

Report from the Baltic-Nordic ESPON/ENECON Workshop:

**“Sustainability and Sustainable Regions
– Multi-Faceted Concepts”**

**Organized in cooperation between the ENECON-project and
Nordregio**

15th – 16th November 2012

Venue: Nordregio, Stockholm



Workshop aim and theme:

The aim of the workshop was to interpret, analyze and critically discuss the dimensions of the concepts "sustainability" and "sustainable regions" and the implications for further regional and territorial research. Relevant themes were introduced from complementary points of view by well-known researchers; specialists in topics as sustainable urban and rural regions, regional growth vs. regional development, regional spatial changes and regional planning shifts, sustainability and regional innovation systems, and sustainability and peripherality.

Organizers:

The ENECON Transnational Project Team in cooperation with Nordregio

Brief Dictionary

ESPON Evidence in a North European Context (ENECON) = The project ENECON addresses challenges and opportunities facing territorial development and spatial planning policies and practices, particular to the vast territory of the northern part of Europe. The project is implemented by the ECPs from Norway (Lead Partner), Denmark, Estonia, Finland, Iceland, Latvia, Lithuania and Sweden

ECP = ESPON Contact Point

ESPON 2013 = The European Observation Network for Territorial Development and Cohesion

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Programme:

ESPON

Nordic-Baltic ESPON/ENECON Workshop about "Sustainability and Sustainable Regions – Multi-faceted Concepts"

Venue: Nordregio, Holmamiralens väg 10, Skeppsholmen, Stockholm,
15-16 November 2012 (lunch to lunch)

The ESPON project ENECON addresses challenges and opportunities facing territorial development and spatial planning policies and practices, particular to the vast territory of the northern part of Europe. The overall aim of ENECON is to contribute to make clear the significance of the European perspective on territorial development and cohesion in a macro-regional context and perspective.

Sustainability and sustainable growth are concepts that are frequently used at the European research scene of today. In the Territorial Agenda 2020 and Europe 2020 sustainable growth is highlighted together with smart and inclusive growth as desirable development paths. Sustainability and sustainable regions might, however, be interpreted in a lot of ways with many different ingredients. In "sustainability" and "sustainable regions" more dimensions might be included that not automatically is associated with economic growth. Even peripheral and/or shrinking regions might be sustainable if different preconditions are fulfilled.

The aim of this workshop is to interpret, analyze and critically discuss the dimensions of the concepts "sustainability" and "sustainable regions" and the implications for further regional and territorial research. Relevant themes will be introduced from complementary points of view by well-known researchers who are specialists in topics as sustainable urban and rural regions, regional growth vs regional development, regional spatial changes and regional planning shifts, sustainability and regional innovation systems, and sustainability and peripherality. Each introduction will be followed by interesting, critical and creative discussions among the participants in the workshop.

Information and Practicalities:

The workshop is free of charge
The participants must book their own accommodation but the arrangers can assist with advices and some help.
For hotels at discounted rate, see the link:
<http://www.avropa.se/Hitta-ramavtal/Hoteltjansterinrikes/>
Mention KTH at booking

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Swedish website, <http://svenskecp.abe.kth.se/>
ENECONs website, <http://rha.is/enecon>

Brief Dictionary

ENECON= A networking project within the ESPON 2013 Programme, implemented by the ECPs from Norway (Lead Partner), Denmark, Estonia, Finland, Iceland, Latvia, Lithuania and Sweden
ECP = ESPON Contact Point
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Preliminary programme (to be completed, inputs are welcome)

Questions and discussions after every introductory speech

Day1, Thursday 15 November

Chair: Lisa Van Well (Nordregio)

11.30-12.30: Sandwich lunch

12.30-13.00: Words of Welcome..

Olaf Foss (NIBR/ENECON),
Mats Johansson (KTH/ENECON),
Ole Damsgaard (Nordregio)

13.00-14.00: Economic crisis, regional development and resilience.
Hans Westlund (KTH)

14.00- 15.00 Defining and measuring sustainable regional development
- results and lessons from Germany.
Antonia Milbert (BBSR, Germany)

15.00-15.30: Coffee break

15.30-16.30: Sustainability, globalisation and regional innovation systems
Folke Snickars (KTH)

16.30-17.30: Sustainability and goal conflicts – short and long term aspects.
Discussion. Intro:
Hild-Marte Bjørnsen (NIBR)

Day2, Friday 16 November

Chair: Daniel Galland (Aalborg University/ENECON)

08.30-09.30: Shrinking regions – contrary to sustainable regions? Experiences from Northern Europe.

