

**Networks for Local Development:
Aiming for Visibility, Products and Success**

**Draft Thematic Report - Finland
Restructuring in Marginal Rural Areas (RESTRIM)**

Esko Lehto and Jukka Oksa

**University of Oulu
University of Joensuu
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1. Introduction

On a very general level the RESTRIM project has defined rural development as a process which brings about more diversified economy and improved quality of life. Local development actions can be understood as processes where local actors (persons, groups, and institutions) try to mobilise various kinds of local and external resources. In this chapter we are focusing attention onto those networks that have participated in significant events or turning points of local development. Table 1 lists those used as the observation bases in this chapter.

1.1. Framework for comparison

Our general comparative framework consists of the following concepts: Local practices are the starting point for development. Local practices together with the local resources, such as earlier forms of physical and human capital, are the main sources of continuities with the past, defining the given strengths and weaknesses of locality. The prevailing forms of regulation and administrative institutions set the context for the actions of the local networks. This context includes different positions in local fields of power and decision-making. Local resources are accessible for local actors and external resources may be accessible through network connections, depending naturally on the nature of the network interactions.

Networks, in our framework, are established sets of actors with regular connections, through which actors open access to some resources for other members of the network. Opening up the access to resources may be based on mutual agreements, perceived common aims, trust or common interests. The potential extent of these accessible resources can be seen to be one aspect of social capital. Social capital is constructed and used in this practical functioning of the network (see Falk & Kilpatrick 1999).

The RESTRIM case studies made in six countries have reported about various networks and their activities. The networks for development are not identical to each other. They vary in composition and scope (of social actors that make up them), in their aims, their time-span, and their practical outcomes. In our comparison we are focusing on three important aspects of the functioning of a network. 1) *the mechanisms of local development* produced or used in the networks. 2) *the scope of resources* that the network opens for its participants. 3) *the evolution of the quality of network connections*. Does the network accumulate experiences and create improved ways of co-operation or otherwise new concepts of local practices? A single project with short-term time limit may not itself have time to accumulate many lessons, but it may be a part of a longer process of local learning. At its best, a network for development may evolve into the strategic force that is able to shape the common ideas about the future of the place and to convince the people about the actions and commitments needed to get there. These three aspects of networking are - as can be seen by their definitions - simultaneously three different but interwoven parts of the process of networking. They all influence each other and together they determine the significance of the network for local development.

Table 1: Networks for development in RESTRIM case studies

Country	Network Case	Location	Activities
Finland	Sotkamo Dairy	Kainuu Region, Sotkamo municipality	An attempt to create new milk product brand and distribution network; produced visibility but failed because of hard competition.
Finland	Vuokatti Tourism and Sports	Kainuu Region, Sotkamo municipality	Sport & Tourism marketing, joint high visibility brand Vuokatti
Ireland	Making of Lake District	Counties of Mayo and Galway (Ballinrobe town in the middle of the region)	Regional visibility by launching a development enterprise, which organised events and projects
Italy	Maremma food and tourism	Southern Tuscany, Amiata Grossetano and Colline Interne (regions of 10 municipalities)	Reinventing Maremma as a regional brand for tourism and product marketing: more market visibility
Norway	Building Mountain Region	Edges of the Counties of South-Trøndelag and Hedmark	New regional unit of co-operation of municipalities in periphery; visibility as a good place to live and work, lobbying for public funds, local newspaper, tourism marketing
Sweden	Sponsoring Leksand Ice-Hockey	Dalarna Region, Leksand municipality	The visibility of top league ice hockey team is used for attracting enterprise contacts (Ice-hockey & business marketing)
Sweden	Summer-time Opera at Dalhalla	Dalarna Region, Rättvik municipality	Utilising of old quarry as a summer-time concert arena with high visibility
United Kingdom	Bed & Breakfast Network	Scottish Highlands, Isle of Skye, estates of Sconser and Elgol	Region's visibility is used for joint tourism marketing
United Kingdom	Horticultural development association	Scottish Highlands, Skye & Lochalsh	Endogenous development by recognising the transfer of local skills of horticulture
United Kingdom	Local Food Link	Scottish Highlands, Skye & Lochalsh	New logistic innovation for local food distribution; part of national Food Futures project
United Kingdom	Skye and Lochalsh Marketing Group	Scottish Highlands, Skye & Lochalsh	Launching of a new local brand "Skye & Lochalsh Pebble"
United Kingdom	Wind Farm Controversy	Scottish Highlands, Isle of Skye, Edinbane	Struggle against and for the plan to build wind turbines

We have illustrated our framework in Figure 1. The circle in the middle represents networks in action, accessing and combining both local and external resources and working in the context of administrative and political structures of the given place. The networks have also connections to the prevailing local development practices and conventions. The mechanisms of local development connect the network results to the more general development of the place.

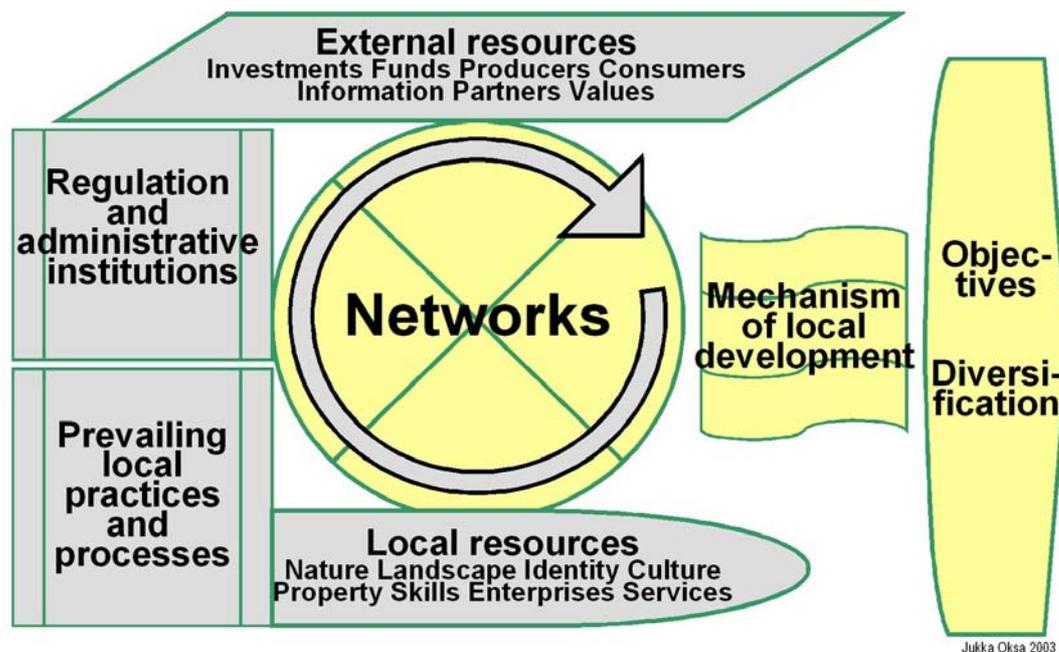


Figure 1: Framework for comparing networks for local development

We are aware of the fact that the observations that have been made in the six RESTRIM case studies, were not originally tailored to bring out these aspects. This means that we are relying on new interpretations of the original observations. Therefore our discussion and conclusions should be seen as starting points for further analysis and testing of the proposed framework for understanding social capital.

