

Editor Berit Willumsen

# NIBR Summaries 2008

## Forord

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# Blåfjella – Skjækerfjella/Låarte – Skæhkere

## Evaluation of an administrative trial of local management in a National Park

**By Eva Irene Falleth, Sissel Hovik and Camilla Sandström:  
NIBR Report 2008:1**

Much local criticism has been directed at the national nature conservation authorities and their policies. Parliament has called for wider involvement of local communities as a means of encouraging wider public support for nature conservation. Consequent to this, local administration were devised for smaller protected areas, and Parliament did in 1996 propose trials with local management in larger conservation areas. The Nature Management Directorate has since 2001 initiated four such projects, each modelled on a different organisational template.

One of these test cases was the Blåfjella – Skjækerfjella/Låarte – Skæhkere National Park. Here, management of the park was divided among the five affected local councils, the county governor's office and reindeer industry authority. A national park council was appointed comprising representatives of the various parties and chaired by the County Governor. A technical committee was also put in place. The county governor functions as the trial's secretariat. At the request of the Nature Management Directorate NIBR evaluated the trial between January 1 2005 and 31 October 2007.

The evaluation found that the local authorities meet the statutory administrative requirements placed on a conservation authority. Despite highly incompatible interests and lack of trust between the parties involved in the trial, a management plan was drafted and approved and administrative routines performed.

Environmentalists, outdoor recreation advocates and the Sámi reindeer keepers all found the management plan and the procedures in the municipalities to be lacking in some respect. Whether decisions are likely to benefit the environment, not least dispensations allowing travel by snowmobile to and from private cabins are a disputed matter. And the number of snowmobile dispensations is of concern to some. The Sámi reindeer keepers have also criticised dispensations granted for commercial tourism in protected areas.

The national conservation authorities, local councils and reindeer keepers all have their own interests to safeguard. The reindeer keepers decided to boycott the trial. Many of the trial's central players have lobbied the Government and Parliament. The national authorities have amended the rules several times in response to these delegations in relation to both the protected area and the trial itself. In light of the opposing interests, lack of trust among the parties and obscure rules, some of the

trials intended targets were not achieved. Apart from this, the conflicts are so heated, it makes it difficult to define the success of mode of management. The trial has become a new arena where old conflicts are taken place. In that sense, the trial entrenched divisions, rather than diminishing.,The conflicts seem to have been exacerbated during the trial.

### **The duties and requirements of the authorities**

The local authorities need to meet certain requirements and specifications to run the trial. These include a duty to draft a management plan, assess needs for intervention and information, approve/dismiss dispensation applications and report lack of compliance with or infringement of conservation regulations. In general, these requirements are met by the partners. Local municipalities collaborate with each other and the county governor and reindeer industry authority on technical and administrative matters. The partners found these concerted efforts to be highly productive and useful.

The Directorate for Nature Management approved the management plan drafted by national park council in November 2006. This work lasted two and a half years, firstly because local councils and the public wanted the plan to allow for a margin of freedom to utilize the park, mainly travel by snowmobile to and from private cabins, commercial tourism and designated utilization zones in the park. Negotiations were therefore initiated with the local councils and the directorate. The plan took time to draft also because relations with the Sámi reindeer keepers lacked clarity. Insofar as the conservation process had not considered their concerns, the reindeer keepers chose not to participate in the national park council and the drafting of the management plan.

Steps were taken in collaboration with the national park centre in Lierne to disseminate information. Access ports were set up for each of the local councils and a webpage for the national park and recreation authorities. The trial's management has not spent much time on inspections and interventions, which has to do with the fact that the trial has lasted only three years.

The authorities process dispensation applications in compliance with the conservation regulations. There is little environmental crime in the area, and the few episodes that have occurred were handled satisfactorily by the inspectorate, local council and landowner in concert.

The Directorate for Nature Management has supported the trial economically. The local authorities have received financial support. Central government money was allocated for information efforts (national park centre), management and inspection (Norwegian Nature Inspectorate, Mountain Councils) and cultural initiatives (South Sámi Culture Centre). Local councils would prefer conservation funding not to be managed by various state bodies and allocated to various local institutions and causes. An integrated grant would be better in their opinion. According to the local councils, the allocated money is insufficient given the extra work required by this new executive function. The Directorate for Nature Management would like to see more money set aside for nature conservation in general, but having said that, the sums allocated to the four trial areas are very substantial, at least when compared to monies allocated to conservation areas managed by the county governor.

