

**Europeanisation – peripherisation?
EU-enlargement and touristical strategies
of rural areas**

**Report of the SOKRATES Intensive-Programme
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Ulla Äänismaa
Gabriel Bladh
Ulrika Boman
Nina De Roo
Tjerk Destombes
Roel Faems
Lina Fredholm
Jörn Freyer
Sara Friedrich
Noreen Glossmann
Roland Grösch
Camilla Gustafsson
Gerhard Gustafsson
Jan Groenendijk
Valster Heleen
Michael Heinz
Alexander Izotov
Sander Jansen
Tiia Kivelä
Helmut Klüter

Peter Koch
Jarmo Kortelainen
Sophia Lamp
Emilie Maclaine Pont
Johana Maier
Anders Olsson
Leo Paul
Martijn Pas
Sören Quirus
Annica Rasmusson
Dominik Ruciński
Anna Ruskovuara
Stephan Schmidt
Martin Schulz
Stefan Sommer
Marie Stenström
Kata Szakács
Markku Tykkyläinen
Evelyn Zschämisch

Editors: Michael Heinz & Helmut Klüter

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Contact: University of Greifswald, Department of Geography and Geology
Friedrich-Ludwig-Jahn-Str. 16,
D-17487 Greifswald
Germany
E-mail: micheinz@uni-greifswald.de

The authors are responsible for the contents of the texts.

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1 Introduction

The IP-course aimed to initiate students into current problems of peripheral regions in the EU, and to give them an opportunity to develop new "anti-peripheralisation" strategies under special consideration of the tourism sector. This required general (theoretical) and detailed knowledge of the European peripheries. The course included lectures, seminars, excursions and discussions in international working groups, where the theoretical and general aspects were discussed. Further knowledge was acquired by comparing the characteristics of the four case regions (North Karelia, Vorpommern, Värmland and Dutch North) at the seminars before the course and at the plenaries, group sessions and excursions during the actual IP-course in Greifswald. The results were discussed with regional decision-makers at an international workshop as a part of the IP.

Apart of all this we hope (and had the feeling), that the IP-programme in Greifswald brought people from different countries, students with different backgrounds, teachers with different scientific approaches together and that we created some interesting new ideas. The following IP-report tries to give an impression of this "coming together" and "creating new ideas".



Picture 1: IP-participants during the excursion on the island of Usedom

Beacause all IP-participants are proud to be geographers, we would like to introduce our "IP-hymn", imported by friendly colleagues from Karlstad, Sweden:

//:://:: Gee, Gee-gee-gee, Ogra Phi :// ://

We can be found at the borders of Rome and ancient Greece

We know how to get back home and 'cross the seas

We're the masters of Space

So look up to our faces and see

That the greatest show on earth is we

Gee Ogra Phi

The world was wrong 'til we measured it right, and filled the gaps

We told them to read and write the world on maps

If you're planning to stay

We can show you the way it could be

For the greatest show on earth is we

Geo Ogra Phi

Practice is the ocean we sail

Science the drug we inhale

Doing research

Is like praying in church

You may join us in writing the tale

We gave you the meaning of place, and where it's at

We listed all the regional ways, and more than that

There's a lesson to learn

From the cultural turn, and it's for free:

That the greatest show on earth is we

Gee ogra Phi

Source: Words & lyrics by BLundberg

2 Regional Presentations

2.1 Värmland – a peripheral part of Northern Europe

2.1.1 Introduction

Following presentation of Sweden and Värmland is a product made by six students from the course human geography at Karlstad University. This product is also the text material that will be our foundation in the discussions between other human geography students in Greifswald, Germany.

Our ambition is to illustrate Sweden as a country focusing on Värmland, a peripheral region in northern Europe. We will explain the relationship between Sweden, the EU, and the tourism sector.

In the beginning we will show you how Sweden is structured, both political and geographical. The second part focuses on the tourism industry in Sweden and especially in the county of Värmland. Finally we will discuss problems and opportunities for Värmland and also future tourism trends.

We would like to give thanks to our excellent mentors at Karlstads University, Gerhard Gustafsson and Gabriel Bladh. They have helped us with valuable comments and suggestions.

We hope you will enjoy!

2.1.2 Administrative Structure

2.1.2.1 General information about Sweden¹

The official name:	Kingdom of Sweden
Form of government:	Monarchy, unitary state The King, Carl XVI Gustav is the head of state, the Prime Minister is the head of government.
Population:	9, 01 million inhabitants
Age structure of population:	0 - 14 years: 18 % 15 - 64 years: 65 % 65 years and older: 17 %
Capital:	Stockholm, 765 000 inhabitants
Land use:	52 % forest, 8 % cultivation, agriculture and 40 % remaining. Sweden has about 100 000 lakes which occupies about 9 % of the country's area. Sweden is by territory the fifth biggest country in Europe.
The most important export products:	Machines, vehicles and paper.
The most important import-products:	Engineering products, fuel and chemical products
The industries contribution to GNP:	Agriculture 2 %, industries 28 % and service 70 %.

2.1.2.2 The three democratic levels of Sweden

Sweden is divided into 290 municipalities and 20 county councils/regions. Each county council/region contains several local authorities, but there is no hierarchical ranking between the levels- both the local authorities and county councils/regions are entities for local self-government with responsibility for different activities.²

¹ http://www.ne.se/jsp/search/article.jsp?i_art_id=320855 & <http://www.landguiden.se/> 2006-03-14

² Svenska Kommunförbundet & Landstingsförbundet, 2003

State, *stat*

National level	The Swedish Parliament, <i>Riksdagen</i> ☼ Government, <i>Regeringen</i> ☼ The Government Office, <i>Regeringskansliet</i> ☼ Central government authorities, <i>Myndigheter</i>	County council, <i>landsting</i>	Representatives to all three levels are chosen by general elections.
Regional level	☼ County administrative board, <i>Länsstyrelse</i>	☼ County council, <i>Landstingsfullmäktige</i> ☼ County committee, <i>Landstingsstyrelse</i> ☼ Administration and activity	Municipalities, <i>kommuner</i>
Local level		☼ Local administration and activity	Municipal council, <i>Kommunfullmäktige</i> ☼ Municipal committee, <i>Kommunstyrelse</i> ☼ Administration and activity

Figure 1: Sweden's National level, Regional level and Local level

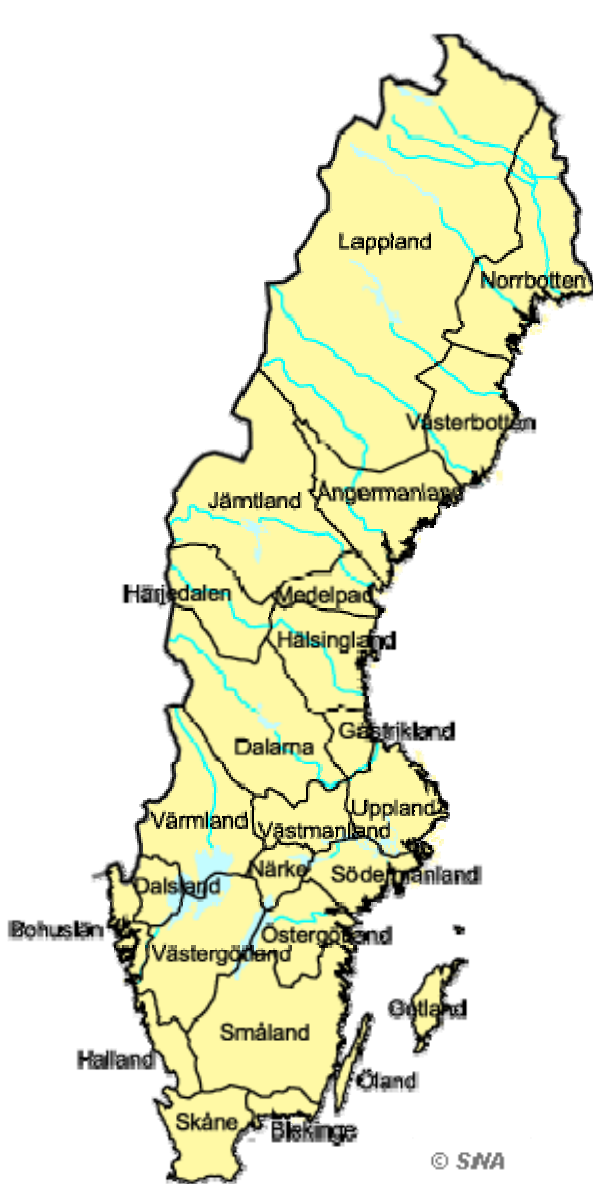
- **National level:** The Parliament (Swedish; Riksdag) is the highest political decision-making body in Sweden. The government is under the parliament and is the executive organ of Sweden. ³
- **Regional level:** The county administrative board (Swedish; Länsstyrelsen) is the government's extended arm in the counties. They also report the status in the county to the government. They work to build up the cooperation between the central government authorities, municipalities and organizations⁴ and they further support business and industry in the region. They are also responsible for areas such as tourism and culture. The county councils' and regions' (Swedish; Landsting) main task is healthcare, it also includes public transport and some education. ⁵

³ Svenska Kommunförbundet & Landstingsförbundet, 2003

⁴ Dahlgren B, Lecture 2006-03-10

⁵ Svenska Kommunförbundet & Landstingsförbundet, 2003

- **Local level:** Municipalities (Swedish; Kommuner) are responsible for matters relating to the inhabitants of the local authority and the immediate environment.⁶



Map 1: Swedish provinces.⁷



Map 2: Swedish counties.⁸

Sweden is divided into 25 provinces (Swedish; Landskap), and Värmland is one of them. Provinces are political units with long traditions. Their borders go back even to prehistoric times. The cause of the division lies in the culture and the geographic characteristic that many people still identify with. Since the mid 15th century, provinces

⁶ Svenska Kommunförbundet & Landstingsförbundet, 2003

⁷ http://www.sna.se/webbatlas/kartor/vilka.cgi?temaband=A&lang=SE&karta=a_landskap_125m&vt1=OK, 2006-03-03

⁸ <http://www.sna.se/webbatlas/kartor/vilka.cgi?fritext=I%E4nsindelning&s1=S%E6ker>, 2006-03-03

have no administrative tasks and were therefore replaced by counties (Swedish, Län).⁹ The county administration has its roots in the needs for a nationwide administration in the medieval kingdom.¹⁰

2.1.3 History

Immigration from the southwest populated Värmland during the Stone Age but even in the Middle Age Värmland was still very sparsely populated. During this time, people lived of Cattle-breeding, because neither the climate nor the soil was favorable for cultivation and the agriculture was weekly developed.¹¹

The trade over the border to Norway was lively and Christianity came to Värmland from Norway. The pilgrimage track to the Cathedral of Trondheim went through the county.¹² In the 16th and 17th centuries many Finlanders came to Värmland, mainly from Savolaks. The Finns were framed by burn-beating and were very important for the cultivation in the county. Burn-beating was necessary for the colonization of these previously uninhabited areas. During the 17th century the forest began to increase in value, especially in mining areas, and laws were passed forbidding burn-beating. The population grew rapidly in the Finnish districts, leading to the expansion of the crofts, poverty and emigration in the 19th century.¹³ Mining was of great importance of Värmland's trade and industry already in the 15th century. The mining industry was improved and Värmland became famous for its ironworks.¹⁴ Forests and the energy, which was gained from rapids and small waterfalls gave the industry good opportunities to develop.¹⁵

Since the 16th century until the end of the 19th century the county has been dominated by ironworks and mining. During the later parts of the 19th century and forward forestry has been the dominating industry.¹⁶ The mining and iron industries declined in the latter halfway into the 19th century, the introduction of new methods and new technology in agriculture were slow. Instead the forests became the main source of livelihood for Värmland. Värmland consists of many lakes and rivers that historical has been very important for transportation and communication. The largest river in Värmland is Klarälven, which have been used to transport million of logs down the river to the

9 http://www.ne.se/jsp/search/article.jsp?i_art_id=237219&i_history=1,2006-02-27

10 <http://www.sna.se/webbatlas/lan/index.html>,2006-02-27

11 http://0-www.ne.se.biblos.kau.se:80/jsp/search/article.jsp?i_art_id=347170,2006-02-27

12 http://www.s.lst.se/s/Om_Lanet/historiskt_om_varmland.htm,2006-02-27

13 Bladh G,Forskningsrapport 95:11

14 <http://www.sverigeturism.se/smorgasbord/smorgasbord/provincial/varmland/history/>,2006-02-27

15 http://0-www.ne.se.biblos.kau.se/jsp/search/printarticle.jsp?i_art_id=347170&i_sect_...,2006-02-27

16 http://0-www.ne.se.biblos.kau.se/jsp/search/printarticle.jsp?i_art_id=347170&i_sect_...,2006-02-27

numerous saw- and paper mills.¹⁷ A distinctive cultural pattern was created when the old peasant farming culture met the new industrial Värmland, a pattern that nurtured the image of Värmland as a county of stately manor houses and literary geniuses. Geijer, Lagerlöf, Tegnèr and Fröding created a picture of Värmland that has traveled far beyond the frontiers of Sweden.¹⁸ The noble prize winner in literature in 1909, Selma Lagerlöf lived most of her life at Mårbacka, close to Sunne in the heart of Värmland.¹⁹

2.1.3.1 The union between Sweden and Norway

Sweden and Norway formed a union that lasted during the years of 1814-1905. This was due to the fact that the Swedes in a demonstration of power forced the Norwegians to enter a union. It was a quite peaceful period, but the Norwegians had a growing dissatisfaction and growing demands of self independence. On the 23rd of September 1905, the proposed dissolution of the union was signed by the prime Ministers of Sweden and Norway. During the two weeks of negotiation the world focused its attention on Karlstad. Throughout the year 2005, a series of events were held in the county of Värmland to celebrate the divorce. Sweden and Norway became good neighbours anyway, and still are in spite of the circumstances.²⁰

2.1.3.2 Värmland facts

From now on we are going to focus on the county of Värmland. The county's area is 17 591 sq/km, 273 288 inhabitants²¹ are living in Värmland (31st of December 2005.). With a population density of 16 inhabitants per sq-km Värmland is one of the central Sweden's most sparsely populated counties. ²² Sweden has 22 inhabitants per sq-km.²³ The Regional distribution of inhabitants shows big differences. The larger part of the population lives in urban areas and alongside of lakes and watercourses in the southern parts of the county.²⁴

17 Sveriges National Atlas, Kulturliv, rekreation och turism, 1993, Italien, sid 112

18 Sveriges National Atlas, 1993, page. 112

19 <http://www.sverigeturism.se/smorgasbord/smorgasbord/provincial/varmland/varmland/,2006-02-27>

20 www.karlstad.se,2006-03-03

21 <http://www.regionfakta.com/varmland/2006-03-06>

22 http://www.ne.se.biblos.kau.se/jsp/search/article.jsp?i_art_id=3471932006-03-08

23 <http://www.ne.se,2006-03-14>

24 http://www.ne.se.biblos.kau.se/jsp/search/article.jsp?i_art_id=3471932006-03-08



Map 3: Värmland County in Europe

Karlstad is the residential city of the county and has about 80 000 inhabitants. The town is situated by the lake Vänern, which is the largest lake in Sweden and the third biggest lake in Europe. The water in the lake is about one third of all freshwater in Sweden. It is Europe's biggest freshwater archipelago and consists of 23 000 islands.²⁵

Karlstad is the seat of the county government and the governor of Värmland (Eva Eriksson) is situated there.²⁶

The town Karlstad is situated 213 km from Oslo, 248 km from Göteborg, 307 km from Stockholm and 517 km from Copenhagen. Other major cities in Värmland are Arvika with a population of 26 500 and Kristinehamn with 25 000 inhabitants.²⁷

Eight percent of Värmlands area consists of agriculture land, 70 percent is forest land. Sweden's total area is eight percent of agriculture land and 54 percent is forest land.²⁸

There are 16 municipalities in Värmland. Karlstad is the largest municipality by population, and Torsby is the largest by area.²⁹

25 http://www2.o.lst.se/2_12_miljowebben/miljofaktabok/vatten/vanern/vanern-txt.htm, 2006-03-15

26 <http://www.sverigeturism.se/smorgasbord/smorgasbord/provincial/varmland/cities/>, 2006-02-27

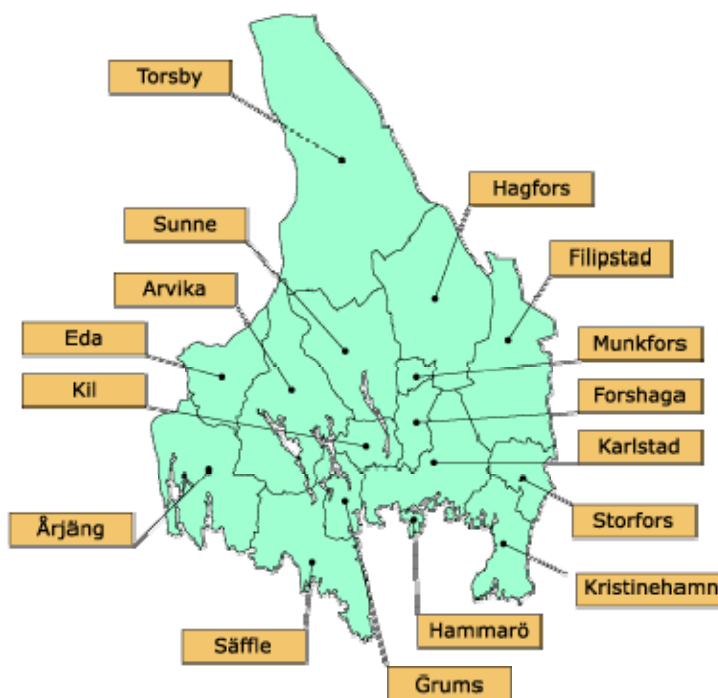
27 Värmlands Turistråd

28 <http://www.regionfakta.se>, 2006-03-15

29 http://www.kulturarvvarmland.se/varmland_fakta.html 2006-03-08

Table 1: Värmland County - Municipalities, inhabitants and area

Municipality	Inhabitants	Area sq/km
Arvika	26 302	1 659
Eda	8 662	825
Filipstad	11 121	1 543
Forshaga	11 452	350
Grums	9 379	386
Hagfors	13 618	1 834
Hammarö	14 907	57
Karlstad	81 343	1 165
Kil	11 892	361
Kristinehamn	23 946	748
Munkfors	4 075	142
Storfors	4 559	394
Sunne	13 586	1 296
Säffle	16 244	1 211
Torsby	13 311	4 189
Årjäng	9 737	1 420
Värmland County	273 288	17 591



Map 4: Värmlands municipalities

2.1.4 Industry and Service sector

The Swedish industry has always been focusing on the international market, mainly because of the limited domestic market.³⁰

The industry of Värmland has gone through several structural changes. The earlier very important industries, such as forest- and steel industry is not as important any more. The Service industries have instead taken the role of the leading industry in Värmland. The growth in the public sector during the 1970s and 1980s has stagnated. But in the private sector the numbers of work opportunities have increased, especially in the region Karlstad. Nowadays, the county has a wide range of industries. There are however great regional differences, for example in Storfors, Munkfors and Hagfors, where these municipalities have a relative one- sided industry. Soil- and forestry still play an important role, even though it only occupies 2% of the working population. As earlier mentioned, the access to iron ore, forest and water has been decisive to the structure and the localisation of the industry. In the beginning of the 1990s, Värmland was Sweden's leading producer of paper pulp. Since 1960s the paper pulp production has been located to few places. Among Värmland most important paper pulp producers are: Stora Enso, Tetra Pak, Nordic Paper Seffle AB. Several manufacturing companies can be found in the

³⁰ Dahlgren ,Rapport 2002:19, page 8

county, Volvo Wheel Loaders AB, Rolls- Royce AB. Another significant industry is the provision industry, where for example Wasa Company Wasa crisp-bread AB is one of the large companies. Akzo Nobel Base Chemicals AB is one of the chemical industries in Värmland.³¹

Table 2: Sweden and Värmland: Number of employment (2005), after region and industry. ³²

Industry	Number		Share	
	The county of Värmland	Sweden	The county of Värmland	Sweden
Agriculture & forestry	10 374	189 754	35.2	20.4
Manufacturing, mining, energy	1 919	63 436	6.5	6.8
Building industry	1 650	66 015	5.6	7.1
Trade	3 834	133 844	13.0	14.4
Hotel and restaurant	722	26 187	2.4	2.8
Transport and communication	1 017	35 118	3.5	3.8
Estate, insurance, credit institution	5 116	245 178	17.4	26.4
Governments, education, health- and medical services	1 973	70 889	6.7	7.6
Other society and personal services	2 866	98 900	9.7	10.6
All exkl unknown industry	29 471	929 321	100.0	100.0
Industry unknown	2 861	45 255		
Total	32 332	974 576		

The table illustrates the number of employment of the region and industry. The biggest line in number of employment is agriculture&forestry with 35 % in Värmland (Sweden: 20 %).

Investments in the industries in Värmland lead to increased productivity but less jobs. Norwegians are making big investments at the cross-boarder regions in Sweden. This is in favour for both countries. The Norwegian currency is valued higher than the Swedish one.³³

Värmland has a range of strong and active networks in heavy industries and the service sectors, all of which work independently, jointly and in partnership with the university. This generates growth and development for everyone while also injecting life in to the

³¹ [www://0-www.ne.se.biblos.kau.se/jsp/search/printarticle.jsp?i_art_id=347193&i_sect_.....,2006-02-27](http://0-www.ne.se.biblos.kau.se/jsp/search/printarticle.jsp?i_art_id=347193&i_sect_.....,2006-02-27)

³² <http://www.regionfakta.com/dynamiskPresentation.aspx?id=14084,2006-03-15>

³³ Dahlberg , 2006-03-10

whole of the region's economy. Here are some few examples of larger networks and collaborative organisations in the region: "**The paper province:** A network of public bodies and companies which use materials from forestry. **Compare:** Sweden's largest organized IT network. **Union Wood:** Timber producing companies in Värmland which work together, sharing joint marketing, development and sales channels. **Stiftelsen Inova i Wermland:** Operates as an interface between the university, business and the public sector. The aim is to create new business by developing innovations and generating growth in the region. **Commicare:** An organisation that helps to stimulate young enterprise. **Mat- och måltidsklustret:** Food companies in Örebro and Värmland county work together to promote the industry surrounding meals. **Verktysmaterialcentrum:** The steel and engineering industry in the region works together to create a market for toolmakers.

20 grader: They work with climate-related products aim to create new, energy- efficient products."³⁴

Karlstad University did not become a university until 1999. But the knowledge in higher education dates back to the mid 19th century. Today the university has about 10 000 students on about 50 programs with over 700 courses to choose from. Everything from technology and science, services, innovation and design to the humanities and healthcare can be found. The university has a close partnership with business and other colleges, for example in forestry and graphic courses. The partnership benefits students and business alike.³⁵

The European road 18 (Stockholm-Karlstad-Oslo) and the national roads 45 and 61 are crossing the county. Train services are also supplied to the south of Sweden via Göteborg. Air services goes on daily basis from Karlstad to Stockholm and Copenhagen, from Hagfors and Torsby to Stockholm. There are harbours in Karlstad, Kristinehamn and Skoghall.³⁶

2.1.5 European Union

Swedish regional policy has changed from including primarily prioritised areas to be a policy that in practice covers all parts of the country, although the main focus will remain on prioritised areas. The stand is that national development is the sum of growth created locally and regionally. Therefore it is important to take well care of and develop the potential found in the country. As conditions vary from one art of the country to

³⁴ <http://www.varmland.se>, 2006-03-10 & Dahlberg , 2006-03-10

³⁵ <http://www.kau.se>,2006-03-09

³⁶ http://www.ne.se/jsp/search/article.jsp?i_art_id=347193 2006-03-08

another, considerable regional and local freedom of action is essential to achieve this development.³⁷

The Swedish regional policy is build from certain starting points. They are:

- The policy covers the whole country.
- The central Governments role and responsibilities must be clear.
- The central Government will be responsible for a national perspective on various issues and the impact of this will be found at local and regional levels.
- Regional influence and regional variation are essential.
- The policy will contribute to sustainable development.
- The policy will contribute to greater gender equality.
- The policy will contribute to greater diversity and integration.
- The policy will contribute to competitiveness.
- The policy will be based on a learning process.

The Swedish national policy for sustainable regional development should be coordinated as effectively as possible with the EU structural and regional policy.³⁸

The main instrument of the Swedish regional policy is the “Regional growth Programme”, (Swedish, Regionalt Tillväxt Program, RTP). The County administrative board is responsible for the development and bringing forward the Regional growth Programme in each county in Sweden. It should include analyses, objectives and regional priorities as well as a plan on the financing, implementation and evaluation of the programme. The activities to be undertaken are required to be sustainable from economic, social and ecological perspectives.³⁹

The aim of the EU’s regional policies is to strengthen social cohesion within Europe. This will be achieved by, among other things, boosting competitiveness and growth in a sustainable manner. At the meeting in Essen in 1994, 14 TEN-projects (Trans-European Networks) were identified and given priority in the EU’s work on social cohesion. The TEN project aims to link the capitals of Europe. One of them is the Scandinavian triangle of Oslo, Copenhagen and Stockholm. The Oslo-Stockholm link has been the weakest so far, and the Growth Corridor project aims to change that.⁴⁰

37 <http://www.regeringen.se/content/1/c4/21/04/e3e0daba.pdf> 2006-03-15.

38 <http://www.regeringen.se/content/1/c4/21/04/e3e0daba.pdf> 2006-03-15.

39 <http://www.regeringen.se/content/1/c4/21/04/e3e0daba.pdf> 2006-03-15.

40 <http://www.regionvarmland.se/index.asp?id=1334>, 2006-03-10



The Growth Corridor is a unique co-operation project in Scandinavia uniting Värmland in Sweden with Hedmark, Akershus and Østfold in Norway. The project is partly financed by the EU's Interreg III programme "Internal Scandinavia".⁴¹ Over the past ten years, around SEK 500 million has been invested via Interreg III "Internal Scandinavia" in cross-border projects involving the Swedish county of Värmland and several Norwegian counties.⁴²

Trade in the Swedish municipalities of Eda, Årjäng, Arvika, Sunne and Karlstad are currently flourishing partly due to the weakness of the Swedish krona.⁴³

Map 5: Interreg III area Sweden - Norway⁴⁴

2.1.6 Sparsely populated areas (Swedish: Glesbygd)

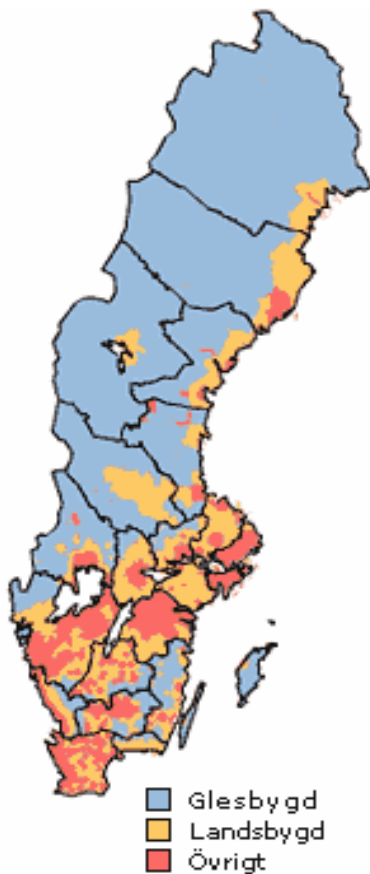
- Is associated with "Sparsely populated area problems" (Swedish, glesbygdsproblematik)
- Can be used for areas outside urban areas but has a more "regional" character than country side – (Swedish, landsbygd). Urban areas and areas outside together constitute sparsely populated areas.
- Small population, far distances and inaccessibility are topics that are associated with these areas.
- There are possibilities for developing the nature based tourism in these areas which is a positive thing.
- Is sometimes associated with weak conditions for trade and industry, difficulty in maintaining service and long commuting distances to larger centers.

41 <http://www.regionvarmland.se/index.asp?id=1334>, 2006-03-10

42 <http://www.interreg-sverige-norge.com>, 2006-03-10

43 <http://www.regionvarmland.se/index.asp?id=1334>, 2006-03-10

44 <http://www.interreg-sverige-norge.com/>, 2006-03-15



“The regional development agency” (Swedish; glesbygdsverket) works for better living conditions and development possibilities for the people in sparsely populated areas. The population in Sweden is increasing. 2004 became the year when we had the largest number of birth since the middle of 1990. But the population in the countries sparsely populated areas are declining. The sparsely populated areas have a high share of older population and relatively few women in family founding ages. Since 1995 the population in the sparsely populated areas has decreased by almost ten percent. These numbers are not only dependent upon that people move away from there; it’s more dependent upon the negative birthrates. The moving out also contributes to the decrease, and above it’s the youth that moves away from the sparsely populated areas. A closer analysis of the numbers shows that it’s not more young men than women that move *out of* sparsely populated areas; it’s just that more young women than men move *to* these areas. The close by urban areas has become popular and the population here has increased during 2004.

Map 6: Sparsely populated areas in Sweden
(Glesbygd=sparsely populated areas, Landsbygd=Countryside, Övrigt=other) ⁴⁵

Värmland has a similar migration development as the rest of Sweden. Värmland lies in the middle of Sweden and is rather sparsely populated. The pattern we can observe is that people move out of the sparsely populated areas in the north of Värmland and moves to bigger cities or urban areas. This generates problems to the sparsely populated areas because of the many close-downs necessities like health centers, shops and schools.⁴⁶

2.1.7 Trends in the society and industry of Värmland

A more international Värmland

Globalisation/internationalisation: The foreign ownership increases in the county’s companies and industry. Nowadays, not only industrial companies have foreign owners; this phenomenon has e.g. expanded to the retail trade and medical care-sector.

⁴⁵ <http://www.glesbygdsverket.se/site/default.aspx?id=8290,2006-03-15>

⁴⁶ <http://www.glesbygdsverket.se/site/default.aspx?id=8290,2006-03-15>

Companies from Värmland compete with its goods and services all over the world. The Internet for instance or traveling gives us new impressions and contacts and makes Värmland available to the world. The exchange with Norway increases. Work commuting, moving, cross-border shopping, tourism and owning of companies and properties. The number of border regional development projects has increased.

Immigrants and refugees are bringing a more multicultural and international society to Värmland. 10 - 15 % of the inhabitants in Värmland are not by Swedish origin.

Increased personalization and demand on life quality

Society becomes more heterogeneous and is characterized by diversity. The group belonging is important at the same time as we want to make individual choices. The experience industry is growing. Demand for excitement and experiences, impressions and a wide range of selections and knowledge.

Increased environmental demands

Climate changes become more noticeable and increase the international environmental demands.

A more educated Värmland

Today we can see an increased share of the population in Värmland with university education. In general the women are higher educated than men in Värmland. The University of Karlstad is an important factor in the development. But the education level of the population in Värmland is still beneath the national average.

A more moving Värmland

The young people are moving a lot, both, inside and outside the county. The reasons for moving out are often found in the demand for higher education or jobs outside the own region.

The travelling is increasing both the private travelling and the work-related travels. The face-to-face meeting is still important in the information society. The relation to Norway is increasing in meaning. Cross boarder trade and shopping, work commuting (many people who live in Värmland work in Norway).

Occupation

More than 70 % are working in the service industry in Värmland. The biggest employers are the County council, and the municipalities of Karlstad and Arvika. The public sector is generally in Sweden a big employer. Service and commerce are increasing. The industry and building-sector are decreasing. There is a more positive attitude towards self-employment.

2.1.8 Tourism

Tourism is an important industry in Sweden and demands a lot of employment. Tourism has a great geographical reach and favour both rural areas and densely build-up areas.⁴⁷

Tourism is all about to predict needs, both for today, and for the future. There are a lot of models created just for this purpose. One way in defining these needs is in four groups. Physical needs, which involves for example activities like hiking, cultural needs that is knowledge about culture and art, social needs the need to meet new people, change environment. And at last, needs for respect, personal progress and education. ⁴⁸

Tourism in Sweden has had less good opportunities and economic support from the state compared to other Nordic countries⁴⁹.

Tourism industry in Sweden is categorised in two blocks. The first one is travel industry (resenärning), which includes transportation, for example airplane, train, boat, bus, road service companies, travel agencies and other travel companies. The other block consists of those activities the tourist make, business like hotel, camping, restaurants, and incoming travel agencies. ⁵⁰

2.1.8.1 Employment in tourism sector

The table shows different industries in the tourism sector, like Retail trade, Zoo, nature-reserve, botanic garden, Hotel and restaurants, Museums, historical monuments, amusement parks and ski centers. Eda and Sunne have the highest percentage (13.4 %), when it comes to employment in the tourism industry or other industries that are dependent on the tourism sector. Grums and Storfors have only 4.0 % of the employment in the tourism industry or other industries that are dependent on the tourism sector.⁵¹

⁴⁷ Björnelid, 1995, page.17

⁴⁸ Aronsson, Tengling, 2003,page.70

⁴⁹ Björnelid, 1995, page.105

⁵⁰ Aronsson, Tengling, 2003,page. 19

⁵¹ <http://www.regionfakta.com>, 2006-03-09

Table 3: Värmland - Employments that are dependent on the tourism sector.⁵²

Municipality	Tourism industry							Total employment	(in %)
	Retail trade	Zoo, nature-reserve, botanic gardens	Hotels and restaurants	Museums and historic monuments	Amusement parks	Ski centers	Total in tourism industry		
Arvika	621		236	3			860	10 600	8.1
Eda	303		112	1		5	421	3 144	13.4
Filipstad	208		78	1			287	4 403	6.5
Forshaga	156		17	6			179	2 821	6.3
Grums	108		34				142	3 535	4.0
Hagfors	264		59	1		3	327	5 034	6.5
Hammarö	151		61	3	2		217	4 177	5.2
Karlstad	2 972		1 195	52	7		4 226	43 989	9.6
Kil	151		20	2			173	3 203	5.4
Kristinehamn	536		132	12			680	9 800	6.9
Munkfors	67		25	1			93	1 797	5.2
Storfors	45		6	2			53	1 338	4.0
Sunne	327		347	20			694	5 168	13.4
Säffle	349	2	117	2			470	6 382	7.4
Torsby	323		149	11		33	516	5 292	9.8
Ärjäng	346		68	4			418	3 754	11.1
Värmlands county	6 927	2	2 656	121	9	41	9 756	114 437	8.5
Sweden	233 014	623	103 736	6 986	1 488	1 288	347 135	4 095 047	8.5

Investments in tourism are an effective way in creating new job opportunities. In a new study it has been stated that it will cost about 1,4 million Swedish kronor to create new jobs in the tourism industry. To compare with creating new jobs in the car-industry that would cost about 3, 3 million Swedish kronor, and tourism industry can not be relocated in contrast to many other industries. Despite that, the promotion of Sweden as a place of visit is modest, in a comparison on an international level.⁵³

⁵² <http://www.regionfakta.com>, 2006-03-09

⁵³ Dagens Samhälle, 2006-02-22

The tourism industry in Sweden is characterised by small scale business with less than ten employees, except from bigger winter tourism destinations and bigger cities.⁵⁴ The interest for small scale business has increased, the state has made a delegation to take care and promote this kind of companies. An economic support has also been established. There is no concrete numbers that can show that small scale business has increased in numbers but much indicates that the climate for this companies are more positive today.⁵⁵ Establishing new business in Värmland is unfortunately less than in the whole country⁵⁶. Värmland is starting to understand the importance of young people's attitude towards starting companies. Activities and competition is an approach that has increased curiosity, concern and attention for this spectrum.⁵⁷ This is a long term changing process and to achieve this we must start already in first year at school and change the attitude towards entrepreneur and to become one in the future⁵⁸.

Sweden and Värmland have a lot of initiative and successful people and companies working in the tourism sector. The entrepreneur by the year of 2005 in tourism industry in Sweden was Stefan Palm and his company 157/ Kärringrallyt. They sell fashion clothes for half price. He was given the price, motivation that shopping is a cause to profitable Swedish tourism. The purpose with the price is to attract attention and reward a Swedish entrepreneur in Tourism as by creativity and courage create business opportunities and attract attention to their home district and the country by new exiting tourism products. The price is founded by the Swedish travel and tourism council AB (Sveriges rese- och turistråd), the business organization Swedish tourism AB (Branschorganisationen Svensk turism AB) and the business paper Hit&Dit (fack tidningen Hit&Dit).⁵⁹ In Värmland one example of a successful company is Vildmark i Värmland. Their vision is to be people's first choice when they want to experience unique things in nature. Vildmark i Värmland can, for example, offer you to enjoy rafting and canoeing.⁶⁰ There are also a lot of investments in new projects in the tourism sector not yet finished. Like the ski tunnel in Torsby and Waterpark in Sunne.

2.1.8.2 Cluster and tourism

Cluster in the tourism connections can lead to a stronger development in the tourism industry. More often today we find that business in the same industry establish

⁵⁴ Åberg, 1998, page. 11

⁵⁵ Dahlgren, 2002, page.10

⁵⁶ Dahlgren, 2002, page.14

⁵⁷ Dahlgren, 2002, page.23, 24

⁵⁸ Hållbar Värmländsk växtkraft 2004-2007 page. 12

⁵⁹ http://www.hitodit.com/document/entreprenor_2005.html, 2006-03-15

⁶⁰ <http://www.vildmark.se/info.asp?id=5010,2006-03-15>

concentration in one particular geographical area. It's often said that the clusters are important for separate companies but also for regional and national development and economic growth. The cluster theory points out the importance of research and innovations but also the access of qualified labour, good education and capital for investments. A companies that establishes its business in the same areas as similar other companies are already located, can benefit from the infrastructure and environment that already exists. An area like that attracts competent staff and generates close links between costumers and suppliers. ⁶¹

2.1.8.3 The spreading of tourism in 2005

Värmland is a popular tourist destination. The number of guest nights has increased to almost 45 million during 2005. That is 5.4 percent. The income for cabins, hostels, hotel and camping has increased with 8.5 percent, 1, 2 billions. This datas are from NUTEK, an organisation which is among others responsible for statistics about tourism.

Table 4: Number of guest nights in all types of accommodation, by county. December 2005⁶²

Län/Region County/Region	Hotell		Stugbyar		Vandrarhem		Totalt	
	Hotels		Holliday Villages		Youth Hostels		Total	
	Number	%	Number	%	Number	%	Number	%
Stor-Stockholm	452 675	32.6	..	..	..	..	485 696	28.6
Stor-Göteborg	183 683	13.2	..	..	..	..	195 327	11.5
Stor-Malmö	83 615	6.0	..	..	..	..	86 861	5.1
Övriga Sverige	670 608	48.2	222 689	98.6	37 208	45.4	930 505	54.8
Stockholm	452 675	32.6	..	..	..	..	485 696	28.6
Uppsala	31 854	2.3	..	..	..	..	32 682	1.9
Södermanland	24 829	1.8	..	..	..	..	25 942	1.5
Östergötland	35 768	2.6	..	..	..	..	37 640	2.2
Jönköping	30 651	2.2	..	..	..	..	37 784	2.2
Kronoberg	18 093	1.3	0	0.0	1 313	1.6	19 406	1.1
Kalmar	20 902	1.5	4 318	1.9	1 074	1.3	26 294	1.5
Gotland	6 613	0.5	..	..	..	..	8 353	0.5
Blekinge	16 884	1.2	..	..	..	..	18 632	1.1
Skåne	134 335	9.7	3 371	1.5	5 200	6.3	142 906	8.4
Halland	29 815	2.1	..	..	..	..	31 638	1.9
Västra Götaland	235 443	16.9	1 582	0.7	15 846	19.3	252 871	14.9
Värmland	33 378	2.4	18 047	8.0	2 379	2.9	53 804	3.2
Örebro	28 301	2.0	..	..	..	..	30 892	1.8
Västmanland	18 300	1.3	..	..	..	..	19 651	1.2
Dalarna	81 519	5.9	146 171	64.7	5 359	6.5	233 049	13.7
Gävleborg	24 993	1.8	5 876	2.6	2 112	2.6	32 981	1.9
Västernorrland	30 029	2.2	..	..	..	..	31 114	1.8
Jämtland	51 632	3.7	19 547	8.7	1 335	1.6	72 514	4.3
Västerbotten	39 193	2.8	4 661	2.1	1 048	1.3	44 902	2.6
Norrbottn	45 374	3.3	12 001	5.3	2 263	2.8	59 638	3.5
Sweden	1 390 581	100.0	225 795	100.0	82 013	100.0	1 698 389	100.0

61 <http://www.etour.se/publikationer/samtligapublikationer/publikationer/5.195dd5bfe95c56e8a7fff4274.htm>, 2006.03.15

62 http://www.scb.se/templates/Publikation___157482.asp 2006-03-14

During the last fifteen years the numbers of foreign visitors has increased by 80 percent. The development in Sweden is equal to the same level in international travelling in the whole world, an increase by 82 percent, compared to Europe with an increase with only 68 percent.⁶³

Värmland is the most successful county in Sweden to attract new tourists. Nowhere else in the hole country has the guest nights increased as much as in Värmland calculated by the five latest years. The number of guest nights in Värmland at hotels, camping, hostels and cabins was 1, 7 million (in 2005), which means an increase of five percent from the year 2000. In the year of 2005, 350 000 Norwegian, 70 000 Germans and 30 000 Dutch visited Värmland according to statistics.⁶⁴ Exchange with Norway has increased in different areas, for example in Tourism. Development projects between the countries have increased as a result of an Interreg-project. ⁶⁵ Mutual, interdependence between the countries is important for the both of us. The foreign guests consist mainly of our Norwegian neighbors and then there are many guests from Denmark, Germany and the Netherlands. Our Danish guests are the nationality that has increased the most compared to last years numbers. The Swiss travel agency Kontiki Saga Reisen AG which runs charter flights to Karlstad is very pleased with Värmland as a charter destination. In the summer of 2005, 498 passengers from Switzerland flew to Karlstad. In two years the charter has generated 15 million Swedish kronor to Värmland. ⁶⁶

2.1.8.4 Marketing

Place promotion can be defined as *"the conscious use of publicity and marketing to communicate selective images of specific geographical localities or areas to a target audience..."*⁶⁷

Places compete with other places therefore it is important with conscious marketing and planning to attract tourists. It is important to create a place image and identity and to select the unique and tell the audience in a way that it creates attraction.⁶⁸

Sweden has different organizations that are dealing with marketing at the national level. For example Sweden Travel and tourism council (Sveriges Rese och turistråd AB). Their task is to promote Sweden as a travel destination and Sweden as a trademark. The company is owned by equal parts by the state and by Swedish Tourism industry.

Nutek is Sweden's national authority for questions concerning trade and industry. They are also working to strengthen the regions, which will promote a durable economic

⁶³ <http://www.nutek.se/sb/d/198/a/3076>, 2006-03-15

⁶⁴ <http://www.dagenssamhälle.se/zino.aspx?articleD-8640> 2006-03-07

⁶⁵ Hållbar Värmländsk växtkraft 2004-2007,page. 15

⁶⁶ Turistdelegationen/SCB/SCR

⁶⁷ Ward, 1994,page, 2

⁶⁸ Ward, 1994, page.39

growth in the country. Trade and industry needs to develop international competitive products with huge content of knowledge for Swedish companies and regions to grow in a durable way. For this to happen things need to develop and it needs renewal. Nutek supports trade and industry and the regions in this work. Nutek has about 200 employees. Most of them work in Stockholm and some of them work in Arjeplog.⁶⁹

Swedish Tourism organization (Svenska turistföreningen, STF) was founded in 1885 and had by that time 74 members. Until 1993, the number had increased to 330 000 members. Their ambition is to develop and assist tourism in Sweden. Their slogan “Känn ditt land” - know your country ⁷⁰ - was obviously inspired from the national romantic influences at the turn of the century 1800/1900.

The Värmland Tourist board institution (Värmlands Turistråd) is responsible for the promotion of Värmland. Further on to develop projects and organise education and cooperation between tourism operators. They are four full employed and five members picked out by “Region Värmland organization” (Region Värmland). In 2004 Värmland Tourist board had 20 million Swedish kronor turned over. Yearly, they represent Värmland in different conventions and conferences, for example “Reiseliv” in Norway., and TUR- convention in Gothenburg, Scandinavians biggest convention for travel and tourism industry. In 2005 almost 2000 companies took part from 91 different countries. TUR- convention in 2006 is dated to 23 to 26th of March.⁷¹ Sweden travel and tourist council and Värmland tourist board also participated at ITB convention in Berlin since several years ⁷².

Värmlands Tourist board institution (Värmlands Turistråd) has a project called “Tourism development in all of Värmland”, they work with the marketing of Värmland as a culture and nature county. Its goal is to create living networks between the tourism company owners in the county. When the companies get better at concentrating on tourism niches it opens up for cooperation instead of competition. It brings choices to the tourists which mean that even more of them will come to Värmland. There are about 400 companies that are involved in the “Tourism development in all of Värmland” which work towards developing the range of activities from the Värmländska profile nature, culture, winter and fishing. The project involves everything from testing new products to lessons in business development. It’s more focused on the bigger facilities because they spread visitors to the smaller facilities in the neighborhood. The winter activities have developed very well but the rest of the seasons needs a lift. In the future Värmland needs

⁶⁹ http://www.nutek.se/sb/d/109_2006-03-14

⁷⁰ Björnelid, 1995, page. 63

⁷¹ http://www.varmland.org/filter/manadsbrev/vtr_2006-01.pdf 2006-03-01

⁷¹ Hållbar Värmländsk växtkraft 2004-2007, page. 7

⁷² <http://72.14.203.104/search?q=cache:6UAfXGIMl0J:mainweb.hgo.se/Adm/naringosamh.nsf/0/5E32A2C74BE283A0C125707B003F4B6C/%24FIL/E/London.doc%3Fopenelement+berlin+m%C3%A4ssa+turism&hl=sv&gl=se&ct=clnk&cd=4> 2006-03-14

to be the best in quality, service and hospitality. The EU support for the project is 3 660 000 kronor and the total budget is 10 527 000 kronor.⁷³

2.1.8.5 Trademark

The Värmland trademark in marketing is personal story telling, humour, personal care and relaxation. There are also many recommendations to other colleges and business partners. Much time in the marketing process goes to make perfect and well worked texts. Trying to promote a personal feeling, and give the reader a picture to relate to in their mind. The friendly atmosphere in Värmland is pointed out in almost every brochure.⁷⁴ Värmland as a trademark is relatively strong but can be developed further. One strategy is to promote Värmland as one unit instead of different regions. The goal is to have a clear and powerful profile against foreign visitors.⁷⁵ The identity of the people in Värmland, "värmlänningarna" is distinct with famous dialect and friendly attitude. In Sweden almost everyone knows how a person from Värmland speaks and behave. The people in Värmland are known to be very happy and positive.

The representation of Värmland looks similar at different websites. That is no coincident. Websites www.varmland.org and www.varmland.se is created this way to be a natural place to find information. They connect with each other. These websites are a product of working together between organizations and companies.⁷⁶

Photos in marketing are important and illustrate the text description. Pictures show interaction between people in a friendly, relaxed and choosy, sometime mystical arena. Most common is that the photo is taken in an action, where people are doing something. There are regular people, no models. Responsibility for the guest and safety shows in the way that individuals at sea for example wear safety jackets. The colours in the photo are always warm.⁷⁷

⁷³ <http://www2.z.lst.se/eu/nyhetsbrev/nr203.pdf>

⁷⁴ <http://www.varmland.org/filer/pdf/textguide.pdf> 2006-03-01

⁷⁵ Hållbar Värmländsk växtkraft 2004-2007 ,page. 7

⁷⁶ http://www.varmland.se/index.asp?fu_id=131 2006-03-01

⁷⁷ <http://www.varmland.org/index.asp?id=930> 2006-03-01



Picture 2: Värmland – Example of a good promotion photo⁷⁸

2.1.8.6 Nature

The nature in Värmland is varied with everything from coastlandscape to mountain scenery. It's one of the most exciting and extensive areas in Europe. In one of the 10 314 lakes you can experience a canoetrip or just glide on the river Klarälven in easy pace on a raft. Hiking in the area is a popular activity, there are lots of possibilities to hike on organized routes in the deep forests.⁷⁹

In Sweden, everyone has free access to our natural surroundings. Allemansrätten is based on trust; it means that we can enjoy our natural surroundings on its own terms without damaging the property of others. It is important that we respect the existing rules and show consideration for both animals and people. This is a long standing tradition in Sweden but in recent years it has been called into question by different landowners. This is because of the increased abuses that wear on the nature and the nature based tourism is a big part of the problem. Here are some rules in Allemansrätten that we have to follow;

- Walking in planted fields of forest areas with newly planted trees are not permitted. You have to respect fences and other enclosures and always close gates behind you. You don't have a legal right of access to the grounds in the immediate vicinity of a house, even if they are not enclosed.
- You have to ask for permission before camping even though you have a legal right to camp for one night on someone else's ground. Off-road driving of motor vehicles is not permitted.
- Respect laws and regulations protecting plants and animals and accept limitations of access.
- Don't make fires on rock surfaces or meadows that could be damaged by fire.

⁷⁸ <http://www.varmland.org/index.asp?id=930> 2006-03-08

⁷⁹ Information from Monica Karlsson, Värmlands turistråd

- Always find out the regulations for fishing. Hunting is not permitted unless you have a hunting license.
- Sail and anchor your boat anywhere except in areas that are restricted.⁸⁰

There are many tourist operators that use the nature and they can not always agree how to use it. Thou, this is not something to discuss if we are interested in a positive economic future in tourism. What the guest see and judge is not only *one* experience, it is the *whole time visit* in the country. Therefore it is in everyone's interested that we together cooperate and help each other. It will eventually benefit us all. ⁸¹

Rafting is a well-known activity in Värmland. You build your own raft if you like or you can just have a ready-made raft. The Klarälven in the northern part of Värmland will take you downstream slowly and peacefully.



Picture 3: Rafting on the Klarälven⁸²

There are many opportunities for *Canoeing* in Värmland with its 10 000 lakes and rivers. It's an easy way to enjoy the nature because there are many places where you can rent your own canoe.

Trolley Riding, a sort of bicycle which goes along disused railways, is an adventure for the whole family and it's another great way to experience the scenery of Värmland.

Fishing in Värmlands lakes is also very popular because the selection of fishes is great. You can choose from fly-fishing, trolling or spinning.⁸³

⁸⁰ Turism- världens största näring, Leif Aronsson, Monica Tengling, Daleke Grafiska AB, Malmö, 2003

⁸¹ Åberg, 1998, page.34

⁸² http://www.sverigeresor.se/img/bilder/11920_hs_20050512172803.jpg 2006-03-08

⁸³ Information from Monica Karlsson, Värmlands turistråd

2.1.8.7 Culture

The culture in Värmland has a lot to offer with many traditions.

Värmlands Museum is a place situated in Karlstad, where you can learn about the history of Värmland.

Mårbacka is the home of the famous author Selma Lagerlöf. It is located in Sunne right next to lake Fryken, and it's open to the public. She was the first woman to get the Nobel price in literature. "The beautiful journey of Nils Holgersson" was one of her most famous books, translated into 40 different languages. In the Rottneros Park, close to her home you can find the *Nils Holgersson adventure park*. Here you can meet animals like geese and wolfs or you can ride on a raft. The Rottneros Park is a flower- and sculpture park which lies on the opposite side of the lake Fryken. The house in the park is known as "Ekeby" from one of Selma Lagerlöfs books.

Old traditions, handicraft and art are important to the people in Värmland. In *Ransäter* you can take part in the midsummer celebrations and in "Gammelvala" you can

experience how people lived 100 years ago in Värmland.



Alfred Nobel Museum is another place that is recommended to visit, it has laboratory and experimental workshops for children and is much appreciated. It lies in Karlskoga and here you can also see the equipment he used. A place where you can see how the clothes to the Nobel-price ceremony were made is on the craftstour in *Klässbol*.⁸⁴

Picture 4; Rottneros Park⁸⁵

Cultural Tourism project with economic support from EU in Värmland is for example "Projekt Ransäter", (developing local cultural), "Rackstadmuseet", (local idea to national museum.), "Kulturkoppra", (Culture and tourism, project making a dialect handbook.)⁸⁶

⁸⁴ Information from Monica Karlsson, Värmlands turistråd

⁸⁵ http://www.topimage.nu/SE/vykort/VF/img_VF/big/VF_002.JPG,2006-03-08

⁸⁶ Dahlgren, 2002, page. 19

2.1.8.8 Accommodation

There are all sorts of accommodations in Värmland like farmhouses, cabins, camping-sites, hotels. Most of them are located by the water with a beautiful view. ⁸⁷

2.1.8.9 Tourist entertainment in Karlstad

Nöjesfabriken is a former foundry that has been converted into an entertainment complex. This place has a lot to offer like bowling, go-carting, a restaurant and a nightclub with excellent live music.

Mariebergsskogen is Karlstads City Park, a fun place, mostly for children. They have many animals and a playground. Mariebergsskogen is also an open-air museum with fine old historical buildings. You can learn how all the elements of nature work together at *Värmlands Naturum*.

Shopping in Karlstad is big. Bergviks shopping centre is the fourth largest in Sweden. Many people from Norway come here to go shopping. The shopping in the city offers much different kind of stores, cafés and meeting places. Våxnäs is another place where you can find white goods, cars, furniture and sports gear.

From the inner harbor in Karlstad you can take sightseeing boats out on Lake Vänern, the third biggest lake in Europe, or go swimming at the beaches of Bomstad-Baden or go to Skutberget for different kind of activities like rock-climbing or skiing.



*Picture 5: Karlstad inner harbor*⁸⁸

⁸⁷ Information from Monica Karlsson, Värmlands turistråd

⁸⁸ http://www.varmland.org/index.asp?fu_id=104 2006-03-08

2.1.8.10 Different municipalities in Värmland

Torsby has a vehicle museum restored in an old barn in a mansion area alongside Rödälven in central Torsby. The museum has a varied collection of cars, mopeds, motorcycles, motors, radio equipments and many other interesting things. In the museum you can have a cup of coffee, cold drinks and ice-cream.⁸⁹

Filipstad has a lot to offer. Oxhälja market is one of the biggest markets in Sweden with over a thousand market stalls. It is very popular, like the national day celebration on the 6th of June which is another big event. The yearly art round, where you get a chance to visit the artists in their own studios, gets more visitors every year. In the winter you can go skiing and skating.⁹⁰

Arvika has a good selection of museums and exhibitions. For example, the vehicle museum with about 120 cars, horse-drawn carts, bicycles and motorcycles from the beginning of the 19th century, Glava Glasbruk where they have an exhibition of glass items, the motorcycle museum Kedjan with an exhibition of veteran motorbikes, and finally, Arvika City Park an elegant arranged park with birds, flourishing flower beds, ponds and pergolas.⁹¹

Degerfors is located in eastern Värmland and places worth visiting here is the nature reserve Sveafallen, a football museum and the culture center Berget. Football is very popular and a big part of the culture (see also chapter 4.6.2.1).⁹²

Eda is a border municipality close to Karlstad in Värmland and Oslo in Norway. Eda has many border historical memory marks like the peace monument, Eda Skans and Eda glass museum.⁹³

Forshaga is located close to gorgeous nature and fishing is very big here. Tourists visit Forshaga to go fishing and to relax in a beautiful environment.⁹⁴

89 Broschyr Torsby Fordonsmuseum

90 Broschyr Filipstads Kommun

91 Arvika Turistguide 2005

92 <http://www.varmland.org/index.asp?id=824&typ=list>, 2006.03.15

93 <http://www.varmland.org/index.asp?id=825&typ=list>, 2006.03.15

94 <http://www.varmland.org/index.asp?id=870&typ=list>, 2006.03.15



Picture 6: Peaceful harmony at a holiday cabin in Värmland⁹⁵

Grums is called “Sweden in miniature” because of the population centre in south, agriculture in the middle, and woods dominating the north. One of Sweden’s most famous rock bands, Sven-Ingvars, is from Slottsbron in Grums.⁹⁶

Hagfors is called the hart of Värmland and here you can go fishing, enjoy the nature, go on beaver- and moose safari and go canoeing.⁹⁷

2.1.8.11 Special events in Värmland

Uddeholm Swedish Rally is a part of the World Rally Championship (WRC) and is Sweden’s largest rally competition. The rally started 1950 and is driven on narrow, crooked and slippery roads in Värmland. In 1965 the rally was driven in the winter for the first time and it has been a winter rally since then. Karlstad has been the starting- and ending point of the rally since 1967. The real centre of the rally is the airfield in Hagfors which is the service centre. In 1973 the competition got an increased foreign interest because a VM for manufactures was instituted. The rally has been cancelled two times, one time in 1974 because of the oil crises in the world, and one time in 1990 when the weather was too mild. ⁹⁸ The Swedish rally is economically very important for Värmland. According to a research made by Karlstads University at the rally year of

⁹⁵ <http://i1.trekearth.com/photos/10001/0394.jpg> 2006-03-08

⁹⁶ <http://www.varmland.org/index.asp?id=827&typ=list,2006.03.15>

⁹⁷ <http://www.varmland.org/index.asp?id=828&typ=list,2006.03.15>

⁹⁸ http://sv.wikipedia.org/wiki/svenska_rallyt,2006.03.14

2003, the rally brought 35 millions to the region every year. About 100 000 people visit the rally every year.⁹⁹

The Arvika festival is a three day long summer music festival at an open area in Arvika. In the year 2000 the festival had about 10-15 000 visitors. There are some stories about how the festival arose but most people agree that the production of the musical Momo was an important starting point to the idea of making a bigger arrangement. In April 1992 a meeting about the Arvika festival was held and in the summer of the same year the first Arvika festival was carried out. The festival offers other activities besides the music such as different types of happenings, performance, a poetry tent and a climbing wall. There have been many positive effects from the festival. Many young people are involved in the project of making the Arvika festival happen. The festival has also made the town more important and famous then it would be without it because it is important for the image of Arvika. Many tourists come here in the summer to visit the festival and that benefits both Arvika and the close by areas.¹⁰⁰

2.1.8.12 Skiing in Värmland

There are lots of skiing opportunities in Värmland. Torsby has the only ski tunnel in Sweden and it's 1, 3 kilometers long.¹⁰¹ Ski Sunne is located 8 kilometers southwest of Sunne and has Värmlands highest ski lift capacity and well prepared descent. It's one of Sweden's largest ski facility outside the mountain world. The facility has winter camping and ice climbing.¹⁰²

Branäs ski facility:

At Branäsmountain in Torsby lies Sweden's most modern ski facility. It has 17 descents and over two kilometres uninterrupted skiing. Here in Branäsmountain is one of Sweden's two gondola lifts that's also open in the summer. With its varying terrain it offers a lot of nice challenges for every person.

Hovfjället:

Another ski facility in Torsby is Hovfjället. Here you find Sweden's southernmost mountain nature. In Hovfjället you can stand on the top of the mountain and enjoy the view of "Finnskogen" and the surrounding nature reserve. The nearby holiday villages offer riding, sleigh rides and a chance to enjoy a real Finnish smoke sauna.

⁹⁹ <http://www.dn.se/DNet/jsp/polopoly.jsp?d=672&a=377821>, 2006-03-14

¹⁰⁰ http://www.musik.uu.se/sm/stmonline/vol_7/eriksson/, 2006.03.14

¹⁰¹ <http://www.torsby.se/index.php3?use=publisher&id=3184&lang=1>, 2006.03.14

¹⁰² <http://www.varmland.org/sunne/index.asp?typ=detail&id=20034&ty=2&su=19&lang=>, 2006.03.14

If you are interested in other winter activities than skiing there are a lot to choose from in Värmland. You can go on a snow scooter safari in Arvika if you want to travel in high speed. A snowshoe walking in Torsby is recommended if you want to travel quiet and slowly through nature and discover footprints from elk, wolf or bear. If you want a real adventure you can visit Torsby for an adventure weekend with a lot of different activities. If you like animals a dogsled tour in Hagfors is perfect. It are the beautiful dogs, the huskies, that pull the sled over frozen, glistening lakes and gives you a memory that lasts forever.¹⁰³

2.1.8.13 Famous people from Värmland

Some of the famous people from Värmland today are Kenny Bräck, a well known racing driver, or Sven-Göran "Svennis" Eriksson, the sport manager for the national team of England, Tina Thörner, co-driver at the Paris-Dakar rally who finished 2nd this year and finally the high jumper Stefan Holm.¹⁰⁴

Ice hockey in Sweden is big and the Swedish team "Tre Kronor" recently won the Olympics. The most successful team in Värmland is "Färjestads BK". People from all municipalities in Värmland come to Karlstad to support the team. Färjestad has won the Swedish Championship 6 times and the most recent title was won in 2002.¹⁰⁵

Värmland is also known for its music and musicians, Vikingarna, the Swedish dance band, with their lead singer Christer Sjögren. We also have the jazz singers Rigmor Gustavsson and Monica Zetterlund and the group Da Buzz.¹⁰⁶

2.1.8.14 Problems

The problems that we can see in the tourism sector in Värmland are the cooperation between different sectors. Värmland promotes itself as a unit, but in reality it is not always the case. Often the actors see each other as competitors rather than partners in cooperation. The tourism sector is very nature based which leads to some ecological problems. This is a problem due to the "right of public access" (allmansrätten). Because of the diversified land-use it is difficult to find out, if the problems are caused by tourism or general public use. Sustainable tourism is an approach from the tourist industry which is a matter of current interest. Tourism actors in Värmland have to share the space and this can be a cause of conflict.

103 <http://www.varmland.org/event.asp?typ=detail&id=4014&ty=2&su=19&lang=>, 2006-03-14

104 <http://www.sr.se/cgi-bin/Radiosporten/nyhetssidor/artikel.asp?nyheter=1&programid=2355&Artikel=686273>, 2006/03/15

105 <http://www.sr.se/cgi-bin/Radiosporten/nyhetssidor/artikel.asp?nyheter=1&programid=2355&Artikel=686273>, 2006/03/15

106 <http://www.sr.se/cgi-bin/Radiosporten/nyhetssidor/artikel.asp?nyheter=1&programid=2355&Artikel=686273>, 2006/03/15

Värmland is peripheral located in the northern part of Europe. The communications to and in Värmland are good, but a lot of smaller attractions and places to visit are well spread, which leads to problems in transportations, if they can't travel by car. A visit to Värmland can be very expensive due to the high fuel costs.

2.1.8.15 Opportunities

Monica Karlsson, the county tourist head of Värmland predicts a good tourist year in 2006. She says that there is no other county in Sweden that has so big tourism investments than Värmland. The skitunnel and waterpark in Sunne is good examples. Värmland is third behind the big cities Stockholm and Gothenburg calculated by the number of guests nights. Next year the cooperation with Norway and their companies will be developed further with a project between Värmland and Norwegian Hedmark. More new companies are necessary in Värmland to increase the growth. Much has been done to start new activities, like Klarälvsbanan, a water park in Sunne, a ski tunnel in Torsby, a new shopping center in Töcksfors and millions of Swedish kronor are invested in accommodation and skiing hills in Branäs. In addition to this, Säffle are planning to build a "Vikingacenter". A goal is to increase the total number of new companies in Värmland by 30% every year, from about 800 new companies every year to at least 1 100 new companies.¹⁰⁷

Opportunities for Värmland are much connected with people from other countries. The Norwegians are very important because of the closeness to our country. One way to attract more people from Norway is to promote Värmlands winter landscape, says Cajsa Jansson, marketing assistant in Värmlands turistråd.¹⁰⁸

Cross border commerce is important for both Värmland and Norway. A lot of investments are made in the western part of Värmland by Norwegian businessmen, for example shopping malls and apartments. These investments are in great value, especially because they still are expanding.

Dutch visitors have been inspired by the Swedish culture and nature and some of them have moved here to work. In the latter years Dutch's have established businesses in the region. They are willing to invest and see opportunities where the Swedes give up and stands blind.

Due to the fact that Värmland is sparsely populated it is possible to develop the nature based tourism further. The urban living in general for most Swedish inhabitants makes nature and specially tourism a way to relaxation and contact with nature. Also the water

¹⁰⁷ <http://www.eda.se/Nyhetsarkiv.asp?ArticleID=166> 2006-03-14

¹⁰⁸ <http://www.eda.se/Nyhetsarkiv.asp?ArticleID=200>, 2006-03-15

ressources in Värmland with a lot of lakes, watercourses and a fantastic archipelago by Lake Vänern can make development in the water region much possible and successful. So far it has unfortunately not been exploited or developed.

2.1.8.16 Future trends in tourism

There are a number of factors that contributes to increased traveling, for example higher education, a greater part of the population living in urban areas and that it is more common and popular to travel in today's global world. All of these factors bring a higher mobility to cross the borders between countries.

Monica Karlsson, county tourist boss in Varmland is convinced that the number of guest-nights will increase in summer 2006, hopefully by 5 percent. She says that the secret to successful tourism is the ability to offer tourists a big variety of events and attractions. Värmland is good at this. Trends in 2006 in Värmland have a good variation. The charter from Zurich to Karlstad will continue to run in the summer 2006 and Torsby skitunnel and Sunne waterpark is inaugurated in June. The future tourist will sought after packet trips, for example shopping trips, healthcare travel and culture experiences. People born in the 1940 are predicted to be the strongest consumers. They are at good health, speak different languages and they have money to spend. ¹⁰⁹

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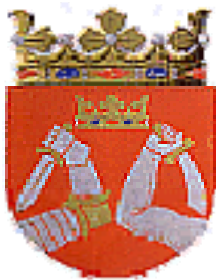
2.1.10 Wordlist

Central governments authorities – Myndigheter
Countryside – landsbygd
County – Län
County administrative board – Länsstyrelse
County committee – Landstingsstyrelse
County council – Landsting
County council – Landstingsfullmäktige
Government – Regeringen
Growth Corridor – Tillväxt korridoren
Municipal committee – Kommunstyrelse
Municipal council – Kommunalfullmäktige
Municipalities – Kommun
Networks - Kluster
Province – Landskap
Regional growth programme – Regionalt tillväxtprogram
Right of public access - Allemansrätten
Sparsely populated area problems – glesbygdsproblematik
Sparsely populated areas – glesbygd
Sweden travel and tourism council - Sveriges rese och turistråd
Swedish tourism organization - Svenska turistföreningen
The Governments Office – Regeringskansliet
The regional development – glesbygdsverket
The regional development agency - glesbygdsverket
The Swedish Parliament – Riksdagen
The Swedish regional policy – Regionalpolitik
Travel industry - resenäring
V. tourist board institution -Värmlands turistråd

2.2 North Karelia

2.2.1 General History of North Karelia

Karelia, more specific in Finnish Karjala, is a very old Finnish name, which means *place for cattle*. Karelia is divided into two parts. One part belongs to Finland's most eastern historical province, and the other one, which is called Republic of Karelia, is situated on the Russian side of the border. The symbol of North Karelia tells a lot about the history of Karelia. The symbol represents the conflicts between the East and the West.



At the beginning of the 9th century there was already permanent settlement in Karelia, and the Karelians themselves had become established as one of the tribes of Finland. The period of prosperity of the Ancient, in the un-divided Karelia began in the 10th century, was culminated in 1100 - 1200. At this time Karelia was a relatively independent and homogenous tribe or organization, but it wasn't a state.

Figure 2: Symbol of Karelia

Karelia had become a battlefield between eastern and western Christendom by the 12th century. Its inhabitants became a subject of their competing neighbours. The decline began in the early 14th century (1323), when Karelia was divided between Sweden and Novgorod-Russian. (Virtual Finland 2005.)

The fighting between Swedish crown and Russian troops continued in the following five hundred years. The Swedish and the Russian occupations were changed several times in this area. After this long unstable period, Finland declared its independence at the 6th of December 1917. At this time Finland was occupied by Russia, so it had to go through a very bitter and bloody civil war in the following January and May in order to gain real independence.

The border between the newly independent Finland (1917) and Soviet Russia was confirmed for the first time in the Peace of Tartu in 1920. The Winter War (1939-40) and the Continuation War (1941-44) were both followed by the loss of large parts of Karelia to the Soviet Union in 1940 and 1944. The areas of Finnish Karelia ceded to the Soviet Union after the Second World War. Over 400 000 Karelians moved away from this occupied territory. Most of the fled Karelians were farmers, and the Finnish state compensated them with a new land somewhere else in Finland. The Finnish Karelia was allocated to two different administrative areas. The southern part was incorporated into the Leningrad Oblast, while the northern parts, from the latitude of the most western corner of Lake Ladoga, were attached to the Soviet Republic of Karelia. (Virtual Finland 2005.)

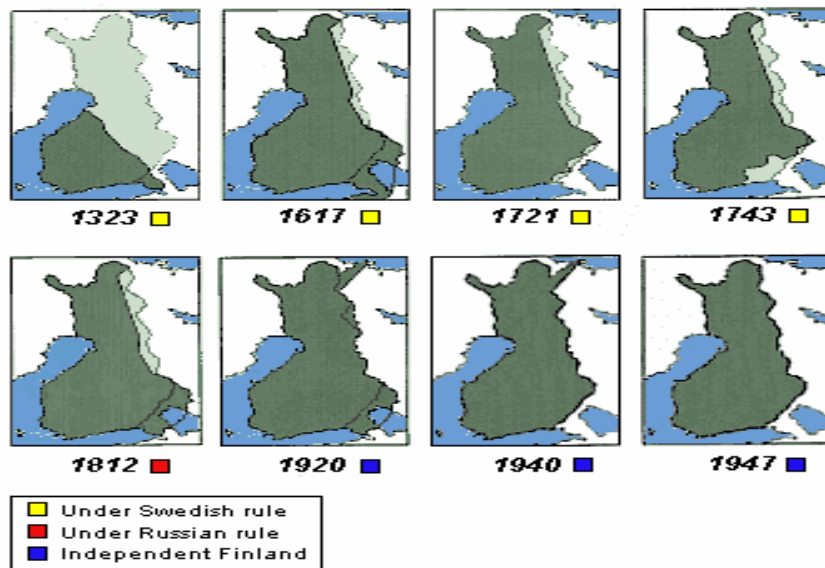


Figure 3: The Border changes between 1323 and 1947

2.2.1.1 Rural Development

The industrialization and urbanization gained on only in the 1960s. The predominantly agricultural and forestry-based economy of North Karelia went through dramatic restructuring in the '60s and '70s. The State policies supported the industrial growth. The main line became the efficiency and specialization in the familial farms both in agriculture and forestry (Tykkyläinen 2005). This development led to the structural changes, which passed into a large wave of migration from the remote areas to the industrializing centre ("Great Move"). In the 1970s, the rural regions suffered a significant migration. The main reason has been that this area had a lack of good job opportunities because of the growing service sector in the urban areas and the difficult positions of the farmers. The inhabitants – peasants - became dissatisfied. For them it seemed that the government was forgetting the peripheral area. They have struggled, which eventuated a political attention such as several reforms of regional employment and social policies; the industrialization was supported by the regional policy in rural areas. This new industry was located in the peripheral regions, which created new development possibilities in the rural regions (Tykkyläinen 2005).

The Finnish welfare society was born in the 1970s, however not only industrialization and urbanization were the main actors, but also the agriculture and forestry attempted to retain their own character. It was a kind of mixture of the new and the traditional life. (Oskari 1995.)

However the manufacturing sector has been increased, it was not able to stop the out-migration. In the 1980s, rural areas felt into a hard position because the regional industrializations were found to be ineffective (deindustrialization) so the Small and

Medium sized firms were supported by the regional policy measures. (Tykkyläinen 2005.) Although it was a hard period of the rural areas, the Finnish States attempted to support the remote regions with general welfare reforms, which were added to the functions of municipalities. These new reforms instituted new workplaces, especially for women. The New Rural Policy, which was established in the early 1990s, brought a new wave in rural life. It restructured the food system, the forestry sector and the rural manufacturing, and it reorganized the public sector to decrease the costs at the same time. (Oksa 1995.)

As the economy of Finland got more and more export-orientated, finding trade partners became a capital issue to be successful. Finland had to open to the European market. The country became an associated member of EFTA in 1961, and became a full member in 1986, from which followed directly the membership of the EU in 1995. (Fennia 2002.)

2.2.1.2 Relationship between Finland and the EU

The EU membership brought some remarkable changes in the rural life of Finland. The Common Agriculture Policy /CAP/ was the main determinative policy. The Structural Funds subvention involved the changes in the national-regional policy. That is why Finland needs to pay attention for this issue. These "peripheral areas" of the country are the main target of the EU funding, one third of the Finnish population live in the rural area (2001.). There are strong subsidies from the EU as well as from the Finnish government. However, the depopulation of peripheral regions still goes on. The remote areas' local actors such as the authorities have a main role to exploit the advantages of the locality, for instance the tourism. (Németh 2006.)

At the beginning of 1990s the economic crisis led to the decline all over the country. The growth restarted only at the end of 1990s. Finland became one of the most considerable producers of electronic goods; the Information and Communication Technology (ICT) is the main line of the Finnish economics.

Finland pays big attention to the rural area, and attempts to keep them in the circle. Since the beginning of the 1990s, Finland's National Rural Program has attempted to support all sectors not only the agricultural and forestry industry.

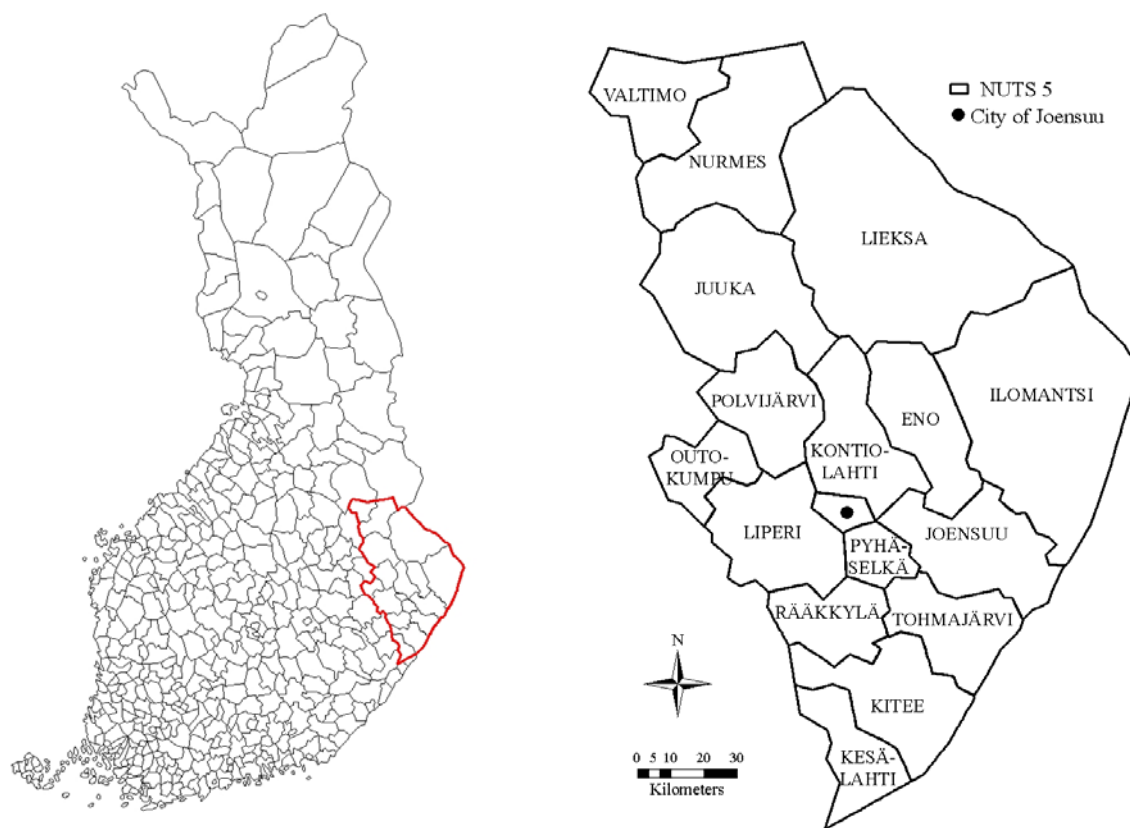
2.2.2 Administrative Structures

Finnish public administration has several actors which have their own specific response areas in regional administration. Both local and central government are strong actors which makes administrative structure highly polarized. Because of polarized structure of Finnish administration, there is an important place for the intermediate level which represents compromises and different encounters between strong local and central government. (Lehto 2002, 7.)

2.2.2.1 Local government

Municipalities (NUTS 5) represent strong local government which has a dual function, according to the Finnish Constitution. It is not only a basic regional administrative unit, but has also a long history of self-government. (Joensuun kaupunki 2005.) For example, municipalities are mainly responsible for organising welfare services such as social services, health care, education and cultural services. They are also maintaining infrastructure facilities and are in charge of environment protection in their administrative area. Municipalities have the right to levy taxes which makes it possible for them to fund almost half of their operations from their own tax revenues. (Lehto 2002, 8.) Municipalities have also right to reject tasks, which are introduced to them, if those are not specifically defined for them in legislation (Joensuun kaupunki 2005).

There are 431 municipalities in Finland. North Karelia consists of sixteen municipalities which vary highly in area, population and population density. (Suomen Kuntaliitto 2005d.)



