6. Conclusions on Regional Partnership and Institutional Change in the Nordic Area

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This study has dealt with the formation of regional partnerships in four Nordic states – Norway, Denmark, Finland and Sweden. It has proved that regional development activity as a rule is increasingly based on different forms of partnership arrangements. In fact the partnership model is apparent within the frame of regional development policies in all the selected Nordic countries. The ambition at the outset of the study was to compare institutional consequences and policy outcome of partnership formation and eventually identify new models governance as a consequence.

This concluding chapter presents some of the most important differences and similarities of ongoing processes as analysed in the four states and twelve different regions. Institutional features, policy impact and the relationship between partnership-based processes and institutional change are dealt with in the sections to follow. In the very end, some future scenarios are elaborated and issues in need of further research are identified. As part of this enterprise, each section deals with the issue of whether the results indicates uniquely regional patterns, if national patterns are discernable, and whether it is relevant to speak of a Nordic model of regional development activity emerging from the modus operandi of the regional and local partnerships.

The evolving partnerships in the Nordic countries reflect significant differences in terms of governing. Governing styles varies more than styles of government. This fact brings attention to variations in terms of institutionalisation of relationships among key actors normally taken as given in more traditional studies of politics in the Nordic countries. For instance, the separation between an East-Nordic (Finland and Sweden) and a West-Nordic system (Norway and Denmark) is appearing now and then but seems irrelevant to this study. One example of this distinction is the greater degree of direct minister control reflected in the West-Nordic system perceived to lead to less regulated competences among governing bodies and greater flexibility. However, it is widely acknowledged among scholars of today that this dichotomy cannot be maintained when discussing regional administration in the Nordic countries even if we should limit ourselves to the formal workings of institutions (Baldershiem et. al.
Our perspective puts the Nordic dimension under effective scrutiny by focusing on the basis for partnerships and detectable institutional consequences within that process rather than traditions in administrative routines.

As far as it concerns a Nordic model and its characteristics other elements are more important when speaking about regional and regional development policy. Maintaining regional balance and equal access to services for all citizens are still relevant features. However, these common features are concerned with political goals, and are basically part of a strategy to integrate the territory of the nation-states. With focus on partnerships variations comes to surface. In a strict institutional change perspective the variations between the Nordic countries seems to be wider due to the preparedness to accept new forms of governance. Also re-distributional ambitions have been tuned down in all states except Norway. On the other hand the adjustments to the requirements of EU regional and structural policies is quite uniform. Socio-economic realities will continue to puzzle the governments of the Nordic countries and they certainly will share common features. The point here is that experiments with new governance seem to produce increasing divergence in practices despite the common features in values, objectives and the role of the public sector.

Institutional Set-Up of Partnership Processes

It is obvious that the institutional context in which partnerships develop is important for understanding the circumstances under which the process is being shaped. It is not all about actors, their interests and interaction, or about how “new” regional actors may emerge as a response to partnership formation. One of the assumptions of this study is that it matters from where the initiative to form partnerships comes, whether it be understood as something that has emerged from within the region as a response to perceived development challenges, or whether it is something mastered from above, i.e. by central governments or EU Structural Fund regulation. This distinction was not always easy to maintain in our cases since many cases involved aspects of both in a typical multilevel style that is noticeable all around Europe, particularly countries within the EU. An illustrating exception to these arrangements is Norway that seems to be something of an anachronism in this regard. Arild Gjertsen, writing on Norway, points out two reasons for this. First, Norway lacks the drive towards regionalisation that the Structural funds gives input to. Secondly, the Norwegian oil-economy contributes to pressure for re-distributional policies. Both factors favour maintained state-control.
When dealing with the institutional setting of partnership formation, the national framework is obviously relevant. The different national contexts therefore serve as a starting point in the following. It should, however, be stated already here that the national context in most cases leave regional partnerships with a considerable room of manoeuvre.

**Signs of de-institutionalisation in Sweden and Norway**

It is clear that the Norwegian Regional Development Programmes (RDPs) and the Swedish Regional Growth Agreements (RGAs) are recent examples of state-lead initiatives where demands for partnership processes were expressed by central governments according to grand schemes. The initiatives were not matched by any type of institutional change laying down the conditions for the type of sector co-ordination it aimed at in the first place. In both countries it turned out that existing regulations often put limits to partnership co-ordination, most notably in relation to labour market authorities. Since the regional level in both countries is highly contested, it was more or less bound to cast doubts on the legitimacy of the management of the regional partnerships. Both the Norwegian County Councils and the Swedish County Administrative Boards are highly dependent on central government resources in pursuing of the regional development policy objective.

As a consequence of the top-down character of these initiatives and the contested “regional leadership”, regions generally failed in involving the traditionally important local level in the strategic partnership process. While the Swedish and Norwegian example share many characteristics, a striking difference is the emphasis put on private sector involvement in the Swedish initiative, which may then be understood as a more far-reaching attempt to change the institutional arrangements for regional development. Whether the initiatives created pressure for reforms is a different matter to be dealt with in the last section of this chapter.