The successes of the reported networks have been of very different kind and degree. There are, naturally, differences in outcomes of single projects with a limited time span and of longer-term activities consisting of sets of projects. We try to discuss these both - single projects and longer changes - in the same framework, by focusing our attention on the mechanisms of change, that connect network activities and local development together. Even one short project may be able to instigate a new mechanism of local change (such as a new partnership or a new form of co-operation), and also larger changes may be discussed in terms of the mechanism or the set of mechanisms that has brought them about.

We have divided these twelve networks for local development that we found in the six RESTRIM case studies into three main groups. Firstly, those networks that have started to increase the *visibility* of a relatively unknown place, secondly those aiming for *new products* (including services and cultural products), and thirdly those *reorganising* existing activities around an existing successful product or phenomena. These three mechanisms seem to be like three steps following each other. A region starts with

measures to increase its visibility, which gives a boost to both new image and new identity. After that the region may start turn the regional visibility into product visibility, of which there are many examples of food products and tourist services. Good visibility may be also a resource in attracting seasonal or permanent residents or enterprises. When a place has developed strong visibility with a help of a success story of any kind, there arises an initiative to reorganise the locality around this new success factor.

2. Networking for visibility

Improved visibility of a place is important in many ways, in terms of influencing decision-making, attracting new inhabitants and enterprises, and what seems to be the most common factor in the RESTRIM success stories, visibility means growth in tourism. During the recent decades tourism has been the fastest growing, and perhaps the only growing industry in rural areas (see e.g. Hall & Page 1999). For the rural people changing from exploiting nature's resources (agriculture, forestry, fishery, and hydropower) into serving people coming from other places to find unique experiences is a huge change. The core skills needed are different. Struggles with the forces of nature have to be replaced with the skills of interacting with a visitor. In all the case study areas the local people are unanimous about the value of the natural surroundings of their place. However, the social configurations of how to build sustainable jobs and income differ. All the networks want to increase the visibility of their locality, and in some ways all of them have succeeded. However, some networks seem to have gone further down the road than others. The comparative issue could be formulated in the following way: how have networks of local development improved the visibility of their locality and what are networks doing with the improved visibility?

2.1. Trying to become visible

We start with the three networks that have taken steps to create visibility for a new area. These networks are 1) The Lake District network that wanted to promote a new area in Ireland, 2) the Maremma network in Italy, that is creating a new brand name for tourism and food products of the area, and 3) the Mountain Region network of remote municipalities located on the peripheries of two counties of Norway. These three networks have in common the starting point that they are creating visibility for a newly constructed territorial entity. Therefore, we can simultaneously follow both the process of building identity (for oneself) and an image (for outsiders).

The Irish Lake District came into being when a community development company, the Lake District Enterprise (LDE) was formed in 1997. The area is somewhat isolated because of its poor infrastructure, large lakes and mountains. Yet it is only 30 minutes' drive from rapidly growing Galway City in Northwest Ireland. Because of its little publicised natural beauty it has been called "one of Ireland's best kept secrets". (Hannon et. al. 2003, 11)

[Textbox]

Lake District Network (Ireland)

Initiated by business actors in Ballinrobe town, non-profit community development enterprise Lake District Enterprise (LDE) was founded to promote the economic, cultural and social development of the region. The LDE started to establish networking structures at the Lake District level and to promote the area as an ideal place to live and work, as well as to advertise it as a leisure and tourist destination.

Achievements: Support to enterprises and many project activities in area development, tourist business plan, rural tourism, computer training, basic infrastructure, community development.

[End of textbox]

Lake District marketing was not based on an already existing regional identity. However, there were expectations that common identity could be based on the family, school, occupational and cultural networks that radiate throughout the area. (Hannon et. al. 2003, 3)

In the Irish Lake District local businessmen did get a lot of positive visibility through various local events and happenings and supported the network through their membership fees. There was also some external financing for the projects but the support was not strong enough and long enough to establish a permanent institutional structure that would continue the work on a more permanent bases. In principle the development enterprise could have been such a structure, but it depended too much on the expertise of one project manager, who even changed during the process. In spite of a series of good events the networking process could not reach more continuous mechanisms of development than the single projects.

The process of community creation has increased individual and collective self-awareness by creating new opportunities for dialogue and by identifying common goals. At the start of the LDE initiative communities were coming together in different events, such as festivals and fairs, but later financial difficulties left LDE without a manager. In addition, it appears that there would have been more external funds available for additional projects if more local resources had been involved.

The Italian case study area of Grossetto is participating in a marketing campaign of Maremma foods and tourism services. The campaign aims at revitalising the idea of "Maremma" with the mobilisation of local enterprises and some public resources from the administration of the Province of Grossetto. The project called "Maremma: the rural district of Europe" is organised as a part of the rural regional plan for the Southern Tuscany Region (see Cecchi 2003; Cecchi & Micocci 2003). The Grossetto area consists of seven small municipalities located at the slopes of Amiata Mountains and of three agricultural municipalities located around Sorano. The resources of the municipalities are very limited. The area is remote from industrial centres. Although its soil has unused reserves of minerals, industrial development has been limited. The tourism to the region has developed slowly, too, and the region has constantly been

loosing population through out-migration. There are some volunteer organisations and networks that try to tackle social and economic issues around development, such as youth co-operatives, sport associations, co-operatives for the assistance of the elderly, and the local Chamber of Commerce. The field of civil society however seems to be rather fragmented both in terms of sectors and in terms of localities.

[Textbox]

Maremma Marketing Network (Italy)

Actors are individual enterprises in tourism and in food manufacturing, province of Grosseto, local municipalities, and local co-operatives.

Aim was to start the Maremma territorial development process in rural tourism and local food specialities.

Achievements: Co-ordination of the marketing of tourism and local food specialities with the help of the rural programme of Maremma and local development projects.



[End of textbox]

In Ireland and in Italy one may notice the absence of strong local government that could take the role of co-ordinating and pushing forwards some strategic projects. This is evidently due to the structure of local and regional administration in these countries.

[Textbox]

Mountain Region Council (Norway)

Co-operation of the leadership of seven municipalities located in the periphery of two counties of South-Trøndelag and Hedmark; also a district newspaper announced itself to be a herald of the Mountain Region. The council leadership consisted of head administrator, the mayor and one political representative of the opposition party from each municipality. In the beginning there were eight municipalities, then nine, and finally seven municipalities.

Aim was to contribute to local development by means of a new regional organisation, by jointly marketing the region as a good place to live and by joint lobbying towards regional and national state organs.

Achievements: Mountain Region Council was founded, it has supported projects like service for in-migration, forestry industry, decentralised university level education. It has been lobbying for up-keeping railway and airport services and for tax compensations for the long distance transport

costs of enterprises. The local newspaper has emphasised its role as a herald of the whole of the region.

[End of Textbox]

However, in the case of the Mountain Region Council in Norway, there was a strong presence of local government that was worried about the declining numbers of jobs and inhabitants. In this case the leaders of the peripheral municipalities tried to find new strength by uniting their forces around a new concept of the Mountain Region, and this idea was supported by the local newspaper that took the role of the voice of the Region. Again here, after the initial enthusiasm the process has not proceeded as rapidly as some have expected (Rye et al. 2003). However the external networks continue to be active and internal networks have found common tasks in organising the local public services. One may however ask, if the scope of resources mobilised is narrow and if the co-operation has not evolved into new mechanisms of development that go beyond image marketing and lobbying for public infrastructure funds.