Lisa Hörnström (Nordregio)

09.30-10.30: Green economy: a development option and challenge for sparsely populated areas?

Rasmus Ole Rasmusen (Nordregio)

10.30-11.00: Coffee break

11.00-12.00: Sustainable spatial development of Nordic urban regions: is an eco-modernization approach sufficient?

Petter Naess (Aalborg University)

12.00-13.00: Sustainability and sustainable regions – Multifaceted concepts

Discussion. Intro:
Kjell Harvold (NIBR)

13.00-13.15 Closing words.

Olaf Foss (NIBR/ENECON),
Mats Johansson (KTH/ENECON)

13.15: Sandwich lunch



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Context and aim

'Sustainability', 'sustainable growth' and 'sustainable regions' are frequently used concepts in the current European research scene. Within the Territorial Agenda 2020 and Europe 2020, sustainable growth is highlighted alongside smart and inclusive growth as desirable development pathways. What constitutes sustainability and sustainable regions may, however, be interpreted in a lot of ways and include many different ingredients. In 'sustainability' and 'sustainable regions' additional dimensions might be included that are not immediately associated with economic growth. Even peripheral and/or shrinking regions might be sustainable if differently defined preconditions are fulfilled.

The aim of this workshop was to interpret, analyze and critically discuss the dimensions of the concepts of 'sustainability' and 'sustainable regions', and their implications for further regional and territorial research. Relevant themes were introduced from complementary perspectives proposed by well-known researchers who are specialists in topic such as: sustainable urban and rural regions; regional growth vs regional development; regional spatial changes and regional planning shifts; sustainability and regional innovation systems; and sustainability and peripheral regions. The introduction of each of these topics was followed by insightful, critical and creative discussions among the participants in the workshop. At the end of each day, a concluding discussion chaired by a discussion leader closed the sessions.

Content

The workshop included six interrelated presentations and two discussion sessions focused on the topic of sustainability and sustainable regions. 34 researchers and planners participated in the workshop and contributed to making it a fruitful event, where old and new aspects of sustainability were explored and discussed. A general conclusion that emerged from the presentations and associated discussions was that sustainability is an important but complex multidimensional concept, that seeks to capture many different aspects of future development. Hence it is important that future research projects seek to develop new aspects of sustainability and contribute to clarify what it implies. Defining sustainability is no easy task because the nature of the concept seeks to capture many different aspects of development, and when its usage is brought into development work it can contribute to increasing the complexity of defining a sustainable future. Yet it is not an empty concept, and hence why it is important to clarify its

different dimensions. In the following paragraphs, we describe some of the key content and messages from the presentations.

First day

The first day was chaired by Lisa Van Well from Nordregio and was begun with words of welcome by Olaf Foss from NIBR and Mats Johansson from KTH – both representing the ENECON-project – and Ole Damsgaard from Nordregio, who was the host of the conference. Foss presented the aims of ENECON and Mats Johansson elaborated on the objectives of the conference and underlined that it was more like a workshop encouraging active participation of the attendees, rather than an ordinary conference. Ole Damsgaard then introduced Nordregio and the magnificent building where the workshop was located, as well as Nordregio's activities within different regional research topics.

After the introductions, Hans Westlund from KTH, the conference's first speaker, presented a talk entitled 'Economic crisis, regional development and resilience'. He began by introducing new findings on the relationship between economic crisis, regional development and resilience. Westlund carefully detailed central aspects of the modern economic crisis and compared it to historical crises during the 20th century, such as the depression of the 1930s and the oil crisis of the 1970s – crises that differed in a lot of aspects, such as economic bubbles and overproduction, deflation vs inflation, etc.

He emphasised the point that there are clear differences in how different countries and regions are affected by the crisis, as a consequence of their economic structure and competence intensity. It seems that export intensive economic sectors and locations have been more profoundly impacted by rapidly changing economic conditions, whereas most metropolitan areas reliant on the knowledge-based economy are better off than goods-producing areas. Westlund then transformed this discussion towards a consideration of resilience, which should be recognized as a multidimensional concept on the elasticity of a region's ability to reach and respond to internal and external shocks, and then return towards equilibrium. Alternatively, he asserted, resilience can be placed into an evolutionary context, and he cited a forthcoming study by Ron Boschma who refers to regional resilience as an ongoing process where regions do not return to some initial states – instead it is an ongoing process that does not occur only during crises. Under this theory, there are also path dependencies denoting some lock-ins that prevent resilience or structures that lay the foundation for renewal.

