denmark. A small population base combined with long distances can mean permanent obstacles to decentralisation in large parts of the other Scandinavian countries.

The changes undergone by regional development since the beginning of the 1960s can be summed up as follows:

1. The period up to the mid-1960s was one of rapid growth in metropolitan cities and medium-sized regions.
2. The main expansion during the second-half of the 1960s occurred in the medium-sized regions. Population decline in the smallest regions attained record-breaking proportions.
3. Metropolitan growth has declined or ceased since the early 1970s. Developments in the smallest regions have become steadier.
4. Regional migration diminished during the 1970s and regional population figures are growing increasingly constant, despite persistent regional inequalities concerning employment participation rates and unemployment.

We thus find that the Scandinavian countries have many development traits in common. Serious regional problems still exist in the northern parts and in sparsely populated areas. Particularly serious difficulties exist in eastern and northern Finland, where farming still accounts for a large proportion of employment. Large parts of Sweden's aid areas are still losing population and their economic structures are still one-sided. General economic developments have given rise to serious structural problems in communities with single-sector economies.

II. RURAL REGIONS AND THEIR PROBLEMS

The preceding section contained a general description of regional developments concerning population, employment and economic life in the Scandinavian countries during the 1960s and 1970s. That description showed that there were areas, particularly in Norway, Sweden and Finland, where developments had had certain features in common and where similar problems existed. These problems can be summarised as follows:

- negative development
- a large proportion of aged residents
- a low level of employment
- a large proportion of residents employed in agriculture and forestry
- heavy employment.

These problems are due above all to the scattered nature of settlement. The population base for collective activities of different kinds is weak and large parts of the population have to travel long distances to get to various amenities. Often it is necessary to combine different activities in order to secure continuous employment all the year round.

The problems of rural regions ought primarily to be ascribed to the basic factors, difficulties connected with declining employment and population and with the insufficient size of the population within a reasonable distance of public amenities and the problems of accessibility which this implies.

Various important amenities often involve various requirements concerning base population in order to operate at reasonable cost, and they therefore need geographical catchment areas or hinterlands of various sizes.

Access to advanced services which are only available in a few places in the country and therefore have to cater for very large regions can of course be a problem to the inhabitants of large parts of the country, both in large conurbations and in sparsely populated rural areas. The supply of such advanced services can be a problem of regional policy, but unlike the supply of more rudimentary services it does not appear to be specifically a rural problem of accessibility, even though distances always make problems more acute in the most peripheral areas.

The difficulties of rural regions consist to a great extent of problems frequently encountered by the population. Employment is a daily problem, and so too for example is food supply or compulsory schooling. The greater the frequency with which these concerns arise, the more important it is as a general rule that they can be easily provided for. But there are certain amenities, such as medical care, which it can be important to cater for conveniently even if the need for them does not arise frequently.

Rural regions are statistically defined as that part of a country which does not comprise conurbations, the latter being settlement groups with at least 200 inhabitants. This definition is concerned with the purely physical arrangement of settlement, and this formal view of rural regions is of limited relevance to a discussion of the problems of such regions. The situation regarding amenities and employment in the sparsely populated areas of the Scandinavian countries does not differ very much from conditions in the formally defined rural regions, and small conurbations often develop along much the same lines as rural regions. Thus the inhabitants of small conurbations are not spared the problems of rural regions, any more than living in an officially designated rural region need entail any such problems if the region is well-placed for employment and amenities.

Thus a description of rural regions according to their formal definition is of limited interest when dealing with the problems of such regions. The geographical scope of rural regions depends on one's definition of rural problems and on the changes undergone by those problems with the passing of time. It is therefore impossible to delineate rural regions once and for all.

A geographical delineation of areas with rural problems will depend to a great extent on how one defines those problems and where one feels that they are large enough to justify our speaking in terms of problem areas. Since views on this subject can naturally differ, it is impossible to arrive at a universally valid delineation of the problem areas. Moreover, the implications of rural problems are obviously bound to vary from time to time, partly as a result of the ongoing process of structural change in the economy and the population changes which this entails, and also as a result of changes in the commonly accepted opinion as to what is required for acceptable living conditions. Thus the geographical scope of rural problem regions is bound to change with the passing of time.

Needs for employment, amenities and social contacts vary a great deal from one individual to another. Rural problems of these kind are therefore bound to have different impacts on different people. Similar variations occur in the ability of the population to convey itself to workplaces, amenities etc. Even within relatively short distances of conurbations one encounters accessibility problems which can be characterised as rural problems, mainly in the form of difficulties experienced by certain parts of the population in reaching amenities. Despite nearness to a well-equipped conurbation, shortcomings of the public transport network may prevent parts of the population from getting their service requirements acceptably provided for.

Employment can imply individual difficulties, depending on the structure of the local labour market, the training background of the work force etc. Employment can hardly be considered a distinctively rural problem in areas where the labour market as a whole can offer a sufficient number of job opportunities within daily travelling (ie reasonable commuting) distance.

Problems of accessibility become more pronounced in rural regions where jobs and amenities are so far away that, even if they have access to regular public transport or cars of their own, the population cannot obtain provision for elementary needs with a reasonable input of time and travel expenditure. We are therefore justified in distinguishing between those rural regions situated within reasonable proximity of existing employment and service centres and those which are less conveniently situated.

A rough geographical delineation of the rural regions which have the greatest problems in these terms shows that most of them are situated in the interior of the forest counties of Sweden, in the county of Finnmark in Norway and in the counties of Uleåborg and Lappland in Finland.

Similar problems also exist in Denmark, although they are less manifest than in the other Scandinavian countries. Some archipelago communities, especially islands lacking permanent links with the mainland, are classifiable as rural regions with problems of the kind described above.

"The problem of rural regions is a paradox ... on the one hand it is characterised by a surplus of labour/unemployment, too many people, and on the other by a shortage of population/consumers, too few people ..."

III. POLICY FOR RURAL REGIONS IN THE SCANDINAVIAN COUNTRIES

The problems of rural regions as described in the preceding sections are very similar in all the Scandinavian countries, but conditions in Denmark differ from those in the other three countries in certain respects.