In these three networks the achievement has been more visibility, at least on some scale, but it seems that the scope of resources that were mobilised was rather limited. The lesson from these three networks seems to be that neither public nor private resources alone are enough to go beyond the single projects of building visibility.

2.2. Working with visibility

There are examples of networks where a visibility of a region is an already existing starting point for development efforts. For example in Scotland the entrepreneurs in the area of Skye and Lochalsh have the blessing of the good fame of the region. This makes a good ground for many networks of development, some of them quite straightforward marketing networks. Of these one may mention the Skye Network of the Horticulture Association and the new Pebble brand of Skye and Lochalsh Marketing Group. Compared with, for example, the Norwegian and the Irish networks in both of these cases there is a wider scope of actors participating in the process. (see Árnason et al. 2003a.)

[Textbox]

Network of the Horticulture Association

Actors: In addition to the Horticulture Association, Local gardeners, crofters, locals and in-migrants, Highland Council, Local Development Enterprise (SALE)

Aim is to revitalise and share local skills of gardening and other local agri-food cultivation.

Achievements: Establishment of the Association and advertising its activities: shows, trial plantings, marketing of own produce (for example 'Skye Berries'), a weekly stall in Portree town, business advisor contacts for setting up new business.

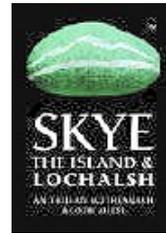
Skye and Lochalsh Marketing Group

SLMG is an umbrella organisation of businesses and other stakeholders developing an overall and more explicit brand for the area.

Aim is to reorganise marketing of local products and services by strengthening the local brand of Skye.

Achievement: launching the "Pebble Brand" in 2003.

[End of textbox]



2.3. Emerging tensions in the use of visibility

There is another network in Scotland that introduces some of the conflicts that have to be solved when intensifying joint marketing. Some of the entrepreneurs participating in the Bed & Breakfast marketing network were not happy with the standard requirements of the tourist board: "... I did object to this grading classification scheme that came in a couple of years ago... I don't think every B&B should be the same... And I think they are trying to standardise it too much. Everybody should have this and this in their room and this kind of towels, they even want wallpaper..." (Árnason et. al. 2003a, 15). On the other hand, some entrepreneurs want to move towards more professional business: "We wanted to get away from that old image, perception of a B&B being something which was a room, it is more of a business now." (op cit, 16.)

[Textbox]

Bed & Breakfast (B&B) Network (Scotland)

Actors: Crofters and enterprises running B&B services, local Tourist Board, and Scottish Tourist Board.

Aim: Intensify marketing of the B&Bs of the area

Achievements: Improved visibility and wider marketing channels. System for standardisation and classification of services provided by enterprises.

[End of textbox]

This example of networking brings out one type of conflict that networks have to try to solve, when they are building new mechanisms of local development. Here the requirements of product development encounter the earlier local practices of service provision. The new standards are seen to be important for more effective marketing, and they are one step towards defining a network product, the qualities of which are defined by the marketing agent in the middle between the service provider and the client. However, also the local small-scale producer has a point: s/he may argue that her/his product is more valuable if it maintains its authentic local specific features that are a product of its embeddedness in the family life of the host. It is a challenge to the

network, how to create a more effective product image that does not lose those local qualities that may have a specific value.

3. Making products out of place

Our second set of networks consists of those who have moved into developing products that could diversify the local economy of a rural place. Many networks in the RESTRIM case studies have been building products around the image of a place and many of these networks have encountered intricate problems. Should one develop products relying on the earlier products of farms, forests and mines, for example? How can one make product out of the authentic heritage, way of life, beauty of nature and landscape without spoiling it? Who has right to cash in on the value of culture, of landscape, of pleasant community? How do you organise co-operation and competition about the value of good image?

Although a good image of the place could be called a common good, meaning that its use does not diminish its value, there is also a possibility that its use diminishes its authenticity. There is also a risk that someone spoils the image, in which case the loss of value is also common. Good image is difficult to manage, because it is not owned by copyright holders. New users may change the image in the wrong way. In this way images may become battle and negotiation fields between different camps of users. Creating a brand based on good image is one kind of attempt to manage the use of image, because brands are owned by someone and their user rights are controlled by their owners.

To illustrate these challenges and conflicts we have chosen three networks, whose experience is of specific importance for understanding the mechanisms and issues of local development. The Finnish network of dairy product development in Sotkamo is an example of the reality of competition in an old production sector. The case of Dalhalla opera stage in Sweden shows the strength of culture for widening the network resources. In Scotland there would several networks that are good cases of market based competition build on the reputation of a place. It seems that the good fame of Sky, Highlands and Scotland is an inexhaustible source of branding. However, the case of the wind farm, proves that also this resource may an object of contradictory interpretations. The value of the good image is felt to be threatened, and the process of local decision-making may be stalled by the stalemate of contradictory camps of development.

3.1. Lost brand of milk products

The Finnish case study area was two decades ago the regional centre and stronghold of cattle and milk farming and milk processing in the Kainuu region. In those times the social networks around the dairy were strongly connected to the municipal leadership. The manager of the dairy and the municipal director had also cultivated connections to the national level policy-makers, and in practice the two persons and their networks run the municipality. The female manager of the dairy was a political

activist and a personality with strong will, and she is still regarded as the mother of the particular risk-taking style of local decision-making.

[Textbox]

Network of new milk brand in Sotkamo

Actors: Valio Ltd, local dairy, University of Oulu Bio-laboratory in Sotkamo, the municipality

Aim: To develop and market a new brand of milk products that would safeguard the continuity of the dairy and its jobs.

Achievements: New brand was created and marketed, new products were developed in the newly founded bio-laboratory, and expertise was accumulated in processing products based on milk and also on wild berries and plants. However the brand could not compete on the market controlled by Valio Ltd and the dairy ran into financial difficulties. The dairy was forced to return to the camp of Valio Ltd. (Valio Ltd is owned by 28 co-operative dairies.) Valio Ltd closed the operation of the Sotkamo dairy in 2003.



[End of textbox]

The intensified competition on the food markets has given more impetus to the concentration of the Finnish dairy processing industry. The biggest distributor of milk products is the centre of co-operative dairy mills, Valio Ltd, which has grown into a large food production conglomerate run by professional managers. Some local dairy co-operatives have been dissatisfied with the growing power of Valio. Small dairies have been closed and the members of the co-ops feel that they lose their power to make local decisions. In 1993 the leadership of the local dairy in Sotkamo declined the new collaboration agreements offered by Valio. They started to market and distribute milk product under their own trademark "Aito Maito" (Authentic milk), and they started product development of their own, for example a family of non-lactose milk products. In the development work they joined forces with some other co-operative dairies that had also declined the terms offered by Valio.

During the "milk war" the local dairy started losing milk providers as it could not compete with Valio's prices paid to the milk farmers. In September 2000, the dairy signed again an agreement with Valio whereby the dairy was leased to Valio. Only half a year later, the company announced that the dairy in Sotkamo would be closed in 2003. The closure hit hard the two hundred employees who lost their jobs. From the farmers' point of view, the closing of the dairy was not necessarily an economic disadvantage: there were other buyers for the milk and even with a better price.

The local network of milk started to break down when milk-farmers started to shift to the camp of Valio. The fight for the independence of local dairy did not appeal to them as much as better price for their milk. With raw material base crumbling the

Kainuu Dairy did not have any future. During the milk-war the trust between the local dairy and the Valio Ltd had been spoiled.