Westlund also discussed regional resilience from a New Geography point of view (e.g., Krugman) and concluded that specialization has been the key to economic growth throughout history, but that diversified regions are less vulnerable to sector-specific shocks and thus more resilient than undiversified ones – economic diversity and variety spreads the risks that emerge from one-sided production. Knowledge spillovers may also be important as a source of resilience, where diversity of economic structure seems to be an advantage, emphasizing the role of links between economically different firms. Westlund concluded his discussion by providing some evidence from a survey on entrepreneurial social capital, inferring that social capital does make a difference for economic development in the current era and that social capital can be influenced by policy, which may be policies contributing to resilience. Thus, resilience can be governed at the local level. Westlund concluded by saying that resilience is about sustainable economic development within regions.

The second presenter, Antonia Milbert from BBSR in Germany, in a speech entitled 'Defining and measuring sustainable regional development – results and lessons from Germany', talked about how sustainable development is a regional planning act, which requires a monitoring system to examine whether regional development is moving in a sustainable direction. Since conceptualizing sustainability is a complex task, a reasonable approach, according to the presenter, is to define what is not sustainable and derive indicators from building on such a framework. Hence, BBSR has created a system designed to be used by regions in their engagement with sustainable development. This system has been developed in cooperation with experts and non-experts, and draws on a range of different data sources and indicators that are divided into different themes, reflecting various aspects related to sustainable development.

One of the criticisms of this system is that all indicators have the same weight on the results. This is a trade-off, since the indicators reflect different aspects that are likely to have dissimilar effects on the development outcome. However, so far this seems to be a reasonable way to approach and measure sustainable regional development according to the presenter. Milbert concluded by arguing that the system could be improved by including environmental indicators. By asking 'what lessons should we learn' from this, Milbert mentioned positive points, such as: concrete targets; visualization methods; composed indicator for mapping the results; indicators are frequently updated that result in development, progress or setbacks; and that the method can easily be transferred, e.g., at the European level. On the negative side,

she mentioned: subjective indicator choice; inter-linkages between dimensions not included; inter-linkages between regions not included; and, lastly, targets which show deficits, such as question related to 'what constitutes sustainable', still remains unanswered.

Folke Snickars from KTH in Stockholm then presented a speculative and outward looking presentation about how sustainability is connected to globalisation and regional innovation systems. Snickars argued that there are many important questions related to these three aspects that jointly connects them with historical and current research. These include, whether we can achieve sustainable development by regional innovation systems, or whether sustainable development can be attained by location and trade, or, how sustainable is current international geography in terms of the development of direct foreign investment, given the rising importance of multinational enterprises. To say something insightful about these three aspects, Snickars asserted that there is a need to consider them as a new joint topic of research, which should be conducted at a multidimensional level. Nevertheless, Snickars stressed that although there is interesting work being done on these aspects, there is still a need for more research to define how they are inter-linked and thus to develop an understanding for sustainable development.

Snickars concluded his talk by presenting some tentative reflections concerning understandings of global, national and regional sustainable development: 1) Climate change as a global challenge will call for global policy coordination – from financial systems via environmental protocols to trade in R&D and innovation; 2) Complexity and interconnectivity of global economic systems will make policy at regional and national level both more difficult and more challenging – here SWOT analyses is needed; 3) Diffusion models of innovation will need to be adapted to the networked economy – more case studies are needed in order to better understand the processes and interrelations; 4) FDI research needs to be boosted when the world is flat, structural change more rapid, and dematerialization is starting to create opportunities.

Hild-Marte Bjørnsen from NIBR initiated the discussion session of the first day by discussing and problematizing the theme 'Sustainability and goal conflicts – short and long term aspects'. After her introduction a lively discussion, which lasted approximately 45 minutes, followed where most of the participants took part. The discussion session was, thus, a good conclusion and summing-up of a day with many interesting speeches and constructive comments and disagreements from the audience.

Second day

The second day was chaired by David Galland from Aalborg University and ENECON.