Public effort to solve the problems have been variously framed. The evolution of national policy has been influenced among other things by different values and by different opinions concerning the attainability of reasonable solutions. The shaping of policy has also been influenced by differences concerning the apportionment of responsibilities between central, regional and local levels in society.

Responsibility for the development of rural regions is shared by state and municipal authorities. Clearly, all the measures taken both by the state and by municipalities within the various fields of community life have a bearing on developments in rural regions, but our description of public efforts in the following sections will be confined to national policy measures in the Scandinavian countries which have been specifically framed with reference to the problems of rural regions and have been described in previous sections.

By way of introduction we will consider some aspects of principle concerning policy measures and policy aims for rural regions. We will then go on to consider current policy measures in the various countries.

A. Principles concerning policy measures and policy aims for rural regions

1. The problems of rural regions are to be regarded as part of the problems of regional policy. Policy for rural regions is distinguished from regional policy by the special policy levers which society can employ in order to tackle the problems. There are two courses which can be followed in shaping a policy for rural regions:

- Economic and demographic growth in order to create a foundation for economic activities and public facilities.
- Concentration on social policy, ie measures directly aimed at individuals and households.

2. Measures for the improvement of employment conditions should be concentrated on improving the conditions for existing enterprise.

3. Employment problems in rural regions are to a great extent characterised by unemployment at certain times of the year. This makes it desirable for public employment promotion measures in rural regions to encourage combinations of employment and many different types of income opportunities and also to be of a "small-scale nature".

4. Accessibility in the geographical sense is one of the vital problems of rural regions. Owing to the scattered nature of rural settlement, all demographically based amenities have to cater for large catchment areas and hinterlands. The stationary service apparatus can only be maintained in a limited number of places if services are to be quantitatively satisfactory. Rural residents are therefore often bound to have to travel long distances to permanent amenities of different kinds.

5. In many cases, permanent amenities represent a form of service which is more valuable than ambulatory services. One of the premises of rural policy, however, is that service activities in sparsely populated areas need not necessarily occur in the traditional form.

6. The supply of services in a rural region can be limited to two fundamental service levels, namely a local level concerned with frequently recurring or otherwise vital needs which all households should be able to obtain provision for without great inconvenience and within reasonable daily travelling distance, and a regional level, concerning needs which are generally less frequent and correspond to a more advanced repertoire of services which can be accepted as being less accessible but should still be close enough for the population to be able to travel to and from the amenity in a single day and with a reasonable intermission between the outward and return journey.

Local services: food store
 chemist
 post office
 elementary school
 doctor.

Distance to travel: 30-45 minute single journey by public transport.

Regional services: department store
 general hospital
 upper secondary school.

7. The problems of rural regions are highly variable and there are great local and individual differences involved. Public initiatives in rural regions therefore have to be based on a close knowledge of local needs. Naturally, therefore, the problems of rural regions are to be considered as a task to be tackled mainly by the municipalities.

B. Sweden

Background

The special efforts on behalf of rural regions which were introduced in Sweden during the 1960s were occasioned by the declining pattern of employment and population in those regions. The active regional policy resolved on by the Riksdag in 1965 was a vital factor in this context.

In the autumn of 1966 the government appointed a special study group for questions relating to rural regions. This study group was wound up in 1969, when an investigating body known as the Commission on Sparsely Populated Areas was appointed. The Commission made a number of practical policy recommendations, including supplementary measures of localisation and regional policy.

Measures of this kind included, for example, support for the convenience goods trade, the subsidisation of certain social service activities in rural municipalities and special job promotion measures for elderly and geographically immobile workers.

In August 1973 the government set up a special interdepartmental study group at the government offices to follow up the proposals which had been made by the Commission on Sparsely Populated Areas. A parliamentary reference group was attached to this study group.

In February 1977 it was decided to replace the study and reference groups with a single body to draft, co-ordinate and intensify governmental policy measures for rural regions. This body has come to be known as the Rural Regions Advisory Committee, and its work has been made to concentrate on improving the living conditions of the rural population in different parts of the country. As part of this work, recommendations have been made concerning ways of efficiently co-ordinating and intensifying national policy measures for rural regions.

Support points for the provision of services and for job creation measures

The negative development of population and employment in the rural regions has made it difficult to maintain a satisfactory supply of services in certain localities. The locality plan adopted by the government in 1972 and developed and augmented since then laid the foundations of a better development of the locality network in the long-term perspective and in terms of welfare. The locality plan is geared to labour market and amenity objectives for the following five types of locality:

- metropolitan areas
- primary centres
- regional centres
- municipal centres
- sub-municipal centres.

Sub-municipal centres have a particularly important bearing on developments in rural regions. They are intended to provide points d'appui for the provision of services in rural municipalities covering large areas and to supplement the central locality of the municipality.

A sub-municipal centre is usually big enough and has a large enough surrounding population to support a range of services corresponding on the whole to that normally available in the main locality of the municipality. As a rule the locality is also a communications junction playing an important part in passenger transport services. The geographical position of a sub-municipal centre is usually such that it can provide services for a large surrounding area as well.

Special support for rural regions

The Riksdag passed a resolution in the spring of 1979 introducing a new type of support for rural regions. This support combines the national policy measures resolved on previously in different sectors and at different levels in the community for employment and for social and commercial services.

This reform makes it possible for financial support to be given to enterprises and municipalities active in rural regions. It is for the county administration in each county to decide, according to problems and development targets, which areas of a county are to receive rural support. The county administration also decides the purposes for which financial support can be provided within the financial and administrative frames defined by the government. Rural support supplements localisation support, agricultural support and other types of support in cases where these cannot be awarded. Grants and loans totalling Skr 104 m have been awarded for the fiscal year 1980/81, together with credit guarantees totalling Skr 41 m. Rural support can be applied to the following purposes:

- Firms promoting employment and providing the permanent population with a satisfactory income.

The activities concerned must be of a potentially lasting nature and must be capable of being conducted on a full-time basis or together with other activities. Activities qualifying for support include, for example, fish-farming, the letting of holiday chalets, boatyard businesses, restaurants and light industry.