Map 7: NUTS 5 (Suomen kuntaliitto 2005b) in Finland and in North Karelia

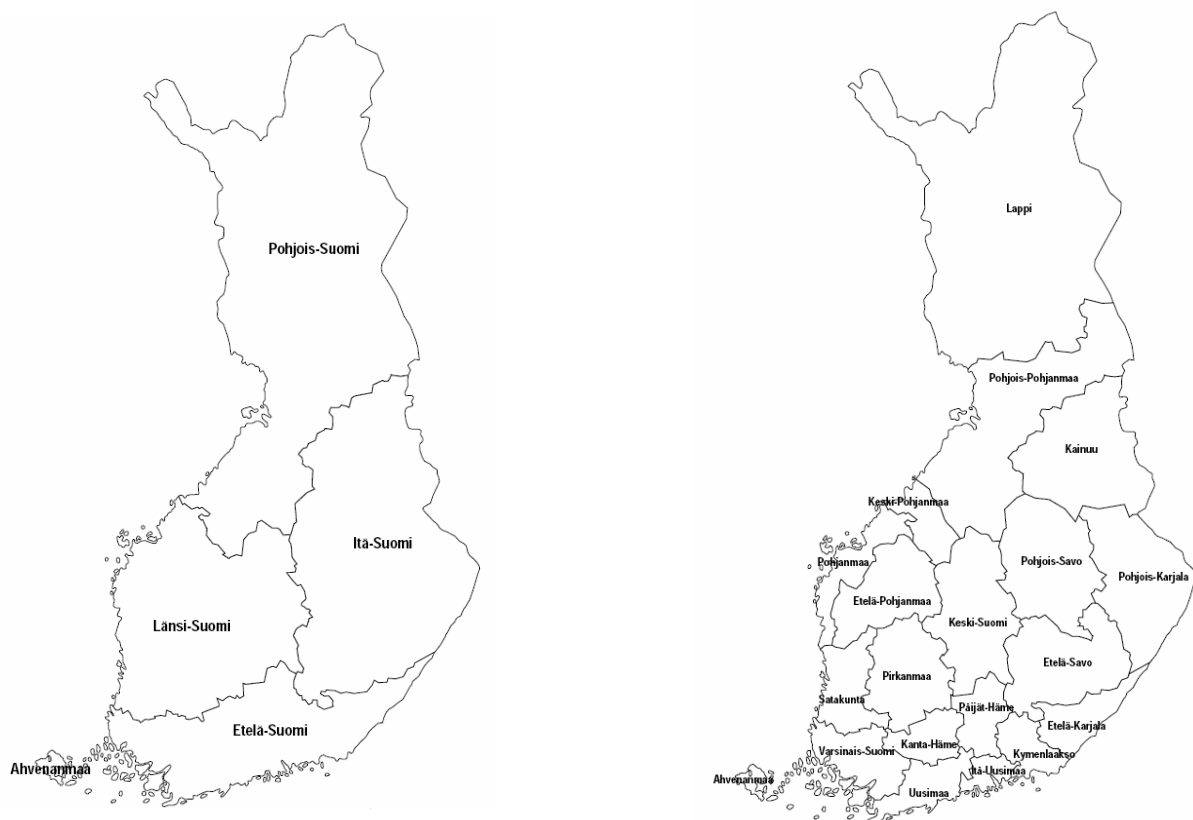
Table 5: Population, population density & area in each municipality in North Karelia. (Suomen Kuntaliitto 2005c)

Municipality	Population	Population density	Area (sq.)
Joensuu	57 558	49.0	1 312.50
Kitee	9 877	11.4	1 141.75
Lieksa	14 080	4.1	4 067.72
Nurmes	9 193	5.7	1 855.14
Outokumpu	7 803	17.5	584.37
Eno	6 879	7.3	1 088.25
Ilomantsi	6 538	2.4	3 172.86
Juuka	6 177	4.1	1 846.32
Kesälahti	2 712	7.0	582.67
Kontiolahti	12 339	15.8	1 029.84
Liperi	11 641	15.7	1 160.88
Polvijärvi	5 048	6.3	958.04
Pyhäselkä	7 554	27.0	351.58
Rääkkylä	2 936	6.9	699.76
Tohmajärvi	5 511	6.6	895.11
Valtimo	2 769	3.5	838.28

2.2.2.2 Intermediate level

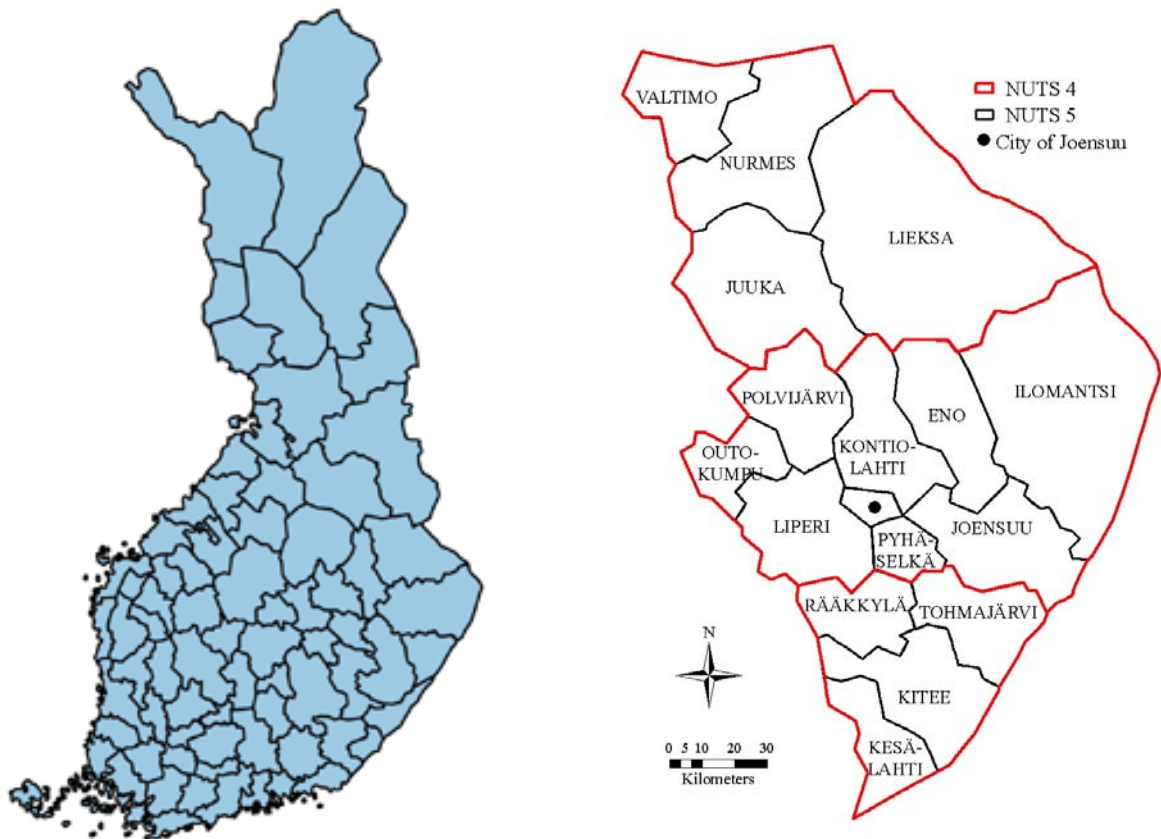
The intermediate level consists of twenty regions (NUTS 3), seventy seven sub-regions (NUTS 4) and six provinces. Six major regions (NUTS 2) were formed in 1995, when Finland joined the European Union. All these administrative units have specific spheres of responsibility. Major regions are a special a tool for regional policy in the EU. (Lehto 2002, 7.)

Regions are often formed in a historical process which gives them also other meanings than being only regional administrative units. The region consists of several municipalities, and together they form regional associations for regional development. Each region has its own Regional Council, and they have several tasks to promote regional development. They have tasks specially defined in legislation and also voluntary tasks concerning regional development. They supervise regions' interest, compile development plans, carry out researches and also finance projects. Their main job is to compile regional plans, which needs lots of preparatory work. (Pohjois-Karjalan maakunta 2004a.) Tourism is taken into account in regional plan as it points out areas in favor to tourism and discuss' development practices (Pohjois-Karjalan maakunta 2004b). North Karelia is one of the twenty regions of Finland, and its capital is the city of Joensuu.



Map 8: NUTS 2 and NUTS 3 (Suomen kuntaliitto 2005b)

Finland has seventy seven sub-regions which are functional areas formed by several municipalities. They are smaller areas than regions and they can be characterized as working, commuting and market areas. For example sub-regions have cooperations in organizing health care, social services and education in their area. Co-operations' significance has increased because of cutting of states funding. Cooperation aims to develop sub-region's economy, employment, services, vitality and attractiveness. (Suomen Kuntaliitto 2005a.) There are three sub-regions in North Karelia: Joensuu, Keski-Karjala and Pielisen Karjala (Pohjois-Karjalan maakunta 2004c).

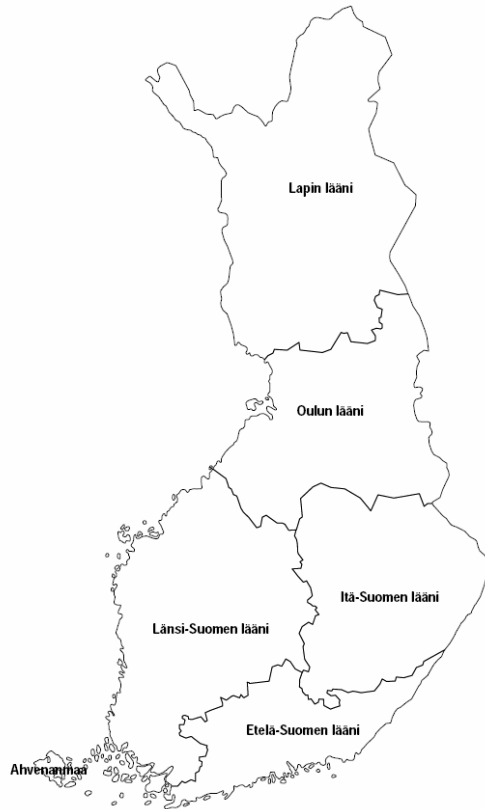


Map 9: NUTS 4 in Finland (Suomen Kuntaliitto 2005e) and in North Karelia

2.2.2.3 State's role at the regional level

The State is also a strong actor in regional development. Provinces are state authorities and they carry out on tasks dealing with living conditions, security, populations' well-being and implementation of fundamental rights (Sisäasiainministeriö 2005a). The State also operates at the regional level in employment and economic development centers and regional environment centers. The former one is formed by the ministries of Labour, of Trade and Industry and of Agriculture and Forestry. There are fifteen centers, and they make decisions concerning the financing of regional development. They provide loans and grants for businesses, entrepreneurs and private individuals (Lehto 2002, 7).

The later one is formed by the Ministry of Environment and deals with things concerning sustainable development and sustainable use of natural resources (Sisäasiainministeriö 2005b). North Karelia is part of the province of Eastern Finland. Both regional centers are located in the city of Joensuu.



Map 10: Provinces (Suomen Kuntaliitto 2005b)

2.2.3 Regional-economic profile with a special focus on the tourism-sector

2.2.3.1 Tourism sector as an employer

Tourism has been growing in Finland since the depression in the beginning of the 1990s. The amount of employed and people who are getting payed in the tourism sector has grown but the number of entrepreneurs has had only a little growth. (Figure 4.) The situation is not the same in North Karelia where tourism has been declining throughout the 1990s. There was some growth from 1997 to 1999. (Figure 5.) (Regional Council 2003.)

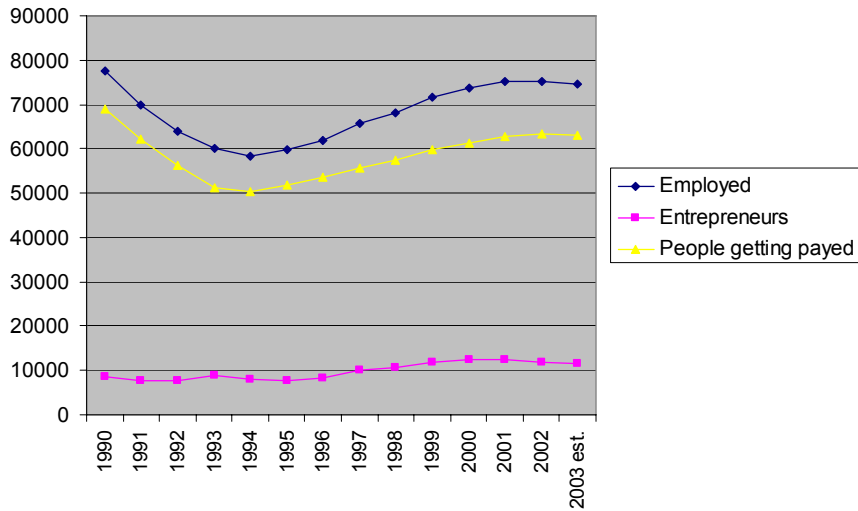


Figure 4: Production and employment in accommodation and restaurant business in Finland. (Regional Council 2003.)

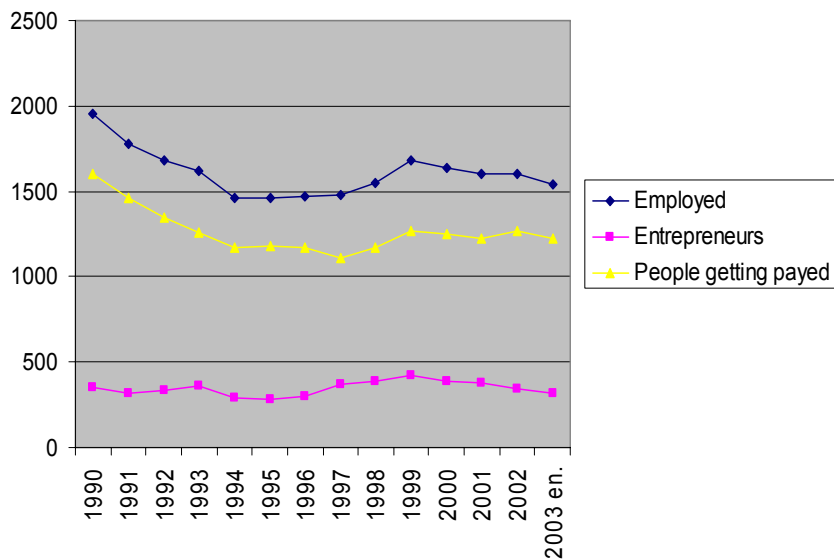


Figure 5: Production and employment in accommodation and restaurant business in North Karelia. (Regional Council 2003.)

The number of accommodation and restaurant business companies has grown since 1998. (Figure 6.) This sector has grown in North Karelia very much since 1999. (Regional Council 2003.)

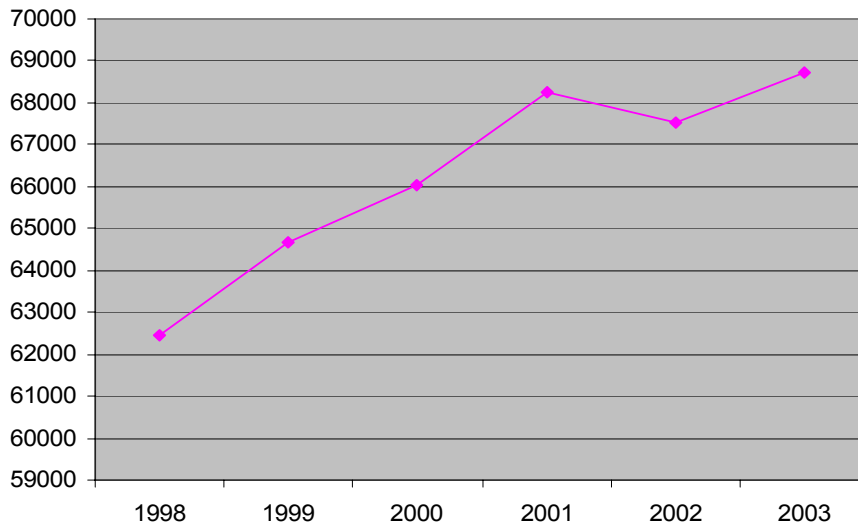


Figure 6: Jobs in accommodation and restaurant business in Finland. (Regional Council 2003.)

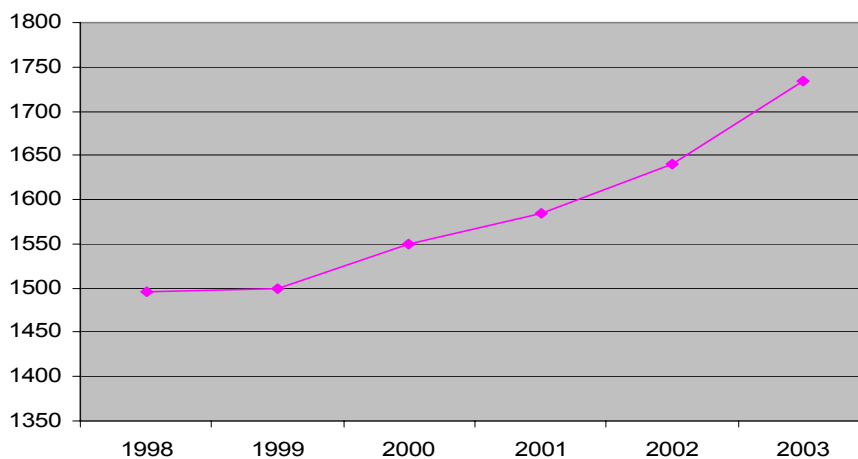


Figure 7: Jobs in accommodation and restaurant business in North Karelia. (Regional Council 2003.)

The number of firms, rooms, beds and extra beds has stayed almost the same in Finland throughout the 2000s. There are somewhat 150 000 beds in Finland. As can be seen, North Karelia does not have much affect on the Finnish tourism. (Figure 8.) The number of beds has been declining since 2000. (Figure 9.) (Regional Council 2003.)

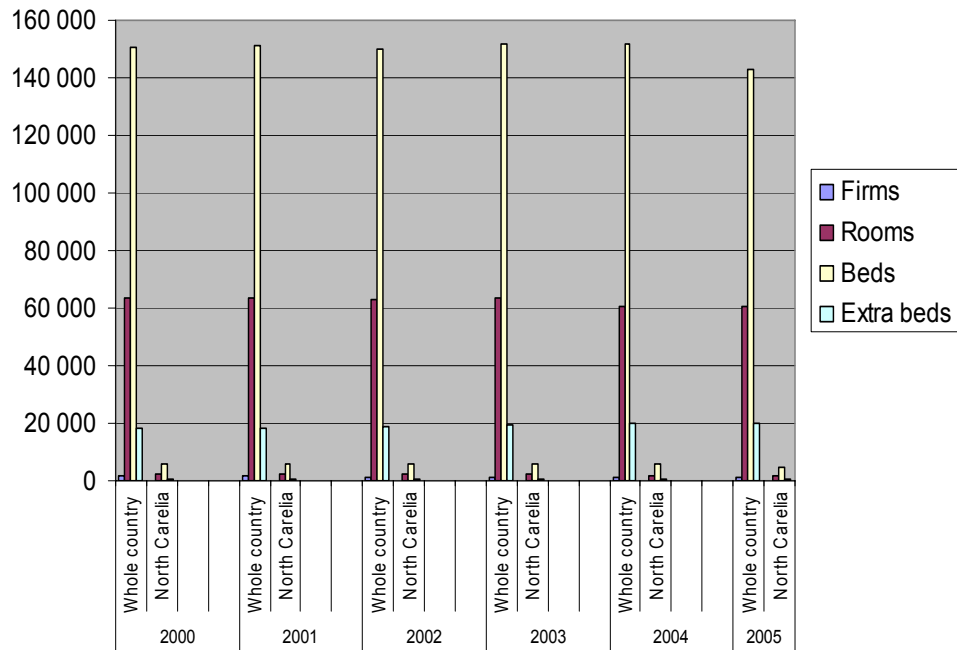


Figure 8: Capacity of accommodation companies in Finland. (Regional Council 2003.)

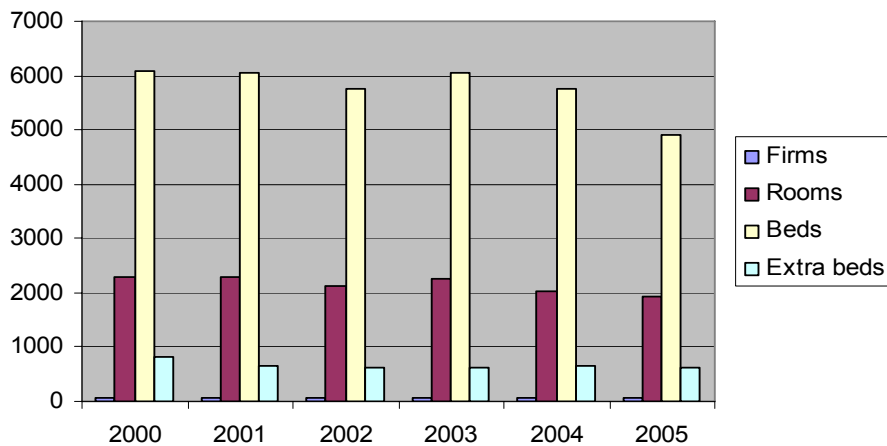
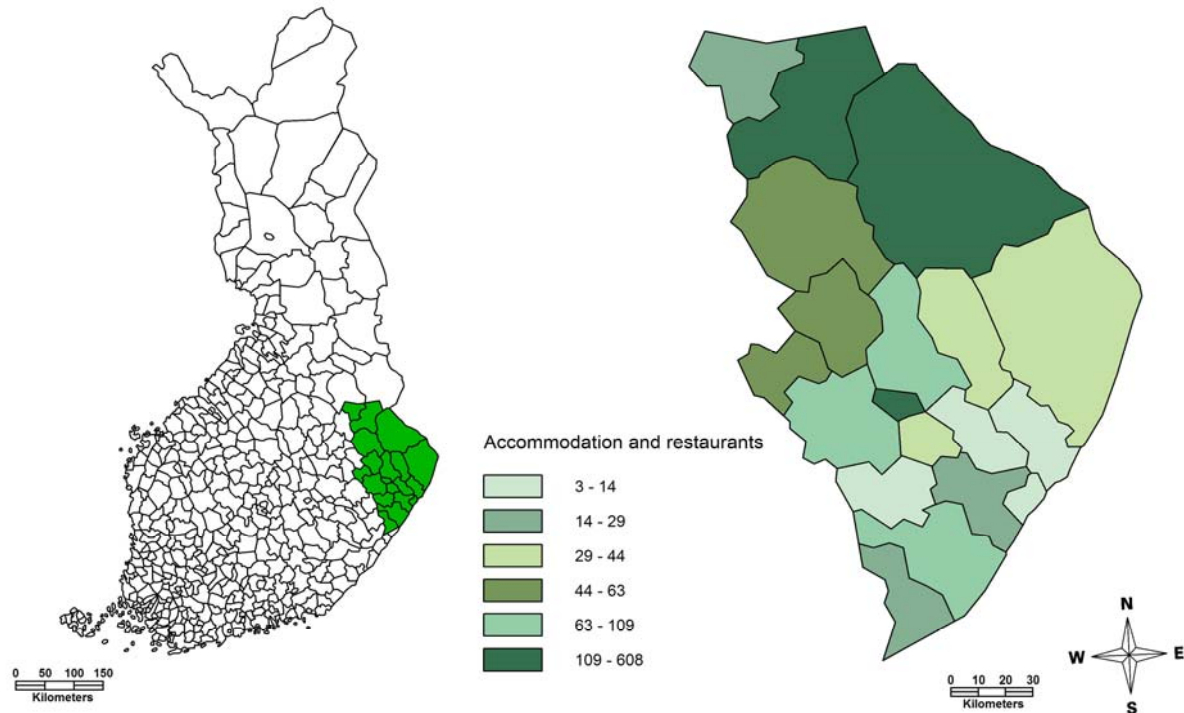


Figure 9: Capacity of accommodation companies in North Karelia. (Regional Council 2003.)

The municipalities that have the most companies in accommodation and restaurant business are Joensuu, Lieksa and Nurmes. Joensuu is the centre of North Karelia, the national park Koli is situated in Lieksa, and in Nurmes there is the Bomba House. (see Map 11.) (Regional Council 2003; Kuntafakta 2001.)



Map 11: Number of accommodation & restaurant companies in North Karelia (Kuntafakta 2001)

2.2.3.2 Tourists in North Karelia

There were almost 45 000 tourists in North Karelia in 2001 (Figure 10.). Most foreigners came from Russia and Germany. Russian tourists come to North Karelia to experience nature. (Regional Council 2003.)

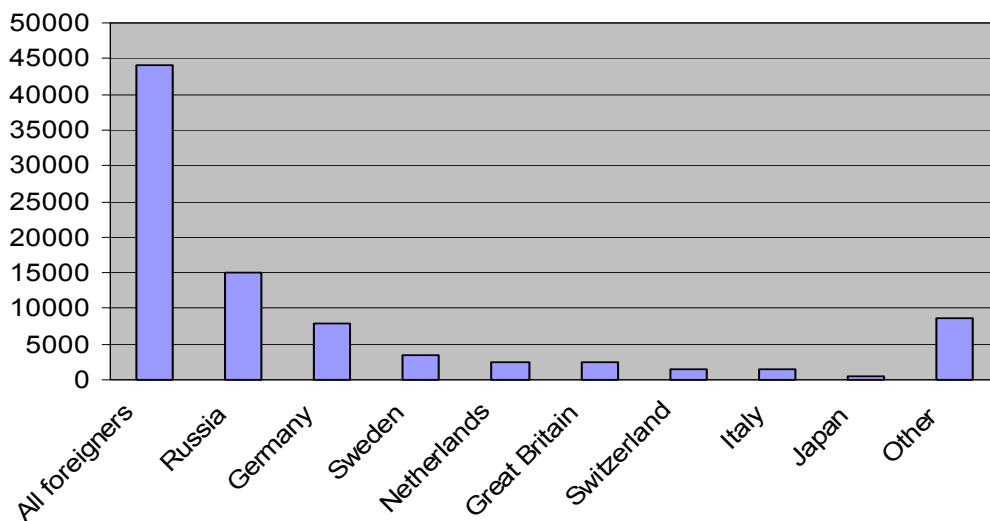


Figure 10: Amount of foreign tourists in North Karelia (Regional Council 2003)

People mostly travel to/in Finland because they want to spend their freetime somewhere. About 30 % of people traveling to/in Finland are traveling because of their work. The ratio of leisure and work is almost the same in whole Finland and North Karelia. (Figure 11.) The most important reason for traveling in Finland is freetime, the second range are work-purposes (for Finns). For foreigners sparetime is also the most important reason for traveling to Finland. (Figure 13.) (Regional Council 2003.)

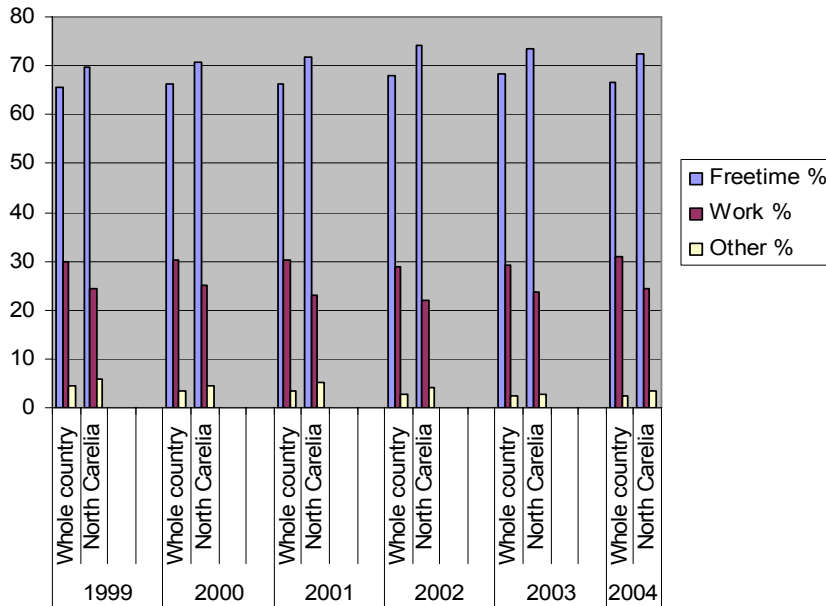


Figure 11: Finland & North Karelia - All over-night-stays. (Regional Council 2003.)

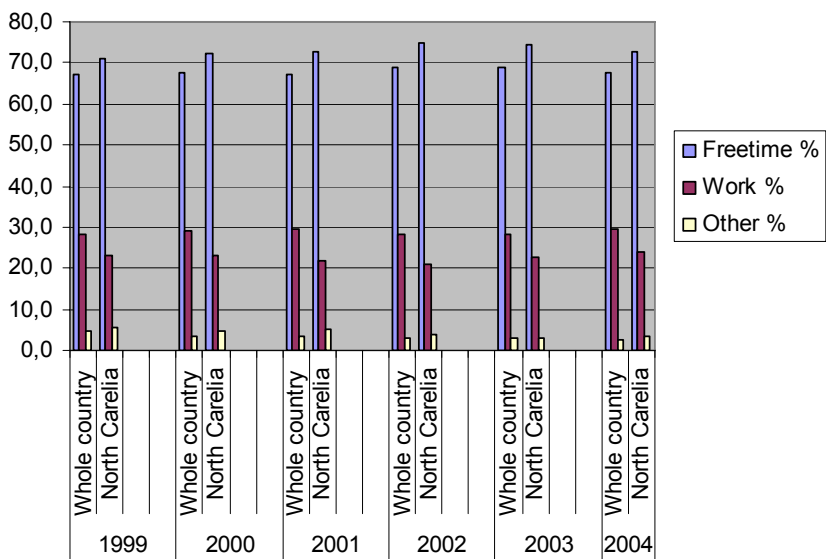


Figure 12: Finland&North Karelia - All over-night-stays (Finns). (Regional Council 2003.)

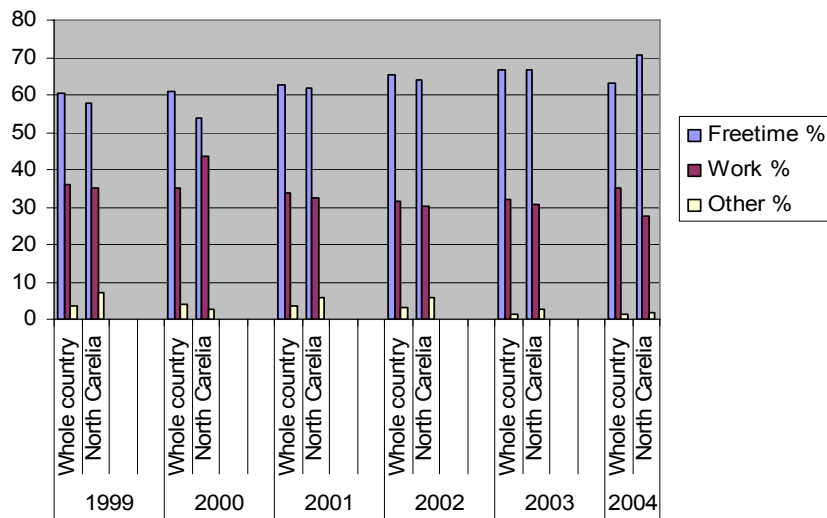


Figure 13: Finland&North Karelia - All over-night-stays (Foreigners). (Regional Council 2003.)

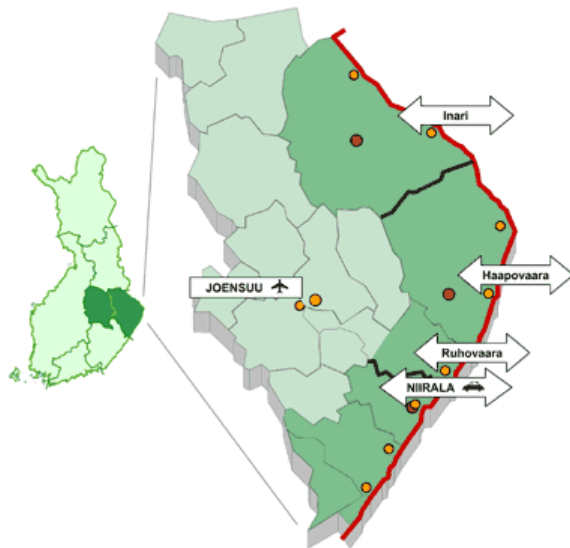
2.2.3.3 Geographical layout of infrastructure and special character of tourist attractions

There are over 20 airports in Finland (Map 12) but only one in North Karelia (in Joensuu) (The Border Guard 2004). Many carriers have flights to Finland but only a few cheap ones. The majority of air connections are going to Helsinki, only Ryanair lands in Tampere. It is possible to find a very cheap flight to Finland but to reach North Karelia tourists must change planes or choose other means of transport and it is sometimes few times more expensive than a flight from another country (Joensuu Airport doesn't serve international connections).



Map 12: Airports in Finland (The Border Guard 2004)

North Karelia has a 304 km long national and EU external border with the Russian Federation (Map 13) (The Border Guard 2004). Niirala is the only passenger border-crossing-point in the region but at least it is open 24h since 1st of September 2005 (The Northern Dimension Advisory Network 2005). With 890 600 border crossings in 2002 it was the third largest point on Finnish-Russian frontier but the only one with higher Finnish traveler numbers. The majority crosses the border not for tourist or business purposes but for shopping (Fins) or shuttle trading (Russians). In 2001 about 200 000 of Russians were coming to North Karelia by crossing the border at Niirala, and only 15 000 stayed overnight in one of the hotels (EXLINEA 2003).

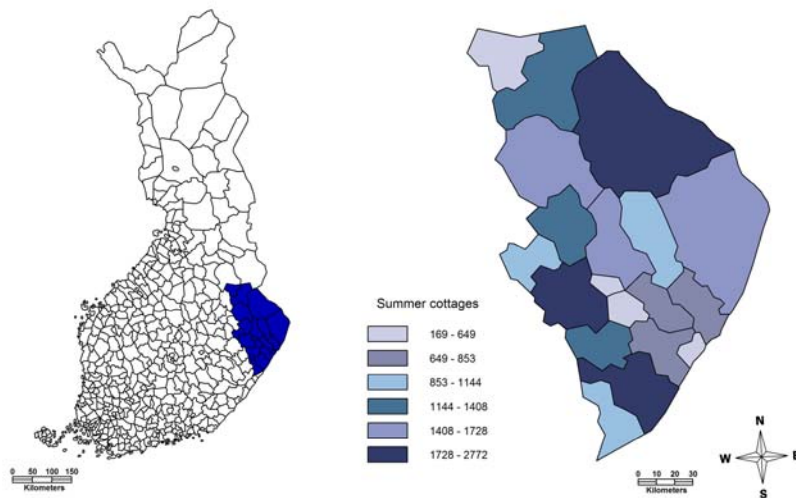


Map 13: Border Line in North Karelia (The Border Guard 2004)

Finland has 30 ports with passport control points but none of them is located in North Karelia (The Border Guard 2004) because the region has no access to the Baltic Sea.

Roads and rail infrastructure in North Karelia, like in the whole country, is in a very good condition and the network is rather dense. The environmental conditions made impact on image of transport infrastructure in Finland – the huge number of lakes forces many road connections to long detours.

The most characteristic objects in landscape of Finnish rural areas are thousands of cottages, and it is very specific type of tourist infrastructure. Scandinavian countries have a wide tradition of buildings constructing with logs using (Lomarengas Finland Holiday 2006). Nowadays there are plenty types of Finnish cottages with different equipment and size. Tourists can hire holiday cottages, fishing cottages and cottages at ski resort. In North Karelia the bigger amount of cottages is in the Lake Pielinen Area because of its tourist attractions (for example Koli National Park) (Map 14).



Map 14: Number of summer cottages in North Karelia (Kuntafakta 2001)

Cottages are the perfect base for many recreation activities, and sauna is the most important one. The tradition of the sauna goes back to over one thousand years. It was a place of bathe, recreation, giving berth and healing the sick. Today there are about 2 million saunas in Finland, 1.2 million (The Finnish Sauna Society 2005) of which are in private houses and the rest in summer cottages, hotels, swimming pools and even student dorms. The population of Finland is some over 5 million so there are about 0.4 saunas per capita. Ice swimming is strictly connected with tradition of sauna and it is a tourist attraction as well. Cross-country skiing, snowmobile safaris and dogsled tours are the other winter activities that North Karelia can offer. In summer, there are possibilities of fishing and cycling, hiking and rapid shooting trips by wooden boats.

In general tourists can do these activities in every part of North Karelia but because of landscape advantages there is a very high concentration in Lake Pielninen Area. The popular hike, cycling and ski track named 'The Bear Path', River Lieksanjoki with possibility of wooden boat trips, and many other attractions are situated there. In Koli there is the biggest and the most popular downhill slope with a ski-lift in North Karelia.

We would like to emphasize that the unique character of North Karelian tourist attractions and infrastructure comes out of traditions, every day habits and culture of local people and it is not forced by commercialized fashion that is the same all over the world. We think it is the best opportunity and way of development for rural areas in modern world.

2.2.4 Touristical description of the destination



North Karelia is the easternmost province of Finland and the EU. One fifth of North Karelia is covered by waters and 85 % is covered by forests. The population of North Karelia is about 180 000, which means about 10 inhabitants per sq. km. (Hämäläinen 1996; Karelia in Finland 2006.) The touristical image of North Karelia is based on great wilderness areas and the meeting point of the east and west, because the province has 300 kilometres of common border with the Russian federation. There are three main destinations in North Karelia: Joensuu, Koli National Park and Bomba House.

Map 15: North Karelia – Three main destinations

2.2.4.1 Joensuu

Joensuu is the capital city of North Karelia. It has 57 558 inhabitants, an area of 1 313 sq. km and 49 inhabitant per sq. km (Joensuun kaupunki 2006.) It is a city surrounded by forests and lakes. River Pielinen is also running through the centre of Joensuu. There are jogging paths and cross country skiing tracks in city area forests.

Skiing tracks can also be found in nearby lakes in winter and spring. There are also free skating rinks in every district. The new sport hall *Joensuu Areena* provides a setting for congresses and expositions. Theatre, orchestra and art museum are also found in the city. *Ilosaari Rock* festival, which takes place in July, attracts especially young people from all over Finland. The most famous Finnish rock artists and popular foreign artists come to play there.



Picture 7: Winter activities in the city area (Ruskovaara 2006)



Picture 8: Shopping street in Joensuu (Ruskovaara 2006)

2.2.4.2 Koli

Koli is the most attractive touristical resort in North Karelia. It lies on the western shore of Lake Pielinen. It is the landscape for the Kalevala epic and was a place of pagan sacrifices from 16th to 17th century. Permanent settlement began in 18th century through slash-and-burn cultivation. During the turn of the century, when Finland was seeking its own national identity through the Karelianism movement, the most notable artists and musicians, such as Jean Sibelius, took their motifs and themes from Koli. (Vanhamäki 2003.)

At the end of 19th century first travellers came to admire the landscape. The first cabin for travellers was built in 1896. Winter tourism started in 1930 by cross country skiing. Downhill racing slope was also built at that time. The first hotels were built in the 1960s. (Vanhamäki 2003.)

Koli Nationalpark was established in 1991. Nowadays, tourism tries to take sustainable development and nature tourism into account. There are 10 downhill skiing slopes, a snowboard street and a half pipe. (Vanhamäki 2003.) There are 3 km, 5 km and 8 km scenic and hilly ski trails and a lighted track of 24 km. Snowshoe trips are also popular. Altogether there are 90 km of trails for daytrips and longer treks for trekking. Cruises and canoeing can be made along the Pielinen Lake. (Koli 2006.)

There are some planning problems in Koli. The National Park limits developing of tourism infrastructure, for example roads. On the other hand, the national park is also an opportunity for tourism marketing and ecotourism. Koli is part of the NATURA 2000 area, so evaluations have to be made in the context of every project. Ski slopes have made damages in nature and landscape, which brings problems for future development trends. There is a rental agreement for the ski slopes until year 2013. (Vanhamäki 2003.) The future of the slopes is unclear. If the down hill skiing centre could continue in future, it it would be very good for the economical development of the area.

2.2.4.3 Bomba House

Bomba house is a Karelian holiday resort. Traditional Karelian Christmas and Easter are celebrated there. There is also a small spa. Other activities are for example Finnish "churchboat" rowing, smoke sauna evenings, snowmobile safaris, dog and horse sledding and snowshoeing.

2.2.4.4 Best products

Besides the destinations mentioned above, best products are for example hiking trails. There are five hiking trails around the province and six national parks which are open for public. Countryside holidays are also a product where it is possible to combine many kinds of activities. It is possible to stay on a farm or rent a cabin. (Karelia Finland 1998.) Wild animal watching is a new product: the animals will be observed from the cabins (Kuivalainen 2005). Fishing and hunting are products especially for the Russian tourists. Valamo monastery in Heinävesi is a product of the orthodox tradition. (Palviainen 2006.)

Karelia in Finland is used as a phrase in brochures to make a difference to the Karelia in Russia. If people know the Karelian history, they will recognize the special area and its history. Karelian mentality is also a certain kind of product. People in Karelia are said to be happy, talkative and hospitable. Many people who are coming from outside of Karelia, have said this image is true. Karelian cuisine is also a product. For example the Karelian pies are known all around Finland. (Palviainen 2006.)

Travellers can also choose short holidays and tours. In winter there are, for example, one-day husky safaris, Karelian snowmobile safaris and Koli snowshoe excursions. In summer there are organised hiking and cycling tours and fishing, rafting and canoeing tours. Also some special tours, like bird watching and trips to cultural attractions are offered. (Karelia in Finland 2006.) Music, culture and sport happenings are good ways to attract visitors to the towns. Lieksa Brass Week, Kihaus folk festival in Rääkkylä and Ilosaari Rock in Joensuu, for example, are important music festivals. Cross country skiing happenings are popular in winter. Christmas, Easter and Midsummer festivals are also very important festivals in Karelia. The Orthodox *praasniekkas* are also folk festivals which attract visitors. (Karelia Finland 1998.)

Opening new waterways and increasing cruises would be future development potentials. For example, there is at the moment a sailing tour from Lieksa to Koli nationalpark. It is also possible to travel to the monastery of Valamo and to the convent of Lintula from Outokumpu to Heinävesi. (Karelia Finland 1998.) The easternmost point of the EU lies in Kitee, in North Karelia. This is an opportunity to raise North Karelia's profile as a unique tourism area with connections to the east. This could be made by developing the international frontier crossing point in Värtsilä, improving the public transport connections to Russia and stimulating flight connections via Joensuu to Petroskoi and/or helicopter connection, for example, from the small airport in Kitee to Russian destinations. (Pohjois-Karjalan liitto, Regional Council 2003.)

2.2.5 Tourism Management

2.2.5.1 Marketing organisation in North Karelia

In North Karelia the whole touristical marketing is managed by one organization called Karelia Expert Ltd. Karelia Expert was founded in 1993, when all tourism agencies of the region were fused, in order to achieve better marketing opportunities. Karelia Expert has a tourist and management bureau, and a tourist information desk in Joensuu, and four other bureaus among others in Koli and in Nurmes. (Palviainen 2005.)

Some entrepreneurs are not satisfied with the work of Karelia Expert Ltd, and they are accused for trying to get a monopoly position in tourism-marketing. Karelia Expert is only supplying the cabins of their partners. Those entrepreneurs who are not co-operating with Karelia Expert argue that their cabins are not as well available for tourists as the others. The development manager of the Regional Council, Pekka Huovinen admits that the role of Karelia Expert in tourism marketing of the province still needs some improving. The executive director of Karelia Expert, Markku Litja, sees this issue differently and reminds that the entrepreneurs should be active and inform Karelia Expert about their accommodation situation and free cabins. (Karjalainen 2006.)

2.2.5.2 Marketing strategies of Karelia Expert Ltd

The main strategy in marketing North Karelia abroad is representation in travel exhibitions, international travel agency contacts and visibility in their brochures abroad. For example, they have advertisements in travel magazine Nordis and Superfast Ferries Magazine in German. (Palviainen 2006.) Karelia Expert is maintaining old contacts and trying to get new ones through exhibitions and work shop meetings. Karelia Expert also co-operates with the Finnish Tourist Board in internal and international marketing. Press and travel-organisations are invited, for example, in context of the Finnish ice sculpture championship in Nurmes. (Karelia Expert Tourist Service 2006.)

Visual-aesthetic brochures are very important part of the marketing. Karelia Expert has developed a uniform image in brochures: colours of Karelia (red and black), uniform visualization and photographs (water, sunrise, nature, landscape of Koli, sport activities). Visibility in internet is nowadays crucial for tourism marketing. Links from page to page about different resorts and happenings are used to raise interest. Karelia Expert has also a Web Club. Users can join the club and get e-mail about the specific areas of interest. (Palviainen 2006.)

2.2.5.3 Market situation

North Karelia has not been able to increase its market share in internal tourism markets. Problems are the remote location, the lack of magnetic regional centres and a small-scale marketing. Lapland and Southern Finland are the main resorts in Finland. In Lapland, there have been more investments on marketing and there is also very diverse package tour supply. In Southern Finland, there is the capital city, Helsinki, with diverse cultural and entertainment supply, and the opportunity to travel without visa to Tallinn, Estonia.

In international markets, North Karelia is seeking fast growth from Russian markets which is the best opportunity in the near future. The amount of Russian tourists has decreased about 2.3 % last year, while there has been a significant growth in other parts of Finland. This is due to the lack of magnetic resort, especially spa with wellness products. According to recently made research, Russian tourists know only the Koli in North Karelia (Hätinen 2006). Marketing investments are also allocated to German markets and Benelux countries.

The most important segment in marketing is active adult (over 45 years) to whom the nature and hiking tours can be offered. Families are the second target group in holiday seasons and the third are companies and congress travelling.

2.2.5.4 Marketing Projects

2.2.5.4.1 *Sparkling North Karelia II*

The project follows project I which was organised during the years 2004–2005. The project was inspired by the reality show *Great Adventure 2003* in Koli National Park. Koli became also a popular resort among young people thanks to television. (Palviainen 2005.)

Sparkling North Karelia project is financed by the Regional Council of North Karelia. The project work is mainly lead by the public sector. The main goal of the project is to gain more visibility for the whole North Karelia province through exhibitions, TV and radio advertisements. The tourism sector co-operates with entrepreneurs, education facilities and the housing sector.

It has been created a web page www.pohjoiskarjalaan.fi (to North Karelia) within the project, where you can find information about living, studying, working and travelling in North Karelia. Within the project commercial photographic material is also collected for the use of all entrepreneurs. Karelia Expert is also activating the press to write about North Karelia. (Palviainen 2005.)

2.2.5.4.2 *Rural Waters*

Rural Waters is an INTERREG III C (interregional co-operation) project that was developed by the Potsdam Chamber of Industry and Commerce together with five European partners: Austria, Germany, Finland, Ireland, Poland. It is financed by the European Regional Development Fund (ERDF). The main goals of the project are the establishment of a stable network that secures an income in rural regions and the creation of employment possibilities in rural regions that are especially affected by structural changes. Within the project strategies for the national and international marketing of the participating regions are developed. The marketing goals are increased identification within the regions, as well as the enhancement of name recognition to generate larger numbers of visitors. (European Union 2006; Karelia in Finland 2006.)

The *Rural Waters* utilises tourism as a means to support development, and it can be combined in a multitude of ways with other regional initiatives and businesses to stimulate new economic activities. The aim is to access and develop the important water-tourist possibilities of all participating regions via the exchange of information and experience, as well as through mutual support, and to present them to public.

With over 6 000 km of waterways, North Karelia has the largest usable network of waterways of all regions involved in the project. It is well-connected to interregional waterways, for example, the Gulf of Finland. The inshore waters of North Karelia are suitable for sailing, motor-boating and canoeing, as well as for watersports such as fishing, waterskiing and river rafting. Passenger boats and ferries are also represented. (European Union 2006.)

Results of the project in North Karelia are *Karelia in Finland 2006* tour brochure and introduction DVD about North Karelia. The project has also participated in several exhibitions and sales meetings in Finland, Europe and also in Japan. All the members of the project are planning together a *European Tour* product for the tourists from Asia, because the tourists from another continent usually visits more than one country in Europe and package tour is the easiest way to do it.

2.2.6 Ideas of further development strategies

There is a great potential in music, culture and sport happenings, for example the Lieksa Brass week and Kihaus in Rääkkylä could be completed by chaire singing festival. Wellness products are also a clear potential. There is great demand in Russia and in the future the growing number of pensioners in Finland strenghten this demand. Combining the wellnss-products to nature elements could be the strength of North Karelia. For satisfying the personal needs of the customers, customer based development of products has to be done. Strenghtening the booking system and developing of package tours are

also important. Strengthening the image and accessibility of North Karelia are important in development strategies. The importance of religious holidays and short holidays is increasing. This is important in developing tourism outside the summer seasons. (Pohjois-Karjalan liitto 2003.) The planning of two big spa projects is going on in Joensuu and Kitee. There would also be possibly a hotel within the spa in Joensuu. This would help to increase the capacity of accommodation in the centre on Joensuu. Accommodation is also needed within the congress travelling, which is now quite small-scale business due to inadequate accommodation capacity. (Parkkonen 2006; Palviainen 2006.)

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2.3 Dutch North – aspects of a peripheral Dutch region

2.3.1 A view on the national policy in relation to the Dutch North in the last 40 years

Since 1960, the Dutch government has been trying to influence the regional planning of municipalities and provinces. The way the government did this, was by writing papers; in Dutch it's called 'nota's'. The Dutch North always played a part in those 'nota's'. This paper will give a short overview of the regional planning and the policy of the Dutch government of the time period 1960-1994 in relation to the Dutch North.

In the first 'nota', the North has been characterized as an area where agriculture plays a very important role; not only the landscape is dominated by agriculture, but it's also the main sector for labor. The problem at that time was the fact that the need for working people in that sector was very low. By the same time, the industry sector (which was an important sector in the sixties) wasn't well established and developed. This was the main reason for the Dutch government to see 'the North' as a so called 'problem area'. By transition of industrial companies from the well-developed western part of the Netherlands (the 'Randstad'), the government wanted to stimulate the industrial sector in the North.

The largest city of the Dutch North, Groningen, had to take the role of a 'regional service centre'.

In the second 'nota' of 1966, the national government wrote that it was a little content with the development of the industries in the Dutch North, but in relation to other parts of the Netherlands, the sector didn't develop enough. Another deficiency in that period is the fact that there aren't enough service centers in the North. And the last thing the national government pointed out was the low population rate in the Northern provinces. A couple of measures the government mentioned were: the transit of companies that could force the region, a focus on the growth of the population, the stimulation of urbanization and within that the development of core centers, and the enlargement of the different labor sectors. The core centers had to play a function as an economical, social and cultural service center. Again, the government refers to the city of Groningen in this case.

Another thing the national government pays attention to is the improvement of the infrastructure from the well-developed western part of the Netherlands to Groningen. This had to be realized by the construction of a main motorway.

Last but not least, the government wanted to stimulate the local industries by the development of a 'world-class sea haven' in the eastern part of Groningen, Eemmond.

The third 'nota', which has been developed in a time period from 1973 until 1983, the Dutch government pays attention to the fact that still there was a high unemployment rate in the three Northern provinces and that it's still very depending on the agriculture sector. The economic structure is also very weak with low rates of income and education. The 'nota' focuses for a main part on the enforcement of the province of Groningen, again by the expansion of the city of Groningen and the industrialization of the Eemsmond sea haven. In this case, the city has been called 'groeistad' which means 'growing city'. Important aspects of being a 'groeistad' were the stimulation of employment and living possibilities and the creation of a well-developed infrastructure. To realize this and other investments, the province of Groningen (as well as the two other provinces in the Dutch North) could expect to receive a lot of financial support from the national government.

In the fourth 'nota' (1988) the direction of the national policy changed a little. In the first three 'nota's', most attention was paid to the development of the Dutch North with lot's of support from the national government. But from then on, the improvement of the own qualities of all Dutch regions became the focus point and realization of that as well as taking initiatives at that front became the responsibility of the local governments. Again, the city of Groningen played an important role in the development of the Dutch North: this city could be one of the strengths of the North and for that reason, the city has to enlarge his function as an urban city. Because agriculture still played an important role in the North at that time, that sector had to get attention as well, also in relation to recreation and tourism. Also the further development of Eemsmond as a sea haven has been mentioned in the fourth 'nota' as a possible important sector.

The fifth 'nota' of 1994 (the 'fourth nota extra') emphasized what has been pointed out in the 'nota' of 1988: by taking initiatives of the local governments themselves, improvement of the regional qualities (city of Groningen, agriculture and possibilities of the tourism sector) had to be realized.

In forty years, the attention of the national policy has been paid to a lot of aspects to change and improve the situation in the Dutch North: from the development of industries till the urbanization of the city of Groningen. After these forty years, the local governments got the responsibility for the improvement and development of the regional situation.

2.3.2 Current policy of the provinces

2.3.2.1 Decentralization

'Decentral if possible, central if necessary'. Together with this slogan the Dutch national government started a few years ago a policy that focused on the region. It was an

attempt to get rid off the straight policy that limited freedom of regions, by creating a policy that must be seen as a guide-line in stead of a blueprint (VROM a.o., 2006). This change in strategy wasn't without consequences for the northern provinces. In the past, almost every note was from the perspective of the national government, as an institution that was responsible for distribution of prosperity by financial support for poorer regions. Policy makers were convinced by the idea that investing in the physical infrastructure such as space for enterprises, motorways, railroads and swimming pools (as a metaphor of good conditions for the elite), was enough to generate economic growth, even in the lacking regions. People have left this simplistic vision four decennia later, because of the lack of success this policy has created. The economic arrears between Northern Netherlands and the rest of the country have decreased just a bit, but are still there despite the national investments (SNN, 2004). So, from a historical viewpoint, the new regional perspective 'decentral if possible, central if necessary', doesn't seem a bad solution to equalize the regional differences. However, this regional turn means more responsibility for the Northern provinces in their search to meet the national socio-economic level.

Parallel to the shift from central to decentral, the national government wants to change their policy in distribution of state finances. As written in the note *Pieken in de Delta* the national government does prefer to put their money on the Randstad – as a leading region – in stead of the North – as a lacking region. In their opinion overall national economic growth can be reached by investment in regions with the highest economic potency, the so called *Pieken*. As a consequence, economic growth will spread over the country after some time (EZ, 2004). Being aware of this policy, the northern areas will be the victim at the short-term. National efforts are no longer meant to meet overall equality, but meant to generate economic growth most efficiently. Besides, this policy - described as 'efficiency in stead of justice' - may be given a lag up by changes in European Structural Fund. Part of the discussion in Brussels is concerning about the question: who will be responsible for the distribution of European subsidies? May it Brussels itself or may it the national governments? When the decision will be made in favour of the latter, the North will lose European money as well, based on the assumption that the Dutch national government wants to invest in the leading regions (Smink, 2004). Finally, there have risen some doubts about the establishment of the *Zuiderzeelijn* – an infrastructural project which connect the northern province of Groningen with the Randstad. The *Zuiderzeelijn*, in fact a promise of a former cabinet, could be an impulse for distribution of economic growth from the West to the North. Policymakers – especially from the north – think it will strengthen the position of the northern provinces within the Netherlands, and their position within Europe. Although

infrastructure is just one condition you might think of, policymakers in the north won't accept a 'no' to this project.¹¹⁰

Seen these processes – decentralization, less money and perhaps no *Zuiderzeelijn* – the Northern provinces will be more dependent on themselves. Although this could be seen as a threat, the northern provinces do not seem pessimistic. They see the opportunity to give a new impulse to the economy of the North, by gathering each others strength in the so called Collaboration Association of North-Netherlands. For them, being a peripheral region doesn't make up the starting point. Being aware of the economic driving forces, makes up the people minds (SNN, 2005). Here we seem to be handling with a self-confident region that have changed from a 'asking party' to the perspective of an ambitious independent party over time. At least, at the level of policy makers.

2.3.2.2 Knowledge based economy

Known the attitude from the northern provinces, rises the question: what is the strength of the North? Likewise the development elsewhere, the North has put it's attention on innovation. Both innovation and giving rise to the knowledge economy, are important forces to tackle the growing competition, caused by globalization. The current Northern economic profile is strongly based on activities, that can easily be moved to countries with lower wages (like eastern Europe). Because this activities generate almost no future prospects, the northern provinces would like to turn their traditional industrial-economy into a knowledge based economy (SNN, 2005). Although this seems too ambitious for a region that is known as peripheral, there truly are some opportunities to create a knowledge based economy. Nevertheless it won't come for free, it will cost some efforts to let the transition be happen. It's a fact that the level of innovation in the North is below the national average, because of the relative low amount of higher educated people within the working population (SNN, 2004).

What may be the starting point of a knowledge based economy? To begin with, the Northern provinces have at one's disposal three keyregions with specific competencies. These three regions are known as Energy Valley, the Watercluster and ASTRON/LOFAR. Energy Valley forms a concentration of energy related enterprises, that are active in research, transport, handling, trade and production of gas and other energy sources. Several major players within the energy industry (such as the *Nederlandse Aardolie Maatschappij BV*, *Gasunie*, *Essent*, *Nuon* and *Electrabel*) have built up their units in the North to be part of the cluster and the proces of knowledgetransfer.

¹¹⁰ After IP update: Policy makers in the North won't like it, but the national government has made a definitive decision : The plans for the 'Zuiderzeelijn' are abolished. Investments will be made in the regional economy, but there will be no high-speed connection between Schiphol and Groningen in the near future. (Min. V&W, 13-4-2006)

Spin-offs and subcontracting must generate further economic growth. Together with financial investment by the provinces, the North wants to be a leading region in energy related knowledge on term. The Watercluster is an initiative to gather knowledge concerning water and water related activities. The Netherlands is known of its specific knowledge at the terrain of water, however this market is quiet fragmented and knowledge isn't put in practice so well. Because of the good conditions and the local knowledge (tacit knowledge), the northern provinces sees prospects to be more dominant on the watermarket. Last but not least, the provinces want to invest in ASTRON/LOFAR, as one of the leading regions in astronomic research in the world. These three clusters are examples of knowledge based activities, which have to play a dominant role in the Northern economy of the future (SNN, 2005).

An actor of significant importance in the transition to a knowledge based economy is the Groningen University. This university generates new know-how and high educated people. However, until now the North has to cope with a huge outflow of students to other places in the Netherlands where better career prospects are being offered. Focusing on the knowledge based economy is part of the provinces' strategy to stop the 'knowledge migration' out of the region.

2.3.2.3 Rural idyll

Given the ambitions to generate a knowledge based economy, it's important to create an environment that is attractive for entrepreneurs, be it starters or experienced people from elsewhere. However, the step to move to the North is huge and not often made. Geographical distances and a bad imagination of the North are still in disadvantage of the Northern provinces. But, times are changing. As a sparsely populated region, with little economic dynamics the Northern provinces are still undamaged. Environmental qualities together with spatial opportunities to develop economic activities, strengthen the position of the North within the Netherlands. Because of the high pressure on space in the west, space and nature have become a rare commodity. Given this situation, the peripheral status of the Northern provinces could be in their advantage. After all, because of the little economic dynamics, the northern provinces share a rich heritage of nature and space. To generate the advantages of the environmental conditions, is an important policy strategy as well. It could attract new investors or entrepreneurs and offers opportunities for inhabitants to live in a rich environment (for instance *Blauwe stad*). In doing so, the provinces want to find a balance in saving the environmental qualities and giving rise to economic growth. One sector that experiences the same advantages from the environment is the tourist sector. Although tourism isn't a leading activity like the knowledge based economy, some attention is paid to give tourism a place within the northern policy (SNN, 2005).

2.3.2.4 From a theoretical point of view

The strategy the Northern provinces are following is daring, but theoretically speaking well chosen. Various researchers have tried to find an answer on the question: in which way could economic growth in rural regions be reached? Although answers differ, some say that the combination of endogenous and exogenous forces are substantial in explaining economic growth. Next to that the cleverness and intelligence of policymakers and the presence of well coordinated internal and external networks, make the difference as well (Terluin, 2003). Internal networks may help to develop synergy and mutual trust of cooperating partners. External networks offer opportunities to tap new markets and create global pipelines to transfer knowledge beyond the borders (Bathelt, 2003). Both aspects (about the intelligence of policymakers not much can be said) are being present in the case of the Northern provinces. The provinces are aware of their own strengths (the knowledge based economy and the environmental qualities) and want to utilize external forces, such as foreign investors and infrastructural help. In addition there does exist a network of organisations being active in keyregions, enterprises do maintain knowledge relations with universities, and global pipelines are created on a project scale (ASTRON/LOFAR, 2005). Moreover the northern provinces are organised in the Collaboration Association Northern-Netherlands, a network to gather policy decisions to be more powerful. From an institutional perspective, this association could be valuable as well.

2.3.2.5 Recommendations

These approaches – the exogenous, endogenous and network approach – give attention both to social infrastructure and physical infrastructure and share more future prospects than the former policy of the national government. This old-fashioned policy was too much focused on exogenous forces, by copying economic growth from one region to another by forced movement of enterprises and the improvement of accessibility to the leading regions. Things we have learned from the past is that just distribution is not enough. Internal strengths must be kept in mind as well. Next to that the northern provinces have to ask themselves what have to be done to put relative vague words into practice. In fact, the current attention for innovation is not unique. Almost every region and almost every country has phrased their innovation policy, probably as a reaction on the Lissabon-agenda. In this context, the Northern provinces have to ask themselves: what conditions are needed to facilitate a knowledge based economy, do we meet these conditions, and what might be the effects of investment in this economy? Does it create jobs or is it above all capital intensive? Does it generate sustainable growth or is it

vulnerable to market fluctuations? So, despite the daring strategy the northern provinces have to be critical on their own policy.

2.3.2.6 Case studies

Two examples of policy to attract more economic activity to the Dutch North, Zuiderzeelijn (update: abolished, see footnote in preceding chapter) and the IBF in Heerenveen.

2.3.2.6.1 *Zuiderzeelijn*

In 1997 a commission under the lead of mister Langman, called the Commission Langman made a report called 'Spatial-Economic Perspective of the North'. In this report the commission made an analysis on what the strong and weak points of the Northern provinces were. Conclusion of the report was that the economical growth of the North is good, it follows the national growth made between 1985 and 1997. But, the North faces a structural delay with respect to the national average when it comes to unemployment figures and degree of participation. According to the commission this delay is caused by the thin structure of the Northern economy. Population density is low and the distance between the urban areas is too large, this causes that the economies can't support each other.

The advice of the commission is that measures have to be taken, measures in the regional economy, in agriculture and horticulture, traffic and transport and in spatial structure of the North. But there's also a responsibility for the North itself. It has to believe in its own power and has to work from its own qualities.

The commission also made a suggestion to build a rail link between Lelystad and Zwolle, in order to reduce travel times.

The Northern provinces see what has to be done and set up an own report called 'Compass for the North'. In this report the North sees her own function as to relieve the pressure of the 'Randstad'. The idea is to build a 'North-corridor' between the Randstad and Germany, Scandinavia, Poland and the Baltic States. In order to make this North-corridor successful a international rail link between the North, Friesland, Flevoland and the Randstad has to be build as fast as possible (before 2010).

The Dutch government decides in 1998 that the delay which the North has, has to be removed. In order to do this funds are guaranteed. For the period of 2000-2006 an amount of 2,27 billion euros is guaranteed. This amount consists of Dutch and European subsidy programs and of investments in infrastructure. Provinces, municipalities and other organizations have to co-finance to guarantee the quality impulse.

The minister of Transport, Public Works & Water Management agrees to build a rail link between the North and the Randstad called the 'Zuiderzeelijn'. In 2001 the government decides to guarantee 2,73 billion euros to build it, but also here co-investment of regional governments is required.

Six rail link variants were presented, from no change in the current structure (travel time is 102 minutes) to a magnet rail link (travel time could be reduced to 45 minutes). Of course, the magnet rail will bring more positive effects for the North but will also have higher costs and more impact on the environment (more energy usage, landscape damage and noise nuisance).

Research by different economic institutions and research desks (TNO, Ecorys, University of Groningen) pointed out another problem. When calculating the effects it seems that not the Northern provinces will have the most positive effects by constructing a rail link but the province of Flevoland. Flevoland is located between the Northern provinces and the Randstad. More firms would invest in Flevoland and migration facts of Flevoland would rise in any of the six variants more than in the Northern provinces.

So, the rail link will not bring the wanted economic effects for the North. Recently, the idea has risen to build a magnet rail link which will also connect Amsterdam to Hamburg, via Groningen and maybe in the future also Warsaw and Prague.

This could perhaps bring the economic stimulation the North so badly wants....

2.3.2.6.2 *The IBF in Heerenveen*

In 1995 the International Business-park Friesland was opened in Heerenveen. This park, also called Megapark, should bring big companies to Friesland. It was a complete empty building-site, which should become a green and venerable business-park for big companies only. Situated close to a highway-junction near Heerenveen, it is situated in a place that is well attainable. To become a green business-park, the municipality of Heerenveen had set up several rules for the Megapark. Companies should at least buy 10 hectares ground, so only big companies could afford buying ground. It was not allowed to build on more than 15 % of the ground bought, so the business-park should stay green (Friesch Dagblad A, 2002).

In 1997 the first big company to invest in the Megapark was found. Loek Hermans, Commissioner for the Queen in Friesland, announced Hewlett-Packard as being the first big company to invest in Heerenveen. Governments in several scales were happy with the decision of Hewlett-Packard, as it was expected that they would create 1 000 direct jobs for low-educated people in the Dutch North (Ministerie van Economische Zaken, 1997).

In reality, Hewlett-Packard was not the company to come to Heerenveen. Instead SCI would come and invest in Heerenveen. SCI would assemble computers for Hewlett-Packard in Heerenveen. For this job they also had jobs for a lot of low-educated people, so no-one bothered it was not Hewlett-Packard that was coming to Heerenveen.

But soon after the news SCI was coming to Heerenveen, questions arose about the subsidizing of SCI. It turned out that SCI invested for 68 million guilders (30 million euro), while they received between 32 and 42 million guilders (between 15 and 19 million euro) by payments given indirectly by municipality, province, national government and the European Union. And that while EU-regulations say that only 20 % of the investment may be subsidized (Friesch Dagblad A, 2002).

The indignation became even bigger when it turned out that the promise of 1,000 jobs was a false promise. In reality, SCI had jobs for only about 300 persons, part-time jobs included. The employees got very low loans, and were heavily complaining about that. And the employees were also complaining about bad working circumstances. The trade unions came up for their employees, but SCI did not want to talk with them (Friesch Dagblad A, 2002).

The European Union started to investigate in the subsidizing of SCI, because they thought that 7 million guilders (3.2 million euro) was received by SCI for doubtful reasons. After the investigation had finished in 2001, SCI had to pay back 1.5 million guilders (0.7 million euro) to the Dutch government (European Commission, 2001).

By that time SCI was still the only company on the IBF. There are several possible reasons for that. Berkhout, Groot and Theeuwes (2001, pp. 42) think a negative psychological effect of subsidizing is one of the reasons why there were no companies following SCI to the Megapark, because companies would think “who would go to a region where apparently nobody wants to go to?”. Others thought the intention of the IBF was wrong, as companies had to invest much in buying ground on which they were not allowed to build. Therefore the regulations were being made less tight. Instead of building on only 15 % of the ground, companies could build on 30 % of the ground they bought. However, it did not attract new companies (Friesch Dagblad A, 2002).

In 2002 SCI announced they would close their factory in Heerenveen, as the world market for computers had become much smaller. The company would move the production of computers from Heerenveen to Eastern-Europe, as loans were much lower there (Friesch Dagblad B, 2002).

With the Megapark being empty again, and no sight of new companies going to invest in the IBF, the province and the municipality agreed on making a normal business park of the IBF, with small parcels for sale for very little money, to make sure the IBF would not go bankrupt (Friesch Dagblad, 2004).

2.3.3 Agriculture in the Dutch North

Agriculture has been important in the Dutch community for ages. As in many countries, a great part of the population lived off the land (agriculture, horticulture and stock farming). The sector within the agro complex¹¹¹ which has generated most profit, was the stock farming. This sector is widely spread through the Netherlands (see appendix 2). Other agricultural sectors are concentrated in specific regions in the Netherlands, dependent on the kind of soil and logistic advantages. Horticulture for example is mainly exploited in the provinces Noord- and Zuid-Holland, because of logistic main points (Rotterdam and Amsterdam). Agriculture occurs in fertile soils in Zeeland, the IJsselmeerpolders and Groningen¹¹². The agricultural sector in the Netherlands is largely dependent on export of products. In the preceding years 75% of the added value and employment came out of export. The import and export of the agricultural sector increased less than the total import and export in the Netherlands. The total export in 2003 increased (in comparison with 2002) with 10%, the export of agricultural products however increased only with 6%. Plants and flowers are, with a share of almost 15% in the total export of agricultural products, the most important product, followed by meat and dairy with a share of respectively 11% and 9%. As well regarded to export as import, Germany is the most important trade partner of the Dutch farmers.

The social-economical importance of the agricultural sector differs per region. In the Northern Dutch agriculture still has an important function. In 2003, 41% of the agro complex was taken by stock farming, followed by arable farming with 31%. This means that those two sectors are important, more important than in other regions in the Netherlands. The most important crops are sugar, grain, maïs and also potatoes. The grasslands are mainly used for extensive stock farming and eventually for producing dairy products.

2.3.3.1 Developments in the Dutch agricultural sector in general

The world economy is focussing more and more on a services based economy. This shift certainly is not new and goes along with processes like globalization, urbanization and the international division of labour. The process of industrialization and mass production has accelerated since the end of the Second World War. The consequences for the agricultural sector were significant. Because of outrageous automatization and upscaling, production processes became more effective. The added value of the agro complex increased. However, the share in the national added value of the whole

111 Agriculture consists of primary agri- and horticulture, as well as the processing and distribution of agricultural products and the forward linkages like energy, artificial manure, forage and services

112 Figure 2 and 3 show the spatial dispersion of the Dutch agricultural sector

economy decreased from 12% in 1995 to 10,4% in 2003. Small companies could not keep up with the developments mentioned above and dissolved in bigger companies. The decline of companies is still significant.

Table 6: Number of companies and hectare in agricultural sector

Year	Number of companies	Number of hectare used for agriculture
1975	162 594	2 081 694
1985	135 899	2 019 023
1995	113 202	1 964 747
2003	85 501	1 929 757

Source: LEI, 2004

As you can see in Table 6, the number of companies decreased with almost 50%, while the amount of hectare only decreased with 8%. Beside the decrease of farms, the number of people working in farming also decreases every year.

Other threats for the countryside:

In economic sense the importance of agriculture may decline, still two third of the surface of the Netherlands is in use for agricultural purposes. Because of growing competition of other activities and urban spread, the countryside is under pressure. Many actors claim the 'green space' and it is far from easy to satisfy all parties.

2.3.3.2 Common Agricultural Policy

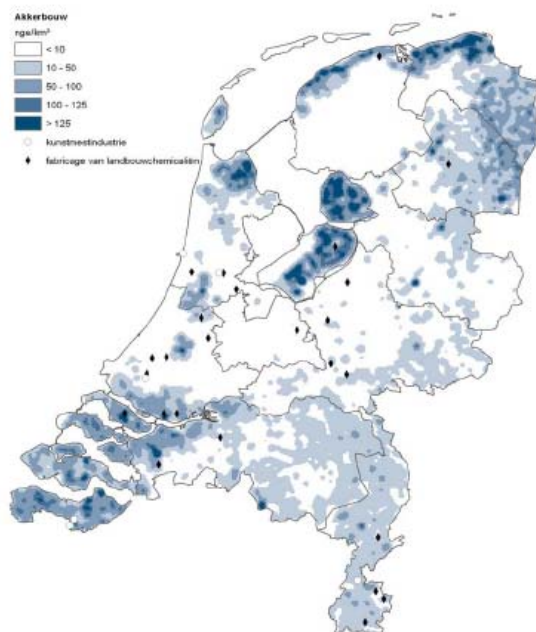
In 1963 the CAP is implemented in the EU-countries. The policy was focused on the support of European farmers through product subsidies and guarantees. Nowadays it is widely known that this policy has been surpassed by the current global developments. The subsidies on agricultural products led to enormous surpluses, the consumer pays too much for the products, the international market has been disturbed by the tariff walls and the EU spends almost 50% of the budget on this agricultural construction. In 1992, McSharry made the first step towards income support instead of product subsidies. Some structural reforms have been implemented since then. Farms now get direct single farm subsidies, when they suffice certain conditions. These conditions pay more attention to the protection of the environment, animal health and the development and maintenance of the countryside in general. There is a paradigm change towards more guardianship of the agricultural sector instead of solely producer of food.

2.3.3.3 Consequences for the Northern Dutch

As a consequence of the CAP reforms, established in 2003, all farmers receive a single farm subsidy, dependent of the size of their land. For the different sectors in the Northern Dutch this means that farmers have to cope with a decrease in income between 5 and 15%. The guaranteed prices will no longer be as high as they used to be, and the protection will be over. In the dairy sector (in the Northern Dutch a very important sector because of the amount grassland available), will have a decline in income of approximately 6 500 euro per company (according to the LEI, 2005). To compensate this decline with broadening activities, profits from this sector should be ten folded at least (Vogelzang et al., 2004, in LEI, 2004). In the agricultural sector, for the potatoes and grain companies, decline in income is also expected, although less than in the dairy sector. For the sugar industry the same prospects are expected. Especially, the sugar producing industry foresees problems. Beet farmers will have to deal with quota cuts as well as lower prices for their products. Despite of income supports the sugar farmers expect a decline in income between the 5 and 18%. The peat colonies (Groningen is a part of this) expect the largest declines (P.Berkout en S. van Berkum, LEI, 2005).

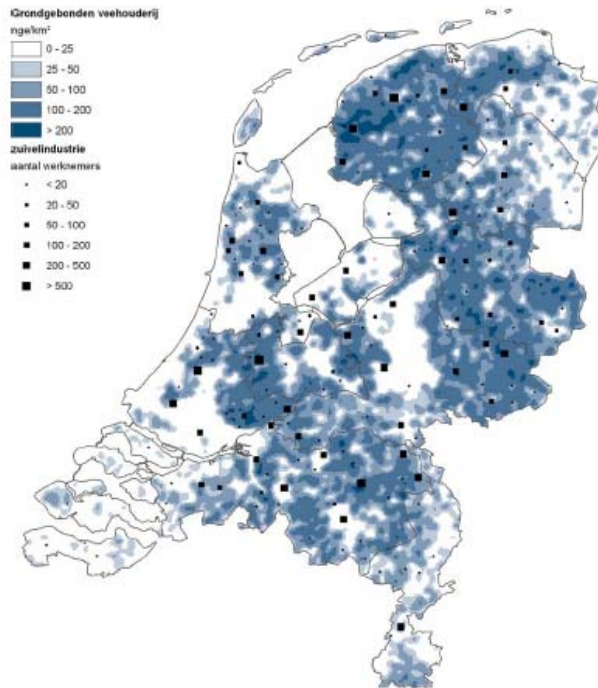
2.3.3.4 Dutch agricultural policy

The different policy documents make clear what the Dutch policy focuses on. The accents in the new CAP also play an important role in the Dutch national policy. The most important change is that of attention from the production of goods to the



appreciation of the countryside itself. Means to preserve the countryside are used in the agricultural sector as well. The attention for food quality, animal health, environmental issues and development in the countryside is increasing. The government pays attention to the triangle of relationship between market, environment and community. This means that the government supports initiatives of entrepreneurs, and helps and facilitates them (only as long as the public interest is served as well).

Map 16: Tillage ("Akkerbouw")



Map 17: Cattle-intensity (“Grondgebonden veehouderij”)

2.3.4 Broadening of agricultural sector in Dutch North

Broadening is an increasingly popular term in the Dutch agricultural policy since the mid eighties, when it was first used in policy papers. It would last to the mid-nineties before it was clearly defined in different forms (like agro tourism, nature conservation and caring facilities on the farm), next to the primary agricultural activities. Germany for instance was already familiar with agro tourism since the late seventies (Tielens, 2004). Nowadays it is forming one of the main pillars of agricultural policy, also in the Dutch North. Influenced by European and national policy the provinces in the north put more and more emphasis on broadening and landscape conservation.

2.3.4.1 Why broadening?

Broadened agriculture has a wide definition. In short: agricultural businesses with activities which do not fall within agriculture, but that can form an addition to the agricultural business and makes use of the available production of the farm. The emphasis lies thereby on the extra possibilities for farmers of acquiring an income. It includes sale of region-own products, having a mini camp-site next to the farm, giving opportunity for storage and also facilitating people for social relief (CBS, 2006).

In terms of contributing to the economy the 'broadening' activities do not form a big share of the total income of the sector. Only 1,5% of the total income of farmers in the Netherlands consists of income from 'broadened' activities (LEI, 2003).

In the Dutch North trends follow the situation in the whole of the Netherlands, almost 10% of the farmers have some kind of 'direct economic' broadening activity at the farm. When landscape/nature conservation has been taken into account in these figures the percentage is around 27% (CBS, 2006).

Next to the (relatively small) contribution to the income of the farmer, broadening can be important to keep the countryside lively in social, cultural and natural sense. The farmer is in that way seen as the holder of the social and cultural capital of the countryside and as the right person to manage the agricultural landscape. The ongoing upscaling of farms could be hazardous for the cultural and social function of the countryside. That is why policy makers have an eye for the benefits of broadening activities. Broadening can have its benefits for the future landscape, making it more vital, accessible and beautiful (Tielens, 2004).

The Dutch government has put together a strategic vision for the future of the countryside in Holland. In the report 'vital countryside' one of the main goals is to make the countryside more attractive for visitors. The countryside has a great diversity of functions that are growing into different relations to each other. The production has lost some of its importance where on the other side recreation and environment have grown in importance (SER, 2005). Important players in achieving a more attractive countryside are the farmers. By broadening their activities from only producing to other activities like tourism, nature conservation and educational activities the countryside will preserve its economical value as well as its beauty (Min. LNV, 2004).