**More Settled Institutions in Finland and Denmark**

In Finland, as opposed to Sweden and Norway, the emphasis on partnerships in regional economic development had been preceded by nationwide regional reforms. Regional Councils (landskapsförbund) emerged in 1994 as a consequence of a reform that took the responsibility for regional development away from Provincial State Offices (Länsstyrelser). State level administration is still an important actor in terms of allocating EU and national funding. Regional Councils were founded on a municipal basis that guarantees strong local involvement in regional development matters. Regionalisation occurred also in the foundation of Regional Employment and Business Development Centres in 1997, when the re-
gional administration of the Ministry of Trade and Industry, Ministry of Agriculture and Forestry, and the Ministry of Labour was gathered together. Even though these Ministries have their own sector departments in the Regional Employment and Business Development Centres, sector co-ordination takes place and the state organisation have been brought closer to other actors in regional development issues.

In addition, the impact of EU Structural Funds is immense in many regions, which further complicates the institutional interplay. The institutional complexity at the regional and sub-regional level certainly poses a co-ordination problem and a challenge at the strategic partnership level to overcome, but the regulatory obstacles to such co-ordination seems less serious than in the Norwegian and Swedish context. While Structural Fund programmes have become such a prominent component of regional development activity in at least two of the three Finnish cases of this study, it is certainly true that there are distinct “top-down” features of partnership formation. This feature is, however, to some extent counter-balanced by the important influence of local and sub-regional development programmes and the partnership constellations evolving around them.

With respect to the national institutional context, Denmark stands out as a deviant case. Here partnerships seems much more organised by actors within the region and therefore more local by adhering more closely to “spontaneous” forms of regionalisation almost entirely detached from any debate on institutional reforms. In this it is distinctly different from Finland, and even more firmly different from Sweden and Norway were we have noticed signs of de-institutionalisation.

Partnership processes in that respect seemed to reveal some of the weaknesses of existing institutional structures. Democratic legitimacy was asked for, but not found in the Swedish context. In Norway, the partnership-based regional development programme process put in question the leading role of the Fylke. It is obvious that the partnership process did not contribute to strengthening the Fylke, and eventually the disappearance of this regional government body in future reforms is a clear possibility. Some caution on the importance of the partnership process in this development is motivated, but it seems a missed opportunity from the Fylke perspective.

The national framework seems less relevant as a decisive factor in Denmark than in the other countries, why regional variations also seem more expressed and profound. In general the local partnerships and therefore internal mobilization seem to play a somewhat greater role in Denmark than elsewhere. Structural Fund programmes are part of the picture
also in Denmark, but they are counterbalanced by sub-regional development initiatives in which public-private partnerships for long has been a distinct feature due to the decentralised functions of the Amts. National and European levels of government seems less present in the regions than what is the case in all the other three Nordic states in the study. Central government guarantees business and technological services in all regions and still maintain a fire-fighting capacity in case of larger industrial closures, but play no significant role in relation to the strategic partnerships of the regions. In the two regions with Structural Fund programmes, relations to the European Commission through the central government were part of the parcel. A distinctive feature in Denmark is that there are clear indications that politicians feel comfortable with reference to functional legitimacy, which is a clear indication of that accountability and public-private institution-building is not considered as problematic. Like in Finland, the sub-regional and local presence was very strong in the partnership process.

In comparison, it seems the regional variations with regard to partnership dynamics are large in Denmark, which makes sense since there is no grand scheme of partnership formation launched. One could instead speak of a general idea of partnership formation. Among the cases in the study, Northern Jutland stood out as the most telling example of multi-level dynamics and private sector involvement and therefore seems to generate innovative relationships within the partnership.

The strong presence of the local level in regional partnerships both in Denmark and Finland stand in stark contrast to its limited role in the Swedish and Norwegian cases. Given the strong standing of local governments in all Nordic states, its absence, or limited role, in regional development work with partnership as a model in Norway and Sweden seems problematic and at odds with previous traditions. Under present circumstances, local level participation is vital for the legitimacy of any regional development activity. As will be discussed in the final section of this chapter, Sweden and Norway might be on different paths out of this unstable situation, the former makes efforts to reform the regional level, the latter seems to abandon the idea of empowering regions all together.

**Policy Styles and Partnership Models**

Based on the analysis above (Table 6:1) places all four countries in a category of their own. In Norway, partnership formation has not created any movement in favour of regionalisation. To the contrary, the partnerships have pointed out conflicts in the leadership at the regional level. Policy has failed to sort out responsibility and bears witness of obvious weaknesses in terms of regional management. In fact, the RDP process
has not contributed to the strengthening of the already questioned legitimacy of the Fylke as the prime regional agent based on democratic accountability. Partnerships have therefore not managed to cause any significant changes in the design of regional policy in Norway. Without pressure for regionalisation and prevailing ambitions to redistribute throughout the territory Norwegian partnerships remains an integral element of national regional policy. As a consequence central government control is by in large unchallenged as regards regional policy.