Support in the form of depreciation loans and credit guarantees can be provided for investments in buildings or other facilities intended for permanent use, for the procurement of machinery and boats needed for the running of archipelago enterprises, and for the reclamation of farmland. The maximum rate of support is Skr k25,000 per investment.

- Municipalities carrying out special job creation measures.

A municipality can obtain support for a labour project not included in its normal activities and not classifiable as a relief work project. Job opportunities of this kind must be primarily reserved for elderly and geographically immobile workers referred by the employment service.

- Enterprises and municipalities promoting commercial services.

Enterprises and municipalities can obtain financial support for the maintenance of a satisfactory supply of convenience goods and propellants in rural regions.

Support can be provided for the procurement of facilities, furnishings and equipment and for the acquisition of vehicles for the business. In isolated cases, running grants can be awarded to a shop for a limited period pending other measures. Delivery grants can be awarded to municipalities partly or wholly financing the delivery of convenience goods to households.

Support for commercial services is conditional on the municipality having planned the supply of goods in such a way that an assessment can be made of the support needed.

- Municipalities and county councils undertaking special service measures.

Support can be provided for improvements to social services in rural regions with respect to care and other services for the elderly and handicapped and activities for children and young persons.

This type of support can be provided for the procurement of premises for social service activities and for the furnishing and equipment of the premises. Running grants can be paid during the introductory phase of a scheme of social service activities.

- To the regional development fund for special projects promoting enterprise in rural regions.

Support can also be awarded for projects involving co-operation across national boundaries.

An example is given below of the way in which policy for rural regions has developed in one county with reference to rural support.

Policy for rural regions in the county of Värmland

Development tendencies

The rural population of the county of Värmland has been declining for a long time. Whereas in 1950 there were about 135,000 people living in rural communities in this county, by 1970 the figure was about 85,000 and in 1975 it was under 80,000. Thus the rural population continued to dwindle throughout the 1970s, though less rapidly than before. The ongoing decline is due more to a deficit of births than to net emigration.

Taking the county as a whole, nearly three residents in four now live in conurbations, mostly in the central localities of the municipalities. This situation, however, varies a great deal from one municipality to another. Thus less than half the residents of Torsby, Arjäng, Sunne and

Eda municipalities live in conurbations, and the population shares of the central localities of these municipalities were well below the national average. These four municipalities can therefore be termed the most rural in their county and, accordingly, those with the biggest rural problems.

The county administration takes the view that both public and private services in the county's rural regions are still relatively good. The number of shops, post offices and schools closed down in the 1970s was in fact lower than in earlier years. But a large proportion of the shopkeepers in the rural regions are relatively old, and a large proportion of their shops have a poor level of profitability. More rural shops are therefore likely to be closed down in the 1980s. This will no doubt have far-reaching implications for the rural population, implications which will grow as the total number of shops declines. Stationary postal services in the county are also likely to be affected by closures, though in the majority of cases rural postal services can probably be regarded as an equally good alternative.

The rural regions also have considerable employment problems. This is reflected by a survey of the work force in the parish of Norra Ny in the municipality of Torsby, which showed that out of a total of some 1,000 persons between the ages of 16 and 65, only about half were employed full-time. More than one person in ten was receiving a disability pension (the actual figure was 110), while 65 persons were attending schools of various kinds. Another 145 residents had no work at all, and about 200 considered themselves underemployed.

Guidelines and premises

In the county administration's opinion the service problems of the rural regions ought as far as possible to be solved by retaining stationary services. But this solution has to be supplemented, and in some cases replaced, by mobile services or home delivery services. A heavy burden of responsibility devolves on the municipalities in observing changes in the repertoire of services in rural regions. Most municipalities have drawn up commodity supply plans or are in the process of doing so. One implication of these plans is that municipalities undertake as a rule to support home deliveries of goods in rural regions. The county administration also stresses the importance to rural regions of local and regional passenger transport services. All municipalities in the county have now entered into financial commitments for the retention of fairly satisfactory transport services in rural regions.

One possible means of improving the prospects of retaining shops and other stationary amenities in the places where they already exist in rural regions is to increase the number of service tasks of the various units. Thus the village store could constitute a species of service centre for the rural region.

The county administration's guidelines for measures on behalf of rural regions are above all indicated by its resolution concerning aid area boundaries, which has been based on the following general principles:

- Rural problems exist in practically all municipalities in the county. In principle, therefore, only minor parts of the county can be excluded from support.
- Rural problems vary from one part of the county to another. These variations should be reflected by aid area boundaries.
- The need for proximity to amenities is greater than the need for proximity to employment, and employment support should therefore be mainly confined to the most sparsely populated rural regions.

The county administration maintains that the following principles should be applied to the various aid areas:

- The ordinance only sanctions intensified municipal job creation measures for rural regions in the municipality of Torsby, where they should mainly be concentrated on priority areas.
- Job creation measures at firms in rural regions should focus primarily on the priority aid area.
- Support for commercial services in rural regions should be available both in the priority area in the general aid area.
- Support for social services in rural regions should be available both in the priority area and in the general aid area. In the event of financial restrictions, support should primarily be given to measures in the priority area.

The priority area comprises 47 per cent of the area of the county but only 11 per cent (about 30,000 persons) of its population. The general aid area has about 98,000 residents, and the area in which support is not generally to be available has about 157,000 residents or roughly half the population of the county, while comprising no more than 9 per cent of its area.

Other measures

Municipal finance

The conditions governing municipal and county council activities vary, as is reflected, for example, by differences in local taxation rates and standards. A national tax equalisation system has been introduced to iron out differences in terms of economic resources. Tax equalisation payments are made by the state to municipalities and county councils and are not earmarked.

The tax equalisation system assures municipalities and county councils of a certain revenue potential in relation to the national mean. This guarantee varies according to geographical situation. The lowest guarantee is given in central and southern Sweden, and the highest is given to municipalities in the north of the country. For these purposes the country is divided into five areas in which the municipalities are respectively guaranteed revenue potentials equaling 95, 100, 110, 120 and 130 per cent of the national mean.