“The worst thing was this bragging about taking market shares, and the big brother (Valio) did not like that at all. We did have an alternative; we could have worked together with Valio from the beginning, which may have saved some time for our dairy. The costs for marketing efforts of the new brand were enormous, but the dairy administration took that road. Then the producer’s prices (for milk) started to go down, and some farmers changed over to the other company. This accelerated the solution.” (Tero, male 60 years)

Closing of the dairy has also strengthened the suspicions of farmers that Valio Ltd will keep on closing local dairies all over the country and that this highly trusted partner is not any more thinking about the interests of rural producers. "They did the same trick in Kuopio (another town in eastern Finland). Now only Big is Beautiful." (Kalle, male 45 years).

The networks of leading farmers have been an important political force in the municipality. Although the other sectors, such as tourism have risen and challenged the role of farmers as the backbone of local economy there are strong continuities of the farmer-based networks and institutions. The strongest among these are the ownership of land-properties and sense of local identity that is connected with farmer families' relationship to it farm and locality. Because of the rise of new growth sectors with bright future visions, however, the earlier partnership of the municipality and milk networks has been replaced by other coalitions.

The attempt to build a new milk brand can be seen as a practical attempt to find continuation for the activities of the milk network. When the development of the new milk brand was going on, new kind of expertise and research was needed. This was the starting point for a joint project with the University of Oulu, which has a Research and Development Centre in Kajaani. The University founded in Sotkamo (in the very buildings at the dairy), a bio-laboratory that specialised in the research of foodstuffs, particularly milk. The local milk “know-how“ was to be infused with state-of-the-art research expertise. When the closure of the dairy became inevitable, the laboratory specialised in other natural products, such as herbs, wild berries and mushrooms. The establishment of the bio-laboratory was a new form of networking. Some models for this co-operation came from the electronics sector. The bio-laboratory project gave the University an opportunity to strengthen its local impact, and to utilise the financing available in regional development programmes. (See also Lehto 2002.) Nowadays the activities of the bio-laboratory are to be integrated in a plan of a new high-tech centre called Snowpolis, where expertise on health, welfare and sports are connected with expertise in winter activities. This new research and development centre will be located in Vuokatti, right beside the Vuokatti Sport College.

3.2. Opera in a deserted quarry

The Swedish case study relates the story of Dalhalla Opera Stage, which begins with the old history of meteorite falling and forming the rock that first became a mine and then an opera stage. The ending of the story is a showcase example of a new cultural economy.

The process was started by a single person, retired opera singer Margareta Dellefors, who had a summer house in the municipality of Rättvik, and who was looking for a place in Sweden, where one could organise opera performances in the summer-time. Rättvik happened to have a limestone quarry that was being closed. After seeing the limestone quarry, that was planned to be filled with water, Dellefors was convinced that this was the place for the new opera scene. Initially the resistance of the local and regional authorities was like a stonewall, the idea was disregarded as crazy and unrealistic. She put her heart and soul, and what is most important, her large networks into the project. (See Tillberg Mattsson & Stenbacka 2003, 5.)

[Textbox]

Dalhalla Concert Arena

Actors: Retired opera singer and her networks, Dalhalla Friends association, Dalhalla Production Ltd. company, Rättvik municipality, and village associations

Aim: Establish concert arena in the former quarry.

Achievements: Former quarry is renovated and it is used as concert arena in summer time. Dalhalla association runs the arena. Local village associations do a lot of contracted voluntary work at the events, earnings from which can be used by the village communities.



[End of textbox]

The stage was tested in 1993, when about 200 persons from the Swedish cultural life were invited to a concert: they were "leaders of opera, people with power and useful positions and ideas". The audience was both amazed and convinced. The local enthusiasts formed a group taking the project forward. The place was given a new name "Dalhalla" which sounded better than the earlier name "Draggängarna" (Dragging Meadows) and in 1994 the premier concert was opened by the Swedish opera star Birgit Nilsson. During the first season the number of visitors was about 3000 and in 2001 (including daytime visitors) 112 000. (Tillberg Mattsson & Stenbacka 2003.)

From our point of view an interesting feature of the success story is the amazing multitude of different kinds of resources that were mobilised into the project. The network of Dalhalla is bringing together a mix of various kinds of private and public

resources, both paid and voluntary work. The municipality owns the land of the mine, while the non-profit association “Friends of Dalhalla” owns all the structures that were built to make it an opera scene. The association has agreement with a company Dalhalla Production Ltd, which runs the business and has a few employees at its office. (Tillberg Mattsson & Stenbacka 2003.)

The County of Dalarna, and Rättvik as one of its municipalities, is one of Sweden’s most attractive tourist areas, especially in summer. Some of the visitors have roots, relatives or friends there. This means that there are plenty of external contacts. This can be seen in the membership register of the association ‘Friends of Dalhalla’. Among the special category of members who have paid to get their name on a chair in the arena, the share of persons from outside and particularly from Stockholm area is strikingly high. This category of members has the possibility to buy their tickets in advance, to make sure that they can get “their own chair”. Another example of the role of external connections is the fact that the former vice Prime Minister of Sweden Lena Hjelm Wallén is, since 2002, the chairwoman of the Friends of Dalhalla (ibid).

Dalhalla has mobilised large numbers of local people through voluntary work during the season. From the very beginning, there was the idea that the locals should have a stake in the project. They should get some benefits from it, and not only the burden of heavy traffic and tearing of the roads. The solution was that the five village associations around Dalhalla started to contribute voluntary work. The villagers are working, for example, as parking guards and concert hostesses. During every performance about 50 people are needed in running the practical arrangements. These people work voluntarily but their village associations are paid, and they can later invest the money in the village, for example in village halls, a play ground or sport facilities. The social meaning of the voluntary work has many sides: people work for the good of their village, they meet other people in Dalhalla, and they see the performance. However, the matter has also another side: sometimes the commitment may be “too much” for a limited number of persons. If you are committed, it may become hard to manage the volume of your engagement. (Tillberg Mattsson & Stenbacka 2003, 5-6.)

“I am afraid that there are not so many people who are willing to engage to the same extent as we... Because Dalhalla, it can be really hard in the summer time, it can be too much and too often.” (Male representative from a village organisation, Tillberg Mattsson & Stenbacka 2003, 6)

The villages surrounding Dalhalla are small, so it is sometimes hard to find as many people as may be needed for the work. The activists mobilise friends and summer guests, who are interested in music and enjoy working while listening to the concert. While informal networks are a precondition for the project of Dalhalla to run, the activity also has effects on these networks in terms of expansion and innovation. (ibid)

Results of the Dalhalla process for local development are impressive: more tourists, longer season and new symbol of identity. Dalhalla is today one of the main tourist attractions in Rättvik and the whole County of Dalarna. The concert programme has affected the length of the tourist season. It means a lot for different businesses in

Rättvik, like hotels, restaurants and shops. Moreover, not least, it has become an important, modern symbol of identity. (ibid)

“The business, that is restaurants and shops talk about the concept "Dalhalla-days", that is when there is really much 'jingling in the cash-box'. It is all this which one has worked so long for.... but it took time until the tourist business realised or understood how much Dalhalla means.” (Female interviewee at Dalhalla office, Tillberg Mattsson & Stenbacka 2003)

The Dalhalla success story is based on a remarkable network that has managed to connect resources at various levels into the same chain of a unique cultural product. International music stars, national audience of opera lovers, regional and municipal development efforts, and voluntary village work contribute to and benefit from the process.