Finland and Sweden several common traits, but nevertheless end up in different categories. The institutional matter seems far more settled in favour of the Regional councils in Finland than it is in Sweden. The ongoing experiments with regional self-government in Sweden have, however, similarities with Finland if we pay attention to Skåne (Scania) in this study and more clearly Kalmar län, which is not part of the analysis. State control remains, but dynamics works for a greater saying for the municipalities in collaboration when shaping regional policies. In Sweden regionalisation seems to be under way, especially in the experiment regions (Skåne), however, the main responsibility continues to stay with the County Administrative Boards in other regions (Jönköping and Norrbotten). As national policy style the state-lead model therefore prevails (see Table 6.1) below, which was further confirmed in the processing of the Regional Growth Agreements. It opens up for negotiations between regions and the state, but the legitimacy does neither rely on formal institutional settlement as in Finland, nor any emergence of trustful private-public relations as in Denmark. Decisive for our classification have been the explicit aim to involve business and voluntary organisations. Shortcomings in the outcomes are not considered here. In the end the pressure for further regionalisation is present but modest in both Finland and Sweden. The lasting impression is that there is great reluctance towards further steps in direction of regionalisation.

The case of Denmark is clearly different in this respect, regionalisation has a stronger hold there than in the other Nordic states. There are indications of not only formal regionalisation, the formal institutions seems to be in place, but more interestingly there are signs of local “entrepreneurialism” which seems capable of triggering the foundation of innovative institutions of a public-private character. Thereby paving ground for local agents of business and regional development promotion. These are building on private-public linkages predominantly on local level. Consequently, there is not any uniform partnership model emerging along the lines of any grand design, instead there are plenty of indications of pluralism inherent in the present partnership formation process. On this
point the Swedish Regional Growth Agreements have failed. The main error seems to be the weak linkage between the strategic partnership, the institutional partnership and implementation of projects. In fact, the link between local partnership and the regional is insufficient.

Table 6:1 Policy Style

<table>
<thead>
<tr>
<th>Policy Style</th>
<th>Partnership model</th>
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<tr>
<td>State-lead*</td>
<td>Public: Partnerships as an integral part of regional policy</td>
</tr>
<tr>
<td></td>
<td>NORWAY</td>
</tr>
<tr>
<td></td>
<td>Public-private: Partnerships as a contract between authorities and regional agents</td>
</tr>
<tr>
<td></td>
<td>SWEDEN</td>
</tr>
<tr>
<td>Regional</td>
<td>Public: Partnerships as platform for negotiated policies</td>
</tr>
<tr>
<td></td>
<td>FINLAND</td>
</tr>
<tr>
<td></td>
<td>Public-private: Partnerships as basis for formation of innovative institutions</td>
</tr>
<tr>
<td></td>
<td>DENMARK</td>
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</table>

*) By the additionality principle national regional policy overlap extensively with EU policies.

Private sector involvement

Private sector involvement is often envisaged as a source of innovation in regional development policy making. It was also one of the research questions of this project to detect whether partnership processes changed the relationship between public and private sector actors. As this study has shown, it might and it might not. We have seen that private sector involvement was strongly emphasized in the Swedish RGA initiative and pointed out as a vital component of regional partnerships. It was not so in Norway. In Denmark it seemed to be more of an inherent feature of the regionally and locally inspired partnership processes, while Finland is harder to characterize in this respect. It should be acknowledged that private sector involvement was always surrounded by some degree of ambiguity, both among public and private actors.

Despite the strong emphasis on business involvement in Sweden, it is not an obvious success. Business was involved but it was always disputed among public actors and private sector representatives were often
reluctant participants. The odd exception was found at the sub-regional level, where in the Jönköping region, the so-called GGVV-area stood out as an interesting example of business-driven development activity (cf. Svensson, 2001). Somehow business involvement was not controversial in Denmark and seemed more of an integrated feature of the institutional set-up. Of course, there is a long tradition of business involvement why the initial controversies might be a thing of the past. But there was also the fact that partnership leadership was clearer. In addition it was clear that private sector took on a stronger, and perhaps a more confident role where business life was considered successful. Success might have created self-confidence in this respect. In both Sweden and Denmark, business involvement seems to have been an important source of legitimacy, while this was not the case in Finland and Norway. What stand out as striking in some of the cases, such as Scania and Jönköping in Sweden, Northern Ostrobothnia in Finland and Northern Jutland in Denmark, is that universities played a crucial role as a link between the public and the private sector.

These sections have illustrated some of the differences in terms of institutional pre-conditions for partnership formation in the Nordic states. The coming sections deal with the policy impact of partnership processes. As will be illustrated, institutional pre-conditions put up certain limits, but do not necessarily determine, the policy impact of regional partnerships.

