

Tourism based rural development in the Scandinavian Mountains

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Re-invention of small places in a cross border region

- A single case study of a *success* region
- The study comes with a warning for policy makers - the success is (probably) not easy to copy for other small places today

Inner Scandinavia, population density

Town of Sälen (Sweden)

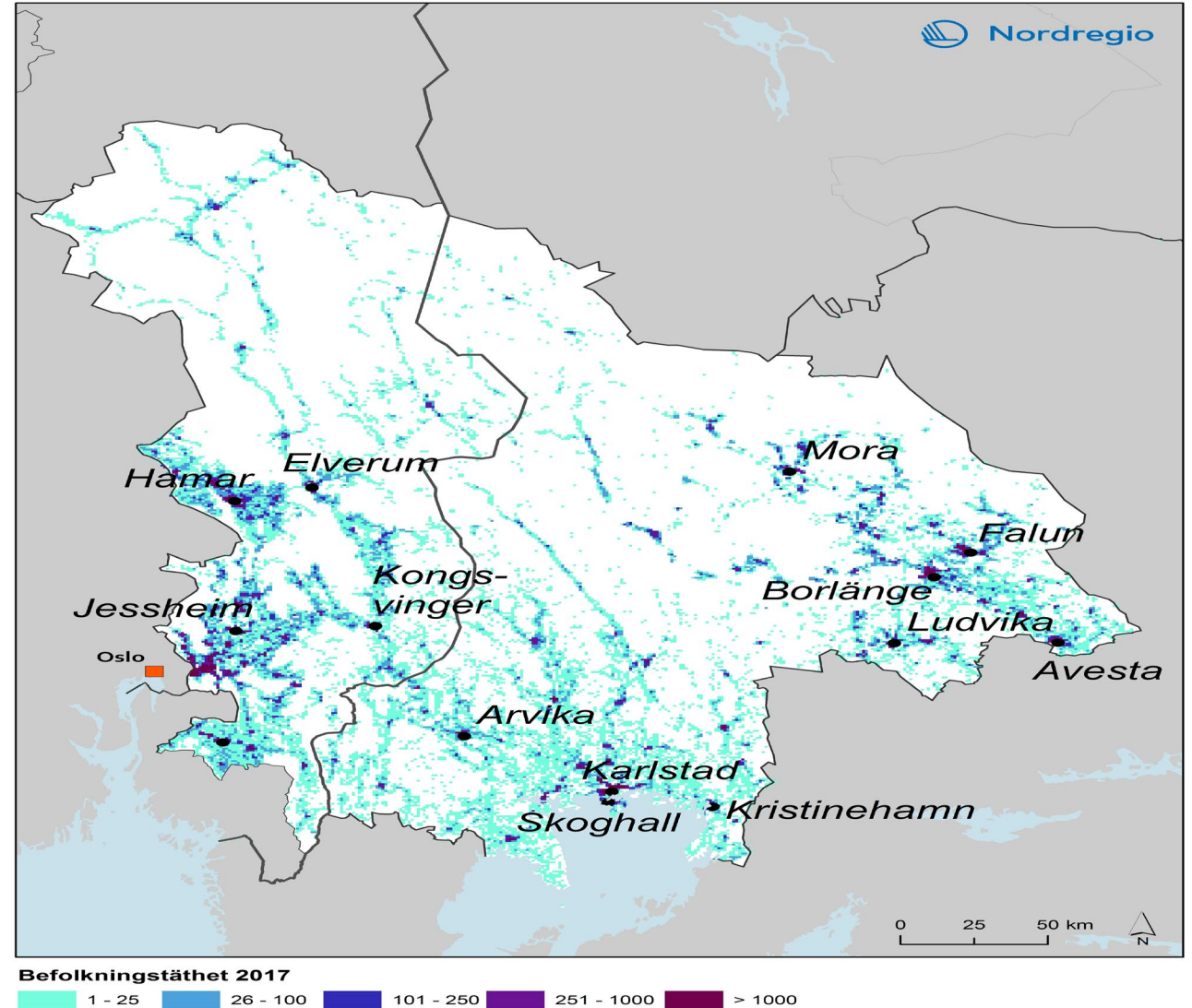
- 1.000 permanent inhabitants
- 100.000 inhabitants during winter season