The Dutch rural development programme (POP), which is made by the central government in cooperation with the provinces for the EU, puts the focus on six priorities one of which is recreation and tourism. By improving the touristic-recreational infrastructure, quality of the landscape, and stimulating agro tourism and cultural heritage, the tourism has to be improved. The provincial programmes specify this for their province. In Holland there is a shift going on from the countryside as a 'manufacturing' space into a 'consumption' space (SER, 2005). The Dutch North follows this trend, but holds on to 'area specific' working method, because it still wants to preserve its large scale farms. 'Strengthen, broaden and preserve' the countryside' is the slogan of the SNN (cooperation between Northern provinces) (SNN, 2005).

2.3.4.2 Agro Tourism

One of the activities that is growing significantly and has the attention of policy makers is agro tourism. Agro tourism can be defined as: Farmers with a tourist activity next to their normal activities and the use of these facilities by tourists, which enables them to generate extra income (Stichting Recreatie, 2005).

Agro tourism is especially seen as important for the protection of the ‘rural way of life’. Tourism is an extra economical activity which improves the chance of preserving the countryside. Tourists also form a market for the ‘typical products’ from the area. In this way the strengthening of the agrarian sector is reinforcing itself (Stichting Recreatie, 2005). On the European level (Rural development programme 2000-2006) it is also one of the priorities:

***Priority 5: Promoting tourism and recreation:** Improving the infrastructure and amenities for rural tourism and recreational areas, such as footpaths, cycle paths, parking facilities, information boards and start-up aid for new services. Encouraging agro tourism and activities linked to cultural heritage and crafts (EU, DG for Agriculture, 2000)*

It accounted for about 4% in the total budget for the ‘Netherlands rural development plan (POP). The new round of agricultural subsidies (for 2007-2013) puts even more emphasis on diversification of the agrarian sector. 30% of the new budget POP2 will be reserved for ‘diversification of the countryside’, which includes agro tourism (Min. LNV, 2005).

The Foundation Recreation made a study about agro tourism in which they identified the successes for agro tourism and things that still need improvement:

Strengths and weaknesses for Dutch agro tourism

Successes:

- More attention from governments for development of agro tourism
- Users are satisfied about the quality of the facilities
- The market is growing, there is a lot of interest in ‘camping at the farm’

Failures:

- Not enough cooperation between the tourist and agrarian sectors
- No central organisation for rural tourism
- Accessibility of rural area
- No central ‘quality-system’ and information about the product
- Obstruction by legislation, local development plans
(Stichting Recreatie, 2005)

Concluding: in the Dutch North more and more attention is given to agro tourism and other activities of 'broadening' (as can be seen in table 7 and 8), following the trend in European and Dutch policy.

Table 7: Agricultural businesses with 'broadening' activities, 1999

Type of activity	Agro tourism, with accommodations	Processing of own products	Sales at the farm	Hosting of animals and storage	With caring services
Dutch North	312	123	290	273	39
Groningen	59	41	90	57	9
Friesland	143	48	104	131	12
Drenthe	110	34	96	85	18

(Source: SNN, 2005)

Table 8: Agricultural businesses with 'broadening' activities, 2003

Type of activity	Agro tourism, with accomodations	Processing of own products	Sales at the farm	Hosting of animals and storage	Caring services	With a treaty for nature conservation
Dutch North	355	143	525	441	53	2 448
Groningen	63	33	165	82	13	646
Friesland	163	74	186	229	22	1 243
Drenthe	129	36	174	130	18	559
Broadened agriculture total, Dutch North	517	14 596	356	674	487	4 343
Total of agricultural businesses, Dutch North						

Description for the categories from the CBS (central statistical bureau)

Agro tourism, with accommodations
Agricultural businesses with touristical/recreational facilities and activities.

With processing of own products
Processing the products that are growing on the land by the farmers themselves.

With sales at the farm
Selling own products at the farm

With caring services
Giving assistance to individuals with a 'question for care', for instance people with a mental or physical handicap, long term unemployed people, (ex) junkies and (ex) homeless people etc. Also crèches are a possibility

Hosting of animals and storage
Taking care of animals providing storage for goods

With a treaty for nature conservation
Farmer has a part of his land reserved for nature. He is also the 'administrator' of this land, funded by an environmental organisation or the state. (no data available from 1999)

(Source: CBS, 2006)

2.3.5 Events in the Dutch North

As being the most peripheral part of the Netherlands, the Dutch North also tries to improve its economic position by attracting tourists to the region. One of the ways to attract them is by organising events. An event is an occurrence that is being organized for the benefit of a relative big number of visitors, of which a relevant part has to be coming from outside of the region (NRIT, 1989). Events are not only being held for visitors to have a nice day out, the local economy also profits from the events. Day tourists bring a lot of money to the region, spending an average of €26 a day in the Dutch North. But tourists that stay for more days in the Dutch North, spend even more, with an average of €34 a day in the Dutch North (SNN, 2004). Therefore the Dutch North also has lots of other initiatives to make visitors stay longer in the region.

2.3.5.1 Events in Groningen

Groningen has several big yearly events. In the years 2003 and 2004 the biggest yearly event were the Whitsuntide Parties (*Pinksterfeesten*) in Delfzijl, attracting 130 000 visitors in both years (Tourdata Noord, 2004 & Tourdata Noord, 2005). They attracted 5 000 visitors more than the *Festival Noorderzon*, a theater and crossoverfestival in Groningen, in both years. Some other yearly events attracting 100 000 visitors or more are a flowerfair and a normal fair in Groningen. But the yearly events do not attract as much visitors as some bigger not yearly events. In 2002 the cycling event *Giro d'Italia* started in Groningen and attracted 150 000 visitors (Tourdata Noord, 2003), only a few more in comparison with the 900 000 visitors of Delfsail, a sailing event in Delfzijl in 2003 (Tourdata Noord, 2004). The Queens Day celebration takes place every year in another province of the Netherlands and attracted 150 000 people in 2004. This year (2006) for the first time a whiskey festival was held in the city of Groningen (Gemeente Groningen, 2006).

Table 9: Top five events in Groningen, 2003 & 2004

Ranking 2003	Event	Visitors	Ranking 2004	Event	Visitors
1	Delfsail	900,000	1	Queens Day celebration Groningen	150,000
2	Whitsuntide Parties	130,000	2	Whitsuntide Parties Delfzijl	130,000
3	Festival Noorderzon	125,000	3	Noorderzon	125,000
4	Flowerfair Groningen	100,000	4	Damsterstadsfeesten	100,000
4	May fair Groningen	100,000	4	May fair Groningen	100,000
4	Night of Winschoten	100,000	4	Flowerfair Groningen	100,000
4	Summer fair Groningen	100,000			

Source: Tourdata Noord, 2004 & Tourdata Noord, 2005

2.3.5.2 Events in Friesland

Friesland also has several big yearly events. The one that attracts the most visitors of these events are the Days of the Fishery (*Visserijdagen*) in Harlingen, with 150 000 visitors in 2003 and 2004 (Tourdata Noord, 2004 & Tourdata Noord, 2005). But although it was the event that attracted the most visitors in 2003 and 2004, it is not as well known in the Netherlands as the Sneekweek, a sailing event in Sneek. This event attracted 100 000 visitors in 2003 and 105 000 visitors in 2004. With that number it's just a bit bigger than the Eleven Cities Oldtimer Rally, attracting 100 000 visitors in 2003 and 2004 (Tourdata Noord, 2004 & Tourdata Noord, 2005). This old-timer rally is one of the many ways in which people in Friesland visit the “Eleven Cities” of the famous Eleven Cities Ice-skating Marathon. This old event, attracting millions of people, can be held once a year, although the ice-conditions have to be good enough. Because that hasn't been the case for several years, the last Eleven Cities Ice-skating Marathon has been held in 1997. Before that the last three were in 1986, 1985 and 1963 (Vereniging de Friesche Elf Steden, 2006). During the last Eleven Cities Ice-Skating Marathon the ratings of the television coverage reached a Dutch record with eleven million people watching, where the Netherlands had fifteen and a half million people in that time (CBS, 2006). A new event that is being held this year is *Friesland vaart*, a sailing event of 6 days. Every day the boats will sail to another city in Friesland, where they will be welcomed with lots of cultural activities. A race with boats driven by solar energy is also being held in that week (Friesland vaart, 2006).

Table 10: Top five events in Friesland, 2003 & 2004

Ranking 2003	Event	Visitors	Ranking 2004	Event	Visitors
1	Days of the Fishery	150,000	1	Days of the Fishery Harlingen	150,000
2	Eleven Cities Oldtimerrally	100,000	2	Sneekweek	105,000
2	Sneekweek	100,000	3	Eleven Cities Oldtimerrally	100,000
4	Skoattermerke	80,000	4	Skoattermerke	80,000
5	Summer fair Leeuwarden	75,000	5	Summer fair Leeuwarden	75,000

Source: Tourdata Noord, 2004 & Tourdata Noord, 2005

2.3.5.3 Events in Drenthe

The biggest yearly event of the last years has been the *Zuidlaarder Markt*, Europe's oldest and largest horse-market in Zuidlaren. This event has already been held 805 times and is accompanied by a week full of festivities (*Zuidlaarder Markt*, 2006). The market itself attracted 150 000 visitors in the years 2003 and 2004, the festivities around it 30 000 visitors more (Tourdata Noord, 2004 & Tourdata Noord, 2005). Sporting events are two of the other events in the top 5 events in Drenthe. The biggest one is the TT in Assen, a motorrace in the series of the World Championships Moto GP, attracting 125 000 –

130 000 visitors in 2003 and 2004 (Tourdata Noord, 2004 & Tourdata Noord, 2005). A bit smaller is the *Ronde van Drenthe*, a cycling-race attracting 100,000 visitors yearly (Tourdata Noord, 2004 & Tourdata Noord, 2005).

Table 11: Top five events in Drenthe, 2003 & 2004

Ranking 2003 Event	Visitors	Ranking 2004 Event	Visitors
1 Butterflyfair Emmen	200,000	1 Festivities around Zuidlaarder Markt	180,000
2 Festivities around Zuidlaarder Markt	180,000	2 Zuidlaarder Markt	150,000
3 Zuidlaarder Markt	150,000	3 Gauloises Dutch TT Assen	125,000
4 Gauloises Dutch TT	130,000	4 Butterflyfair Emmen	105,000
5 Ronde van Drenthe	100,000	5 Ronde van Drenthe	100,000

Source: Tourdata Noord, 2004 & Tourdata Noord, 2005

2.3.5.4 Events for peripheral regions?

As shown, a lot of events take place in the Dutch North. Some have a long tradition and some are relative new. Bringing lots of visitors to the Dutch North, other peripheral regions might think of copying the successful events to their own region. But, not all events can be copied easily. First of all, some events in the Dutch North have a long tradition that can't be copied to other regions. Therefore the Eleven Cities Ice-skating Marathon will probably not be as successful as it is in Friesland. This is also the case for the *Zuidlaarder Markt*, the horse-market in Drenthe, as only one horse-market can be the oldest.

Other peripheral regions can better try to copy the newer events than the very old events. The sailing events like Delfsail and *Friesland vaart* can easily be copied to other peripheral regions with a lot of water. And sporting events are also relatively easy to create. During the last years, the Dutch North has also created some new yearly sporting events, which are not as big as the events named earlier, but can certainly become as big as the *Ronde van Drenthe*. An example of this is another cycling race, the Northern-Netherlands Tour, which has been held three times by now. But once-only in the region sporting events can also be very successful, although it is more difficult to get those events in the region. The start of the *Giro d'Italia*, for example, costed the city of Groningen more than the city got from what visitors spent that day, but in return Groningen was showed on live television in several countries. Therefore, Groningen is now much better known by cycling fans through Europe as a nice city to visit, and in that way Groningen profits from the start of the *Giro d'Italia* for a longer time. But events like these can only be held in one place every year, so there is much competition for getting those events.

2.3.6 Image of the Dutch North

2.3.6.1 Bad image provinces

The Dutch population has a very bad image about the Northern provinces in the Netherlands. They find the provinces too far away and boring; there is nothing to do (Pellenburg, 2000). So why should they go there to recreate or to live or start or relocate their company there?

Even the inhabitants of the Northern provinces have a bad image of themselves. From research (Pellenburg et al, 1996) appears that entrepreneurs and habitants have a lower self-preference for their own region, than other regions in the Netherlands. Most entrepreneurs in the Netherlands like their own region the most (this is called the neighborhood effect). Unfortunately, this kind of neighbourhood effect is missing in the provinces Groningen, Friesland and Drenthe. They prefer the middle of the Netherlands above their own location. The feeling of being further away from the centre is in the Dutch North bigger than in the centre (Pellenburg, 1991). As a consequence of their low self- preference the firms promote themselves less than other region do, e.g. through fairs outside the province. This has not a positive influence on the image.

2.3.6.2 Why is a good image so important?

Why is a good image so important for a region, in this case the Northern regions? In the sixties a new movement in geography arose, called behavioural geography. This movement discovered that people do not always act rationally (as an in geography called 'economic man'), but that its behaviour is also based on subjective interpretations. E.g. entrepreneurs chose the location of their business not as a consequence of objective quality of a region, but as a consequence of subjective preference, based on a distorted image (Pellenburg 1991, Meester 1996). This acts based on subjective interpretation also accounts for tourism and living. A region can be a wonderful area to recreate, but when people have a wrong image of it, the region won't attract any tourist. The Image became more and more important in the last years. This is a consequence of the increase in tertiary and quarterly sector, which contains enterprises that have more locational freedom. This increase changes the competition between regions and places. A criterium that raises hereby is the quality of the environment: live, work, leisure and investment climate

The image of a region has different aspects, these are working image, tourist image and living image. These aspects are directly and indirectly related to each other. Directly because there is relation between tourist image and a living image and an appreciation

by companies. Entrepreneurs who move their company are going to areas that are valued positive in other aspects, like living.

Indirect because appreciation of all these aspects will be influenced by the familiarity with the region. The more people know about a region, the more positive the image (Pellenbarg 1991, Meester, 1999). It appears to be important that promotion has to be targeted at all these aspects. Groningen is the only province which does that, the rest (Drenthe and Friesland) promotes only the tourist image.

2.3.6.3 Factors influencing image

There are three main factors influencing the image of a region according to Meester (1999). The first one is the distance; how farther away the worse the image is. This also explains why the Northern province have the worst image. The second factor links with the first, namely knowledge. The less knowledge people have about a region, the worse the image is. And the farther away the region, the less knowledge people have. The third one is the low-self preference of the provinces (as already mentioned above). As a consequence of their low self-preference the firms promote themselves less than other region do, e.g. through fairs outside the province.

2.3.6.4 Geographical marketing

Inquiry into the identity and image of city and region can deliver a contribution for the variations in the regional economy between regions and at the same time is an input for city and region marketing campaigns. This inquiry can be done well by geographers, called geographical marketing. Geographical marketing is a systematic comparison with the image and the reality, in relation with regional structural characteristics. The image is compared with the actual characteristics of the production environment and structure in cases of entrepreneurs, but also with the actual characteristics of the city and region in the area of living, relaxation, culture and tourism. Ashworth en Voogd (1987, cited in Pellenbarg 1996) has operationalized the geographical marketing cycle, which a lot of provinces work on to improve their image, e.g. Groningen. Important parts of the marketing cycle are market survey, measurements, and evaluations (Ashworth en Voogd 1987 cited in Pellenbarg et al, 1996). Market survey is important, so you know what your target groups are and marketing measurements are necessary, because it is important to complete promotional measures with spatial-functional, financial and organisational measurements. An increase in quality is essential; a bad product that will be promoted shall make a clean breast of it. In Groningen they built the Groningen museum as a consequence of the marketing cycle. Finally 'effectmetingen' are done to evaluate and to give back some feedback. And then the cycle starts again.

2.3.6.5 Campaigns



Source: Province Drenthe, 2006

Verrassend dichtbij, beleef Fryslân, het andere Nederland (Surprisingly nearby, experience Fryslân, the other Netherlands)

Source: Province Friesland, 2006

**ER GAAT NIETS BOVEN
GRONINGEN** 

(There goes nothing above Groningen)

Source: Province Groningen, 2006

The provinces want to differentiate themselves from the other provinces. Friesland and Drenthe want to improve their tourist image. Groningen also wants to promote the living and locational image for firms. All campaigns stresses the 'fact' that there is a lot to do in the provinces. And try to make the distance decrease, e.g. Friesland: with 'surprisingly nearby, experience Fryslân, the other Netherlands'. The most effective way is to promote on national television, followed by advertising in national papers and magazines. According to the province Groningen (2004), the radio as medium is not suitable to improve the image, because it is too volatile.

2.3.6.6 Results marketing campaigns

Image is hard to change. Association from potential tourists with Groningen stayed the same for decades. People still think of the city Groningen, Martinitoren and of locational features, like 'far away' (Pellenbarg, 2000). This does not mean that the image has not become something to work on. Promotion has only effects on the longer term. Stagnation has the effect that you are falling behind the other regions.

Some improvements as a result of the campaigns can be seen. Like familiarity with the campaign, the self image of the population became better, because more people wants to live in Groningen, and more people estimated the values of the regional population well.

Financing campaigns

All provinces have an independent marketing office. The campaigns, and everything around are financed by province, municipalities, business, state and subsidies (e.g. by Leader, Interreg). The provinces contribute around the 400 000 € per year for the campaign.

2.3.6.7 'The Blauwe Stad'



One project to improve the image of a region in the North of the Netherlands is 'de Blauwe Stad'. 'De Blauwe Stad' is an ambitious water-living project, for which 800 hectare is put under water, this is as big as Amsterdam. The ground used to be agriculture lands.

1 500 expensive houses are being built in the area situated between the municipalities Winschoten, Scheemda, Midwolda, Finsterwolde and Beerta (Blauwe Stad). In the north of the 'Blauwe Stad' is Oostwold airport (Blue City Airport). Additionally to the 1 500 houses, there will be realized a 350 ha ecological nature area. The costs for

building the city are 285 million euros. The government pays 70 million. The rest is financed by the construction companies who are going to sell the houses (Mik, 2000). The aim of the project is to attract inhabitants with money from outside the province, in particular the Randstad and to attract tourism. At the same time 'de Blauwe Stad' is meant to keep the inhabitants who are living in the municipalities.

At the moment on the site www.blauwestad.nl you are able to buy a house in 'de Blauwe Stad'. The sale of the houses is not going very well. The city is not attracting so many people from the Randstad. Some magazines already speak of a flop (NRCV). Discount is

already given. You are able to watch people in TV who made the big step to go to ‘de Blauwe Stad’ in a ten weeks programme during half an hour.

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2.4 Vorpommern

2.4.1 Introduction to Vorpommern

Vorpommern is a region full of contrasts. On the one side you find beaches, beavers and Gothic brick stone architecture - on the other side there is unemployment, underdevelopment and outmigration. It's a region of widespread organic farming, but also a region of highly intensified and industrialised agricultural companies; of crowded seaside-resorts and calm river valleys where you hardly meet any people during your canoe-trip. It is a region where tourism plays an important role as an employer. However, tourism also generates high hopes and produces high expectations for regional-development, which are not always based on serious facts.

But before this paper goes into details of the regional and tourism-development, we want to clarify the often confusing usage of the term Vorpommern and point out some crucial parts of the region's history. The English translation of Vorpommern - Western Pomerania - has two different meanings: Western Pomerania is used for our German study region and also for the Polish Voivodship of Zachodniopomorskie.

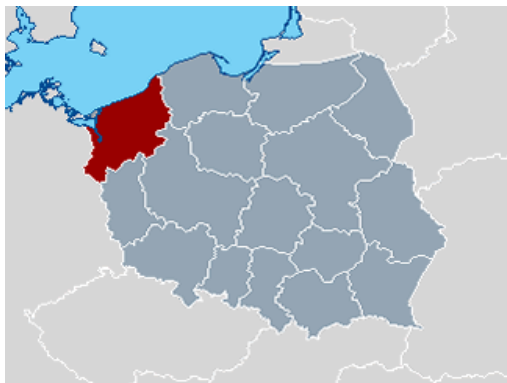
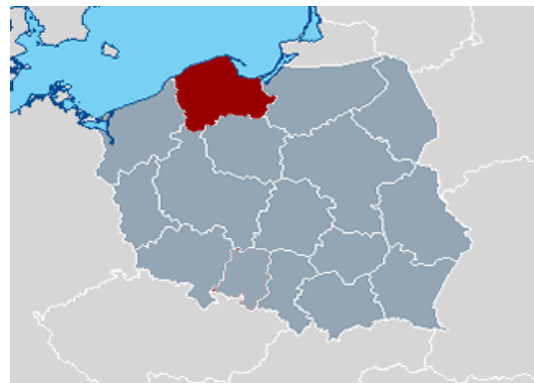


Figure 14: Voivodship Zachodniopomorskie



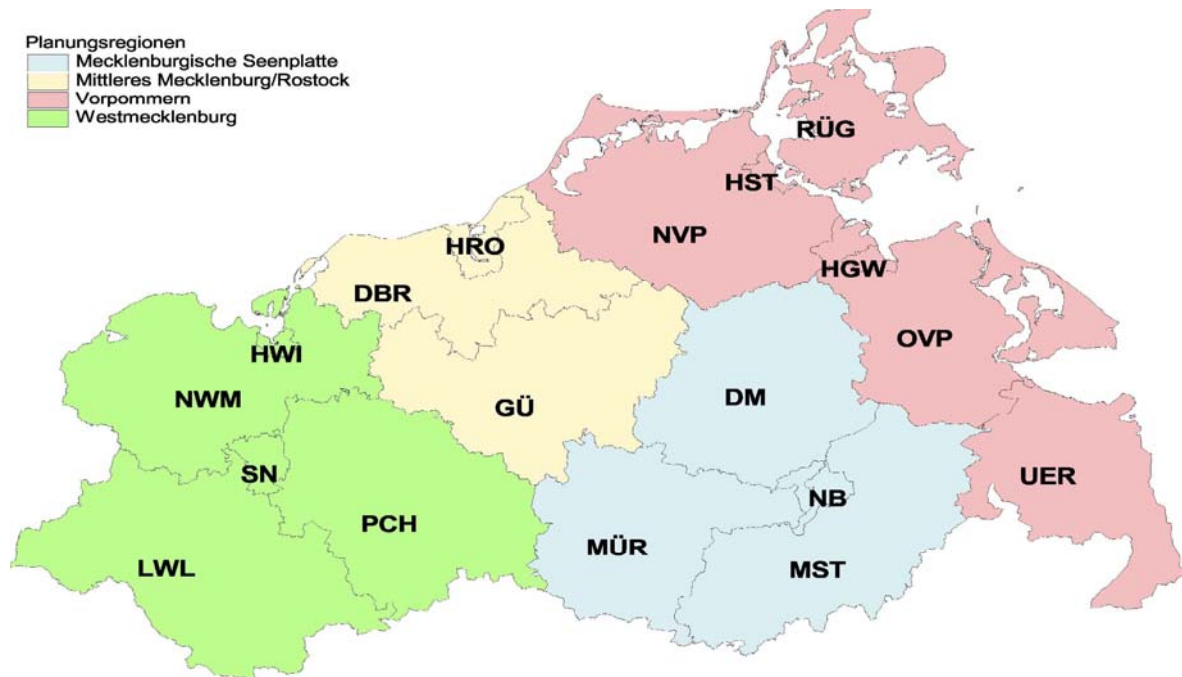
Voivodship Pomorskie

Throughout history these two areas together with parts of another Polish Voivodship called Pomorskie formed a common state, but today a border divides them into two very different areas. This common state, in German language Pommern, in English Pomerania and in Polish Pomorskie should not be mixed up with the Voivodship Pomorskie as this forms just a part of the historical Pommern. Pomorskie includes the cities of Gdynia and Gdansk and has only few links to our study area Vorpommern so that it does not play a major role in our paper.

Today the Polish parts of Pommern are often called Hinterpommern in German. To avoid further confusion we will use the German terms of Pommern, Vorpommern and Hinterpommern in our paper.

In this context the Euroregion Pommern has to be mentioned. It consists of municipalities of the Polish Voivodship Zachodniopomorskie, the district council of Skåne in Sweden, some counties of the German federal state Brandenburg and our complete study region Vorpommern. The Euroregion Pommern is a transnational network of organisations and institutions in order to strengthen cross border cooperation and hereby economic development for the member regions.

Our spatial definition of Vorpommern follows the Regional Planning Association of Vorpommern. It comprises the rural counties of Rügen (RÜG), Nordvorpommern (NVP), Ostvorpommern (OVP), Uecker-Randow (UER) and the free cities of Stralsund (HST) and Greifswald (HGW). It is the western part of the historical region of Pommern and the eastern part of the federal state of Mecklenburg-Vorpommern (see Map 18). Today about 484.000 inhabitants live in Vorpommern (area: 6 770 square kilometres; population-density: 72 inh/sq km.). The biggest cities are Stralsund (60 000 inhabitants) and Greifswald (52 000 inhabitants).



Map 18: Spatial planning regions in Mecklenburg-Vorpommern

Source: Landtag MV 2002

2.4.2 History of Vorpommern

2.4.2.1 Early History

The study area experienced an eventful and complex history of German, Slavic, Danish, Swedish, French and Russian influences. For a long time in history the today's German

area of Vorpommern and the today's Polish Hinterpommern (Zachodniopomorskie and the western part of the Voivodship Pomorskie) formed a unit called Pommern.



Figure 15: Borders of Pommern in the early history

Source: Buske 1997

The term Pommern is deduced from the Slavic “po morje” which means “at the sea” and was mentioned for the first time in 1046. Slavic tribes were the first which settled down permanently on the Southern shores of the Baltic Sea in the first millennium. Before them there had already been (half) nomadic Germanic tribes in the area but in the 5th century they migrated further West. In the following time there had always been disputes between Slavic settlers in Pommern and their Germanic neighbours.

In 1168 Danish troops first occupied the island of Rügen and in 1185 also the rest of Pommern. In 1227 Hanseatic troops from Hamburg and Lübeck conquered the area except Rügen which was later on christianized by the Danish church. Pommern became formally part of the Prussian-Brandenburg Empire but had its own rulers.

2.4.2.2 Germanic times

In the 12th and 13th century thousands of Germanic settlers came to Pommern enticed by the possibility to civilize a still relatively empty area. Over the following centuries this led more and more to an assimilation of the former Slavic population into the Germanic culture and language. Also the Christian belief was spread into the area by the Germanic immigrants as well as knowledge about agriculture and handicrafts. Furthermore, many

cities of Pommern, such as Stralsund, Greifswald and Stettin, became important members of the Hanseatic League.

In 1382 Eric of Pommern was born in Rügenwalde. He was adopted by the Danish queen and became leader of the Kalmar Union. He was probably the most powerful Pommeranian who has ever lived. For some time he was even the leader of Sweden, Denmark, Norway and Finland.



In 1456 the Mayor of Greifswald - Heinrich Rubenow - founded the first university in Pommern. After Rostock Greifswald has the second oldest university in the Baltic Sea region.

Disagreements among the Pommeranian rulers brought a division of the area in 1532. The terms Vorpommern and Hinterpommern occurred for the first time in history. In these days Lutherism became dominant in Pommern.

2.4.2.3 Swedish times

Two thirds of the population died during the Thirty Years War due to fights between Sweden and Prussia, marauding troops and starvation. Following the Peace of Westphalia in 1648 Vorpommern became Swedish, whereas Hinterpommern stayed part of Prussia-Brandenburg.



Figure 16: Pommern in Swedish times

Source: Buske 1997

Afterwards the king of Sweden became duke of Vorpommern which formally stayed part of the German Empire. As a result of the Nordic War between Sweden and Russia the area south of the Peene river was returned from Sweden to Prussia in 1720.

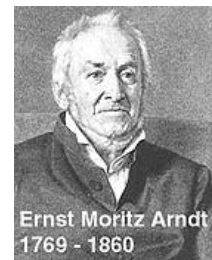


Figure 17: Pommern after 1720

The introduction of the Swedish constitution abolished serfdom in Vorpommern as early as 1806. One year later Napoleon's troops conquered parts of Pommern. Some areas stayed under French occupation until 1815.

With his patriotic and nationalistic writing against the French occupation Ernst Moritz Arndt "paved the way" to a united German Empire. Today the University of Greifswald still carries his name.

When the French occupation ended, Vorpommern was handed over to Denmark in 1815 as a result of the negotiations during the "Vienna Congress" in 1815. In the same year Prussia bought the area, thus Pommern became reunited under German leadership. In 1843 the first railroad track in the region connected Stettin and Berlin symbolising not only the infrastructural connection to the Prussian capital.



When the German Empire was founded in 1871; in it Pommern was an **economically very weak and backward area with an agricultural monostructure.**

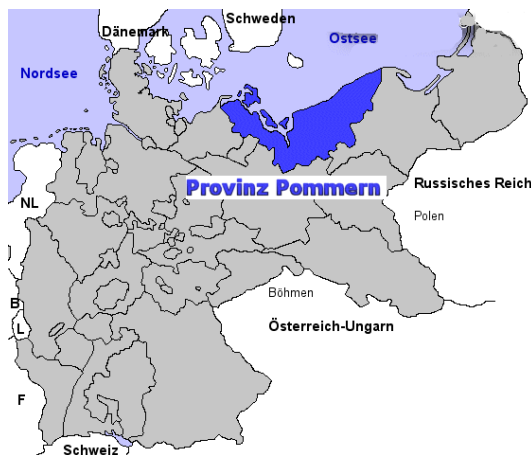


Figure 18: Pommern as a part of the German Empire

The Second World War brought destruction, poverty and desperation to the region. A huge amount of refugees from the Eastern parts of the former German Reich were pushed into Vorpommern. The increased demand for food and any sort of accommodation caused severe supply-problems.



Figure 19: Vorpommern as a part of the GDR

In 1945 Pommern was divided again. Hinterpommern became part of Poland, Vorpommern part of the newly founded German Democratic Republic (GDR). In 1952 a new administrative structure divided Vorpommern into the districts of Rostock and Neubrandenburg.

The historical and regional term Vorpommern disappeared from maps (see Figure 19) and many minds. This only changed in 1990 when Germany became reunited and the area part of the federal state Mecklenburg-Vorpommern.

In its eventful history Vorpommern experienced three phases:

1. In the early days until the middle of the last millennium it **played a minor, but steadily growing role at the periphery of civilized Europe.**
2. During the times of the Hanseatic League, the Thirty Years War and the Swedish occupation **Vorpommern experienced a climax in its geopolitical importance.**
3. Throughout the last 300 years its **role declined and so the area today is only of minor economic and political importance.**

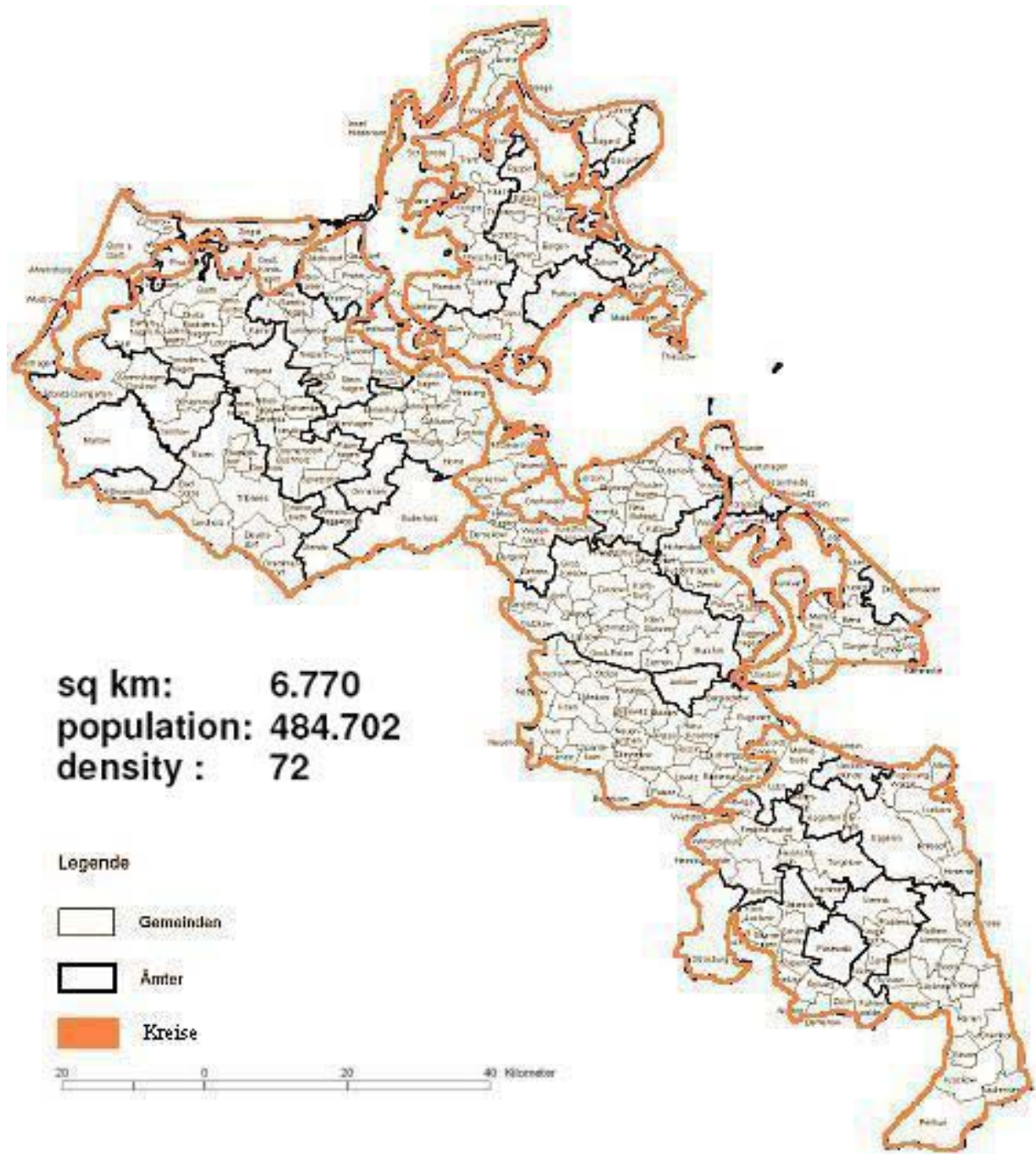
2.4.3 Administrative Structure of Vorpommern

With the exception of the Regional Planning Association of Vorpommern, the region is not represented by any administrative unit. The federal state of Mecklenburg-Vorpommern arose mainly from the three northern GDR-districts (Bezirke) of Schwerin,

Rostock and Neubrandenburg. For this reason, all of the main centres (Rostock, Schwerin and Neubrandenburg) of this federal state are situated outside Vorpommern. Consequently, Vorpommern is not only on the periphery from a national perspective but also within the new federal state itself.

2.4.3.1 Municipality-level

The municipal structure of Vorpommern is rather small-scaled, especially in comparison to some neighbouring regions across the Baltic like Skåne/Sweden. The area of the Regional Planning Association of Vorpommern is subdivided into four rural counties (Landkreise) and two county free towns (kreisfreie Städte), Stralsund and Greifswald. While both of the county free towns are counties and municipalities at the same time, the rural counties are further subdivided into 23 so-called *Ämter* (responsible for intermunicipal-cooperation mainly with technical-administrative tasks) with some 250 municipalities associated, and twelve more municipalities independent from any of these *Ämter*. Altogether, there are no less than 264 municipalities in an area that we could call *Vorpommern* in administrative terms. However, it is necessary to point out that today's administrative borders of Vorpommern (see map 19) do not represent the historical border of this region (see chapter 2.4.2).

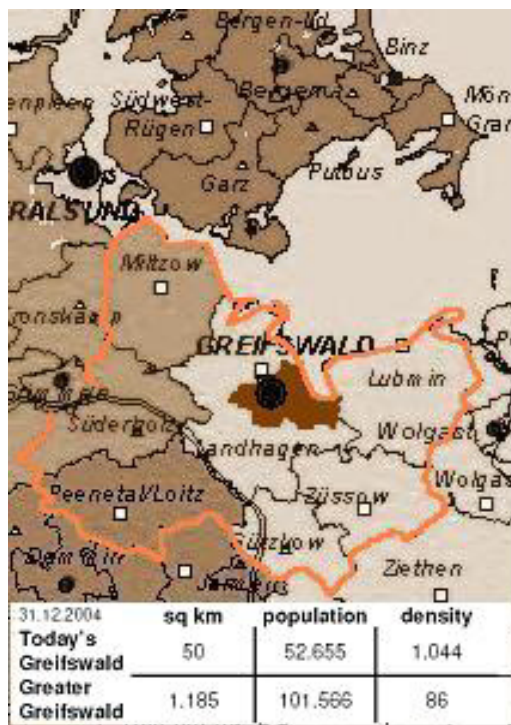


Map 19 Administrative structure of Vorpommern

2.4.3.2 Municipality structure in an international comparison

The comparison between the municipal structure for example of Greifswald and Karlstad (Sweden) shows, that Greifswald covers an area of 50 square kilometres and has some 52 655 inhabitants which equals 1 044 inhabitants per square kilometre. Karlstad covers an area of 1 165 square kilometres and has 82 002 inhabitants which equals 70 inhabitants per square kilometre. By area, 101 566 people would live in a Greater Greifswald (1 185 sq km) or 86 inhabitants per square kilometre. If Karlstad, in

turn, was Greifswald, it would be split into 42 municipalities, five *Ämter*, and be part of three rural counties. Furthermore, Karlstad would be a county and a municipality at the same time with 56 480 inhabitants.



A second comparison between the regions of Vorpommern, Värmland (Sweden), North Karelia (Finland) as well as Friesland and Groningen (Netherlands) gives us the following results: By area, all these regions are larger than Vorpommern, though having less municipalities in total figures (16/16/52, respectively). Consequently, these municipalities are much larger than their counterparts in Vorpommern. Approximately 85% of all municipalities in Vorpommern have less than 2 000 inhabitants. Most municipalities in Vorpommern have between 500 and 1 000 inhabitants.

Map 20: Comparison Karlstad (red/gray line) and Greifswald

There are only two municipalities with less than 2 000 inhabitants in Friesland /Groningen (4%). While in North Karelia most municipalities number between 5 000 and 10 000 inhabitants (56%), both Värmland's and Friesland/Groningen's majority of municipalities have between 10 000 and 20 000 inhabitants (50%/54%, respectively).

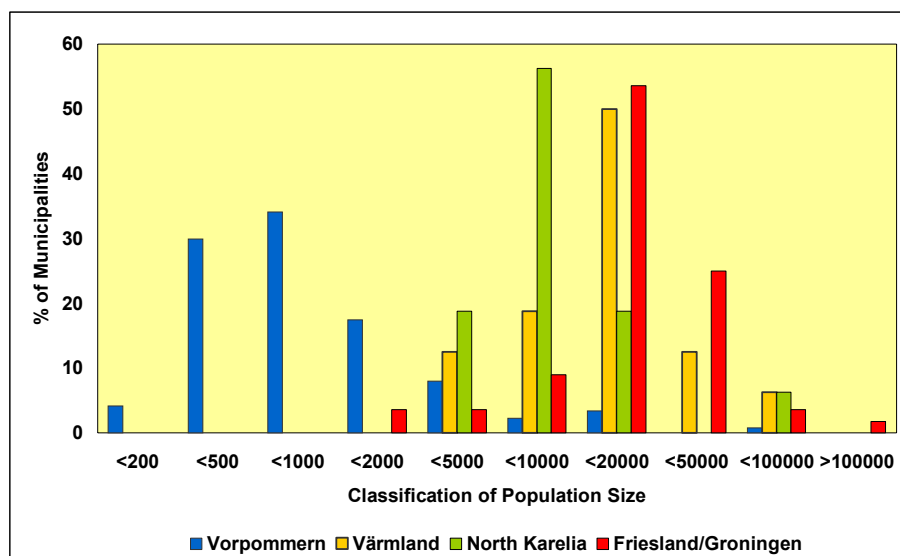


Figure 20: Interregional comparison of the municipality-size

At this point, the question arises what advantages do smaller municipalities offer? In contrast to larger municipalities, they seem to enjoy a certain political legitimation in the federal state of Mecklenburg-Vorpommern based on the following arguments given by some regional protagonists. Smaller municipalities might represent local identities and support local self-government, grass-root initiatives, and local democracy in a better way. Furthermore, they might offer a better accessibility in terms of distance to municipal services (Landtag M-V 2002).

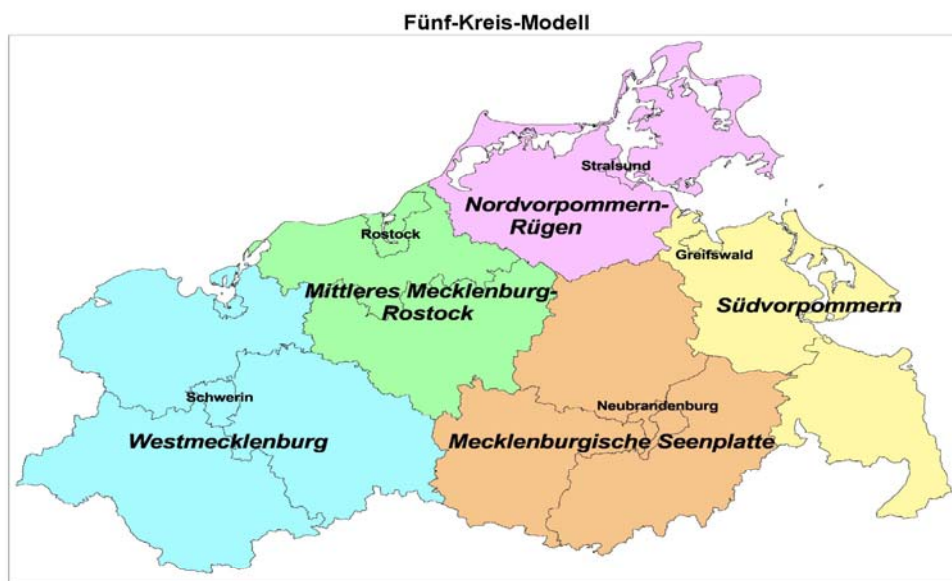
In contrast to these arguments reality shows that smaller municipalities often lack in fiscal, organizational, and economic terms. They are simply too weak (specialised staff, tax income etc.) in order to be active within their local action framework given by the state, the federation and the European Union as well as to fulfill any of their compulsory tasks (Heinz 2005). Indeed, about 250 municipalities of Vorpommern have almost no functions.

2.4.3.3 Reforms of the administrative structure

For this reason, two administrative reforms have been executed since 1990; the introduction of *Ämter* in 1992 and the reduction of rural counties in 1994. The *Ämter* (municipal joint administration bodies) have been introduced by the federal state's government in order to compensate the negative effects of small municipalities and to support local self-government in rural areas. Caused by these *Ämter*, local politics became even weaker because the administrative units are now situated above the political units, while offering more and more opportunities for intervention by the federal state's government.

Since the reform of the counties in 1994, larger but fewer counties, have been introduced again by the federal state. Most of these new counties are totally artificial and lack in public support. Unfortunately, the separation of larger towns from their suburban areas has been increased even more deeply, just to name one of the various negative effects of this reform.

Since 2000 there is another administrative reform on the political agenda. The bill of the Modernization of Administration has already passed the federal state's assembly. Five so-called regional counties will be introduced in 2009, overcoming the unfavourable town-suburbia-separation to some extent. Unfortunately, only poor efforts have been made on the municipal level. Following the initiative of the Left-Wing-Party (DieLinke.PDS), Vorpommern will be divided into a northern and southern part (see map 21). This again creates more uneven conditions and great disadvantages for competition with other parts of the federal state, consequently weakening the whole of Vorpommern (Klüter 2006).



Quelle: Oberste Landesplanungsbehörde M-V 06/2004

Map 21: Five county model

2.4.4 Socio-economic keydata of the Region of Vorpommern

In the following, some basic socio-economic keydata of the Region of Vorpommern will be given comparing the region to other regions within Germany:

The gross domestic product per capita (2003) indicates the difference in the economic power of German regions. Mecklenburg-Vorpommern's average is the lowest of all federal states. Hamburg - as the richest federal state in Germany (measured by GDP/capita) - is three times better off than Vorpommern. However, even within Vorpommern there are large differences between different districts (i.e. Nordvorpommern and Greifswald).

Table 12: GDP per capita, 2003

Mecklenburg-Vorpommern: € 17.777	Germany: € 26.217
Vorpommern: € 14.893	Hamburg: € 44.467
Greifswald: € 20.415	Bavaria: € 31.004
Nordvorpommern: € 11.928	

Source: Statistisches Bundesamt 2005, Statistisches Landesamt Mecklenburg-Vorpommern 2006.

Taking a closer look at Vorpommern's GDP (see Figure 21), one can see that the service sector, especially public services, make up a big part of Vorpommern's overall GDP. However, the high percentage of the service sector should not be misinterpreted as a modern economy structure. The service sector only takes up such a high percentage, because the other sectors (apart from the primary sector) are even weaker. We call this

phenomenon a “trunketing-tertiarisation” (KLÜTER 2003 and also chapter 4.8). Further, the trade, tourism and transport sector is comparatively important for the region. With its 5% agriculture is not that significant, but rates much higher than the German average.

There are some large-scale employers in the industry sector, such as the shipbuilding yards in Stralsund and Wolgast. The Peene-Werft GmbH in Wolgast is one of the most modern compact shipyards in Europe. Currently it employs about 730 people and develops, builds and delivers a wide range of different types of vessels, especially naval and passenger vessels. The Energiewerke Nord GmbH is a state-owned nuclear waste management company which is at the present dismantling the former nuclear power station in Lubmin (20 km east of Greifswald). It is using the most up-to-date technology meeting the highest European safety standards as well as providing work experience for eastern European employees (EDC Vorpommern 2003, p. 3.). Overall we can state that in comparison to other regions the industry sector of Vorpommern plays a rather modest role.

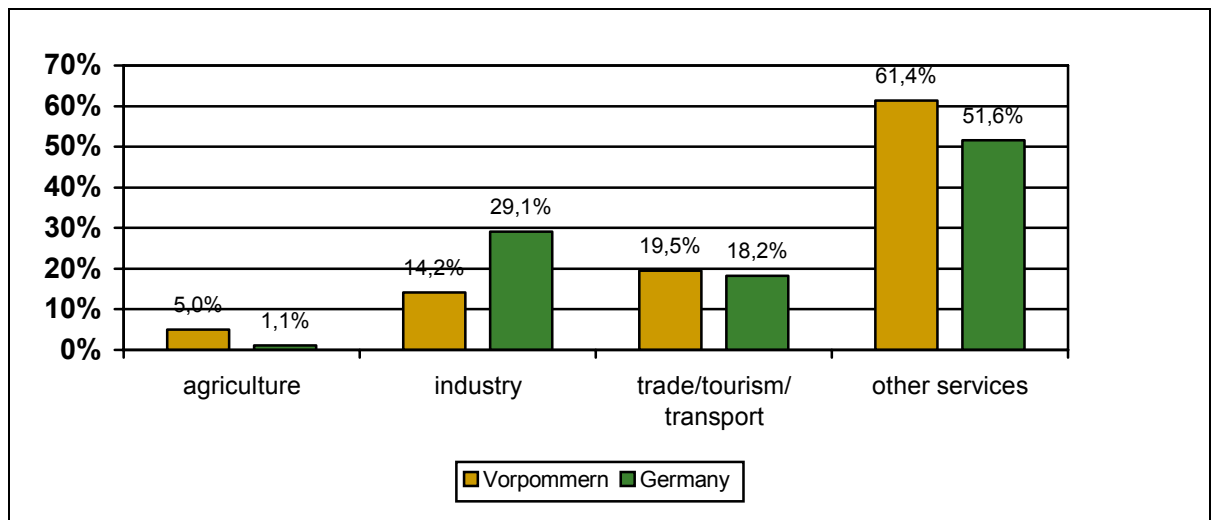


Figure 21: Gross domestic product in economic sectors, 2002

Source: Statistisches Bundesamt 2005, Statistisches Landesamt Mecklenburg-Vorpommern 2006.

Much of the gross domestic product and also of the employment in the sector of the „other services” is generated by public institutions. Four of the five largest employers in this area are state-run, such as hospitals, education facilities, the armed forces and municipalities (Wirtschaftsatlas 2005, p. 32-34).

The positive side of this situation is that those institutions are not in danger of closing down or leaving the region, for example due to globalisation. However, the region cannot expect substantial investments or more employment being generated by these institutions.

The high unemployment rate also reflects the weakness of Vorpommern's economy. After a short period of recovery at the beginning of the 1990's the unemployment rate has increased more or less continuously over the past years, whereas the rate within the whole of Germany and especially in the western federal states remained the same throughout that period. The gap between the unemployment rate of Vorpommern and Germany grew from about 10 percent in the mid-nineties to about 14 percent by the end of 2004.

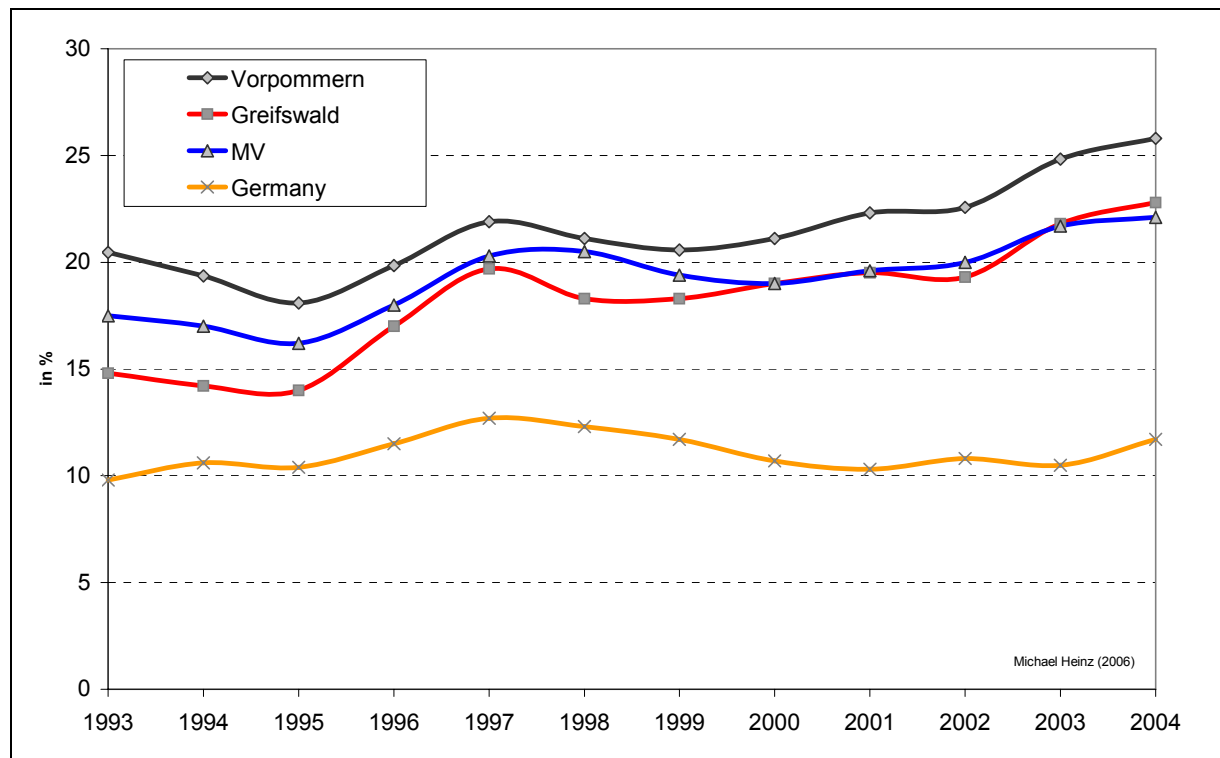


Figure 22: Unemployment rate (12/1993 – 12/2004)

Due to the development in the labour market, the population of Vorpommern is declining rather rapidly (see fig. 23). Because of massive job-reductions after reunification many young and especially well-educated people have left and are still leaving the region. This can be seen as a trend not only for Vorpommern but also for other regions in the eastern federal states. The high population decrease of Greifswald in the 1990's has also been caused by micro-regional suburbanisation effects; people moved out of town into the suburban-fringe areas (Heinz 1999, p. 130).

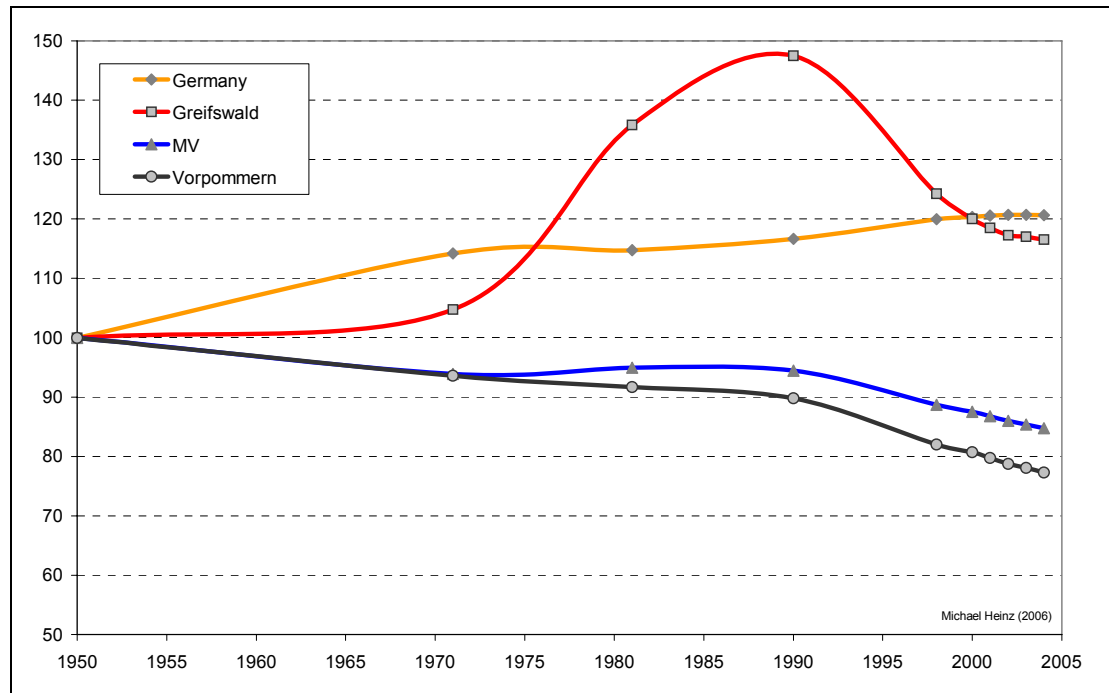


Figure 23: Population development (1950 – 12/2004, index 1950=100)

2.4.5 Traffic Infrastructure

The map 22 shows a general overview of Vorpommern and its geographical situation within the northern part of Germany. Berlin is situated 200 km south of Vorpommern. It has the function of the “gateway to the world“ with the largest airport in the eastern part of Germany, various high-speed train connections, superb shopping facilities, a large range of employment opportunities and of cultural diversity.

As our Finnish guests could experience, the fastest route to and from northern Europe is via Berlin. They flew from Helsinki to the German capital and were afterwards picked up by a people carrier. The ride to Greifswald took them 2.5 hours.

Our Dutch visitors came by train from the Netherlands to Berlin. They had to change trains in Berlin and the rest of their journey took them more than three hours. It seems peculiar, that the Dutch did not take the shortest way via Hamburg. But the reason is, that there is a very poorly developed rail network from the western agglomeration of Hamburg to Vorpommern. You have to change trains at least twice and it takes you about 4.5 hours to Vorpommern (for about 250 km).

The connection from Greifswald to Rostock is not much better, although Rostock is the most important city in the western part of Mecklenburg-Vorpommern. Towards the east

of Vorpommern you can reach the Polish city of Szczecin, but there is no direct train connection, so that the train from Berlin is faster than that from Greifswald.

Very important for Vorpommern is the North with its Scandinavian and Baltic countries. Our Swedish guests took the ferry from Trelleborg to the largest harbour of Vorpommern, Sassnitz on the Island of Rügen. The last 80 kilometres by car led them via Stralsund onto the mainland right to Greifswald.

Although, Sassnitz is the most important harbour and only seaport of Vorpommern, it does not play an important role in a north German context (see Table 13). In comparison to Rostock and Hamburg the freight volume is just a small share. The number of passengers compared with Rostock is also very low. Other ports in Vorpommern are Stralsund, Ueckermünde, Wolgast, Greifswald and Lubmin (RPV 2005, p. 42-44).

Table 13: BRT and passenger

	BRT in 1000 (2004)	Passengers in 1000 (2004)
Sassnitz	2 858	838
Rostock	22 900	2 220
Hamburg	125 700	30

Source: www.statistik-mv.de (2005)

There are four airports in Mecklenburg-Vorpommern: Barth, Heringsdorf, Neubrandenburg and Rostock-Laage and other smaller airstrips. The two airports of Vorpommern are situated in tourist destinations; one close to Heringsdorf on the Isle of Usedom and the other near Barth, south of the peninsula Fischland-Darss-Zingst. Low passenger numbers indicate (29.000 passengers at the Airport Heringsdorf (2004) and 14.600 passengers at Airport Barth (2004)), that they do not play an important role. Berlin-Tegel as the largest airport in the eastern part of Germany moves more than 11m passengers and Rostock-Laage as the largest one in Mecklenburg-Vorpommern is used by 158.000 passengers.

Table 14: Airports in MV

Airport	Passengers (2004)
Heringsdorf	29 000
Barth	14 600
Berlin-Tegel	11 500 000
Rostock-Laage	158 000

Source: www.statistik-mv.de (2005)

Although, there have been many investments in the road system since reunification, some main problems have not been solved yet; most prominently the poor connections to the highly frequented tourist destinations like the Isles of Rügen, Usedom or Darss

and Zingst. Particularly during the summer months traffic jams and delays are caused by too small and badly serviced roads. Especially affected are the bridges to the Isles of Rügen and Usedom. Even in the summer season the bridges open for ship traffic several times a day for about half an hour. Long traffic jams and consequently annoyed tourists are the results. For Rügen the situation will be improved by a second bridge build just beside the old one from Stralsund to the island. This new, privately financed bridge will be opened in 2007.

A second problem was a poor interregional connection to the agglomerations of Berlin and Hamburg. With the new A20 motorway between Lübeck – Szczecin this problem has been reduced since 2005, as shown in the map 22.



Map 22: Road infrastructure in North-East Germany

Source: Falk Navigator 2006

The difficulties of the railroad system are characterised by the lack of high-speed train connections (ICE), the already mentioned underdeveloped access to the western agglomeration of Hamburg and furthermore by old train stations without decent customer's service.

To sum up; the infrastructure of Vorpommern is characterised by the following aspects:

- bad intraregional connections to the islands and tourist regions by road
- the new A20 – better access to agglomerations by car
- small and underdeveloped seaports; only regional airports
- no regular fast train connections to surrounding agglomerations

2.4.6 Historical development of tourism in Vorpommern

2.4.6.1 Milestones in early tourism development

The first visitors coming to Vorpommern were pilgrims, which cannot really be called tourists, because they did not come for recreation and their appearance had no serious effects on the characteristic landscape of the region.

In the 18th century special facilities and tourist accommodations were built and subsequently the social conditions in Vorpommern changed, which means that fishermen and farmers became service providers, even if it was just a part-time job at first. The first guests were mostly academics, teachers, pastors and public-servants.

Already in 1793 the first spa was built in Mecklenburg. It did not take much time until more spas were erected. Bad Sülze in Vorpommern was the first spa that offered a kind of health tourism by using brine for the healing of respiratory and skin diseases. Just two years later in 1824 the first bathing season was officially opened in Swinemünde on the Isle of Usedom. Royal visitors made bathing more common and thus the bathing culture began to boom. With the advent of fast train connections between Berlin, Stettin, Swinemünde and Heringsdorf more and more people visited Vorpommern. More accommodation was needed, which caused a building boom especially on the islands of Rügen and Usedom. The villages were expanded down to the beach or along the coast line. Many new hotels, guest houses, shops, restaurants, spa gardens and piers were built. The basic topology of the tourist use of the coast has been preserved ever since.

2.4.6.2 Tourism-development between 1918 and 1939

Right after the First World War social tourism began to expand. Holiday homes were built for large companies, unions and national insurances. In 1920, even before Hitler was in power, Zinnowitz became the first Jewish-free spa on requests of most of the

inhabitants and guests. Ten years later, Vorpommern together with Mecklenburg had the most visited spas along the whole German Baltic Sea coast.

In 1936 the Nazis erected the Prora complex as a spa on the island of Rügen. The massive building complex was erected between 1936-1939 as a “Kraft durch Freude” (KdF) project. The buildings extend over a length of 4,5 km and are roughly 150 m from the beach. They were designed to accommodate 20.000 guests. Two-thirds of it were completed until 1939, before the lack of money in the war economy put a stop to the building efforts. Although, never finished and in some parts already destroyed, it still stands as a particularly striking monument of Third Reich architecture and Nazi-morbidity.

2.4.6.3 Tourism during GDR-times (1945/49 – 1989)

In the last years of the Second World War and also after 1945 most of the accommodation capacities were used for refugees and evacuees before tourism started again.

From then on a state-subsidised social-tourism was the main form of tourism. The people living in the GDR had nearly no possibilities of free and spontaneous choice of their holiday destination. In 1953 the state expropriated the owners of hotels and guest houses, in the so called “Aktion Rose”. Over many years, the necessary maintenance of the buildings was neglected. This led to a general decay and devaluation on the one hand, but on the other hand it preserved the whole architectural structure of the spas and the promenades. Only in some spas modern, high-rising buildings were erected (e.g. in Heringsdorf); all the other ensembles are still almost unspoiled and unique, which is a very important marketing issue today (Falck-Steffens 2003, p. 124).

2.4.6.4 Tourism after reunification (1990)

After the opening of the Berlin Wall and the end of the GDR, the artificially created demand dropped. The formerly politically controlled East German recreation system turned into a market led tourism industry. A big problem was the uncertain legal proprietary situation. The lack of money turned out to be one of the main investment obstacles for many East-Germans. So many superb hotels and other buildings were bought by investors from outside the region, mainly from West Germany.

Nowadays there is a great surplus in medium-priced hotel capacities. The number of new beds is growing much faster than the overnight stays. One of the main problems is the utilisation in the winter season. There is a great need of alternative projects and offers to extend the tourist season (Steingrube 2005, p. 63).

Nevertheless the development of tourism in Vorpommern after 1990 is in general a success-story and a very important aspect of its regional economy.

2.4.7 Tourism Management in Vorpommern

2.4.7.1 Profile of Tourism

The region of Vorpommern can be divided into four main areas: the islands of Rügen and Hiddensee, the island of Usedom, the peninsula Fischland-Darss-Zingst and the so-called hinterland on the main land.

Rügen and Usedom have the highest accommodation capacity in Mecklenburg-Vorpommern and they are the most important travel destinations in the federal state.

The unique nature is the most important reason why tourists come to Vorpommern. The region comprises about 226 km along the Baltic Sea coastline, the length of the “Bodden-coast”, which can be compared to lagoons, amounts to 1 083 km. There are two national parks, one biosphere reserve, 83 nature protection areas and 25 landscape conservation areas all of which cover an area of about 3 582 km².

2.4.7.2 The typical visitor of Mecklenburg-Vorpommern

As a result of a study carried out by the tourism roof organisation the typical visitor of Mecklenburg-Vorpommern can be described as follows:

The typical visitor of MV (WiMin MV: Landestourismuskonzeption 2004):

- is a regular guest,
- is 47.4 years old,
- has a monthly net income of about € 2 550,
- travels with his partner but without children,
- arrives by car and spends about € 20.50 per day,
- stays either in a hotel for € 47 per night and person or in a holiday flat for € 23 per night and person,
- stays about seven days,
- usually sleeps in a seaside resort,
- looks for nature, calmness, beaches and sun,
- likes to be active in his holidays e.g. swimming, hiking and cycling
- plans the journey by himself and books directly over the host.

2.4.7.3 Tourism offers

The following parts of the tourism market are important for the region of Vorpommern:

Tourism market	Short description
Summer/Beach Tourism	In 2003, 45 % of the overnight stays and 40 % of the arrivals were listed in the summer months of July and August.
Water Tourism	In 2003, about 150 000 guests arrived because of water tourism activities, this are 10 % of the commercial overnight stays.
Health Tourism	Nowadays health tourism does not seem to be a main reason for tourists in the main season; however 35 % of the tourists mentioned in a survey, that health tourism can turn into a main reason for travelling.
Camping Tourism	17 % of the arrivals in 2003 and 20 % of the commercial overnight stays were camping tourists. The number of long term campers went up to 10.2 million overnight stays.
Bike Tourism	About 740 000 bike tours led to and through MV in 2003. The demand for bike tourism is increasing constantly.
Tourism in Rural Areas	The demand increased by 30 % in 2003. Tourism in rural areas is especially important for the hinterland.
One Day Tourism	One day tourism is especially important for the hinterland, because it attracts visitors from the islands or from cities like Hamburg, Berlin or Szczecin.

Source: WiMin MV: Landestourismuskonzeption M-V, p.38

2.4.7.4 The image of Mecklenburg-Vorpommern

2.4.7.4.1 *The image abroad*

A study about the image of MV outside the borders of Germany was carried out for the tourism-concept of MV (Landestourismuskonzeption 2010), but it is difficult to work with its results. Just 500 000 overnight stays in the federal state are generated by tourists from abroad. That means that only 2.3% of all overnight stays are international guests. With such a low number it is hard to find an international image of MV.

The general associations with Germany in Europe and beyond the European borders are mountains, fair children, South German costumes and half-timbered houses. These images do not represent North Germany and especially not MV. Obviously none of the federal states is well-known beyond German borders, only some people know the destinations of the Baltic Sea, the Isle of Rügen and the Hansestadt Rostock, which are however situated in Mecklenburg.

The image which visitors seem to have of MV is dominated by overcrowded beaches in the summertime, large cornfields, somehow a rather quiet region apart from the seaside resorts. But also wild and untouched nature, the diversity of guest houses, camping sites, palace hotels and spas feature in the image. (WiMin MV 2004 Landestourismuskonzeption, p. 23)

2.4.7.4.2 National image

It was in 2003 that Mecklenburg-Vorpommern topped the list of the most favourite travel destinations within Germany for the first time. However, a survey shows that MV is already holding a prominent position as a holiday region, but is only moderately well-known by the German population, ranking in the middle compared to other German regions. In this open survey, regions like the North Sea, the Baltic Sea, the Black Forest and Bavaria were named first. Consequently, this means that on the national market MV holds a considerable potential of growth in the short term and for the future; 51% of the German population knows federal state, but have never been there; 12% even have never heard of it.

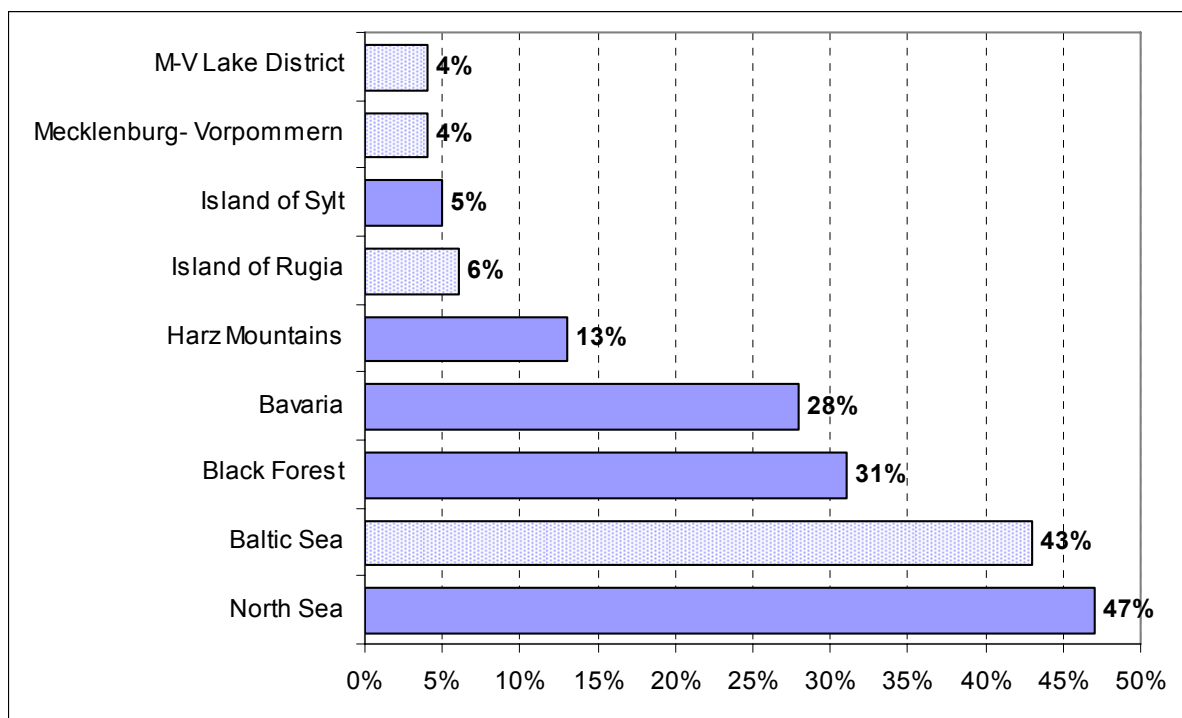


Figure 24: Level of awareness of German destinations

Looking at the image of Mecklenburg-Vorpommern, the region seems to be a very natural place, not at all boring but rather very attractive (see Figure 25).

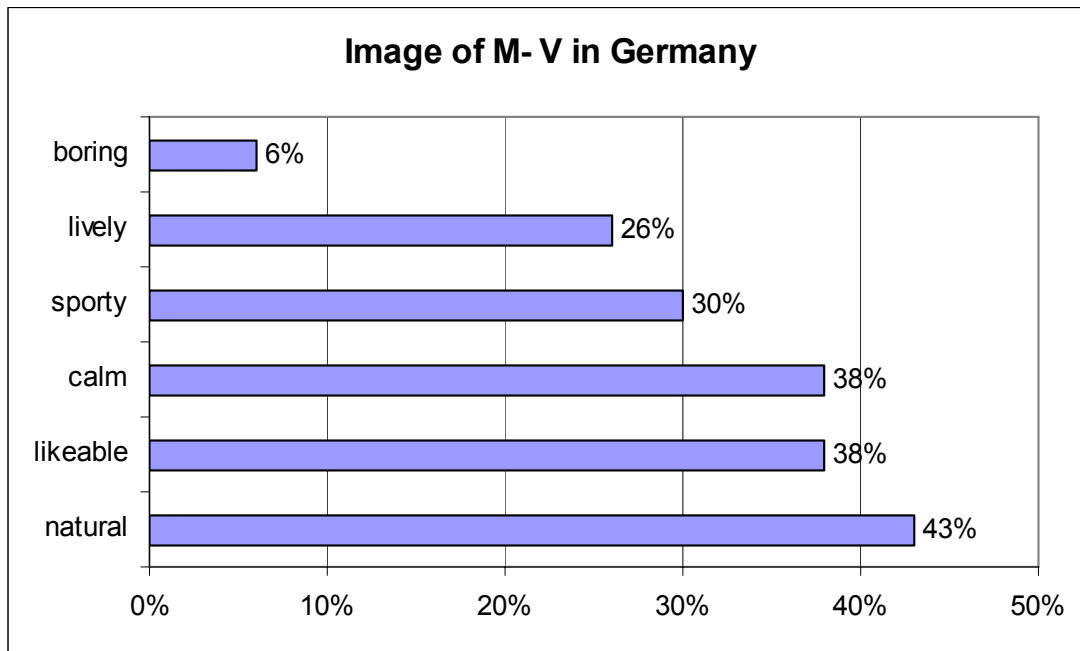


Figure 25: Image of Mecklenburg-Vorpommern in Germany

The results show that people coming to MV want to spend their holiday in a natural and calm setting, they want to be in nature and get away from noisy and overcrowded urban areas.

2.4.7.5 Organisation of the marketing

The marketing structure of Vorpommern is quite heterogeneous. There is no common marketing for the region, each area markets itself. This phenomenon has to do with the history of the former GDR. In that time, there was no marketing needed because everything was organised by the FDGB (Freier Deutscher Gewerkschaftsbund), which distributed the holiday vacancies to different groups of people. One group consisted of people who were close to the ruling communist party SED and the other group was made up by mainly mining workers from the south of the country. Because of their very hard working conditions they used to receive vacations at the Baltic Sea to recover. The rest of the society of the GDR had to wait for a very long time to get a vacation place. So until 1989 there was no need for a marketing organisation.

Nowadays we find a situation, in which tourism marketing and management in Mecklenburg-Vorpommern is rather complicated, as we will try to explain in the following chapters.

2.4.7.5.1 *Tourismusverband MV*

The roof organisation of the tourism marketing in Vorpommern is the Tourismusverband MV, situated in Rostock. The task of the Tourismusverband MV is to co-ordinate the common interests of all tourism related organisations. This job is made very difficult because of differing internal regional interests of the individual tourism enterprises and the competitive situation between the different islands and also between the islands and the hinterland.

Nevertheless, the aim of the Tourismusverband MV is to promote the common attractions of the holiday destination MV with a distinct goal-oriented marketing. The association also promotes the interests of Mecklenburg-Vorpommern's tourism economy on different levels of the political decision-making processes; the European, the national, the federal state and the municipal level. The Tourismusverband MV is a non-profit organisation and is financed by membership fees, subsidies and donations. The following tourism organisations are all members of the Tourismusverband MV.

2.4.7.5.2 *Tourismusverband Rügen e.V.*

This association was founded in 1990 and presents together with the administrative district and the Sparkasse Rügen the official website of the island (www.ruegen.de). The association is situated in Bergen on the Isle of Rügen and promotes the most important branch of industry on the island by marketing the island and following an active tourism policy. The association has about 300 members.

In the final decade of the last century the competition on Rügen increased tremendously. That was the main reason for establishing a professional marketing company. Consequently the Tourismuszentrale Rügen GmbH was founded to work as a professional tourism-marketing-organisation (www.ruegen.de/tourismuszentrale-ruegen.html).

Arguments for this decision generally were:

- the voluntary board was unable to cope with a rising workload
- shortening of decision processes
- increasing efficiency
- raising flexibility

The main task of the Tourismuszentrale Rügen GmbH is to support tourism on Rügen. Market research and work on strategic development projects is carried out. Further, they develop new products and distribute these to consumers. The Tourismuszentrale Rügen GmbH is one of a very small number of tourism-related associations in Germany, which has to work without any subsidies.

2.4.7.5.3 *Binz Tourismusgesellschaft*

This association is a consortium of private hotels, apartment owners and restaurants in Binz on Rügen (www.binz.de). The members of this association are:

- Hotel Vier Jahreszeiten
- Vier Jahreszeiten Appartements
- Loev Hotel und Appartments Dünenhaus
- Hotel Meersinn
- Hotel Villa Salve
- Schewe Appartments
- Hotel Villa Neander
- Aparthotel Getreuer Eckardt

On the website the guests have options for online-booking, to order information material (leaflets, accommodation catalogues) or to get detailed information about the region and especially about Binz.

2.4.7.5.4 *Tourismusverband Fischland-Darss-Zingst e.V.*

This association is situated in Löbnitz close to the peninsula of Fischland-Darss-Zingst. It offers a platform for the representation of interests for people in the region and advertises the following advantages for its members:

1. National marketing

- reduced prices for advertisements in the host index
- presentation of the region on fairs
- possibility to be presented on the homepage of the association

2. Internal marketing

- free use of research results of surveys
- representation of interests in local politics
- reasonable offers for postgraduate professional education

The homepage of the association offers booking options or the possibility of ordering brochures and souvenirs.

2.4.7.5.5 *Tourismusverband Insel Usedom e.V.*

The Tourismusverband Insel Usedom was founded in 1992 and is situated in Ückeritz. It created a marketing strategy which stresses the identity of the Isle of Usedom and specifies the goals for the future. (www.usedom.de).

Because of the fact that the island of Usedom has a rather bad connection to the hinterland (there are just two possibilities to enter and leave the island!) the members of the Tourismusverband Insel Usedom e.V. designed a traffic concept in 2003. This

concept was sent to the Ministry of Trade and Commerce of the federal state and strongly demanded a rebuilding of the 'Karniner Bridge' to improve the railway connection to Berlin.

In 2000 the society founded the Usedom Tourismus GmbH. This company is a tourism service enterprise for municipalities and business ventures for the region as well as for current and potential guests. The special service of the Usedom Tourismus GmbH is a 24 hour call center which deals mainly with bookings and offers information.

2.4.7.5.6 *Regionaler Fremdenverkehrsverband Vorpommern e.V.*

Although this association is named after our region Vorpommern, it only covers the mainland area, the so called hinterland. This means it represents Vorpommern except for its touristically interesting islands. The office is situated in Greifswald. The fields of activity are in general the coordination of its offers and the presentation of the region on fairs mainly in Germany and Switzerland. The advertising strategy of the Regionaler Fremdenverkehrsverband Vorpommern e.V. can be summed up as *Ost/See/Land* which is used especially in Switzerland to market the whole region. Besides this they work with the slogans 'baden & strand' (swimming & beach) and 'flüsse & land' (rivers & country) for the national market. Compared to the islands, the marketing of the hinterland is much more challenging, because it is not that well-known yet, even though there lies a great potential in the almost untouched nature with opportunities for water hiking, visiting old manor houses or beaver watching.

To sum up, we have to point out that the co-operation between the different associations and sub-regions within Vorpommern is rather weak. The present situation is that every institution markets its own region and more or less does not care about what all the others do. That means from an international point of view that many weak and rather small associations compete against each other wasting their resources on their projects instead of working together. This consequently leaves not enough strength for the implementation of a decent international marketing strategy.