**Policy Impact of Regional Partnerships**

A crucial issue for understanding the scope and potential of partnership processes concern their policy impact. A common argument in existing literature is that the bringing together of actors in new constellations trigger a dynamic of its own that potentially create new and innovative policies. According to the framework presented here, policy impact is ultimately about coherence. Two dimensions of coherence were identified: strategy and resource mobilisation. To what extent did the partnership manage to agree on a common strategy and did it succeed in mobilising resources for its implementation?

This study has proved that the distinction between policy formulation and implementation is important to keep in mind when judging the performance of regional partnerships. A vast majority of our cases bear witness of the relative ease at which partnerships has arrived at a common strategy, while the implementation phase proved much more difficult. As a result, many of the involved partners expresses doubts about what the partnership itself actually produces in terms of concrete results. There are, however, several aspects of this broad observation that deserve
further elaboration, and it should immediately be pointed out that there are differences among the regions observed. When it comes to policy impact, it is definitely so that some regions perform better than others and an attempt at illuminating some explanations for this will be undertaken. There is, of course, a strong link between the content of policy and its prospects for being implemented. If policy is formulated in very general and all-encompassing terms, uncertainty about the implementations phase is bound to be greater than if a policy consists of a limited number of clear priorities. Several of the case studies witnessed a relatively smooth process of policy formulation, but in these cases the policy objectives are often formulated in very general terms. If the process of policy formulation stood out as smooth and easy, it is partly explained by the fact that potential conflicts were avoided by the acceptance of formulations that guaranteed everybody involved something.

Concerning resource mobilisation, little was achieved. Some regions, however, got by since substantial resources were available through the Structural Funds, or national regional policies. With few exceptions, regions in the study must be placed in the diffused strategy-category when the judgement is made. As a consequence, these partnerships did not have a particularly strong policy impact, quite the opposite. This seems to have been the case in all Norwegian (Troms, Aust-Agder, Vestfold) and Finnish case regions, as well as in Vejle (Denmark) and also Jönköping (in Sweden). Catchall policy outputs must be considered a common policy output of partnership processes. Some respondents even saw this outcome as an inevitable consequence of partnership processes. Often the partnership functioned as an arena for exchange of information, but added little value to the development of a targeted regional development policy. As was indicated in the previous section, this is to some extent explained by the institutional pre-conditions that seems to obstruct substantial negotiations over the use of resources.
Table 6:2 Policy impact (coherence)

<table>
<thead>
<tr>
<th>Resource mobilisation</th>
<th>Weak</th>
<th>Strong</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Diverging Strategy</strong></td>
<td>No impact (ritualistic)</td>
<td>Limited impact (composite)</td>
</tr>
<tr>
<td>VESTFOLD (Nor)</td>
<td>NORRBOTTEN (Swe)</td>
<td></td>
</tr>
<tr>
<td>AUST-AGDER (Nor)</td>
<td>LAPLAND (Fin)</td>
<td></td>
</tr>
<tr>
<td>TROMS (Nor)</td>
<td>STORSTRÖM (Den)</td>
<td></td>
</tr>
<tr>
<td>JÖNKÖPING (Swe)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Common</strong></td>
<td>Limited impact (visionary)</td>
<td>Significant impact (innovative)</td>
</tr>
<tr>
<td>VEJLE (Den)</td>
<td>NORTH JUTLAND (Den)</td>
<td></td>
</tr>
<tr>
<td>SCANIA (Swe)</td>
<td>NORTHERN OS-TROBothNIA (Fin)</td>
<td></td>
</tr>
<tr>
<td>TAMPERE (Fin)</td>
<td></td>
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</tbody>
</table>

Limitations put up by central government regulations effectively prevented any significant partnership dynamics to evolve. While the partnerships functioned as an arena for exchange of information and discussion, it was not obvious what the element of learning the agents involved often referred to actually consist of. In terms of actual changes reflected in changed priorities and new ideas on regional development among the involved actors the impact of partnerships are even more questionable.

Policy outcomes in the form of project catalogues, is detectable where the involved actors basically listed their ongoing and planned projects as if nothing had happened. In particular, the contested relationship between County Councils and the SND in Norway puts up effective limits to the evolution of new innovative policies. As will be discussed in the following section, future developments might include a constitutional reform to which the troublesome experiences of partnership-based regional development activity may provide important input. Among the Norwegian cases, one might suspect that the missing partnership dynam-
ics produce problems in terms of regional economic development. Such a conclusion might, however, be premature for different reasons. First, there might still be enough going on in terms of regional development policy implementation because the system provides enough resources to provide each and everybody involved with a sufficient amount of resources to make a difference. Despite the downplayed role of the partnership model, Norway still has a strong state-lead regional policy in Nordic comparison. The SND, as the leading actor in business development issues can run its activities independently of other actors. Second, the need for government-sponsored development activity might be limited in regions where business life is strong enough to bring about a favourable development without support of public financing.