One feature of the Dalhalla network is that it is very focused around this one cultural product. There are some experiments to widen the co-operation into new kinds of events, for example a country music night during the “Classic Car Week” in Rättvik. Dalhalla product is highly visible and it has established its position in the internal division of labour in Dalarna County, where some municipalities have also created other specialised items of "Authentic Swedishness", such as the wooden houses around Lake Siljan and the hard breads of Mora and Leksand. Dalhalla's vitalising impacts are limited to the summer season. We do not know of any strong strategic initiatives at the county level, which could intensify and reinforce the connections between these separate products and projects in various municipalities of Dalarna.

3.3. Struggling against and for the windmills

In the Scottish case study there is a case of wind farm (electricity production) development where two camps (or networks) struggle over the use of landscape. Both networks mobilise both local and external resources, and there are contradictory interpretations about what really is the local interest.

The network defending the wind farm development consists of the landowner and the crofters of his land, who expect to get future earnings from the international company that will own and run the wind farm. They have learned to work together earlier in fish farming enterprise, that has run into difficulties. This coalition is allied with an outside company that produces wind energy. The wind farm is planned to generate 49 megawatts, which will be sold to the National Grid. This is happening in the context of the Scottish Executive having declared its intention that as much as 10% of the energy used in Scotland should in the near future come from renewable sources, which includes wind farms. (Árnason et al. 2003a, 22.)

The action group that is objecting to the wind farm proposal consists of persons who see local development in terms of tourism and amiable living environment. They argue that the wind farm will compromise the beauty of the landscape and consequently harm tourism in serious way. The sight of the high wind turbines and the

noise of the turbines would spoil the amenity of the township and the economic benefits to the community would be limited. (ibid, 23)

[Textbox]

Wind Farm Controversy

Actors are divided in two opposite camps:

- 1) A coalition supporting the proposal to build wind farm in Edinbane: multinational company Amec Wind, local estate owner and many of the crofters on this estate,
- 2) the Skye Wind Farm Action group opposing the proposal: some of those involved in tourist services, some of the new residents, some of the part-time residents and some other.

Results: In November 2002 the Highland Council's Planning and Development Committee approved the plans to build 27 wind turbines (100 metre high), electricity sub-station, site roads and borrow pits. Debates for and against the proposal took place in public meetings and in local and national newspapers.

[End of textbox]

At the public meeting in Portree at the end of November 2002, where and when the Highland Council's Planning Committee made its decision, supporters and objectors of the project were given the opportunity to make their case to the committee. The owner of the estate supporting the plan retraced his own roots on Skye: his family goes back at least 500 years on the island and many of his ancestors had been involved in positive development projects in their time. (ibid, 23)

The opponents of the wind farm suggested that the area is still influenced by traditional relationships between the landowner and the crofters. The network that instigated the proposal, objectors say, is not egalitarian and democratic. Thus one interviewee from the opponents said:

"A number of supporters of the Skye Wind farm Action Group are indigenous to this island and have supported us financially but won't put their head above the parapet because they don't want people to know." (ibid, 24)

The only people who will speak out, opponents continue, are relatively recent newcomers who are not beholden to the landlord and not raised in a culture where you do not put your head above the parapet. (ibid, 24)

As the Scottish case study so clearly brings out, both networks are making claims about the relationship to land, identity, community and history of the place. There are contradictory claims about the place of crofters. Both sides recognise that crofters

represent a kind of legitimate interest in local development and both networks claim that crofters are on their side, if not publicly, at least in their hearts. (see. *ibid*, 23.)

This contradiction may offer us some lessons to be thought about. Although landscape, cultural environment, and a way of life may be valuable resources and public goods, they may also be contested and their value may be threatened. Secondly, cultural and environmental arguments may be embedded in contradicting projects. The proponents of the wind farm plan refer to their family roots and many hundred years' long ownership of the development and progress of the place. The opponents, in their turn, refer to the continuity of the cultural and landscape values which is valuable part of their life style and economy. Both sides fear that their future earnings are threatened by the claims of the adversary.

4. Re-organising around the success

In our first category of networks the challenge was to create visibility for regions that seemed to be lacking it. Our second category consisted of networks that were creating new products that would be distinguished from others in the market place. In this process the visibility of the place could be an asset. Our third set of networks is again in another kind of position. These cases of networks try to collect local actors and resources around some already successful process, to distribute its benefits to wider networks and to strengthen it further in its success. In these cases the places have already well known success stories about events, enterprises or products. The issue is, how to widen the sphere of success to new participants. Here our cases of networks are again of different size but the mechanism of development they are seeking is similar: connecting local resources to an existing successful external connection. One of the cases is food producers' Food Link in Scotland, and the two others are networks in Sweden and Finland that try to transfer local success in sports to other sectors of the local economy.

4.1. Food with local quality

The area of Skye & Lochalsh in the Northwest of Scotland has a highly visible image of cleanliness, freshness and high quality of the locally produced fish, shellfish, lamb, beer, cheese, vegetables, herbs and fruit. The problem is that it can be difficult to buy some of these excellent products locally. As a rule the local supermarkets and shopkeepers get their supplies from central depots on the mainland or from a market in Glasgow (210 miles away).

Skye and Lochalsh has some potential to increase local production. This issue has been addressed by local groups, which aim to encourage local food production, marketing and health education. All this is highly dependent on a reliable transport system. Setting up a farmer's market or a box scheme only works if a delivery system is reliable and education has an effect if healthy food is actually available in local shops.

[Textbox]

Food Link project

Actors: Developed by Skye and Lochalsh Enterprise, LEADER II and Soil Association (Food Futures project), Food and Drink officer

Aim: Localised distribution of fresh local produce. Supporting local producers with networking & marketing opportunities, finding next stage funding.

Achievements: During the three years, 1999 – 2002, a 'Food Link' van service was set up that distributed meat, fish and vegetables from local producers to consumers in Skye and Lochalsh. Van service runs a twice-weekly collection and delivery service from local producers to local outlets including mainly catering, some retail and box scheme customers.



A mobile kitchen unit for cookery demonstrations, and discussions about setting up a Farmers' Market.

[End of textbox]

A Food Link Van is a solution of local food product transports that was developed by a group of producers across the food spectrum in Skye and Lochalsh. This local food link project has been a success and received the national award from the Soil Association as "Best New Food Initiative" in 2001. The Food Link Van project is part of a national Food Futures programme of the Soil Association. The van is particularly significant because it brought together different sectors of producers, including meat production, fishing and horticulture. It also aided in the development of a local market for these products. (Árnason et. al. 2003a, 17)

Food Link is also called Food Futures in Skye and Lochalsh. It was funded by the Soil Association, the UK government through its Community Fund, and local organisations. In Skye and Lochalsh, a part-time Food and Drink Officer (in the Local Enterprise Company) became full time for three years to work on the Food Futures project. Although Food Futures was organised and carried out locally, it relied on external funding which inevitably ran out at the end of the allocated time. There was a sense in the interviews that this model of project may be limited by the difficulties of maintaining the work that was based on short-term funding. Interviewees argued that a longer term funding would make projects like this more viable. Conflicts may also exist between such new initiatives, which arrive with large but short-term funding, and the on-going, and potentially more socially embedded efforts of more local organisations or groups. Developing food and drink in Skye and Lochalsh has been a long-standing development strategy in the area. (ibid, 17 - 18.)