Tax equalisation grants enable certain municipalities in the north of Sweden to attain a revenue potential on a level with that of some of the best endowed municipalities in the country.

Agriculture and forestry

Agricultural conditions vary from one part of the country to another. One of the aims of agricultural policy is to maintain geographically well-differentiated agricultural output in the northern parts of Sweden.

To this end, agricultural support is provided partly in the form of a special price increment for milk, beef, mutton and pigmeat. Support is paid to farmers in the north of Sweden and parts of central Sweden, at rates progressively declining as one moves from north to south. Price subsidies are also paid to reindeer farmers.

Special rationalisation support is paid towards agricultural rationalisation in the north of Sweden. The purpose of this support is to encourage the rapid build-up of viable farming units.

Support is provided first and foremost in the form of credit guarantees and grants on the same grounds as general rationalisation support, except that higher rates are awarded for internal rationalisation measures.

Support grants are paid to forest owners in northern Sweden for intensified silviculture. The highest grants of this kind go to the interior of northern Sweden.

Grants can also be awarded for the construction of forest roads, and these grants are payable at higher rates for the interior of northern Sweden than for other parts of the country.

Municipal industrial facilities

Inland municipalities in northern Sweden can obtain support for the erection of industrial facilities in small communities. The premises thus subsidised may be left for industrial or quasi-industrial activities.

Schools

Schools in rural regions have to be differently organised from those in other parts of the country, and reforms of the school system have therefore been made to include experiments in different organisational and instructional methods, expanded school transport services and improved accommodation facilities for senior level elementary school pupils.

Already in 1973 the Riksdag resolved on substantial improvements to the possibilities of retaining schools in rural regions. Where junior and intermediate grades are concerned, less importance should be attached to minor educational difficulties than to the advantage to parents of being able to send their children to a school near home.

Where the senior level of elementary school is concerned, the aim is to retain existing senior level schools in rural regions, and in order to enhance the possibilities of retaining small schools of this kind, a special guarantee rule has been introduced concerning optional subjects and certain provisions have been implemented concerning teaching appointments.

Upper secondary school boarders are entitled to free journeys home every fortnight.

Municipal adult education now exists in practically every municipality. The number of permanent students is smaller in rural regions than elsewhere in the country. State grants are paid towards teachers' travelling expenses in rural regions.

Extra state grants are payable for study circle organised in rural regions.

Communications

State subsidies are paid for unremunerative bus services in rural areas in order to retain and develop public transport services.

Grants equaling 75 per cent (50 per cent) of the qualifying deficit for up to three daily return journeys are paid for transport services within a municipality or local transport services across a municipal boundary.

Grants are paid not only towards regular services in the traditional sense but also to supplementary services aimed at providing certain transport services for the inhabitants of particularly sparsely populated areas of the municipalities. Services of this kind run to order and are usually operated by taxis. As a rule, journeys are booked in advance by telephone. The passenger is then collected from his home and driven either to a nearby service locality or the central locality of the municipality, or else to a place with a regular bus service. After spending a few hours in this locality the passenger is collected at an agreed time for the homeward journey. As a rule, persons with a particular supplementary service area can undertake service journeys of this kind on a particular day or days of the week.

In principle, supplementary transport services make it possible for a municipality to make public transport services available to all residents.

In order for a state grant to be payable, the service must be based on a complete plan and must form part of a transport supply scheme adopted by the municipality.

During the spring of 1980, special measures were resolved on to prevent the residents of rural regions from being put at a disadvantage compared to others as a result of the rise in petrol tax. To this end, the vehicle tax on a car belonging to a person living in a rural region has been reduced by Skr 120 per annum.

The Swedish State Railways (SJ) receive grants for operating unremunerative lines. Many of the lines thus subsidised are situated in sparsely populated rural areas.

Most people living outside the major conurbations receive comprehensive postal service in their homes via the rural postman. Postal duties of this kind can be combined with social services, eg liaison services, goods deliveries, home visits and special assignments. Throughout the country, roughly one-third of all municipalities have concluded agreements with the (state-owned) post office regarding one or more such services.

Telecommunications charges have been revised in order to "make Sweden rounder". For example, the maximum charge within a municipality is to equal the minimum charge for trunk calls; in very extensive municipalities, this has led to reductions of between 50 and 70 per cent. The reform has benefited enterprise and private persons in the north of Sweden and in other sparsely populated areas of the country.

C. Finland

Background

Rural problems have attracted attention at central level on several occasions in Finland. They have been debated in connection with the emergence of regional policy, though without any special co-ordinated policy for rural regions being developed.

A special Rural Regions Section, subordinate to the Advisory Committee on Development Areas which is closely linked to the government, was set up in 1973. This section dealt with both regional policy and other legislation relating to developments in rural regions.

At the beginning of 1979 a study group for the co-ordination of rural planning was set up with the aim of achieving co-ordinated sectoral planning for rural regions. The principal aim of this study group is to develop methods of streamlining regional planning for rural regions.

The special problems of archipelago communities are being studied by an Archipelago Advisory Committee.

Support points for services and employment

Rural problems have been exhaustively considered within the framework of regional development planning. Special structural plans for rural communities have been drawn up with the aim of dividing the countryside into economic communities each comprising a locality with 300-600 residents, which should have a shop, a school and a post office.

Policy measures

In recent years, special measures have been developed within various sectors in order to improve rural living conditions.

Employment

Agricultural policy includes special legislation on the taxation of bequests and gifts. The purposes of this legislation is to facilitate changes of generations by recruiting young prospective farmers at an early stage and at the same time awarding so-called transfer pensions to farmers who are approaching retirement age, so that they can transfer their farms to younger relatives who have undergone suitable agricultural training.

The Production Subsidies Act makes it possible for state grants to be made in the development areas towards various types of activity which can be combined, for example, with farming and forestry and which are tailored to the economic life of rural regions. Activities of this kind include fur-farming, fishing, fish-farming, market-gardening, plant schools and peat production.

In 1978 grants totalling almost Skr 10 m were awarded to about 350 firms of the above-mentioned kind.