This seems to be the case in the Vestfold region (Norway) but also in some of the other regions in the study, such as Scania (Sweden), Vejle (Denmark) and Tampere (Finland) regions. As respondents in the study pointed out, the use of regional development programming or partnerships limited. To the extent that there was a partnership dynamic, it was found in the context of local initiatives that emerged independently of the central government initiative. Worth noting, however, is that these four regions has very little financing through regional policy, be it national or European. It may seem obvious that some regions get by without the involvement of government initiatives, but the question about the adequacy of public sector expenditure remains in a situation where activities are poorly co-ordinated and priorities contradictory.

Though greater sector-coordination may be desirable at the central level it is not evidently a sign of partnership dynamics. Another aspect of the matter is that failures in terms of forming effective partnerships may put pressure on greater sector co-ordination at central level. On this point Scania is an interesting case. The region seem to be driven by a certain dynamic explained by the regional reforms it has undergone in recent years. It is the only region in our sample that started off after it got greater autonomy right before the partnership processes was initiated. Analytically this provides difficulties since institutions and process undergoes changes simultaneously, causes and effects is hard to separate in this situation. Nevertheless, it seems fair to conclude that actors in the region took on the challenge with greater enthusiasm than in the other Swedish regions. Obviously, they wanted to make a good first impression when facing their first task. The government will evaluate its performance only after 2003.

The cases tell us that the arrival at a common policy must be viewed with some caution. It might indicate a policy of the least common
denominator type where the partnership impact at the implementation stage is very limited. The lesson seems to be that partnerships characterized by harmony and consensus in the policy formulation process might only indicate that the discussion never really got down to substantial negotiations over priorities and resources. As touched upon earlier, resources may still have been available in the partnership context, but they were certainly not mobilized around a limited number of common priorities. Consequently, this type of partnership development did not to any obvious extent improve the use of public resources.

The lasting impression is that partnerships serve mainly as a forum for discussions where stakeholders gain insights about other actors’ roles and priorities in regional development, and how their own ambitions relate to these. The long-term importance of this function of strategic partnerships should not be underestimated; it might lead to better coordination and a clearer division of labour in the future. In this respect, partnership processes might have a policy impact that is more indirect, and not visible as an outcome of the partnership activities in particular. If so, they will also be all the more difficult to evaluate.

The most obvious exception in respect to coherence in the study is the Northern Jutland region (Denmark). Its partnership has arrived at a clear set of priorities and also managed to mobilize resources for implementation of the strategy. It closely integrated the management of locally initiated programmes and the Objective 2-programme of the Structural Funds, further contributing to the coherent impression. It was clearly prepared to take some inevitable conflicts for this purpose; a quality that many of the other observed partnerships clearly was missing. By focusing on the development of indigenous firms through innovation rather than preservation, a proactive rather than reactive strategy emerged and managed to survive over a long period of time. Clearly certain sector interests were set aside for the promotion of others and objected, but the partnership, nevertheless, persisted. Not least the Swedish and Norwegian regions seem to have failed in this respect.

Partly the explanation for Northern Jutland derives from the policy content itself and its ability to deliver regional development. The pragmatic approach to partnership composition, bring the most relevant in and leave the rest aside, has performed well. It is, however, easy to imagine the problems if the strategy would have been a failure and perhaps such fears explain why partnerships in general tend to fail in delivering and mobilizing around a targeted strategy.

Suggested explanations for this relative success according to the interviewees is the limited size of the region, a sense of common fate
among the involved, and recognition of resource dependencies among the involved actors. The two former suggestions thus point to the existence of a regional identity that several of the regions in the study seemed to lack. In the long run, this identity might be threatened by tensions between the prosperous core of the region and the less fortunate periphery. Other case regions in the study, like Jönköping in Sweden, Tampere in Finland and Vejle in Denmark clearly also contained such tensions and in these cases it resulted in a limited policy impact of the strategic regional partnership. The third suggested explanation in the Northern Jutland case, recognition of resource interdependencies, is clearly crucial for any successful resource mobilisation to occur. It relates to a relatively ease in reaching clear priorities, but it should not be forgotten that Northern Jutland, in a Danish perspective, is relatively rich in regional development resources. Again the importance of external funding in regional mobilisation seems verified, as is the fragility of the situation, bearing in mind that Structural Fund resources are uncertain after the present programming period. Northern Jutland is, however, not the only region in the study facing this threat, but given the ability to formulate and mobilise around common priorities completely diminishes, the region must be seen as more fit than most in tackling such a situation.

Among the Finnish cases it seems Northern Ostrobothnia comes closer to Northern Jutland than any of the other regions. The regional strategy is not as focused and is expressed through a multitude of programmes, each with their own partnership. There are, however, considerable overlaps in participation that means the situation is not as fragmented as it might seem at a first glance. Many also bear witness of the strong commitment among the involved. Another striking feature is the relative ease at which actors have agreed on larger development projects in the region, which in combination with many small projects seems to satisfy the involved and still maintain a strategy that is not completely watered out. There is an underlying conflict between the core and periphery in the region with roots in socio-economic differences but it has so far been manageable. Since the partnership approach entered regional development the situation has improved considerably. Like in other Finnish regions, the municipal basis for regional development activity has contributed strongly to the lasting policy impact of partnership formation. Although placed in the same category as North Jutland, Northern Ostrobothnia stand out as a much more questionable case of coherence, and thus policy impact.