The organisers of the Food Futures are still caught, as they put it at their webpage "in a chicken-and-egg situation": without a financially viable van there can be no increase in local food production and without more produce the van has no long-term viability. The Food Link van will not be self-supporting for quite a while. (See Scottish Executive 2003.)

The Food Link project is an attempt to increase the value of relatively limited production of local quality foods and it aims at the higher end of the market. It is based on innovation of food distribution (meat, fish and vegetables) and networking of producers of different production sectors and suppliers (hotels, restaurants). The local action is connected firmly with an idea created at national level and supported by funding from UK government and community fund, and partly financed by from regional level (Scottish Executive) and local funding from SALE (the local development enterprise). These external connections give it some "top down" qualities that may be a source of conflicts and that may make the maintenance of the results more difficult. (Árnason et al. 2003a, 18)

4.2. Gathering around the ice-hockey ring

Leksand is a small industrial town in the County of Dalarna in Sweden. It has been proud of its the ice-hockey team IAL (Ice-Hockey Association of Leksand) that has played in the Premier League since the early 1950s'. Two events made the town and the county rethink the role of ice hockey in regional development. The first setback came when the one and only big sponsor of the team, a big timber company Stora Kopparberg wanted to withdraw. The second one was the team loosing its place in the Premier League. These two shocks lead to reorganisation of the relationships between the ice-hockey team and the region's communities.

[Textbox]

Sport & business Network in Leksand

Actors: Ice-hockey club, private sponsors, and Leksand municipality

Aim: Contribute to local development by utilising strong ice-hockey image of the locality and creating new co-operation between sport and business for enhancing the local economy.

Achievements: Traditional combinations of voluntary work in sport events and other sport & business activities. Innovative aspects: new business meetings in sport events outside of the region and utilising the networks of big enterprise directors for attracting business to the region.



[End of textbox]

Changes in the sponsorship network was a thorough reorganisation of the team's external connection. For decades the team had been a heroic small town team supported mainly by one big company. The withdrawal of the timber company from this contract was a historical change and the construction of the sponsorship on new countywide bases was a huge accomplishment. During the next season (2000-01), the number of main sponsors increased from one to eleven, and the sponsoring revenues were more than doubled. All the sponsors have their base or origin in the county of Dalarna. The group of sponsors was given the name 'The Gold Team'. (Tillberg Mattsson & Stenbacka 2003, 33)

The second shock came in March 2001. After having played in the Premier League for 50 years, the elite team of Leksand Ice-Hockey Association lost its place there. After this the core group of the association and its new Gold Team started a spectacular rescue drive "Dalauppropet" (the Dala-Appeal). Also in this campaign the Ice-Hockey Association of Leksand reached out to the whole county of Dalarna, not only the town of Leksand. The chairman of the Ice-Hockey Association was a businessman with extensive connections, and he used them.

"The Dala-Appeal. Yes, that was also ... a bit unique in Sweden. I still had my old contacts at the newspapers, so we went around and asked them first. And we got media; well we got 150 whole-pages for free, so that we could go out there and market us. Everyone joined in, even a marketing company. It is unique, I think. So we worked with a fantastic marketing, the largest which has occurred in Swedish sports. It was also important, that when we fell out of the premier league, people felt: "Oh, they drive hard anyway". So I think, that we fell out, it was maybe good for us." (chairman of the board of Leksand Ice-hockey Association, Tillberg Mattsson & Stenbacka 2003, 33.)

The campaign also referred to the long-standing relations of trust between the sport club and the community:

"To collect money is nothing new for an association in a small town like Leksand. In this way, the artificially frozen ice-rink was built in 1956, and the ice-hall in 1965." (Homepage of IAL, Sep 9, 2002, Tillberg Mattsson & Stenbacka 2003, 33)

At the end of the summer 2001, IAL had got 2000 additional members and 700 new sponsoring firms, which had bought the so called "advertisement kit" of the campaign. Nationally famous sports-men and artists signed up for "their" team in a wide media-campaign. With the help of the additional revenues, some new players were recruited and in April 2002 the team re-gained its place in the Premier League. (Tillberg Mattsson & Stenbacka 2003, 33-34.)

The transformation of the ice-hockey networks of Leksand and Dalarna has not gone without new tensions arising. The identity of a town team was changed into a county team. The network enjoyed a common experience of succeeding in winning back the place in top league, which may have helped to foster a mutual sense of community among the businessmen of the county. These contacts were not limited to the county because the team started to organise entrepreneurs' meetings at the games in

Stockholm. Connections to prominent businesspersons are used to attract companies to the region and to create new contacts. The events and games of IAL have become a meeting place, the value of which may be reflected in the business results.

As the networks of the ice-hockey team are changing, someone has to manage the rising new tensions, like the one between business and voluntary work. Both the leaders of the team and its critics have recognised that the ice-hockey team is turning into a firm. It is a seventh largest employer in Leksand. Its results are calculated in yearly turnover (around 40 million SEK). Some of its activities were organised in 1995 into a limited company running a restaurant, conference services, a souvenir shop, and some marketing activities. The organisation of the Ice-Hockey Association itself has become more business-like: it has a managing director, who is a former elite player. The chairman of the board is a prominent local businessman and the members of the board are men (only men) representing firms of tourism, banking, insurance and the information sector. (Tillberg Mattsson & Stenbacka 2003, 35.)

However, the success of the IAL is based on organising sport activities, and it requires large amounts of voluntary participation and voluntary work. About 1000 persons are voluntary engaged in various ways. Some are unpaid coaches of junior teams. Many adults, mainly parents of boys playing ice hockey, are engaged around the teams: maintaining equipment, working in kiosks, selling lottery tickets. Others, not only parents, work voluntarily at the matches as parking guides, doormen, in the kiosks etc.

The elite team and the junior ice hockey have different budgets and the junior ice-hockey is run on non-profit bases. It is very important to inform the parents in detail about the budget. Sometimes parents of the boys playing wrongly assume that their voluntary work (for example selling lottery tickets and working in the kiosks at the matches) contributes to the costs of the elite players. (ibid)

The Swedish research team asks, if there is a danger that the commercialisation of sports, which on the one hand can have positive effects on the local economy, may on the other hand have negative effects on the building of social capital? For example, the representative of the Business Association in Leksand talks about how things have changed. Suddenly, the scouts, who have always helped at events like the celebration of Walpurgis Night (the night before May Day), expect to be paid to do so. (ibid.) The woman who is organising the youngsters' cup games in Leksand sees no drawbacks in that but she has noticed that it becomes more difficult to get people committed in voluntary work:

"I think you have to reverse a bit more in this; there should maybe not be so very much money in it ... it should become a fellowship to realise something"
(Female volunteer engaged in the junior ice-hockey, ibid.)

Nowadays, not only members of ice-hockey networks say how the ice hockey plays a decisive role in local development. This opinion is prevalent also among municipal and business representatives. (Tillberg Mattsson & Stenbacka 2003, 43)

"Leksand is a bit specific in that; we usually compare it to a myriapod (millipede), where the municipality is the backbone and the Ice-hockey Association the head, and entrepreneurs are the thousand legs." (female representative of the Business Association of Leksand, *ibid.*)

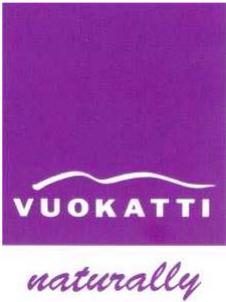
The case of the ice-hockey rink in Leksand brings out the tensions that are created when enterprise-like activity is being run with the support of voluntary work. Getting money gives new resources but at the same time it creates new divisions.