Town of Trysil (Norway)

- 2.500 registered inhabitants
- 60.000 inhabitants during winter season

Sälen - Trysil cross border region

- 25.000 permanent inhabitants
- 220.000 during winter season



Decline and entrepreneurship

- A historical perspective needed
- The forest sector has historically been of major importance to the Sälen-Trysil region
- Technological changes led to reduction in value creation for forest owners and employment loss 1960-1980
- This was paralleled by a population decline of 40 percent 1960-2010
- Forest owners established a ski lift in the Trysil Mountain in the late 1960s
- The forest owners learnt that urban dwellers were willing to pay for land to set up cottages in the early 1970s



New path creation

- Through the 1970s and 80s a new industrial path based on skiing was established on both sides of the border
- It included:
 - Ski lifts
 - The preparation of tracks
 - Cabins and lodging
 - Cafeterias
 - Ski rental



Cross border co-operation

- The destinations on both sides of the border had a high market share in their respective countries in the early 2000s and realised they competed about the same tourists
- Some business owners launched the idea to co-operate across the border and together attract new customers
- On the Swedish side the long driving distance from Stockholm and southern Sweden was problematic
- A Swedish restaurant owner launched the idea to establish an airport to attract new and also international customers

The role of Interreg

- Majors and politicians from both sides of the border met to discuss how cross-border cooperation could stimulate tourism in 2010
- Subsequently the politicians adopted the idea of an airport and worked to get the necessary permissions and financing
 - The airport opened in December 2019
- Politicians and business leaders initiated the SITE co-operation model and got funding from Interreg Inner Scandinavia
- Interreg provided an institutional framework for cross border co-operation between municipalities and businesses that was activated;
 - First as a project to increase energy efficiency in ski destinations in 2005
 - Then to strengthen co-operation much wider among business and municipalities from 2011

Upgrading for international visitors

- The inflow of international visitors demanded an upgrading of the destination
- Interreg funding was used to increase skills and competences, especially among small firms offering services like dog sledging and elk safaris
- New hotels and apartments was constructed



Summer tourism

- To increase year around business and employment it was necessary to increase the popularity of destinations in the summer season
- Businesses and municipalities invested in mountain biking to increase summer traffic



Regional effects

- The internationalization of the destination stimulated the regional economy, including construction industry and a wide range of services
- What started as ideas and visions among a few business leaders and politicians led to local economic growth and immigration of people
- A small amount of Interreg funding stimulated investments in upgrading the destination
- Population decline stopped, with a small increase since 2015
 - Population change - key indicator of regional development

Population change 1960-2022, municipalities

Inhabitants	Malung-Sälen	Älvdalen	Trysil	Engerdal	SITE-region	
					Total inhabitants	Change in percent
1960	13 131	11 467	8382	1818	34 798	
1980	11 971	8348	7567	1795	29 681	-14,7
2000	10 799	7718	7069	1580	27 166	-8,5
2010	10 356	7207	6763	1434	25 760	-5,2
2015	10 036	7035	6569	1359	24 999	-2,9
2020	10 138	7031	6627	1268	25 064	0,2
2022	10 218	7042	6603	1253	25 116	0,2
Change 2015–2022 (percent)	2,2	0	0,5	-7,8		0,5

Points of reflection from the Scandinavian Mountains case

- The case demonstrates it is possible to develop a new industrial path in a small, rural region
- The *construction of regional advantage* has been the *de facto* strategy followed by businesses and politicians
- A new path has evolved without the benefit of any sort of regional related variety
- Early phase – *necessity* motivated endogenous entrepreneurship, especially on the Norwegian side
- Later *opportunity* has motivated entrepreneurship
- As a region with heavy dependency on one business sector – tourism – the economy is vulnerable when that business sector has to close down due to Covid-19
- There is a long term challenge to develop a more diversified regional economy

Thanks!