Revenues derived from berries and mushrooms are tax-free, the aim being to encourage the greater utilisation of these resources and also to stimulate employment in rural regions.

Services

Interest subsidies, investment subsidies and grants for experimental activities have been available since 1979 under the Financial Support Act. Support is granted for permanent sales points and for mobile shops. Some experimental schemes are in progress involving the delivery of convenience goods to households and a certain amount of social welfare activity.

The plans of the Post Office and Telegraph Board for the next few years include the declared objective of developing a network of post offices which will offer residents postal services within reasonable distance of their homes. In areas where the supporting population for a permanent post office is declining, postal deliveries and other postal services are provided by rural postmen and mobile post offices. Mail is normally delivered five days per week. Only a few households receive fewer deliveries than this.

The Elementary School Ordinance is aimed at supporting small village schools with declining numbers of pupils. Efforts here focus particularly on junior level. The minimum number of pupils for a junior level school with one teacher is six. Special exemptions from this rule can be allowed in archipelago communities and sparsely populated areas.

Good living environment - a project

Structural changes in Finnish society and in the other Scandinavian countries have among other things given rise to alienation and social problems both in emigration areas and in immigration regions, ie urban communities.

When migratory movements subsided, new social structures began to be created. More and more people have shown interest in influencing and developing their own dwelling environment.

At the University of Tampere, data have been collected concerning different ways of reviving activity and social relations in the countryside. In the course of this work, data have been obtained concerning practical experiments and experience of the organisation, content and results of various activities. One thing which these experiments have had in common is that people have been able to develop their dwelling environment on a voluntary basis. This category includes joint projects relating to rural productive activities, efforts to secure basic services and various activities relating to socialisation and the development of rural culture.

D. Norway

Responsibility for the implementation of policy concerning sparsely populated areas or rural regions is shared between various bodies according to their general duties. Norway has few policy measures whose effects are confined to those parts of the country which are classifiable as rural regions, but the measures reviewed here are particularly relevant in this context.

Agriculture

The production targets of agriculture would not be attainable without heavy state transfers to the agricultural sector. These transfers are geographically differentiated, and the rate of support per unit of output is relatively high as regards production traditionally associated with sparsely populated areas. Measures of support have helped to sustain agricultural output and settlements in rural regions. They can thus be said to be of a preventive nature, and they have helped to limit the growth of rural problems. A concession law specifically referring to agriculture has been passed to prevent agricultural property being acquired for purposes other than farming. Persons wishing to own and possess agricultural property must both live on the farm and run it.

Fisheries

State transfers are also made to the fishing industry. In addition to helping to maintain a particular volume of landings, these transfers also help to maintain settlements in rural regions. In addition to support per kg landed, subsidies are paid towards investments in fishing vessels, tackle and reception and processing facilities ashore.

Municipal policy

Various state subsidisation arrangements for municipal enterprises and the disposition of their own revenues make it possible for municipalities to take steps to provide public services for the inhabitants of these regions. In addition individual municipalities, acting according to their own priorities, take steps to encourage the establishment of new production enterprises and to boost those already

in existence. Furthermore, as part of the North Norway Development Programme, the state has provided financial support for the establishment of business advisory appointments. This scheme now involves a total of thirty-one municipalities. Thirteen municipalities have also received a limited amount of financial support towards business activities; further details on this subject are given below.

Municipalities with rural problems often have inferior revenue resources to those of municipalities with a more developed economic structure. These municipalities, therefore, are given larger per capita tax equalisation grants than municipalities with more developed economic structures and better taxation resources. Tax equalisation grants are distributed by the state but are jointly financed by national and local authorities.

Education policy

It is an accepted aim that entitlement to education should be independent of geographical and social circumstances. This entitlement also represents an essential supply of services to the residents of rural regions. In recent years there has been greater reason than ever to establish small schools in rural regions.

In the meantime it has been difficult to obtain qualified teachers for schools in rural regions, added to which there have been problems in reducing the turnover of qualified teaching staff in these regions. The state has therefore taken steps to attract more applicants and achieve greater stability of personnel resources.

Transport

Norway combines concession arrangements for regular public transport services with public subsidies for the same. This concession policy has done a great deal to assure rural regions of adequate transport services.

In order to improve transport services and the availability of satisfactory communications, work is continuously in progress on the expansion of physical communications, eg road-building.

Health and social policy

Satisfactory health and social services could not be maintained in rural regions without special measures. These include the stationing of newly qualified doctors in districts which have traditionally had difficulty in obtaining adequate medical services. Legislation has also been passed concerning the establishment of medical practices, the aim being to achieve a better regional distribution of medical services and also to improve the availability of such services in rural regions.

District and regional policy

Through the medium of district and regional policy, efforts are made to supplement and reinforce the general district-oriented policy described above. The instruments of district policy include industry and mining, services and the upgrading of raw materials. There are also the special policy measures, described below, concerning rural regions.

In the implementation of district policy, efforts are made to give special priority to measures in rural regions.

Other measures

Policy work in small and medium-sized municipalities

The purpose of policy work is to support and stimulate the local economy and to actively organise information, outreach activities etc with a view to starting new enterprises and developing the local economy.

Efforts are made by the Norwegian Government (the Ministry of Local Government and Labour) to strengthen municipal employment projects. These are based on the following principal ideas:

1. It is a municipal responsibility to define municipal development targets and to take initiatives and policy measures in pursuit of the same. It is for the individual municipality to decide whether it wants to start an employment project and on what scale.
2. The elected political bodies of the municipality must be responsible for and in charge of employment projects.
3. If a municipality has adopted a general plan, this should provide the point of departure for the employment project.

In municipalities where no general plan has been adopted, goals of municipal development should be defined. Municipal resources (natural resources, expansion areas, real capital, electrical power, labour) should be handled as a foundation for concrete policy measures.

4. The organisation of employment projects must be tailored to the situation of the municipality. In particularly weak municipalities, the Chairman of the Municipal Board should act as the municipal "policy agent". The municipality should have a "policy worker" of its own within the administration who can cover industrial questions and employment projects.
5. Efficient municipal industrial policy and employment promotion require the establishment of continuous contacts between the municipality and enterprise.
6. The municipality should attach great importance to the retention of existing workplaces.