### **Use and conservation**

Management should proceed in a manner best suited to the aims of the conservation order and national nature conservation guidelines. The management plan is meant to give tangible expression to these regulations and criteria. Management means to weight the various interests of conservation and use. Conservationists are unhappy with the readiness with which the authorities grant dispensations, particularly when they involve the use of snowmobiles and commercial tourism in the protected area. Inflexible conservation regulations constrain use of the park, according to the communities and local councils. Whether the authorities' discretionary margin is practised in the best interest of the protected areas is therefore contested locally. Many conservationists are surprised by the leniency of the management plan's rules and regulations.

Both the reindeer keepers and local rural interests want to see priority given to their own (highly disparate) wishes concerning use of the national park. Both groups see themselves as proven stewards of the land, an opinion which, however, is not universal. On the contrary, the Sámi reindeer keeper's and rural interests' use of the national park is often inconsistent with the purpose of conservation. In fact, according to critics, it undermines the beneficial effect of area conservation. Environmental, recreational and reindeer interests are particularly critical of the frequency of snowmobile traffic to and from private cabins. The reindeer keepers are unhappy about commercial transport as well. Others voice criticism of the reindeer keeper's use of motor vehicles, which they suspect to be used more than commercial reasons would dictate.

### **Support for conservation**

One of the aims of the trial is to encourage democratic governance. Transferring responsibilities from the state to local councils encourages democratisation because decisions which used to be taken by bureaucrats with weak political ties are now taken by elected local representatives. Local user groups did take part in the drafting of the management plan through seats in the national park council and through local working groups. All the same, local organisation heads deny wider knowledge of the plan. The Sámi reindeer keepers' decision not to take part in the process presents another challenge, given the importance of the industry. In their view, however, the manner in which stewardship is organised has no legitimacy.

The trial was also meant to encourage support for nature conservation in the implicated communities. A survey of local politicians and local organisation heads indicates that the trial has not made the public more enthusiastic about nature conservation. Far from it, there are indications that conservation is more controversial now than ever. Critics are more critical than they were, advocates are more in favour. This has probably little to do with the way the authorities perform their duties as conservation authorities. Most of the respondents in this survey entertain the same opinion as before about local management, but more intensely – or at least no less than before. As the interview data tell us, however, certain groups are sceptical towards both the management model and management in practice. The trial has therefore been unsuccessful in creating wider local support for governmental conservation policy and facilitating an integrated local policy for sustainable nature conservation.

## **Performance**

Measured in the time required to process an application, the local management trial is efficient. A few days is all that is required for most applications. In general, local councils have assimilated management responsibilities for the national park into their normal administrative routines. Learning how to handle a new executive responsibility is something all authorities have to make allowances for. The same applies to extra work in connection with management planning and attendance at meetings of the technical committee, national park council and various committees. After a start-up phase and approval of the plan, the management of a conservation area requires added input in the form of meetings, inspections, information/publicity, processing applications for which dispensation was not required previously (including organised transport). Several local councils have adopted a pro-active approach to the trial, taking part in the design of the management structure, role delineation and policy making. This is input from a wide range of people over and above whatever executive duties they may have.

## **Serious differences of opinion**

The trial has not eased heated relations nor encouraged a wider climate of trust between disparate interests. This animosity is largely a legacy of entrenched divisions of opinion regarding nature conservation and dismay over what was perceived to be a closed conservation process. Certain views seemed to be preferred in the conservation process, and affected the selection of organisation model and content of the management plan. Snowmobile use by owners for travel to and from private cabins and commercial transport for tourism activities are two iconic examples. Lobbying by environmentalists, outdoor recreation advocates and the Sámi reindeer keepers was less successful, whether the question concerned the size of the national park or which activities should be permitted in the park.

The reindeer keepers welcomed the conservation idea initially, which they saw as a way of protecting reindeer pastures from unwanted disturbance and interference. In the end, however, they felt overruled by the County Governor when the national park turned out to be smaller than proposed. It is a paradox in their opinion that the park did not encroach on land used by opponents of conservation. In other words, responsibility for managing the national park was given to the opponents of the park, represented by the local councils. The Sámi reindeer keepers, whose stronghold is inside the national park, feels disempowered when it comes to influencing management decisions through the national park committee. This is why they decided not to take part the trial. They have called for a clarification of their rights under international agreements (ILO Convention) in relation to the management of the national park.