2.4.7.6 Unique Selling Propositions (USP)

An important aspect in tourism marketing is a 'Unique selling proposition' (USP). With USP we describe the feature of an offer, with which it differs from its competitors.

In the field of tourism this means that if you want to attract tourists you have to convince them with the help of a good marketing strategy that you have something that other

regions cannot offer, something which is unique to your region. Vorpommern can advertise the following USP's:

Sub-region	USP or at least a very special tourist attraction
Usedom	<ul style="list-style-type: none"> ▪ longest pier on mainland Europe ▪ longest beach in Germany
Rügen	<ul style="list-style-type: none"> ▪ chalk cliff coastline ▪ Kap Arkona ▪ <i>Rasender Roland</i> railway
Fischland-Darss-Zingst	<ul style="list-style-type: none"> ▪ Ahrenshoop as a former artist colony ▪ crane watching
Hinterland	<ul style="list-style-type: none"> ▪ UNESCO-world heritage town of Stralsund (medieval town structure and gothic brick architecture) and the famous Marine Life Museum (Meereskundemuseum) ▪ the town of Anklam with the heritage of the flying pioneer Otto Lilienthal ▪ the Amber Museum in Ribnitz-Damgarten ▪ rather unspoiled nature especially in the river valleys of the Peene and Trebel rivers

2.4.8 Regional-economic effects of tourism in MV and Vorpommern

Tourism in MV is grossing over € 3.5 million (2003) and thus a more important part of the economy than in any other German federal state.

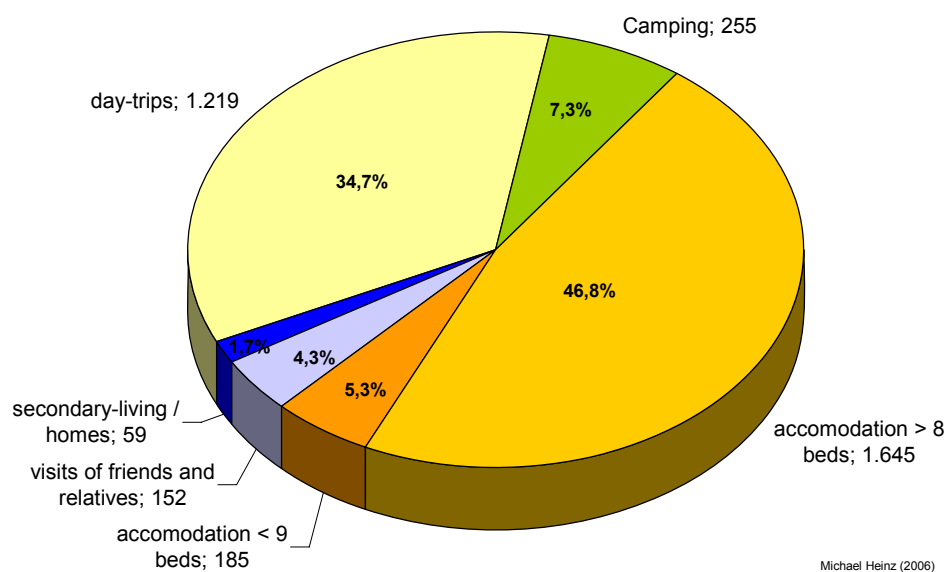


Figure 26: Tourism in Mecklenburg-Vorpommern – gross turnover in Mio. € (2003)

Source: Landestourismuskonzeption MV 2010 (2005)

The accommodation sector plays an important role for the national income. The German average is about 1.3 %. In MV it was 4.4% in 2002. If you relate these numbers to our neighbour Schleswig-Holstein where it is already with 2.5% above the German average you can see how important tourism is for MV. On the Isle of Usedom 35% of the state's income is generated by tourism. In Vorpommern one in seven employees works directly in the tourism business which is quite a large number.

Dividing the income from the tourism sector into different groups shows that almost half of the gross turnover is generated by accommodation with more than 8 beds (46.8%). The second largest income group are day-trips with about 35%.

Only 7.3% of the money comes from camping tourism and 5.3% of accommodations with less than 9 beds. Visiting friends and relatives does not play an important role at all (4.3%) and there are not many people owning holiday homes. The reason for this probably is that people prefer to buy or rent a second home in the Mediterranean which they can use all year around shying away from the cold winters at the Baltic Sea.

The following figures show the regional pattern of the gross turnover. Although only 28% of the population of MV lives in Vorpommern, our region generates about 42% of the gross turnover in the tourism sector of the federal state. The island of Rügen as a part of Vorpommern generates about € 479 m alone, which is about 36% of Vorpommern and even 15% of the whole federal state.

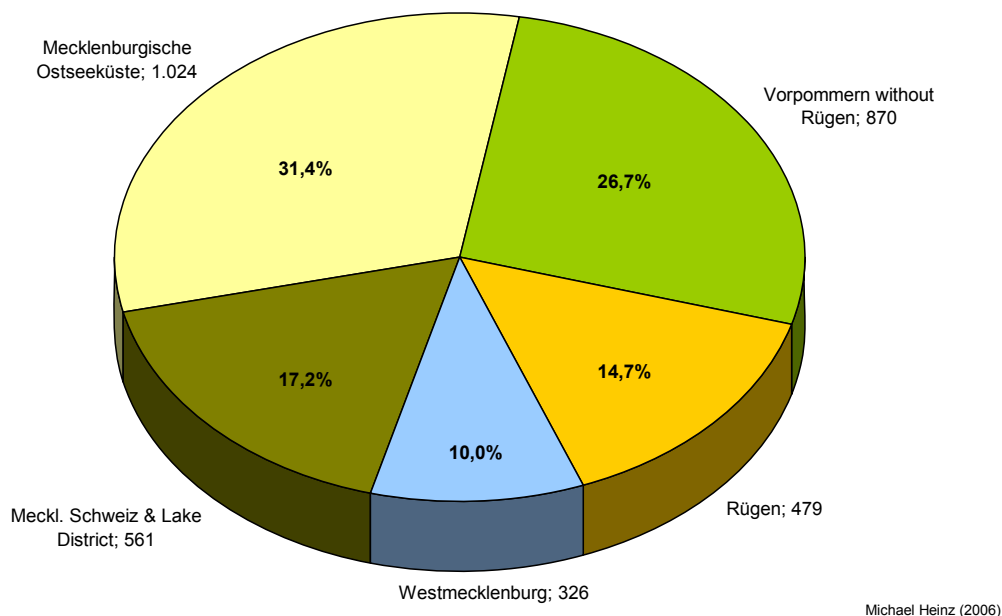
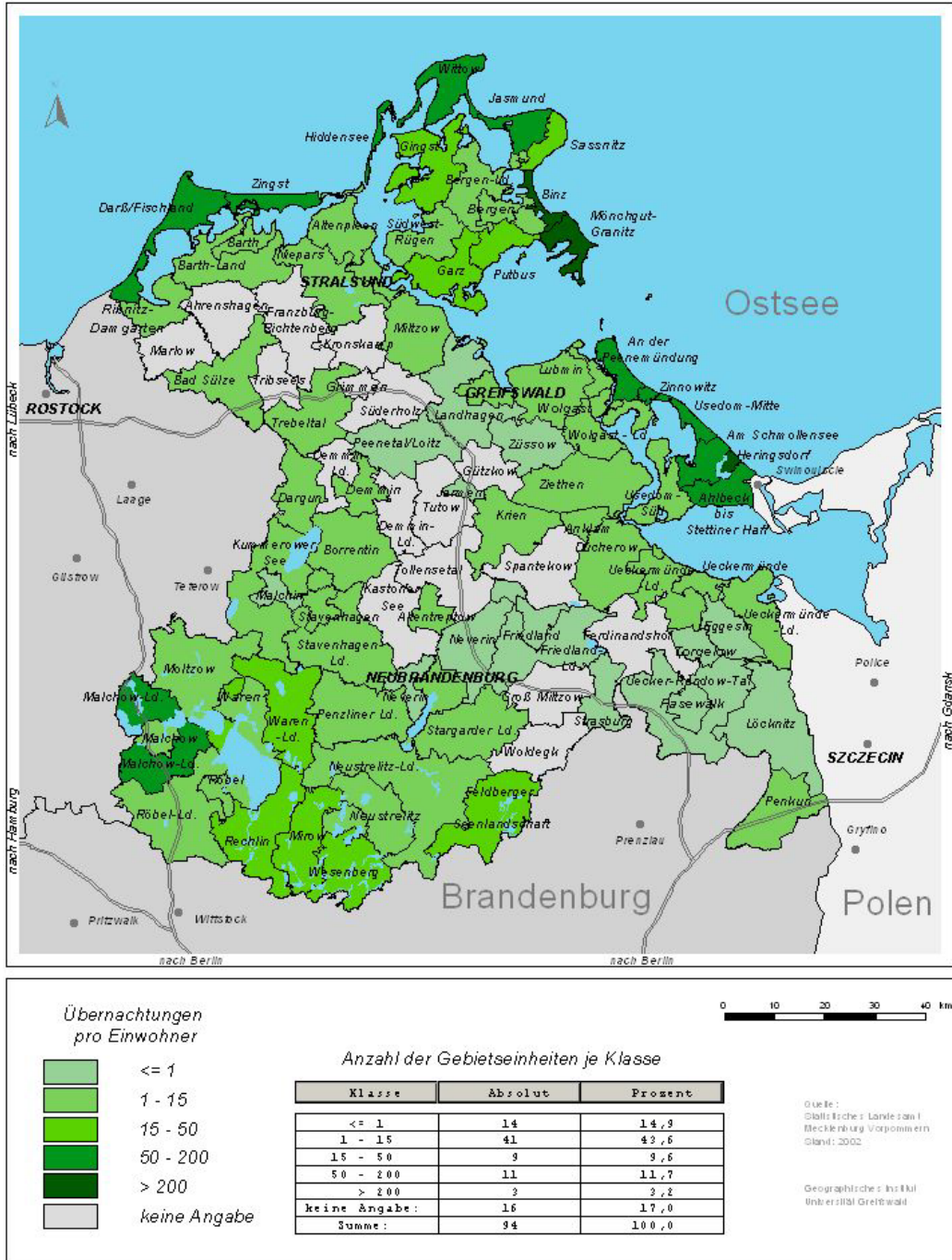


Figure 27: Gross turnover – intraregional differentiation of MV (2003)

Source: Landestourismuskonzeption MV 2010 (2005)

With over 200 overnight stays per inhabitant, there is a high concentration along the shoreline (see Map 23). This high concentration is mainly found on the islands of Usedom, Rügen and the peninsula Fischland-Darß-Zingst. Only some parts of the region around the Müritz Nationalpark reach a similar tourism concentration. The region in between, the so called hinterland, is not very much known by tourists.



Map 23: Overnight stays per inhabitant in the Eastern part of Mecklenburg-Vorpommern

Source: WirtschaftsAtlas (2005)

As already mentioned one in seven employees works in the tourism sector, thus the trade, the tourism and the traffic sectors play an important role in the employment structure, especially in the coastal areas where most tourists go. Figure 28 shows different employment sectors, divided into agriculture, forestry and fishery, industry, trade, tourism and traffic, and other services.

Remarkable is the effect tourism has on the employment structure as the examples of Binz and Heringsdorf show; here more than 60% of all employees work in the sectors of trade, hospitality/gastronomy and transport. A study carried out by the DWIF concerning tourism as an economic factor found that on the Isle of Usedom there are about 17.000 full-time employees who gain their living directly or indirectly from tourism. However, as not all people working in tourism are employed full-time the study stated that, 'the number of employees who profit proportionally is even higher. Considering the number of employees on the island overall (about 23.500) one can easily gauge how much the island's economy depends on tourism.' (Tourismusverband Insel Usedom: Wirtschafts-Faktor Tourismus, 2003, p. 5)

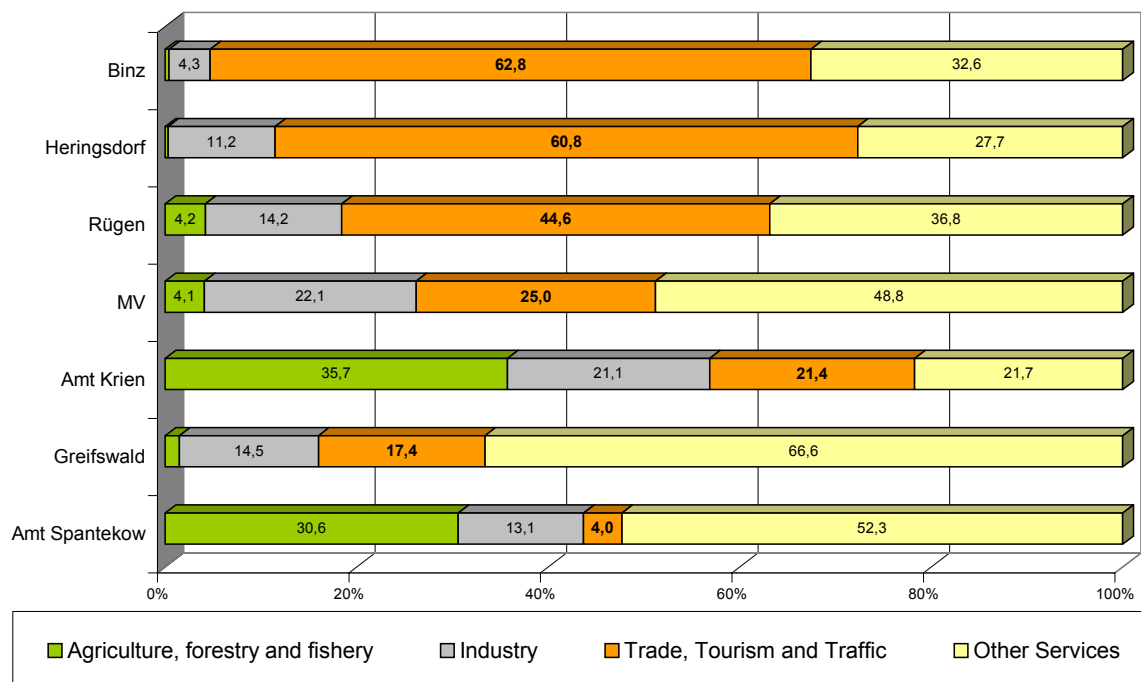
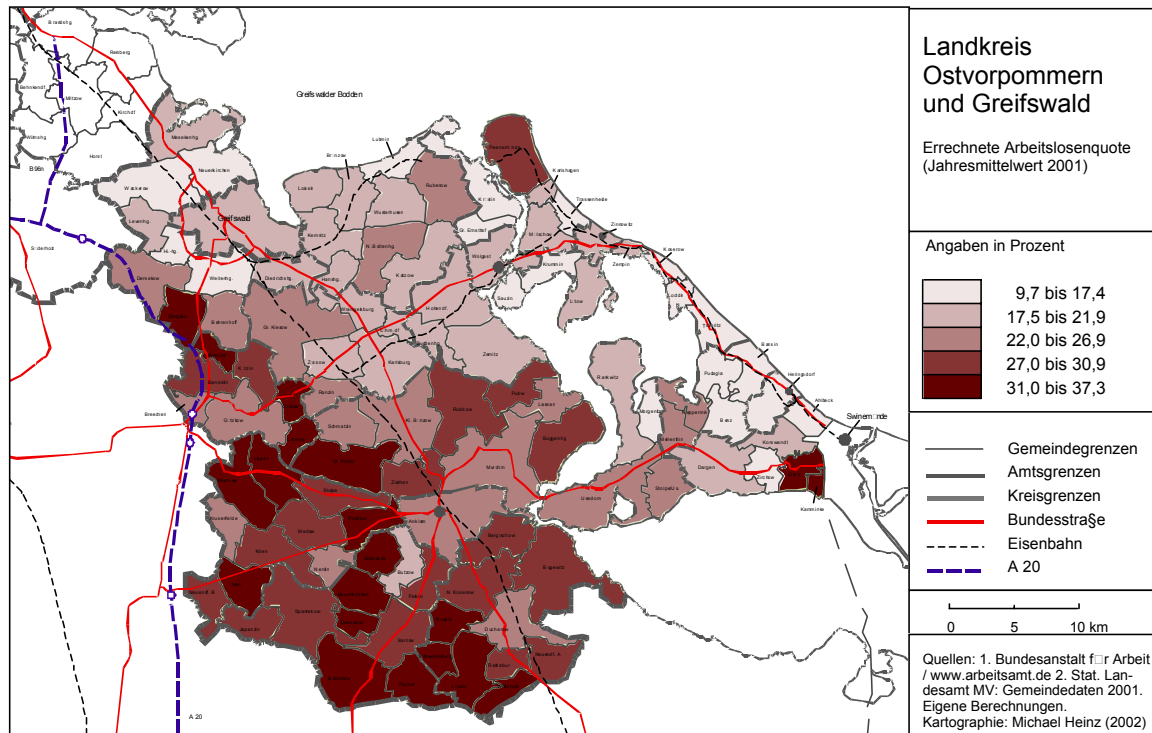


Figure 28: Employment structure in sectors(2004)

Source: Statistisches Landesamt MV: Gemeindedaten-CD 2005

The effect tourism has on the labour market can also be seen in Map 24. The county of Ostvorpommern consists of the tourist island Usedom, the suburban fringe area around Greifswald and the economically rather weakly developed area further south of Greifswald with the Peene valley. In comparison to the Peene valley area (especially

south of the river Peene) the unemployment rate on the Isle of Usedom is not that high. The municipalities along the coastline can keep unemployment comparatively low (but still up to 17%), while in the hinterland the unemployment rate goes up to 37% in some municipalities.



Map 24: Unemployment rate in 2001 in the counties of Ostvorpommern and Greifswald

Having pointed out all the positive effects of tourism in our region there are also some negative effects to be mentioned:

The touristical monostructure on the islands of Rügen and Usedom causes a high level of insecurity for the regional economy. Tourism is very dependent on external factors as the Isle of Rügen experienced in spring 2006 when the bird-flu struck and the negative images of this epidemy lingered.

The infrastructural costs of tourism are very high, especially on account of the distinct seasonality (see Figure 29) of business. Traffic infrastructure is planned and partly built for the peak season (e.g. the second bridge to Rügen). The same is true for water supply and sewage management.

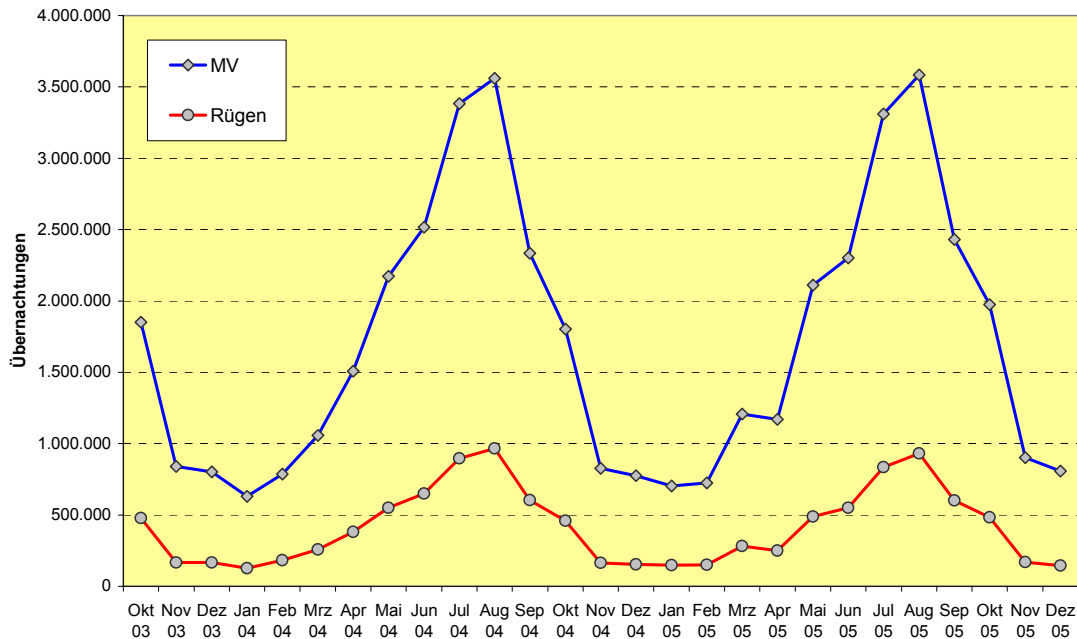


Figure 29: Seasonality of the overnight stays on the island of Rügen and MV

Another qualitative aspect is the attitude of many politicians; it is very often thought and discussed that tourism will solve the regional economic problems of Mecklenburg-Vorpommern. However, what we have to realise is that tourism especially for the economically weak areas (hinterland) with unemployment rates of over 30% and a strong decrease of population definitely does not play a substantial role in the local or regional economy. For these regions – sometimes also very unattractive areas for tourists – other development strategies are needed to “keep the countryside alive”.

2.4.9 Concluding AMSWOT-analysis

An AMSWOT-analysis (**a**chievements – **m**istakes / **s**trengths – **w**eaknesses / **o**pportunities – **t**hreats) summarises our paper and tries to point out the main aspects of the regional and touristical development in the region of Vorpommern.

	achievements	mistakes
past	<ul style="list-style-type: none"> - positive tourism-development - reconstruction of historic town centres - securing of the University of Greifswald - construction of the motorway A20 	<ul style="list-style-type: none"> - neglect of rural areas - lack of decent municipality reform - missing monitoring and coordinating activities especially in rural areas - no efficient regional development or marketing association established

	strenghts	weaknesses
present	<ul style="list-style-type: none"> - attractive beaches on the islands of Rügen, Usedom and the peninsula of Fischland-Darß-Zingst - rather unspoiled nature with established national parks - unique cultural landscape with gothic brick architecture and typical spa architecture (Bäderarchitektur) - interesting town centres even with UNESCO cultural heritage status (Stralsund) 	<ul style="list-style-type: none"> - seasonality of tourism employment + high unemployment rate - negative population development especially in rural areas with high out-migration - social erosion in some rural areas and some town districts - weak and small municipalities - missing international tourism marketing, only few foreign tourists - poor intraregional road connections from the motorway to the islands - lack of money in the private and public sector

	opportunities	threats
future	<ul style="list-style-type: none"> - usage of the great nature and tourism opportunities of the region for other economic sectors - attraction of further second home investments - addressing more international tourists - great opportunities for nature tourism in the so called "hinterland" 	<ul style="list-style-type: none"> - strong competition with Polish tourism and spa resorts - loss of EU funding - crisis in tourism sector (bird flu, success of the right-wing party NPD causes an image problem) - further demographic problems, especially decreasing number of young people

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3 Excursions in Vorpommern

3.1 Island of Usedom

3.1.1 Timetable:

Time	location/route	Activity/topic
9.45	Greifswald station	Leaving Greifswald by train
10.59	Züssow	Changing the train; leaving 10.03 by a train of Usedomer Bäderbahn, a very successful railway in private organisation (100%-daughter of Deutsche Bahn)
10.27 to 10.31	Wolgast	<p>passing the town of Wolgast (12.725 inhabitants 2005; 1990: 17.094)</p> <p>from 1295 to 1625 capital of the dukes of Pomerania-Wolgast</p> <p>Wolgast is the birth place of Philipp Otto Runge, the other great romantic painter of the region (1777-1810)</p> <p>passing the shipyard Peenewerft,</p> <p>passing the largest bascule bridge of Germany, connecting the mainland with the island.</p>
	Island of Usedom	<p>territory: 445 km² (German part 373 km² - Polish part 72 km²)</p> <p>76.500 inhabitants (31.500 in the German part - 45.000 in Swinoujscie)</p> <p>3,4 millions overnight stays (2003)</p>
10.40	Trassenheide	Arrival. Trassenheide inhabitants: 2003: 926; 1990 728 276 overnight stays per inhabitant (2003; highest number of Usedom. Usedom average 110)
10.40	walking to the beach	transformation of former touristic infrastructure of DDR to special forms of today
11.10	at the beach	Duenenwald-Klinik
12.00	return to	Trassenmoor
12.38	going by train	to Zinnowitz (3.730 inhabitants) changing train to Heringsdorf
	south of the railway:	old Slavic settlement (agriculture and fishery)

Time	location/route	Activity/topic
	north of the railway	dunes, forests on sand soils; sea side resorts developing since 1876 (construction of railway to Berlin (via Karnin))
12.55	passing Lüttenort	Lüttenort is the museum atelier of the painter Otto Niemeyer-Holstein (1896-1984). He was one of the first artists settling on the island.
13.32	arrival Heringsdorf	In 2005 Heringsdorf (3,519 inhabitants) formed a new municipality with neighbour resorts Ahlbeck and Bansin (9500 inhabitants)
13.32 – 14.00	walk to the seabridge	New seabridge constructed 1995. longest seabridge of the continent (458 m)
15.15 – 17.00	walking along the promenade to Ahlbeck	Ahlbeck (3438 inhabitants 2005; nowadays part of Heringsdorf); oldest existing seabridge in Germany from 1898 Villa Oechsler from 1883; Travel charme Hotel “Strandidyll” . The firm was founded 1993 on the basis of the DDR Interhotel. Since 2000 Travel charme has bought and constructed 11 hotels, one of them in Austria (a former nobleman’s house). http://www.travelcharme.sitegeist.de/fileadmin/user_upload/hotels_resorts/z_tagungen/Tagungsmappe_Travel_Charme_Strandidyll.pdf
17.06	leaving Ahlbeck by train	

3.1.2 Population and tourism-development

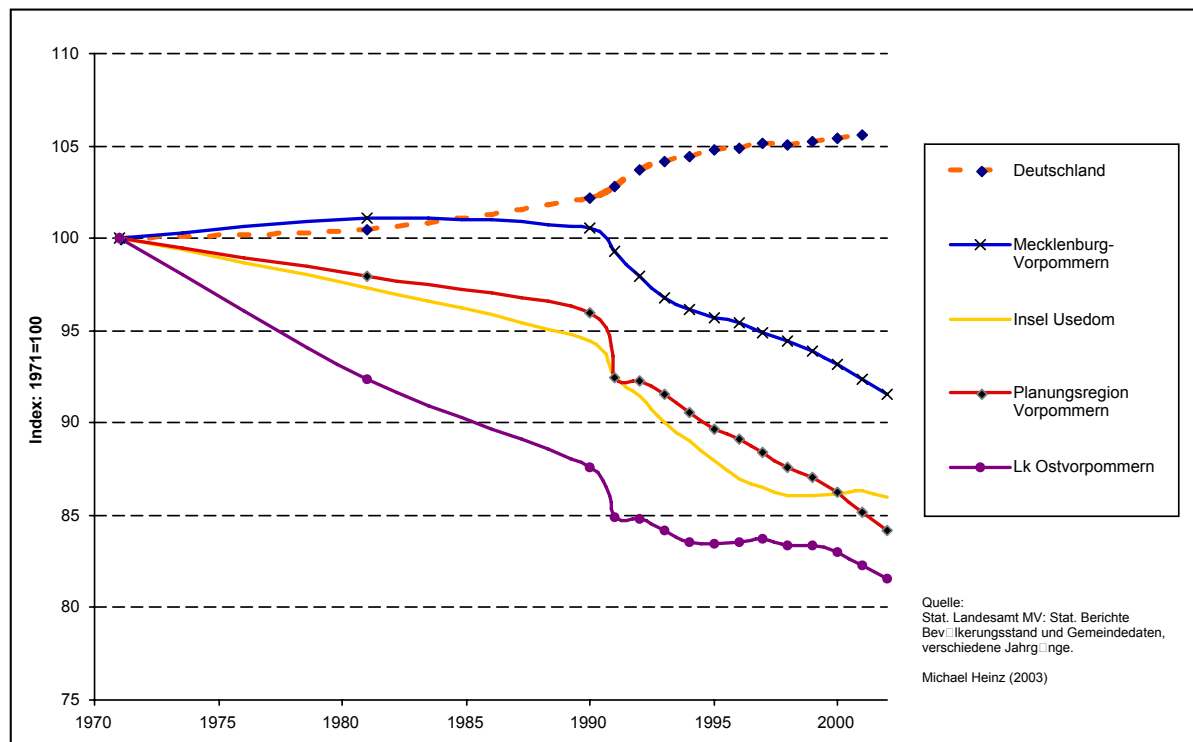


Figure 30: Population development of the island of Usedom in comparison to Germany, MV, Vorpommern and the county of Ostvorpommern (1971-2003)

Table 15: Municipalities on the island of Usedom: population and overnight-stays (2002)

	Population	Overnight-stays	Overnight-stays per inhabitant
Trassenheide	926	256 439	276.93
Heringsdorf-Zentrum	3 566	898 742	252.03
Loddin	1 013	221 960	219.11
Heringsdorf	9 452	1 841 624	217.89
Heringsdorf-Bansin	2 541	452 968	178.26
Zinnowitz	3 705	540 749	145.95
Heringsdorf-Ahlbeck	3 345	480 462	143.64
Koserow	1 679	204 729	121.94
Ueckeritz	973	115 438	118.64
Zempin	854	82 624	96.75
Lütow	364	25 983	71.38
Korswandt	544	24 220	44.52
Karlshagen	3 183	139 807	43.92
Peenemünde	345	9 482	27.48
Rankwitz	673	13 941	20.71
Morgenitz	229	2 216	9.68
Mölschow	866	8 306	9.59
Dargen	577	3 487	6.04
Usedom, Stadt	1 977	6 696	3.39

3.2 UNESCO-heritage Stralsund, tourism & agriculture in the “hinterland”

3.2.1 Stralsund:



Outline

1. **Introducing the city**
2. The World Heritage idea
3. The Historic Centres of Stralsund and Wismar
4. Functions of a World Heritage site
5. Questions



The Hanseatic City of Stralsund



Facts & Figures



Inhabitants

58.936 inhabitants

4.179 in the historic centre

Facts & Figures



Economy

Shipyard, harbour, tourism, trade, administration

Volkswerft 1.200 employees

Hanse-Klinikum 1.300 employees

BfA 1.450 employees

Stralsund brewery

Stralsunder Möbelwerke

Ostseestahl

Facts & Figures



Education

University of Applied Sciences (2.900 students)

School for Marine Technology

Berufsförderungswerk

Vocational Schools

Music school

Volkshochschule (adult education centre)

Facts & Figures



Cultural facilities

German Oceanographic Museum

Cultural Historical Museum

Theater Vorpommern

History



1234 city rights according to Lübeck law

1293 alliance with Lübeck, Wismar, Rostock, Greifswald
beginning of the Hanseatic League

1370 „Peace of Stralsund“ – The Hanseatic League wins
against the Danish domination

History



1628 the commander of the emperor's troops Wallenstein sieged Stralsund without success

1648 Stralsund comes under Swedish rule as a result of the Thirty Years' war

1720 Stralsund becomes capital of Swedish-Pomerania

1815 the end of the Sweden time – Stralsund comes to Prussia

History

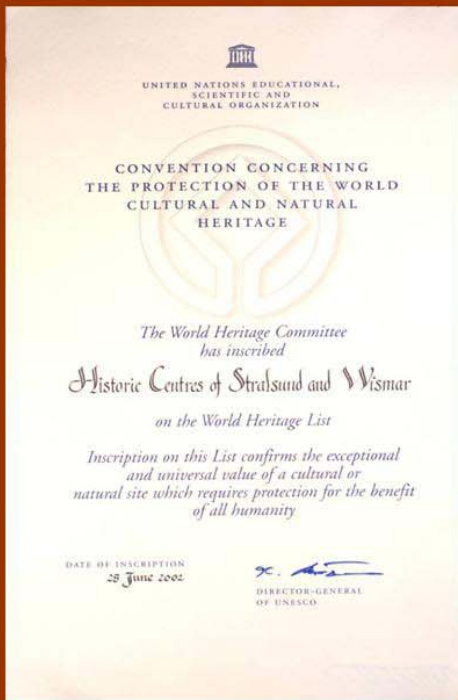


1936 completion of the Rügendamm

1944 air raid on Stralsund

1951 foundation of the Naturkundemuseum
(since 1966 Meereskundliches Museum
since 1973 Deutsches Meeresmuseum)

2002 inscription of Stralsund and Wismar in the World Heritage List



Historic Centres of Stralsund and Wismar

World Heritage site
since 2002



United
Nations
Educational
Scientific
Cultural
Organization

World Heritage



All humans are responsible for the cultural and natural heritage of the world.

(Basic idea of the World Heritage Convention of 1972)



Article 1 and 2 World Heritage Convention

Cultural heritage:

monuments: architectural works, works of monumental sculpture and painting, elements or structures of an archaeological nature, inscriptions, cave dwellings, groups of buildings, archaeological sites

Natural heritage:

natural features consisting of physical and biological formations or groups of such formations, geological and physiographical formations, the habitat of threatened species of animals and plants, natural sites

World Heritage criteria



- (ii) ...exhibit an important interchange of human values, over a span of time or within a cultural area of the world, on developments in architecture or technology, town planning or landscape design;

Wismar and Stralsund, leading centres of the Wendish section of the Hanseatic League from the 13th to 15th centuries and major administration and defence centres in the Swedish kingdom in the 17th and 18th centuries, contributed to the development and diffusion of brick construction techniques and building types, characteristic features of Hanseatic towns in the Baltic region, as well as the development of defence systems in the Swedish period.

World Heritage criteria



- (iv) ...be an outstanding example of a type of building, architectural or technological ensembles or landscape which illustrates significant stages in human history

Stralsund and Wismar have crucial importance in the development of the building techniques and urban form that became typical of the Hanseatic trading towns, well documented in the major parish churches, the town hall of Stralsund, and the commercial building types, such as the Dielenhaus.

World Heritage features



1. prime examples of the developed Hanseatic city of the 14th century
2. preserved medieval ground plan with network of streets, system of squares, area and plot structure
3. during Swedish era: fortification towns and administrative centres
4. brick churches represent a unique cross-section of Gothic religious architecture that time

1. Hanseatic city



1. Hanseatic city



View of Stralsund 16th century

1. Hanseatic city





Functions of a World Heritage site

1. protection
2. research
3. finances
4. education
5. leisure
6. representation
7. networking

4. education: examples

www.stralsund-wismar.de



The screenshot shows a web browser window displaying the website 'Historische Altstädte Stralsund und Wismar'. The page features a navigation menu on the left with items like 'STARTSEITE', 'DIE STÄDTE', 'DAS ERBE', 'WELTERBESTÜTUNG', 'TOURISMUS', 'LEBENDIGES ERBE', 'PRESSE', 'LINKS UND LITERATUR', and 'KONTAKT'. The main content area includes a large image of a Gothic church facade and a section titled 'Herzlich Willkommen' (Warm Welcome). The text in this section describes the UNESCO World Heritage status of the cities and the cultural value of the Hanseatic architecture. A small photo shows two people holding a plaque.

4. education: examples



Image magazine



4. education: examples



Signs



4. education: examples



Advertisement



5. leisure: examples



= to attract and to entertain visitors

- European Heritage Day and Long Night of Open Monuments
- Shopping night
- Rallyes and quiz
- Arts and craft market in St. Jacob
- Christmas market in the town hall cellar

Source: Selected parts of the Power-Point-Presentation from the Steffi Behrendt, Cultural-heritage Management, Stralsund. - Presented during our excursion in the town hall.

3.2.2 Dalwitz



The history of Gut Dalwitz

Gut Dalwitz is located in the middle of the Mecklenburg end moraine landscape at the border of "Mecklenburg Switzerland". Since 1992 the farm has been breeding cattle and doing organic farming and it belongs to the [BIOPARK](#) organic producers' community. Gut Dalwitz is also a holiday farm with more than 50 beds and a wide range of cultural and leisure activities.

Whoever is visiting Gut Dalwitz will experience a place with a long history...

Gut Dalwitz is situated in an almost untouched environment in the heart of Mecklenburg. The estate belongs to the

Bassewitz family since 1349.

The old manor house Dalwitz was built in 1726. The baroque ensemble wasn't changed until the successful and progressive farmer Heinrich Count of Bassewitz carried out significant changes in the middle of the 19th century (1850s). He modernised the agriculture by using the scientific theories of Albrecht Thaer, Justus von Liebig and Heinrich von Thünen. Among his special achievements are the cultivation of sugar beets, the construction of a field-railway-system, that had been working until 1969, and the use of fertilizers, that kept up with technical progress and the business in the market. The buildings of the farm went through visible changes: apart from some new buildings, like the caretaker's house, the manor house's style was converted into Tudor. At that time a number of other farms belonged to the family's property of approximately 10.000 hectares of land, like the farms Zarnewanz, Gnewitz, Lühburg, Repnitz, Strietfeld, Wohrendorf, Waldendorf, Wesselsdorf, Stechow and Stierow, Prebberede, Jahmen, Griewe, Schwiessel, Burg Schlitz, Ulrichshusen and Rothenmoor.

In 1945 Heinrich Count of Bassewitz was dispossessed and fled to Schleswig-Holstein in the North of West-Germany. Dalwitz was municipalised and turned into a kolkhoz in 1952. After the LPG "Freier Bauer" went bankrupt the farm was managed by the VEG Walkendorf short time before the German reunification. At that time about half the property belonged to private persons and the other half was state property (Treuhandanstalt, BVVG). The dispossession of today's municipal space was enacted by the ruling of the Federal Supreme Court in Karlsruhe on April 23rd, 1991. Simultaneously

there came up the possibility to buy agricultural land and old manor houses with their attached farm yard buildings. This way the foundation for a new beginning in Dalwitz could be laid.

In May 1992 Dr. Heinrich Count of Bassewitz and his Urugayan wife Lucy Countess of Bassewitz returned from South America to Germany to begin not only the renovation of the manor house and of the farm but also to start a new agricultural business after a 46-years "break". The idea for using the builings was found easily: Holiday apartments Dalwitz were born.

Organic Farming / Agrarian Cultural Award

Today Gut Dalwitz, a member of the production community BIOPARK, stands for organic agriculture and holidays in a pure natural surrounding. 700 h greenland, 280 h of fields and about 550 h of woodland are cultivated by Gut Dalwitz; 400 h by Gut Prepperede (neighbouring farm), so that there can be used 1.400 h of agricultural space and 500 h of woodland. This joined expanse of ground is located near the old manor house from 1855. About 1.000 head of Hereford, spotted and Pinzgauer cattle are bred on Gut Dalwitz in free-range husbandry all the year round.

20 employees jointly manage the estate with cattle breeding, vegetable and fruit growing, silviculture, a small business for landscape conservation, putting up fences and pavement, demolition work, the holiday estate complete with a riding stable and a restaurant.

- The different branches of the business are the following:
- Mother cow keeping with 370 cows for extensive ox and heifer mast on about 900 h for quality meat programs
- Mast of pigs with 1.200 places on Prebberede farm
- Organic egg production with 15.000 free-range hens
- Breeding station with South American Criollohorses
- Development of a small flock of sheep (Skudden) for meat production for high level gastronomy since 1999
- Crop cultivation on 400 h
- Potatoe cultivation on 90 h
- Silviculture on 550 h

Meat, eggs and potatoes are sold in the farm's shop and also directly to restaurants, quality budgers, the babyfood industry and supermarket chains like EDEKA Nord.

In 1999 Gut Dalwitz was awarded the prestigious Agrarian Cultural Award, in 2000 The Thünen Medal, the DLG-Award for "Holidays on a farm" and the Medal for the "Holiday Farm 2001". The tourism organisation of Mecklenburg-Vorpommern awarded Gut Dalwitz with the category of 4 ****.

Source: <http://www.gutdalwitz.de/>

3.2.3 Nehringen at the river Trebel

Nehringen is the last complete ensemble of Swedish baroque in Vorpommern with church, manor house and further estate-buildings



Source: http://www.gutshaeuser.de/gutshaeuser_n/nehringen.html (03/2006)

The **manor house** was built in the second half of the 18th century; reconstructions in 1960 and 1976 with little changes of the architectural setting

- After 1989: without any distinct use; unclear property-situation
- It is one of about 1.700 manor houses in Mecklenburg-Vorpommern (Vorpommern: around 700)
- Important part of the cultural landscape, but lack of money, of ideas & of marketing to keep them in use or even to protect these manor houses from decay.

Baroque-Church:

- 1722: Swedish Governour + Chancellor of the University of Greifswald Johann August von Meyerfeldt: Enlargement of the church; Ceiling-paintings and important church-interior → he lived not far away in a manor house in the village Deyelsdorf
- 1984: the administrative church-border decided to stop any further investions in the church; Klaus Bergemann from Nehringen started a local + international campaign to rescue the church → 1992: Re-opening of the church
- Today: concerts and rather interesting cultural life in and around the church

Brick tower from the 14th century as a fortification along the borderline between Pommern and Mecklenburg - on the opposite side of the Trebel (in Wasdow) is the same sort of tower

Accomodation:

- 1997: Little campground for water-tourists was supported by EU-funding (highly depending on public subsidies)
- Children- and family-hostel "Graureiher" :(Kinder- und Jugendstätte "Graureiher"

Bridge over the Trebel since middle-age-years, the one we can see nowadays was build 1917 in the Dutch construction-style from the aristocratic landowner (Gutsherr) Karl von Pachelbel, reconstructed 1984/86 and 1995.

3.2.4 Few Facts and Figures

	Population			Tourism (2004)			
	1990	2004	change (in %)	Guest arrivals	Guest overnight-stays	average duration (in days)	overnight-stays per inhabitants
Stralsund	73.053	58.847	-19,4	118.304	254.456	2,2	4,3
Greifswald	66.658	52.669	-21,0	76.160	173.732	2,3	3,3
Amt Recknitz-Trebeltal	12.715	10.139	-20,3	5.082	53.076	10,4	5,2
Gremersdorf-Buchholz	1.001	799	-20,2	no data			
Amt Gnoien	8.265	6.901	-16,5	3.638	11.354	3,1	1,6
Walkendorf	624	506	-18,9	no data			
Binz (Rügen)	6.842	5526	-19,2	325110	1797639	5,5	325,3



Picture 9: Dr. Graf Heinrich von Bassewitz discussing with students

3.3 Aspects of Nature-tourism in the Peene-valley

3.3.1 Introduction

The Amazon of the North – a remarkable commercial slogan quite often used in recent years when talking about the Peene valley. Although the comparison is from a geographical point of view quite superficial, we have to point out, that on a central European scale, the Peene valley is a wild, exciting and still rather ‘natural’ landscape. The Peene is the best preserved valley mire in Germany and a refuge for rare plants and animal species (Theuerkauf 2006, p. 33).



Picture 10: Aerial photograph of the Peene valley east of Gützkow

Source: Friedrich Hacker (2005)

Further, the Peene valley is from a touristical aspect still a fairly unexplored region and from a regional-economical view one of the poorest regions in Germany. During our excursion we intended to get an impression about the touristical capacities of the Peene valley (e.g. Viking graves in Menzlin), different approaches of nature-tourism (e.g. Aquila Naturreisen or the canoe-station in Anklam) and also some organisational changes in the regional marketing, which are going on at the moment, concerning the planned National Park Peene valley. Our last stop at the nature-conservation-area “Anklamer Stadtbruch” showed us the landscape-changes in this region, due to the re-wetting of the Peene valley.

3.3.2 Impressions during the excursion



Picture 11: Castle in Lüssow

The excursion started with a local view on tourism from two engaged people: Andreas Klut, the major of the 190 inhabitant municipality Lüssow and his wife Kerstin Klut as the chairlady of the association to restore the castle (*Förderverein Schloss und Gut Lüssow*)

Interesting aspects were the very honest declaration of the major, that such a small municipality is completely overcharged with a huge building as this old castle. The high importance of engaged people for a local development was a very distinctive other aspect during our discussions in Lüssow.



Picture 12: Stolpmühl, Aquila Naturreisen

Geranda Olsthoorn from Aquila Naturreisen pointed out, that “Nature” on it’s own can’t really be promoted successfully. Necessary infrastructure e.g. for environmental education is also important to develop a nature based tourism.

Later on we were guided by Geranda and Kees Vegelin to the Peene river. Kees explained from an ecological point of view the problems which occur, when we discuss about the planned National park in the Peene valley. Especially the pressure from the highly intensified agriculture right on the edge of the valley produces severe problems (fertilizer, pestizides etc.) Further activities, like hunting, fishing, boating right in the core areas of the already existing nature conservation areas have negative impacts to nature. It will be very difficult to diminish these local and traditional deeply rooted activities. Another problem is the poor hiking-track-situation in the valley. Many tracks are illegally blocked or even destroyed by local farmers and hunters.



Picture 13: Ferry across the Peene
Stolpmühl – Stolpe



Picture 14: Viking graves in Menzlin

They are supposed to be an archeological sensation and the best grave-settings along the southern Baltic Coast.

The graves in combination with the unique natural beauty have a high touristical capacity. Up to know this place is just about unknown; there is no decent tourism and marketing-infrastructure.



Picture 15: Canoe-station in Anklam

Typical enterprise-structure in a periphery region: Carsten Enke – the owner of the canoe-station – deals with nature tourism, but he also has a little wharf (traditional boat building and repairing). His wife got a “decent” job as a nurse – survival-strategies in Vorpommern (...)



Picture 16: Ruins of the Karniner Bridge

Opening of the rail-bridge at the 15th of May in 1876; destruction by the German army at the 28th of April 1945 to try to stop the Soviet Army on their further way west.

Nowadays a technical heritage; plans to rebuild it again and use it for improving the railway connection between Berlin and Usedom.



Picture 17: Flooded road in the "Anklamer Stadtbruch"



Picture 18: The former forest-house "Zartenstrom"

The Nature conservation area "Anklamer Stadtbruch" is a 2 000 ha large peatland complex at the mouth of the Peene river. "By accident it developed into the largest rewetting area in Germany. A Baltic Sea flood in the winter of 1995/96 destroyed the dikes and flooded large parts of the peatland." (Theuerkauf 2006, p. 51). Decreased maintenance of the pumping stations and dikes led to this dramatical landscape-change. A highly controversial and emotionalised discussion between representatives of local and regional authorities, nature conservationists and residents about the future of this area is going on (Schilling von, 2003). – In these days it is an enormous attractive area for water-birds, cormorants, eagles and (of course) beavers. – First residents in the surrounding villages already started with renting flats and holiday-rooms for ornithologists and tourists with interests in nature-observation.

3.3.3 References:

DUENE e.V. (2006): Wanderführer "Abenteuer Natur" im unteren Peenetal, Greifswald, 2006.

Schilling, Alexander von: Akzeptanz von Ökosystementwicklung nach natürlicher Wiedervernässung einer Moorlandschaft am Beispiel des Anklamer Stadtbruchs. MSc thesis at the University of Greifswald.

Theuerkauf, Martin (Ed.) (2006): New Nature in North-Eastern Germany. A field guide. Greifswald.

Umweltministerium Mecklenburg-Vorpommern (Hrsg.) (2003): Die Naturschutzgebiete in Mecklenburg-Vorpommern, Schwerin.

Zweckverband Peenetal-Landschaft / Stiftung Odermündung (Hrsg.) (1998): Natur- und Wanderführer Peenetal, Anklam, 1998.

Zweckverband Peenetal Landschaft (2005): Ein Nationalpark im Peenetal, Anklam.

www.aquila-naturreisen.de

www.kanustation-anklam.de

www.schlossverfuehrung.de

3.4 Island of Rügen

Table 16: An overview about the island of Rügen

Administrative structure	3 „amtsfreie“ municipalities 4 „Ämter“ 42 municipalities
Population 2005	72 000
Surface	976 square kilometres
Expansion	North - south expansion: 51.4 km West - east expansion: 42.8 km
Associated islands	Hiddensee, Ummanz, Liebitz, Heuwiese, Öhe, Liebes, Urkevitz, Beuchel, Vilm, Tollow
Rügen consists of the peninsulas	Mönchgut, Zudar, Drigge, Glewitzer Ort, Jasmund, Wittow, Bug, Pulitz
Sunshine hours	on the Isle of Rügen the sun shines approximately 1 800 – 1 870 hours a year. With this our island is one of the sunniest regions of Germany.
On the way	road: altogether 1 995 km
	cycle tracks: approximately 300 km railway: 80 km (plus 24.2 km historic railway "Rasender Roland") bus: with approximately 40 routes harbours: 25 airport: Gütin for private charters
Nature resource	National park "Jasmund" (chalk coast) Biosphere reserve south-east Rügen National park "Vorpommersche Boddenlandschaft"
forest areas:	15 407 hectars
Coast line	574 km including 63.2 km of beaches
Beach line	sandy beaches: 56 km, natural beaches: 27 km, "Bodden" beaches 2.8 km

Source: <http://www.hotel-ambiance.de/en/ferien%5Fostsee/>

3.4.1 Timetable

Time	location/route	Activity/topic
9-27	Greifswald station	Leaving Greifswald by train
9-51	Stralsund (58.800 inhabitants; 92.000 with suburbs)	Largest railway station in Vorpommern; 1863 constructed as terminus of the Prussian line to Angermünde (- Berlin), 1879 new line to Berlin via Neubrandenburg, 1883 new line to Altefähr (Bergen) 1888 new line to Rostock; station partly reconstructed as non-terminous station 1905 construction of today station building 1936 new line across the new Rügen brigde
10-04 10-08	departure Stralsund	Changing the train (Sassnitz direction) passing the shipyard Volkswerft passing the 1936 bascule bridge connecting connecting the mainland with the island. View on the new Rügen bridge: 4.100 m long; 42 m heigth of middlepart. Pylon: 128 m high; under construction 2004 – 2008.
10-40 10-42 10-47	arrival Lietzow departure	View on Lietzow with Lietzow castle, constructed 1868 by the engineer who built the railway Changing the train to Binz, leaving the “King’s line”.
11-14	arrival Binz	Binz: 5526 inhabitants (2005), 25.22 sq km, highest point: 106 m (Tempelberg) 3.2 km beachfront promenade, 370 m pier, 12 000 guest beds, 25 hotels, 14 pensions, 113 apartment houses, 1.9 million overneight stays 2005 1846 Granitz castle, constructed for the Earl of Putbus 1880 1st hotel, buildings of seaside resort architecture 1884 officially announced as spa, 1895 narrow gauge railway to Putbus, 1899 to Altefähr/Stralsund 1902 first pier, 1908 construction of the “Kurhaus” by the jewish Klein family, who lost the house under Nazi rule 1938 and 1953 again under DDR-rule. 1939 normal railway to Lietzow, Stralsund, Berlin 1943 pier destroyed by ice 1994 construction of new pier. 2005-2007 reconstruction of pedestrian zone in town centre
16-00	arrival Binz-Prora	Longest building of Europe (4.5 km). Planned by Clemens Klotz (1886 – 1969) as KdF-spa for 20 000 tourists. 1936 – 1943 under construction. 1942 – 1945 Used to house refugees. 1945 – 1951 under Soviet rule, 1951 – 1989 under DDR rule used as barracks & recreation centre 1990 used by Bundeswehr. End of military use. since 1991 partly used as youth hostel, theatre, museum, and discotheque. other parts: destroyed, falling to ruins. Today 5 of 8 blocks are still seen as buildings

3.4.2 Seaside Resort Architecture (“Bäderarchitektur”)

The buildings erected in the seaside resorts of Sassnitz, Sellin and Binz during the period from the second half of the 19th century until 1914 (beginning of World War I) clearly reflect the demands of tourists of that era. The big cities of Berlin and Hamburg were narrow and densely populated. The hygienic conditions were terrible. Lots of people were suffering from tuberculosis. There was no medicine against this illness. The sick could get some better feeling from fresh air and the salt of the seaside resorts. That is the reason why the tourist houses of that time are equipped with so many balconies. So it was possible for people who were too weak to leave the house to get some help by fresh air on the balcony.

This kind of houses was exclusively built as summer residences. Depending on their financial means, the owners gave free rein to their architectural wishes and dreams. Whether imitating French renaissance palaces, british colonial style, classicism, jewish orientalism or based on Italian style, the design and splendour of the buildings competed with each other, reflecting the owner’s social status and his political opinion. There are only very few buildings constructed in the typical Prussian brick architecture. Brick architecture meant Prussian dictatorship, censorship, army and war. The guests of the seaside resorts did not like this form of lifestyle.

Thus seaside resort architecture:

- is an international phenomenon coming up from Southern France and South England to Belgium, the Netherlands, the Frisian islands, to the Baltic up to St. Petersburg resorts and South Finland;
- Is the first style in construction only dedicated to and specialised for tourism and leisure purpose;
- can be characterised by escapism from Prussian urban structures, from the concrete of industrialisation to longing for real life on the countryside, and to an impact of health, culture, and leisure;
- the dominating colour is a mediterranean white, not Prussian brick red;
- is a collective name for a mix of fantasy building styles, to a certain extent dominated by Art Nouveau;
- is rather a sum of architectural and stylistic features derived from different epochs;
- Fronts often structured with balconies protruding horizontal and with vertical projections or turrets;
- Wooden loggias with filigree woodwork;
- Reliefs;
- Triangular gables;
- Distinctive oriels;
- High columns creating an mediterranean antique impression;
- Large Art Nouveau windows and sculptures;
- Wide outside staircases;
- Tendrils and other stone decorations on the doors, around windows and house gables;
- Park-like surroundings.

After World War II tuberculosis was defeated by antibiotica. In most of the Western countries the wooden constructions of Seaside resort architecture did not fit to the new demands of people. Most of them were reconstructed in other forms or pulled down for

new buildings. In some East European countries the seaside resort architecture was conserved. Nobody had money enough to pull the old buildings down and to construct modern ones. After reunification Western Germans were astonished how many buildings of this type could be found in Eastern Germany. Soon “Bäderarchitektur” became a **special brand of the East German coast**.

3.4.3 Population development

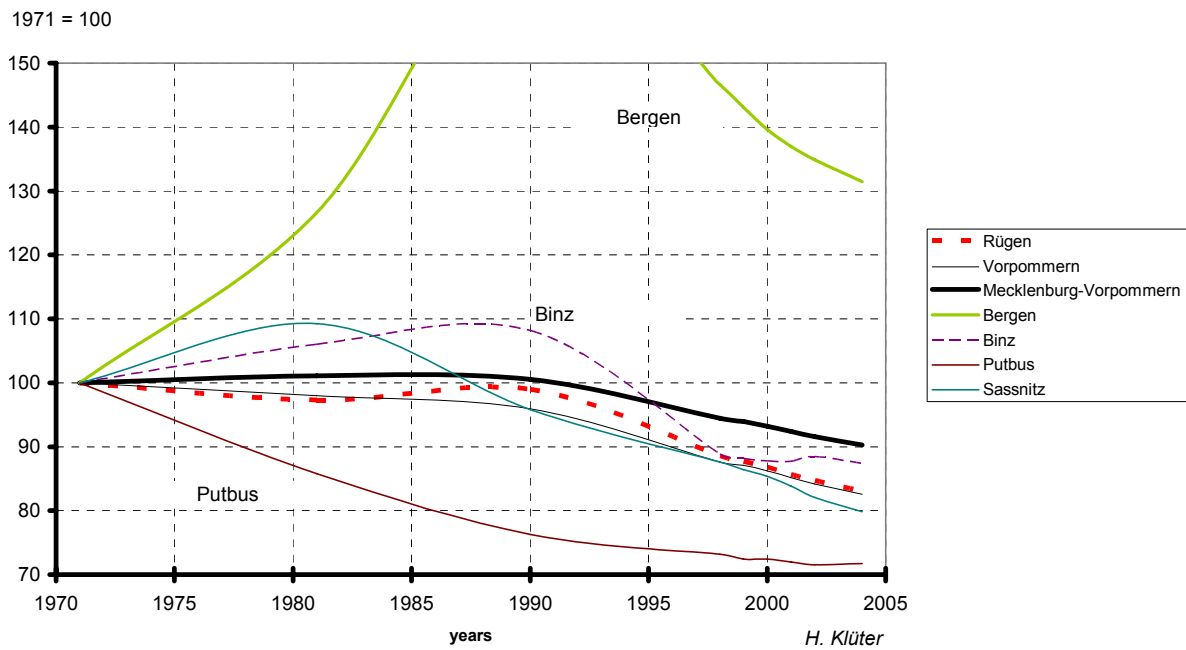
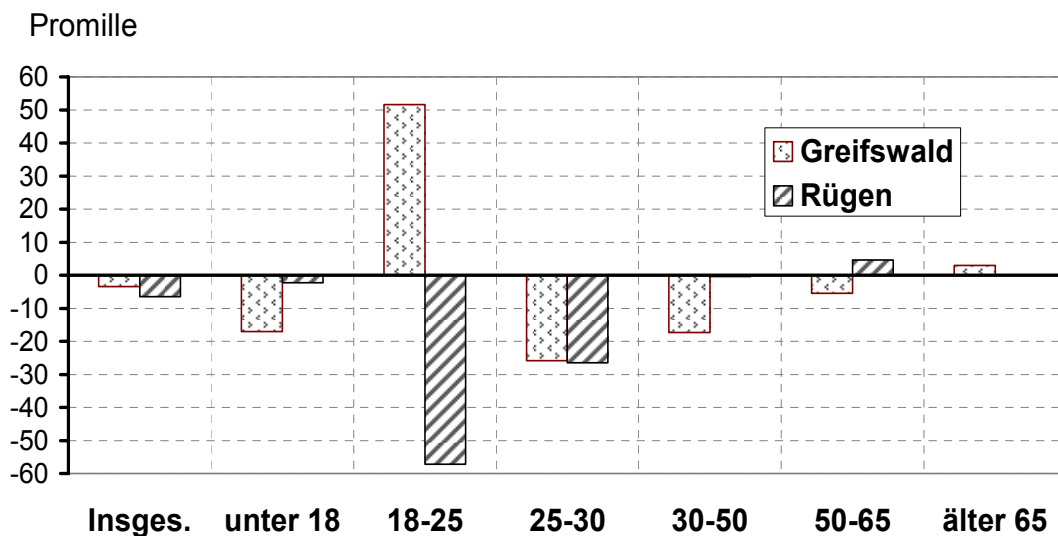


Figure 31: Population development of towns on the island of Rügen (Index: 1971=100, 1971-2004)



Berechnet nach: StatA MV, Stat. Bericht A323 2004 00 Wanderungen. Schwerin 2005. S. 4-5; A133 K 2004. Schwerin 2005. S. 10, 26

Figure 32: Saldo of migration: comparison of Rügen and Greifswald by cohorts of age (2004)

3.4.4 Touristical consequences of the bird flu

- 25% less bookings.
- 50% less tourism activities expected during Easter holidays.
- About 70% less rented apartments during spring time.
- The regional bank (Sparkasse Ruegen) has risen the amount of risk reserves by 8 % (2.7 million €). The bankers expect, that several hotel owners will not be able to pay credit back in time. 34% of gross credit had been given to tourism enterprise by the Sparkasse.
- The beautiful weather conditions during July and September 2006 helped to compensate the crisis for tourism sector.

Source: *Ostsee-Zeitung* (24/03/2006)

3.4.5 Some Websites

<i>Website</i>	<i>language</i>	<i>topic</i>	<i>contents</i>	<i>comments</i>
http://www.strelasundquerung.de/strelasundquerung/	germ.	construction of new bridge across Strelasund in Stralsund 2004-2008	technical data, diary of construction, webcams, visualisation and models	gives an impression on the highly bureaucratized planning and construction process (since 1994)
http://www.deutscheostseekueste.de/	germ. engl.	German Baltic sea coast	Some information for tourists. Specific German understanding of "co-operation"	lots of empty pages in the English version
http://www.all-in-all.com	engl., germ.	Mecklenburg-Vorpommern	facts and figures, geography, history, places, towns and regions of MV, including Ruegen	good introduction
http://www.ruegen-web.de/	germ.	Island Ruegen	Maps, history, geography, encyclopaedia of Ruegen	much information, but only in German
http://ruegen.de/	germ.	touristical marketing instrument for Ruegen	Ruegen for special target groups, journal, newsletter	nothing in English
http://www.travelcharme.sitegeist.de	germ.	Travel Charme	Hotels of Travel Charme	

<i>Website</i>	<i>language</i>	<i>topic</i>	<i>contents</i>	<i>comments</i>
http://www.travelcharme.sitegeist.de/fileadmin/user_upload/hotels_resorts/hotelprospekte/khb_e_prospekt.pdf	engl.	Kurhaus Binz	Structure, fotos, history, rooms, culinaria in Kurhaus Binz, and about the region	13 pages of information in good English!
http://www.mv-schloesser.de/	germ.	state owned castles in Mecklenburg-Vorpommern	Description of 9 castles, among them: Chateau (Jagdschloss) Granitz	only in German
http://www.rasender-roland.de/indexe.php?siteid=7	engl., germ.	Narrow gauge railway "Racing Roland". Steam engine traffic.	information, fares, timetable, vehicles, history, courses, charter, tourism, souvenirs, photo gallery, newsletter, links	lot of information about the 750 mm narrow gauge railway.
http://www.ostseebad-binz.de/index-en.shtml	engl. germ.	Binz seaside resort	administration, tourism, events	
www.binz-therme.de	germ. engl.	presentation of the hotel	information, Ruegen Therme	

4 Lectures

4.1 Current Socio-economic Development of Less-favoured Regions in Finland

Markku Tykkyläinen

4.1.1 Formation of the socio-economic landscapes of less-favoured regions

The less-favoured region, known also as Objective 1 areas in 2000-06, constitutes the vast northern and eastern parts of Finland. The formation of the socio-economic characteristics of these regions are very the outcome of various policy measures during the many decades. These peripheral regional economies have been and are still affected by various regulative practices and development policies, e.g. land use planning, conservation, colonisation (such as the resettlement of refugees after WWII), rural industrialisation and the provision of public services. Both agricultural and rural policy is deeply rooted in the history of Finland, originating from fundamental political processes such as colonisation over the centuries, land reforms starting in the beginning of the 20th century and protective measures enacted in response to a scarcity of food products after WWII.

Jones (1997) introduced the notion of spatial selectivity to interpret the dynamics of local change. When development in particular areas is supported by geographically varying policy measures, this concept of spatial selectivity could be useful when attempting to explain differences in development paths and societal structures between these areas. Spatial selectivity implies that the state has a tendency to confer privileges on certain areas through various development policy instruments, as has actually been the case in Finland. In this Finnish regulative environment, the modes of production in the various branches of the primary sector are far from being market-based. In a parallel manner, rural industrialisation in remote areas is regulated by various policy measures, such as regional and structural policies. Since the late-1980s the industrial and regional development has been promoted in conjunction with universities and R&D inputs, with the aim of helping Finland to become a highly developed Information Society.

This presentation depicts and theorizes upon the transformation of the Finnish less-favoured regions (e.g. peripheries consisting of rural areas and some resource communities) from nationally and spatially selectively controlled agrarian entities, as constructed before and after WWII, into a part of the contemporary European rural space. Finnish regional and industrial regulative practices are discussed in the context of geographical industrial changes in order to find the factors which impact on the transformation of peripheral areas in Finland. Moreover, I scrutinises the impacts of the

boom of the information and communication technology sector on rural industrialisation at the turn of the millennium, and analyse the role of the service provision in geographical restructuring and demographic changes.

4.1.2 Peripheral transformation and integration

Livelihoods in the less-favoured regions of Finland have been very much regulated by the national policy instruments maintained over agriculture, forestry and manufacturing during the 20th century (Granberg 1989; Palomäki 1980). Because of Finland's geographical position, national self-sufficiency in food products and a dispersed settlement structure have been favoured in social policy since the independence in 1917. A scattered settlement pattern has been maintained by private forestry (and agriculture) and the regional structures have largely been determined by the logistics of the resource-based sector until the recent times.

Diversification of the economy has been taking place gradually. Because of its specialisation and export-orientation, the economy was in urgent need of reliable trading partners, and it was for this reason, and in order to establish economic stability, that Finland opted for gradual integration into the European market. The country became an associated member of the European Free Trade Association in 1961, then a full member in 1986 and, finally, a member of the European Union in 1995. More recently, it has joined the Euro and Schengen areas.

Finland is the European Union's most sparsely-populated country. EU membership entailed the introduction of the Common Agricultural Policy (CAP) financial support from the EU's Structural Funds and the various local initiative programmes. These new tools are now been used in conjunction with national regional policy measures. The new policy became effective at the beginning of 1995, just when Finland was commencing to recover from the economic recession of the early 1990s.

4.1.3 Geography of peripheral settlements

The post-WWII settlement policy, which boosted rural growth long, came to an end in the mid-1960s leading to a new manufacturing-oriented growth policy. During the late 1960s and early 1970s the Finnish economy grew rapidly and migration accelerated from the rural and peripheral regions to the urban and urban-rural fringe areas. The increasing number of people was employed by manufacturing and the service sector. The expansion of the welfare state in particular provided jobs in the towns, and also in the centres of over 400 municipalities. The municipalities adjacent to the larger cities were the most rapidly growing rural areas in Finland up to the 1990s. This pattern

changed along with the growth of the “new” economy in the 1990s. The economic growth in the 1990s directed the largest migration surpluses towards the major cities instead of urban-rural fringe areas, and migration from peripheral areas accelerated further (Statistical Yearbook of Finland 2004, 150).

The less-favoured region consists of the vast "deep rural" eastern and northern areas and known also as the Objective 1 area of Finland. These regions have traditionally posed problems for development (Yli-Jokipii & Koski 1995). The northern part of Finland (Lapland and north-eastern parts of North Ostrobothnia), eastern parts of Central Ostrobothnia, northern parts of Central Finland and the majority of the east-central parts of the country (Etelä-Savo, Pohjois-Savo and North Karelia and Kainuu) constitute an Objective 1 area (see Map 25).



Map 25: NUTS 3 regions, rural core and remote core areas, and the less-favoured region (Objective 1) region.

The Objective 1 area is less industrialized than the southern Finland as well as farms are smaller. Forestry is still an important source of income in rural areas in Pohjois-Savo, Etelä-Savo and North Karelia, and tourism in Lapland. The Objective 1 area constitutes the most peripheral part of the country and is the main target area for EU funding in Finland in 2000-06. It belongs to the same category of less-developed areas as the Objective 1 areas in northern Sweden, the most remote parts of Ireland, large parts of Portugal and Spain, Southern Italy, the eastern part of Germany, and Burgenland in Austria.

The geographical macro-regions of rural society in Finland consists of the relatively wealthy and intensively cultivated southern parts of the country, the west-coast Ostrobothnian provinces characterized by farming and small- and medium-sized industries, Lakeland Finland and its national rural landscapes characterised by forest and scattered farms, and finally the north and north-eastern border areas, characterised by sparse rural settlements and forests. In the eastern and northern parts of the country unemployment has been high and out-migration has continued for decades. As a consequence, these areas have been the focus of regional and rural development policy, even though production and population are concentrated in the southern regions.

4.1.4 Socio-economics by the geographical classifications of municipalities

In the late 1990s, when the Finnish regional planning system renewed, a new urban-rural classification was introduced on the basis of travel-to-work areas and the socio-economic characteristics of municipalities. The traditional administrative divisions and the hierarchical classification of central places of different orders were set aside. In 1995, the official administrative division of municipalities into cities and rural districts was abolished, and thereby the concept of a rural community has become entirely a contractual matter; a municipality could declare itself either urban or rural. In 2001 there were 448 municipalities in the country, of which 338 considered themselves rural. According to this classification, about 36 percent of the total population lived in rural areas. Whatever the classification is, the proportion of the rural population is still high in Finland compared with other high-income countries.

A more specific classification of settlement structure gives more detailed results. According to Statistics Finland, 62.1 percent of the population lived in urban municipalities in 2003, with 16.9 percent in semi-urban and 20.3 percent in rural municipalities. The definition of rural used here is rather complex (Statistical Yearbook of Finland 2004, 77): municipalities are classified as rural if less than 60 percent of their inhabitants live in urban settlements *and* if the population of the largest urban settlement is below 15,000. However, the definition includes areas where from 60 to less than 90 percent of the population live in urban settlements, under the condition that the largest

urban settlement has fewer than 4 000 inhabitants. According to this classification, the rural population declined from 27.0 to 24.3 per cent between 1990 and 1995 and to 21.5 percent (1 114 587 people) by 2000 (ibid. 77). Parallel with economic recovery in the 1990s, migration accelerated and, in contrast to the 1980s, the larger cities absorbed a considerable proportion of the migrants (ibid. 150), although some went to suburban municipalities adjacent to cities. On a regional scale, out-migration hit the Objective 1 area hard, and it was the most outlying districts, such as Kainuu, that were most affected.

Table 17: Socio-economic indicators for rural Finland.

Indicator	Rural core	% of Fin-land	Remote rural	% of Fin-land	Finland, total
Number of municipalities	181	40.0	129	28.5	452
Population, 1999	891 240	17.2	544 471	10.5	5 170 900
Land area (sq. km), 1999	72 179	23.7	180 417	59.2	304 530
Number of jobs, 1998	306 879	14.4	171 486	8.1	2 125 535
Employed persons, 1998	342 151	16.1	184 376	8.7	2 125 535
Taxed incomes (mill. EUR), 1998	10 258	14.7	5 887	8.4	69 710
Active farms, 1998	45 916	52.1	20 402	23.2	88 069
Manufacturing (CDE) personnel, 1998	71 248	16.0	26 789	6.0	444 467
Avg. population per municipality	4 924		4 221		11 440
Population density, inh./sq. km	12.3		3.0		17.0
Inhabitants/jobs	2.9		3.2		2.4
Employed persons/jobs	1.11		1.08		1.00
Taxed income/inhabitants	11 600		10 812		13 481
Inhabitants/active farms	19		27		59
Land area (hectares)/active farms	157		884		347

Source: Compiled from Keränen et al. 2000, and Statistics Finland 2005.

According to yet another classification (Keränen et al. 2000), the municipalities of Finland can be grouped as urban (58), urban fringe (84), rural core (181) and remote rural (129). The remote rural municipalities are mainly located in the Objective 1 area, while the rural core consists of the municipalities south of Oulu in the western parts of Finland (Ostrobothnian regions). Thus, this classification basically divides rural Finland into two entities: the western and south-western *rural core* and the traditional forestry-based *remote rural* areas of the central, eastern and northern parts of the country. This classification was slightly revised in 2001, but the original version is still valid for depicting the rural core and remote rural areas in Finland (Elinvoimainen maaseutu 2004, 27-29). The classification into rural core and remote rural is used by the Statistics in Finland in the areal classification for rural indicators.

The indicators reveal the socio-spatial characteristics related to the remoteness and structures of rural areas in Finland (see Table 17). The size of the inactive population is greater than the national average and incomes are below the national average. The ratio of employed persons to the number of jobs indicates that at least one-tenth of those who

were employed had to commute to urban areas (see Table 17). Increasingly, remote rural municipalities have problems in providing services because of the costs related to low population densities.

Concerning the composition of production, geographical differences between the rural core and remote rural areas are considerable in all economic sectors. Most of the active farms are located in the rural core areas, and farms in south and west-central Finland are bigger and more productive than those in the peripheries. The average field area per farm in 2003, for instance, was about 40 hectares in the southern and south-western NUTS 3 regions (Uusimaa, Itä-Uusimaa, and Varsinais-Suomi) but only 21 hectares in Lapland and Etelä-Savo in 2003 (Statistical Yearbook of Finland 2004, 158). The sizes of forest areas show precisely the opposite of this spatial pattern, being more than 100 hectares per farm in Lapland and over 80 hectares in Kainuu in contrast to 25 hectares in Varsinais-Suomi (Seutukunta- ja maakuntakatsaus 1999, 49). Farms in the rural core and the urban-fringe municipalities – most of which are located in Varsinais-Suomi, Uusimaa, Satakunta, Ostrobothnia and South Ostrobothnia – concentrate on food production, whereas those in the remote rural areas still combine agriculture and forestry. Forestry is important especially in the eastern part of the country and the most remote areas. In the north, the role of the public sector is especially important, so that in Kainuu and Lapland, for instance, the proportion of the public sector accounted for one-quarter of the value of GDP in the late 1990s as compared with only 15 per cent in the south (ibid. 75).

4.1.5 From farming colonisation to industrial activities

Socio-economic restructuring in Finland has been affected by the farming colonisation after both World Wars. At the beginning of the 20th century the country's economy was greatly dependent on the primary production. Agriculture and forestry provided work for 70 percent of the active population up to 1920, and this proportion declined to below 50 percent during World War II (Niinisalo 1974, 218). Due to colonisation the number of farms reached its maximum, of almost 300,000 holdings of arable land ≥ 2 hectares as late as in the mid-1960s (Granberg 1969, 199). At the same time the post-war settlement policy came to an end. The decline in employment in primary production gained momentum in the 1970s, however when it decreased averaging by 5.2 percent annually. The decline continued during the 1980s and 1990s (see Table 18).

Table 18: Persons employed in agriculture and forestry, from 1990 to 2003.

	Agriculture and forestry: self-employed and employed persons (1000 persons)	Agriculture and forestry: employees as % of persons employed in the sector	Agriculture and forestry as % of the total in the economy	All industries (1000 persons)	Number of active farms
1990	207	24	8.4	2 467	129 114
1991	198	26	8.5	2 340	126 084
1992	187	25	8.6	2 174	121 349
1993	173	25	8.5	2 041	116 281
1994	178	24	8.7	2 054	114 510
1995	170	26	8.1	2 099	99 964
1996	159	25	7.5	2 127	94 114
1997	153	24	7.1	2 169	90 203
1998	144	27	6.5	2 222	88 070
1999	144	28	6.3	2 296	...
2000	142	28	6.1	2 335	79 783
2001	135	28	5.7	2 367	77 320
2002	127	28	5.4	2 372	75 474
2003	120	28	5.1	2 365	73 714

Source: Statistical Yearbook of Finland 1992, 370 and 1996, 334; Yearbook of Farms Statistics 2001, 55; Statistical Yearbook of Finland 2000, 348; Labour Force Statistics 2001, 24; Statistical Yearbook of Finland 2004, 158 and 381.

Note: Employees in 1990-1993 according to the Standard Industrial Classification 1988 (SF), other labour data according to the Standard Industrial Classification 1995 (SF).

This post-1965 restructuring of agriculture has been a result of more efficient production on farms on the one hand, and of the fact that thousands of small farmers were forced to cease production on the other. While the overall number of farms has declined due to rationalisation pressure (and will continue to do so), the number of larger farms has increased. The number of farms with of over 50 hectares field area, for example, was 2,953 in 1980, and rose to 4,811 in 1990, 10,897 in 2000 and 12,293 in 2003 (Statistics Finland 2001; Yearbook of Farms Statistics 2001, 55; Statistical Yearbook of Finland 2004, 158).

In spite of the decline in labour, agricultural production has remained high and self-sufficiency has been maintained in many products (Statistical Yearbook of Finland 2004, 166). On the whole, Finland still gives priority to national production, implying that the principles of the country's agricultural policy have not changed fundamentally with EU membership, since the increased efficiency at the farm level had already been set as a major political target already in the mid-1960s, when the colonisation phase had finally come to an end. This policy has continued into the new millennium.

4.1.6 Industrialisation of peripheral areas

4.1.6.1 Growth patterns

The number of people working in the manufacturing sector in rural areas has increased by one-third during the last three decades (see Table 19). Thus some of the jobs lost in the primary sector have - at least numerically - been compensated for by industrialisation.

Table 19: *Employment in the manufacturing sector.*

Personnel in the manufacturing sector (wage earners, salaried persons and owners)						
	Rural municipalities		Urban municipalities		All municipalities	
Year	Persons	%	Persons	%	Persons	%
1970	82,711	17.0	405,092	83.0	487,803	100.0
1980	121,018	21.4	443,309	78.6	564,327	100.0
1990	105,110	22.9	354,351	77.1	459,461	100.0
1995	98,966	24.0	313,413	76.0	412,379	100.0
1998	111,360	26.1	315,051	73.9	426,411	100.0
Change		Δ in %		Δ in %		Δ in %
1970-1980	38,307	46.3	38,217	9.4	76,524	15.7
1980-1990	-15,908	-13.1	-88,958	-20.1	-	-18.6
					104,866	
1990-1995	-6,144	-5.8	-40,938	-11.6	-47,082	-10.2
1995-1998	12,394	12.5	1,638	0.5	14,032	3.4
1970-1998	28,649	34.6	-90,041	-22.2	-61,392	-12.6

Source: Industrial Statistics and Altika.

Note: The figures include on all municipalities having at least three manufacturing establishments. Data for 1970-1990 include establishments with at least 5 employees, and those for 1995-1998 all establishments. The classification of the municipalities as urban or rural is based on the situation in 1998. The new way of classification system is explained in the text (Statistical Yearbook of Finland 2004, 73).

The geographical pattern of the industrialisation of peripheral areas in the late 1960s and the 1970s operated partly according to the well-known production cycle model. The theory states that an advanced industry originates in the core, and as a product becomes mass-produced its later-stage production takes place in the periphery (Norton & Rees 1979). Empirical data on industrialisation in Finland demonstrate that new industries started mainly in peripheral areas while the shift of existing activities from the south played a minor role (Jatila 2001). So the main mechanism of industrialisation was based on the development of *new* (but often mature-stage) light industry instead of relocation. This growth was supported by regional policy. In spite of a rapid percentage increase, this boom in the manufacturing sector could not prevent the considerable out-migration of population from rural areas.

Employment in manufacturing declined in almost all localities in the 1980s, although output grew. Rural areas also suffered from deindustrialisation and more than one-tenth of the manufacturing jobs were lost. The decade ended in an economic boom, soon to be followed by a deep economic crisis in the early 1990s which was concomitant with that experienced in East Central Europe, leading to a decline in both manufacturing production (by 10 percent) and employment (by 20 percent).