The municipality should particularly consider the possibilities of expanding local services.

7. The municipality can deploy various instruments in pursuit of its aims concerning the development of enterprise and employment (employment promotion):

- Adjustments to infrastructure, eg roads, water supply, sewerage.
 - The preparation of sites for industrial purposes and possibly the construction of additional buildings for services, industry and crafts.
 - Direct counselling, liaison and supporting activities for enterprise.
 - Measures for the selection of new enterprises on the basis of existing resources and activities in the municipality.
 - Acquisitions and information activities focussing on enterprises, state authorities etc to attract new businesses and job opportunities.
8. The various policy measures must be defined in terms of priority and co-ordinated. This should be done in the municipal long-term budget and general plan. Responsibility for the implementation of policy measures should be vested in the individual municipal boards. The most important aspect of policy work is for the municipality to work continuously for the implementation of policy measures.

The policy worker takes initiatives and co-ordinates the expansion project intersectorally. The execution of the project rests with the individual sectors.

9. Close co-operation with the county council area is important.

Service centres

In order to create a more differentiated supply of services, support can be given to a municipality for investments in buildings which are to be let for commercial use and for private and communal services. Support is conditional on the existing range of services being insufficient or of very poor quality. A single building can accommodate many different activities and tenants.

Support can be provided for up to 35 per cent of investment costs in the three northern countries and Nordtrøndelag.

One cardinal rule is that only localities with fewer than 1,000 residents can be considered for support, but numbers of potential customers and proximity and access to major service centres are also taken into account.

Support is administered by the county council at regional level and by the district expansion fund at central level.

Convenience goods trade in outlying areas

State support can be provided for the convenience goods trade in outlying areas. This support, which takes the form of investment grants and operating grants, can be awarded for the erection of a new shop, the alteration or enlargement of an existing one, for basic investments and the construction of parking facilities and for shop furnishings. Investments must total at least Nkr 30,000 in order for support to be payable. Grants can be paid at rates equalling 35 per cent of capital costs (50 per cent in some cases), subject to a maximum limit of Nkr 150,000.

Support for the convenience goods trade is not subject to any geographical restrictions, but to qualify for support the shop concerned must be situated at least 4 km from the nearest other shop and must be important to the local population.

Support is administered by the county council and the Ministry of Trade.

Four counselling appointments for the convenience goods trade in Nomdalen and northern Norway were established on an experimental basis on 1 January 1978. Four convenience goods counsellors stationed in Namsos, Bodø, Tromsø and Vadsø are to conduct outreach activities among small convenience goods stores.

Experimental projects concerning combined occupations

In the autumn of 1977, as a result of the expansion programme for northern Norway, an experimental project was launched with the aim of gathering practical experience of combined occupations (farming being one of the occupations involved in each case) as a means of creating a better economic base and thus retaining employment and settlement in economically weak areas characterised by small farming units.

One of the important tasks of the project has been to elucidate the feasibility of combined occupations today and the ways in which it is affected by regional and industrial policies via support and controls of various kinds.

The project has not yet been concluded, but some of the practical findings can be summarised in the following points:

1. There is great interest in the possibility of combining different occupations. Experience has shown that people are keen to expand their farming even if their combined occupations give them full employment.
2. Practically all the people taking part in the project have had full-time jobs outside agriculture (for transition to combined farming).
3. Experience from the project has shown that there are considerable resources and workplace resources which are not being utilised in abandoned and poorly worked farms in the experimental areas.

E. Denmark

Background

As has already been made clear in the sections dealing with regional development, rural problems in Norway, Sweden and Finland are of a somewhat different nature from those in Denmark. The differences are reflected, for example, by distances from major localities and by the development of population and employment during the 1960s and 1970s. Depopulation in rural Denmark has been less rapid than in the northernmost parts of Scandinavia, but this is not to say that Denmark has no rural problems. There are rural areas on the mainland, but above all on islands lacking permanent links with the mainland, where population has declined, job opportunities have disappeared and the proportion of elderly residents is very high. These problems have taken longer than in the other Scandinavian countries to attract attention at central, state level.

The Rural Communities Commission

The Rural Communities Commission was appointed in 1978 and expects to complete its investigations in 1981. Its task is to analyse the development of population and employment in rural communities and to investigate the influence exerted on developments by private and public enterprise. The Commission is to consider ways of influencing future rural development.

The Commission's report is intended to provide documentation on which to base the ongoing debate concerning rural communities and also to provide a foundation for the physical and economic planning activities of municipalities, county councils and the state. The Commission has sponsored a number of surveys:

- an ethnological survey of life in four rural communities;
- a survey of the structural development of retail trade in rural communities;
- a comparative survey of prices in rural communities and larger communities;
- a survey of manufacturing activities in rural municipalities and smaller communities;
- a survey of public transport in rural districts (selected counties and municipalities).

The small islands

Transport services for twenty-five small islands with a combined population of 4,700 have been subsidised by the Department of the Environment since 1975. These subsidies take the form of operating grants for regular ferry services, and their principal aim has been to guarantee the survival of the services in the long term and to limit

the travel expenses incurred by the islanders. The overriding aim has been to facilitate continued economic activity and, accordingly, inhabitation on the islands.

The subsidies are based on an arrangement whereby municipalities and county councils put up at least the same amount as the state.

State subsidy payments for the period between 1975 and 1980 totalled Skr 4 m per annum and were distributed between the various ferry services according to a distribution schedule containing the following criteria: length of route, acreage under cultivation, total population and economically active population.

The present scheme expires in 1890, but an official commission has recommended that it be re-established with an augmented budget of Skr 6 m and with the same distribution schedule as hitherto. The commission has noted that during the period under consideration there was a manifest need for ferry service subsidies in order to maintain a reasonable standard of services without excessively burdensome freight costs being incurred by the islanders.

It has also been noted that the depopulation of the islands, which was very rapid before 1975, decelerated appreciably between 1975 and 1980.