## **The road ahead**

Whether local management can survive in this climate of dissent over nature conservation and the Sámi reindeer industry is an open question. The trial requires collaboration between the authorities, rightsholders and user groups. The management model, where decision-making is by majority vote, has not led to accommodation with minority interests such as those of the reindeer keepers, environmentalists and conservationists. Achieving a form of management, which is

felt to be legitimate by as many of the implicated parties as possible, is a challenge for the managers of the trial. There is a need to resolve disputes and build confidence. But to get there, parties need to work together on local strategies. This is precisely what they are not doing at the moment. But a local strategy can only work if the government sets out in a clear and consistent way a regulatory framework which local players can relate to and rely on, rather than changing the rules every time a pressure group calls for change.

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# Connecting with youths at the margins of welfare state

**By Erik Henningsen and Nora Gotaas, in collaboration with Marte Feiring  
NIBR Report: 2008:2**

The report is a study of municipal outreach youth work. The thematic focus of the report is on professional practices, forms of collaboration and forms of documentation in outreach youth work. Outreach youth work in Norway was established at the end of the 1960s. The outreach service has traditionally had an independent role within the public welfare services and as a field of professional practice it is characterised by a low degree of formalisation. Knowledge and skills that are central to youth outreach work are, to a large extent, reproduced, through verbal communication and through practice. Today, outreach workers must to an increasing degree associate themselves with the demand for collaboration with other public authorities, the demand for documentation of activities and with demands to change the focus of outreach work towards prevention and early intervention work. Recently, initiatives have been undertaken to professionalise outreach youth work, including the founding of an university college study programme in outreach youth work. The principal objective of this report, is to analyse and consider different aspects of outreach youth work and thereby contribute to the development of professional practices. The empirical basis for the report is a series of case studies NIBR have carried out in 2007 at the Outreach Service, Bergen; the Outreach Service, Modum; the Outreach Service, Tromsø; and outreach youth workers from the Youth Team of the Child Welfare Section of Søndre Nordstrand. The different studies reflect variations encountered within the field of outreach work, regarding, among other things, the size and form of organisation of service units. The case studies are based on qualitative research methods, such as participant observation, personal interviews, group interviews, and literature reviews.

Chapter 2 presents the four outreach youth work service units which are featured in the report. Accounts are given of each unit's history, the target groups they relate to, the educational background of their staff members, the units' organisational structures and arenas that are central in their activities. In addition, socio-cultural characteristics of the four locations are described. The chapter shows that outreach workers operate under diverse conditions, e.g. with regards to their access to public arenas that are suitable for outreach youth work. While, for example, the field workers at the Outreach Service in Bergen devote much of its activity to outreach work at different meeting places for young people in Bergen city centre or in central areas of the municipalities, there are few comparable arenas in Modum municipality.

Chapter 3 describes and analyses different aspects of street based outreach youth work, and draws on empirical examples from Outreach Services in Tromsø and Bergen. Outreach youth work is informal in character and takes place in variable arenas. Knowledge and skills associated with outreach youth work often have the form of “tacit knowledge”. A principal objective of the chapter is to present an account that renders such forms knowledge explicit and examine professional practices that rest on such knowledge. The first part of the chapter describes attitudes and morality which is invested into the fieldworker role, and the ensuing tendency of mystification of the fieldworker. The chapter underscores three objectives that form the basis of outreach work: the objective of building relations of trust between fieldworkers and marginalised youths, the objective of acquiring knowledge about the living conditions of marginalised youths, and the objective of providing assistance from responsible adults to youths in the target population of the outreach services. Central to this chapter is an ethnographical account of street based outreach work in city centre of Tromsø. The account highlights dilemmas and antagonisms that characterise outreach youth work, including those connected with field workers’ wish to avoid intruding on young people or stigmatising young people. Field workers display mastery of social conventions and symbolic codes of youths they interact with. At the same time they signal difference from youths in accordance with their role as responsible adults. The ability to balance these concerns is essential in outreach youth work. The chapter further considers the tendency for outreach youth work to take the form of surveillance, and field workers’ acquired recognition skills for the “youth target group”. The chapter describes and considers practices among field workers related to the idea of “good conversations”. Finally, the chapter describes “the gaze of concern,” a tendency among field workers to dramatise public arenas and points to mechanisms that produce and sustain this frame of understanding.