If strategy lacks clear priorities and rather seems to be all encompassing, the catchall type, or are shaped by the lowest common denomi-
nator of the involved interests, what happens to the ability to mobilise resources? The question is crucial for any conclusion on the true policy impact of partnership processes but begs different answers depending on the circumstances under which policy is to be implemented. Resource mobilisation is relatively easy where Structural Fund programmes are strongly represented. The bait is obvious, there is a common pool of money from which resources can be extracted if co-financing is made available. It was particularly clear in Lapland (Finland) and Norrbotten (Sweden), where Structural Fund programmes clearly dominated regional development activity and tends to marginalize other initiatives because of the resources contained. In order to stimulate resource mobilisation, the obvious trick is to make visible a pot of funding around which mobilisation under certain guidelines and procedures can take place. Central governments initiatives of the grand scheme type launched in Norway (RDPs) and Sweden (RGAs) both lacks clear objectives and substantial resource mobilisation in the regions.

Worth noting is that the other two Danish regions did not come out favourable in this respect either, despite the fact that the application of its national partnership model comes out favourable in comparison. For instance, Vejle was signified by internal tension as a consequence of the perceived artificiality of the region, where economic activity patterns spoke a different language compared to those the political-administrative territory defined. Also Storström proved difficult in terms partnership policy impact. As explored in the previous section, the multi-level dynamics and the private sector involvement of Northern Jutland would appear to be somewhat less pronounced. Whenever, the strategy is of the catchall character it does not stimulate internal resource mobilisation.

**Partnership Processes and Institutional Change**

Concerning institutional change, our framework (chapter 1) suggested that changes might take place within the partnership as such, or in the wider political environment as a consequence of the partnership process. In the former case, partners may change their priorities or their level of engagement as a consequence of participation. In such a learning process, the partnership itself might gain or lose out in importance. It might be further institutionalised or dissolved. The actors in the partnership and the dynamics their interaction creates this type of change. Change in the wider political environment may be related to the legislations and regulations that delimit the scope for action of the involved. It may also refer to changes in the competence of governing bodies on different levels, in particular at the regional level. It should be clarified already here, however, that it was never expected that the study should be able to identify
instances of change in the wider political environment as a consequence of the processes under scrutiny. Rather it has been as a matter of identifying unleashed pressures for change in relation to these processes.

There are frequent observations on the shortcomings of regional partnerships, their capacity for decision-making, co-ordination and action. This is true particularly in the Swedish cases. One could easily imagine that abandoning of the partnership arrangements would be one potential outcome of this process, but this does not seem to be the case. No matter what experience, the involved actors usually express rather strong support for the partnership as a principle. Even in the most troublesome cases, support for the partnership way of working remained intact. Discussions over representation, mandate and accountability were often a vivid part of the process where the involved not often managed to sort the issues out. In a way, regional partnerships did not seem to have found their role, in particular concerning resource mobilisation and implementation. The same was basically true for the Norwegian regions.

Some of the Finnish and Danish cases, however, tell a different story. In Finland, partnerships were secured status through legislation. It also seemed the prevalent complexity was being sorted out in the meaning that the Regional Monitoring Committees for the Structural Fund programmes in the future would be the central body also for other strategic regional development instruments. The exception here is perhaps the Tampere region, where the need for regional partnership was unclear to many. In Denmark, a similar situation was at hand in the Vejle region, even though partnerships geared by the needs of public and private actors were operative in the region. Actors in Northern Jutland and Storstrøm had a more appreciative view on the regional partnership. Here it was not as much legal status as a gradual integration of the partnership into the institutional set-up of the regions through an endogenous mobilisation process that guaranteed partnership their status. There was also strong emphasis on trust and a characterising feature of partnership relations.

The study reveals regulatory obstacles to the partnership processes in all states and regions of the study. They were more obvious in Norwegian and Swedish regions, and perhaps in Finland, than in Denmark. Difficulties in accessing financial resources within the labour market policy area were identified in all countries, but particularly in Norway and Sweden. Labour market policy may be a policy area of its own dignity and aimed at protecting for example the interests of unemployed, at the same time substantial resources are used in projects that has a clear bearing on regional development in a broader sense, why closer co-ordination make sense. In Sweden it also turned out that regional labour market authorities
interpreted regulations very differently, which meant financing from this source varied largely between regions. Another problematic instance in this respect was the SND in Norway, a state authority in business development with regional offices, which was tied up by central level policies.