IV. SCANDINAVIAN CO-OPERATION

Scandinavian co-operation on regional policy under the aegis of the Nordic Council of Ministers has existed since mid-1973. A special study group was set up in the autumn of 1974 to investigate the feasibility of Scandinavian co-operation on policy for rural regions. This group included representatives of Finland, Norway and Sweden but was joined in 1980 by representatives of Iceland and Denmark.

In the course of its work the study group has selected two experimental areas - a northern area (comprising the municipalities of Muonio and Enontekiö in Finland, Kautokeino in Norway and the Karesuando of the municipality of Kiruna in Sweden) and a southern area (comprising the municipalities of Lierne and Røyrvik in Norway and parts of the municipalities of Strömsund and Krokoms in Sweden).

The study group was given the task of charting living conditions in these areas, together with the shortcomings of their amenities and job opportunities, and also of identifying the measures which need to be taken in order to solve these problems, particular emphasis being laid on those which can be solved on a joint Scandinavian basis.

A certain amount of inter-municipal co-operation existed in both experimental areas before the study group was appointed. This co-operation was mainly concerned with exchanges of information, but in the southern area it had also led to practical measures.

Although co-operation between municipalities on both sides of national boundaries appears self-evident as a proposition of common sense, it does not come naturally, partly for administrative reasons. The whole of a municipality's network of contacts and the whole of its thinking have a national focus, all the more so if it has difficult problems to contend with and is therefore dependent on external forces; and this is very much the case with the municipalities in the experimental areas. Long distances can also be an impediment to co-operation.

The purpose of Scandinavian co-operation in these areas is to test and encourage transnational co-operation resembling that generally occurring between permanent agencies within the various countries. Thus the aim is to chart impediments to co-operation which are connected with national boundaries and by means of practical experiments to devise ways of overcoming those impediments. This in turn should facilitate the implementation of a pre-existing agreement between Denmark, Finland, Norway and Sweden on the subject of co-operation between frontier municipalities.

The study group has investigated activities organised by municipalities, county councils and national authorities, and in the course of its work it has also had occasion to consider commercial services, private enterprise and economic activity in general, especially

because one very often has to be prepared in rural regions to combine different services and occupations. Both public and private services are very important to productive enterprises.

We shall now turn to describe a number of projects in the northern and southern experimental areas.

A. The northern area

Trade exchange in a frontier community

This project involves charting the activities of industrial enterprises in the experimental area. Commodity flows have been plotted in terms of purchases and sales, demand for skilled labour has also been charted, and an investigation has been made of the prospects of increasing employment.

The purpose of the project is to increase the flow of commodities between firms on both sides of the frontier.

The project has clearly demonstrated the need for efforts to devise means of augmenting economic co-operation within the region. The feasibility of developing a project of this kind also depends to a great extent on the inhabitants of the experimental area feeling that they have interests in common.

Service plan for the experimental region

An experimental plan has been drawn up for the northern area. This plan contains quite detailed particulars concerning available resources.

Co-operation and the pooling of available resources require a knowledge of what one's neighbours have to offer.

Service planning is a fairly new concept in the municipal context. It is important for frontier municipalities to be encouraged to consider the possibilities of transnational co-operation before getting seriously underway with planning of this kind.

Study and educational activities

Study circle activities were launched in the spring of 1978, primarily in order to improve the participants' knowledge of their own situation, to bring about discussions of ways of solving problems and in this way to increase the involvement of the local population. A study booklet has been compiled and printed in Finnish, Lappish, Norwegian and Swedish.

The minimum number of participants required for a new study circle was five. About 20 study circles were started altogether, and people living in small villages were most active in this respect.

The study circle experiment has prompted suggestions for new projects, concerning educational questions among other things.

Opportunities of co-operation concerning the handicapped

The population of the project area includes about 100 handicapped persons requiring special care or services.

Potential joint projects comprise a physiotherapy institute (possibly mobile), a specialised vehicle and an organised transport system including both regular and ad hoc services, a camp school and measures to enable an institution for the mentally retarded in Kautokeino to receive pupils from Finland.

Among other things the project will elucidate the organisational problems which can arise when responsibility for the activities under consideration is divided between several agencies in three countries whose jurisdictions are not always coterminous.

Telephone directory and yellow pages

A telephone catalogue with yellow pages in four languages (Finnish, Norwegian, Lappish and Swedish) was compiled and distributed to all households in the experimental region during the autumn of 1978.

Care of the aged

Proposals have been put forward concerning the alteration and enlargement of Kiruna Old People's Home at Karesuando in Sweden or the construction of a new centre for the care of the aged. Enontekiö and Muonio municipalities in Finland are interested in having access to about twelve care places, but they are not in a position to bear the investment costs.

Bookmobile

The aim here has been to try to introduce a single bookmobile service for the area, providing literature in Finnish, Norwegian, Lappish and Swedish. Practical responsibility for the vehicle is vested in one of the municipalities. The bookmobile provides library services in the smaller villages and for isolated homes.

National grants have not been obtainable under current regulations, owing to differences between the provisions applying in the various countries, and the municipalities did not have the financial resources to cover the initial costs. The project has therefore been financed by the Nordic Council of Ministers (through the Ministers responsible for Regional Policy), and the bookmobile began operating in 1979.

The intention is for the project to be financed on the following lines: capital costs and the first year's running costs will be met out of Nordic Council funds, as well as 50 per cent of the second year's running costs and 25 per cent of the third year's; the remainder of the running costs for the three years will be borne by the municipalities. From the fourth year onwards, running costs will be met entirely out of municipal revenues.

B. The southern area

Work for the establishment of concrete co-operation across the frontier resembles that which is being undertaken in the northern area. Our description of the projects in the northern area will therefore serve to shed light on those in the southern area as well. Work in the southern area so far can perhaps be said to have focussed particularly on projects which in order to succeed require the co-operation of agencies established outside the experimental area.

One project is concerned with ways of improving the transport situation of the mining industry in the area. This may partly be a question of adapting traffic regulations by means of exemptions, but it may also involve investments, eg in road improvements. Although initiated and mainly conducted by the enterprises concerned, this project requires the participation of municipal and national authorities.