Outreach youth work is not limited to street based forms of work. Chapter 4 describes other arenas where field workers interact on a face to face basis with youths. “Open house” events are an important part of the activities of some of the outreach service providers described in the report. The report describes differences in the way these events are organised, and highlights the dilemma related to the circumstance that younger teens can build relationships with older and more troubled youths on these occasions. Another important arena for contacts between field workers and young people are activities. These range from weekend trips to holiday cabins to sports activities such as football or climbing and occupational and educational activities such as film courses or work training programmes. In this connection, the report emphasises three reasons for the use of activities: First, the activities make leisure pursuits available to young people that would otherwise be excluded from them. The activities are free and organised to achieve an optimal degree of accessibility for troubled youths. Second, the activities are designed to give troubled youths a sense of achievement, to improve their self confidence. Third, the activities provide an opportunity for field workers to build a position of trust and confidence with young people. The chapter emphasises shared participation in activities over time as a way of establishing relations of trust between field workers and youths. In conclusion, the chapter describes different forms of case work with youths. Here, dilemmas related to whether these engagements should be in the form of short term mediations or in the form of long term therapeutic relationships are

highlighted. Following this discussion, the report describes three ideal models of the field worker role that are encountered in the field of outreach work: “the mediator,” “the therapist,” and “the knowledge producer,” which in turn can be related to different strategies of prevention.

Chapter 5 analyses collaborative relations between the outreach service providers and other public support services, using the Outreach Service, Modum and The Outreach Service in Nordstrand Municipality, Oslo as examples. Demands for coordination and collaboration across organisations is a pervasive feature of contemporary society, as a dominant logic of production and as a normative ideal. The first part of the chapter considers the increased emphasis of collaboration and coordination in the context of the welfare state, and with reference to theoretical accounts of the evolution of the network society. In this connection, the report notes that the widespread transition from hierarchy to network forms of organisation, serves to heighten the importance of trust as a basis for collaboration between organisations. The chapter notes how the growth in problem definitions within the welfare state leads to new forms of specialisation and hence, new demands for coordination. The chapter describes different examples of collaboration, and the absence of collaboration, between the outreach services and other public institutions such as schools, the police, child protection agencies and leisure clubs. It emphasises how differences in the outreach services framework conditions influence the differences in collaborative relationships with other public institutions. In addition to the size and characteristics of the local community, of particular importance are whether the provider is organised as a leisure model/youth contact, child protection agency/team model or is an independent unit within the support system. The organisational forms influence choices of methods used in the work, which in turn influences the collaborative relationships.

Chapter 6 describes different practices of documentation at the four outreach service providers. In Tromsø and Bergen, the outreach service workers produce extensive written documentation of different aspects of their activities. Both organisations are relatively large and offer services to a large number of youths/clients. Documentation practices at these two units are rooted in several specific concerns: first, by a need for management control; second, by an ambition to provide professional client services; and third, by an ambition to produce knowledge regarding living conditions for young people within the target groups. The chapter describes systems employed by the two units, such as field reports, client journals and survey methods. The chapter notes how both units until recently have struggled to find IT-tools suitable for their needs. The chapter relates findings from the two studies critical analyses of the use of documentation and auditing systems as a part of New Public Management reforms. The chapter further consider the question whether these practices are motivated by practical or “ceremonial” concerns. Staff at the Outreach Service in Modum and the Outreach Service in Søndre Nordstrand, municipality of Oslo, document significantly less of their activities. One reason for this may be that these two units are much smaller than those in Tromsø and Bergen. Information regarding ongoing activities can be communicated effectively between the workers orally. Further, the units do not have the resources to prioritise extensive documentation work. Another reason why the Outreach Service in Modum and the Outreach Service in Søndre Nordstrand document less is that the work in the two

units is more flexible and unpredictable with regard to tasks. The chapter also discusses how surveys of youth environments in small local communities have the potential to influence a local communities' self understanding.