Table 20: Number of jobs in the manufacturing sector

Year	Number of jobs in the manufacturing sector							
	Rural municipalities		Semi-urban municipalities		Urban municipalities		All municipalities	
	Jobs	%	Jobs	%	Jobs	%	Jobs	%
1998	60 310	14.1	76 290	17.9	289 823	68.0	426 423	100.0
2002	61 597	14.5	74 411	17.6	287 733	67.9	423 741	100.0
Change		Δ in %		Δ in %		Δ in %		Δ in %
1998-2002	1 287	2.5	-1 879	-2.5	-2 090	-0.7	-2 682	-0.6

Source: StatFin.

Note: The new definition of rural municipalities is explained in the text. In semi-urban municipalities between 60 and <90 per cent of the population lives in urban settlements and the population of the largest urban settlement is at least 4,000 inhabitants but less than 15,000. In urban municipalities at least 90 per cent of the population lives in urban settlements or the population of the largest settlement is at least 15,000 inhabitants (Statistical Yearbook of Finland 2004, 79).

Table 21: Personnel in the manufacturing sector

Year	Personnel in the manufacturing (CDE) sector (wage earners, salaried persons and owners)					
	Rural core Persons	% of Finland	Remote rural Persons	% of Finland	Finland, total Persons	% of Finland
1995	63 765	15.3	24 831	5.9	417 597	100
2000	72 744	16.0	27 961	6.2	454 005	100
2003	70 764	16.2	26 465	6.1	435 043	100
Change		Δ in %		Δ in %		Δ in %
1995-2000	8 979	14.1	3 130	12.6	36 408	8.7
2000-2003	-1 980	-2.7	-1 496	-5.4	-18 962	-4.2
1995-2003	6 999	11.0	1 634	6.6	17 446	4.2

Source: Statistics Finland 2005

The industrial decline was especially severe in the sectors producing traditional consumer goods, such as shoes, clothes and ceramic wares. The spatial outcome of the crisis of the early 1990s was a decline in employment in most localities. From 1992 onwards, the output in manufacturing gradually recovered, and this recovery predominantly originated in the high-tech sectors, while the losers were the traditional

labour-intensive sectors, many of which had exported goods to the CMEA countries during the 1970s and 1980s. A considerable part of this light industry was located in old industrial towns and rural peripheries.

The growth of Finnish industry continued towards the end of the 1990s, i.e. the number of manufacturing jobs increased, as also did the output. Finland returned to the growth rates of the 1960s and early 1970s, when the first wave of rural industrialisation had taken place. Thus, Finland reindustrialised. The leading growth sectors were now electronics and related industries. The electronics sector (SIC 32: Communication equipment and apparatus) alone grew by an amazing 371 percent from 1995 to 2000 (StatFin).

The scope of the most successful growth industries was narrow, however, the information and communication technology (ICT) cluster being composed of the Nokia Company and enterprises supplying semi-finished products, complementary production and investment goods and services (Leinbach & Brunn 2002, 494-5; Ali-Yrkkö 2001). The success of Nokia boosted related industries such as components and contract manufacturers, the manufacturers of mobile phone covers, the producers of circuit boards and the suppliers of production automation and telecom services.

The geographical distribution of the leading ICT firms and their R&D in the late 1990s was highly clustered in cities such as Oulu, Espoo and Salo, i.e. outside the less-favoured region. Such a pattern prevails often in the developing industrial sector where industries in their growth or innovative stages remain in close proximity to the sources of skilled labour and specialised inputs as indicated by the American study of Barkley (1988) indicates. A Finnish manifestation of this process was that components were manufactured all over the Finland, partly boosted by the "centres of excellence" where universities and polytechnics were partakers in addition to businesses (Husso & Raento 2002; Castells & Himanen 2001). The networking of the ICT industry can be interpreted as being based on competitive advantage, which is dependent on each product and production process, corporate purchasing policies and the type of final market; all factors that are unique, so that specific location patterns are produced (cf. Glasmeier 1988). As a result, this system of producers and localities constitutes a spatially-optimised network of industrial actors (Bathelt et al. 2003). The spatial configuration of the ICT cluster can also be explained also in part in another way: usually only a rather limited number of companies expand greatly, which results in an uneven spatial pattern. Both distributional explanations have the same impact: the trickling-down effects are spatially limited and network-like, and thus the direct spin-offs of the ICT cluster are spatially selective.

Nevertheless, manufacturing employment grew in many rural municipalities in the late 1990s and during the first two years of 2000s (see Table 21). Part of the growth was indirectly linked to the growth of electronics industry or being induced (i.e. generated by

growing domestic consumption). Factories belonging to the ICT cluster were established in competitive localities over the country. Many rural industrial activities did not consist of white-collar jobs (such as headquarter and R&D activities) as much as those in the urban-oriented ICT firms did, but the contribution of rural industries to employment was clearly a positive one during the ICT boom. This latest industrialisation reveals how many peripheral regions can still possess potentials for industrialisation. Both rural core and remote rural areas succeeded to increase the number of manufacturing jobs more than the rest of Finland during the boom years (see Table 21). This geographically-wide growth has been possible by providing the conditions of growth such higher and vocational education and training all over the country.

4.1.6.2 North-south and east-west divides in the growth of manufacturing

Industrialization has prevailed in most Finnish localities during the last three decades, and employment in manufacturing in the surroundings of cities has grown particularly rapidly. But how did the growth manifest itself in the north-south and east-west dimensions all over the country? What geographical macro-structures can be found?

Trend surface analysis, which can be used to reveal spatial macro-structures in employment changes shows that the growth decade of the 1970s favoured peripheral locations (Tykkyläinen 2002). Growth in the manufacturing sector diffused to the peripheries, as happened in many other advanced countries at that time (e.g. Haynes & Machunda 1987). This analysis the more northerly a place was located the higher was the increase in the number of jobs in the 1970s. Similarly, the more easterly the location was, the higher was the growth in employment in the manufacturing sector. The inclination of the surface is steeper toward the east than towards the north, which indicates that an easterly location was even more beneficial than a northerly one.

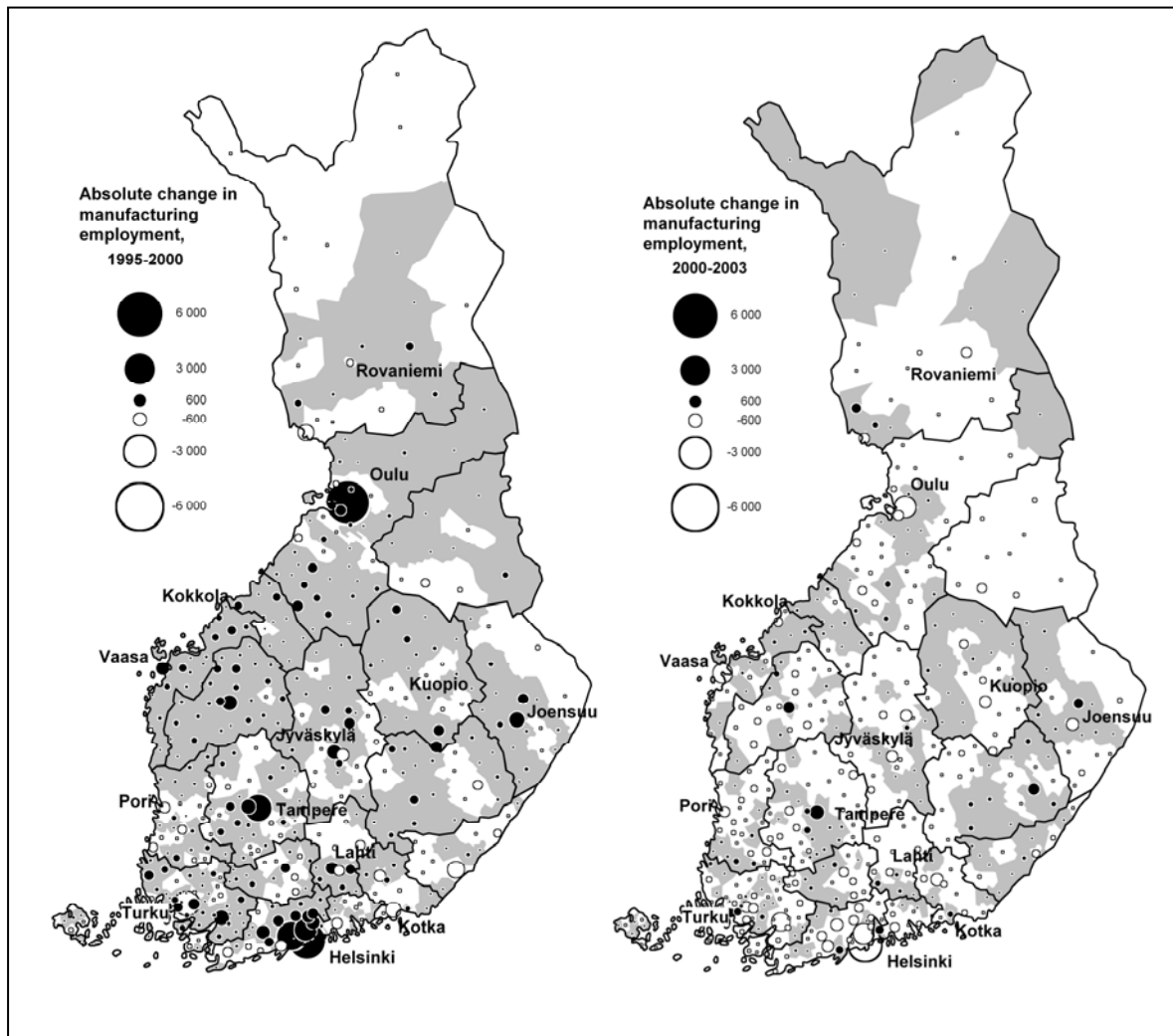
The deindustrialisation of the 1980s and early 1990s resulted in considerable job losses in the industrial heartland of Finland, i.e. in the cities of the south, and the industrialized areas in the eastern parts of the country declined as well. In the later stage of the period (during the depression of the early 1990s), the eastern parts of the country suffered more in relative terms, indicating that the western parts were more flexible in adapting to new conditions. The Information Society producing mobile technologies originated in the west and south.

In the 1990s the spin-offs from the rise of the new economy gradually spread to the rural areas. Manufacturing expanded particularly in Ostrobothnia (on the west coast), South Ostrobothnia and North Ostrobothnia. In addition to some flourishing cities, rural areas on the whole benefited from the boom in the Finnish economy and experienced a virtual re-industrialisation. Between 1995 and 1998, the net increase in industrial jobs in rural

areas was 12 400, or 88 percent of the national total (see Table 22). The growth in employment in manufacturing in many western localities (e.g. Ostrobothnia) indicates that the industrially diversified economic areas in the west with many small and medium-sized companies have been responsive to these induced growth impacts.

From 1994 to 2000 the Finnish economy grew strongly and this growth led to the continuous employment growth in manufacturing up to 2001. The NUTS3-level figures for 1995-2002 indicate that the most intense growth took place in Central Ostrobothnia, South Ostrobothnia and North Ostrobothnia (over 20 percent; StatFin) (see Map 26) and increases of over 10 percent in North Karelia (19 %) and Ostrobothnia (16 %) and Pirkanmaa (12 %), while the greatest decrease in jobs was in Kainuu, 10 percent. Other negative areas were South Karelia (-3 %), Satakunta (-2 %) and Kymenlaakso (-1%). Lapland showed also below-average growth (2 %).

Contrary to the development of the 1970s and 1980s, the late 1990s' revival of employment in manufacturing took place in many major urban areas, such as Oulu, Helsinki, Tampere, Jyväskylä and Joensuu (see Map 26). Much of this growth can be explained by the growth of the ICT boom which started, unlike the growth in the 1970s, from the hi-tech sector developing mainly in dense R&D environments. The growth in manufacturing employment peaked in 2000, but the number of jobs continued to grow in some rural remote areas. The geographical pattern of growth became rather sporadic in the Objective 1 area after the boom (see Map 26).



Map 26: Growth and decline of employment in manufacturing during the economic boom of the late 1990s and the saturation of the boom from 2000 to 2003.

Note: Municipalities where employment in manufacturing grew are marked by grey shading.

In rural areas the geographical pattern of the latest growth resembled in its later stage that of the 1970s, as the growth diffused all over the country. In relative terms, the growth of manufacturing jobs has not been as strong in the northern and eastern part of the country as it was in the 1970s. Nevertheless, most non-metropolitan localities succeeded to increase jobs in manufacturing.

From 2000 to 2003 the employment in manufacturing grew in central parts of the country, in Etelä-Savo, Central Ostrobothnia and Pirkanmaa (StatFin). Manufacturing employment grew also in some remote municipalities in Eastern Finland in the declining phase of the growth cycle. This geographical development reveals a spatial diffusion pattern of manufacturing employment in a late stage of economic cycle, namely the spin-offs effects of growth extending to the peripheries. At the latest phase after 2003, many assembly-line investments abroad shows that companies are eager to look for low-cost

environments globally rather than increasing production in the domestic low-cost environments.

The growth period in rural manufacturing employment reveals that the rural environment consisted of competitive places for industrial location at the turn of the millennium. The comparison of the growth processes in different times and spaces reveals how the different driving forces bring about new economic landscapes (cf. Essletzbichler 2004). In Finland the diffusion of the latest growth was in comparison with the boom of the 1970s. There are, however, signs of slower growth performance in the most remote areas, such as in the remote rural areas (see Table 21) and in northern Finland (Lapland) and the eastern border zone (Kainuu and partly in North Karelia) (see Map 26). It is obvious, that the latest country-wide growth has been impacted by the growth derived from geographically scattered pattern of ICT industry expansion, namely firm entry and expansion in the centres, such as Oulu, Salo Tampere, Jyväskylä, etc. This multi-nodal geographical growth has been considered to be beneficial to ICT companies due to lower costs in regional centres compared to the Greater Helsinki area. Because the main growth sector (ICT) is underrepresented in rural areas (Elinvoimainen maaseutu 2004, 136), rural industrialisation was largely the result of indirect and induced diffusion effects.

4.1.7 Public sector employment

The shift from a welfare state to the market-led provision of services has affected remote communities in the European north (Persson 1998). In the past, public services (education, health care, social welfare, etc) were provided in all regions of Finland on an equal basis. This deliberate maintenance of services in less-favoured regions was based on a system of subsidies and reimbursements, but it generated jobs and to a certain degree counterbalanced locational disadvantages. Actually, many social reforms from the late 1960s onwards were first implemented in remote areas such as Lapland, Kainuu and North Karelia and gave a certain development boost to these regions.

The economic crisis of the early 1990s led to budget cuts and rationalisation in the public sector. At the same time, the entire paradigm of the welfare state was re-evaluated, leading to an emphasis on efficiency and the market-led provision of services. The rationalisation of public services has had severe impacts on remote areas. The northernmost regions were in the most vulnerable position because of the relatively large size of the public sector, which accounted for more than 26 percent of GDP in Kainuu and Lapland in 1997, and for 24-25 percent in Etelä-Savo, Pohjois-Savo and North Karelia. In all the southern regions, however, its contribution to GDP was clearly below the national average of 18 percent (Statistical Yearbook of Finland 2000, 290).

Local and regional development in remote rural areas and agglomerations is greatly dependent on what happens in the public sector, and during the ICT boom the number of jobs in the public sector has grown only slowly in Eastern and Northern Finland (see Figure 33 and Table 22).

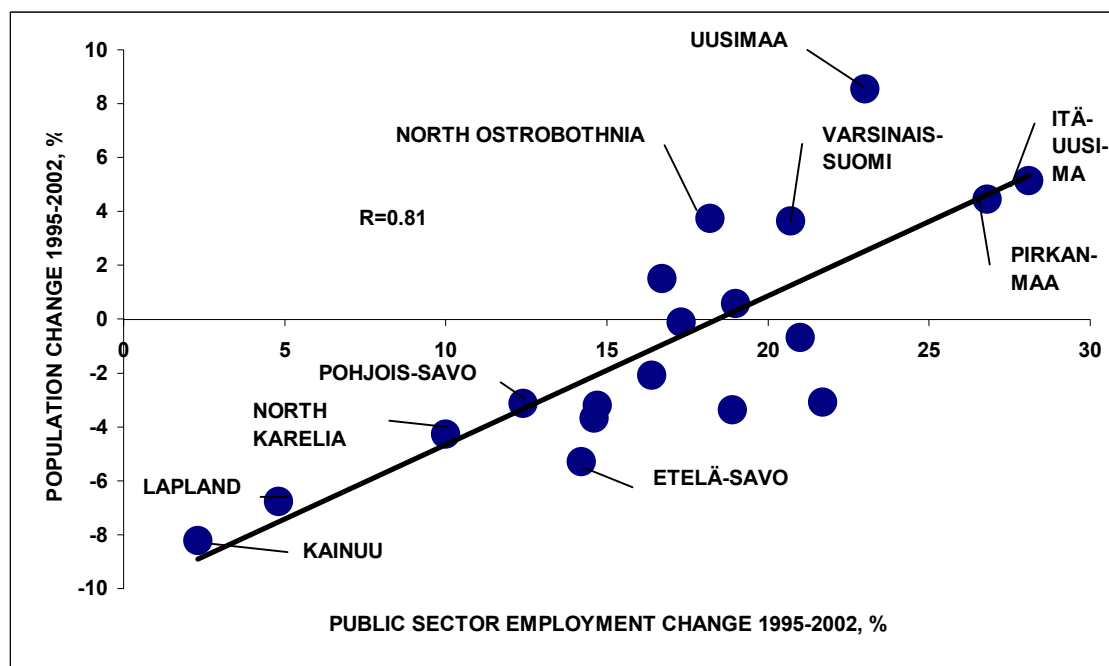


Figure 33: Population changes and changes in public sector employment (classes L-Q) by regions at the NUTS 3 level.

Table 22: Persons employed in public services in the provinces of Eastern Finland and Lapland.

Time	Public services, etc. (L-Q), employed persons					
	Pohjois-Savo, Etelä-Savo and North Karelia		Lapland and Kainuu		Finland, total	
	1000 persons	% of all employed	1000 persons	% of all employed	1000 persons	% of all employed
1995	69 483	34	35 544	37	601 250	31
2002	77 952	35	36 968	37	715 232	32
Growth in %	12		4		19	

Source: StatFin.

The increase in employment in the public sector varied by region from 2 percent (Lapland) to 28 percent (Itä-Uusimaa) during the seven-year period (Figure 33). Employment grew fast in the southern regions, which have been the magnets for migration, and logically, new public sector jobs have been created to serve the growing populations. The growth of the new ICT sector and the decline in the primary

production in the peripheries have resulted in self-reinforcing growth and decline processes. The changes in the public sector have had considerable impacts on the labour market and its geography. Over 110,000 new jobs were created in the public sector between 1995 and 2002, which is ten times more than in manufacturing during the same period, but the growth in public sector employment could not have been possible without revenues from the booming manufacturing industries.

4.1.8 Population changes

Migration and population changes can be used as rough aggregate indicators of the relative socio-economic success of the Finnish regions. Migration has continued during the EU era. People have left the northern and eastern regions as unemployment has plagued the whole Objective 1 area and the level of incomes has clearly remained below the national average. By contrast, Uusimaa and the areas to the east, north and west of the capital, constituting the NUTS 3 level regions Itä-Uusimaa, Pirkanmaa, Varsinais-Suomi, Central Finland and Kanta-Häme, have received in-migrants, resulting in clear population gains (Figure 34). Oulu with 32 percent of the population of North Ostrobothnia, and its adjacent municipalities formed the only distinctive growth area outside the southern core.

Compared with many other countries, Finland's regional structure is still very dispersed, with a regional system consisting of a network of regional centres, towns and scattered rural settlements. Certainly, many Finnish socio-spatial structures such as the provision of services, the scattered network of universities and polytechnics, the system of over 400 local governments bodies, etc., have contributed to the persistence of scattered settlement structures over the last decades. This infrastructure has been an important seedbed for industrialisation in peripheries.

Two factors dominate depopulation in the less-favoured region today: the on-going decline in primary sector employment and the reorganisation of the public (and private) service sector. Both are pushing people out of the peripheries. There are signs of counteractive developments in remote areas, such as the expansion of tourism (Lapland), the emergence of small enterprises and the growth in teleworking (often combined with more extensive use of holiday homes), but these counteractive forces play only a minor role and are not strong enough to stop depopulation.

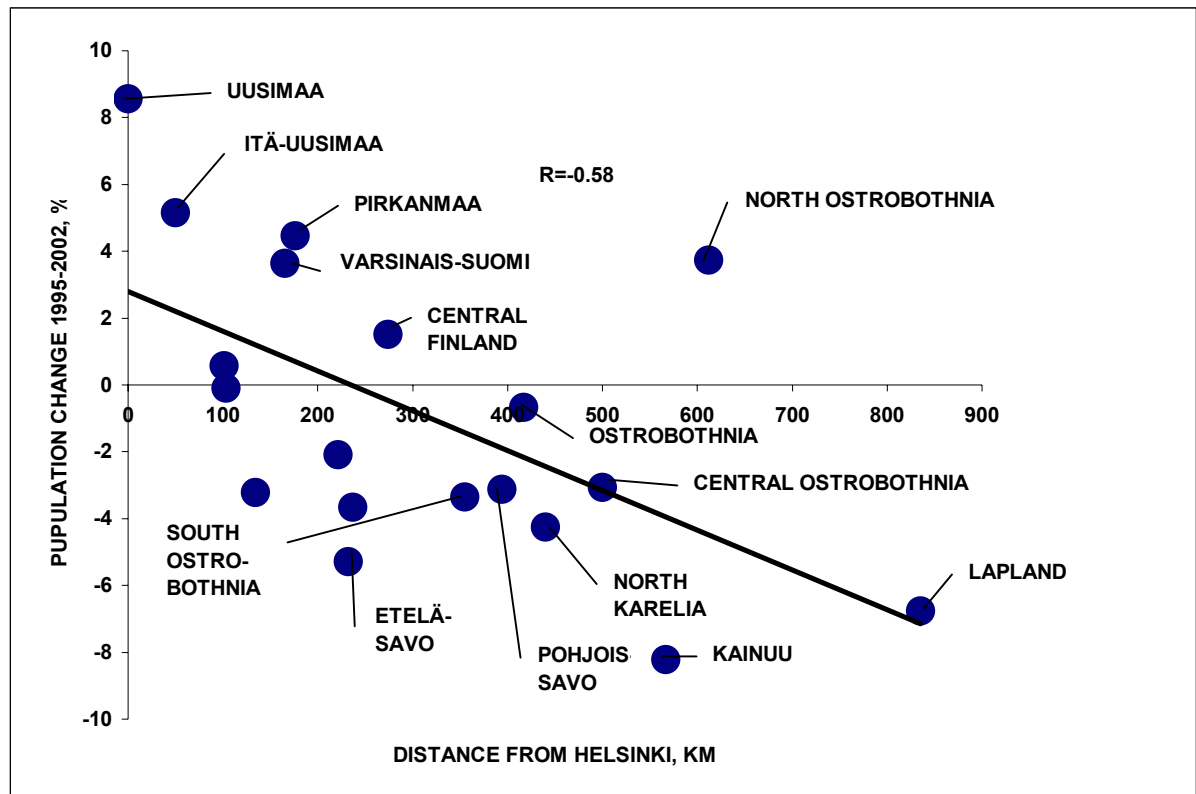


Figure 34: Population changes by regions at the NUTS 3 level and distance of the regional centre from the capital.

The lessons learned from history are that regional policy measures have been more or less powerless to prevent the depopulation of the peripheries. This does not mean that the current depopulation trend will have to continue unabated. As was said about the spin-offs from the ICT industry in Finland in the late 1990s, such local development is based on competitive advantages which depend on various factors related to companies themselves and local business environments.

4.1.9 Conclusions

Divergent tendencies have existed in the development of less-favoured regions in Finland over the past decades. Rationalisation and the movement towards more efficient agriculture since 1965, the late-Fordist manufacturing boom from the 1970s, deindustrialisation, the spin-offs of the new ICT economy, and the implementation of market-led doctrines in the provision of public services have brought about geographical transformations in the socio-economic structures of the Finnish less-favoured region.

Depopulation in peripheries has continued after Finland joined the EU in 1995, and less-favoured regions has suffered even though rural actors and infrastructure have been supported out of the EU structural funds. The persistent depopulation in the remote

areas over the last decades indicates that the restructuring forces of the market economy and government policy can easily override any regional or local policy measures. It is therefore imperative for local actors, such as local authorities, policy makers and entrepreneurs, to adjust continuously to the changing conditions of competitiveness and to make full use of the comparative advantage of locality. This is economically more sustainable in the long run than any external intervention which tries to maintain employment artificially in peripheral areas.

The changes in the geographical pattern of socio-economic circumstances can be explained in part by a variety of political factors, e.g. by the shift from colonisation to a policy of efficiency in agricultural production, by changes in macro-economic and regional subsidies policy, and by ideological adjustments, etc. Moreover, changes in the competitive advantages of remote areas have also played a decisive role. The manufacturing boom of the 1970s, for instance, was related to the labour advantage of peripheral areas and intensified regional policy. It was more profitable for firms to expand production in peripheral areas, with government support, than in the industrial core regions. There was a substantial measure of political will in Parliament to reinforce the competitive advantage of less-favoured regions.

The latest growth phase, the rapid growth in the ICT sector in the 1990s, benefited urban agglomerations and diffused directly and via increasing intermediate and consumption demand to rural localities. The industrial boom dispersed into the less-favoured regions resembling the geographical pattern of the regional policy -based boom in the 1970s. Unlike in the 1970s the growth has now taken place more vigorously in the western and southern parts of the country, and the latest manufacturing boom was based rather on the participation in the industrial networks of growing industries than the growth of the branch plant economy combined with relatively standard low-tech production. The vast remote areas succeeded increase jobs in the manufacturing sector, although more vigorous growth has taken place in more prosperous rural core areas.

The less-favoured regions in Finland have recently been dependent on three basic factors: their primary production has been dependent on the national and EU policy measures, remote manufacturing has been able to become part of the supply chains of advanced industrial networks and to benefit from the spin-offs of economic growth, and the development of the service sector has been greatly regulated by political considerations, with integration processes almost abolishing national specificities such as the doctrine of the equally-distributed services and strategic needs for keeping border areas inhabited. The restructuring of less-favoured regions of Finland over the last decades indicates that no short-term policy can really be sufficient to arrest the depopulating forces there. Socio-economic patterns in peripheries are the results of numerous, mostly long-acting, and often supra-local factors and human intentions, and these processes are subject to restructuring.

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4.2 Municipalities and regional development in Finland

Jarmo Kortelainen

4.2.1 Introduction

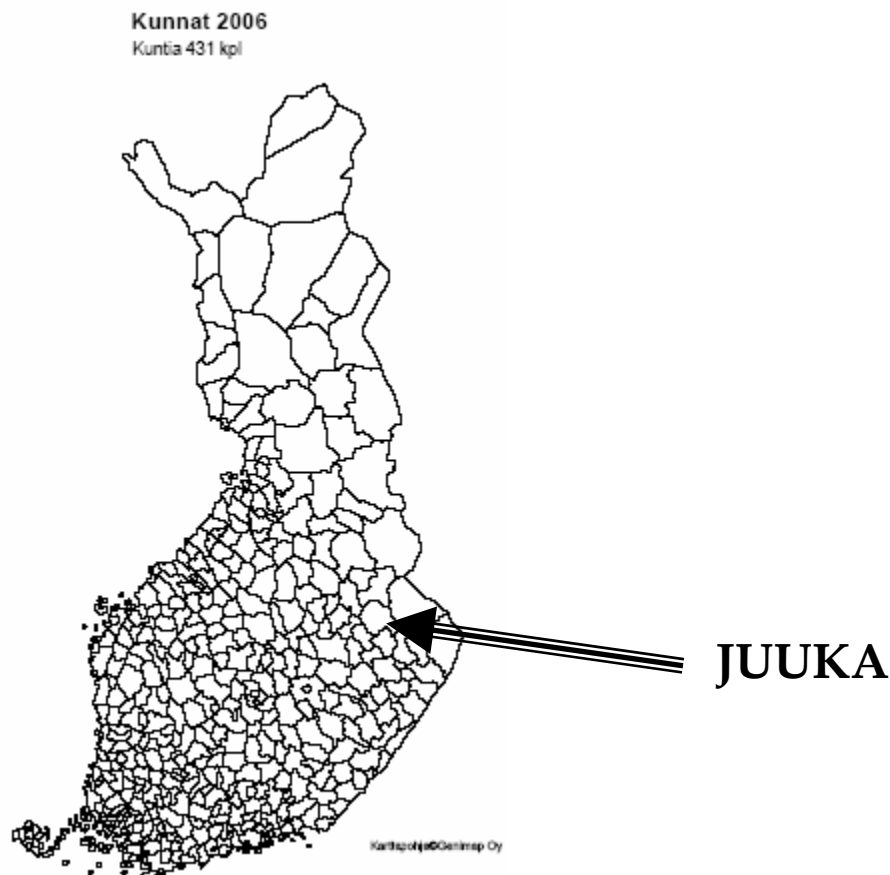
Municipalities as local administrative units differ in many respects between countries. They have different tasks and represent varying roles in the organisation of nation states, and they vary in size between countries, for example (see also chapter 2.4.3.2). Municipalities also relate differently to regional development of their countries, and this is the aspect which this article focuses on. In some countries municipalities have had a strong effect on broader developments and in some others, municipalities have no significant role in regional policy.

This paper will focus on Finland where municipalities have had a strong influence on regional development and policy issues. The municipalities have two basic roles in Finland. Firstly, they are basic units of local self government. The residents elect municipal councils which have a certain decision making authority in local affairs. Local government is principally separate from central government but rely heavily on it in economic terms. Secondly, local authorities are responsible for providing welfare services for their residents. Even the smallest municipalities have to provide their inhabitants with wide variety of social, health care, educational and technical services by themselves or in cooperation with other communes.

When the state involvement in regional development is discussed, it is usually linked with industrial and economic policies and developments. Too often the roles of other governmental activities are ignored. The influence of government on regional development can be divided into two kinds of policies. The first group is frequently called small regional policy which includes measures to promote and support business life and economic development in less developed areas. This usually means earmarked financial aid aiming to establish manufacturing jobs in peripheral areas. The other is large regional policy which consists of various other ways that states affect regional development. These include, for example, establishment of regional universities, investments in transport and communication infrastructure and provision of welfare services (e.g. Gorpe et al. 2000).

This paper emphasizes the importance of welfare policies and services in regional development of peripheral areas. In Finland municipalities have been significant institutions in building up the welfare state, and thus they have had an exceptionally important role as balancers of regional development. Juuka, a peripheral rural municipality, will be presented as an example case. This paper presents firstly some

basic facts of Finnish municipalities and then shows, with the help of the example of Juuka, how the welfare policies have affected regional development. In the end of the paper, a discussion concerning financial crisis and restructuring of municipal structure will be discussed.



Map 27: Finnish municipalities in 2006 and location of Juuka

4.2.2 Juuka among Finnish municipalities

Finland has 431 municipalities and their characteristics vary significantly. Helsinki is the biggest municipality with over half a million inhabitants, while the population of the smallest municipality is only slightly over one hundred. Most of them are rural municipalities, and only 23 percent of all municipalities have over 10 000 inhabitants. Due to large area and low population density the areal size of municipalities differs markedly within the country. The smallest municipalities locate in Southern and Western Finland while the largest ones, in areal terms, are situated in Eastern and especially in Northern Finland (see Map 27).

Table 23 below shows us how Finnish municipalities differ from each other in various other ways as well.

Table 23: Basic figures of Finnish municipalities

	Average	Smallest	Largest
Population 31.12.2003	12 083	134	559 330
Population density (inh./km ²)	17	0.2	3 032
Area in km ²	705	6	15 173
Economic structure			
Agriculture and forestry (%)	4	0.1	32
Manufacturing (%)	26	6	51
Services (%)	68	36	85
Age structure			
0-14 year-olds (%)	18	10	32
15-64 year-olds (%)	67	55	72
65 and over (%)	16	6	32
Local tax rate 2005, % of taxable income	18.3	16.0	21.0

Municipalities face different problems due to their characteristics, location and economic position. This paper approaches the issue from the point of view of peripheral communes, and uses one particular municipality, Juuka in Eastern Finland, as an example. Juuka is quite typical peripheral municipality. It is a small sparsely populated area with long distances between the centre and remote villages. Its development has been typical for peripheral Finland including dramatic decline of jobs in traditionally important sectors of forestry and agriculture during the recent decades. Mechanisation of these two sectors has dropped the population of Juuka by 44 percent since 1960. Today, the population of the municipality slightly exceeds 6 000 inhabitants.

Table 24: Employment in Juuka, North Karelia and Finland 2001

	primary sector (%)	manufact. (%)	services (%)	unemployment (%)
Juuka	16	35	46	22
N. Karelia	9	26	62	19
Finland	5	27	67	13

Source: Unpublished municipal data

As a rural and peripheral municipality, Juuka still relies economically on primary sector more than on average in North Karelia (the surrounding regions) and in Finland. Services form the most important employer but their significance is smaller than in most other municipalities. This difference is explained largely by the relatively extensive local

manufacturing industry. There exist two internationally known companies, Tulikivi and Nunnauuni, which produce ovens and other products from soapstone. The richest deposits of this rare stone are found in Nunnanlahti village in Juuka.

The municipality, on the one hand, can be seen as a sparsely populated region. The area is 1 850 km² and the population density is only 4 inhabitants per km². On the other hand, the settlement structure is concentrated because about half of the population lives in the municipal centre. This is a rather typical settlement structure in Finnish peripheral municipalities. Most of services are also concentrated in the centre which makes the accessibility of services problematic, and in many cases distances between remote dwellers and the centre are more than fifty kilometres.

4.2.3 Influencing regional development

The Finnish governmental system has a common history and many similar features with Scandinavian countries and thus, they have usually been combined under the topic Nordic welfare state or model. Traditionally, the Nordic model is contrasted with continental and liberal welfare programs. The Nordic Welfare State is characterized by the high level of public/governmental intervention in the economy. The support is distributed to individuals rather than to families. Principles of the Nordic model include following aspects (e.g. Kvist 1999):

- *Universalism.* Social rights are guaranteed for each individual independently of family or work status.
- *Public provision of services.* The state and in particular the municipalities (communes) are responsible for the provision of education, care and health services.
- *Gender equality.* The welfare state enables women to work (by providing services for children and aged people) and gives them job opportunities.
- *Regional equality.* Welfare service provision guaranteed regardless of the place of living.

These principles point out some important aspects affecting also regional development. Firstly, universalism and regional equality are guaranteed by dispersing the provision of services geographically close to citizens. Secondly, municipalities have been chosen as main providers for services. Thirdly, gender equality has provided women with jobs also in peripheral areas where women employment has traditionally been uncommon. All these aspects affected the regional development of Finland.

The growth of the Finnish welfare state occurred simultaneously with a dramatic rural restructuring period. The decline of jobs in agriculture and forestry caused a huge migration wave from Eastern and Northern Finland to Southern parts of the country and Sweden in the 1960s and 70s. A more balanced period was followed in late 1970s and

1980s which was partly a result of the growth of welfare state. Many important laws of welfare services were set in the 1970s including, for example, establishment of comprehensive school, provision of childrens' day care and building up a public health system. Today municipalities are, through the public services, usually the most important employers in peripheral regions. For example, the municipality of Juuka employs well over 400 people which is much more than the biggest enterprise in the commune.

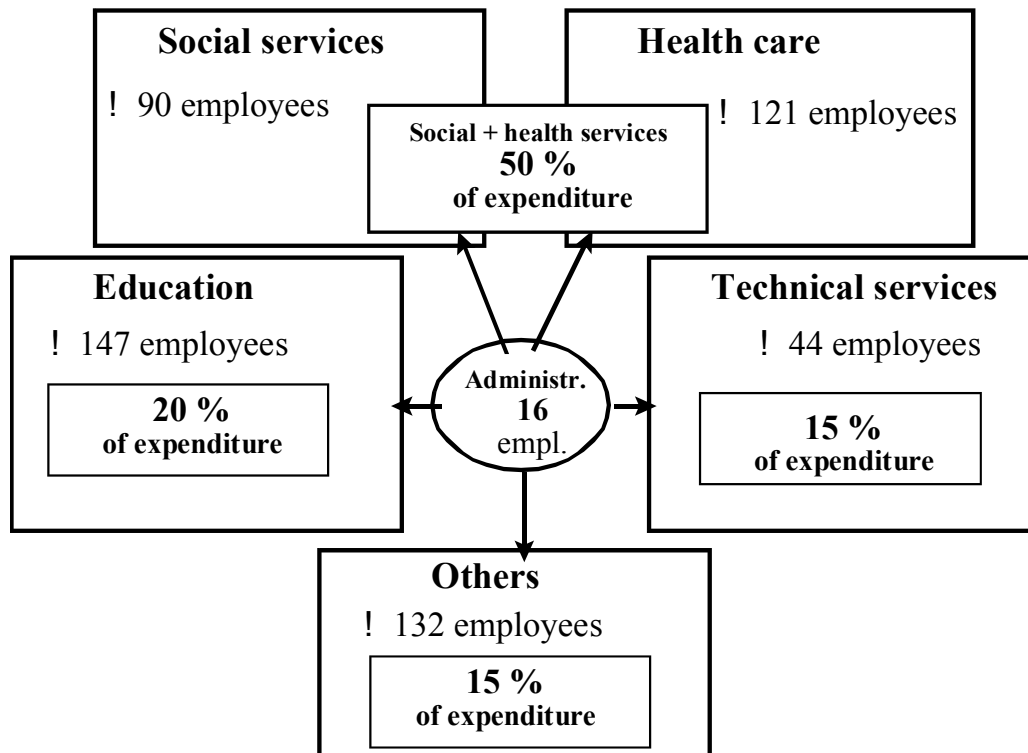


Figure 35: Jobs in different sectors of Juuka Municipality in 2003

Source: unpublished municipal data

The ways that municipalities have affected regional development in Finland can be divided into three aspects. Firstly, the growth of welfare state created equal service provision in every part of the country. This means that every citizen has approximately equal right and opportunity to the public services. Previously, there were sharp inequalities between regions and localities in terms of public and other service provision. Potentially, this formed a factor preventing willingness for out-migration. Secondly, and more importantly, welfare reforms balanced uneven regional development. In addition to services, this change created a huge number of jobs all over the country when each municipality had to establish new posts in order to be able to carry out the new tasks. New work opportunities replaced some of the lost jobs in agriculture and forestry. The balancing effect was strengthened by the fact that the reforms were started from the

northern and eastern parts of the country. Thirdly, welfare reforms speeded up the growth of municipal centres. This was a result of a change in the regional structure of jobs in rural municipalities. Traditional agriculture and forestry jobs were dispersed all over the municipality while new occupations were predominantly established in municipal centres where the services located as well. The new jobs were mostly occupied by female professionals, which changed profoundly the labour markets of peripheries.

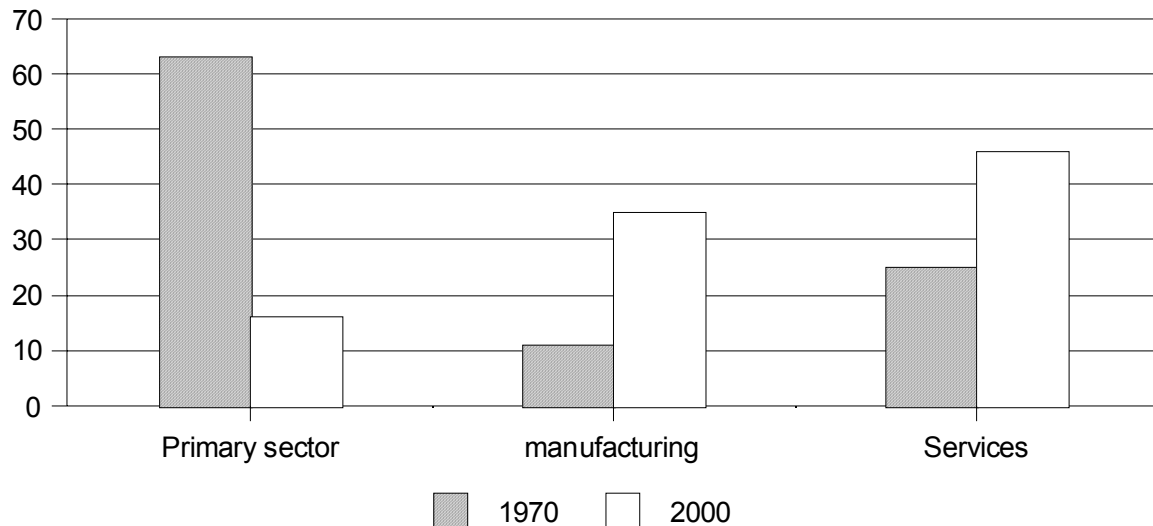


Figure 36: Change of industrial structure of Juuka 1970 – 2000.

Source: unpublished municipal data

Figure 36 shows how the restructuring took place in Juuka. The development has been rather typical except the earlier mentioned soapstone industry which started to grow in the 1980s. Otherwise, we can see the general trend where jobs in services have replaced part of the lost jobs in primary sector. It is important to note, however, that the number of lost jobs is substantially more than the number of new jobs in services. The growth of welfare services in Juuka was also followed by growth of the municipal centre, and today almost half of the population lives in there.

The wide variety of services each municipality has to provide is illustrated by the figure below. It shows public services that the municipality of Juuka has to produce for its residents.

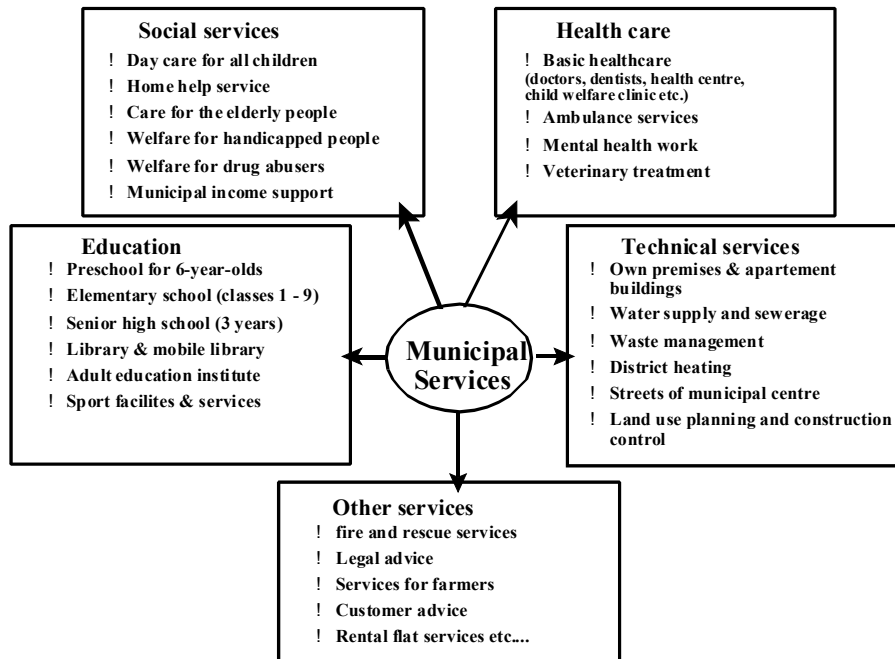


Figure 37: Municipal services of Juuka

Source: unpublished municipal data

Keeping up such an extensive public service repertoire is a challenging task for a small peripheral municipality. However, most of the tasks are statutory and each municipality has to provide them regardless of their economic resources. In order to keep this system in function the state has created a system that balances the economic burden between well-off and poorer municipalities.

“The purpose of the central government transfers is to even out differences between municipalities with diverging revenue and cost structures and service needs. The transfers are determined by such factors as the age structure, number of students in local schools, and education-related unit costs. Depending on their tax revenues, municipalities can also receive additional top-up payments or have their transfers reduced. These balancing items comprise about a fifth of all central government transfers. Moreover, municipalities can receive general transfers not tied to any specific functions, and if faced with serious economic problems, discretionary government grants.” (Ministry of the Interior 2006)

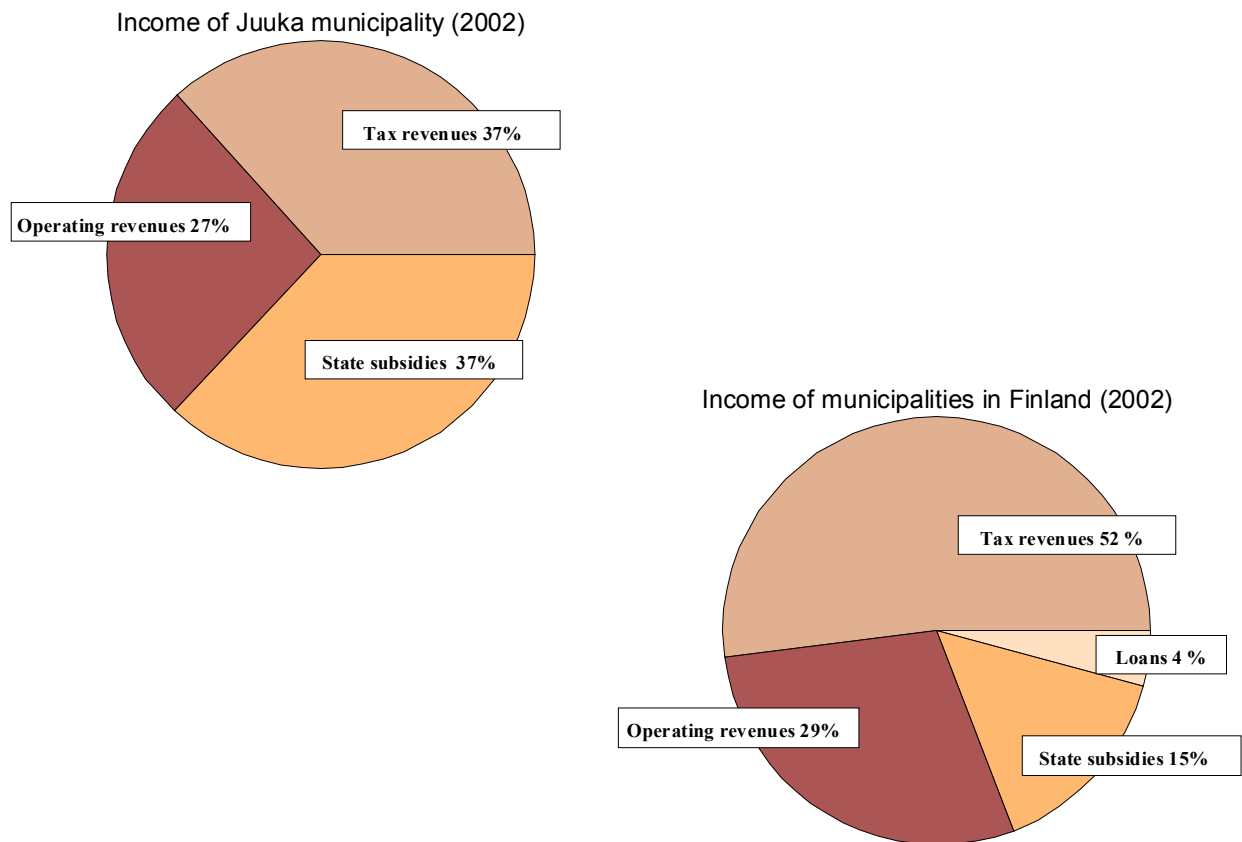


Figure 38: Share of different income sources of Finnish municipalities and Juuka in 2002.

Source: unpublished municipal data

Peripheral municipalities, where the local tax revenue is relatively small, get compensation through state subsidies. In Juuka, for example, state subsidies cover over one third of the total budget while the share is about one sixth on average. Without significant state subsidies municipalities like Juuka could not provide the services they are obliged to.

4.2.4 The future?

The basic structures of the welfare state were developed in the 1960s and 1970s when Finland enjoyed high economic growth rates and low unemployment levels. During the 1990s, however, financing of the welfare state became a problem due to a deep recession of the Finnish economy. The Unemployment rate was incredibly high which made it difficult to finance welfare programs. At the same time, demographic structure in change cause an increase in the number of elderly and a decrease in the number of working age

population. The government had an unachievable task to try to finance its operation while its income was decreasing and its expenses were increasing. It was politically not possible to increase taxes, and loaning was difficult because a very large national debt could represent a threat to the welfare systems on the long view (Kosonen 1993). This development resulted in decline in state subsidies for Juuka and other municipalities as well.

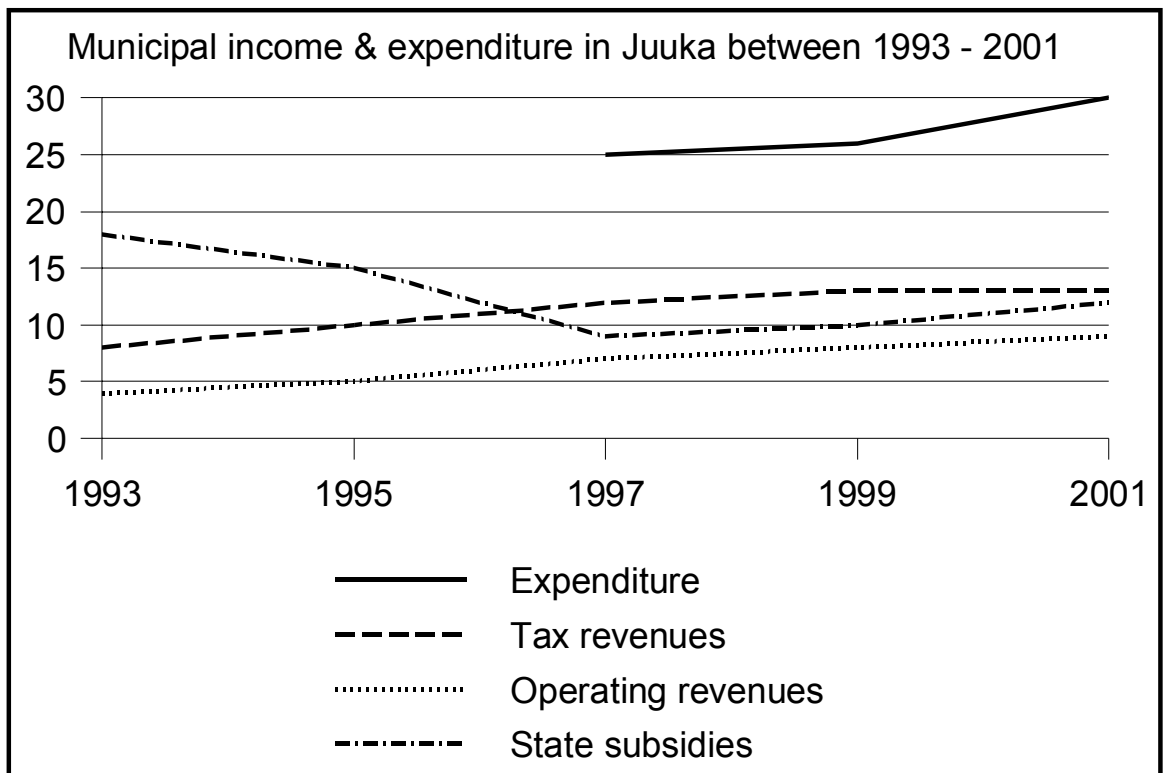


Figure 39: Municipal income and expenditure in Juuka 1993-2001.

Source: unpublished municipal data

Since the mid 1990s there has been a lively discussion about the future of the Finnish municipal system. In the political debate there has been a variety of opinions about which steps should be taken in order to reshape the municipal financing and structure. It is possible to divide the possible options to maintain present service provision into four points:

1. *Increase of state subsidies for less developed municipalities:* this option is politically difficult to materialise because it would cause conflicts between growth centres and peripheral areas. The rich municipalities are not willing to pay more.
2. *Consolidation of municipalities:* This is the most commonly expressed solution but is not without problems. Especially from the point of view of peripheries this would impede accessibility of service and put people in a regionally more uneven position. Also local identities of people are strongly tied with present municipalities and thus they usually oppose plans for amalgamating municipalities.
3. *Cooperation of municipalities:* This would probably cause some savings but would be problematic especially from the perspective of peripheral regions. The distances to services would be even longer than today.
4. *Increase of local taxes:* This solution would be problematic for poorer regions because it would mean more uneven tax burden than today.

A project aiming to restructure local services and government has been in process during the recent years. A proposal for the Framework act was presented in summer 2006 and the act will come into force in the beginning of 2007. The aim of the project is to improve the productivity of public sector and restrain the growth of expenses. The objective is to make municipalities financially and operationally stronger than today. On the one hand, co-operation between municipalities will be enhanced especially in the areas of basic health and vocational education. Co-operation between bigger cities and their surrounding municipalities will be mandatory. On the other hand, the local government structure will be strengthened by merging municipalities, and changes to municipal division will be supported with merging grants. The central government can force municipalities with severe economic problems to merge with other municipalities. (Local Finland 2006a)

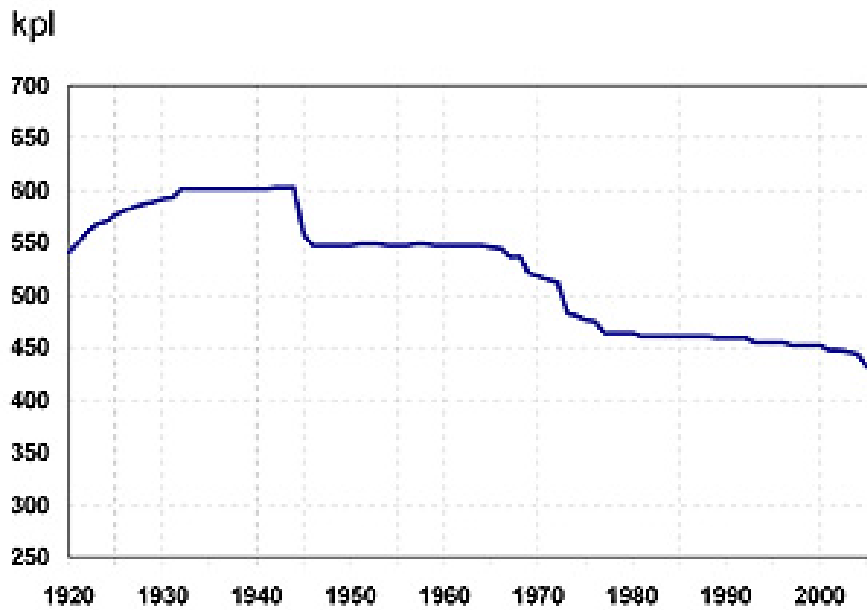


Figure 40: The number of Municipalities in Finland 1920 – 2006

Source: Local Finland 2006b

The final contents and consequences of the act are still unknown when this article was written. However, it is evident that it will have effects on regional development in various ways. The first and most immediate result will be seen in the number of municipalities. The figure above shows how the number of municipalities has declined in Finland since the World War II. The Finnish local government system is right now in the eve of profound change which will mean a significant decrease in the number of municipalities.

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4.3 Paying for the periphery? EU agricultural policies in transition.

Jan Groenendijk

Agriculture is the major function in peripheral areas in Europe. To broaden this uncertain economic base agricultural tourism could be valuable. Together they would form a vast resource of highly valued rural space in the urbanised European community. It seems logic, that EU financial resources which for 80% are earmarked for agricultural and regional policy, should be spend on peripheral rural Europe.

In this article I will explain why, until now, no big money is spent on the agricultural periphery. Next I will discuss the chances and threats for the periphery of changes to be made in the Common Agricultural Policy (CAP). The conditions of landscapes that agricultural tourism requires will be a main point in case.

4.3.1 EU policies: for peripheral areas?

Regional policy of the EU is for the most part related to the GDP of regions. The enlargement of the EU with UK, Scandinavian and Mediterranean regions that within their states used to be subsidised made it necessary that the EU developed policies for these areas. These had to generic measures, functioning for the entire EU territory. GDP was the main figure to guide the policy for backward regions, most of them in the periphery indeed. Projects in these regions have to meet the requirements of Brussels. This is to certify that the money is being spent on new developments that are taking root in the area; sure to have a future there after the subsidy stops. Brussels claims success with these policies, the Republic of Ireland being the main showcase.

It is little realised, that competition policy, guiding state subsidies for economic purposes, is guided on roughly the same base as regional policy. State subsidy is only allowed in those areas entitled to receive regional policy subsidies from Brussels. On first sight, this is positive for the European periphery. But this is offset by the fact that cross-subsidisation in large service networks is not easily allowed any more, or no longer feasible. Freedom in the air-services means that excessive profits on mainlines like those to Helsinki no longer can be used to make up for losses on those from Helsinki to the Finnish periphery. Furthermore, the enlargement with 10 new states altered the GDP landscape completely. After a transition period only little money will be available for few peripheral areas of the EU-15. It is not always realised that opportunities for state-aid will be reduced in the same way, following the generic rules of Brussels.

Financial results of the CAP originally have no relation with conditions of place at all. They were directly related to production. They were price-policy, pricing crops from

inside the EU high above the world-market and keeping outside crops from the market. Agricultural core-areas of the EU profited highly from these measures. Disastrous side-effects inside the EU (we will not touch on the terrible ones outside the EU!) are related to the strong stimulus to intensify the use of inputs like (artificial) manure and pesticides, and modernisation practices nullifying landscape particulars. No longer is an agricultural environment simply by its means of production an interesting landscape, contrasting with urbanised areas. Industrialised agriculture took its place.

Again, by enlarging the EU with areas less suitable for industrialised agriculture, measures had to be taken to guarantee any positive results for these areas from entrance into the EU. For most states, especially the Scandinavian, these measures could only serve to reduce the negative effects resulting from a ban on their usual subsidies. Anyway, areas less favourable for agricultural production - peripheral rural or mountainous areas - were to receive some compensation for their less than average production results. But this has never been more than a small exception to the general production oriented rule.

4.3.2 CAP: general policy; great variety in types and conditions of production

The CAP, common as it is by name, brings very different results for various regions in the EU. The strong relation with production - especially of crops important in the original EU-six - benefits the areas with high production in the first place.

Table 25: Agriculture in GDP by member state

EU-15	1.7
Greece	6.8
France	2.3
Netherlands	2.2 strongly intensified production!
Germany	0.9
Finland	0.9
Sweden	0.7

Source: Thurston 2000

It is surprising, that states with large peripheral areas like Finland and Sweden have only small agricultural sectors; at least when measured in share of GDP. At the same time a state with high population density like The Netherlands has a relatively large

agricultural sector. From this we must conclude that from an economic point of view, peripherality and height of share of agriculture do not match; on the contrary, they may be even conversely related. Subsidy for agriculture in this state of events will not contribute to peripheral regions per se, more likely it will improve further the financial results of agriculture in core areas. However, as we will proceed to later phases of the CAP, it will become clear that at least some prerequisites for agricultural subsidy in terms of ground bound culture have reduced somewhat the most extreme subsidies to bio-industry. In this way agriculture in The Netherlands does not profit so much of current subsidies as it did from the price-subsidy in the earlier decades of the CAP.

Clearly, CAP measures were constructed to maintain a profitable agricultural sector. Rural tourism, or any other broadening of the economic base for the family farm are only recently on the EU agenda. As indicated before, the incentive to use extra inputs to heighten agricultural production in fact reduced rural resources for ecology and tourism. Not all states had this experience. Modernisation of agriculture especially took place in the core areas of the EU-6. Mountainous areas and sections of the Mediterranean kept closer to traditional cultures on their small scale farms.

A typology of European agriculture constructed on the dimensions of the agrarian, environmental and commercial character shows the great variety of cultures. Large scale efficient farms practise mono-cultures that do not comply with multi-faceted use of rural environments.

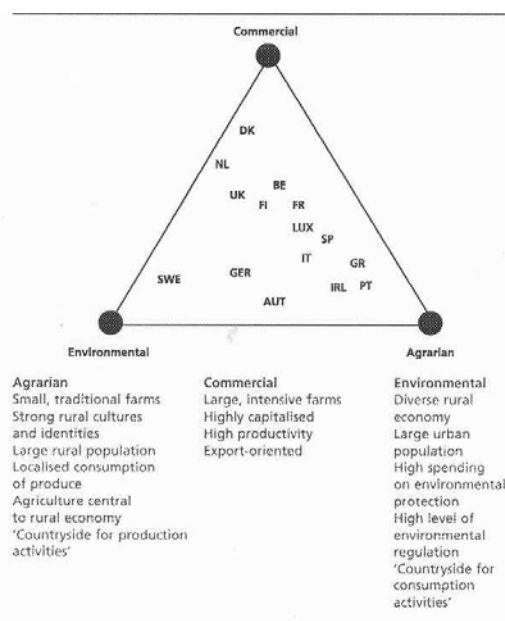


Figure 41: A typology of European agriculture

Source: Thurston 2000

The opportunities for rural tourism will be best where environmental and agrarian values dominate. Already some of these farms use rural tourism to broaden their economic base. But since these farms profit least from usual CAP subsidies, the case for rural rather than agricultural subsidies remains strong.

The table below shows that larger commercial farms are financed heavily. This means, that they are not free to change their mode of production. Their current debt position keeps them in the mono-culture practise. In Germany the difference between traditional rural cultures in the Schwarzwald and Bayern on the one hand and the large scale agricultural industry of Eastern Germany on the other is huge indeed. The figure in this table does not much right to either of these production modes.

Table 26: Farm debt to gross value added ratios

	Debt per farm	Value added per farm	Ratio debt/ value added
Sweden	109.240	18.698	6.2
Finland	51.804	12.992	4.0
Netherlands	320.692	81.190	3.9
Germany	92.432	35.514	2.6
Italy	2.613	12.241	0.2

Source: Thurston 2000

The degree of diversification of farms suggests that in countries like Sweden a majority of farmers is used to income from other sources. In many cases this will be the income of a member of the family having a job off the farm. It may well be that when farming is not the main income, there will be more openness to income from rural tourism. In the Netherlands there used to be a farmers culture that was alien to diversified farm income; with income from other sources you were not seen as a genuine farmer.

Table 27: Farm diversification: % of farmers for whom farming accounts for half or less of total income

EU-15	35
Sweden	55
Germany	38
Finland	37
France	33
Netherlands	27

Source: Thurston 2000

The figure for Germany again is not representative for Eastern Germany. Family farms are quite rare there, and non-agrarian income sporadic. Chances for rural tourism related to non-family farms are null.

Table 28: Spending on rural development (2001)

	% on market support	% on rural development
Finland	58.4	41.6
Sweden	79.8	20.2
Germany	82.7	17.3
EU-15	85.1	14.9
France	92.1	7.9
Netherlands	93.1	6.9

Source: Thurston 2000

State policy on agricultural and rural issues is largely in line with the great variety in dominant farming types. These policies of course are using CAP measures and finance (recently also from the so-called second Pillar) to achieve policy results that count on the priority list of the specific state. In France and The Netherlands this means that economic

achievements of agriculture have high priority, whereas in Finland rural development is much more important.

4.3.3 Evolution of the CAP; ideology and real interests

Right from the start, the European Communities (EC, now EU) have been defending the countryside. Identification with rural areas is strong. Opening up to world trade in agricultural commodities would mean the end to the culture of rural production in many parts of Europe. In the EC conflict between liberal free trade policy (which is from the start, and continues to be the main operational mode of the EU integration process) on the one hand, and the identification with traditional rural landscapes on the other is endemic. One of the main goals to bring European states together was to avoid costly policy competition. When this had been achieved in the coal/steel sector further steps towards an Economic Community could be taken.

Creating a common market without opening the borders for agricultural produce would have been seen as a failure. But once you open the borders, the widely differing conditions for agricultural production across Europe would have erased agriculture in less favored areas on short notice. The solution chosen in the Common Agricultural Policy (CAP) meant that Europe turned its back to world trade in agricultural commodities (Tracy, 1982). High prices were set inside the 'fortress Europe'. Import into Europe meant closing the huge gap between world market and European prices by tariffs. The prices set were hardly enough to keep small farmers in backward agricultural areas in their trade but they were very generous indeed for efficient farmers in rich agricultural areas. High prices stimulated high inputs and so were contrary to environmental standards. But they were profitable for suppliers in the production chain. Output, when not taken up in the market could be sold to the EC, and subsequently dumped on the world market.

In every way agriculture was exceptional in EC's policy. From the Coal and Steel agreement in 1956 on, every step in the integration process was made with the purpose of reducing policy competition. State aid had to be banned in one sector after the other. The European politicians clearly were afraid to make this step in the same way in the agricultural policy sector. But the generous aid offered to farmers was disguised in an artificial market. The main object was to heighten farmer's incomes to that of other sectors. By choosing the high German price level this might be achieved. Soon after the implementation of the CAP in 1962, Mansholt realized that the goals of the CAP and the instruments to reach them ought to be made more precise. In the Mansholt Plan (1968) the choice was made to modernize the sector by rigorous scale enlargement; a capitalist version of the collectivization behind the Iron Curtain. Money had to be spent on creating alternative jobs in rural areas.

But instead of the object of Mansholt (architect of the CAP) to first modernize the sector to make it a competitor in the world market and then leave it to the world market, continuous aid was the object of most member states. The argument being that rather than modernization, the rural population and as much as possible of traditional agrarian households had to survive (Hill, 1993). It used to be an important electorate, not least because of the many voters with rural roots that identify with the well being of rural areas.

Once established, the CAP was developed from year to year in relative secrecy. Decisions on 70 % of the EC's budget (until the 1980's) are normally not made in the Council of Ministers but in the *Comite Speciale Agraire* (Groenendijk 1993, p58). The European Parliament that gained co-decision right in most policy areas is until now just only informed about (what currently is) slightly more than 40% of the EU budget. The European farmers lobby in Brussels (the COPA) used to set product prices each year together with the Directorate General Agriculture. Although the influence of the EU agricultural policy community has been reduced to rather normal proportions due to serious problems of overproduction in the years 70 and 80, when Mac Sharry reformed the CAP in 1992 one of his arguments was the unfairness of paying 80% of the subsidy to 20% of the farmers. This argument was too difficult for the COPA to argue about and subsequently some measures were taken to reduce this skewed result. Just how influential the efficient farmers were during the 1990s in the closed implementation circuit of decisions on agriculture and that this has survived until now is illustrated by the fact that in 2002 70% of direct payments went to 20% of the farmers.

Table 29: Evolution of the CAP

	Original CAP	After Mc Sharry	Decoupled
Type of support	Price support	Direct payment	Decoupled from production
Environment & rural economy	None	Some environmental conditions & rural development	Many environmental conditions More rural development
Trade aspects	Export subsidies Import barriers	Export subsidies Import barriers	No export subsidies Lower import barriers
Visibility of Support	Low	Medium	High

Source: Authors compilation

The 1992 reform was revolutionary in the sense that the fiction of market was given up: from then on everybody knew that farmers were subsidized. Prices in the EU could now be set more close to the world market level. The true reason for the reform was that the GATT no longer accepted exclusion of agriculture. The fact that the EU accepted world market influence on agriculture illustrates its eagerness to trade liberalization for its economy in general. The next question is then precisely what the future of agriculture in the EU should be.

The answer prolongs the Janus faced policy. On the one hand the EU does not want to give up its position on the world market, there has to remain economic viable production, also when there can no longer be support. On the other hand, large rural areas belong to the cultural heritage of the EU and its regions, and people strongly identify with these landscapes. But these were formed by traditional agriculture, not able to compete on the world market. This is why a new goal was formulated, the multifunctional role of agriculture. This had to be the basis for the EU model of agriculture, and the reason to pay subsidy.

Although COPA was scared of the idea of subsidy, when the system had been implemented their revenues, even for the more efficient farmers were not so much reduced. Their share of support turned out to be – after all the compromises in negotiation rounds – not much less skewed in their favour than the price support used to be: 70% for 20% of the farmers. Although the prices were nearer the world market level, nothing much had changed, after all. Production was still being stimulated by this system. Some reduction on the use of chemicals resulted. The value of the environment and the landscape did not count as much in the agricultural trade as was suggested in the ‘multifunctional role’ ascribed to it. M. Winter (2000) contents, that no explicit environmental goals had been set and so no success could be realized. Expectations that policy automatically would meet with result being unrealistic. Factors like specific trajectories of businesses and families explain different responses by different farms. In the case of East Germany with its huge farms, a multifunctional role is unlikely, to say the least.

In the negotiations that led up to Agenda 2000 it had been assumed that this (2000-2007) was to be the last budgetary period before Central European states would be part of the EU. The CAP – it was realized – could not be extended into this new era without serious reductions of subsidies, because of the many new eligible receivers – especially in Poland. There also was the need for clearer legitimating for agricultural subsidies. This was formulated in the multifunctional role of agriculture. At that time it was not sure whether ‘multi-functionality’ or ‘joint production’ would be acceptable in WTO negotiations (Potter & Burney, 2002).

In this perspective the step was taken to create a second pillar to spend subsidies within the CAP: rural development. Diversification of rural economy was the main aim in this

pillar. Agriculture no longer was to be the only economic carrier for rural areas. The divide between CAP and Structural Funds was to be closed. Through Pillar 2, CAP money could be redirected to aid to (remote) rural areas. This indeed gives chances for development in the rural periphery.

In fact, it had been known for a long time, that farm households usually have incomes from various sources (Bryden et al. 1993, Munk & Thompson 1994). In 2000 in large parts of the EU almost half or more than half of farm households earned less than half from their farm (the UK 47, Austria 48, Sweden 55, Greece 55 and Denmark even 65%). For the EU-15 this was as much as 35% (Thurston 2002).

4.3.4 Decoupled subsidies: chances for the rural environment?

For the budget period 2000-2006 a Mid Term Review (MTR) had been scheduled. But with the restart of WTO negotiations in the Doha Round it was clear from the outset that a further reform of the CAP was indispensable. Proponents for reform could win their case by the fact that enlargement gained momentum. The Chirac-Schroeder initiative to define an early ceiling to future spending on CAP for the 2007-2013 committed the EU regime to try and find solutions.

This is why already in 2002 the European Commission came with their proposals for a thorough MTR. This time, subsidy was to be completely de-coupled from agricultural production. Historic production (2000-2002) had to be the measure for distributing. In this way subsidies could be placed in the Green Box as defined by the WTO as non-trade distorting subsidies. Farmers are free to use their lands for crops that will give them a good return in the market. In this way the CAP has made a full turn from its initial position that markets for agricultural commodities had to be corrected. Now the market is seen as the proper way to guide individual production decisions.

For farmers the creation of this subsidy gives them freedom and a certain economic safety cushion. However, when farming is analysed as just one section in a chain of production, de-coupling reduces the certainties for non-farm sections in the chain. When heightening production is no longer rewarded in high output (price cum subsidy), the use of inputs will go down drastically. The same is true for the production level of commodities that have to be further processed. This is the reason that in several Member States opposition to the reform especially came from non-farm agricultural interests.

The idea of subsidizing large farms that does not seem to need any has been met in the Commission's proposal with the concept of modulation. Direct payments to all but the smallest farms will be incrementally reduced: in 2005 by 3%, 2006 4% and every year after by 5%. This money will be transferred to the second pillar: rural development. At

least 80% of the money transferred in this way will stay in the Member State, and be used regionally by this state.

Various opposition to their initial proposal caused the Commission to offer several escape routes to Member States. Some states could not follow the Commission at all. Directly after the Commission's proposal Finland and Austria in a combined declaration made known that they hold on to the 'European model of agriculture' i.e. agriculture with a multifunctional role and sufficient income from farm production. The Finnish Ministry referred to its task to provide Finnish people with food produced in Finland. In Brussels this was no longer a viable course.

Three main choices were opened up by the Commission to adapt to Member States' specific requirements. The Single Farm Payment (SFP) could be made either in an individual way, or regionalized. The latter choice meant that the subsidy was to be regionalized in an per hectare payment; in this way differences between neighbouring farmers for years to come, which were caused by differences in crops long since gone would not bother the minds in future. An escape route to serve the non-farm production chain consists of the possibility to partly leave coupling as it is. Leaving part of coupling intact would also cure the problem of abandonment and the risks of under-use, that have been seen as possible effect of 'agricultural liberalization' (Potter & Goodwin 1998).

A third avenue for choice is the 'national envelope': a voluntary reduction of the SFP to create funds for rural help to be spend according to national preference.

In Table 30 the choices of Member States and even regions have been summarized.

Table 30: Choices made by Member States from modalities in MTR proposal

	model	coupling
France	A	1+2+3
Portugal	A	1
Spain	A	1+2+3
Italy	A	3
Greece	A	1
Ireland	A	0
Finland	AB	1+3
England	B	0
Wales	A	0
Scotland	A	0
Northern Ireland	AB	0
Luxemburg	AB	0
Sweden	AB	0
Germany	B	3
Netherlands	A	1+3
Belgium	A	1+3
Austria	A	1+2+3
Denmark	AB	1
10 New Member States	B	0

Source: Commission of the EU; D.G. Agriculture. Authors compilation

A=SFP historic

AB= mix

B=regional model

0=de-coupled completely

1=cattle/slaughter premium

2=arable premium

3=special crop premium

Between January 2005 and January 2007 the SFP may be implemented. The New Member States that in their pre-accession period had made progress in organizing the direct payment system in the pre-MTR fashion, now once more had to adapt to the reformed system. The historic model for individual farms not being an option in the states, they had to adopt the regional model. Some EU-15 states did the same, most

regions of the UK and Germany; in this case with the Laender as regions. Scandinavian countries, Northern Ireland and Luxemburg, have chosen the mixed model.

Considerable differences will exist between Member States as to the degree of coupling and the crop(s) that remain coupled. The most agricultural states, where the rural economy could suffer most from complete de-coupling chose the alternative (France, Spain and Austria). Even The Netherlands and Belgium have chosen to couple cattle premiums, the argument being that markets are too strongly interwoven with France.

We may conclude that although in many cases coupling in a transitional period prolongs the status quo, the incentive to use inputs to heighten production will be much reduced because extra inputs will not pay off any more. Clearly, this is for the benefit of the rural environment.

4.3.5 Cross-compliance: the last chance for rural resources and rural tourism?

The freedom of farmers to produce (or even not to produce), meets with severe constraints, however. Under the general heading of 'Cross Compliance' farmers must comply with two main sets of rules if they are to receive subsidies. In the first place 19 environmental regulations and on animal health and welfare have to be followed up. Secondly standards of keeping the land in 'good agricultural and environmental condition' (GAEC) have to be practiced. The regulations already exist and will gradually be checked on the farm premises. As to the standards, Member States are required to formulate sets of practices that farmers will have to implement. In this last case, Member States have considerable wide competences to adapt prescribed practices to regional circumstances. The only generic EU requirement being that the total amount of permanent pasture in a state may not diminish.

In the national arenas the idea of Cross Compliance has been differently received in the respective agricultural policy communities (LBactualiteiten). While Austria, Finland and the Scottish executive are able to specify requirements to farming practices that meticulously respect particular landscape objects, other Member States meet with farmers' disbelief on the idea of compliance. The National Farmers Union demanded the government not to interfere with farm production; Welsh farmers were satisfied, that in their country separate less rigorous requirements will prevail. But in Scotland, the Scottish Natural Heritage will participate in the inspections.

From this it is clear that there is great opportunity under the new CAP to pay full attention to rural resources: landscape elements produced by traditional farming and natural landscape elements. These rural resources will prove a good condition to stimulate rural tourism (Garrod et al. 2006). But this only, when full profit is taken from

the opportunities under the new CAP regulations. The main threat that this will not happen in several states is coming from the farming community.

In several states farmers demanded that compliance will not be examined by the bureaucrats of their environmental department. In Germany the solution is that neither Food & Agriculture nor the Environmental Ministry will do this job, but the Bundesregierung as such. In Ireland and France the Ministry of Agriculture will verify compliance. But French farmers already refer to their Ministry's instructions to this end as the "Catalogue of Sanctions 2005". The idea of 'green recoupling' being politically complicated had already been discerned earlier (Potter & Goodwin 1998).

In non-farming policy circles Cross Compliance is seen as legitimating subsidy. The least the general public might expect is that landscape and environment will improve by the outlay of taxpayer's money to farmers. For once, multifunctionality could be realised. Chances for rural tourism would be greatly enhanced. But when the farming community in several important agricultural states will be able to form a blockade to serious cross-compliance measures, the legitimation for EU agricultural and rural subsidies will whither away.

In the UK one Minister explained, that the law requires disclosure of individual payments to landowners. In The Netherlands, the Minister of Agriculture himself had to disclose large subsidies for his farms in France and The Netherlands. The basis for farm subsidies may dwindle in this way. Moreover, when subsidies will be used more at the discretion of national polities, in an international regime - as the EU is - net-paying members will not see the need to do this. Re-nationalization of CAP sections may be required (Groenendijk 1995); by some Member States already seen as long overdue. With the implementation of the SFP, a financial ceiling for every Member State exactly defines its share in the CAP budget for years to come. An increasing section of this budget may be spent according to national priorities. Financial contributions through EU channels to agriculture in a regulation format in disagreement with one's own standard may not remain viable in the long run.

4.3.6 Conclusion

From the CAP history it is clear, that the farming community time and again has been dominated by voices from the large efficient farms. An agricultural policy community in Brussels has largely been successful in maintaining agriculture as an important economic sector - but requiring special subsidies in wide contrast with normal EU practices - on the agenda. At this moment, now that subsidy is hardly seen any longer as legitimate for the sector, other rural functions must be placed on the agenda. This requires new policy initiatives to maintain rural qualities, especially in peripheral areas. For these areas the

chances are high after the recent CAP reform. But these chances must be taken in hand by regional policy communities, addressing their respective representatives in their own state and Brussels just to make sure that the windows of opportunity will be used before the CAP, even its second pillar, is losing its subsidy altogether.

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4.4 The persistent economic crisis in East Germany: what went wrong after German reunification?

Leo Paul

This article is based on:

Paul, L. (2004), Mecklenburg-Westpommern: loser of the transformation. European Spatial Research and Policy, 1, p. 79-97.