4.3. Connecting skis, spas and baseball

The Finnish Case study of Sotkamo municipality similarly relates a story of local reorganisation of networks around success in sports, in this case Finnish baseball and skiing. Sotkamo is also a small municipality with visible top league sport team. In Sotkamo we may witness a further integration of sports and rising of a new sector of economy, tourism.

In Sotkamo the decline of farming and forestry as a primary source of livelihood has been compensated for by the development of new sectors of activity, which, to put it shortly, may be described as intertwining earlier separate developments of winter sports, Holiday Club and Spa Hotel (summer tourism) and baseball. The outcome has involved turning of Vuokatti landscape into a common brand name of tourism and sports, and a symbol of Sotkamo's future.

[Textbox]
Vuokatti Network
Actors: Municipality of Sotkamo, local sport associations of Sotkamon Jymy and JymyPesis, local tourism enterprises, Sport College
Aim: Local development by new sport & tourism marketing co-operation
Achievements: Coalition of sport & tourism marketing, Brand of Vuokatti
[End of textbox]



Vuokatti Sport College, in addition to being an international centre of ski training, becomes a centre of new tourism developments. The attraction of Vuokatti as a winter sport centre is based on the combination of many kinds of winter sports: the slalom slopes and ski lifts, one hundred kilometres of cross-country skiing tracks, ski jumping hills, facilities for biathlon training and competitions, and an ice-hockey hall.

Founding of the Katinkulta Spa Hotel and Holiday Club created a large scale tourism enterprise, that is running on year-around basis as part of an international network on

holiday clubs. Nowadays Katinkulta Holiday Club is able to market itself as "the most versatile holiday and congress oasis in the Nordic Countries". Supporting this claim are its developed sport facilities (including tennis, golf, bowling, the spa, gymnastic hall, and many outdoor tracks) and the network of small entrepreneurs producing programme services, that range from moped or snow scooter safaris to overnight trips to wilderness or a visit to organic farm serving local food.

The rise of Katinkulta changed the networks of tourism marketing. The municipality-driven political culture of "one man - one vote" was replaced with business approach of "one mark - one vote". The municipality became a silent partner, while the marketing network was lead by the larger operators, Katinkulta, Vuokatti Slopes Company, and the Sport College. The smaller enterprises could buy themselves into the marketing campaign by contributing to the costs.

Katinkulta has changed the general thinking about tourism. In earlier years tourism was a way for farmers and the Sport College to get some extra income. Nowadays tourism is regarded as serious business with good future prospects. The new networks of Vuokatti marketing have brought new foresight and planning in the tourism marketing. Together the key partners sell both winter and summer experiences to the travellers. Jointly they can boast to offer both Summer (Tropical Spa Hotel) and Winter (Vuokatti and ski tube) round the year, which gives them an advantage if compared with, for instance, holiday resorts in Lapland. The marketing circle began to plan new events to fill the quiet months of the year, thus increasing the use rate of their accommodation and restaurant capacity.

The rise of the Sotkamo baseball club Sotkamon Jymy to the position of the most successful baseball team in Finland has created huge visibility. The success has created local enthusiasm, which has mobilised local people and enterprises.

"The championship game, for example in 1995 between the favourite team Oulun Lippo and Sotkamon Jymy, have been struggles between traditional centre and periphery or between the two counties." (Kolamo 1998, 59)

"These moments are enjoyable in many ways. Firstly, our audience has the experience of the game, the ecstasy of winning. The impact goes much deeper than just me or the team being successful. This whole environment, the spectators, those listening to the radio, all the people of Kainuu Region and Sotkamo get the feeling of having succeeded. This game has proved that masters may come even from such a small place like this." (Former star player, Väisänen 1997, 106)

The success of the baseball club can be traced back to earlier successes. The club had won the Finnish championship once before, in 1963. After that there was a period when the club dropped out of the national top league. At the end of the 1970s a long march towards new successes was started. The fruits of the long-term junior work were harvested in 1990, when the team won again the Finnish championship after 27 years.

With the success of the baseball team, an important turn took place in the tourism marketing networks of Vuokatti. The joint marketing circle of tourism enterprises

decided to buy the marketing services from the baseball team, which could use its media contacts and visibility as a resource.

The baseball team enterprise SuperJymy Ltd has focused its marketing efforts around the image of Vuokatti, which has become the common brand of local tourism marketing. Now sports, tourism and municipality are all using the same marketing image, Vuokatti Hill. The name of the municipality has been put in the background and the brand of Vuokatti is brought forwards in all fronts. This strategy is different from that of regional marketing.

“In earlier times they have tried to market the idea of the Kainuu Region, but people are not interested to come to Kainuu for forests (Kainuu has been imaged as a region of forests). For those living in Helsinki there are plenty of forests much nearer. We are now making Vuokatti into a brand, and in principle others may join us if they will. We are not going to join Kainuu regional marketing.” (Pekka, male, 37 years.)

In the context of the Nordic Countries the role of local government is central in local development. It has the mandate of land use planning, it has tax incomes of its own (although pressures to cut down public expenses are severe), and it is the organiser and provider of the welfare state services. In addition it offers the local forum for participation and political struggles, as its decision-making body is elected by general vote.

During the recent decades the municipality of Sotkamo has changed from a local welfare organisation into a development agency. While in the 1970s Sotkamo municipality was in the forefront of building modern health centres and social services, it is now an innovator of image construction and the development of tourism. Sotkamo municipality has been one of the main actors in organising various development projects. Vuokatti development has received a lot of resources from outside the region but to get them one also has to have local funding. The municipality is the most important source of local funding (for example matching funding in EU projects). This is a reason why local decisions and struggles about development strategies take place in the arena of municipal politics.

The leaders of the Sotkamo municipality were not very happy with the plan of regional welfare strategy of Kainuu Region. According to the municipal executive board "it defines Kainuu to be a sunset county" of the elderly. Sotkamo wants to attract people of active age who enjoy working and living in a holiday land of sports. The same emphasis can be found in the marketing of Sotkamo both for residents and for tourists.

"In our marketing we always use Vuokatti and its violet colour. Our target group is over 35 years olds who can afford to drive Volvo or Mercedes and who are living around Helsinki or Oulu. This assumed group of clients has funds and we want to collect their spare money." (Director of Sotkamo municipality)

The Sotkamo success story has the support of the many active groups in Sotkamo. Those who are satisfied with the results like to mention the growing numbers in tourism, increasing investments and good publicity. However, not everyone is happy about the rise of new tourism and recreation business. Some critics say that Vuokatti Hill area is being turned into a "tourist and sport slum". In their opinion, too much of municipal efforts and investments are channelled to tourism and to Vuokatti village, while services in other parts of municipality are declining.

The sport associations and events have brought together different groups, and given them positive experiences of working together and being successful together. However, the coalition of sports and tourism has a polarising effect on local solidarity. The sport life of Sotkamo has been divided into two camps, the national top sports consisting of skiing and baseball, and the more local and grass-roots voluntary work of sport clubs. In addition, the elite of sport and tourism seems to ignore the voices of cultural and village activists. The fields of sport and tourism are seen to be dominated by male values. The female voices are demanding more resources for rural development, for public services, and for culture. The activists in cultural groups feel that the significance of culture for good life is not recognised by the decision-makers, and neither is its long-term significance for the development of tourism and general attractiveness of the area.