Chapter 7 summarises findings described in the report and discusses these in the light of emergent trends within the field of preventative youth work. Outreach workers no longer appear as the "advocates" of youths and "opponents" of other public institutions, but rather as mediating agents between youths and the public welfare services. The activities of the outreach services are increasingly directed at younger target groups, and is moving in the direction of preventative and early intervention work. The report warns against tendencies of erosion of the outreach workers' tradition of respecting young people's autonomy. Further, the chapter describes emergent tendencies of de-politisation within the field of preventative youth work. Based on this, the report emphasises the importance of the outreach workers being exponents of a "sociological" preventative strategy. The report further highlights the demands for diversification of the outreach workers' target groups and arenas for interaction with young people.

# The "Critical Urban Areas" Programme in Portugal

- first assessments

**By Einar Braathen, Elsa Lechner, Marit Ekne Ruud and Susanne Søholt**  
**NIBR Report: 2008:3**

**Background and overview of the CUA programme.** During the second half of 2005 the Portuguese government presented its programme proposal 'Critical Urban Areas (CUA) Initiative' to, and obtained partial funding from, the EEA Financial Mechanisms. The CUA Initiative is coordinated by the Portuguese government's Institute for Habitation and Urban Rehabilitation (Instituto da Habitação e da Reabilitação Urbana, IHRU). The programme is a result of an innovative planning process in 2005 and 2006, based on strong participation methodologies and territorial approaches. It is being implemented in three specific neighbourhoods.

The goals of the programme are to: (i) contribute to the social, economic, educational and cultural development of disadvantaged neighbourhoods; and (ii) develop the organizational and methodological framework as part of a national learning process.

**The research approach.** NIBR was commissioned by the Royal Norwegian Ministry of Foreign Affairs to initiate research on the CUA programme co-funded by the Norwegian government through the EEA mechanism. The principles of Formative Dialogue Research have been applied: A research team has followed the programme over a specific period of time, collecting and analysing their own data. A dialogue was facilitated, providing feedback of results to the different stakeholders in the programme process, the ministries and agencies responsible for the funding and the implementation of the programme, as well as local residents' groups. The report in practice presents a baseline study of the local situations and their national contexts – after the programme has been planned, but before implementation.

**The European agenda for multisectorial urban renewal.** Chapter 2 provides a background of the mixed Portuguese and European Union policy contexts that have influenced the CUA Initiative. In the EU, a consensual definition of, and focus on urban critical areas has emerged: spatial areas that are subject to more social stress (e.g. through overpopulation, degradation of the habitat and life conditions, pollution, unemployment, crime), and hence, to more public concerns than other spatial areas of a nation's urban population. Multisectorial urban renewal is now practised in most European countries, and these urban policies have merged with the 'integrated social policy' approach. In this context, the CUA initiative is not unique.

However, it focuses on suburbs of quite recently built large estates as well as non-regulated/informal settlements. Moreover, the Initiative builds on the understanding that Europe has not yet found the solutions to the social inclusion challenges, and that the CUA Initiative should contribute to further policy innovation at the European level, for example in the area of ‘inclusive entrepreneurship’.

**The three ‘critical urban’ territories.** Chapter 2 also depicts some of the social backgrounds of the three neighbourhoods selected to be pilots in the CUA Initiative. The report draws partly on the situational analysis (‘diagnósticos’) produced at the participatory planning stages of the CUA Initiative.

- Cova da Moura (Lisbon Metropolitan Area): the most stigmatized area in the Lisbon region – an informal neighbourhood (approximately 6000-7000 inhabitants, of which 70 percent are from Cabo Verde). About half of the population is under 20 years old.
- Vale da Amoreira (Lisbon Metropolitan Area): social housing area (224 hectares and 13 522 inhabitants) – has benefited from significant investments in physical rehabilitation since 1995. The area is in need of initiatives that can generate more social and economic dynamics.
- Lagarteiro (Oporto Metropolitan Area): social housing area (approximately 2000 inhabitants) – 40 percent of the total population is under 24 years old and suffer from a low skills base, high levels of unemployment and drug addiction. The area is characterized by degradation of its general and built environment.

One of the questions discussed is why the three neighbourhoods were chosen to be pilot areas in the CUA Initiative. According to the report, it seems there were national and local politics involved. The three municipalities containing these neighbourhoods are governed by a wide range of political parties, thus possibly ensuring the political sustainability of the programme.