The future of East Germany seemed bright soon after the historic change of 1989. And indeed, a lot of things changed to the better in sixteen years. But on the other hand, East Germany is facing huge problems, like a high unemployment rate, low GDP-growth, a huge, ongoing out-migration and impressive financial transfers from West to East Germany. Strange enough, these persistent problems were not a big issue during the last federal elections. What went wrong after German reunification? In this article some examples in the state of Mecklenburg-Westpommern (Mecklenburg-Vorpommern) will be used.

4.4.1 The legacy of the communist past

The GDR was an artificial country that had to take shape within established bounds. The most far-reaching consequence of the postwar political and military situation was the imposition of the Soviet Union's economic, political, and social structures. The key element was the introduction of the planned economy, in accordance with the rules of the Soviet model of economic development, which emphasized an accelerated build-up of a producer-goods industry. It was unsuited to the conditions prevailing in large parts of Central Europe (including the GDR). Indeed, the model ignored features characteristic of the GDR, such as the absence of natural resources and the presence of an advanced light-manufacturing sector. Certain sectors that were 'coincidentally' present did get due attention; shipbuilding, for example, was continued because this sector fit into the Soviet model and played a key role in the economic development of the entire East Bloc.

The gap between the GDR and West Germany kept widening in the course of time, mainly because of the disappointing results of the planned economy. The GDR had ended up in the outer area of the capitalist world economy. The economic structure of 1989 resembled that of the Federal Republic in about 1960; till the end, the GDR's primary and secondary sectors were large and the tertiary sector small. Manufacturing was dominated by labour-intensive industries such as textiles and footwear, sectors that the West had already lost by the end of the 1980s because of competition from low-wage

countries. In accordance with the Soviet model of economic development, the light-manufacturing sector was neglected in favour of heavy industry.

Like in the rest of the East Bloc, the GDR's economy was based on scarcity. The distribution of scarce goods was subjected to a conflict between disparate interest groups and decision-makers, as Hamilton (1970) describes in his model. This conflict had winners and losers: Soviet interests prevailed over those of the GDR. Within the GDR, the ideology (as safeguarded by the SED) won out, and national economic interests took priority over the development of backward areas. In the state of Mecklenburg-Westpomerania the eighties a new harbour (Mukran) was built on the Isle of Rügen, to establish a ferry connection with Klaipeda (Lithuania) in the Soviet Union. This connection was created to safeguard a connection between the GDR and the Soviet Union, avoiding the territory of Poland, with its unstable political regime. Although international circumstances were the main reason to build a new connection, in the interest of the national GDR economy, the project was presented as regional policy to improve the situation in the North.

The level of economic growth in the GDR was disappointing. The main consequence of the low growth was a shift away from the standpoint that the northern part of the country had to be industrialized in order to remove the regional differences within the GDR. But charity began at home; in economic terms, it was much cheaper to build upon the industrial tradition in the south of the GDR and make use of the infrastructure that was available there. Therefore regional differentiation was still high in 1989: on average in the GDR 35 percent of the working population was employed in the industrial sector, but in the North it was only 21 percent. Nineteen percent was employed in agriculture (GDR average ten percent). The decision not to redistribute the industries was a good one, given the circumstances of socialism as it existed then. In reality, socialism was able to compensate for the disadvantages of an uneven distribution of production by spreading most basic services unevenly. Wage differentials hardly existed, and there was no unemployment. With respect to the standard of living, there was thus a high degree of regional equality (though some refer to this as shared poverty). The North developed vigorously during the GDR period. It was only after the transition that the lack of major large companies turned into a disadvantage.

In the fictitious world of the plan economy, the GDR was one of the world's strongest industrial states – at least on paper. However, the GDR could not insulate itself from the world economy any more than other countries could. The burden of debt to the Western world had risen steadily from 1970 on. Living standards could only be maintained through increasing improvisation. In the beginning of 1989 the regime came to the conclusion during a secret meeting of the Politburo that the only way to prevent the country from going bankrupt was to accept a 20 to 30 percent decline in the standard of living in 1990. Of course, this would undermine the legitimacy of 'the other Germany'.

The population had long realized how bad the economic situation was. They had watched their cities fall into decay and experienced first hand the run-down condition of the means of production and the poor quality of the consumer goods. The fact that reality was less promising than it was made out to be could be seen in Greifswald county, for instance, where the number of newly completed dwellings was roughly the same as the number of dwellings that had to be condemned because of negligence and removed from the housing stock. Rural areas were confronted with a large outflow of young people to the city, which made it difficult to keep the agricultural sector operating.

The GDR regime was wavering in its policy on rural settlements. Its enforcement of the initial policy for central villages was unconvincing; eventually, that policy was replaced by the notion that each village should have some perspective for development. However, since the bankrupt state had no money to back up this idea, most villages were allowed to slip into decline unless a prosperous agricultural cooperative decided to step in. The moribund countryside in Mecklenburg-Westpomerania was a manifestation of the overall stagnation of the GDR.

The GDR expanded the pre-existing industrial base in the south (lying on the old axis running from the Ruhr Area to Upper Silesia) and transformed it in accordance with the Soviet tradition into an area with large-scale heavy industry. Thus, we may distinguish a second core area, namely the industrial region Halle - Leipzig - Zwickau - Karl-Marx-Stadt - Dresden. As the other parts of the GDR had numerous firms of secondary importance, we may follow Cséfalvay (1997) and call this a build-up, or developing region. This terminology also applied to the Rostock region, where shipbuilding was dominant. The rest of Mecklenburg-Westpomerania remained in its peripheral position, but only if we consider the spatial distribution of main industries. Living conditions were almost equal in the GDR.

4.4.2 After communism: wrong decisions, overall East-German problems

In record time, the communist states of Central and Eastern Europe collapsed in 1989. For a few months after the peaceful revolution in the GDR, no one expected a rapid reunification of Germany. Yet the East-German population made it clear in many ways that reunification should take place as soon as possible. Chancellor Kohl subsequently took up the challenge, knowing that Gorbachev's position in the Soviet Union was weakening.

The introduction of Economic, Monetary, and Social Union on 1 July 1990 dealt a mortal blow to the economy of the GDR. The rapid introduction of the D-mark at parity, an unrealistic rate of exchange, made the majority of the companies unprofitable at one fell

swoop. In fact, the GDR set a course toward reform that complied fully with the desires of those advocating a neo-liberal shock therapy. However, the introduction of the market economy went hand in hand with a strong participation of government in the form of an enormous injection of capital, which justifies the interpretation that a pseudo-market economy had been introduced in East Germany. Sixteen years after the change, the net value of the money transferred from West Germany (about 980 billion euro) was annually roughly 45 percent of the gross regional product of East Germany – a unique situation, totally unprecedented anywhere else in the world.

The results of this course of reform have been disappointing. Sixteen years after the transition, the actual rate of unemployment is much higher in East Germany than in most of the other countries of the former East Bloc.

The German government of the time staunchly believed in the beneficial effects of the market. However, the rapid economic adjustment did not leave enough time for ‘incubation’: a period in which companies could build up strength (with Western help) so they would be resilient once they entered the world market. People had forgotten that it had taken decades for the Western world to make the transition to the postindustrial economy.

The destruction of capital was enormous, due to the course of reform and the way public corporations were privatized. The destruction affected not only physical capital (the manufacturing plant) but also social capital: large segments of the East-German workforce were made redundant. Many West Germans had an inaccurate image of the knowledge base, professional skills, motivation, and capacity to improvise of many East Germans.

The immense subsidies on new investments were too one-sided, being geared to the needs of large West-German companies. Many East Germans could not put up any collateral and therefore had a hard time obtaining loans to start up a company. Immediately after the introduction of Monetary Union, consumer goods started to flow from West Germany into East Germany – a welcome utilization of the current overcapacity in West-German industry. In the course of time, only part of that production capacity has been moved to the East.

One of the main problems of the East-German economy is the gap between productivity and wages. Wages in East Germany have risen sharply, partly under pressure from German trade unions and West-German companies, who feared the competitive position of a low-wage region in East Germany. Productivity in some economic sectors attained West-German levels (for example, in agriculture and processing industries). Nevertheless, overall productivity is roughly 60 percent of the West-German level, while the (gross) wage level is about 75 percent of that in West Germany (Jahreswirtschaftsbericht Mecklenburg-Vorpommern, several years).

It is unclear what kind of locational advantages East Germany has to offer to investors. Reunification has also brought obvious benefits: a democratic political system, a state under the rule of law, freedom to travel, a modern infrastructure, and a large-scale renovation and modernization thrust in the cities.

Many East Germans perceived the chain of events during and after the transition as a wave of West-German colonization, and that is not surprising. Many lost not only their job but also their home due to the principle of 'restitution instead of compensation'. For many East Germans, reunification was a humiliating experience, and it has led to an upsurge in psychological problems.

Though reunification was rapid, it did not prevent a massive migration (of about a million East Germans) to West Germany. The migrants were mainly young people with initiative – just as in the years prior to 1961. It is an ominous sign that migration to West Germany picked up again after 1998.

The change led to a 'birth strike' among East-German women. The birth rate has rebounded somewhat in the meantime, converging somewhat with the rate in West Germany. The population is 'graying' quite rapidly; in combination with the birth deficit of the 1990s, this could lead to what some would call a demographic crisis.

The spatial structure of East Germany has changed a lot during transition. The centre of gravity of the German economy still lies outside of East Germany. Berlin is once again the centre of government of Germany, but the capital has attracted few firms since the transition. However, the greater Berlin region could be considered as one of Germany's secondary centres. The same applies to the old core area of the GDR in the south of East Germany. There, economic dynamism in the cities is relatively strong, and unemployment is lower than in the rest of East Germany. The rest of East Germany, including Mecklenburg-Westpommern is relegated to the periphery, though we may distinguish between the advantageously located western part – to the west of West Germany – and the disadvantageously located eastern part. The western part now benefits from the location and the radiating benefits of the secondary core areas; for the time being, the eastern part will have to cope with the strong competition of Poland and the Czech Republic, soon to be EU member states.

4.4.3 Economic development and spatial differentiation within Mecklenburg-Vorpommern

To go more into detail we will focus on one of the poorest regions of East Germany, the state of Mecklenburg-Westpommern. At first sight many visitors will have a positive image of Mecklenburg-Westpommern. But the structural weaknesses are difficult to see. The GDP/cap is about 58 percent of the West German average. It has about 1.7

million inhabitants; which is 350.000 less compared to 1989, mainly due to out migration. The out-migration from Mecklenburg-Westpomerania has raised since 1998. With 77 inhabitants per km² the population density is very low.

The average economic growth since 1995 is about 1-2 percent annually; a bit lower than the East German average. Agriculture has developed well, but there is little expectation of job growth in this sector. Tourism has risen sharply since the transition, but the limits to growth in this sector are coming into sight. Shipbuilding has already reached those limits as a result of the European Union's regulatory framework. The service sector has expanded greatly but has not been able to provide new employment for everyone who had lost a job in agriculture and manufacturing. Though the sector of small and medium-sized enterprise has grown considerably, Mecklenburg-Westpomerania lacks the large manufacturing firms that could support the economy and give the State a clear profile. As in the rest of East Germany, no self-supporting economic dynamic has arisen here. The amount of foreign direct investments per inhabitant is the lowest of all new states. Big manufacturing industries like BMW and Airbus did consider big investments, but in the end have chosen for other locations in Germany.

Internal differentiation is growing. The western part is performing better than the eastern part. Unemployment is lower, and FDI a bit higher. In some districts there is even some population growth, thanks to increase from the urban agglomerations of Hamburg and Lübeck. The cities of Rostock and Schwerin serve as poles of attraction. There is a clear West-East divide. Many people in the western part commute to Hamburg or Lübeck. The central and eastern parts further away from Western Germany have inherited an unfavourable one-sided economic structure.

Also on a micro scale, differentiation has increased since 1989. Release from the restrictive bonds of state-imposed spatial planning has led to an enormous residential suburbanisation. A few villages around the town of Greifswald had practically died out by the end of the GDR era but have since shown spectacular growth. In contrast, a few settlements that had been privileged in the GDR period were confronted with a declining population after the transition. The major cities have lost many inhabitants through emigration to West Germany and through suburbanisation.

4.4.4 Final considerations and perspective

After the unexpected revolution the ultimate shock therapy was introduced in East Germany, based on rapid macro-economic stabilisation and overall liberalisation. According to the Washington consensus this was an excellent package to get East Germany off the ground. At the same time a new institutional environment was

introduced, with a big role for the state - just in line with the wishes of UNDP and other critics of the neo-liberal way of thinking.

But the unique political circumstances created a strange mixture of capitalism and state intervention. Insufficient attention was given to the specific conditions and characteristics of East Germany. West German politicians hardly knew the GDR, and had a naive belief in the healing forces of market economy. They expected that after an initial financial support endogenous economic development would take place. But the pressure for a rapid reunification, and the need to stop the massive migration from east to west led to economic decisions that destroyed the economic vitality of East Germany. The unrealistic exchange rate for the GDR-Mark, the rise of East German salaries (bigger than the growth of productivity) and the rapid privatisation were in retrospect fatal decisions, creating an unfavourable business climate. The German government is forced to keep living standards in East Germany artificially high by maintaining a sizeable stream of subsidies. Overall, one could say there is stagnation in both thought and action, and here a curious parallel springs to mind - that of the Honecker regime in the last years of the GDR. There is a difference, of course: now, the German state is not bankrupt, though its economic problems are significant. It should be kept in mind that the stagnating development in East Germany is also related to the structural problems of Germany as a whole (an inflexible labour market, the excessively high cost of health care, an expensive system of pensions, etcetera).

As yet, the regional differences are not exceedingly large, but they are increasing. It is clear that some regions in the south perform better, due to geographical location and agglomeration effects. Within Mecklenburg-Westpommern the western part profits from its proximity to Hamburg and Lübeck. There are considerable problems in the rural interior of Mecklenburg-Westpommern due to the massive out-migration of young people. Many out-of-the-way villages are inhabited by the elderly and alcoholics, to put it bluntly. The rural areas surrounding the cities are doing well, but these circles will have to become much wider.

The limited success of Berlin is due to its peripheral position in Germany and the overall economic crisis.

Without state intervention regional differences would be much bigger. The previous observation implies a return to the spatial structures that had been in place prior to the Second World War - at least a return to their general contours. This article demonstrates the importance of various contexts and scales. At the highest level of analysis (the whole of East Germany), developments were mainly influenced by the path of reform and the pace of reunification, while at the regional and local level, the factors of relative location and legacy structures gave the explanation of observed spatial inequality an added dimension.

The situation in East Germany is unique, and incomparable to the ECE countries because of the important role of subsidies. These economies had more time to adapt to market circumstances, and the gradual privatisation was a blessing. Living conditions increased only slowly, but were the result of endogenous growth. For East Germany it cannot be expected that the EU-enlargement of May 2004 will bring much profit. As Krätke (2002) has indicated, the most important nodes of transnational economic relations in an enlarged EU are not the border regions. 'Strong' regions in Poland have contacts with 'strong' regions in West Germany; because of the massive privatisation in East Germany hardly any enterprise is left to have contacts with. One would expect the ports of Mecklenburg-Westpomerania stand to benefit from the expectation that the Baltic Sea will play a greater role in the commercial life of Europe. It is too early to say what other effects the eastward expansion of the EU will have. One advantage might lie in the existing knowledge about countries of the former East Bloc; given that knowledge base, the region could reinstate some of the old relationships.

It will be necessary to find a way to get the endogenous development of East Germany moving. But judging from how Germany's political scene looked in 2006, things have got off track. The negative image of East Germany is a persistent problem. It is a region that is associated with the past. This problem is particularly acute in Mecklenburg-Westpomerania, and within the State especially in Westpomerania. Basically, the regional policy pursued by the State government comes down to the spatial distribution of subsidy flows, and there is too little room for differentiation within that policy. An all-out effort must be made to draw more jobs to Mecklenburg-Westpomerania and specifically to the areas with a one-sided economic structure.

This presented picture is perhaps quite negative. There are still some things that can be done. It is important to stimulate good ideas, like giving some kind of micro-finance to young East Germans with good ideas to start a new economic activity. Secondly it is important to develop clear clusters of knowledge, where entrepreneurs are in the vicinity of universities.

It is important to invest in research and higher education. Thirdly, there is a need to strengthen local administration. It is important to start with the administrative reform of municipalities. Fourthly, there should be a more pro-active regional planning, stimulating only the regions with some perspective for economic recovery. Finally, East Germany should make use of its location near some new EU-member states. Bridges can be build, but this can only start if negative stereotypes about the neighbours disappear, starting with getting to know each other.

4.4.5 References

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4.5 Linking local development and conservation – examples from landscape management in Sweden.

Gabriel Bladh

Linking local development and conservation - examples from landscape management in Sweden

Background

Examples of landscape management in Sweden

- Fulufjället National Park
- Kristianstad Biosphere Area
- Finnskogen, Värmland

Conclusions

Landscape management - some discussed tensions today

- expert knowledge ↔ local involvement
- national interests ↔ international interests
- preservation ↔ conservation
- sector responsibilities ↔ overall view (functional-territorial)
- nature ↔ culture
- utility values ↔ exchange values
- recreation ↔ tourism

Those themes raises questions as...

How can we involve local people in landscape management and avoid conflicts ?

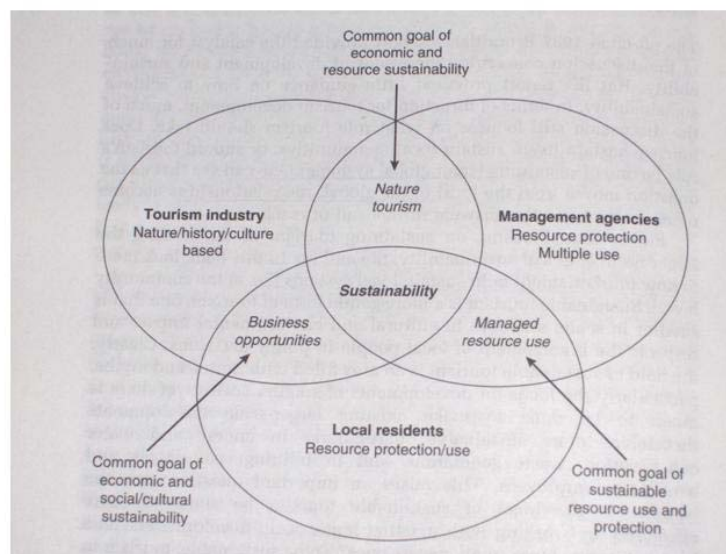
What is the role of "expert knowledge" in implementation processes ?

How could national parks and nature reserves be resources for development ?

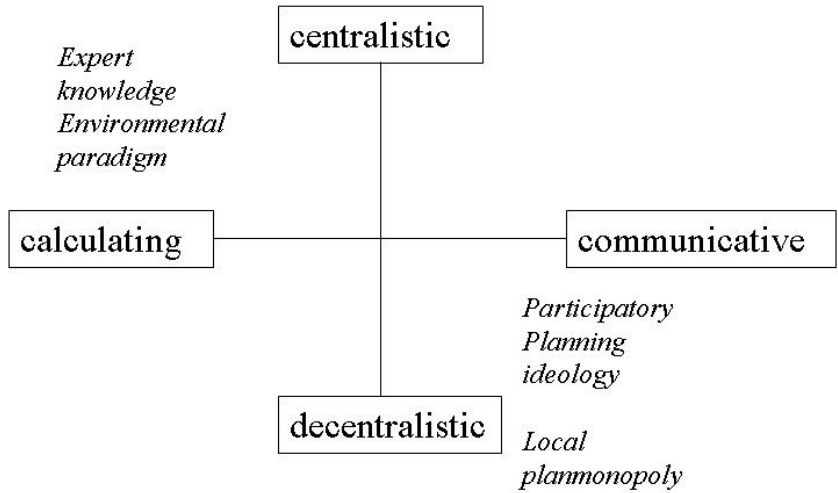
What does sustainable development mean in practice, and how could we negotiate the three dimensions (ecological, social and economical sustainability) ?

How could social science contribute to landscape management ?

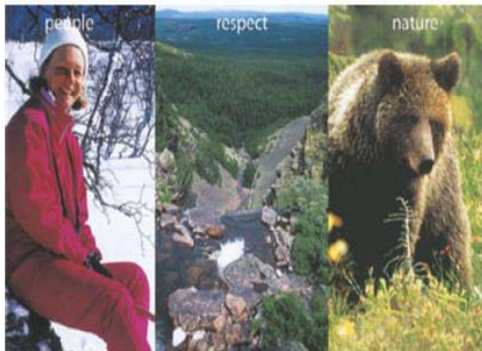
Factors in Tourism Development and landscape management



Planning rationalities and ideologies in environmental management



Welcome to
Fulufjället National Park



**FULUFJÄLLET
EXAMPLE OF
CONSERVATION
AND
DEVELOPMENT
NATIONAL PARK
ESTABLISHED 2002
385 SQUARE KM**



The most valuable natural features of Mt. Fulufjället are:

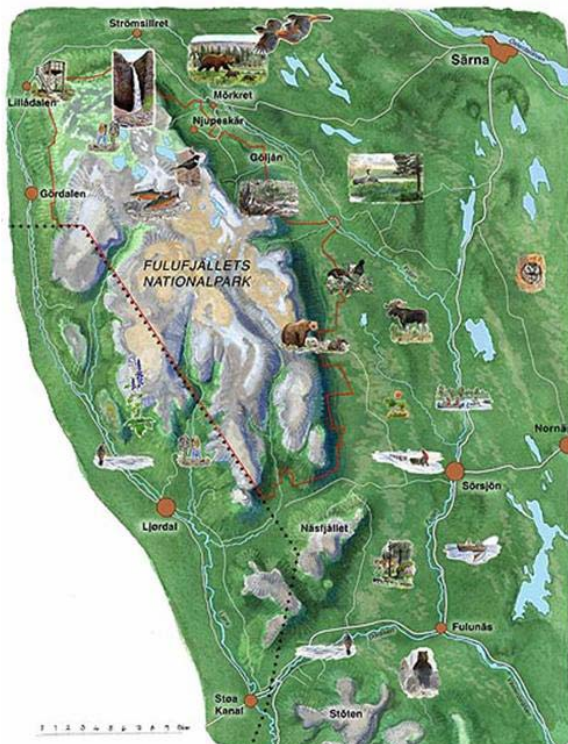


- Its unique geology, including dramatic topography and numerous traces left by the melting of the most recent ice-age glacier.
- The only large mountain in Sweden that has not been grazed by reindeer.
- Sweden's highest waterfall - Njupeskar.
- Ravines and ancient forests with unusual animals and plants
- The most "continental" weather in Scandinavia
- Site of the great rainstorm of 1997, the most powerful ever recorded in Scandinavia.

FULUFJÄLLETS NATIONAL PARK



FULUFJÄLLETS NATIONAL PARK



PROJECT “THE SURROUNDINGS OF FULUFJÄLLET”

EU-project 1997-2003
(goal 1) Public finances came from the Dalarna County Adm. Board and the Swedish Environmental Protection Agency

Goals: Create a sustainable development of nature and cultural tourism synchronized with the national park.

Make the local population a part of the discussion and the development.

PROJECT "SURROUNDINGS OF FULUFJÄLLET"

Phase I

1997: Interviews with local inhabitants. Purpose: to find out the conditions and future prospects of the area. Establishment of reference group

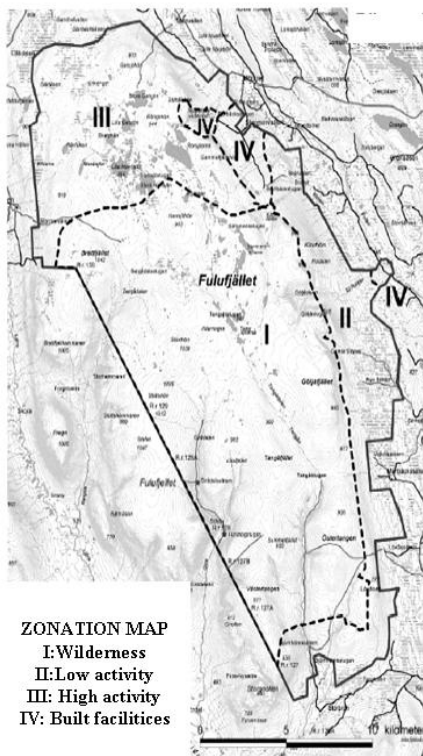
Phase II

1998 -1999 Developments of networks in the surroundings of Fulufjället; Establish a common vision: "Fulufjällsringen" (the circle of Fulufjället)

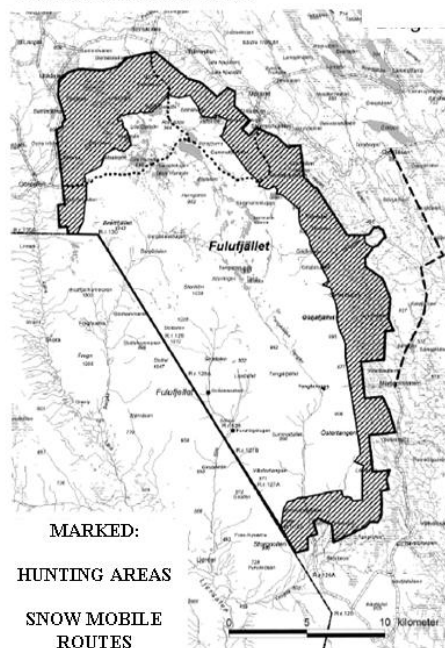
Phase III

2000 -2003 Establishment of projects; sex themes

- Development of businesses and products
- Education
- Research
- Pan Parks
- Marketing, market analysis and information
- Conservation management



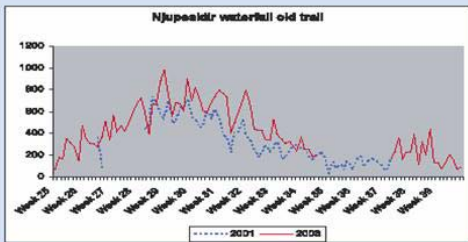
FULUFJÄLLETS NATIONAL PARK



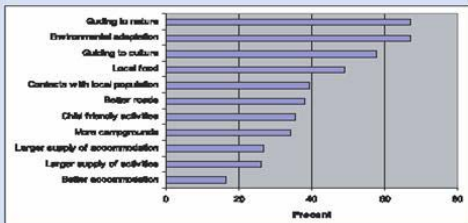
WALKING ROUTE: NJUPESKÄR



Fulufjället Visitor changes 2001-2003



Number of registrations at old trail to Njupeskar 2001 and 2003.

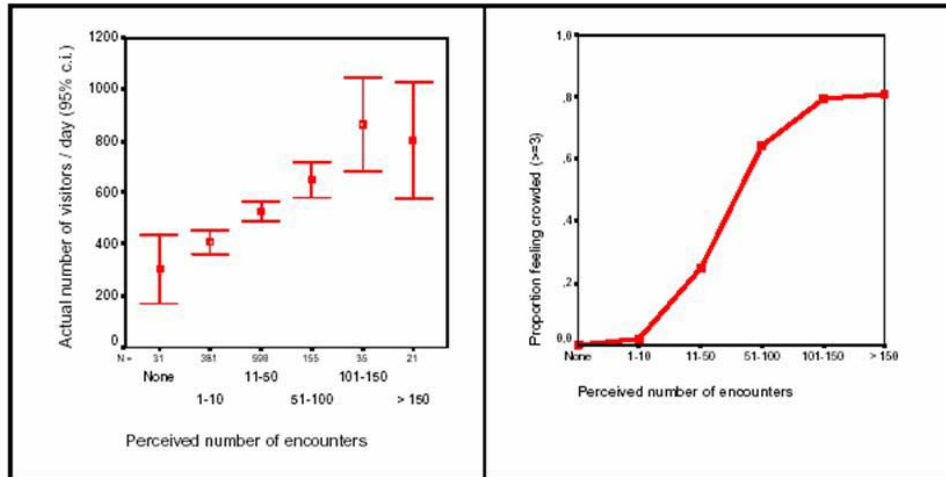


Attitudes toward tourism development in Fulufjället. Proportion who considers the items above as "important" and "very important".

53,000 people visited Fulufjället in the summer of 2003, which is an increase of 40 % compared with 2001. Almost the entire increase occurred in the more developed sections of the park, around Njupeskar's waterfall. The length of each visit has on average decreased from 1.6 to 1.2 days.

Most visitors come to Fulufjället in order to see Njupeskar's waterfall. People travel to Fulufjället by private means, only three percent made the visit as an organized tour. For two out of three, the main motive is to visit Njupeskar's waterfall, for 16% it is to hike, while one in ten come mainly because the area is a national park. 10-15% of Fulufjället's visitors in 2003 came because it is a national park.

Recreation carrying capacity



Introduction of recreation management models developed in north America: Recreation opportunity spectrum, Visitor activity management processes,

Data from (Fredman & Hörnsten 2004)

Protected Area Network

PAN PARKS



- The PAN (*Protected Area Network*) Parks Foundation is a non-profit organization; aims to increase effectiveness of protected area management. A network is created based on synergy between outstanding nature conservation and tourism on a European level.
- Certification programme covering sustainable tourism in protected areas in Europe
- Founded 1997 by W W F in partnership with the Dutch leisure company Molecaten as a “quality brand”

PAN Parks is founded on a partnership between protected area authorities, local communities, the tourism sector, and nature conservation organisations.

- Founding partners
 - W W F, the conservation organization
 - Molecaten, a Dutch tourism company
- Protected area authorities
- Local partners
 - Local government
 - Non-governmental organisations
 - Local business partners
- Conservation partners
 - IUCN/WCPA
 - Europarc Federation
 - Large Herbivore Foundation
- Business partners
 - Canon Europe
 - PAN Parks Accommodation, (NL)
- Tourism partners
 - SNP, (NL)
 - Trailfinders, (NL)

www.panparks.org

TOURISM DEVELOPMENT IN FULUFJÄLLET

PAN Parks partnerföretag	PAN Parks partners
<p>Gärans sitt arbeta lokala PAN Parks partnerföretag st gynnar då inte bara den lokala ekonomin utan du stöder också samtidigt naturvärden i Fulufjälletsområdet.</p>	<p>By using the services of PAN Parks partner local businesses you do not only support local economy but also contribute to the better protection of nature in Fulufjället.</p>
<p>Fålar, Sjöbjörns, vildbesöksguiding Harnveds Fålar och vildbesöksguide - Hornveds 52, 730 49 Sirjöns Kontakt: Ewert Spälsberg, tel: 0203-32026, email: ewert@spalsberg.se, www.spalsberg.se Fålarig, fålarig, nature, vildbesöks guidning Harnveds Fålar och vildbesöksguide - Hornveds 52, 5-730 49 Sirjöns Contact: M. Ewert Spälsberg, tel: (+4) 48 283 20 31, email: harnveds@spalsberg.se</p>	<p>Reserest med stugor och hotellpartner Fjällgården Fjällrest och Sjöns Herb Restering Fjällgården - Sjönsfjället 51, 730 90 Sirjöns Kontakt: Lena Tor, tel: 0253-13040, email: lena@fjallgardens.com, www.fjallgardens.com Cottage and stuga Fjällgården Fjällrest Sjönsfjället 51, 730 90 Sirjöns, Contact: Lena Tor tel: +4623 13040 lena@fjallgardens.com, www.fjallgardens.com</p>
<p>Flygfålkolonin, betandning av fålar, naturerologi Kontakt: Ewert Spälsberg, Söndagsgården 32, 730 90 Sirjöns, tel: 0253-312 14 Fålarig, nature, vildbesöks guidning, fålar, naturerologi Contact: M. Ewert Spälsberg, Söndagsgården 32, 5-730 90 Sirjöns Tel: (+4) 48 253 12 14</p>	<p>Övernatting Fjällgården Hotell och hotellpartner - Box 535, 730 90 Sirjöns Kontakt: Tomas Johansson tel: 0253-13036, email: tomas@fjallgardens.com Accommodation Fjällgården Hotell och hotellpartner - P.O. Box 535, 5-730 90 Sirjöns Contact: Mr. Tomas Johansson tel: (+4) 48 253 130 36, email: tomas@fjallgardens.com</p>
<p>Hästskolor, vildbesöksguiding, hästkur Nordisk Vildbesöksguidning - Västas Sida 246, 730 49 Sirjöns Kontakt: Christer Åhnes, tel: 0203-32026, email: christer@vild.se, www.vild.se Djurhyllning, vildbesöks guidning, hästskolor Nordisk Vildbesöksguidning - Västas Sida 246, 5-730 49 Sirjöns Contact: Mr. Christer Åhnes, tel: (+4) 48 262 83 16 email: christer@vild.se, www.vild.se</p>	<p>Övernatting, naturerologi, vildbesöksguidning Tullstugan Hotell och hotellpartner - Sjönsfjället 4, 730 90 Sirjöns Kontakt: Lena-Olov Berglund, tel: 0253-130 37 email: lena@tullstugan.se, www.tullstugan.se Accommodation, nature, vildbesöks guidning Tullstugan Hotell och hotellpartner - Sjönsfjället 4, 5-730 90 Sirjöns Contact: Mr. Lena-Olov Berglund, tel: (+4) 48 253 130 37 email: lena@tullstugan.se, www.tullstugan.se</p>
<p>Stugor, information, vildbesöksguidning Fjällgården Måskölen - Box 66, 730 90 Sirjöns, Kontakt: Olof & Beate-Jen Högström Tel: 0253-150 10, tel: f@fjallgardens.com, www.fjallgardens.com Cottage, information, nature, vildbesöks guidning Fjällgården Måskölen - Box 66, 730 90 Sirjöns, Contact: Olof & Beate-Jen Högström Tel: 0253-150 10, f@fjallgardens.com, www.fjallgardens.com</p>	<p>Övernatting, betandning, fålar Fjällgården Stugor och hotellpartner - Måskölen, 730 90 Sirjöns Kontakt: Lena-Olov Berglund, tel: (+4) 48 253 130 33, email: lena@fjallgardens.com Accommodation, nature, vildbesöks guidning Fjällgården Stugor och hotellpartner - Måskölen, 5-730 90 Sirjöns Contact: Mr. Lena-Olov Berglund, tel: (+4) 48 253 130 33, email: lena@fjallgardens.com</p>
<p>Stugor, fålar, naturerologi, naturerologi Lövålar - Box 182, 730 90 Sirjöns Kontakt: Sig Eriksen, tel: 0253-10049, email: l@lovajar.se, www.lovar.se Cottage, nature, vildbesöks guidning Lövålar - P.O. Box 182, 730 90 Sirjöns Contact: Sig Eriksen, tel: 0253-10049, email: l@lovajar.se, www.lovar.se</p>	<p>Övernatting, naturerologi, vildbesöksguidning Fjällgården Sjönsfjället - Box 53, Gröndalen, 730 47 Sirjöns Kontakt: Anna Ringdahl, tel: 0260-820 40, email: anna@fjallgardens.com Accommodation, nature, vildbesöks guidning Fjällgården Sjönsfjället - P.O. Box 53, Gröndalen, 730 47 Sirjöns Contact: Mrs. Anna Ringdahl, tel: (+4) 48 283 820 40 email: anna@fjallgardens.com, www.fjallgardens.com</p>
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<p>Hästkur, hästskolor, naturerologi, vildbesöksguidning Cold Feet - Box 142, 730 90 Sirjöns Kontakt: Sash Spillars, tel: 0253-517771, email: sash@coldfeet.se Djurhyllning, naturerologi, nature, vildbesöks guidning Cold Feet - Box 142, 730 90 Sirjöns Contact: Sash Spillars, tel: +46 0253-517771, email: sash@coldfeet.se</p>	<p>Naturerologi, vildbesöks guidning, stugor Fjällgården Sjönsfjället - Box 53, Gröndalen, 730 47 Sirjöns Kontakt: Lena-Olov Berglund, tel: 0253-130 37, email: lena@fjallgardens.com Accommodation, nature, vildbesöks guidning Fjällgården Sjönsfjället - Box 53, Gröndalen, 730 47 Sirjöns Contact: Mr. Lena-Olov Berglund, tel: (+4) 48 253 130 37, email: lena@fjallgardens.com</p>

www.fulufjallet.se

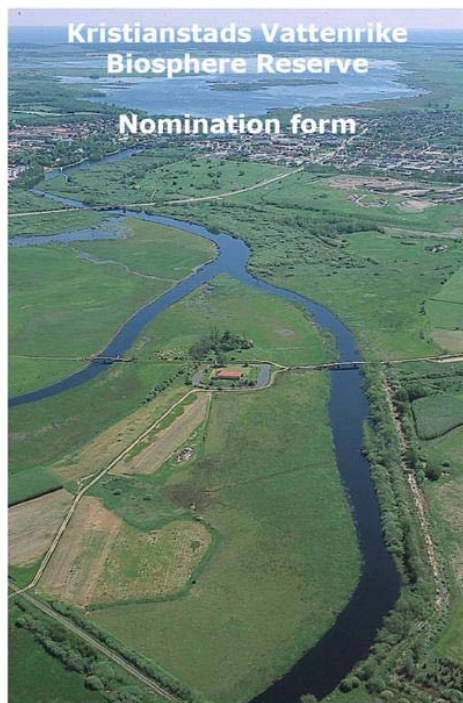
KRISTIANSTAD VATTENRIKE



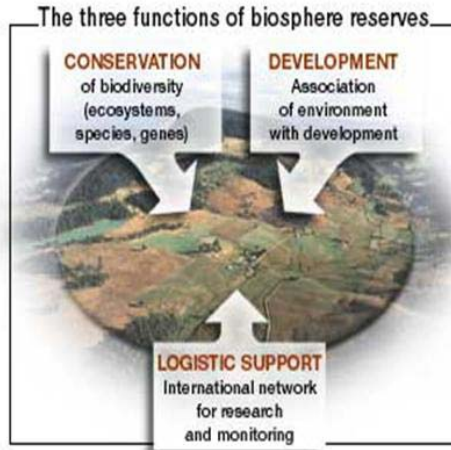
EXAMPLE OF
CONSERVATION AND
DEVELOPMENT

BIOSPHERE AREA

ESTABLISHED 2005



KRISTIANSTAD VATTENRIKE



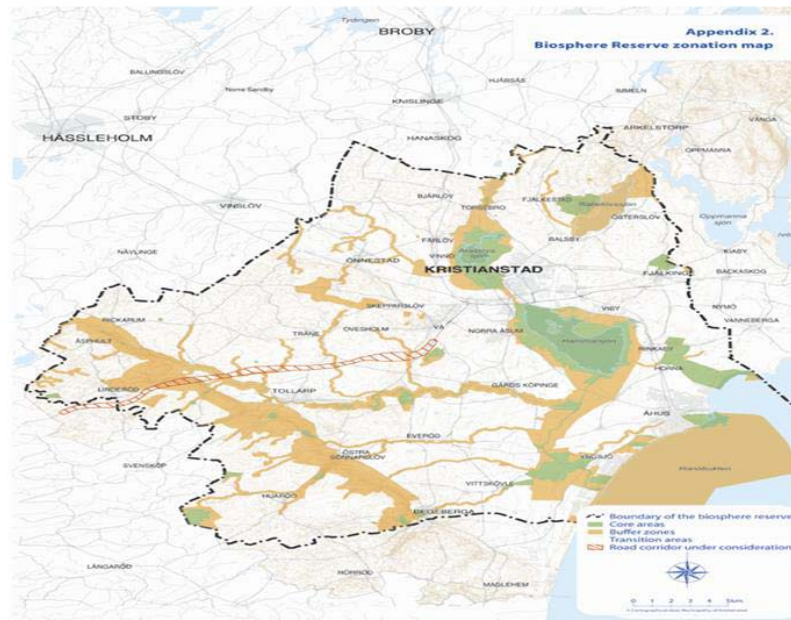
BIOSPHERE RESERVE

UNESCO - MAB

MODEL AREAS FOR
SUSTAINABLE
DEVELOPMENT

ZONATION SYSTEM

VATTENRIKE PILOTAREA
FOR DEVELOPING
BIOSPHERE AREAS IN
SWEDEN





TO PRESERVE BIOLOGICAL DIVERSITY

The conservation function is dealt with on species level, as in the White Stork project, on landscape level, as in the case of preserving or restoring the sandy grasslands and the wet grasslands. Inventories are being made to increase the knowledge of the area.

The Swedish Environmental Protection Agency, the County Administration Board of Skåne, the WWF Sweden and others are all key partners.



TO PROMOTE SUSTAINABLE DEVELOPMENT AT THE LOCAL LEVEL

Examples:

The Crane Committee

"Haymaking project"

Eutrophication prevention

Ecotourism project





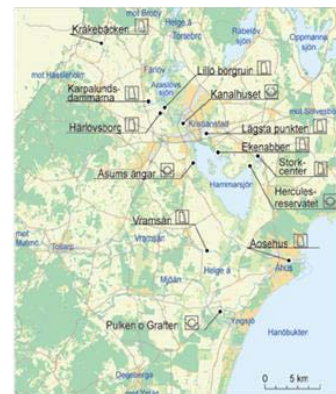
**TO PROVIDE OPPORTUNITIES FOR RESEARCH,
ENVIRONMENTAL MONITORING, EDUCATION
AND INFORMATION**

The Ecomuseum coordinates activities which come under the direct supervision of the Chairman of the local municipal executive committee.

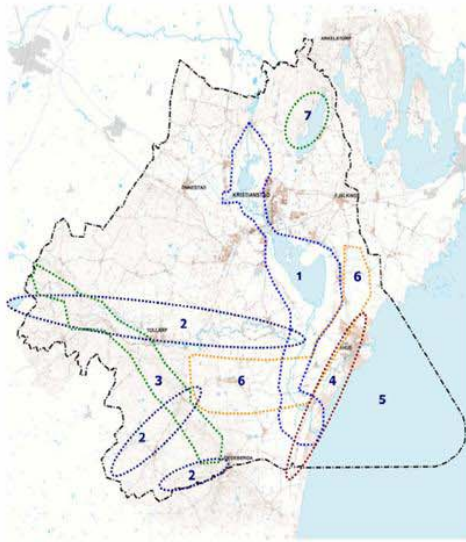
Education & the Nature School.

Research in the river Helgeå catchment, with University College Kristianstad, Department of Systems Ecology, Stockholm University, Resilience Alliance, the Beijer Institute and Stockholm Environment Institute.

Visitors sites in
Kristianstads Vattenrike



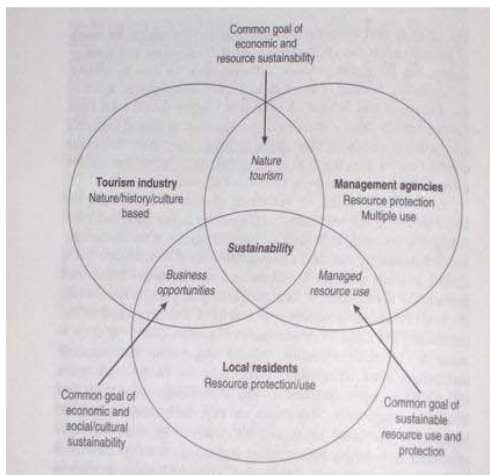
THEMES IN KRISTIANSTAD VATTENRIKE



1. The rich wetlands along the River Helge å
2. Tributaries of the River Helge å originating on Linderödsåsen Ridge
3. Rich woods and forest on the slopes of Linderödsåsen Ridge
4. The coastal landscape with extensive sand dunes
5. The coastal waters of Hanöbukten Bay
6. Sandy grasslands formerly managed under a rotational system of cultivation and fallow
7. Balsberget Hill and Lake Råbelövssjön



Linking local development and conservation in landscape management - some conclusions



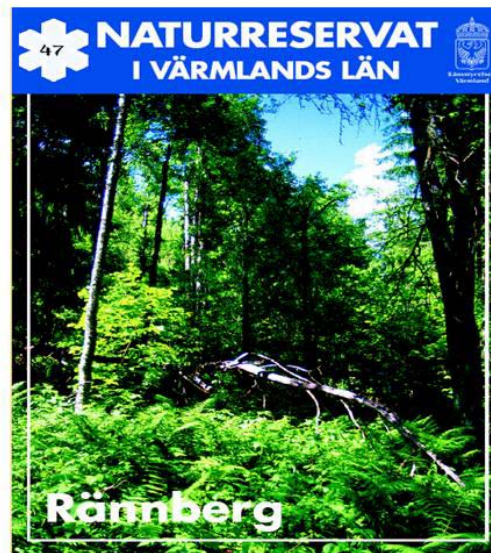
- Management is very much about presenting visions, defining goals and negotiating values: adaptive management for sustainability
- Important to combine sector interests to get synergy effects, which means negotiating different planning ideologies
- Crucial to mobilize social networks with actors across scales; "policy" entrepreneurs key persons
- Tourism not a solution for peripheral areas, but a contribution - Strategies for connections to the local economy important

Possibilities with a biosphere area??

- Put Finnskogen on the map
- Give increasing opportunities to develop a living Finnskogen
- Establish a model area for sustainable development through a development of social networks including researchers and local actors
- Give an opportunity for coordinating the management of Finnskogens cultural and natural heritage
- Improve the touristic infrastructure
- Connect to a international research and management network
- Give a unifying vision and aim for Finnskogen as an area for conservation and development

Project example: Management of the natural and cultural heritage in Finnskogen

- Funded by local conservation project money (32 milj. Euros in Sweden 2004-2006).
- Initiator: Torsby municipality, Local development groups, Karlstad University, Forest board,
- Involve and use local knowledge
- Natural and cultural heritage as a resource
- Excursions for locals
- Local community groups on parish level
- Thematic consultation groups - forestry and tourism
- Developing social networks
- Prestudy of Finnskogen as a possible biosphere area



Why Finnskogen as a biosphere area?

- An area with a common history and distinct identity
- Considerable natural and cultural values
- A forest landscape historically characterized by the meeting between people and environment
- A type of nature (southern boreal forest) effected by strong pressure of transformation e.g. biological diversity
- An area with a longer research history and potential for research and education
- Ongoing local development processes
- A potential for a cross national area Sweden-Norway

Finnskogen- activities and experiences



Finnskogen - cultural and natural heritage

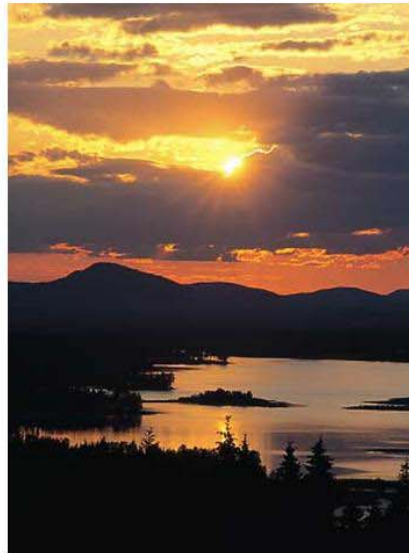


Savo-pirtti
Sauna, Ria



Slash-and-burn
cultivation and
other forms of
local knowledge
in natural
resource use

FINNSKOGEN, VÄRMLAND

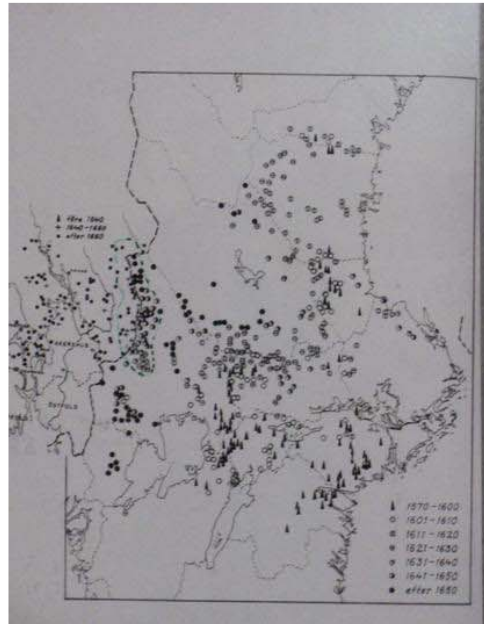


FINNSKOGEN, VÄRMLAND

Map: Areas colonized by Finnish settlers in Scandinavia 1570-1670

Finnskogen in Värmland and Solör

- Territory of a historical minority

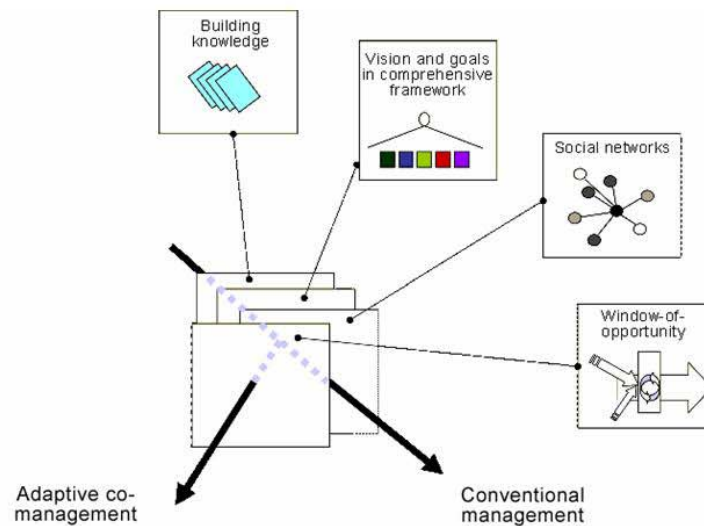


Finnish speaking communities up to the 1930's

Traces of heritage in buildings, place-names and cultural landscapes

Today sparsely populated area

A model for adaptive co-management



(Folke et.al. 2004)

Examples of actors at different levels involved in various collaboration projects in Kristianstads Vattenrike, 1989–2003.

International

International Council of Museums (ICOM)
Ramsar Convention on Wetlands
EU commission - Natura 2000 Directive
UNESCO - Man and the Biosphere Progr.

National

Environmental Protection Agency
The National Cultural Advisory Board
Research Council (*Forskningsrådsnämnden*)
Central Board of National Antiquities
Fishery Department
Agricultural Department
The Swedish MaB-committee
World Wildlife Fund
Ornithological Society of Sweden
SEB (a Swedish bank)
OLW (potato chip manufacturer)

Regional

Scania County Administrative Board
Scania Region (*Region Skåne*)
Kristianstad University
Rural Economic and Agricultural Association in Kristianstad (*Hushållningssällskapet*)
Other universities

Local

Municipality administrations
School, Trade and Tourism, Environment and Health, Technical, Labor Market
Associations and organizations
NSF, Bird Society, lower Helgeå River Fishing Association, Boating Club, private landowners, farmers' associations, community and village associations
Trade and Industry
River Boat (sightseeing in KV), Lillö Kungsgård, Viby Gårdsbutik (farmers' market), Hovbydalsgård (farmer), Araslövs Gård, Helgeå River camping, other agricultural businesses,

Social science (and Human Geography) input is important in landscape management...

- for studying planning and implementation processes
- developing landscape management models including tourism and recreation management
- developing new theoretical frameworks for nature-society relations; e.g. overstep dualisms
- framing a negotiation of planning ideologies : landscape management **and** local/regional development

4.6 People, identities and regional development

Gerhard Gustafsson

This paper is based on a jubilee lecture at Greifswald 2006-03-29

(twenty years since Gerhard Gustafsson defended his Ph. D. dissertation)

4.6.1 Introduction

Having interest in regional development since some decades ago it has for me been interesting to partly focus on humanistic aspects. The terminology “Local and Regional Identities” have been used and are still frequently used by geographers and regional planners, but what is the relevance today? These aspects have a strong root in people’s awareness of their own history related to places and regions, but what does it mean today when the world is changing a lot, with increasing individual mobility and globalisation of the society? Especially, what would the implications for tourism be? Here the ambition is to critically use this terminology and try to develop it a little. Both personal experiences and ongoing trends in the world will be put together in a try to theoretically discuss what it is about, or what it could be about.

When thinking of identities in social sciences it is natural to focus on identities among individuals or groups of people, but for a geographer it has also traditionally been an interest in the identities of regions. Further it is here also a question of looking at both physical and mental issues in a further distinction, but it is not easy to make this distinction. If consider a physical human being and a physical region there are links or relations between them that is of primarily interest here (see Figure 42). This figure is of course primarily constructed to make the problem area possible to study. In real life people is so much appearing within regions that it could be impossible to take them out of the context. It is easy to relate the physical to both the individual and the region, but more difficult to talk about a mental region in the meaning that a region can have a mental construct/aspect (I do not mean in the way researchers talk about the representation problem). Here the mental region in people’s mind is central and represents the relation between the individual and the region. Probably you can talk about a mental region in the sense of people living in a region and share similar mental perceptions. To sum up, we can talk about three different kinds of identities which I here call: people identities, regional identities and relational identities.

People identities could be either individual or group identities and the division is interesting in itself since one can argue that different recognisable pattern or changes gives priority, for a person, for stronger individual or group identity. Identities here can

be found between deep routes in the culture (e.g. religion) where the group identity is central and a more post-modern strong individually expressed identity not possible to identify by developed linguistic categories. Identities of this kind could be expressed or discovered by either physical elements or behaviour. The mental aspect of an individual is a huge research area and often not possible to grasp, due to both the “hiddenness” and ethical questions. You can make a distinction between a self experienced identity and a, from the surrounding experienced identity (the classical “I” and “me” from Mead (1974)). Here the limited interest is related to mental aspects on relations to regions and is here put in the “Relational identity” box (see Figure 42).

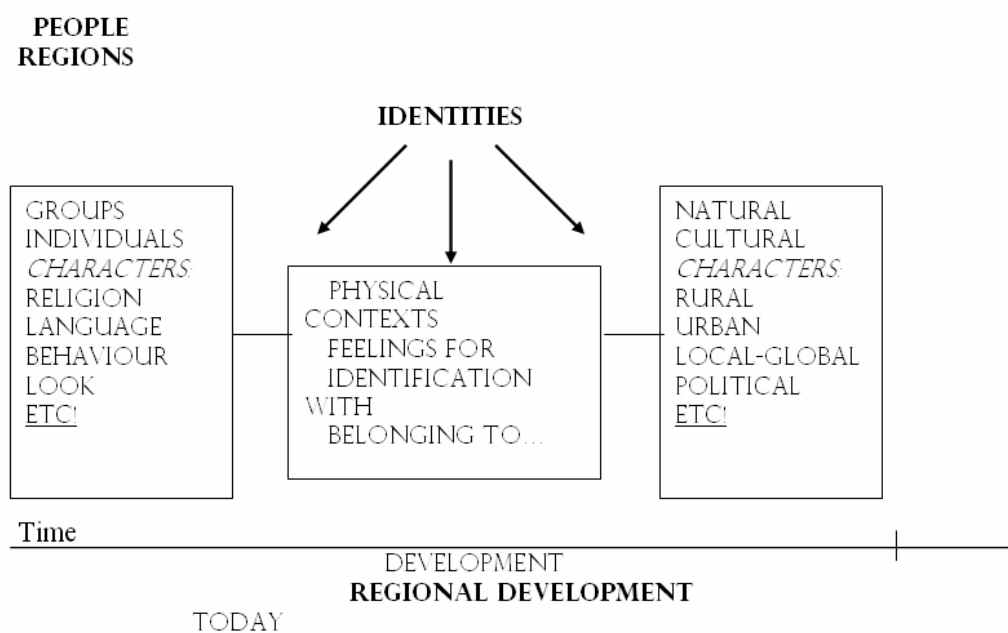


Figure 42: Focus of the paper about people, identities and regional development

Regional identities are basically identities given by the natural landscape and the cultural landscape, given some kind of geographic delimitation (region). Today we perceive these landscapes as very integrated and it is often difficult to talk about one or the other. Almost all landscapes/regions all over the world have some kind of human impact today. Other common broad distinctions are made between rural and urban, developed and developing, local and global and political in the sense that regions, or parts of them, can be e.g. symbolic and intentionally express power.

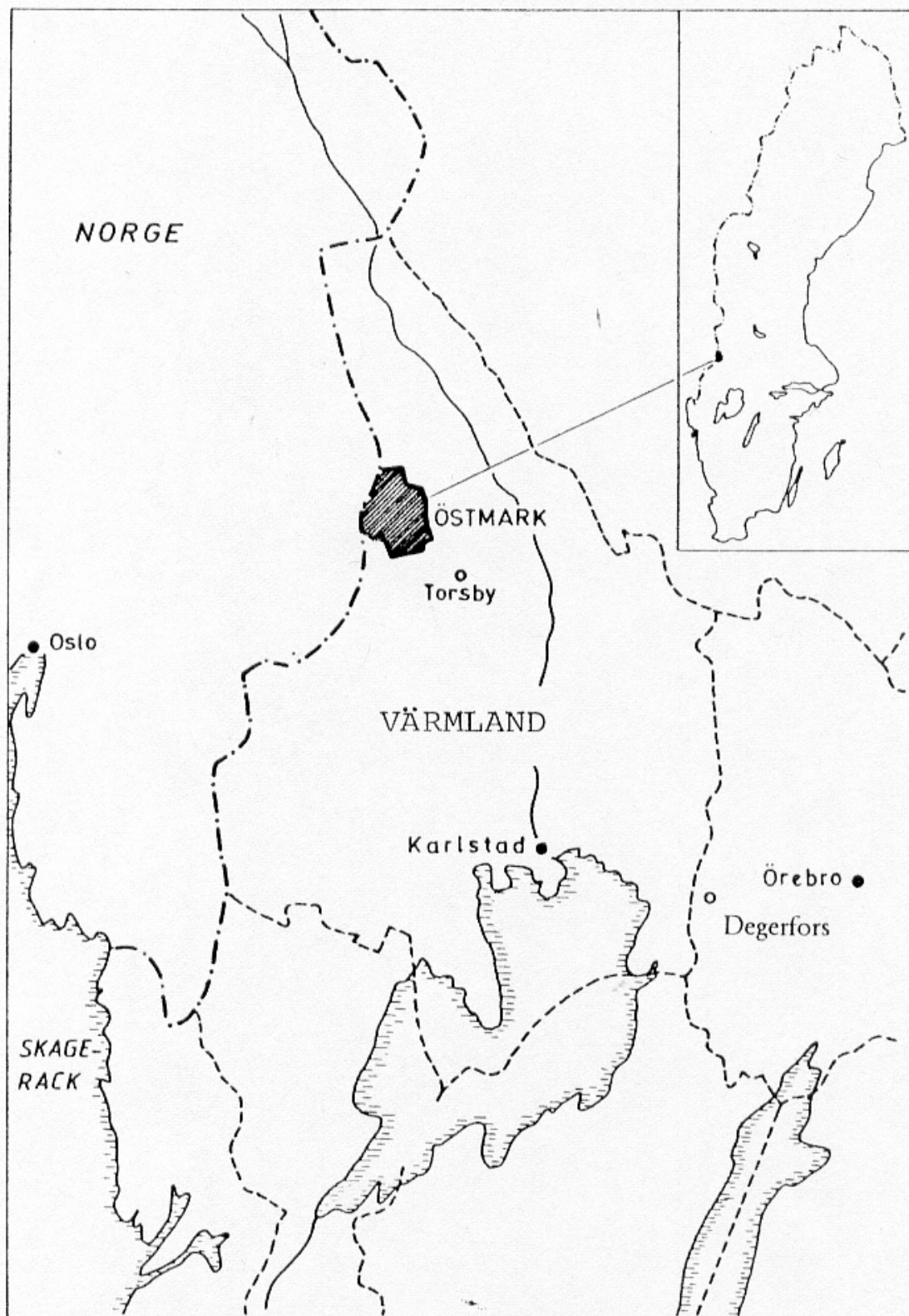
Relational identities are about the relations between individuals/groups and regions. Physical relations can here be defined by all relations all over the world for single individuals or groups, in the spectrum of physical to IT-communications. Of special interest here is how people relate to these complicated circumstances by their feeling for different regions like belonging to or identification with a special or a special kind of

region. I have earlier tried to grasp the “mental” relationships between individuals and landscapes by the help of a picture test/analysis (Gustafsson 1991). In that study I argued for three different types of landscape perceptions: pictorial landscape, perception landscape and identification landscape. Here the concept of identification landscape could be transmitted to the region – identification region.

The interest in this paper is also to discuss stabilities or changes over time related to the concept regional development. This concept can be defined in different ways but here it means a) both more neutral changes and normative goals for development, b) to focus on different kinds of regions with individuals and groups and distinctions between them in this sense and to c) critically discuss these changes theoretically in relation to different kinds of identities of interest here.

4.6.2 Some personal experiences of identities

Here I will present some personal experiences from my academic life from early 1980s up to today. Here are experiences from the town where I grow up, Degerfors, located in south-eastern part of the province of Värmland, my field study areas in the US, especially in Pennsylvania and Minnesota/South Dakota and research done in India, especially from Banaras and the village Chamaon Gram Sabha. These areas have together with Östmark in north-western part of the province of Värmland in Sweden become my reference study areas in the world and represents important areas to come back to for evaluation on what is going on in the world, to see both similarities, differences and how the globalisation affect.



Map 28: Location of the county of Värmland and Degerfors



*Picture 19: "Stora Valla" - A famous football arena in Degerfors
Photographer: Gerhard Gustafsson 1990*

4.6.2.1 Degerfors

I grew up in Degerfors with parents who had immigrated a couple of years earlier from two provinces to south-east of Värmland: Närke and Östergötland. That gave my childhood a feeling of been linked to other areas than Degerfors. Often during weekends and holidays we travelled to the south-east to visit my grandparents. Degerfors is a border region since it belongs to two different administrative regions overlapping each other, the county of Örebro and the province of Värmland. Politically the county is today more important, but the province are used for cultural issues like tourism organisations and football associations. In this respect I always asked myself, "where do I belong?". I remember we used to think/and express about people from Örebro (the capital of the county of Örebro) as "snobbish" and about people from Värmland: "they are all farmers". It was not until I came to Karlstad and began to teach about regional identities (mid 80s) I became aware of that regional identities are strongly related to provinces, not counties. I recognised that "I'm a Värmlänning".

Characteristics for Degerfors is that it is an old iron- and steel town and it has a famous football team, Degerfors IF (Degerfors sport club) which are known for its red and white coloured dress. Another cultural characteristic is the regional dialect which is recognised by outsiders as a very ugly dialect. People who migrated to Stockholm have witness how

they have had to change dialect to be able to be accepted in the big city culture. Related to identities Degerfors local municipality, as usual in Sweden, has slogans for promoting the municipality “Offensive Degerfors” relates to offensive played football and, freely translated, “We have more than football, we enjoy life the year around”. Having inside experiences from the town I can say that images are very reductionistic in its characters and in this case very stable over time, although the town has changed a lot during the last decades, e.g. a reduction from more than 2 000 people employed during the 70s to around 500 persons today. The day after tomorrow I will go on next football play in Degerfors since it means a lot for me keeping the contact with my roots.

4.6.2.2 The US - Pennsylvania

Next example of experiences comes from the US. Here I focus on Pennsylvania and the Amish people. They have close to Indiana, since 30 years back, taken over some land for agriculture. Due to their knowledge and life modes they have succeeded where earlier farmers failed. The people and their farms represent here one homogenous region and a people with a strong belonging to the region. Characteristics are the use of horses and black buggies, white wooden houses and dresses in blue, black and white. Their culture is very stable over time and progress/change are not of interest for the group, although some persons have began to be a little apart from the local farming culture, e.g. women are working in a wine yard.



Picture 20: An Amish horse with Buggy, Photographer: Gerhard Gustafsson, 1990.

4.6.2.3 Chamaon

Another area in the world that represents a different culture is the village Chamaon outside Varanasi in India. Here traditional agriculture is very important but here there are strong forces to change the region. It is both market forces and political development that influence the region. Here the main question is survival and the belonging to the place are more a question of physical realities than a special feeling for the region. It is even difficult to ask questions like: what do you feel about your home region and can you think of leaving it? or What identity do you think your region has?, when many persons are fighting for survival and surely would migrate out of the region if the conditions of life would increase. A central question here is if there are other ways of arguing for a local or regional identity related to the mental dimension (some kind of “relational identity”).



Picture 21: Old settlement in Chamaon, Photographer: Gerhard Gustafsson, 2001.

4.6.2.4 The US - Ostmark

The Ostmark region is an informal region west to Minneapolis St.Paul in Minnesota, United States. The people in this area settled down during the period 1880-1920 and consist of people from Östmark Parish in north-western Värmland in Sweden. From the beginning the people gathered around the Lutheran church as a strong symbol of community. The cultural heritage also consists of “The Stockade”, a fort from the Indian

war and a memory of a victory for the white man. Here old people have a deep feeling for the Swedish heritage and by that the church is an important symbol. You can also find souvenirs from Värmland in Sweden that strengthen the historical links. This feeling of belonging to a Swedish region is not important for young people in the area today. When they meet other young people they do not primarily ask “where do you come from” but ask “what are you, what do you do for a living”. Old European nation heritage are nowadays becoming weaker and weaker. It is interesting to see a tendency that recently immigrated people from the Mexican minority in the neighbour areas makes the old heritage more important and a distinguish between we and them occurs. It seems like the country (America) level is the only uniting level since all people in the US have different backgrounds.



Picture 22: Ostmark Luthern Church, Photographer: Gerhard Gustafsson, 1997

4.6.2.5 The US - Black Hills / South Dakota

If you visit South Dakota you can find both important history (early settlements) and important American symbolism. In Black Hills you can find Mount Rushmore with heads of early presidents cut out in rocks. This is a national memory site and as a reaction against the colonizers not far from this place in Black Hills there are now a project going on at another mountain to cut out the Indian Chief Crazy Horse as an alternative symbol for the US. These symbolic places are developed as tourist sites with lots of money. As a contrast to these places you can find Wounded Knee, where the last great Indian massacre took place. This place is not at all developed for any issue like tourism. There is a small memory sign and a small place to buy some simple souvenirs.

These places can be seen as political ambitions or not to develop some kind of belonging to a region, in this case the nation or the Indian territory.



Picture 23: Crazy horse in Black Hills, Photographer: Gerhard Gustafsson, 2003

4.6.2.6 Reflexions

Personally I had a problem with identities when I grew up and felt sure when I started to teach the subject. But today when nothing is sure in the way one could classify identities in the world I am now unsure again? I am primarily thinking of the fact that identities probably destroy more than they build up. For example different religious beliefs bring war, an immigrated person can not identify with a local old cultural identity, and on the micro level, it is now impossible to identify a person more exactly than a human being belonging to the earth! I think this means that, from a humanistic point of view contribution to the discussion of identities, the only way to claim identities would be to claim understanding and acceptance of all religions, life philosophies in the world and to live side by side in any region, at just the surface of the earth. Otherwise the development/changes will bring crises.

After having these experiences from different regions of the world I ask myself or claim:

- Are identities like belonging to primarily a Western phenomenon, related to something we can think of as luxury?
- Some identities are now changing a lot (Chamaon) whilst others are more stable (the Amish)!
- Dead old identities can become alive when new people with new identities come into a region!
- Politically strong symbolic meanings can be developed by the help of identities

4.6.3 Identities and their changes - some ongoing trends?

Here I would like to sum up some other trends I have experienced in literature, on seminars and through discussions with people around the world. The different aspects could easily be verified with lots of references, but this is not the moment to examine these areas of knowledge in detail. I just present a list of interesting trends and give references when special needs. Either I claim that these can be found all over the world, but they have at least been discussed going on and widely dispersed in the world in one or another way.

People identities

- People in urban areas are the first to change
- Mixture of different people appears more and more
- Multiple identities (different roles) are now coming more
- Continuum of identities instead of well defined categories

Relational identities

- Digital divide means that the world consist of those who have or have not access to internet
- Identification with several places instead of one home region
- Contextual identities means that they change, depending on from where you are in time, place etc

Regional identities

- Rural areas not so much changed
- Segregation in living areas in big cities (new identities?/ diaspora)
- Two trends: homogenous CBD:s in big cities (see Hough 1990) and/or hybridities instead (see Knox & Pinch 2006)?
- Multicultural society develop – but what does it mean in physical attributes and life modes?

4.6.4 Changing Identities – Some ideas about development

What can Europe learn from the US?

Here we have different historical development. In the US it was a question of building a nation. In Europe it is more of a question of splitting nations, but if we compare west and east it is also a difference within Europe. In Eastern Europe it is a question of building old nations at the same time as joining a new, from above initiated, nations building process - the European Union (EU). Both regions in the world consist of multicultural societies where there is a question of assimilation or multicultural co-existence for the people. It seems like there are different visions for the future. It is tempting to look at the US as a war project and on EU as a peace project. I think that a good way of developing the world would be as a peace project with the focus on “all” people, no matter identities. The Bush strategy with confronting identities has shown no good result. I think by definition that big clinical war gives more and more terrorists, since that is the only way for a weaker part to be able to compete. End discussion.

With the local-global view

Here in Greifswald we have to ask ourself:

- What relevance do the concepts of identities have today?
- Is it even gone in the post-modern society?

Identities among people in cities are changing most and have more people living in complex relations. Is it possible that this change make people seek for old stable culture? Would that be an advantage for tourism in rural areas? It is claimed that tourists often look for different places compared with their home places, but they also want recreational landscapes and places to learn more about and areas for adventures.

Identities as preservation or change then, would it be possible to go in both directions? And is there a difference between physical places and people? In the political life it is legitimate to preserve physical places, but not people, or?

4.6.5 Regional Development – The Swedish Example

Changes in society

The regional structure has changed a lot over the last few decades. This is the situation in many countries and often means declining areas with less people and jobs in the peripheral regions in the countryside. In rural areas close to urban regions, where there is growth, we are more likely to find a more living countryside which provides a home

to commuters. The growth areas are the urban areas, especially around the big cities. In Sweden this pattern is very common.

Development and planning activities have changed a lot over the last few decades. Modern regional planning began in the 50s and 60s and reached its peak during the 70s. At that time there was a wide-spread belief in the possibility of effecting social change, but since there were many failures, planning came to have less and less status. During the 90s one could say that planning has had a low status and in regional planning concepts like "the terminology "development" instead of "planning", "technological diffusion" and "growth" have been popular. This change from a belief in rational planning can also be described as a shift from "top down" to "bottom up" activities.

Today it is difficult to say whether there is an ideology or not steering political life in Sweden and elsewhere. The dominant political model lends support to "market forces" and local "individualism". This seems to be the new political approach all over the world.

A new aspect on the regional policy agenda is the ambitions to accept old natural cultural regions - "the future of Europe is the future of regions". This was originally introduced in the Council of Europe as a way of strengthening different areas within the European Community, but I find this strategy confusing and not unproblematic. First, supporting the market economy means supporting a region with floating boundaries since the spatial pattern of capital flows is always changing in relation to good business. One good example of this is the company Lear in Bengtsfors, in the western part of Sweden in the recently established "Västra Götalands län" (The county of Västra Götaland is a new county consisting of many earlier autonomous counties), which has moved to Portugal, within the European Union (EU), to achieve better economic growth related to cheaper labour costs and more EU funding. Second, building up new regions often means a weak natural or cultural base; examples can be found which just have in common the desire to become bigger and to be seen (Mälardalen). Third, when the world, as a whole, is becoming more and more integrated, it is strange to see a closure in Europe and within Europe in the concept of region. It seems as if the economic region has lost its importance in many ways. But this is not the end of geography - I hope.

Changes in research

Ideologically research on regional development can be dated back to the "Growth pole theory" introduced by Francis Perroux (*Note sur la notion de pôle de croissance*, 1955) and "Central place theory" introduced by Walter Christaller (*Central Places of Southern Germany*, 1966 - original from 1933).

In Sweden scientists dealing with regional development have published so called "professors' books" at different times with ideas about how to handle regional development. The titles of the books give some indication of the ideas involved:

- "Aktiv lokaliseringpolitik" ("Active Policy for Localization", Statens offentliga utredningar 1963)

Here there is a link with the growth pole theory

- "Orter i regional samverkan" ("Places in Regional Cooperation", Statens offentliga utredningar 1974)

Here there is a link with central place theory

- "Att forma regional framtid" ("Building up a Regional Future", Expertgruppen för regional utredningsverksamhet 1978)

- "Regional mångfald till rikets gagn" ("Regional Diversity for the Benefit of the Nation", Expertgruppen för forskning om regional utveckling 1984)

Here there is a link with growth pole theory and the so-called local development paradigm.

After that period no books have been published - maybe a sign of the fact that there is little belief in the possibilities of effecting social change.

With considerable oversimplification, it might be said that, during the 80s, we had two parallel broad paradigms in Sweden - one with a focus on marginal rural areas and one with a focus on urban areas. In the first paradigm new so-called qualitative methods were used, whilst in the other, with its root in the positivist tradition, more quantitative methods were used. For example, instead of measuring the welfare landscape in the terminology of travelling time, researchers focused on the marginal area used the concept of life modes and the quality of life.

In this marginal-area focused research many disciplines were represented, such as human geography, sociology, ethnology and business administration (focusing on small companies). Here also feminist approaches became very important. In the project "Development Potentials in Marginal Areas" (1981-84), Lage Wahlström and I tried to put the positive imperative for marginal rural areas. In this research paradigm there was a focus on "Different views of reality", "Life as a wholeness", "The quality of life", "Different goals for development (A-society/B-society)", "Life modes", "Self reliance" (see Gustafsson 1986 and Wahlström 1984 and articles in Gustafsson 1989).

In urban-area focused research researchers from economics, political science and economic geography were represented. In that research paradigm the emphasis was on "Creativity", "Network-thinking", "Economic growth" and "Aspects of infrastructure".

The discussion above is summarized in Figure 43.

Period	Regional structure	Theory	Method
50-60s	Variations /diversified	Growth pole	Quantitative
70s	Equalisation /standardized	Central place	Quantitative
80-90s	Variations	Network Local development Growth pole	Quantitative Qualitative
90-00s	New regions	Integrated Rural- -Urban Integrated Local- -Global	Quantitative and Qualitative (integrated)

Figure 43: Regional structure and the history of ideas for regional theory and method during the period 1950-2000 Source: Gustafsson 1999

Related to identities it can be said that variations in the regional structure has been accepted most periods, but during the 1970s it was an ambition to equalize all regions as functional regions. During 1980s local development strategies was based on local history and local identities. Tourism was focused on as the key factor for development in most regions. In the National Physical Planning, that started during 1970s different nature and culture objects was investigated as objects of interests for the whole country or just of regional or local interest. This was primarily a discussion on what object should be preserved for future generations.

4.6.6 Changing Regional Development – Conclusions

Here I want to claim that in Sweden there is a failure to build regions. The background is of course the role of regions in Europe proclaimed as “the future of Europe is the regions of Europe”. In Sweden new regions have recently been built with this “thought figure” in politicians and planners minds. Research findings show that in many cases the new regions have no real function related to economic and cultural relations within the regions! But the situation is different in other countries like Germany where there is a strong tradition with more sovereign regions.

It seems like the region building process are very much inspired of or shows similarities to what has been described by Anssi Paasi as his model (see Jönsson et al 2000, page 140) for the region building. It consists of the following stages:

- Demarcation
- Common symbol
- Common institutions
- Regional identity

The failure is mainly that the last stage never occurs. If regional identities can be used/found, a somewhat inverted model should be used. Otherwise regions should be built for administrative well defined purposes!

Concerning the goal for development in Sweden you could earlier find visions like socialism, local subsistence society, green wave - utopia etc, but today development is very much about growth! Weak visions except the market economy (some talk about sustainable development - e.g. as a combination of the consuming society and ecology (modern ecology)). Regional development is about "Regional Growth Agreements" (instruments rather than visions)! In practice it means that we are moving on a flexible way into the future against unknown goals/visions!

4.6.7 If not Regions – What?

Evaluation of the concept of region can be done related to other spatial concepts like Törnqvist (1998) has done (see also Jönsson et al 2000). He has defined two forces that can be considered in Europe. One goes against globalisation and the other goes against regionalisation. In this respect the four spatial categories state, union, region and network can be linked - see Figure 44. For my conclusions here I have added the two spatial categories "Place" and the "Globe". My conclusions so far mean that it is more important, dealing with regional development in Europe today, to talk about networks between different places on the earth than talk about regions.

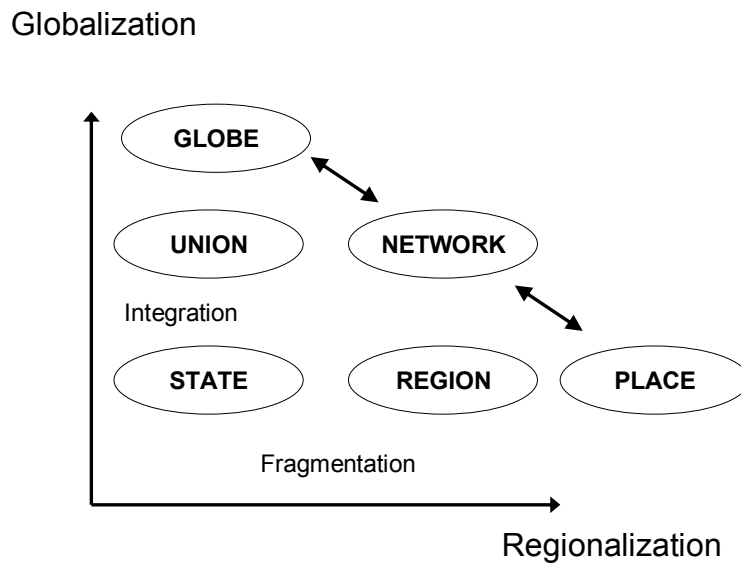


Figure 44: Spatial concepts and development forces.

Source: Developed after Jönsson et al 2000, p. 20

There are perhaps different ways of expressing this:

- Places and the global level connected by different kinds of networks?
- or
- Networks, the “Digital divide” and places as contextual spatial relations (relational space) in a globalised world?

Networks, as concepts, are of course not unproblematic. Different actors work together (private sector here also important) in new creative ways that gives special problems. Problems that can be found here are related to informal decision making, it can be difficult to follow the process and the power can be hidden.