5. Conclusions

Above we have reviewed the networks for development that have been reported in the RESTRIM case studies. These observations should be put in the framework of the three aspects of networking that were defined in the beginning of this chapter.

Networks that are in the beginning of building visibility for a new regional entity seem to be based mainly on local resources, with modest external resources in the form of a project or a contribution of a development enterprise. One may observe that the responsibility for local development may be taken by different kinds of actors, depending on the role of the state. In Italy there is a connection of local enterprises and a regional public programme, in Ireland local enterprises or groups and a semi-public development enterprise, and in Norway the leaders of local municipalities.

The second group of networks that are in the process of creating new products utilising the good visibility of the place, have as a rule a larger scope of resources ranging from national (even international) to regional and local levels. Often they are networks that follow the value-chain of the product from the producer to the consumer. Our cases demonstrate both risks and possibilities in new products. In the case of the Sotkamo's new milk product brand, the products themselves were advanced and of good quality, but the marketing efforts were too demanding for the available resources of the network. The network lost in the competition with bigger market players. During the struggle the old relationships of trust were spoiled and the role of milk networks in the local politics declined. Some players in the milk network moved to other networks. In the case of conflict over wind power plant in Scotland, the networks were organised in two opposing camps with contradictory interest in the value and the use of landscape.

The third category of networks is already dealing with some kind of success and is trying to reorganise local networks, to join local forces to strengthen and utilise this success. Again the amount and scope of resources may vary. The Scottish case of Food Link, consists of local food producers and a nation-wide organisation promoting organic food, and regional development agencies. The national and regional interests seem to bring new resources to local actors who want to use the successful image of the place (including good natural conditions) to improve the distribution of their product to local consumers, and simultaneously to enlarge the local demand. Here the concept of a local product of good quality is a resource, and the network has produced a practical innovation of transporting the products of the network. The external resources are brought in as a project with a limited time span, which seems to create a risk for the continuity of new activities.

In the case of Leksand Ice-Hockey Association in Sweden, the original scope of resources were local, e.g. the sport organisation with its voluntary activists and a sponsor which was a large timber company with a local office. The case study describes how the resources of the network were reorganised after two shocking events (withdrawal of the sponsor and loosing the place in the premium league). The network of sponsoring resources was widened and extended from the town of Leksand to the county of Dalarna. At the same time the nature of the network was changed to open new kinds of resources (improved connections) for the participating enterprises. The results have been a success, the hockey team is back in the premier league, but new tensions have arisen between the business-like functioning of the hockey team and the mobilisation of voluntary activists, which is recognised to be vital for the success.

[the two paragraphs above and below this note have some very interesting references to some very interesting conflicts which seem ripe for picking. Could make some more of these]

The case of Vuokatti network in Finland describes a successful process of widening the scope of resources mobilised in a network for development. The winter and summer tourism has been joined into network that is utilising the high visibility and marketing skills of the successful baseball team. In addition, the municipality is deeply involved and committed in the new strategy of development, which has however created new tensions. Villages and cultural activists feel that the strategy is concentrating too many resources on tourism and sport entertainment. The municipality has also distanced itself from the regional strategies of development, emphasising its own priorities and target groups of development policies.

5.1. Dimensions of Social capital

How do we interpret our observations about networks and their activities in terms of social capital? The aspects of networking that are used as a frame of observations can be linked with specific and separate features of social capital. *The scope of resources* that the network opens for its participants is directly connected with the *extensiveness of the social capital*. Access to resources of various kinds – knowledge and cultural resources as well as property and funding - may be opened via network. The

extensiveness of social capital is not only about the number of participants in the network nor the total volume of resources available, it is also, and may be in the first place, about the multitude of the kinds of resources available. In this sense, from the viewpoint of single actor, social capital is contributing to the activities when it brings access to such resources, that otherwise were not accessible. In some cases this may be an issue of quantity of resources but in many cases it is an issue of additional qualities of resources.

The other features of networking analysed in this chapter are related with networks way of acting and decision-making. The decision-making capability is linked to a dimension of social capital that we may call the *thickness of social capital*. It refers to the idea that social capital builds not only bridges between different resource holders, but also enables them to agree on concerted and focused action. Not only are resources combined together in creative ways to make new tools of development, but these tools are also used in a decisive way. This sharpness of action is very much based on the depth of the mutual trust and understanding of the network partners, an acceptance of the necessity and legitimacy of making decisions and practical actions without delay. It creates support for those partners who are ready to act for the assumed benefits of the network. It also allows for taking risks and accepting consequences of mistakes and failures without tearing apart the basic fabric of the network.

However, just trusting others to act and giving them loyal support, may lead to rigid path dependencies and expensive mistakes, of which we use as an example the failing attempt to win markets for a new milk product brand in Sotkamo. As important as loyalties inside network (based on bonding social capital) is the ability to process lessons and to experiment with new actions. Social capital could be used to support collective learning processes in and of the network. We have tried several words that could express the connection of the networked learning to social capital. It has to do with the agility of the network, its capacity to react to changes in the environment. It has also something to do with the sensitivity to weak signals, openness to various forms of communication, an atmosphere where disagreements and critical sentiments are encouraged to come forwards. It presupposes such levels of mutual trust that one may express differing opinions without a fear of losing one's face or credibility. It accepts mistakes as a normal part of a process where mistakes become one part of learning together. This kind of network has tolerance for conflicts and many ways of solving and dealing with them. This kind of trust may grow out of long experiences of successes and failings. In terms of the qualities of social capital this collective learning capability could be connected with the *vividness of social capital*.

We can condense our general conclusions based on the RESTRIM cases into three sentences: 1) The multitude of network resources produces extensiveness of social capital, which widens the possibilities of network members for accessing and combining resources to be used for common activities. 2) The general trust and mutual understanding of network members, called here thickness of social capital, enables decision-making and effective action inspite of conflicts and different opinions. 3) The relaxed and open forms of communications, a vivid motion of social capital in the network, supports collective learning processes, which in turn enables flexibility and creativity of social practices.

If we combine these three dimensions of social capital, we see that social capital has many faces, and it may have both positive and negative impacts on local development. At the one end of the scale there is social capital that is narrow, thin and stagnated and at the other end of the scale there is one that is extensive, thick and vivid. Extensiveness brings in resources, thickness creates trust and enables effective and risk-taking decisions and vividness gives flexibility and helps to learn from experiences.

5.2. Skills of constructing social capital

Some general lessons may be drawn from comparing the local networks for local development. First one is the idea of virtuous circle of social capital (Warner 2001, cited in the Irish chapter by Hannon & Curtin). According to this idea, the communities with strong voluntary activities with autonomous relationship to administrative structures, are able utilise initiatives and resources coming from the state for strengthening the horizontal networks of their own. Respectively in those communities where local networks are depending on the authorities, new external resources tend to enforce the existing social dependencies and contradictions.

Second general observation is that successful networks for development manage to put together factors that seem to be contradictory. From Restrım reports we may list several opposites, the balancing of which seems to be related with the above mentioned virtuous circle of social capital: external and local resources, commercial and voluntary activities, official and unofficial organisations, common image (identity) and commercial brands, short term flexibility and long-term strategy.

Thirdly, it is important that networks have a central node, or network of networks, where all the creativity and effectiveness and resolutions of conflicts is taking place. It is evident that this network of networks may be maintained by different institutional structures, such as local government or local development enterprises.

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