These examples illustrate further that partnership performance is very much dependent on the institutional framework it operates within, and even reveals weaknesses in the institutional set-up that were not anticipated before partnership initiatives of central governments were launched. Clearly partnership processes may create opportunities in various ways for the involved, but under certain circumstances they may also be perceived as threatening. Partners may claim access to each other’s resources. This observation is important not least in relation to Swedish municipalities that tended to cling tightly to their resources unless there was an obvious opportunity to expand them, basically within the Structural Fund system. In Finland and Denmark this problem of local suspicion had been overcome because the partnership process accepted the local as the basis for regional development. State-lead initiatives in Sweden and Norway failed in this respect. This may be interpreted as an example of how partnership processes tend to reveal weaknesses in existing systems and structures. Unless the broader political environment is completely insensitive to these types of shortcomings in the pre-conditions for sector co-ordination, partnership processes may function as generators of institutional change.

Further strengthening of partnerships, changes in actor behaviour, or regulatory adjustments are all potentially significant institutional consequences of partnership processes. The perhaps most spectacular change, however, would be government reforms, i.e. changes in the competence and legitimate basis for a certain level of government. While the Finnish regional level of government recently was subject to reform and Denmark carried out such a reform long ago, the issue is not settled in Sweden and Norway. Related to this fact or not, partnership processes seem more dynamic in the reformed systems. Interestingly enough, Sweden and Norway seem to be heading in different directions on this issue, the former strengthening the regional level of government, the latter thinking of removing it completely.

Particularly in the Swedish case, partnership processes in the context of the RGA initiative increased the pressure for regional government reform. Municipal interests, local and regional, took the opportunity to enhance the debate over the democratic legitimacy of the County Administrative Boards. This was not an issue in Scania, although the ongoing experiment with extended self-government seemed to thrive on the part-
nership processes in regional development activity. In Norrbotten and Jönköping, with great confidence in existing arrangements at the regional level and until now unknown arenas for this debate, this was suddenly a hot issue. It was all about accountability in the regional partnership and the questioning of the regional state level as the most relevant partnership manager. Outside the municipal sphere, however, there was limited interest in this debate. Other actors seldom saw any potential gains in a stronger political influence on the process, quite the contrary. What was perceived as important was that the major financers and the most relevant business representatives were present. No involvement of political bodies was believed to compensate for this.

The issue of accountability was not as much a question in the other countries. Danish regions especially seemed comfortable with the type of functional legitimacy they ascribed to partnerships. Neither did it seem to be a big problem in Finland. Worth noting though, both countries had in their partnerships leading partners that more closely matched a traditional electoral democratic type of mandate, even if the distance to electoral mandate is longer in Finland. Partly the acceptance of a partnership-based regional development process acknowledges the importance not only of broader participation for reasons of resource mobilisation, but also for reasons of legitimacy. Here business involvement was an important issue. Nevertheless, unless there is a clear enough links to elected bodies such partnerships always risk being viewed with suspicion from time to time.

New institutions, typically centres and agencies, entrusting the potential of public-private arrangements is a more likely outcome than direct pressure for regional reforms following the partnership process. A stable institutional situation which allows for frequent multi-level interaction and are sensitive to all tiers of decision-making seem to provide the best surrounding for the emergence of innovative policies with this in our minds we are ready to sketch on some scenarios on regional development models for the future.

Potential direction of change – future scenarios

We can only speculate about future institutional changes. It seems reasonable to assume that the general link between formation of partnerships and political reforms in the Nordic countries is quite vague in character. The study has identified important differences in policy styles and outcomes among four countries normally perceived as similar in terms of territorial politics (regional policy and institutional set-up). A most similar case design guided us in the selection of countries and it was utilized for the purpose of differentiating between the national contexts and individual regions.
Elements of new governance seem to have gained ground in all Nordic countries. The trend towards regionalisation is, however, less obvious. The type of regionalisation which involves the business community seems something that all national governments wants in order to achieve things like economic growth, stronger economic basis and synergies in terms of cost-sharing. Therefore, attempts at introducing new forms of governance are stronger than both the trend toward greater privatisation and regionalisation. The strong state tradition in the Nordic countries seems inclined to pave the way for regional development models that invites voluntary organizations, creates public-private institutions, but has notable difficulties in lowering the barriers for the entrance of private actors. Its also notable that compared with for instance Great Britain where a considerable degree of marketization has taken place, new governance is almost entirely separated from any reforms in the direction of new public management with various forms of privatisation us result. This may be considered a distinguishable feature of the Nordic countries. For this reason the option to “decentralize out” from the public sector (Pierre & Peters 2000:204) is not included among the feasible scenarios below (Table 6:3).
Considering the history of the Nordic countries with large public sectors, considerable public consumption and relatively high tax-rates it seems reasonable to believe that the welfare state will transform itself in a limited number of ways. For instance, as noted massive privatisation is not a perceivable scenario. A development promoting the emergence of public-private institutions is more likely. The creation of regional development agencies (RDAs), and Quangos is ways to separate service provision and political decision-making that does somewhat distances itself from traditional forms of public administration. It presumes an acceptance of new forms of accountability. Denmark seems to have developed most in this direction among the countries we have studied.