4.6.8 Concluding remarks

Maybe we can distinguish between some good and bad things about identities:

Good

- unity and harmony among people
- security for individuals
- strong cultural heritage can survive

Bad

- barrier between people
- not possible in the multicultural society
- barrier for new “things” to develop

One important question to ask now is if it is - the end of regional development based on identities?

Then - is it just people on the globe - all kinds of individuals with all kinds of spatial relations?

But:

Old local or regional identities (authentic) for different regions and their people may still attract tourists!

Tourism, based on some kind of identities, brings people closer to each other - a peace project in itself?

Friendly attitudes (identities) among local people are important to attract tourists!

There are problems with handling identities for regions based on bad images (depressing, declining etc)! This is probably not only a question of changing images in marketing?

If using identities as concepts for development, one should be aware of that identities work as reductions of people and regions. They are also difficult to grasp, related to complexities and partly hidden in people's minds!:

*“There are places I remember all my life,
though some have changed,
some forever, not for better,
some have gone and some remain.*

*All these places had their moments
with lovers and friends I still can recall.
Some are dead and some are living.
In my life I've loved them all.*

*But of all these friends and lovers
there is no one compare with you,
and these memories*
....."
.....

(John Lennon & Paul McCartney 1965)

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4.7 Tourism in Vorpommern and opportunities for rural areas – an overview

W. Steingrube

Tourism in Mecklenburg-Vorpommern (and opportunities for rural areas)

W. Steingrube – Greifswald/Germany

lowest population density
in Germany

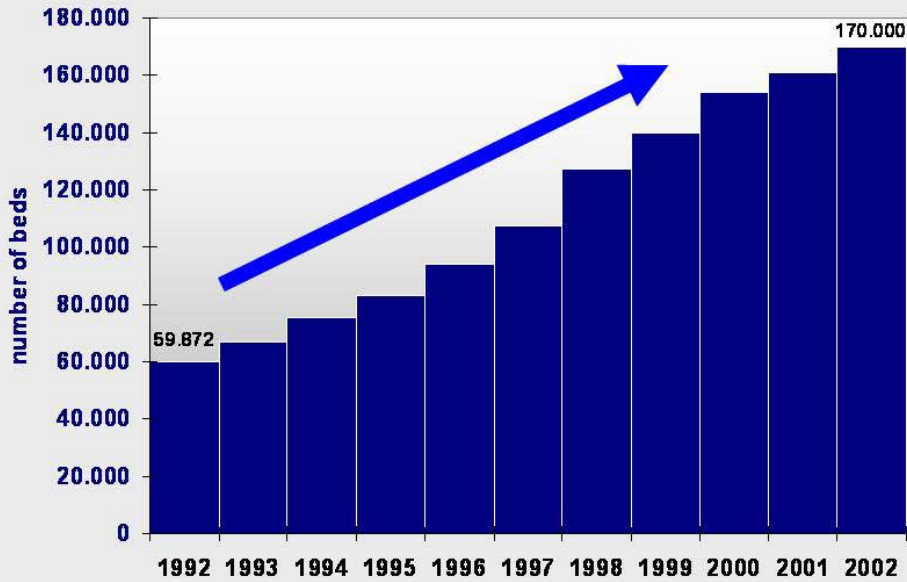
**Mecklenburg-Vorpommern
suffers from many structural problems
in economy and society.**

very high
unemployment rate

• ageing
• brain drain
...

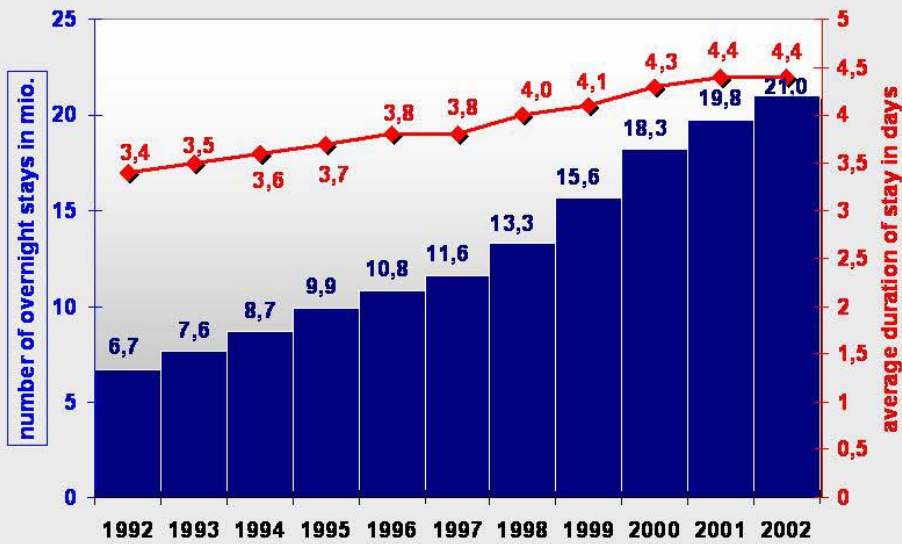
Tourism is the only growing branch....

Tourism development in Mecklenburg-Vorpommern



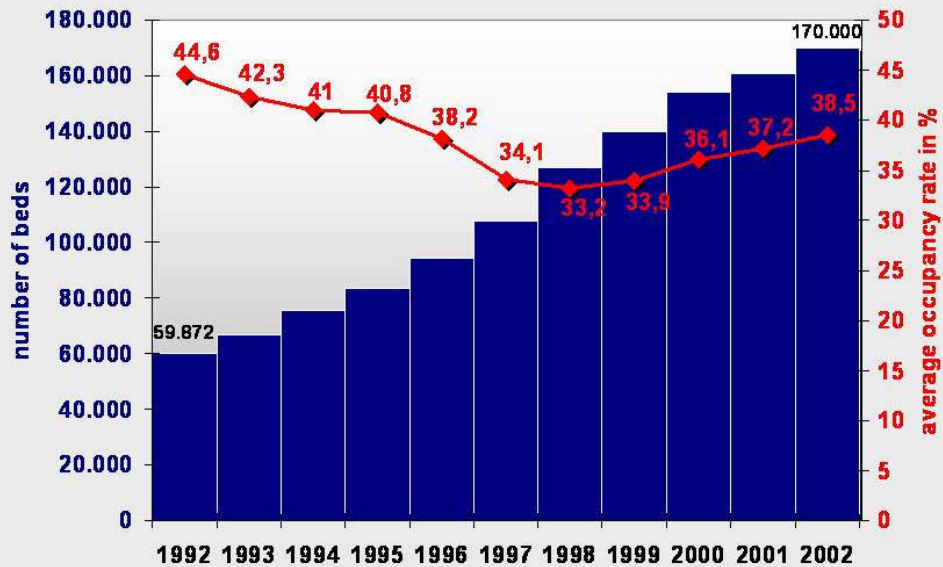
source: www.tmv.de/fakten/index.html

Tourism development in Mecklenburg-Vorpommern - demand side:



source: www.tmv.de/fakten/index.html

Tourism development in Mecklenburg-Vorpommern - supply side:

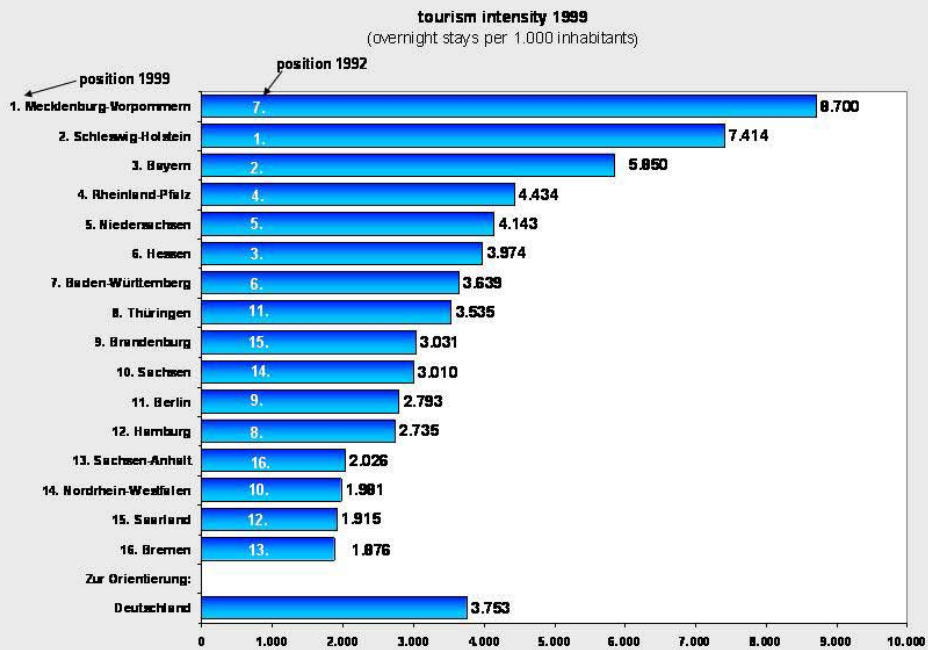


source: www.tmv.de/fakten/index.html

Tourism branch in MV: economic relevance

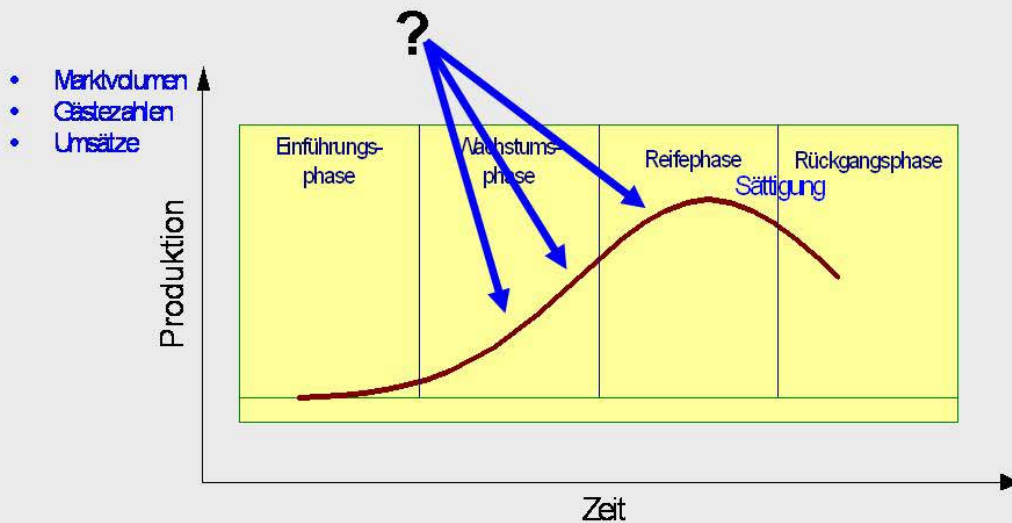
- 10,1% of GDP
- more than 100.000 employed persons
→ nearly 15% of total number of persons employed

(data of 1999 - source: WiMi MV 2000)



Statistisches Bundesamt, Tourismus in Zahlen, 2000/2001

Life cycle of products/destinations:



Strengths (assets):

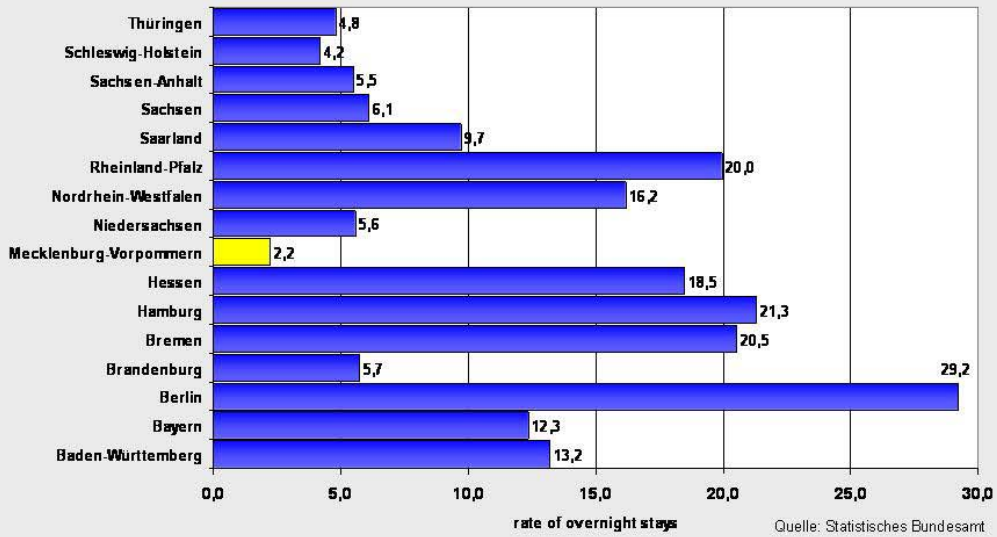
- marvelous nature
 - low population density, no/few industry
 - unspoilt (?) nature → 10 protected areas
 - coastline, lakes → „3S“
- history, culture,
 - Hanseatic League
 - Architecture → brick Gothic
 - culture heritage → Stralsund, Wismar
- new infrastructure/facilities



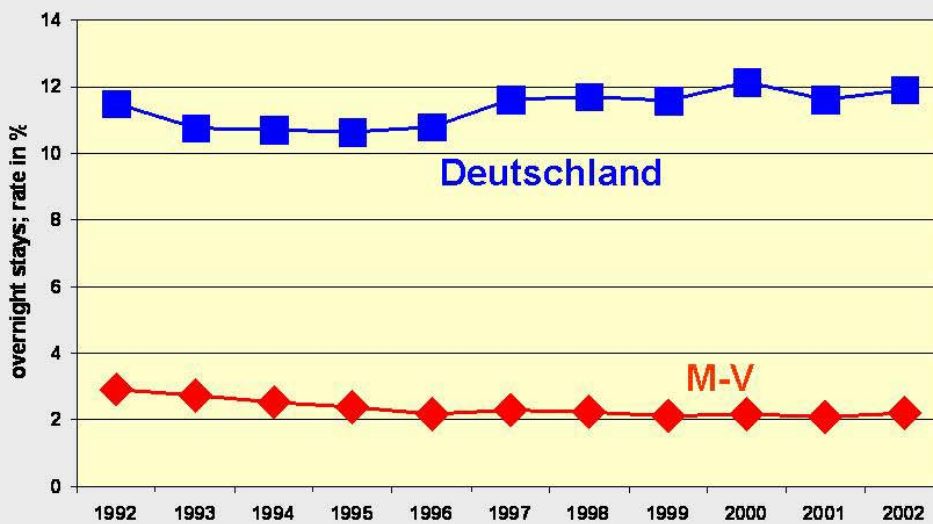
Weakness:

- accessibility
- seasonality
- two main tourism areas (coast line and lake area)
- one main product (3S)
- the assets are not USPs
- domestic tourism

Incoming tourism 2002



Incoming tourism 1992-2002



Threats:

- ecocide: destruction of the environment (?)
- new competitors
(Polish coast, low cost airlines, ...)
-

Opportunities:

- incoming tourism (?) by which new products ??
- new target groups (?)
- rural areas → nature/rural tourism

Main Reasons for Choice of Destination

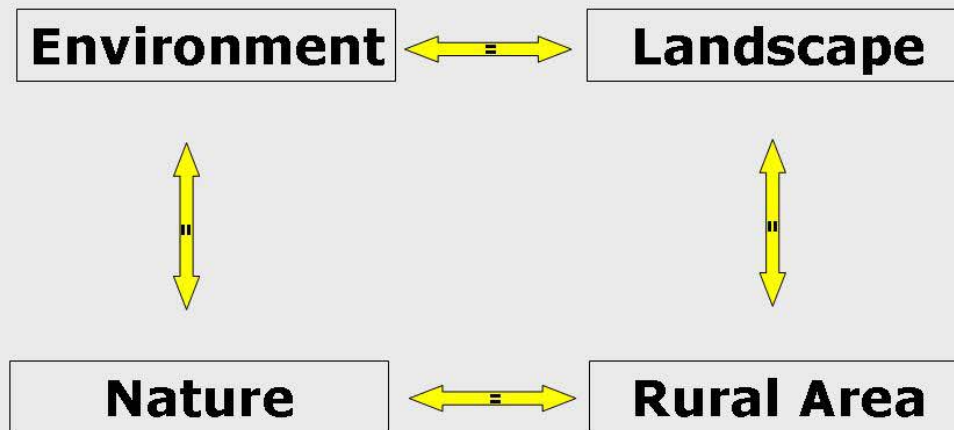
(EG-Survey)

Natural Wonder	56 %
Unspoilt Landscape/Nature	37 %
Reasonable Price	34 %
Cultural Highlights	28 %
Exoticism	26 %
Quality of Accommodation	26 %
Variety of Entertainment	23 %
Opportunities of Sports	14 %
EG-Kommission 1988, nach BAUMGARTNER/DOBLER 1997, Folie 1.3.1	

Quality during holiday:
... the most important criteria of quality ...

nice landscape	71 %
healthy climate	61 %
cleanness	61 %
quality of food	58 %
price-performance ratio	57 %
swim opportunities (coast/lake)	56 %
pleasant atmosphere	57 %
hospitality / friendliness	52 %
cheap accommodation	52 %
little traffic	49 %
B.A.T. 2000, nach: http://www.tourism-watch.de/dt/20dt/20_qualitaet/content.html	

Blurred Usage of Terminology by Guests



Possible activities:



activities by land as well as by sea

➡ tie together !!

Conclusion:

**Yes,
there is a potential for the development
of rural tourism in Vorpommern !**

But

how to develop ??

Thank you for your kind attention.

4.8 Effects of transformation on rural areas and the role of tourism

Helmut Klüter

4.8.1 Privatisation of Land in East Germany – Success or Failure?

Even one and a half decades after the reunification of the two German states there still exist deep structural differences between the eastern and western German federal states:

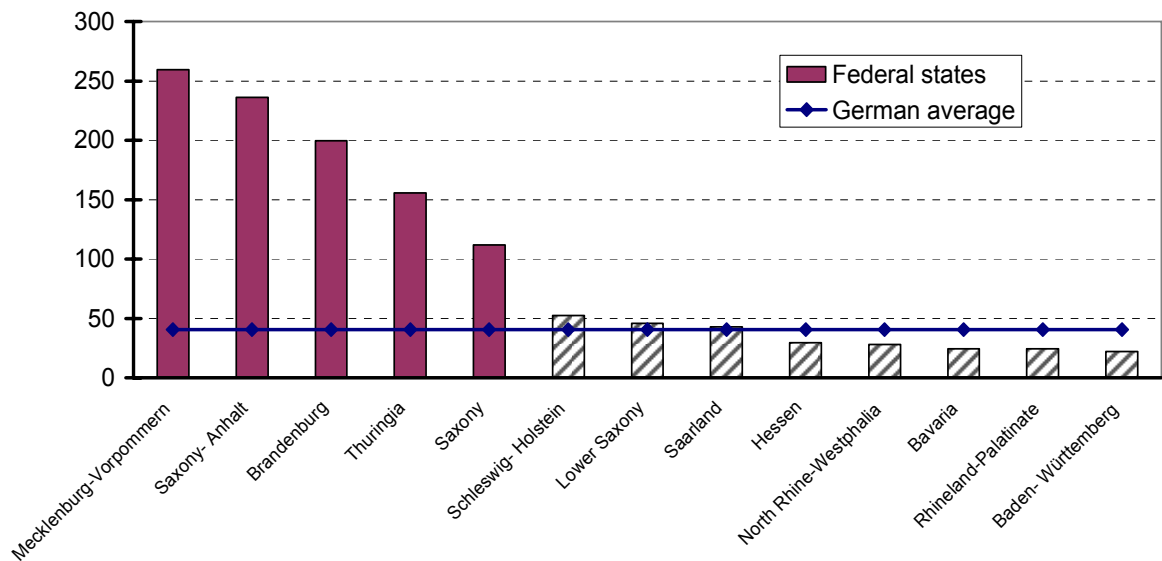


Figure 45: Federal states: Farmland per agricultural enterprise in ha 2004

In our federal state of Mecklenburg-Vorpommern the average farm has with 259 ha about twelve times more land than the average farm of Baden-Württemberg (22 ha – see Figure 45). The largest West German farms on average are found in the North German state of Schleswig-Holstein (52 ha). But they are still nearly five times smaller than those of Mecklenburg-Vorpommern. In terms of the European Union's subsidy policy this fact can be interpreted as an advantage: The farms of Mecklenburg-Vorpommern could be assumed to be larger and richer than the farms of western Germany. Before we agree with this hypothesis we should have a glance on the inside structure of farms of our federal state.

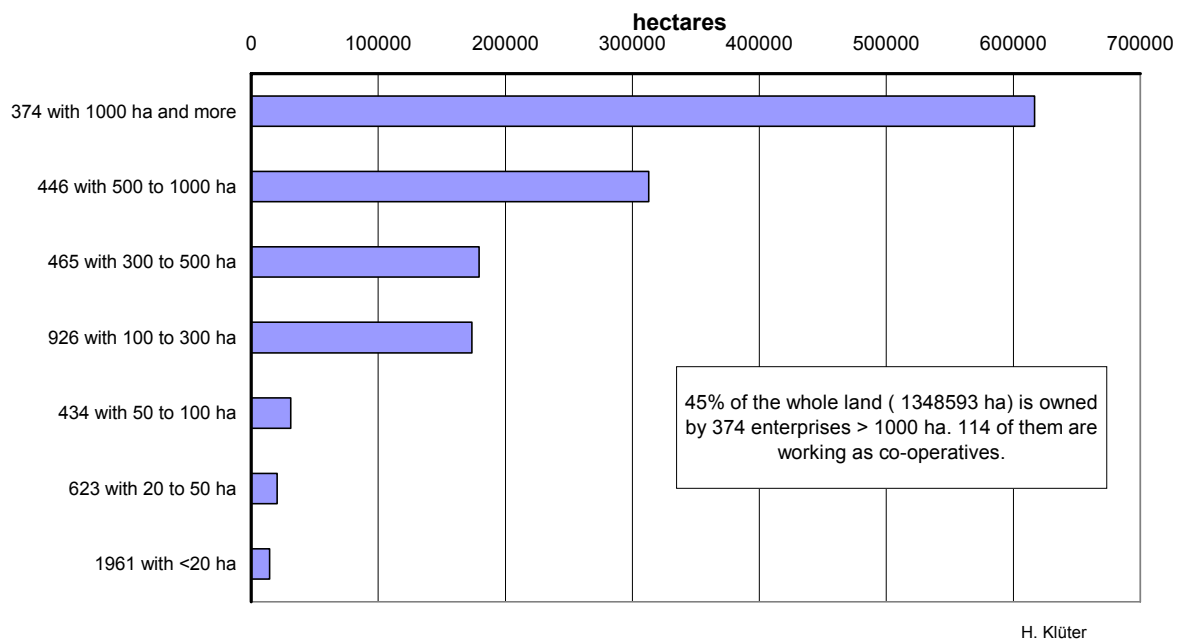


Figure 46: Mecklenburg-Vorpommern: Number of farms or agricultural enterprises and their cumulated farmland (in ha, 2004)

7 percent of the agricultural enterprises own 45 percent of the agricultural resources. 48 percent of the farms do not exceed the typical West German dimension of 50 hectares per unit. Thus Mecklenburg-Vorpommern is characterised by a South American type of differences between large and small farms. The so called "rural" state of Mecklenburg-Vorpommern had 5 229 farm-owners in 2003. 29 500 people worked in agriculture on a cumulated 1.4 million hectares of agricultural resources. In 2005 the number of people employed in Mecklenburg-Vorpommern's agriculture decreased more than 8 percent. In 2003, in the highly industrialised state of North Rhine-Westphalia 1.5 million hectares were in agricultural use. But the number of farm owners was 54 531, and the number of employees exceeded 139 000. In 1991 in Mecklenburg-Vorpommern more than 18 percent of labour was concentrated in agriculture. In 2004, it were 7 percent.

What do these figures mean? What happened after the reunification? The land of the former GDR state-run farms was given to the West German trust which had the task to privatise the agricultural resources. The workers of the state farms and small peasants of the GDR did not have the finances to buy neither the machinery nor land. This was a great moment for the former socialist directors of the state farms. They took the opportunity to purchase the machinery of the former state farms and rented out the former state farm land. Thus eastern Germany got an agricultural owner structure similar to those feudal conditions in Prussia and Mecklenburg before the revolution of 1918. In terms of today it is comparable to owner structures in Latin America. After the liquidation of the Treuhand trust in 1996 the land was given to the Federation owned BVVG (Bodenverwertungs- und -verwaltungs GmbH) which is owned by the federal

government. Land Use and Land Administration Trust. At the end of 2005 the trust owned more than 825 000 hectares. The BVVG had no interest to give back the land to the poor former land owners on GDR territory. Instead of this there is a rather good cooperation between the trust and the former “big shots” of the GDR and also the Dutch and West German agriculture. Although the European Union Court criticised this practise in 2005, there is no movement in eastern Germany towards a real privatisation of the land to rural people. “Hacienda”-type privatisation is still going on.

For the today’s owners of large agricultural enterprise this kind of privatisation was very successful. Some of the enterprises belong to the most modern ones of the branch in Europe. They are able to compete with the big estates in France and Great Britain and present a good basis for the North German food industries.

But most of the facilities of the food industry are established in Schleswig-Holstein, Hamburg and Lower Saxony, not in Mecklenburg-Vorpommern. Thus, the federal state exports agricultural crops and cattle. On the other hand Mecklenburg-Vorpommern has to import food, meat and other consumer goods from the West. Therefore, its trade balance is negative.

4.8.2 Some Consequences of “Hacienda-Type” Privatisation

Among the 5 229 agricultural enterprises in the year 2003 were only 1 460 full-time farmers (2005: 1 307). 2 306 were part-time farmers combining agriculture with other professional activities (2005: 2 287). The total number of 3 594 personal farmers is too small to feed the other sectors of economy in the 800 rural municipalities and 3 000 rural settlements of Mecklenburg-Vorpommern. Most of the owners of the other enterprises (about 70 percent of total agricultural land use) do not live in the East German countryside. They prefer to live in the towns and in western Germany.

After World War II more than half of the rural population in West Germany was bound to agriculture. Although the farming territory was rather small, lots of families were able to create small properties based on real estate. Since 1949 these properties were handed down two or three times to the next generations. As the number of children decreased, the wealth of the families grew more and more through heritage. Even if some people moved to the towns during industrialisation and tertiarisation, the remaining population in rural areas was rich enough to feed their regional banks and other capital investments: this induced small and medium sized industries and services also to come to rural regions. Therefore, rural regions in western Germany cannot be characterised as agricultural regions. They must be seen as diversified regional economies with own capital and investment basis, a developed infrastructure and a high degree of wealth.

In eastern Germany after the collectivisation of agriculture in the late fifties made the collective farms became leading enterprises in rural areas. They invested their capital in services bound to large scale agriculture but not in industry or non-agrarian services. By the liquidation of the collective farms in the early 1990s the villages lost their main employers, investors and financiers. Unemployment rose up to 40 percent; in some municipalities more than 80 percent of the grown up population was unemployed. As a consequence, the rural areas of Mecklenburg-Vorpommern faced a new period of emigration to the urban centres and to the western parts of Germany. This process is still going on.

Therefore, the rural population in Mecklenburg-Vorpommern suffers from a lack of capital, and a lack of young people starting new enterprises. Over the past years the federal state has closed schools and hospitals in rural areas. The chances of employment are decreasing constantly.

4.8.3 The Tertiary Sector in Eastern Germany

Many economists have argued that the development of modern economy means growth of the service sector. If we compare the federal states of Germany with each other concerning their share of tertiary employment, Berlin ranks 1st and Mecklenburg-Vorpommern 4th of the 16 federal states.

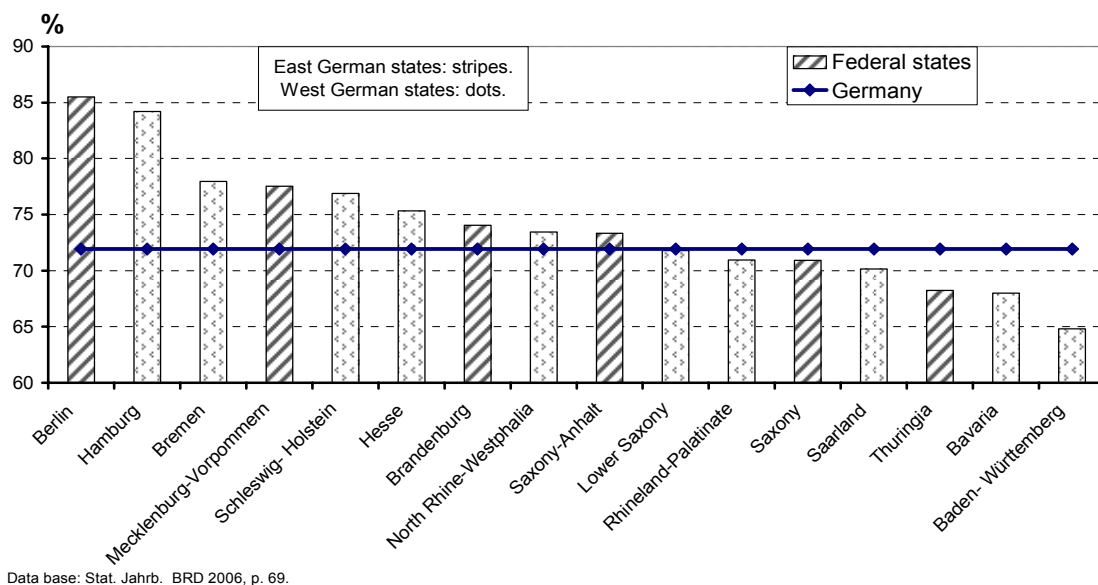


Figure 47: Share of employment in tertiary sector 2005 (per cent of total labour)

Does the idea of tertiarisation really correlate with modernity and prosperity? In western Germany we can agree with this. A long time ago tertiary activities have been outsourced by big industrial companies. Thus, the collection of free capital created the

banking system. The growing number of markets stimulated enterprises which are specialised in trade and traffic. Huge amounts of staff in the big companies required new forms of assurance organisation. Market analysis is no longer carried out by the enterprises themselves but has developed as a separate branch of consulting. In these regions tertiarisation is based on capital, buying power and property created in other sectors or sectors of the economy. We can call this type "property tertiarisation".

In eastern Germany the conditions of tertiarisation were completely different. As we have learnt already big agricultural enterprises were liquidated after the reunification. Something similar happened to big industrial companies: They did not get enough time, capital or man power to get accustomed to the market level of the highly developed West German economy. The GDR was the only region/nation which joined the European Union without any transition treaty. This transition period before actually joining the Union made it possible for rather old fashioned factories in Greece, Portugal and Poland to survive after becoming members of the EU. Some branches are allowed transition periods longer than 5 year. In eastern Germany the actual transition period was only 4 months - from July to October 1990. Since then East German enterprises had to compete with the sophisticated West German enterprises, but without support of any consulting, their own banks, without any chambers of commerce and trade, and without any marketing organisation knowing West German demands. Thus, a great number of industrial enterprises broke down. Hospitals, schools, universities, social insurance and other public service organisations were supported or owned by municipalities and federal states. They survived. Through this the share of tertiary labour grew enormously. But it is a tertiarisation not based on property but on the task to serve that part of the population that did not emigrate. Even today one and a half decades after the reunification, the tertiary sector of eastern Germany is incomplete. There is a large deficit of consulting, of trade organisations and also in the area of monitoring demand and supply. Most prices in eastern Germany do not show the strengths und chances of the region but are directly derived from West German prices. No famous private bank has been established in eastern Germany. The former GDR state bank organisation was given to the Deutsche Bank - a West German institut which took away all decision making competence and transferred its headquarters to Frankfurt and Düsseldorf in western Germany. As a consequence, East German enterprises have great difficulties to get loans because there are no investment banks in East Germany. An average citizen of Hesse (western Germany) however received loans of more than €90 000 in 2004. That was nine times more than the loans given to the average citizen of Mecklenburg-Vorpommern.

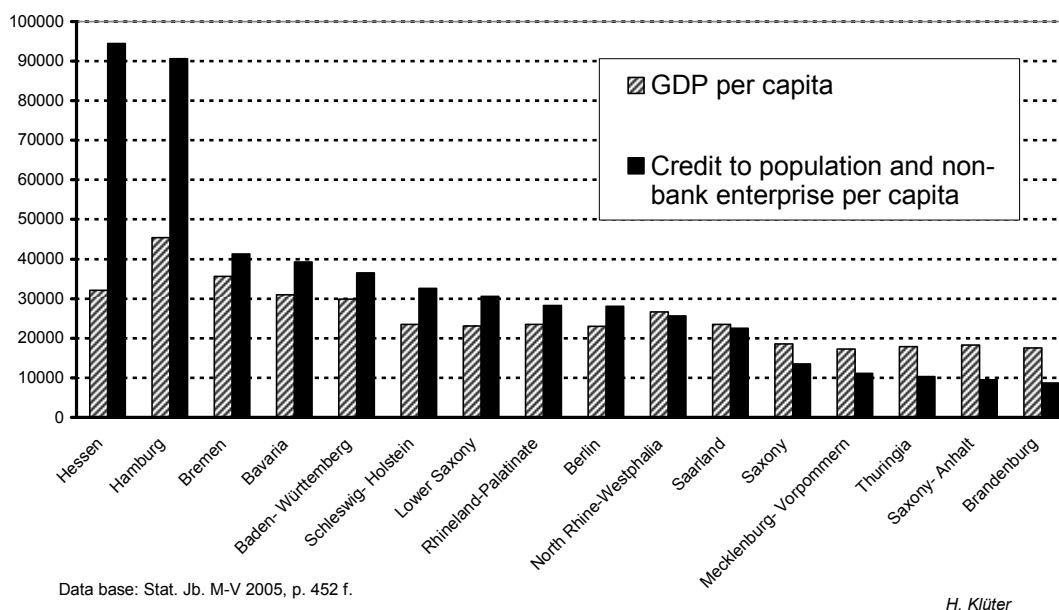


Figure 48: Federal states: GDP and credit per capita 2004

Imagining the high loan volumes in federal states like Hesse, Hamburg, Lower Saxony and Bavaria which are situated on “the other side” of the former East German border we have to assume that the big German banks transfer the savings of the East German population to western Germany. Therefore, West Germany profits from the incomplete market structures of the eastern parts of the country.

This type of tertiarisation can be called “truncated tertiarisation”. It consists of social and medical services, combined with measures of employment in state financed short and medium termed projects, complicated state administration structures and other low level services. As in the case of the seaside resort of Heringsdorf, which used to be the home of the founders for the Deutsche Bank, you can neither find a branch of today’s Deutsche Bank nor any other big private bank there. Truncated tertiarisation can turn into a “shrinking tertiarisation”, cancerously condemning the entire regional economy to a permanent financial and organisational dependence on growth regions. The political consequences of this process are reflected by the results of the elections to the Landtag (= parliament of the federal state of Mecklenburg-Vorpommern) on September 16th, 2006. The right wing party NPD won 7.3 percent of the votes. This is nine times more than in the previous election to the Landtag in 2002 (0.8 percent of votes).

Table 31: Results of the Landtag elections (September 17th 2006) in the eastern parts of Vorpommern

Election district	SPD	CDU	Left	FDP	NPD	NPD 2002
Uecker-Randow North	23.7	30.3	18.1	8.3	15.0	2.0
Uecker-Randow South	26.0	29.2	17.9	8.5	13.1	1.5
Ostvorpommern mainland	22.3	33.8	15.0	10.8	12.2	1.8
Ostvorpommern coast/Usedom	25.0	31.8	16.1	9.5	11.5	1.2
City of Greifswald	24.9	30.3	17.8	10.4	5.6	1.2
Mecklenburg-Vorpommern	30.2	28.8	16.8	9.6	7.3	0.8

Source: <http://www.spiegel.de/politik/deutschland/0,1518,435073,00.html> (2006-10-10)

SPD = Social Democrats; CDU = Christian Democrats; FDP = Liberals; NPD = National Democrats.

There are four districts in Mecklenburg-Vorpommern where the NPD's share is higher than 10 percent. They form a homogeneous area between Greifswald and the Polish-German border. Thus, the NPD won most of their votes in the eastern Vorpommern which are characterised by agriculture. The high share of NPD votes can also be related to the emigration of active, young and well-educated people to the university town of Greifswald and to western Germany. This can be interpreted as a direct consequence of unsolved development problems in the Eastern parts of the federal state.

4.8.4 How to escape from truncated tertiarisation: the Ticino experience

Ticino (2 812 sq km) is one of 26 cantons and semi-cantons of Switzerland. It is inhabited by 320 000 people. 80 000 of them are foreigners.

Up to the 1930s Ticino was one of the poorest regions in Switzerland. For more than 300 years the mountain region lost most of its young population to other agrarian and industrialised regions in the North of Switzerland, to Italy, to France and the USA. After World War I a change has been noticed. Since 1970's Ticino is one of the boom cantons of Switzerland.

Table 32: Factors of regional development in Ticino

year	measures	effects
1882	Gotthard railway finished connecting Zurich with Milano	Ticino loses its subsistent "island" economy which cannot compete with products from Northern Italy and Northern Switzerland. new emigration wave using railway transport; beginning of tourism
since 1920	construction of power stations; electrification of railway and canton Ticino	railway now faster, cleaner and more reliable; growth of tourism; start of industrialisation in Ticino
1922	Fascism in Italy, 1933 in Germany	People and properties from Italy and Germany escape to Switzerland. Ticino: exile for painters, intellectuals and writers; Hermann Hesse in Montgnola; painter colony in Ascona.
after 1945	Switzerland not destroyed during World War II; the only country in Central Europe with hard currency; automobilisation	Population leaves the higher Alp regions to participate in automobilisation. Start of second home movement for people coming from Italy and Germany in Ticino.
since 1950	intensifying multilingual policy; parallel teaching of Italian, German and French	service for foreign capital and property booms; lack of workers: import of labour from Italy
since 1950	division of capital function at 3 places (Bellinzona, Locarno and Lugano)	Decentralisation of state activity helps to overcome regional disparities in Ticino. culture, education and regional banks discovered as motors of economy
after 1955	France, Italy and Germany establish EU - but without hard currency	intensification of North-South trade; Switzerland as safe for EU property; large scale transfer of capital from Northern Italy (weak Lira-currency); property tertiarisation starting in Lugano.
1970	main parts of Gotthard motorway finished	Switzerland becomes EU-Transit region. property tertiarisation along motorway in South Ticino
1980	Gotthard motorway tunnel finished	attraction of logistics, transport and small industry to Ticino
1995	University of Lugano established	Lugano copies Zurich. Like Zurich, which is a service and science centre for southern Germany, Lugano shall be science and service centre for northern Italy.
1998-2016	construction of new 57 km long railway Gotthard basis tunnel	The tunnel will create the fastest transit from North to South Europe. new development impulse for Ticino

Through large government investments in traffic infrastructure, multilingual education and banking the Swiss government succeeded in improving the conditions for development in Ticino. Because the development of the surrounding regions was handicapped by the World Wars Ticino took its chance. Today the region is one of the leading service, banking, tourist, fashion and production centres south of the Alps. The canton still gets some subsidies from the central government, but we are sure the regional development of Ticino will soon be able to finance itself.

In comparison to Mecklenburg-Vorpommern you can find some parallels:

- Mecklenburg-Vorpommern, especially the eastern part could also have some bridge function to Northern Europe, Poland and the Baltic countries.
- The federal state is one of the leading tourist destinations in Germany.
- The federal government constructed a new West-East motorway (A20) which connects Hamburg with Szczecin, Poland.

On the other hand there are large deficits in Mecklenburg-Vorpommern:

The situation as a border state has not affected a multilingual education philosophy. On the contrary, Greifswald's university is in the process of closing its Roman Language Department (French, Spanish, Italian). Therefore, future students will not have the opportunity to study the language and literature of the leading culture family in the EU.

There is no across the border early bilingual education in Mecklenburg-Vorpommern. Only 0.2 percent of language teaching in schools concerns Polish another 0.2 percent is made up by Swedish.

Mecklenburg-Vorpommern still has no staff to service foreign tourists, entrepreneurs or bankers. A complete change in education and development policy on the federal level and federal state level would be an essential precondition for overcoming truncated tertiarisation in Mecklenburg-Vorpommern.

4.8.5 The Role of Tourism

As shown in the Ticino-experience, development of tourism is an essential step to market a peripheral region to metropolitan areas. Tourism is also an instrument to import buying power from outside in a peripheral region. Tourism can be seen as evidence, that the living conditions in a peripheral area can compete with those in metropolitan areas.

However, tourism cannot solve all problems of the periphery. Tourism services include lots of low income and low qualification jobs. Tourism in Mecklenburg-Vorpommern is concentrating mainly on beach and sun leisure. Therefore, the off-season lasts several months each year during which some hotels and restaurants are closed. During that period service personnel is unemployed. Young people who do not want to become a

waiter or a dish washer have to leave the region. Mecklenburg-Vorpommern proves this. Young people are escaping from tourism regions on the same scale as from the poorest rural areas.

Thus, it is necessary to transform the high leisure value of the region into a high lifestyle and working place value - like in Ticino. This includes central state investments in education, especially in language teaching and other cross-border qualifications. Secondly, living conditions have to be improved in order to improve the socio-economic situation in rural areas far from the coast, which however already have a motorway connection to the metropolitan regions of Berlin, Hamburg, Copenhagen, and Szczecin. Thus, tourism is one brick in the wall of regional development in the periphery. It is a very important brick, and maybe a good one. But a brick is never a wall. It can only be part of a regional development strategy which needs additional efforts to help the periphery.

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4.9 Trends in tourism and their consequences for rural areas in Vorpommern

Martin Bütow



Mission Impossible?

Trends in tourism
and their consequences
for rural areas in Vorpommern



Dr. Martin Bütow
Haus der Wirtschaft Stralsund

IP Periphery Regions
Greifswald, 22.03.2006



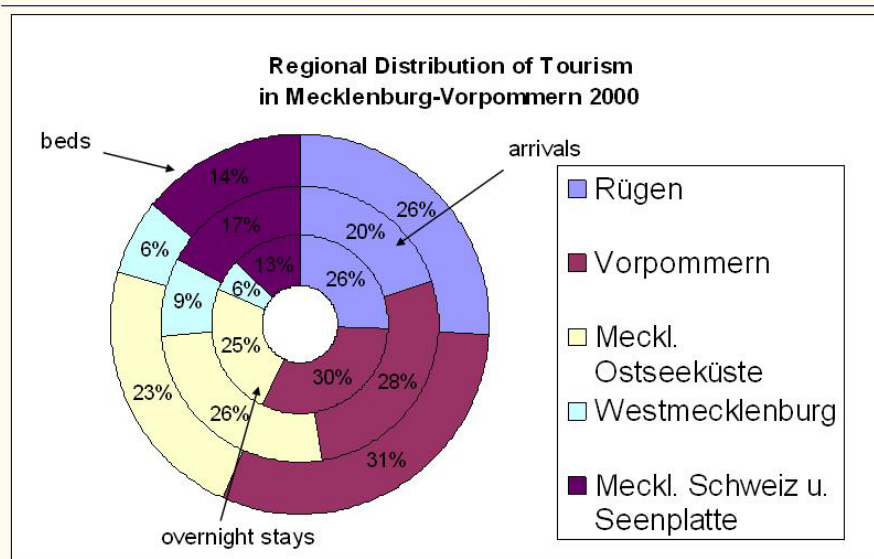
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Trends in tourism and their consequences for rural areas in Vorpommern

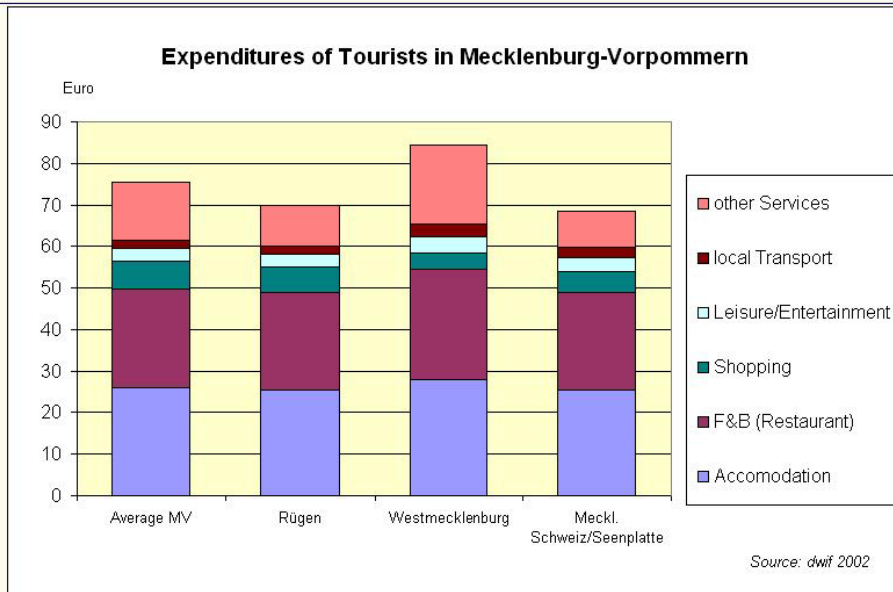
- Tourism
- Trends
- Consequences

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Tourism in (rural) Vorpommern ...



... could bring a lot of money ...



Dr. M. Bütow, Haus der Wirtschaft Stralsund, 22.03.2006

... if there weren't the intra-regional differences!

	Accommodation (beds)	Occupancy rate (in %)	Arrivals	Overnight stays	Average length of stay (days)	share of the regions
NWM	10982	36,1	261678	1287787	4,9	~ 25%
HWM	1232	46,1	75885	203524	2,7	
DBR	18013	47,8	586078	2798064	4,8	
HRO	7769	47,8	471546	1186340	2,5	
NVP	17048	40,3	407529	2158255	5,3	~ 55% (incl. 25% RÜG)
HST	1935	42,0	131585	294079	2,2	
RÜG	42869	41,1	1007903	5596885	5,6	
OVP	29532	42,4	683729	3832232	5,6	
HGW	1295	32,2	68768	149865	2,2	
UER	2758	23,2	64879	195624	3,0	~ 15%
DM	2505	27,7	78354	225803	2,9	
MST	6425	32,3	177417	640895	3,6	
NB	995	37,1	61585	135692	2,2	
MÜR	10214	42,5	367327	1402184	3,8	
GÜ	5673	43,5	256257	841793	3,3	
PCH	5862	37,1	183034	689466	3,8	
SN	2815	38,4	192422	357715	1,9	
LWL	2041	22,3	69962	142874	2,0	~ 5%
MV	169963	40,9	5145948	22140077	4,3	

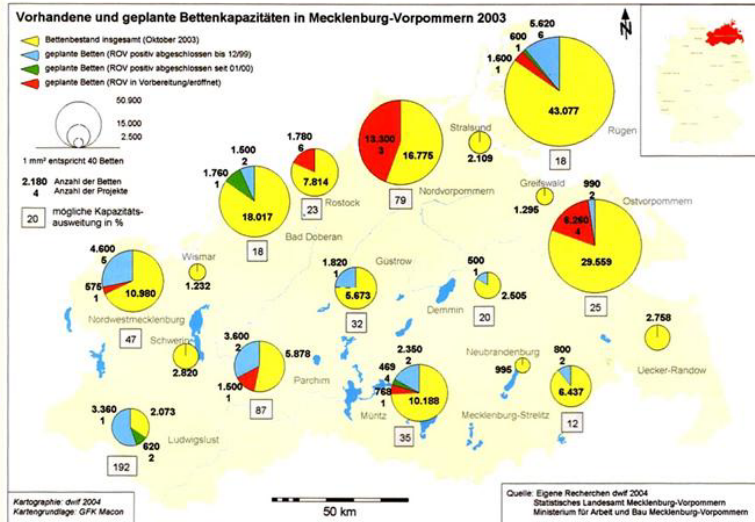
Dr. M. Bütow, Haus der Wirtschaft Stralsund, 22.03.2006

Regional distribution

Accommodation

- 2638 commercial accommodations with ~ 170.000 beds (1992: 1080 enterprises with 67.300 beds)
- 166 camping sites with ca. 24.000 places (~ 50.000 beds)
- a lot of individual renters (at least 40. – 50.000 beds)

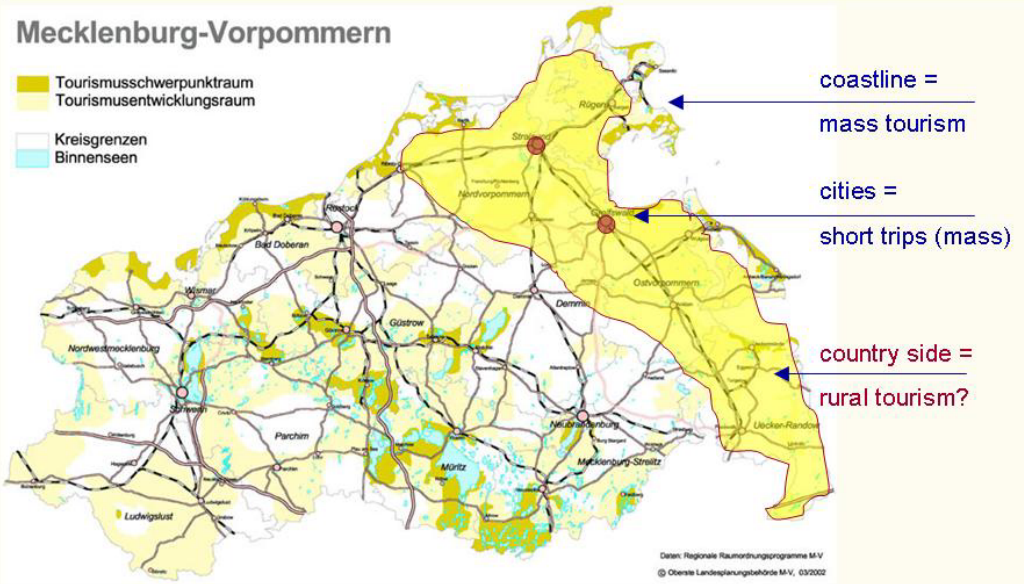
BETTENKAPAZITÄTEN



Dr. M. Bütow, Haus der Wirtschaft Stralsund, 22.03.2006

Source: Landestourismuskonzeption, 2004;
www.tmv.de, 2003, accomplished

What's rural in Vorpommern's tourism?



Dr. M. Bütow, Haus der Wirtschaft Stralsund, 22.03.2006

Mega-Trends in Tourism

Trend – main direction of the mid or long time run of a process
„Mega“-Trends – summing up some trends from one field or overlapping

➔ Trends describe developments, going on with a high probability even if some frame conditions are changing.

- travelling – from seller to buyer, or: from the producer to the consumer
- individualisation and experience
- The (G)Oldies are coming.
- The big and the small. or: The lost of the middle.
- ecology
- wellness
- tourism as a (important) part of the future's leading economy

Trends in demand and supply

Demand

- shorter trips, but more often
- multiple motives + interests
- near-term and volatile travel decision
- huge tourist experience
- international destinations
- decreasing price sensibility
- population is growing older but more „mobile“
- more important: quality + safety

Supply

- ➔ specialisation on target groups
- ➔ individuality (modules, added value, dynamic packaging)
- ➔ fast and convenient booking
- ➔ full service / all inclusive
- ➔ authenticity + emotion (“stories”)
- ➔ lost of the middle
- ➔ the factor „people“ (customer care)
- ➔ guarantees on safety and quality

➔ **competition by: price, value, quality - and FEELINGS**

Challenges and factors of success

Challenges

- demographic change
- individualisation and wish for options
- near-term/last-minute booking and more short-trips
- rising travel experiences and demand for quality
- market of contrasts – low budget or luxury
- safety (in different meanings)
- globalisation
- information and communication technology

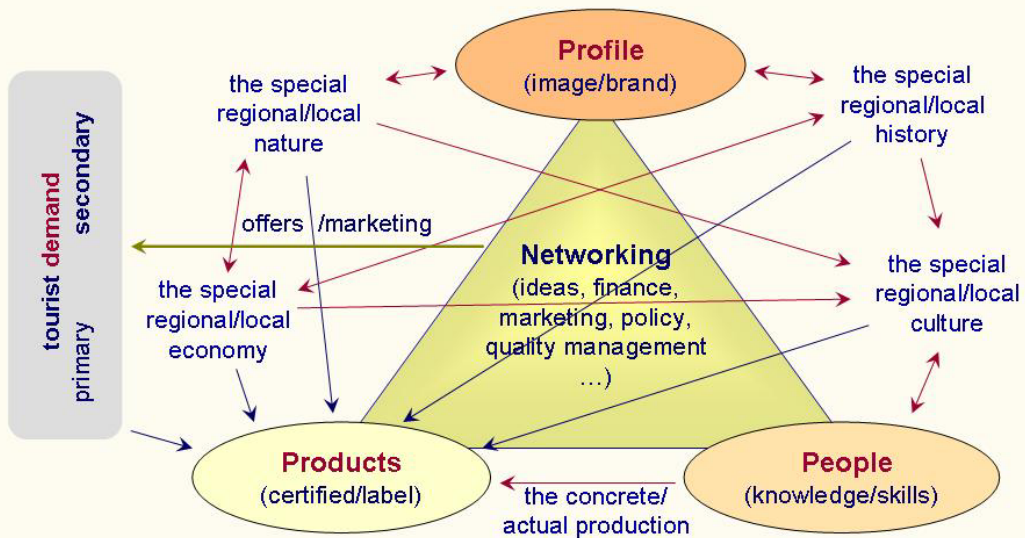
Factors of success

- ➔ target group oriented offers and infrastructure
- ➔ quality
- ➔ service
- ➔ customer relation management
- ➔ new marketing channels
- ➔ new source markets
- ➔ brands
- ➔ market transparency
- ➔ co-operation/networking

Dr. M. Bütow, Haus der Wirtschaft Stralsund, 22.03.2006

Source: Landestourismuskonzeption, 2004

Special approach for rural areas?



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Tourist (net)working with special challenges

People

- **Demography:** emigration, excess of age
- **Ignorance:** no experiences and knowledge in tourist business, blind for the chances
- **Unemployment:** lack of capital, social frustration, mental reservation
- **Fear:** new developments/ changes are always a threat (or at least an uncertainty)
- **Envy:** Why are others/strangers able to reach aims we missed?

Products

The question is not the „traditional“ one:

- How to market the existing tourist products or highlights?

The existential questions are:

- What target/customer groups can we reach?
- Which needs/wishes do they have?
- Which offers can/must/should we develop therefore?

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Special skills for the people?!

Personal skills

- communication
- decision-making
- negotiation
- leadership
- languages

Business skills

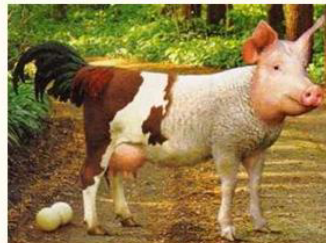
- strategic thinking
- business planning
- marketing management
- financial management
- human resource manag.
- operational management

„Rural“ skills

- *adaptability/creativity*
- *social integration*
- *thick skin/patience*
- *high motivation*
– low expectations
- **networking**

The rural entrepreneur

- an egg laying woolmilkpig!?



MISSION: IMPOSSIBLE™ ?

May be for one alone
– but not for
a group of inspired!

Dr. M. Bütow, Haus der Wirtschaft Stralsund, 22.03.2006

Source: Strategies to safeguard ... 2005
(INTERREG III B Project „Rural Development Connection“)

Theme marketing - "Rural" nets & routes

Architecture

- architecture & history
- castles, manor houses and their "stories"

Nature

- ornithology - cranes, sea ravens (cormorant), storks ...
- Nature Protection Areas, parks and gardens

Active

- cycling, horse riding
- canoeing, "boating" - Warbel - Recknitz - Trebel - Peene, - Ryck
- golf

Culture

- galleries/exhibitions
- regional artists - workshops, ateliers ...
- events - concerts, open airs, "Kunst : Offen" ...)

Osteseeland – Tour : Architektur/Geschichte



Die Routen

- 1. Architektur/ Geschichte - Planung von Barth über Ralswiek nach Stralsund
- 2. Natur und Landschaft - Planung von Barth über Ralswiek nach Stralsund
- 3. Kultur und Geschichte - Planung von Barth über Ralswiek nach Stralsund

an example from the project „Tourist Milestones in the coastal hinterland of Vorpommern“ (2005)

Dr. M. Bütow, Haus der Wirtschaft Stralsund, 22.03.2006

Source: Konzeption zur Entwicklung und Erfassung ... (2005)

Strategic consequences (I)

Successful development in rural areas needs (more than somewhere else)



- **un-conventional, innovative thinking** – in the sense of creativity, unique – may be “foolish” – ideas, looking for niches, specialisation, ..., and at the same time diversity, product mixture and strategies with several different and independent bases;
- **active individual engagement** – an engaged “master-mind” (person; group, organisation) – supported by associations or enterprises from different fields and with different goals;
- **regional net building in all shades of colours** – co-operation, involvement, co-ordination and agreement, use of synergy effects, distribution of the burdens, division of labour, lobbyism, ...;



Dr. M. Bütow, Haus der Wirtschaft Stralsund, 22.03.2006

Source: Strategies to safeguard ... 2005
(INTERREG III B Project „Rural Development Connection“)

Strategic consequences (II)

Successful development in rural areas needs (more than somewhere else)

- **economy oriented acting** – it does not mean the profit maximization, but it means sustainability — and by that the strategic independence from financial support using support more or less (finances, knowledge, contacts, co-ordination/supervision, marketing...);
- **on-site added value** – not (only) the resource production, but the processing of resources is creating jobs and (saleable) values – in the times of cheap mass production it works for the small sellers only via the special idea (see above) and the special ...;
- **quality of the performance** – related to the creation of the products as well as to the marketing: being customer oriented and have the flair for “nitty-gritty”.
- **patience and consequence** – personal/mental power for a “long breath” to overcome the individual and the administrative barriers, to survive lean times and to follow the vision.



Dr. M. Bülow, Haus der Wirtschaft Stralsund, 22.03.2006

Source: Strategies to safeguard ... 2005
 (INTERREG III B Project „Rural Development Connection“)

Summary (I)

Disadvantaged or structurally weak regions have good opportunities for development

- if they reflect onto their **strengths/specialities** and/or if they develop those **goal oriented** and with a strategy,
- if they have a self-understanding as “**unity in diversity**” (the region is the brand, everybody fits in and all work on it together),
- if they create a **positive climate** resp. environment for creativity, self initiative and togetherness,
- if subsidies are understood as **additional** support and not as an end in itself and if the subsidies are used in that sense,
- if they create **synergies** between all fields of economy and live.



Dr. M. Bülow, Haus der Wirtschaft Stralsund, 22.03.2006

Source: Strategies to safeguard ... 2005
 (INTERREG III B Project „Rural Development Connection“)

Summary (II)

All experiences and analyzed examples confirmed the strategic and organisational approach:

Help for self-help – for all, who want it!

Regional development from top-down quickly leads to an attitude of “see-what-happens” and thereby it switches off the most important element of success: **the innovative thinking.**

Probably the structures and the organisational forms for the development can differ.

But they should

- avoid over-organisation,
- be economy oriented,
- support (and demand) the involvement and the responsibility of each single unit and individual.



Dr. M. Bütow, Haus der Wirtschaft Stralsund, 22.03.2006

Source: Strategies to safeguard ... 2005
 (INTERREG III B Project „Rural Development Connection“)

The (Happy?) End



There's a lot

- to discover,
- to develop,
- to market,
- to do!

Thank You

- for listening,
- for thinking
- for asking,
- for coming back ...

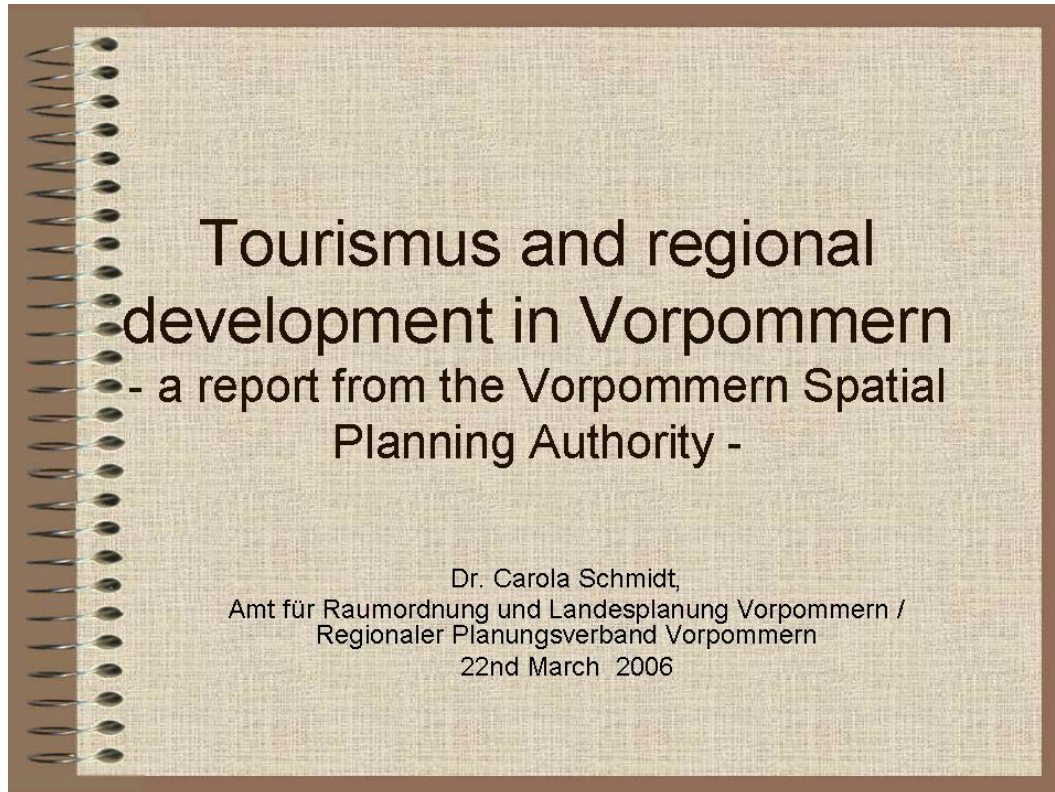


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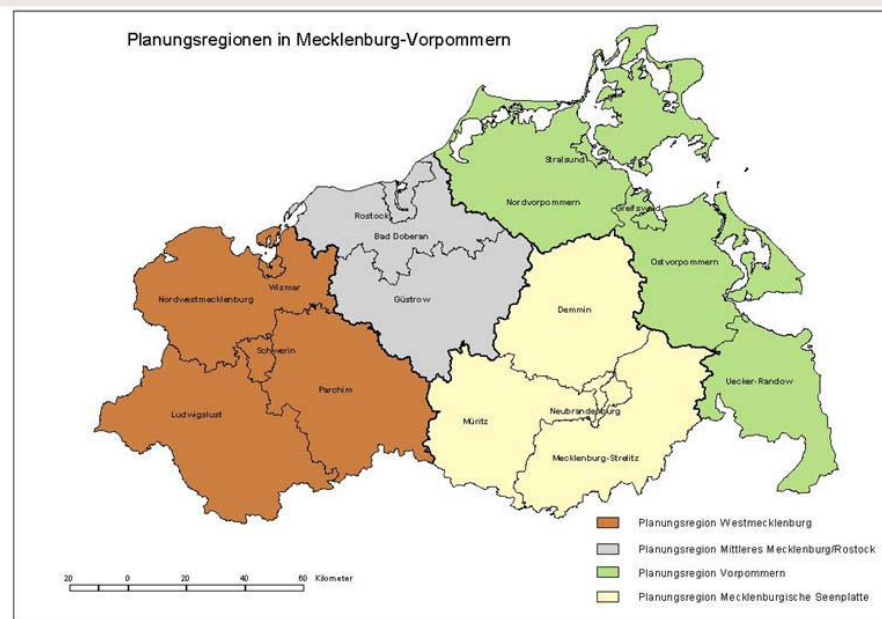
buetow@ihk-bildungszentrum.de

4.10 Tourism and regional development in Vorpommern - A report from the Spatial Planning Agency Vorpommern

Carola Schmidt



The Mecklenburg-Vorpommern planning regions



The Vorpommern Region - facts

- 300.000 inhabitants, 6.700 km², 72 inh/km²
260 communities, 25 towns
20% in communities with under 1.000 inhabitants,
46% in communities with 10-60.000 inhabitants,
Stralsund 58.000, Greifswald 52.000
65% agricultural areas, 21% forests, 4% water
- 1.300 km coastline
Rügen 930 km², Usedom 370 km², Hiddensee 17 km²
- 60% nature protected areas

Tourism in Vorpommern Region

- Coastline vs. Interior areas
- 12 Million overnight-stays (57% of M-V)
- 96.000 beds (56% of M-V)
- 27 certificated baths
- Stralsund as UNESCO-town

(c) AfRL VP / 200 / 03/06

M-V tourism concept 2010 - strategic development markets -

- art and culture tourism
- nature, hiking, horse riding, Golf tourism
- meeting and congress tourism
- Incoming tourism

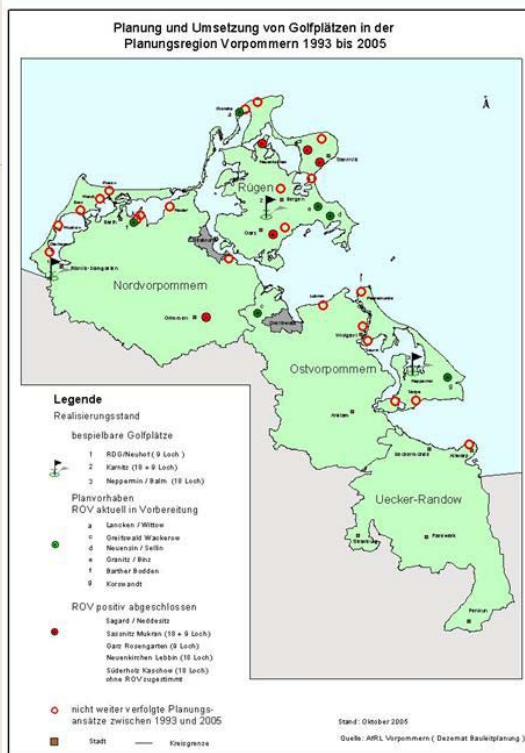
(c) AfRL VP / 200 / 03/06

Golf places in M-V



(c) AfRL VP / 200 / 03/06

Planung und Umsetzung von Golfplätzen in der Planungsregion Vorpommern 1993 bis 2005



Contents of the integrative spatial plans / the planning programmes

- Requirements of spatial planning: objectives (text and map) and principles (text)
- major tools:
 - ⇒ the hierarchial system of „central places“
 - ⇒ demarcating of certain areas where specific spatial functions shall have absolute priority over others (Vorrang - objectives) or must given specific consideration and weight when a decision on any other conflicting use or function in the area needs to be made (Vorbehalt - principles)
- Areas: conservation of nature, conservation of water resources, protection or exploitation of mineral resources, exploitation of wind energy, tourism

(c) AfRL VP / 200 / 03/06

Co-ordination of spatially significant individual plans and measures

- elaboration, do they fit into the frame given by the spatial planning programme
- Recommending, what to change / to do, so they will fit into the frame
- 3 types of elaboration in dependence on the type of the plan, size, potential conflicts
 - ⇒ spatial impact assessment (formalised process)
 - ⇒ (long) spatial impact statement
 - ⇒ (short) spatial impact statement

(c) AfRL VP / 200 / 03/06

Plannings at the AfRL Vorpommern

- Ca. 500 plans a year to be elaborated among them ca. 200 tourism oriented plans and measures
85% at the islands
- In 2005: 72 land use plans
- permanently 20 spatial impact assessments

(c) AfRL VP / 200 / 03/06

Decreed spatial impact assessments at the AfRL Vorpommern (02/06) (I)

total: 14 spatial impact assessments (SIA)
1 spatial impact statements (SIS)

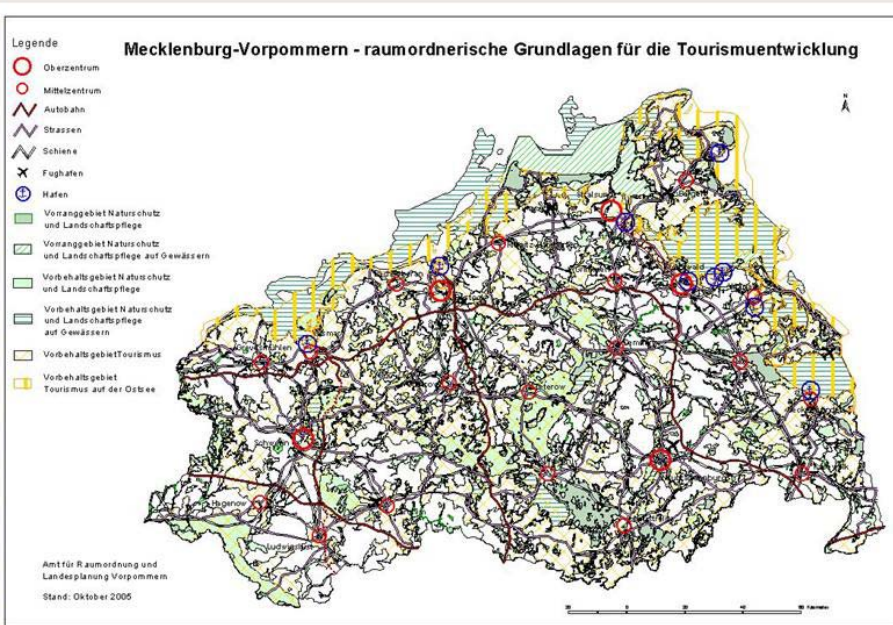
- SIA „Ostsee Ressor Freester Bucht“
Kröslin / OVP
- SIA „Maritime commercial area“ Altefähr / RÜG
- ROV „Golf resort Lancken / Wittow“
Dranske / RÜG
- ROV „Golf resort Greifswald / Wackerow“
Wackerow / OVP
- ROV „Caravan & Camping ground Varnkevitze“
Putgarten / RÜG
- ROV „Golf resort Sellin“ Sellin / RÜG

(c) AfRL VP / 200 / 03/06

Decreed spatial impact assessments at the AfRL Vorpommern (02/06) (II)

- SIA „Holiday house resort Teufelsberg“ Lohme / RÜG
- SIA „Golf place Granitz“ Binz / RÜG
- SIA „Marina Neuhof“ Brandshagen / NVP
- SIA „Sports boats harbour Ladebow“ Greifswald / HGW
- SIA „Delphi Mar“ (Dolfinarium) Glowe / RÜG
- SIS „Concentration of mobile phone masts“ / Planungsregion Vorpommern
- SIA „Sports boats harbour Usedom“ Stadt Usedom / OVP
- SIA „Holiday house resort Monser Haken“ Barth / NVP
- SIA „Golf and holiday resort Barther Bodden“ Barth / NVP

(c) AfRL VP / 200 / 03/06



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4.11 The “Peene River Valley”: opportunities for rural development by the Proposed National Park

Wendelin Wichtmann & Michael Rühs

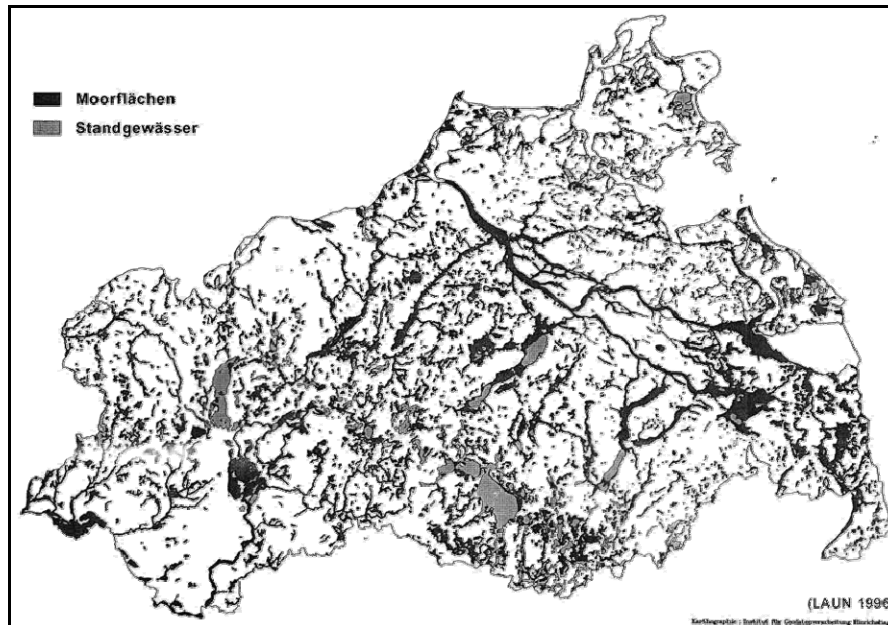
Abstract

The valley fen of the river Peene is formed by a glacial discharge vale in eastern Mecklenburg-Vorpommern. Because of the low slope and high groundwater discharge into the valley, big lowland mires with mighty peat deposits have formed (percolation mires, inundation mires). In the last century most of the peatlands had been transformed into drained polders for high intensive agricultural use. Nowadays, the management of the polders and the maintenance of the dikes and pumping stations has become too expensive. Thus, especially in the Peene valley, many of the formerly intensively used polders have transformed into nature conservation land use, partly after a rewetting of the peatlands. Several local stakeholders want to develop the Peene river valley into a national park because of its exceptional natural values. Because no governmental money can be provided by the federal state of Mecklenburg-Vorpommern privately financed alternatives have been evaluated. The calculations show that a private foundation would need up to €90 m of assets to run the full administration. This sum however seems to be more than fundraising could deliver in a manageable period. Still complementary funding by the federal government and by private founders could provide the chance of a sustainable development and an increased regional net added value and thus should be considered by the responsible ministries.

4.11.1 Introduction

The federal state of Mecklenburg-Vorpommern is rich in peatlands (see Map 29, see Table 33). Peatlands are organic deposits formed by undecomposed plant materials under wet conditions. Under natural conditions they are called mires. Because of very intensive land use and water management measures most of the mires have changed to more or less degraded peatlands, used as grasslands for the production of cattle feed. With the decrease of cattle breeding in eastern Germany after the reunification in 1990 however, the utilisation pressure on grasslands of fen peatlands decreased. In Mecklenburg-Vorpommern for instance 80 000 hectares of peatlands are no longer needed for agricultural use. They are still managed with low intensity to assert EC-money with minimal efforts. To meet EC-Cross Compliance (CC) conditions it is necessary to mulch the grassland at least every second year. Also many of the peatlands are abandoned nowadays after the restoration of the hydraulic regimes. Other semi-

natural landscapes developed in the Peene river valley without any use. Free succession without a rebuilding of amelioration or restoration including the removal of amelioration installations is dominating in some parts. Restoration efforts are bound to the problem that land use options must be bought from the farmers and the fact that the financing of this is in times of low budgets not reliable.



Map 29: Peatlands in Mecklenburg-Vorpommern

Table 33: Areas in agricultural use in Mecklenburg-Vorpommern

	area (ha)	in %
cultivated area:	ca. 1 300 000	
permanent grassland	279 700	22
arable land	1.060.300	78
peatlands total:	ca. 300 000	
fens	260 000	87
coastal wetlands	30 000	10
ombrotrophic mires	6 000	2
in agricultural use	245 000	82
with changed hydrology	294 000	98
poldered, regularly pumped	130 000	43

Environmental aspects are the main reasons for current restoration measures because the continuation of actual grassland use connected to drainage of the peatlands that releases

huge amounts of CO₂ into the atmosphere. Rewetting firstly aims to stop this process of peat decomposition accelerated by heavy drainage activities.

Table 34: Functions of peatlands

function	description
sink	deposition and recycling of nutrients,
disposal	carbon sequestration
regulation	keeping cultural landscapes open, site and culture specific biodiversity, ground water retention
conservation/preservation	regional responsibility for plant communities, key species
production	fodder, comestible goods, biomass, raw materials
transformation and option	later intensification possible
information	landscape beauty, recreation, aesthetics and cognition, research

On the other hand, nature conservation plays a role within the restoration programme of the federal state of Mecklenburg-Vorpommern. Normally these restored peatlands are not managed and are open for free succession. New sites are developing under totally new conditions. In many cases, it is even possible to improve the quality of a site and to reactivate its diverse functions (see Table 34). However, after rewetting, conventional land use is no longer feasible.

4.11.2 The landscape (cf. U. Fischer 1996)

The Peene valley is situated in a landscape with a dominating occurrence of percolating mires. The cause for the dominance of this hydrological fen type in the ground moraine area of the Pommeranian stage of the Weichsel ice age lies in the geomorphological, geohydrological and climatic conditions of this area. The river Peene is carved into the lake-poor and even ground moraine plains of Vorpommern. These plains stretch from the islands in the Baltic Sea to the South of the border valley (Grenztal) between Mecklenburg and Vorpommern; from East to West they cover the area from the lower course of the Odra valley to a little West of the city of Rostock. The middle and lower courses of the Peene river (and along the nature reserve (NR) „Peenewiesen bei Gützkow“) are situated in the hilly loam plains with their peatfilled valleys of North Mecklenburg.

The minor inland glacier dynamics during the Weichsel ice age left a relief-poor area behind. There are neither large jolted end moraines nor deep exaration valleys.