**Complex multi-actor & multi-level governance.** Chapter 3 describes the development of the CUA Initiative, and the organization of the programme. The chapter also gives a brief overview of the organization plan and of the local and central implementation. In the end, the chapter deals with the financial model in the programme. About 15 per cent of the funding stems from the EEA Mechanisms. Seven ministries are involved in the planning and implementation of the project. The municipalities are also very important, and they are supposed to finance almost half of the programme investments, particularly those related to physical and infrastructural renewal. Problems in getting the national and municipal levels of government to agree on the financial issues have contributed to some delay in the programme, particularly in its Oporto (Lagarteiro) component. Finally, the residents of the neighbourhoods are to participate actively in the planning and management of the programme. The resident representatives do not always have an easy relationship with the Municipality, as the case of Cova da Moura in Amadora shows. In this complex political-organizational set-up, the coordinating body – Institute for Housing and Urban Rehabilitation (IHRU) – may have the upper hand in the programme, chairing each of the local CUA Executive Committees, and employing each of the local Project Leaders. Moreover, the way of ensuring resident representation in the Executive Committee faces challenges in handling the different

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local situations. While the residents in Cova da Moura are very vocal, and their representatives highly dissatisfied with having been allocated only one joint seat in the Executive Committee, the residents in Vale da Amoreira have not yet nominated any joint representatives of their own.

**Cova da Moura: a special case.** Cova da Moura was selected for an in-depth case study, not because it is one of the most stigmatized neighbourhoods. Rather, it was chosen because it was the only CUA neighbourhood where the local representation in the management structure was in place. Chapter 4 presents findings from the Cova da Moura case study. The chapter starts by presenting local voices, as an illustration of the conditions of Cova da Moura today. Then the chapter deals with local organizations and their role in the CUA programme, and the experiences so far from the local key actors as well as from the non-local stakeholders. A focal point is the experience from the Steering Committee's way of working. In the end of this chapter, some possible dilemmas in the governance of the CUA programme in Cova da Moura are discussed. The intervention programme may change the economic, social and political structure of the neighbourhood in a way that may cause increased conflicts in the future.

**Challenges ahead.** Chapter 5 suggests a few conclusions, in addition to some alternative strategies and perspectives in this kind of intervention programme. The progress of the programme varies considerably between the three neighbourhoods: Lagarteiro – no implementation to date (by the end of 2007); Vale da Amoreira – relatively fast implementation with the Executive Committee in place, but not yet with residents' representation; Cova da Moura – late, but fast and dynamic implementation. The chapter also presents some further challenges for the CUA programme in Cova da Moura. Finally some further research questions are posed. One set of questions is linked to the long-term effectiveness of the programme, depending on issues such as the legitimacy of the local Executive (Steering) Committee, local ownership, and residents' effective representation. Another set of questions concerns how certain structural relationships influence the programme, e.g. the local associational network (its cohesion, capacity to mobilize), the trust relations between the municipality and neighbourhood, and the relations between the central government and specific municipal leaderships.

# Building Neighbourhood: Evaluation of Barents Secretariat's grant programme

**By Jørn Holm-Hansen, Aadne Aasland and Elena Dybtsyna  
NIBR Report 2008:4**

On behalf of the Norwegian Ministry of Foreign Affairs (MFA) the Barents Secretariat distributes public funds to bilateral, regional projects between Norway and Russia within the Barents Euro-Arctic Region. Altogether, 2800 projects have received funding through the Barents Secretariat since 1993. The overall objective of the Barents Secretariat's grant programme is to create cross-regional trust and welfare. In the early years of the Barents co-operation cross-regional interaction in itself was highly valuable. This evaluation covers the years 2002 – 2006, a period in which the project co-operation has become more focused on attaining particular goals set by the project holders.

The co-operation concentrates on five areas of work:

1. Business development
2. Competence-building and education at all levels
3. Environmental protection
4. Welfare/Culture
5. Indigenous people

The evaluation made use of two major methodological approaches, a quantitative electronic survey among project leaders and participants, combined with qualitative case-studies of 14 projects.

## **The scope**

The web-based survey indicates that more than 70 percent of the projects involve competence-building and education, one of the five priority areas for projects funded by the Barents Secretariat. More than half of the projects include welfare issues or culture. More than one third includes commercial issues and a similar proportion environmental protection. About one out of four projects involved issues directly pertaining to indigenous peoples. In other words, there is a good distribution of projects on the priority areas, and a great deal of thematic overlap within each individual project.