There are also considerable elements of a revival of tripartite relations embedded in the partnership model. This is evident in all Nordic countries, but will not happen automatically. The capacity for greater policy coherence is circumscribed by the separation of key policy sectors in all the Nordic countries. The most powerful tool in this regard is evidently to tie regional development issues closer to labour market policy. In such a scenario tripartite relations involving labour market interest organizations is a natural element. The dilemma is that greater involvement of labour market issues may hamper any attempts at forming regional partnerships. In this regard both authorities and interest organization might have a long way to go in order to fully support policy innovation at the regional level. However, in for instance Sweden the partnership process has meant that business organizations have returned to the negotiating tables without any greater reluctance after withdrawing from almost any co-governed organizations since the early 1980s.

The drift toward regionalisation has been commonplace in most of Europe during the last two decades. This development is not so apparent...
in the Nordic countries. However, EU membership and particularly the Structural Funds have pushed Sweden, Denmark as well as Finland in this direction, but visible elements of regionalisation is associated with a reorientation of regional policies rather than a response to bottom-up regionalism. It is therefore questionable if this is a sustainable trend. In Finland, there has been a de-concentration of powers from the central to the regional level offices. Finland has also effectively included the local level by forming County councils in harmony with the Nordic tradition with its hallmark – strong municipalities. Again, however, this takes place very much within the still centralised nation state. In Denmark the issue also seems settled, while in Sweden elements of spontaneous regionalisation has been introduced but put on hold, waiting for a more thorough evaluation. Further steps toward outright regionalisation should, however, not be expected at least in the short run. In Norway, we see some confusion as regards who should be considered the prime regional actor. Regionalisation there seems to be in recession.

All Nordic countries seem to be experimenting with new governance. As stressed by Pierre & Peters (2000) the welfare states with its strong public sectors provides a good foundation for experiments. The same scholars point out that the political leadership seems to have three scenarios to choose among; reasserting control, letting other regimes rule, and lastly greater acceptance of new governance. These scenarios do not seem mutually exclusive. This study of partnership processes and its outcome seem to suggest that all central governments wants to maintain control, but all are prepared to experiment with new forms of governing. The prime governing body will continue to be the central government, but increasingly on par with other actors. This may serve as a platform for greater pluralism.

Notably the crucial issue is if experiments with new governance at a certain point may lead to a paradigmatic change in favour of private solutions. Is there a point were decentralization is replaced with de-centred forms of governance, in other words the marketization of governing itself? At present this question seems abstract and far-fetched. But we should keep in mind that this grand challenge might occur and in that sense threaten the traditional Nordic model. For now its appropriate to conclude that experiments with new governance does not seem to cause any greater tendencies toward divergence nor convergence until the partnership dynamic becomes further institutionalised.

Due to the previous history the development may make a turn toward tripartite variants. New governance creates an environment that favours innovative policies and solutions, but the temptation to reassume
central government control will always be there. It seems to be part of the pragmatic Nordic policy style to avoid extreme solutions that changes the pathway completely. This explains why privatisation and regionalisation appears less attractive to policy-makers. Nevertheless, we are obviously going through an interesting time in which the willingness to try out new forms of governing, that is new governance, is strong in all Nordic countries.

**Research agenda**

Having said that, it should be acknowledged that there is still plenty to learn more about in this changing regional development environment. By necessity, this project have left some loose ends behind, concerning for example the implementation performance of regional partnerships. Another little known issue is whether partnership formation of the studied kind is fit to face the challenge of resource mobilisation in the context of diminishing Structural Fund and traditional state-lead regional policies. As it seems now, they often depend heavily on external financing facilities, rather than resources mobilised within the regions. In that respect there is reason to wonder whether regional development policy in the Nordic states are facing a true crises, or whether partnership arrangements are fit to take on the challenge in the absence of substantial external funding.

Since the partnership model for regional development very much is an import from the EU Structural Fund system, the irony of the situation might be that regions are left with a model that is paralysed once external funding ceases. The future of partnerships is therefore closely associated with the ability to build new alliances. Again, the greatest potential lies in involving private-public actors in new combinations.

For future research it is also essential to focus more thoroughly on the added value of partnerships. Learning process is vague in character and might be illusory. So indeed we need to learn more about learning. The objective would be to become more precise about the impact on institutional-building, policy capacity, financing, policy-sector coordination and the private-public potentials. Properties of the cluster economy must also be more firmly linked to research on partnerships. To illuminate whether there may be a better match between the building of spontaneous network capacity in the regions and central government policies, is a main challenge for policy researchers. It might also be of interest to put the Nordic countries in a larger European-wide perspective in order to find new dimensions of partnerships. Benchmarking of regions to find examples of good practice may be included in such a design.
Nordic co-operation takes place among the countries of Denmark, Finland, Iceland, Norway and Sweden, as well as the autonomous territories of the Faroe Islands, Greenland and Åland.

The Nordic Council is a forum for co-operation between the Nordic parliaments and governments. The Council consists of 87 parliamentarians from the Nordic countries. The Nordic Council takes policy initiatives and monitors Nordic co-operation. Founded in 1952.

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