Therefore, the occurrence of deep lake-filled hollow basins is very limited. The inland glacier was fragmented into increasingly smaller parts due to the gradual rewarming while the defrosting prevailed for a longer time. Repeated thrusts and retreats of smaller ice glaciers flooded shallow end moraines in intermediate steps. The sand inclusion in the Peene area, caused by refrosting, were to no extent comparable to those in the areas south of the main end moraine of the Pommeranian stage. The drainage of the remaining glaciers was channelled through mostly 'line-like' meltwater tracks, the primary glacial valleys („Urstromtäler“). These glacial valleys carved through the melting fields of glacier remnants and the underlying plains of ground moraine. Eventually, this process formed today's face of the area, which is a landscape characterized by a web of river valleys. The Peene valley is part of the system of the large river valleys of northeastern Germany. By autogenic peat growth it grew large-scaled percolating mires, with peat deposits of over nine metres thick, fed by calcium rich groundwater from the mineral ridges. In the vicinity of the river Peene a smaller area is covered by floodplain fens, caused by the special hydrological situation of the river Peene. Over its entire length of 124 km the Peene river shows a fall of 21 cm. Depending on the wind conditions at the shore, the direction of the waterflow in the Peene alters.

4.11.3 Examples for very valuable parts of the Peene valley

4.11.3.1 Polder Randow-Rustow

Until the late 1990s the polder Randow-Rustow was intensively used as a highly productive grassland polder with dikes and pumping stations to regulate water levels for an optimized agricultural use. The restoration of the polder was planned as a compensation measure in the context of the building of the new motorway A20 which cuts across the Peene valley. According to the specific demands on the compensation measure, in respect to the implementation of the EU Directives "Fauna-Flora-Habitat" and "Bird Conservation" a simple flooding of the polder would not do. Instead, a controlled rewetting over a period of 15 years was chosen in order to slowly transform the existing, untypical fen vegetation into fen specific vegetation and thereby provide a variety of different habitats for numerous species of fauna. Today, after six years, the restoration is making good headway. Especially the floristic and avifaunistic results are very promising (Theuerkauf et al. 2006).

4.11.3.2 Nature conservation area in the Peene meadows near Gützkow

The Peene valley near the small town of Gützkow is characterised by an exciting mosaic of small patches consisting of species-rich meadows and scattered peat holes, willow-

shrubs and elder-swamps The meadows are of extraordinarily high botanical and zoological value because dozens of endangered species can be found, e.g. *Liparis loeselii*, *Eleocharis quinqueflora*, *Primula farinosa*, *Svertia perennis*, *Carex pulicaris*, *Scorpidium scorpioides*, *Hamatocaulis vernicosus*, *Crex crex*, *Lutra lutra*, *Castor fiber* and *Carabus menetriesi*. In order to create more stable hydrological conditions and to enlarge the area characterised by calcium-rich groundwater supply, several hydrological measures have been and will be taken in the future.

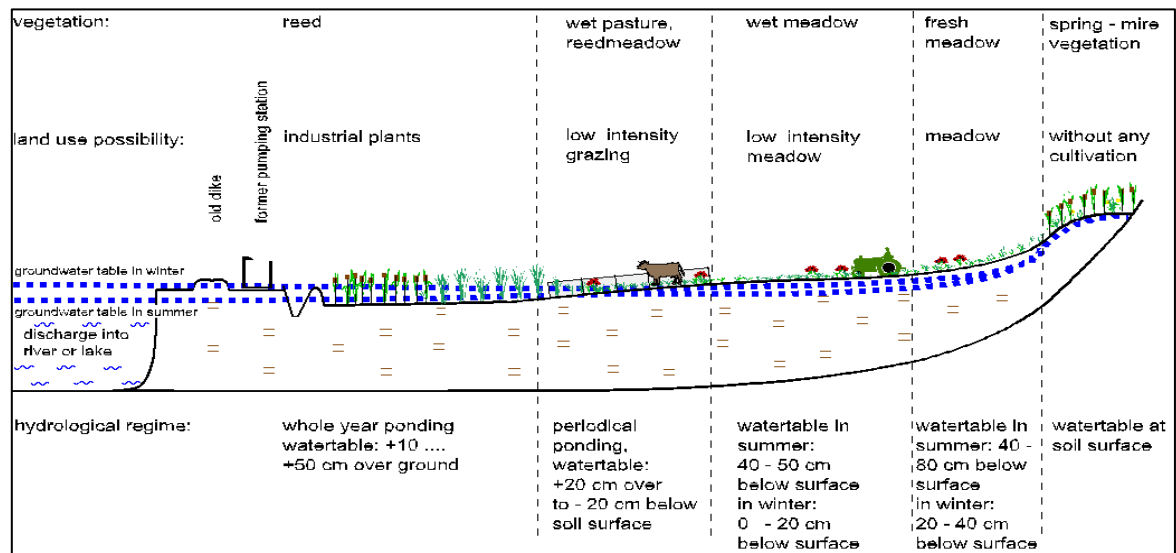


Figure 49: idealised cross section through the Peene valley peatlands, percolation mire with alternative land use (Wichtmann & Koppisch 1998)

There are two nature reserves in the vicinity of Gützkow. Both reserves show similarities concerning their surrounding landscape which is characterised by a steady supply of calcium-rich groundwater at the valley edge and by an increasing influence of flooding towards the river: However, both differ in their intensity of drainage and management (Theuerkauf et al. 2006).

4.11.4 A National Park in the Peene region?

The Peene valley is due to its relative large proportion of semi-natural and near-natural vegetation one of Germany's best preserved fen peatland valleys. In 1993 therefore the Peene valley was given the status of an area of international representative significance for Germany. A promotion for the 160 km² central zone ensued by the German Ministry of Environment, Nature Conservation and Nuclear Plant Security. The main goals of this promotion of the area are (Fischer 1996):

- preservation and long-term protection of the natural and unaffected areas
- long-term protection of the valuable wet meadows on the fen, which were/are conserved by low intensity use (grazing and/or cutting)

- eco-friendly restoration of the polders, which were created during the last four decades for industrial-like production of animal feed

Today, the Peene valley is administrated by a partnership of convenience that tries to meet the goals stated above and to develop the whole valley into a nature conservation area. This is financed by the German body responsible for the conservation of national representative natural areas (see above). The project was started in 1992 and will run until 2008. The aims for this area of national representation are:

- buying meadows from farmers,
- restoration of hydological conditions,
- making long-term land use contracts with farmers and
- develop a coherent nature protection area in the whole Peene valley.

The future after the termination of the project in 2008 and phasing out of the subsidies is not clear today. One option is the development of a national park. The problem with this is that Mecklenburg-Vorpommern has a very low economic power and maybe because of that the highest rate of protected areas in Germany (see Table 35). This is also the reason for the fact that there is no more money left to finance additional protected areas by the federal government.

Table 35: Overview of protected areas in Mecklenburg-Vorpommern, *Land area of Mecklenburg-Vorpommern including the territorial waters: 3 099 400 ha ¹¹³

National parks

number	area (ha)	Quotient of land area (%) *	
3	115 700	3.7	
National park		Year of foundation	area (ha)
Vorpommersche Boddenlandschaft		1990	80 500
Jasmund		1990	3 000
Müritz		1990	32 200
total			115 700

Biosphere reserves

number	area (ha)	Quotient of land area (%) *	
2	53 757	1.7	
Biosphere reserve		Year of foundation	area (ha)
Südost-Rügen		1991	23 500
Schaalsee		1998	30 257
total			53 757

Nature parks

number	area (ha)	Quotient of land area (%) *	
7	365 592	11.8	
Nature park		Year of foundation	area (ha)
Nossentiner / Schwinzer Heide		1994	36 500
Feldberger Seenlandschaft		1997	36 000
Mecklenburgische Schweiz und Kummerower See		1997	67 350
Mecklenburgisches Elbetal		1998	42 600
Insel Usedom		1999	72 100
Sternberger Seenland		2004	53 900
Am Stettiner Haff		2004	57 242
total			365 592

113 source: <http://www.um.mv-regierung.de/index.htm>, Ausgabe 5 - Stand: 01.07.2005

4.11.5 Is private funding of National Parks in Germany possible?

With the establishment of two more nature parks in 2004 (see Table 35) the federal state was pushed to its financial limits. The maintenance and management of the protected areas in Mecklenburg-Vorpommern is completely covered by the budget of the federal state. This budget however cannot be strained any further. Because of that the idea was born to evaluate, the possibility of running national parks in Germany by foundations. Such non-governmentally protected areas are nearly unknown in Europe.

There are some examples of privately managed national parks in Europe but much more examples exist in South America and Africa. In Switzerland however we find the "Stiftung Schweizerischer Nationalpark" (founded in 1914), but this is virtually governmental because it is depending on the budget and decisions of the government. In the Netherlands a foundation manages the national park De Hoge Veluwe (founded in 1935) which is autonomous and financially independent. It has been established with the grant of the Dutch family Kröller-Müller. In southern Africa we find more than 1.000 private protected areas. In Namibia for instance 148 private nature conservation areas can be found (Langholz & Krug 2004).

Two studies, a legal and an economic one, have been conducted to answer the question, if a private national park would be possible in Germany. The legal analysis tried to answer the question if the German law approves of such private activities. The results show that private protected areas managed by a foundation are feasible. To create a property of a similar legal status as the other national parks in Mecklenburg-Vorpommern the favoured organisational form of sponsorship is a foundation of public law. The result of the economic analysis shows the financial demands which such a foundation would have to shoulder in order to manage the prospective national park properly (see Table 36).

Table 36: Costs for national park management in the Peene valley

Personnel staff	protected area [ha]	
1 director		20 000
1 secretary	owned by foundation [ha]	
4 sc. employees		6 000
8 sc. assistance	assumed costs per ha*a	
18 technical assistance		7
18 rangers		
Benchmarks:	employees per 1 000 hectares	2.5
	overall budget per hectare	124
Personnel	1 850 104 equipment	9 085
premises	52 850 free assets	457 000
motor pool	62 100 real estates	42 000
	total costs	2 473 139
<i>Overhead for foundation activities (3%)</i>		76 489
<i>Total sum of yearly financial requirements</i>		2 549 628

It is nearly impossible to derive the need for money from the anticipated duties and the regional environment only. Beyond that it has to be considered that any park administration with an explicitly lower budget than a state run national park would cause undue competitive pressure which would finally lead to a deterioration of nature protection. Thus, the budget has to be comparable to that of the state run national parks. Taking the average budget per hectare and year and the average number of employees per 1 000 hectare of Mecklenburg-Vorpommern's national parks as a benchmark, different scenarios for the park administration had to be calculated. Those scenarios comparable in budget and number of employees to the state run national parks would at least demand a foundation capital of 60 up to €90 m (cf. Rühls 2005). Finally, the liquid funds from this asset would boil down to about €2.4 m per year spend on the administration and development of the national park region.

Table 37: Regional net added value from management activities

Direct wage payments	Euro
Director	148 321
Internal administration	136 919
Communication/PR	311 843
Area management	277 613
Land Use	243 384
Environmental education/ visitor's guidance	732 024
Sum of gross wage payments	1 850 104
Net wage payments (at 22-23% taxes, 20% social contributions)	1 083 915
Investments	
Portals	150 000
Info-systems/ lanes/ parking lots	1 000 000
Visitor's centres	2 500 000
Gross investments	3 650 000
Net investments total (16% VAT)	3 066 000
Annuity of net investment (20a, 6%)	267 308
Other revenues	
Expenses for material and services	581 035
Net revenues total (16% VAT)	488 070
Net sum wages, investments, revenues	1 839 292
Resulting direct net added value	1 292 225
Resulting total net added value	1 456 345

Table 38: Regional net added value from tourism development in the national park region

Revenues from tourism	EURO
Guest accomodations	90 000
Number of visitors	60 000
Gross revenues from visitors	480 000
Gross revenues from accomodation	3 600 000
Gross revenues from tourism	4 080 000
Net revenues from tourism	3 580 800
Allocation of revenues from tourism to branches [€/a]:	
Retail trade	526 080
Hotels and public houses	2 751 744
Handicraft and services	302 976
Resulting direct net added value	1 399 421
Resulting total net added value	2 036 497

Assumptions: expenditures of visitors 8 €/d; expenditures of accomodation guests 40 €/d

Based on the presented data on investments in park management (see Table 37) and on regionally sampled data on tourism and its potential development after implementation of a national park (see Table 38) estimates on the resulting net added value in the region have been made. They show that investments into a national park seem to be sustainable. The estimated direct net added value sums up to €1.3 m from induced investments from management activities per year and an additional €1.4 m from tourism. On top of that an indirect net added value of €0.7 m could enrich the regional economy in the long run, if companies providing services and handicraft will have settled. Concerning the regional development and investment appraisal in a long-term study, the financial input into a new national park in the region thus seems promising. At a discount rate of 4 percent the net present value of estimated cash flows could reach the break even point between year 12 and 15 after national park implementation. Calculating investments and revenues for a period of 20 years, the rate of return for the invested capital then would reach nearly 8 percent. This assumes a slowly developing tourism, which reaches its maximum in the year 10 after the national park's foundation. But if the indirect net added value cannot be achieved to a great extent within the first ten years after park constitution, the break even point will not be reached within the first 20 years.

Nevertheless, another point in cost estimations facilitates the establishment of a national park. After the expiring of funding by the German body for the conservation of national representative natural areas in 2008, the administration of Mecklenburg-Vorpommern

and the county administrations of the Peene valley will have to fulfil the obligations to keep a continuous conservation scheme in the Peene valley. With this the necessity for them to spend money for conservation will arise immediately. This however will definitely be less than a national park would require. But in the particular situation of the Peene valley the option of complementary private funding should be considered by the responsible ministries in order to implement a national park as an appropriate and convincing future for this unique natural region.

4.11.6 References

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4.12 Report about the Leader+ project “Vorpommersche Dorfstrasse”

Michael Heinz

4.12.1 Description and Development of the Project

During our IP we have heard many attributes for the rural area in Vorpommern. Some called it the “bush”, others the “outback” and from a tourist’s point of view it was described as a “white part on the map”. However, the project’s region called “Vorpommersche Dorfstraße” is one of the poorest regions in Vorpommern and in the whole of Germany. Extremely high unemployment rates of up to 35 percent and more, a population decline since the 1950s, selective out-migration with all its problems concerning the age structure, brain drain and infrastructural consequences are not only theoretical aspects of regional development, but serious practical topics of every day life in the villages (Heinz 2003, p. 51). Another problem which is not new but recently documented itself drastically in the results of this year’s federal state elections in September is the right-wing and anti-democratic attitude of about 20 percent of the voting population. - It might sound paradoxical to try to combine such a region with tourism. But quite a few people from different groups and of different backgrounds think it is worth trying. This paper wants to give an overview about ideas, achievements and problems of the project “Vorpommersche Dorfstraße” as an example of an EU-subsidised touristical approach for regional development in economically backward rural areas.

Methodologically, the information and comments are based on an open and active participation of myself during discussions and participation-processes (for comments on the methodological concept see Schöne 2003).



Picture 24: The castle in Lüßow around 1880



Picture 25: The castle in Lüßow in the 1990s

Let us start in the middle of the 1990s in the small village of Lüssow, about 20 km south of Greifswald at the river Peene. There was a rather dilapidated, but huge castle in the middle of the village, built in 1867 as a symbol of wealth and even abundance of the rural aristocracy at this time. It was also a symbol of injustice and the poverty of the farm labourers who worked and lived in dependence on the aristocracy. Used as a typhoid fever hospital after the Second World War and also as a school and kindergarten during the 1960s and 1970s, the condition of the building got worse and worse in the late 1980s. After the reunification in 1990 the question of what to do with such a big, rather useless building in such a disastrous condition in a village with 190 inhabitants arose. - Like in so many other villages in Vorpommern.

But unlike in many other villages in Vorpommern an association was founded with the aim to save and restore the castle as an important part of the cultural heritage of the village and as a part of the cultural landscape in Vorpommern. The sponsoring society (*Förderverein Schloss und Gut Lüssow e.V.*) managed quite well to get financial support from a charitable foundation caring about the preservation of monuments (*Deutsche Stiftung Denkmalpflege*) to do some restoration works on the castle. But very soon the municipality realised, that it is just about impossible to protect this building from further decay, if they act as a rather remote and isolated municipality from the “outback” of Vorpommern.

Together with six other neighbouring municipalities along the river Peene, the idea of a joint marketing in order to promote the touristical development was born. In June 2000 a meeting took place in Lüssow; present were beside all seven mayors of the involved rural municipalities also interested citizens from the villages, representatives of the regional touristical marketing association, two idealistic geographers from the University of Greifswald and even the head of the county administration who promised to support this project. The regional newspaper (*Ostsee-Zeitung* 23/06/2000) emphasized the positive, cooperative climate during this meeting and the development capacities for the region: “*Dorfmuseum im Peenetal profiliert sich zusehends*” was the header of the article, which means freely translated “Village museum¹¹⁴ in the Peene valley is on a good way”.

After this meeting in Lüssow it took more than three years until the next step was taken. The problem was to find an objective and overlapping institutions which could promote this project idea from the idea-level to the level of practical planning and the implementation of the planning results. The very dispersed administrative and political structure on the local level (see chapter 2.4.3.1) was the biggest obstacle for an efficient project management at this stage of the project. Important questions had to be answered

¹¹⁴ The former project title was “village museum”. Later on it was changed into “Vorpommersche Dorfstrasse”, because local people were not so keen on living in a museum.

on the way from looking at one castle in Lüssow to the regional attitude of the “Vorpommersche Dorfstraße”: Which municipalities should be engaged in the project, which should be excluded? What could be the detailed profile of the touristical project? Which target groups could be addressed? What are the strategies for implementation and how could the whole project be organised and financed?

4.12.2 Planning and Implementation

The possibility of funding through the EU initiative for rural development (Leader+) gave an important input to the local actors. Leader+ supported a development concept which should give some answers to the above mentioned questions raised at the meeting in Lüssow (June 2000). But before the development concept could be worked out, new questions came up: Who will write the rather complicated Leader+ application? The small-scale municipalities felt not able to handle this. Another problem was that the project area comprises three different local administrative boards (*Amtsverwaltungen*). The result of this was that none of the administrative boards felt responsible or had the political support of the other boards in order to assume responsibility for the project. The background for this aloofness is found in the obligatory co-financing of the Leader+ support arising from taking responsibility and the abysmal situation of public finances at the local level (Heinz 2005, p. 73).

Compensating the organisational deficits on the municipality level, the association “KommunalNetz” (*translated: “local municipality network”*) was asked by the municipalities to take over the project lead partnership and deal with the application papers. The association “KommunalNetz” is a voluntary federation of planning offices, local mayors and scientists, with the aim to offer a first objective and neutral consulting concerning the amalgamation of municipalities in rural areas. On account of personal connections and a good reputation of this “NGO” it seemed to be a trustworthy partner for the above mentioned purpose.

After a ten months working period, the development concept of the Vorpommersche Dorfstraße could be presented in October 2003. The following general aims were expressed: (KommunalNetz 2003, p. 7):

1. illustration of rural culture and history of Vorpommern
2. cultivation of traditional agricultural products and marketing to different target-groups
3. production and marketing of rural and traditional handicrafts; establishment of craftshops

4. development of ecotourism offers, especially canoeing, hiking, cycling and horse-riding
5. marketing: establishment of an internet portal about the "hidden treasures" of the region
6. supply of the planned service area at the motorway A20 about 15 km southwest of Lüssow with a small information centre about the region plus a shop with regional products and regional agricultural products

More detailed information was also given about potential projects (KommunalNetz 2003, p. 49-68). These encompassed an information centre about the "Viking Camp Menzlin", different gateways to the Vorpommersche Dorfstraße for example a nature information centre about the Peene valley in Neetzow, the "Traditional Western Pomeranian Estate Lüssow" with an exhibition about regional agriculture in the past or the development of distinctly adventurous nature trails in the Peene valley with nature observation points.



Map 30: Project plan of the development concept Vorpommersche Dorfstraße (2003)

The whole concept including the different project ideas was acknowledged on a local level as well as by the county administration. Regional newspapers commented on the concept and project ideas as "not a bad approach" with "plenty ideas for the Peene valley" (Ostsee-Zeitung 15/05/2003).



The Regional Planning Association (Regionaler Planungsverband Vorpommern) (REK Vorpommern 2003) directly listed the project as one of the most important projects in the context of the development of rural areas in Vorpommern. But, again one question

remained! – Who is going to coordinate the necessary project work and who will try to implement at least some of the project ideas by getting the needed financing for its implementation? – Again the municipalities and the local administration boards had no free capacities for this rather complex task (see Figure 50). It was the Leader+ support again, which helped the project the second time and mainly financed a so called “regional management” for the Vorpommersche Dorfstraße. Since April 2004 a regional manager deals with coordination and networking.

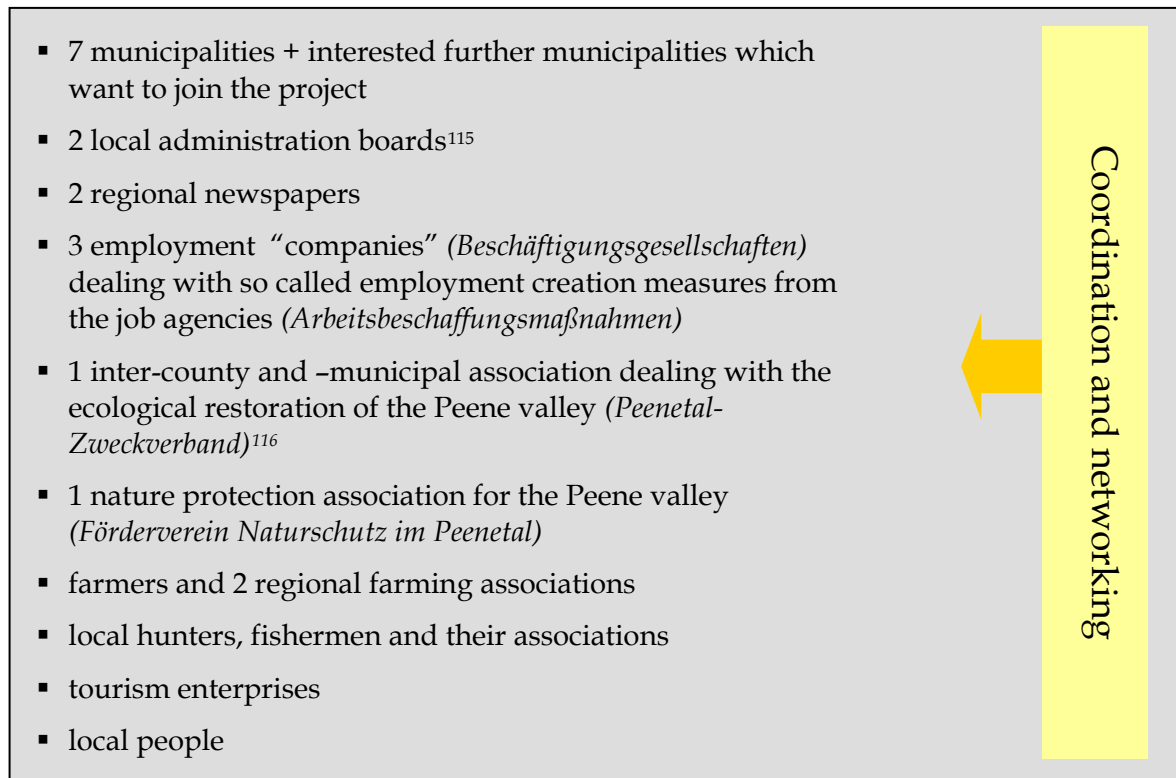


Figure 50: Important local and regional players participating in project implementation

However, this regional management was neither provided with its own budget, nor with its own administrative power. Moreover, it has to be mentioned, that the activities of the regional management were not linked to any democratic control mechanism, so the whole coordination and networking process was not transparent. As a result of this constellation the regional manager quit his job in July 2005 and left the region. A new person had to be found for the job. Therefore, the loss of information and the damage to the project’s image were considerable. The results achieved by the regional management up to today are not overwhelming, but in consideration of the capacities still worth mentioning. Some wooden signs for bicycle paths were put up in cooperation with an

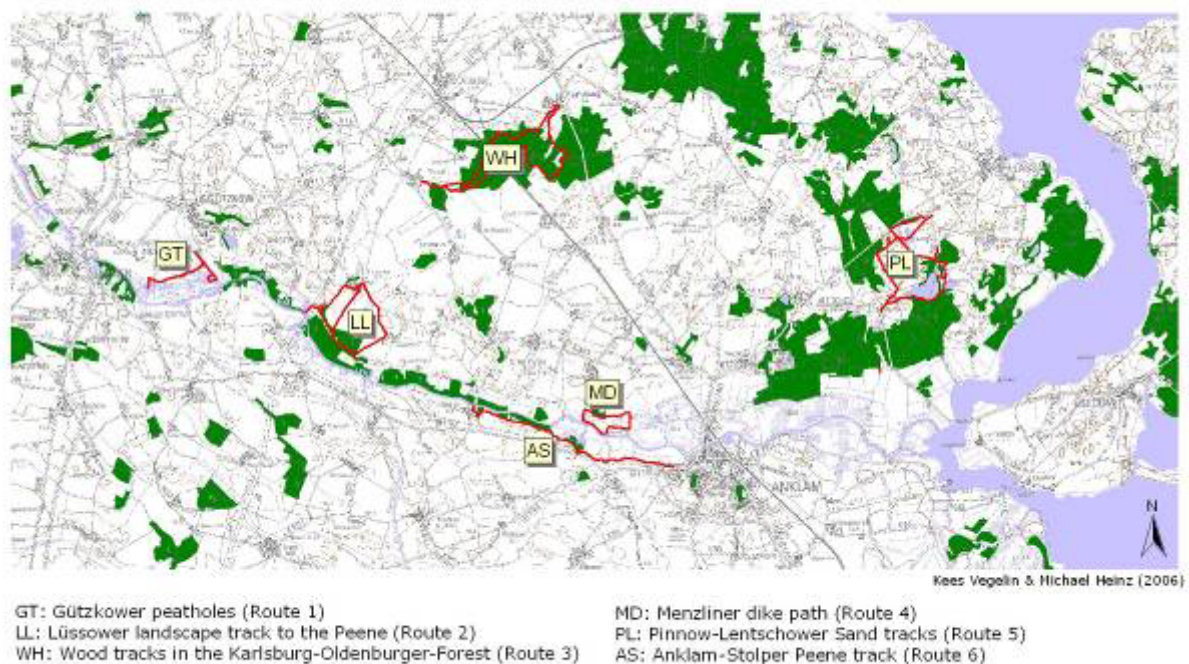
¹¹⁵ During the project time at the end of 2004 there was an amalgamation of two local administration boards (*Ämter*), thus the number reduced from three at the beginning of the project to two in these days.

¹¹⁶ See chapter 4.11.4.

employment company; also a homepage (www.vorpommersche-dorfstrasse.de) was designed, but has not been maintained since then. More achievements were the realisation of a touristical presentation of the area on a DVD, furthermore some leaflets about the project and the region were produced and also a new Leader+ project could be assumed.

This new Leader+ project is the third support from the EU initiative for rural development in a three years period. It aims at creating nature trails in the Peene valley with observation points for its typical wildlife, for example white-tailed eagles, beavers, water birds, otters and to illustrate the dynamics of landscape changes in the context of the rewetting processes which has begun in the early 1990s (see article by Wichtmann & Rühls, chapter 4.11). The first Leader+ application of December 2005 combined the planning of the routes with infrastructural investments (observation points, signs, little footbridges over creeks, information boards, a small raft for children on a peat hole and other environmental education measures) and also with the publishing of a nature trail guide with detailed descriptions of the trails. This complex application was rejected by the federal state of Mecklenburg-Vorpommern and it was advised to separate the planning and publishing part from the investment part. That was executed in the following application in February 2006 and this time the application was approved by the federal state. The nature trail project was successfully completed in September 2006 with six adventurous trails and a detailed guide about nature, landscape ecology and geography of the Peene valley (DUENE e.V. 2006) between Gützkow and Lüssow (see Map 31).

Nature trails in the Peene valley between Gützkow and Lüssow



Map 31: Overview of the nature trails in the Peene valley between Gützkow and Lüssow

However as a consequence of separating the first application into the planning and publishing part and the investment part the project has up to now been nothing but “another paper project”. The necessary infrastructural supply of the nature trails with its cost of about €120.000 will be difficult to realise because up to now this application has not been accepted by the federal state and the municipalities do not see themselves in a position of taking over the financing of the material infrastructure. The main argument of the Ministry of Agriculture - which is dealing with the Leader+ support on the federal state level - justifying the rejection of the application is, that there is no reliable organisation or institution which will take care of the infrastructural investments over the next years. The main partner of this rejected application is one of the employment companies and they seem not to be sustainable enough for the long-term maintenance of these investments.

What will happen? – The EU financing of the regional management will end in March 2007. It looks like the engaged municipalities are a bit tired of always being “managed” by different people who make big promises about the future development in the tourism sector. Also they are definitely very tired of always being dependent on external support and a lot of coordination work with high transaction costs but with only little outcome. On the other hand the regional management is tired of working in a very artificial management situation: no budget, no power, no decent support on the local level, but a lot of legacy and desperation in the rural areas, as seen for instance in the mentioned success of the neo-Fascist right wing party.

4.12.3 A new Success Story?

Of course this is not the end of the story. – There is another aspect, so let us continue with another, additional *but*: Desperation and tiredness on one hand, new ideas, courage and maybe people like Geranda Olsthoorn with her nature guidance company “Aquila



Naturreisen” (see chapter 3.3) on the other hand. Or just to continue: the municipality Schlatkow a little north of the Peene with a beautifully restored historic manor house ensemble, including a reasonably priced but sound hostel for cyclists and an excellent large-scale playground for children.

Picture 26: Schlatkow

Investments in the future on the small-scale level can also be found in Menzlin: there is a local guide trying to benefit from the local history and natural beauty by guiding tourists around the Viking grave site. Although it is hard for him to survive economically during the long winter season, he dared to start his own business and he also networks with the canoe station in Anklam. Now they can offer an interesting activity for tourists together:

you can hire a canoe in Anklam, paddle to Menzlin with a field guide, meet an “old Viking” in Menzlin by accident (Rainer Vanauer in his traditional Viking clothes) and experience the Viking settlement with him.

This networking came into being without a Leader+ supported regional management,



but it works. Of course it happened because the region Vorpommersche Dorfstraße started to think about touristical development and local people also started to think about trying to profit from this development. It is becoming increasingly obvious that especially the unspoilt nature in the Peene valley attracts external attention and that the Peene river develops into an interesting canoeing area for people who look for authenticity and remoteness (Spiegel-online 30/08/2006).

It is difficult to answer the question if it is a positive development or not because there has been no reliable evaluation so far. Furthermore, the data base level is very problematic, overnight stays on the municipality level in the Peene valley are mostly not published in the official statistics because there are so few.

Picture 27: Rainer Vanauer in Menzlin

In the summer of 2006 two geography students¹¹⁷ started their empirical work for their diploma thesis about the tourism development in the Peene valley with a representative questionnaire especially about water tourism on the Peene river. Their results are going to be the first detailed and objective research results about tourism in the Peene valley. – Thus is the state of tourism in the Peene valley.

There is another very important point, when trying to assess the project Vorpommersche Dorfstraße and its future; the proposed national park Peene valley (see chapter 4.11). Such a strong and enduring organisation would provide great advantages for the touristical development and for the efforts of the Leader+ project Vorpommersche Dorfstraße. At last there would be a regional player, compensating for the weak municipalities at least concerning the touristical and nature conservation topics (see Bördlein / Heinz 2005, p. 47).

117 Maike Berndt and Claudia Friede, University of Greifswald. Diploma thesis about water tourism in the Peene valley, expected results in March/April 2007.

Regardless of the question if it will be a national park or a biosphere reserve (in which ever sort of detailed demarcation), such an organisation would be able to solve many of the organisational problems concerning infrastructure maintenance and financing.

This shows on the other hand how weak (organisationally and financially) the local level is structured in the rural areas of Vorpommern. From my point of view it also shows how essential strong and active players on the local level are (big and strong municipalities). Up to now these vital partners for coordination and cooperation are missing (Heinz 2005, p. 187). Strong municipalities together with a strong and enlarged national park or biosphere reserve Peene valley might be one step to an interesting regional development in such an economically backward area like the project region of the Vorpommersche Dorfstraße. This might also foster an alternative and self-confident way of regional development which does not **only** rely on external EU funding.

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5 International working groups and their results

5.1 Research-question 1: Development strategies of rural areas in Europe and the input of the tourism-sector

Students:

Ulla Äänismaa, Ulrika Bomann, Nina De Roo, Lina Fredholm, Jörn Freyer, Roel Faems, Peter Koch, Emilie Maclaine Pont, Dominik Ruciński, Sander Jansen, Stephan Schmidt, Stefan Sommer

5.1.1 Introduction

The task of work group 1 was to deal with the question how the development in rural areas of Europe can be fostered in general and more specifically to think about the role the tourism sector could play in its realisation. The group consisted of 12 students, of which four were German, four Dutch, two Swedish, one Finnish and one Polish (as a member of the Finnish delegation).

In order to get general results, the procedure was to compare the case regions concerning their historical, economical development and afterwards to carry out a SWOT analysis to see how different development approaches led to which results. In a third step a stronger focus was on Vorpommern. Conclusions were drawn from the comparisons, a number of different successful strategies were outlined and possibilities of how to apply them to Vorpommern were researched. Furthermore structural problems of Vorpommern were identified and recommendations given to solve those problems. As a final result a "Vision for Vorpommern" has been developed containing some recommendations on how to realise that vision.

5.1.2 Profile of the Regions

To get an overview about the different methods, strategies and factors that influence regional development, the historical path dependencies of the different regions were gathered. Here the developments were grouped into three categories namely developments in the past up to 1990, then the present (1990 until today) and the third group contained already implemented and potential strategies for the future.

Värmland**Northern Netherlands**

<i>Past</i> (1945-1990)	<ul style="list-style-type: none"> • increasing industry, but no modernisation • decentralisation (since 1970s) • education improvement 	<ul style="list-style-type: none"> • equalisation: relocate governmental institutions; infrastructure
<i>Present</i> (1990-today)	<ul style="list-style-type: none"> • decentralisation • relocation National Consumer Board to Karlstad • Norwegian investments • non-commercial organisations • co-operation of tourist organisations 	<ul style="list-style-type: none"> • decentralisation/efficiency: spill-over effects
<i>Future</i>	<ul style="list-style-type: none"> • more cross border co-operation with Norway • innovation: spin-offs • more co-operation of tourist organisations 	<ul style="list-style-type: none"> • efficiency, innovation

North Karelia**Vorpommern**

<i>Past</i> (1945-1990)	<ul style="list-style-type: none"> • settlement policies • 1960s: modernisation in agriculture and forestry • growing service centresurbanisation 	<ul style="list-style-type: none"> • GDR: centralised planned economy • large scale agriculture • state organised tourism
<i>Present</i> (1990-today)	<ul style="list-style-type: none"> • rural policy: less focus on agriculture • information society • cross border co-operation with Russia 	<ul style="list-style-type: none"> • impact of reunification: transformation into market economy with all side-effects • equalisation, reconstruction
<i>Future</i>	<ul style="list-style-type: none"> • progress of information society • innovation and education • cross border co-operation 	<ul style="list-style-type: none"> • economy: focus on health industry and tourism • innovation: focus on biotechnology • cross border co-operation in the Baltic Sea region

Different scaling levels in the different approaches of the students proved as a small difficulty as the work group set to work. While some considered development influences as very abstract and working long term, others took a more pragmatic and short term approach towards the topic. The result was that it became necessary to investigate different actor-levels (e.g. local, regional or federal state-level) during the political decision-making process.

5.1.3 SWOT Analysis

For each of the regions a SWOT analysis was conducted to find some similarities between the regions concerning their levels of development. Furthermore, in this step the focus was put more on tourism as a development strategy for the first time.

	Värmland	Northern Netherlands	North Karelia	Vorpommern
Strengths	<ul style="list-style-type: none"> close to Norway, which is a source market in (shopping) tourism double season in tourism (focus on rural tourism) Karlstad University: creating networks, clusters, creative ideas strong economic base: paper industry 	<ul style="list-style-type: none"> University of Groningen institutional framework gas: rises national GDP 	<ul style="list-style-type: none"> nature: natural parks Joensuu as an innovation centre infrastructure (roads, airport) rise of info-society 	<ul style="list-style-type: none"> unique combination of natural and cultural landscape more recent building investments university with long tradition and high reputation
	Värmland	Northern Netherlands	North Karelia	Vorpommern
Weaknesses	<ul style="list-style-type: none"> some monostructured small municipalities (depend on multi-national enterprises) centre-periphery: huge disparity 	<ul style="list-style-type: none"> brain-drain strong traditions: conservative way of thinking (farmers) identity: no trust in own region 	<ul style="list-style-type: none"> infrastructure on Russian side of the border high unemployment rate, not enough jobs after university young people moving away 	<ul style="list-style-type: none"> lack of co-operation institutional weakness high unemployment rate/ brain-drain monostructure of tourism → seasonality, few international tourists accessibility

	Värmland	Northern Netherlands	North Karelia	Vorpommern
Opportunities	<ul style="list-style-type: none"> TEN-corridor Oslo-Stockholm Norway's role to be even more important adventure tourism: water park, indoor-skiing halls (=diversity) 	<ul style="list-style-type: none"> traffic infrastructure: rail link Amsterdam – Groningen living climate own gas good for political stability innovative / cluster economy 	<ul style="list-style-type: none"> new agriculture: bio-energy ICT (to maintain jobs in the region) working at home (flexible) cross border co-operation with Russia 	<ul style="list-style-type: none"> more attention to culture and history → package biotechnology health industry/ tourism co-operation with Poland
	Värmland	Northern Netherlands	North Karelia	Vorpommern
Threats	<ul style="list-style-type: none"> enlargement of regions on administrative level dependence on Norway airport Karlstad: to compensate declining subsidies growing disparities between centre and periphery 	<ul style="list-style-type: none"> declining EU subsidies in agriculture government concentrates on Randstad low investments in R&D rail link Rotterdam-Ruhr area 	<ul style="list-style-type: none"> companies moving to Asia less attention to rural areas / too much focus on innovation centres in Joensuu people moving away from rural areas (to Joensuu) 	<ul style="list-style-type: none"> financial cutbacks for education and university competition with Poland efficiency policy → less capital nature degradation (caused by tourism)

5.1.4 Development strategies for Vorpommern

As a result of the research carried out, five main obstacles for the development in Vorpommern were identified:

1. administrative structure
2. lack of entrepreneurial spirit
3. lack of regional identity → lack of intra-regional communication & co-operation
4. too much focus on own region
5. too much focus on tourism

For each of these obstacles recommendations to overcome them were made. Possible positive effects will be shown as well.

1. administrative structure:

Municipalities in Vorpommern are very small and have economic problems. The number of municipalities in this region is high; this makes it difficult for decision-makers to implement their plans. It also seems that the smaller municipalities do not really co-operate with each other and only focus on their own territory. No attention is given to an overall view of this region. Therefore, larger municipalities and counties are necessary. This will also bring an improved efficiency; time and money can be saved. More communication and co-operation among the different areas within Vorpommern would be another result.

To stimulate more involvement of the inhabitants concerning local issues a stronger bottom-up policy is needed. Therefore, more information about regional issues has to be disseminated among the population.

Co-operation needs to be better both on the administrative level and on the commercial level. There is no pro-active planning on the administrative level and there is only little communication between entrepreneurs. There is a lack of communication between local inhabitants and the decision-makers; no consideration is given to each others plans, ideas and problems. Especially in the field of regional planning views from different disciplines have to be integrated much more. For example, experts from different sectors like biology, economy and geography should be part of the decision making process and create a more comprehensive geographical picture of the whole region of Vorpommern. Experts from different municipalities should sit together and try to find a general strategy for the whole Vorpommern region; this process should also be enriched by an input from local inhabitants. These strategies can be seen as a short term as well as a long term solution. In the short term it is necessary to intervene in the current planning process of the large amount of municipalities, but also in the future when maybe municipalities are bigger it is still important.

It would be good for the economy if the number of municipalities declines in this region. In this way, it is easier to make decisions and plans, less people and fewer views have to be combined and there will be more money to tackle the problems.

2. lack of entrepreneurial spirit

As there are only little chances to attract big investors from outside the region, it is necessary to promote more development from inside Vorpommern. The inhabitants of the region have to be more stimulated to start their own businesses; administrative and financial help has to be provided on a larger scale.

Forty years of planned economy in Vorpommern led to a decrease of self-confident entrepreneurship. Today a lack of entrepreneurial spirit can be seen. To counteract this, initiatives like granting small loans and encouragement in terms of network building among established entrepreneurs themselves and also co-operation with scientific institutes and the university are necessary. Existing knowledge has to be shared more among potential company founders and owners.

By stimulating an entrepreneurial spirit the out-migration of young people could also be stopped. For them there will be no need to leave if there are possibilities to realise their economic ideas with the help from the region's administration. Jobs can be created; the dependence of the economy on tourism could be decreased.

3. lack of regional identity → lack of intra-regional communication & co-operation

Communication and co-operation within a region is strongly connected to regional identity. A strong regional identity makes people and institutions feel more responsible for each other and for the success of their region. This regional identity is missing in Vorpommern due to the fact that there has never really been an administrative unit of Vorpommern. Today's area of the region had been subdivided into two different districts for forty years, the term Vorpommern had disappeared from maps and minds.

The problem of communication and co-operation among institutions could be solved by founding an association. This association can be active in the marketing sector. It can represent the local community when they have to face decision-makers. In this way it is easier to influence the decisions and in order to be a stronger group, similar associations can be found in Sweden, where they are working well.

In Vorpommern a great competitive attitude exists between the hinterland and the islands, especially in the sector of tourism. At this moment the problem is that the hinterland demands co-operation but the islands do not need it, they are quite able to take care of themselves. Maybe this can be solved by inviting the representatives from the islands to the hinterland and to discuss the problems and "ask" for help instead of

„demanding“ it. This could create a more positive attitude towards the respective areas and may be a start for further co-operation. Through this co-operation tourists will stay longer in the region exploring both, the hinterland and the islands. This will benefit both of them and create a positive economic development. A good example can be copied from the Netherlands where the three northern provinces have founded a co-operation organisation. In this way they can be stronger against their national government and also co-ordinate each other's activities.

The creation of a positive atmosphere is very important. Tourists need to have the feeling that they visited something successful and a place that the local inhabitants are proud of. Today there is a lack of a common identity in the region. However, people need to take pride in their region of Vorpommern, a sort of a „We are Vorpommern“-feeling needs to be created. This can be done through the association and more co-operation. Also an optimistic attitude can create this. More focus should be on positive aspects of the region, on people who succeeded and know how to do it.

As already mentioned earlier, one regional county of Vorpommern would not only support further co-operation and communication among the sub-regions but could also help to promote a stronger regional identity among the population. Therefore, a regional newspaper, a radio channel or a „Vorpommern Day“ might be useful. These could help to promote a positive self-image inside the region. A positive attitude among the inhabitants helps to promote Vorpommern as a more attractive tourist region.

4. too much focus on own region

In the mid and long term Vorpommern's view across its borders has to increase. The potential of cross border co-operation with Poland and Sweden is not exhausted yet. However, foreign language abilities are still not sufficient in Vorpommern. The idea that Vorpommern is part of the core of Europe and an important link between Central Europe and the booming Baltic Sea region is still not present in people's heads.

Stronger economic relations and knowledge exchange across the borders stimulates innovations on both sides. Jobs can be created, national and international competitiveness increase.

International tourism is still very underdeveloped in Vorpommern. Especially the diverse history of the region can be an attraction for tourists from Sweden, Denmark or

Western Europe. Old manor houses, remnants of the Nazi era and lively stories about every day life in the socialist GDR are interesting for many non-Germans.

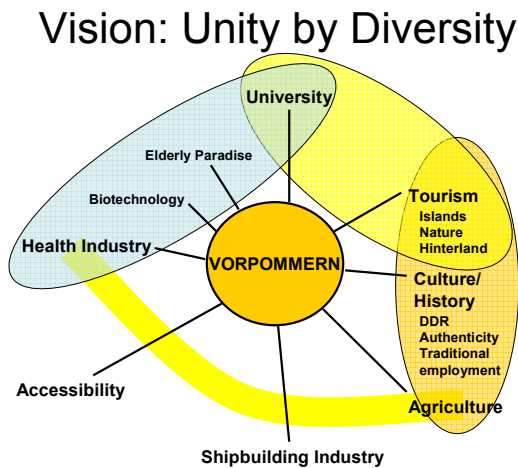
Another recommendation in the field of tourism is to consider the Polish Baltic Sea coast not only as a competitor especially for the beach resorts. Travel packages including a longer stay in Vorpommern and day trips to Poland might be very attractive especially for tourists from Western Germany.

5. too much focus on tourism

Mecklenburg-Vorpommern pays a lot of attention to tourism. Tourism has a share of almost 10 percent of the regional GDP, and almost 15 percent of its total labour force is working in this sector. These figures highlight the importance of the tourism sector within the federal state. Most of the activities are concentrated along the coastline, especially on Rügen, Usedom and Fischland-Darß-Zingst. The hinterland is lagging behind, although several initiatives are undertaken to attract tourists. Especially the River Peene Valley and several historical sights (Gothic brick architecture, manor houses) have some potential.

The uneven touristic development leads to several problems. The main problems are the inter-regional disparities, the high degree of seasonality and the fragile state of the regional economy and its labour market. That's why tourism alone is not enough. Vorpommern needs some other activities to be developed to support stability. A healthy economy cannot be based on a single branch, like tourism. In order to strengthen the overall economic profile, some existing branches should be widened.

First of all the tourism sector needs to be linked to other kinds of branches, in order to overcome negative employment effects created by seasonality. For example, people active in tourism should establish at least two pillars of their business. Another step is to focus on already established clusters with potential for economic growth. Those ones are the biotechnology sector (BioCon Valley), the health industry as well as shipyard and metal industry. There are opportunities to link those industries to tourism. As an example, beauty creams could be produced by the health industry to meet the demands of wellness tourism. The university and education facilities should be expanded further in order to supply high-skilled staff, to fulfil the need of knowledge within these innovative clusters. As a side-effect, brain-drain and out-migration can be diminished.



5.1.5 Vision: Unity by Diversity & the paradise of the elderly

Vorpommern has a lot of potential for further economic development. It does not have to have a future as a region mono-structured by tourism. Tourism will always be an important part of its economy but it offers many possibilities for co-operation with other branches. It is very important to connect these branches and to see how they and tourism can complement each other generating mutual benefits. Some opportunities of such synergy effects will be shown in the following part of the text.

One possible approach is to combine the always innovation hungry tourism industry and the still strongly subsidized health and biotechnology branch. At a time in which wellness is a buzz word for all tourists, Vorpommern does already and can even more grow by utilising this branch in the future. A well-directed health industry could offer tourists summer, sun and beaches as well as sustainable relaxation, ecologically produced health products, courses to strengthen body and mind – a cure “light”.

Local farms can deliver ingredients for wellness products, like creams or ecological fruit drinks, the co-operation between tourism and agriculture can offer more than just farm tourism.

This could be combined with summer courses about ecology, healthy living, language learning or other subjects offered by university staff in the summer holidays. A co-operation between tourism and educational facilities like the Universities of Greifswald and Stralsund is therefore crucial.

“Vorpommern” could also be registered as a trademark and introduced to the market, becoming a symbol of wellness, relaxation, ecology, sunshine and a great variety of holiday activities. The more branches support such ideas, the more inhabitants can finally benefit.

Branches that do also not belong to the wellness or health sector could profit more from tourists than they do today. On rainy days it can be very interesting for tourists to visit a brewery, a farm, a distillery or a ship yard. These businesses can profit from tourists by selling more of their products and the tourism enterprises benefit because they can offer a wider range of attractions to the latter.

However, not only sectoral but also an improved regional co-operation between actors will strengthen Vorpommern as a tourist destination and as an area in which people like to live. For tourism in Vorpommern it is important to realize that the diversity of its landscape (islands with beaches, cities with culture and hinterland with nature) is one of the strongest advantages. Due to this reason these areas can win from each other by more co-operation in the fields of marketing and organisation. Tourists from the coast could be interested in activities in the hinterland. Combined beach and activity holidays for example on the Peninsula of Usedom and in the River Peene valley might be interesting for new tourist groups.

In the *Vision for Vorpommern* the region has to offer a lot of diverse possibilities for tourists, all connected with each other and well-marketed. Other branches can profit from synergy effects as they contribute to widen the touristic range of offers and on the other hand can win a lot of new customers.

Also apart from tourism, regional enterprises and institutions have a lot of possibilities to co-operate and therefore profit from each other. Agricultural enterprises, biotechnology companies from BioConValley and the University of Greifswald can exchange ideas and knowledge in a broader context than today. Therefore, maybe a state agency can co-ordinate the efforts and function as a network builder.

Case study: Vorpommern, a Paradise for the Elderly

Because of the aging population, the market for elderly care will grow rapidly over the next decades. Vorpommern has already some attractions for affluent seniors spending their “Golden Years” in this region. This development should be used not only for profit

but also in terms of improving the overall living standard and stimulating the labour market.

Caring for elderly people is work- as well as cost-intensive. However, the costs can completely be covered by these often wealthy people. That could create a wide range of new, highly paid jobs independent from seasonality and general economic downswings. Furthermore, old manor houses and castles could be restored in order to establish nursing homes of high standard. New sports and wellness centres could be established in the hinterland. If they are also open to the public, they would improve the living standard of all the inhabitants in the area. Further development of Vorpommern's education facilities are needed to meet the greater demand for vocational training and research on elderly care. Regional wellness products need to be supplied by the health industry, which will additionally strengthen the R&D sector.

5.1.6 Final Recommendations/Conclusion

To accelerate regional development in Vorpommern more co-operation, communication and integration of all relevant bodies of the region is necessary. This has to happen on a horizontal level, e.g. between the different counties as well as vertically between local enterprises, municipalities and counties. In the field of tourism the existing marketing associations should consider each other more as partners than as competitors. In a united Europe Vorpommern offers many new chances for development. The potential of cross border co-operation is not exhausted at all, possibilities to attract foreign tourists could be used much more. Local initiatives have to be more active in the process of internationalisation. Concluding, this thinking on that level but also starting to act on smaller levels at the same time is much more necessary.

Focusing on tourism as the only development strategy is an obstacle for Vorpommern. Other branches like biotechnology have to be supported more, synergy effects from tourism industry can and should be used.

Finally the overall mood in the regional population has to be improved. A certain pride in the peculiarities of Vorpommern as well as a more open and positive thinking of all participants are soft but nevertheless important factors for development.

5.2 Research-question 2: International tourism-marketing of periphery regions. The case-study Vorpommern: Opportunities and strategies to address more international tourists.

International tourism-marketing of periphery regions

The case study Vorpommern: Opportunities and strategies to address more international tourists.

Tjerk Destombes
Sara Friedrich
Noreen Glossmann
Camilla Gustafsson
Alexander Izotov
Sophia Lamp
Johanna Maier
Sören Quirus
Anna Ruskovaara
Marie Stenström
Heleen Valster



Content

- Opportunities for Vorpommern
- USP's
- New approach for cooperation
- Mega Trends
- International marketing strategy

Opportunities for Vorpommern

- Marketing Vorpommern as a whole unit
- Three modules
 - Beaches/islands
 - Culture/heritage
 - Nature
- Taking advantage of diversity

Beaches/islands

Usedom, Rügen and Peninsula FDZ

- Wellness hotels
- Chalk coast
- SPA – architecture
- Granitz castle +
Rasender Roland
- Kaiserbäder
- Clean beaches
(exotic shells)



Culture/heritage

- Stories
 - villages, manor houses
 - cities, hanseatic league
 - GDR and WW II history
- UNESCO Stralsund
- Theater festival
- Close to Berlin, Hamburg



Nature

- Diverse nature – experience it!
- (Agri)cultural landscape (fairy-tale landscape)
- Animal watching (birds, deers, wild pigs, beavers...)
- Small biofarms
- Sport activities
 - water hiking, canoeing, hiking, cycling, riding, golf, hunting, fishing...



Nature tourism

- ecotourism (learning)
- wilderness tourism (untouched nature)
- adventure travel ("dangerous environments")
- car camping (safe family travelling)
- AQUILA Naturreisen in Peene Valley



Things to improve

- access by train and airplane
- seasonality → organize activities outside the summer season



How to improve?

- better connection from Berlin, reconstruct the bridge? Cruises from Usedom to Rügen, more connections between islands and the peninsula
- ice skating, horse riding, advertise indoor activities, museum & theater, aquarium

Things to improve

- middle price accommodations
- self-image and sense of the internal interests
- bicycle routes
- visibility of history, identity
- selling local handicraft

How to improve?

- more hostels
- an image campaign, research, language courses, local meeting
- networking the whole area
- information signs, guided tours in different languages, story telling nights by local people
- co-operation of local craftsmen and establishing shops in city centres

**Tourism industry -
Why don't you
cooperate?**



***'The market has reached
the limit!'***


(A. Kretschmar: Tourism Marketing-association in Vorpommern)



**Has the International Market
reached its limit?**

NO!

only 2-3 percent of International
Tourists is **NOT** the limit!




Experience of IP guests

- **International tourists** want to experience the **whole diversity** of Vorpommern!

But:

- Tourists are confused by the lack of overall information and offers
- Lack of foreign languages speaking and tourism marketing



OK, you may have reasons **not to cooperate** on national tourism market.

But if you want to have success with international guests you **have to cooperate!!!!**




What do we need?

A **roof organisation** for the whole tourism industry in Vorpommern – in the first step only for the international market.




What could the tasks be?

- International marketing: websites, brochures, advertisements, research
- Online booking system for accommodation, activities, transport
- Arranging and offering diverse packages
- Organising workshops
- Intermediary for micro-funding



How do the tourists profit?

- Vacation in packages: simple, complete but individual
- Structured uniform promotion in foreign languages
- Easy booking possibility
- Making tourists familiar with whole Vorpommern



How does the tourism industry profit?

- Key to international market by offering diversity from one hand
- Joint funding: advertising, research and marketing
- Offer workshops: English, business start-up, how to guide tourists, etc.
- Broadening networks
- More access to resources

What about the finances?

- Private project because everybody profits!
- But; public initial capital and partly public funding
- Cooperation with Greifswald University, which is next to the organisations headquarters; research, support, workshops

**International
Marketing Strategy**



Mega Trends

- From producer to consumer
- Increasing individuality/ experience
- Multiple motives & interests
- Important: quality & safety
- Wellness & ecology
- Ageing population

=> Vorpommern can meet these demands!



New tourism

- New tourism is coming?
 - middle class employed within the post-industrial service economy
- Looking for
 - authenticity, novelty, spontaneity and adventure
- Are keen to
 - learn about the natural environment and new cultures
- High quality products – willing to pay
- Standardized mass tourism → individuality

Individual packaging

- Diverse offers
- Possibility to combine

=> Quality packaging!

example

⇒ 1 week canoeing in the Peene Valley

⇒ 2 days visiting a manor house or the world heritage of Stralsund

⇒ 5 days on an island of your choice

Target groups

- **35+ active & educated people**
 - => looking for relaxation, interested in cultural/historical heritage
 - => nature admirers
- **Families**
 - => nice holiday, lots of options
 - => 'untouched' nature
 - => close to home country

Target countries

Nordic Countries => Cultural heritage => Beaches	Benelux => Nature (animal watching) => Active (cycling, hiking) => Cultural heritage
Austria/Switzerland => Beaches => Landscape	Poland and beyond... Russia? => Good quality of facilities

Website

- www.visit-vorpommern.com
- Multilingual
- Individual focus on target countries
 - => Introduction page
- 3 'pillars' as headers
- Offer elaborate booking options





Imagine...

a region where nature is still the same as a
hundred years ago

a region where you can discover the hidden
heritage of long-forgotten times

a region with white sandy beaches and a deepblue
sea

Stop dreaming..... Visit Vorpommern!



Slogan

- Experience Vorpommern - The Untouched Region
- Vorpommern – The Natural Choice!
- Discover Diversity – Discover Vorpommern

5.3 Research-question 3: Analysing innovative Dutch and Scandinavian tourism-projects in rural areas for the “hinterland” of Vorpommern

Students:

Evelyn Zschämisch, Kata Szakács, Annica Rasmusson, Tiia Kivela, Roland Grösch, Anders Olsson, Martijn Pas, Martin Schulz

5.3.1 Prora: Planned to be a KdF Sea Spa - today centre for (young & foreign) tourists again?

History of Prora:

“Kraft durch Freude” was seen as a kind of “leisure movement”, which should offer several freetime activities for all working people and their families under the pretext of keeping and strengthening their working power and motivation. But behind it all was the Nazi ideology of building one German nation by spreading propaganda.

On the east coast of the Isle of Rügen, between Binz and Sassnitz, the Nazis planned to build a big accomodation complex in which about 200.000 people should be able to holiday at the same time. They started the construction in 1935 but had to break off in 1939 when World War II started. That is the reason why only two thirds of the big project, which today takes up five kilometres of the coastline, could be finished. During the war it was used for refugees and as a training facility for airforce base personnel. From 1948 to 1953 the Soviet Army took possession of the building until they had no use for it anymore and gave it to the “Kasernierte Volkspolizei”. From that time on it was used by the East German police and army and was reconstructed on the inside for their respective needs. After the reunification in 1990 the “German Bundeswehr” took over the site, but left Prora already two years later. Today it is protected under the National Historic Monument Act and belongs to the Federal Republic of Germany. Since 1993 the site has been open to the public and the blocks wait for new investors with interesting projects. Only about 20% of the colossus are used today, especially for exhibitions and as museums for example about the Prora buildings, the Isle of Rügen and the GDR’s army (NVA).

From 1993 to 1999 it was also used as a youth hostel, and in the following years there were some summer festivals for the youth.

Our suggestion:

We think, that the basic idea of using the building as a holiday accomodation, just as it was planned in the 1930s, is not far-fetched. Of course, nowadays it will be impossible to

reconstruct it into a middle or high class hotel which matches the grandeur and style of the rest of the coastline's buildings. This is not only because of its status as a national monument and its special architecture, but also because of the high financial investment necessary and the general oversupply of medium-priced hotel capacities.

Another maybe even bigger problem which we recognized on our excursion is the lack of co-operation, between the famous tourist town Binz and the "stain" Prora. The nice spas in the area are afraid of a change in tourists' activities and tourism's infrastructure. They want to keep their image as a family and senior friendly region which offers recreation in beautiful, natural and calm surroundings. A place like Prora, if it was used as a youth hostel, could disturb the regular guests. But why not seeing it as a chance to enlarge the target group? There would still be enough space between Prora and the closer spas; and this place is just perfect to become an active holiday resort for young people. Lots of extreme sports like bungee jumping, water skiing, paragliding and kitesurfing could be offered and be complemented by fantastic Apres Beach Parties in the evening with music, campfires, barbecues and even more big festivals all around the year. The low price level will especially attract youths from Scandinavia. Why will they travel to Spain if Rügen is so close and offering the same entertainment?

5.3.2 Manor Houses-our great potential

History of the manor houses:

The houses called manor houses were usually inhabited by aristocrats from the country. The first buildings were erected around 1500 as the centres of manor farms. At first they were quite simple and solid residences half-timbered and with a base made of field stone. Later in the 17th century brick was used to build the outside wall; towers, gables and bays embellished the outside. The manor house was not any longer just a living place but also the administrative centre of the farm. Some of them looked like little castles and had big gardens around them. Still today some manor houses are in possession of the descendants of the former owners. But such big old buildings take up a lot of time and money which often exceeds the financial possibilities of the proprietors. That is the reason why many of them have to sell the houses or give them to the community. In several cases the manor houses have been reconstructed and were given a new function. Mostly they are used as hotels or guest houses which also give the tourists an impression of what life in a manor village was like. On the spot fresh self-made products are sold and historical guided tours and classic concerts are offered. In these cases they already managed to stimulate and integrate the rural area, but there are over 1.500 manor houses in Mecklenburg-Vorpommern and only 200 of them are currently in use.

Manor House in Lüssow:

One of the unoccupied buildings is the manor house in Lüssow, which we visited during an excursion. It is situated in the middle of the river Peene valley, one of the most untouched valleys in Central Europe. At the end of the 19th century, it was inhabited by the family of the Chamberlain von Voß-Wolfradt. Kerstin Klut, who guided us, told us that the family fled into the woods and killed themselves, when the Soviet army approached at the end of the Second World War.

Our impression was that story-telling could be very important in order to attract people. This manor house does already have a thrilling story and could be something to mystify even more in future (with ghosts of the dead aristocratic family-members or something in that direction). How efficient story-telling and mystifying can be, is illustrated by Loch Ness. Thousands of tourists visit this place even if they know that it is just a fairy-tale.

Today the manor house is owned by the community of Lüssow and is looking for a new owner with some great project ideas and at least €8 millions which are needed for a complete renovation.

5.3.3 Butterfly Farm in Trassenheide on Usedom

Our first stop when we were visiting the Isle of Usedom was Trassenheide. By pure chance we saw a sign which drew our attention to a new butterfly farm founded just one year ago by Hilmar Lehmann and Sabine Steinke. Both had lived in Thailand for 15 years and generations of entomologists belong to their family. They already have a butterfly farm in Steinhude near Hanover and thus great expertise in this area.

However, we think there is even more potential; more interesting offers could be developed and make the farm even more attractive. The butterfly house could for example be used for exceptional or once in a lifetime events like weddings. It could also be combined with special exotic Asian gardens with bamboo and stone details and a koi carp pond to make it more entertaining.

Another aspect we thought about was that this butterfly farm was again a new attraction on the islands which does not lack tourists in the summer so why not develop such attractions in the “hinterland”?

5.3.4 Viking Village in Menzlin - Living history

The Viking Village in Menzlin is a perfect example of touristic attraction in the “hinterland” of Vorpommern geared at active people. As the butterfly farm this is also a

quite new attraction established only last year. The five women and four men working there try to give an authentic insight into the life of the vikings.

But not only the vikings settled in Vorpommern and left some proof of their culture like the remains of a castle at the mouth of the Peene river or some jewellery found on the Isle of Hiddensee. Several sovereigns from Denmark, Sweden and Prussia and even Napoleon occupied parts of Vorpommern. The continual change in the history of our area makes it so interesting, especially for foreign visitors.

But we do not have to go back that far. A part of our past, even if it is a dark spot we are not proud of, seems to attract people from everywhere. When you talk about the town of Peenemünde, everybody will be reminded of the Second World War, Wernher Freiherr von Braun and the Rocket Research Centre in which the "V-2" was built. Another part of its rich history and even younger are the GDR-times. Many people, not only foreigners but also Germans from the West and today's youth does not really know what it meant to be an "Ossi".

In our research group we discussed several projects that could offer a closer look at that particular time. We think that a kind of living history museum presented as the already known "Skansen" would be an interesting realization. There are still villages that have not changed much over the past 20 to 40 years and in some people's mind the GDR is still alive. If they came together willing to live their life as they did in those days, wearing the same clothes, using the typical GDR-products, having an "Inter-Shop" and driving the typical car, the Trabant, it would be a funny and at the same time very informative kind of teaching history to the young as well as the old.

5.3.5 "Boda Borg" - a solution for bad weather days?

"Boda Borg" is a project which was started in Sweden by four underemployed men with different backgrounds of education but the same wish to create something unique. The idea that came up was to create a world based on a virtual computer game, an entertainment program as "Fort Boyard". As the location they chose the old castle "Boda Borg" which was not in use at that time. But the realisation of this innovation took its time because nobody believed in the success of this project and so it was hard to get financial support from the banks. But a boarding meeting with the future investors right on the site and the precise agenda of the conversion convinced potential investors and banks. They put their idea into practice and attracted already in their first year (1995) about 13.500 visitors.

The businessmen divided the castle into three parts decorated in different colours which symbolise the non-physical and the two different graduated physical paths. In the rooms several sound and light sensors and movement detectors are situated and there is always

a new challenge waiting for the visitors. The tasks require adroitness, teamwork and fantasy, which is why it is very popular with companies who send their employees there.

Today the "Boda Borg"-project has spread all over Sweden and is patented. It is possible to buy it on a franchising license.

Why could this successful project be an alternative for our region? Our Swedish students thought about all the abandoned blocks of flats and manor houses in Vorpommern which might be perfect locations for a project like this. We do not have to copy everything but should give our own fantasy and creativity full scope. There is a lot of unemployment in Vorpommern, which means there are many people who just need to be encouraged to do something and give it a try. An innovation like "Boda Borg" could be a great enrichment for our current tourism offers, especially as bad weather options. It attracts not just young and active people, but also families and senior citizens because of the different degrees of difficulty.

6 Practical information

6.1 IP-Programme

Intensive Programme (IP) Europeanisation – peripherisation? EU-enlargement and touristical strategies of rural regions

A common project of the Departments of Geography from the universities Greifswald (Germany), Utrecht (Netherlands), Karlstad (Sweden) and Joensuu (Finland)



Sunday, March 19th

Arrival in Greifswald and first meeting; information about Greifswald & Vorpommern and the following IP

Monday, March 20th

08:30 – 14:00 Location: Department of Geography and Geology, Makarenkostraße 22, lecture room

Introduction to the IP

Helmut Klüter (Dept. of Geography, Greifswald)

Regional Characterisation of Vorpommern (FRG) and of Värmland (S): History, basic data administrative structure, economic profile with a special focus on the tourism sector – Part 1

Presentation by German and Swedish students

14:30 – 15:30 Location: Tourism-Marketing-Association Vorpommern (RFVV), Fischstraße 11

Meeting with *André Kretschmar*: Touristical Marketing in Vorpommern

16:00 - 18:00 Location: Department of Geography and Geology, Makarenkostraße 22, lecture room

Regional Characterisation of North Karelia (FIN) and the Dutch North (NL): History, basic data administrative structure, economic profile with a special focus on the tourism sector – Part 2

Presentation by Finnish and Dutch students

20:00 Meeting point: "Café Caspar" in the Fischstraße 11
Getting to know each other (...)

Tuesday, March 21st

09:45 – 19:04 Meeting point: Railway station
Island of Usedom: Excursion by rail and by foot
Prof. Dr. Helmut Klüter

20:30 Location: Student pub "Domburg", Domstraße, just opposite of the cathedral (Greifswalder Dom)
Getting to know each other (...)

Wednesday, March 22nd

09:00 – 10:00 Location: Makarenkostraße 22, lecture room
Tourism in Vorpommern and opportunities for rural areas – an overview (LEC)
Prof. Dr. Wilhelm Steingrube, Head of the Dept. of Geography and Geology, Greifswald

10:30 – 14:00 Location: Makarenkostraße 22, different seminar rooms
Simultaneous sessions of international working groups (IWG)

Lunch around 12:30 in the university-canteen

14:00 – 17:00 Location: Makarenkostraße 22, lecture room
Effects of transformation on rural areas and the role of tourism (LEC)
Prof. Dr. Helmut Klüter

Trends in tourism and their consequences for rural areas in Vorpommern (LEC)

Dr. Martin Bütow, Haus der Wirtschaft, Stralsund

Tourism and regional development in Vorpommern – A report from the Spatial Planning Agency Vorpommern (LEC)

Dr. Carola Schmidt, Amt für Raumordnung und Landschaftsplanung Vorpommern, Greifswald

Thursday, March 23rd

08:00 – 17:30 Meeting point: Youth-hostel

UNESCO-heritage Stralsund + Tourism and agriculture (EXC):

- Stralsund: 9:00 - meeting with city-manager Michael Reink and city-excursion
- Gut Dalwitz: combination between organic farming and rural tourism – meeting with Dr. Graf Heinrich von Bassewitz
- Trebel-valley: the village Nehringen as an example of rural tourism

Dr. Michael Heinz, Greifswald

19:00 – 21:00 Location: Town hall of Greifswald, Markt

Public lecture: “Current Socio-economic Development of Less-Favoured Areas in Finland”

Prof. Dr. Markku Tykkyläinen, University of Joensuu, Geography

Friday, March 24th

09:00 – 11:00 Location: Makarenkostraße 22, lecture room

The proposed National Park “Peene-valley”: opportunities for rural development in the Peene-region (LEC)

Dr. Wendelin Wichtmann + Dr. Michael Rühs, University of Greifswald, Dept. of Biology

Report about the Leader + project “Vorpommersche Dorfstrasse”

Dr. Michael Heinz, Greifswald

11:00 – 14:30 Spare-time for shopping & private sort of things

14:30 – 17:30 Location: Makarenkostraße 22, different seminar rooms
Simultaneous sessions of international working groups (IWG)

Saturday, March 25th

08:45 – 18:00 Meeting point: Youth-hostel
Aspects of Nature-Tourism in the so called “hinterland” of Vorpommern (EXC)
Peene-valley: an example of a less developed rural area

- Lüssow: Meeting with Andreas Klut (lord mayor of Lüssow) and Kerstin Klut (LEADER + Project-coordinator of the “Vorpommersche Dorfstrasse”)
- Stolpmühl: Meeting with Kees Vegelin from Aquila-Naturreisen (Eco-Tourism)
- Anklam: Meeting with Carsten Enke, shipyard and canoe-station
- Kamp: “Karniner Brücke” and nature reserve (NSG) “Anklamer Stadtbruch”
Dr. Michael Heinz, Greifswald

Sunday, March 26th

10:00 – 17:00 Location: Makarenkostraße 22, lecture room
Exchange of knowledge; discussion in the plenary (PLE)

Location: Makarenkostraße 22, different seminar rooms
Simultaneous sessions of international working groups (IWG)

Monday, March 27th

09:07 – 18:43 Meeting point: Railway station
Island of Rügen (EXC): excursion by rail and foot
Prof. Dr. Helmut Klüter, Greifswald

Tuesday, March 28th

09:00 – 17:00 Location: Makarenkostraße 22, different seminar rooms
Simultaneous sessions of international working groups (IWG)

19:00 – 20:30 Location: Town hall of Greifswald, Markt

Public lectures:

“Paying for the Periphery. EU agricultural subsidies in transition”

Prof. Dr. Jan Groenendijk, University of Utrecht, Geography

“The persistent economic crisis in East Germany: what went wrong after German reunification? A view from a Dutch outsider.”

Prof. Dr. Leo Paul, University of Utrecht, Geography

Wednesday, March 29th

09:00 – 17:00 Location: Makarenkostraße 22, lecture room

The organisation of Finish municipalities & tourism development (LEC)

Prof. Dr. Jarmo Kortelainen, University of Joensuu, Geography

Exchange of knowledge; discussion in the plenary (PLE)

Simultaneous sessions of international working groups (IWG)

19:00 – 21:00 Location: Town hall of Greifswald, Markt

Public lectures:

“Linking local development and conservation - examples from landscape management in Sweden.”

Prof. Dr. Gabriel Bladh, University of Karlstad, Geography

“People, identities and regional development”

Prof. Dr. Gerhard Gustafsson, University of Karlstad, Geography

Thursday, March 30th

09:00 – 12:00 Location: Makarenkostraße 22, different seminare rooms

Simultaneous sessions of international working groups (IWG); final preparation of the discussion papers and power-point-presentations

13:30 – 17:00 Location: Dept. of Geography, Jahn-Straße 16, Hörsaal (lecture room)

Regional work-shop:

Presentations of the international working groups and discussion of the results with representatives from the tourism-sector, agriculture and nature conservation and local & regional politicians:

1. Development-strategies of rural areas in Europe (esp. Dutch North, Värmland (Sweden), North-Karelia (Finland) and Vorpommern (Germany)) and the input of the tourism-sector. – General targets, instruments, methods and a critical review.
2. International tourism-marketing of periphery regions. The case study Vorpommern: Opportunities and strategies to address more international tourists.
3. Best-practises: Analysing innovative Dutch and Scandinavian tourism-projects in rural areas for the “hinterland” of Vorpommern.

Dutch, Swedish, Finnish and German IP-students

17:30 Location: Youth-hostel

Handing over of the bicycles

18:00 Common supper in the youth-hostel

18:45 Summary, conclusions, evaluation and further activities (PLE)

21:00 - ? Location: Student-club “Geokeller”, Jahn-Straße 16

Final party

Friday, March 31st

Departure in the morning hours (...)

Organisation and further contacts:

University of Greifswald
Department of Geography and Geology

Dr. Michael Heinz & Prof. Dr. H. Klüter

Tel.: ++49 (0) 3834 864524

micheinz@uni-greifswald.de

6.2 IP-Participants

surname	prename	Sex	Study programme	University	e-mail	Foreign language knowledge	place of birth	Research question
Ánismaa	Ulla	5	Geography	Joensuu	aanismaa@cc.joensuu.fi	English	Savonlinna	1
Boman	Ulrika		Bachelor	Karlstad	ulrik.aboman@msn.com	English (little German)	Bolenäs Hälsingland	1
De Roo	Nina	4	Human geography	Utrecht	n.deroo@students.um.nl	English, (French)	Den Haag	1
Destombes	Tjerk	4	Human geography	Utrecht	t.j.destombes@students.uu.nl	English, German, little French	Utrecht	2
Faems	Roel	4	Human geography	Utrecht	R.H.T.C.Faems@students.uu.nl	English, German	Roermond	
Fredholm	Lina	3	Bachelor	Karlstad	linafred01@student.kau.se	English (little German)	Karlstad	1
Freyer	Jörn	8	Geography+ Geology, Skandinavistik	Greifswald	joern.freyer@uni-greifswald.de	English, Norwegian	Rostock	1
Friedrich	Sara	7	Geography + Political Science, Communication / Media	Greifswald	sararafriedrich@msn.com	English, French	Berlin	2
Glossmann	Noreen	6	Geography, business studies, physical education	Greifswald	n.glossmann@gmx.de	English	Leisnig (Sachsen)	2
Grösch	Roland	5	Geography + Public Law, business studies	Greifswald	Groni2@web.de	English, (Russian)	Kühlungsborn (Mecklenburg-Vorp.)	3
Gustafsson	Camilla	3	Bachelor	Karlstad	camilla_erika_gustafsson@yahoo.com	English	Hässleholm	2
Heleen	Valster	3	Human geography	Utrecht	valsterheleen@hotmail.com	English, (German)	Alblasserde	2
Izotov	Alexander	3	PhD	Joensuu	aleksanderizotov@joensuu.fi	English Russian	Russian Karelia	2
Kivela	Tiia	3	Master	Joensuu	tikivela@cc.joensuu.fi	English (German, Swedish)	Hamina	3
Koch	Peter	9	Political Science + Geography	Greifswald	peter.k@web.de	English, Swedish	Erkner (Brandenburg) bei Berlin	1

surname	prename	Se m.	Study programme	University	e-mail	Foreign language knowledge	place of birth	Research question
Lamp	Sophia	7	Geography + Skandinavistik, business studies	Greifswald	So.Fi@uni-greifswald.de	English, Swedish, (Russian)	Greifswald (Mecklenburg-Vorpommern)	2
Maclaune Port	Emilie	2	Human geography	Utrecht	e.c.maclaunepor@students.uu.nl	English, (German, French)	Oegstgeest	1
Maier	Johana	5	Human geography	Joensuu	maierj@chioussuu.fi	English, German	Nilsia	2
Olsson	Anders	3	Bachelor	Karlstad	and.olsson@student.kau.se	Swedish, English, little German,	Norrtälje	3
Pas	Marlijn	3	Human geography	Utrecht	tino.zmeier@hotmail.com M.Pas@students.uu.nl	English, German, French	Hengelo (O)	3
Quinus	Sören	5	Political Science + Public Law, Geography	Greifswald	soerenqu@yaho.de	English, Swedish	Hamburg	2
Rasmusson	Annica	3	Bachelor	Karlstad	annica_rasmusson@hotmail.com	Swedish, English, little German, Spanish	Uddevalla	3
Ruciński	Dominik	4	Master	Joensuu	bulion85@ten.pl	English	Pulawy (Poland)	1
Rusko-vuara	Anna	6	Geography	Joensuu	anna.rusko-vuara@joensuu.fi	English, German	Kuopio	2
Jansen	Sander	2	Human geography + planning	Utrecht	sander_jansen@hotmail.com	English	Nymwegen	1
Schmitt	Stephan	6	Geography + Business studies, Skandinavistik	Greifswald	s.schmitt.haww@02online.de	English, French, Swedish	Berlin	1
Schulz	Martin	11	History + Geography, History of Art	Greifswald	ms00016@uni-greifswald.de	English, Russian, (Spanish)	Grieho (Sachsen-Anhalt)	3
Sommer	Stefan	8	Geography + Public Law, Political Science	Greifswald	sommerst01@uni-greifswald.de	English, (Swedish), (Russian)	Bergen (Mecklenburg-Vorpommern)	1
Stenström	Marie	3	Bachelor	Karlstad	marie_stenstrom@yahoo.se	English	Gotland	2
Szakács	Kata	4	Master	Joensuu	kata19sten@unmail.com	English German	Székesfehévár	3
Zschämisch	Evelyn	5	Geography + Skandinavistik	Greifswald	evelyn.zschaemisch@uni-greifswald.de	English, Norwegian	Usedom (Mecklenburg-Vorpommern)	3

Teachers:

Prof. Dr. Gabriel Bladh, University of Karlstad

Gabriel.Bladh@kau.se

Prof. Dr. Gerhard Gustafsson, University of Karlstad

gerhard.gustafsson@kau.se

Prof. Dr. Jan Groenendijk, University of Utrecht

j.groenendijk@geo.uu.nl

Prof. Dr. Leo Paul, University of Utrecht

L.Paul@geo.uu.nl

Prof. Dr. Jarmo Kortelainen, University of Joensuu

jarmo.kortelainen@joensuu.fi

Prof. Dr. Markku Tykkyläinen, University of Joensuu

markku.tykkylainen@joensuu.fi

Prof. Dr. Helmut Klüter, University of Greifswald

klueter@uni-greifswald.de

Dr. Michael Heinz, University of Greifswald

micheinz@uni-greifswald.de

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