The first speaker was Lisa Hörnström from Nordregio who talked about 'Shrinking regions – contrary to sustainable regions? Experiences from Northern Europe.' She began with the concept 'shrinking regions' and various interpretation of this issue, such as lagging regions, sparsely populated regions, peripheral and rural regions – but also regions that are affected negatively by structural changes. She highlighted two cases from Sweden – Norrbotten and Kalmar Counties – that both have many problems with regard to population development, such as decreasing populations, out-migration, natural population decrease, ageing, etc.

The point of departure for her reasoning was a 'Handbook on demographic challenges', produced by Nordregio and based on a common Nordic initiative to put focus on demographic challenges. The project aims was to: 1) Put focus on demographic challenges in the Nordic countries; 2) Analyse the effects of the demographic development on regional development; 3) Highlight initiatives taken on local and regional levels to handle the demographic challenges; and 4) Provide an arena for Nordic exchange of experience. The cases used for this study were, as mentioned above, Norrbotten and Kalmar counties. With regard to Kalmar County, some of the big problems and challenges related to the low commuting to and from adjacent regions due to lacking or poor communications, and an economy based on SMEs with low productivity. Concerning Norrbotten, the problems and challenges were the provision of labour force and competence, provision of welfare service, etc., and initiatives to secure provision of competence and generation shift. One hopeful ingredient, however, was the mining boom that has provided Norrbotten with 'new' development prospects. The concluding reflections with respect to sustainable development in shrinking regions were based on thoughts concerning eventual regional growth, service provision and quality of life, and attractiveness of different aspects in regards to differing communities.

Rasmus Ole Rasmusen, also from Nordregio, discussed what constitutes a green economy and its implications for sparsely populated areas. Rasmusen argued, in his talk entitled 'Green economy: a development option and challenge for sparsely populated areas?', that the green economy is a multidimensional concept that may be related to the common agriculture policy. The aim of greening the European Union is to maintain the environment

and future resources and will thus contribute to the overall objectives on green growth. This involves, for example, consumption of green products, green production, and green innovation. In the future, a liveable environment is crucial. There is a green territorial experience which relates to a green territorial use. Green growth drivers are factors related to economic competitiveness, social cohesion, and environment relations, involving land use multi-functionality, production innovation, eco-design, and consumption side-enablers. Moreover, Rasmusen proposed different options and challenges for sparsely populated areas seeking to develop a green economy. For the future, a good investment is to upgrade and invest in green technology, such as solar panels, that will contribute to achieve a green economy. However, this also involves protection of landscape and maintaining green activities.

A diversity of land based resources could be turned into a starting point for a new rural paradigm, which is indicated by current OECD research on renewable energy as a basis for development in rural areas. The findings from the OECD indicate that policy focused on the potential for renewable energy in the process of rural development should be cross-sectorial and place-based. This implies identifying local conditions and opportunities, and integrating and linking the potential of renewable energy with local rural economies, as well as adopting inclusive modes of governance to ensure social acceptance. This also indicates that while renewable energy has the ability to create new jobs, we should not exaggerate its potential. It is potentially useful for all rural and sparsely populated regions, but mainly in shifting a community facing structural economic downturn to a new lower economic equilibrium.

Petter Næss from Aalborg University, in his talk on 'Sustainable spatial development of Nordic urban regions: is an eco-modernization approach sufficient?', discussed elements of ecological modernization, and how it is related to the sustainable spatial development of Nordic urban regions. He argues that this is a process of transformation through decoupling from contemporary consumption behaviour towards eco-efficiency. There seems to be a consensus that ecological modernization is related to the dense compact city, characterized by reduced amount of travel, car dependency and energy use for transport, reduced energy use in buildings, reduced conception of building material for infrastructure and building, and maintained diversity for choice among workplaces, service facilities and social contacts.

According to Næss, there are four core elements of the theory of Ecological Modernization: 1) The solutions to environmental

problems can be found within the context of industrial capitalism; 2) The capitalist economy in its present form is limited by the capacity of the natural environment to absorb the effects of economic growth and to supply necessary resource inputs; 3) Capitalism must therefore undergo a process of transformation if it is to be sustainable in the long term; 4) Decoupling of economic growth from resource consumption and environmental load ('dematerialization') are key elements in this process of transformation.

The Oslo metropolitan area was used as a case to study on how a region can be developing in accordance with the ideas of planning theory and ecological modernization. Indicators such as land consumption and changes in traffic within the region, manifested as trends counter to the sought after development. Although improved public investments and infrastructure systems were evident. Given this, a related question emerged on whether more suburbs should be built or, alternatively, city centres should become more densely populated. A strategic discussion is needed to develop future plans.