Another project concerns the possibility of milk from the Frostviken area, which is now being delivered to Sikås in Sweden, 250 km away, could instead be delivered to Röyrvik across the frontier in Norway, which is only 30 km away.

V. Concluding remarks

The purpose of co-operation between frontier municipalities has been to find ways of establishing transnational co-operation between municipalities, associations, enterprises etc. This co-operation has been based on the priorities of those taking part, the aim being to promote economisation or a better return on capital outlay, to help boost employment and to achieve better mobilisation and, in some cases, co-ordination of the resources of the co-operation area. Co-operation in turn is aimed at achieving a higher standard of services and a more favourable course of economic development than the participants could achieve separately.

Co-operation is dependent among other things on the existence of data concerning needs and resources within the co-operation area. Work has therefore been made to begin with surveys of conditions in the two experimental areas. These surveys have elicited suggestions concerning a large number of projects considered suitable for co-ordinated efforts. Some of these projects are being developed further, and a few of them have been completed or have advanced to a point where concrete decisions will have to be made.

This exploratory work has been impeded to some extent by the partial incompatibility of statistical data from the various countries.

The intention has been to establish co-operation at local level, and activities therefore have to be firmly established from the very outset among those immediately involved. Accordingly the study group has concentrated on initiating co-operation, laying down guidelines for activities, evaluating projects in progress and, when necessary, broaching current questions in various national and Nordic bodies.

Practical work in each of the co-operation areas has been entrusted to a steering group comprising representatives of local and regional bodies and having close links with various sectors of the population. An organisation of this kind has been judged the best way of establishing co-operation based on community of interest.

The organisation has worked well on the whole. The experimental areas have been obliged to keep within given financial frames.

Teamwork within the local steering groups has been excellent, and activities have not been dominated by the representatives of any single country, though geographical and personal considerations have affected the apportionment of duties. A great many of the administrative duties in the northern area have been entrusted to Finnish personnel. Several of the projects - not least those concerning the Lapps - have been developed by Norwegian representatives. Sweden has been called upon to make special contributions to the project concerning the case of the aged. All these various tasks have involved participation by all the countries concerned.

Experience has shown that a field of co-operation has to be clearly confined to certain municipalities. This is the only way in which viable joint bodies can be established. Not that there is anything to prevent the boundaries thus defined from being revised. It is for the regional authorities in the various countries, acting in consultation with the municipalities concerned, to initiate transnational co-operation concerning rural regions in those areas which appear most suitable in each individual case and at a particular moment.

One precondition of the results achieved in these experimental activities has been the availability, as a result of grants from the Nordic Council, of money with which to meet administrative expenses.

Allocations for a co-operation area should be large enough to guarantee continuous activities involving a paid official. Experience from the northern area has shown what a great advantage it is to have an "office" where municipalities, enterprises and others find that they can turn for assistance when they encounter difficulties because of the national boundary.

Where the implementation of certain projects is concerned, financial problems quite often appear insuperable, due in many cases to the poor fiscal resources of the municipalities taking part. Differences between the national regulations of the various countries regarding state grants have also given rise to problems. The principal aim has been for each project to be financed in a "normal" way, but this has sometimes proved impossible, or else so time-consuming that the project has lost steam for this reason. The bookmobile in the northern area is a case in point. In order for this project to get started in the first place, a grant had to be made by the Nordic Council of Ministers. Of course, this ought not to mean that all bookmobiles in future co-operation areas are to be financed on a joint basis. On the other hand, if the experiment turns out well, it should present the national authorities concerned with a challenge to frame new "normal" subsidiation rules matching the needs involved in cases of this kind.

There are also cases where the need arises for closer co-operation between national bodies in a co-operation area. Thus in the southern area work is in progress on a road project concerning mining transport operations on both sides of the frontier, and efforts are being made by the local steering group to co-ordinate the work of the enterprises concerned and to obtain solution directly from the relevant national bodies.

Plans for altering the Karesuando Old People's Home so that it can receive guests from Finland have been found to involve many problems which will have to be tackled centrally. These include the possibilities of co-ordinating provisions concerning insurance and finance, and they also concern the attitude of public authorities towards receiving guests from another country and allowing their own pensioners to obtain the housing accommodation and care they need in another country. The attention of various national and Nordic agencies has been drawn to this problem.

The actual business of crossing the frontier, especially when carrying goods, is often experienced as unnecessarily bureaucratic. A collection of examples of this type of impediment to co-operation is being compiled in the northern area. Proposals have been hinted at to the effect that impediments of this kind should be eliminated by granting frontier residents some form of exemption from national regulations, over and above such exemption as may already exist. These problems, however, appear to a great extent to be a question of ignorance concerning existing provisions.

Problems of transnational co-operation cannot be solved in one fell swoop. Instead prolonged, patient work is called for. Local co-operation areas have an important part to play in this work, and in order for such areas to materialise, efforts are needed at Scandinavian level with the support of the various national governments. Responsibility for initiatives with a view to co-operation should be vested in regional national bodies. Financial support for administrative purposes ought to be provided, at least for the initial years. either out of Nordic funds or by national authorities. As a permanent agency, the Nordic Council of Ministers will have the task of continuously monitoring activities and providing the co-operation areas with the assistance they require.

During 1981, Scandinavian co-operation on policy for rural regions will be expanded beyond co-operation between frontier communities. It has been established in various contexts that a deeper exchange of information and experience is needed concerning problems in the sparsely populated rural areas of the Scandinavian countries and ways of solving them.

Experience hitherto of co-operation between the Scandinavian countries concerning policy for rural regions, and above all of co-operation between frontier communities in the northern and southern experimental areas, has shown that:

1. Problems and conditions in rural regions are essentially similar in all the Scandinavian countries.
2. National policy measures aimed at solving the problems have been variously framed as regards policy content and the focus and structure of the measures taken, and also as regards the administration and organisation of policy.

Continuing Scandinavian co-operation concerning policy for rural regions will be aimed initially at increasing the interchange of information and experience concerning similarities/dissimilarities of national policies designed above all to provide employment and services.

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