Næss concluded his exposé by providing a sketch of some long-term land use principles related to environmentally sustainable urban development. Some points here were: 1) Re-use of urban land instead of greenfield development, with densification channelled to areas already technically affected; 2) Build resource-efficient housing types. No more construction of detached single-family houses in the major urban regions – those already existing are more than sufficient; 3) Locate most new residential and office development to the inner-city and close to other major public transport nodes; 4) Restrictions on the use of cars in the city, combined with public transport improvements. No increases in road or parking capacity. Convert car lanes on multilane roads into bus lanes, bike paths and/or rows of trees; 5) Moderate amount of new housing construction, adapted to changes in the composition and number of households and geared toward improving needs amongst those who live in substandard dwellings; 6) Reverse the urban sprawl. The most unfavourably located and designed suburban commercial and residential areas should gradually be demolished and replaced with natural areas, orchards and farmland.

Kjell Harvold from NIBR in Oslo introduced the final discussion session titled 'Sustainability and sustainable regions – Multifaceted concepts' by talking about sustainability and sustainable regions from a developmental perspective at different levels, raising some issues related to different planning problems. As a starting point, Harvold took the concept of the tragedy of commons, from Garrett Hardins article in Science from 1968, asserting that nobody owns

the environment. An important question was posed on whether sustainability is possible in a democratic system. The focus on the earth as a unifying unit of consideration is an important recognition of our common future that emphasises the importance of working together. According to Brundtland, democracy is crucial to achieve sustainable development. However, it is not a simple concept, and if sustainable development is everything, it is also nothing. Another interesting point was that everybody can be sustainable, and also of the role of networks of sustainable communities. The new multifunctional agricultural policy is geared to promoting new business, jobs and attractive housing schemes by, for example, reducing complexities.

The final discussion then drew together the different topics presented at what was a very successful conference. Mats Johansson made some concluding remarks and thanked all involved participants, and particularly Ole Damsgaard and Nordregio for their hospitality in hosting the workshop. He also highlighted that the presentations were well received and had been followed by relevant and fruitful discussions that both engaged the audience and brought forth new aspects and perspectives on sustainability and sustainable regions.

Participation list:

Bjornsen, Hild-Marte NIBR, Oslo, Norway	Kahila, Petri Nordregio, Stockholm, Sweden
Ceginskas, Kajetonas Boverket, Karlskrona, Sweden	Klavina, Karolina State Regional Development Agency, Riga, Latvia
Damsgaard, Ole Nordregio, Stockholm, Sweden	Lange Scherbenske, Stefanie Nordregio, Stockholm, Sweden
Dymén, Christian Nordregio, Stockholm, Sweden	Lindberg, Gunnar Nordregio, Stockholm, Sweden
Engkvist, Roland TMR, SLL, Stockholm, Sweden	Lundström, Mats Johan KTH, Stockholm, Sweden
Eythórssón, Grétar Thór University of Akureyri, Akureyri, Iceland	Milbert, Antonia BBSR, Köln, Germany
Falck, Simon KTH, Stockholm, Sweden	Næss, Petter Aalborg University, Aalborg, Denmark
Foss, Olaf NIBR, Oslo, Norway	Nikodemusa, Alda Ministry of Regional Development, Riga, Latvia
Frisch, Matti University of Eastern Finland, Joensuu, Finland	Pociūnas, Gintaras Real Estate Development Association, Vilnius, Lithuania
Galland, Daniel Aalborg University, Aalborg, Denmark	Poom, Age University of Tartu, Tartu, Estonia
Gauk, Martin University of Tartu, Tartu, Estonia	Rasmusen, Rasmus Ole Nordregio, Stockholm, Sweden
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Hag, Örjan Ministry of Enterprise, Energy and Communications, Stockholm, Sweden	Roto, Johanna Nordregio, Stockholm, Sweden
Hansen, Anders Chr. ENSPAC, Roskilde University, Roskilde	Snickars, Folke KTH, Stockholm, Sweden
Harvold, Kjell NIBR, Oslo, Norway	Staniūnas, Mindaugas Vilnius Gediminas Technical University, Vilnius, Lithuania
Hörnström, Lisa Nordregio, Stockholm, Sweden	Van Well, Lisa Nordregio, Stockholm, Sweden
Johansson, Mats KTH, Stockholm, Sweden	Westlund, Hans KTH, Stockholm, Sweden

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