Most of the projects supported by the Barents Secretariat are mostly bilateral, involving at least one Russian and one Norwegian partner. More than one third of the projects involve one Norwegian and one Russian partner only whereas more than

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half the projects involve more than one partner from each of the two countries. About three in ten projects involve partners from other countries as well.

Survey data confirm that competence transfer and capacity building are important elements in the projects funded by the Secretariat. Competence transfer from Norway to Russia is more common than the other way around, but the difference is perhaps smaller than could have been expected. Nine in ten of the projects include transfer of competence from Norway to Russia at least to some extent. Transfer the other way round takes place in eight out of ten projects, according to the respondents. Russians are more likely than Norwegians to say that there is competence transfer from Norway to Russia, while respondents in both countries give more similar evaluation of the extent of competence transfer in the other direction.

Two third of the projects involve development of professional networks to a great extent. In fact, hardly any project does not include elements of network-building.

Co-financing seems to be the rule in the projects that receive funding from the Barents Secretariat. One in two projects has less than 40 percent of their funding from the Barents Secretariat, according to the survey. Only one in four had more than 75 percent from the Secretariat, and 14 percent of the respondents stated that the Barents Secretariat was their only source of funding.

Despite not being the only or even major financing source for the projects, the funds from the Barents Secretariat are important for the projects. Only two percent of the respondent reported they would have been fully capable of carrying out the project without the funding from the Secretariat.

Material support is not considered a priority in the project portfolio. Nevertheless one in five projects has included material support to a large extent, and in half the projects to some extent. Project that started up recently include material support to a much smaller degree than those started up previously. The economic situation in Russia has improved according to more than two thirds of the Russian respondents.

What are the outcomes? Almost all respondents answered that the project had been (very or rather) successful in reaching its goal. Of course, the answer will not be found solely by asking the project leaders and others involved. Nevertheless, they may give an idea of what objectives that have been reached. Almost all respondents answered that the project had been very or rather successful in establishing Russian-Norwegian contacts and networks, of which about 45 answered "very successful". The percentage of respondents answering that the project had been very or rather successful in establishing regional and international networks was about 85, of which about 30 percent found it to be very successful.

Questioned about the most important impacts for their own project, no less than 88 percent answered "learning about Norwegian/Russian experiences in the field". This must be said to be a positive finding since exchange of knowledge and exposure to each others' practices are conceived as basic elements in the programme theory of the Barents Secretariat's grant programme .

The projects are relatively small, and effects depend on good dissemination. Only 15 percent found the project to have achieved this, although the number indicating at least a certain level of success in this respect is high.

In some cases the project leaders experience that projects simply stop, are delayed, or have little progress on the other side of the border. In fact, a majority of the respondents (55 percent) had experienced such situations. Among those who had experienced them, altogether 42 percent said they were rare incidents while 14 percent ascertained that they had happened often. Two thirds of the relevant respondents had confronted their partners with these occurrences.

The Barents Secretariat administration plays an important role for project implementation. One of two respondents had had contact with one of the offices several times a year, while one of five had contact on a monthly basis or more often. Russians were over-represented both among those with most and those with least contact with the offices. The respondents were asked to indicate with which office they had had most contact. Altogether 62 percent mentioned the Kirkenes office, 13 percent Murmansk, and eight percent Arkhangelsk.

The respondents were generally satisfied with the performance of the Barents Secretariat administration. The respondents appreciate the programme staff. Both for its accessibility and flexibility no less than 60 percent were very satisfied. A similar score was given for application procedures. The content with the information about the funding was less strong, about 45 percent were very satisfied. There were remarkable differences between Russian and Norwegian respondents. Russians are on average more satisfied with the information about funding opportunities (66 percent are 'very satisfied' in comparison with 29 percent of the Norwegians), application procedures, access to Secretariat staff and funding levels, while the Norwegian respondents express much more satisfaction than Russians in terms of the flexibility and the level of bureaucracy of the Secretariat staff.

### **Findings from the 14 case-studies**

The case-studies found that projects tend to be successful in reaching their own goals. There may, however, be reason to discuss whether they contribute efficiently enough to the overall aims of the Barents co-operation. In particular, there is reason to watch out for the possibility that unintended adverse effects result from the projects. In particular, this may be the case for projects in the field of business development, making use of the asymmetry between the Norwegian and the Russian side regarding wage levels and welfare benefits. The two business projects and one of the projects on indigenous peoples presented as case-studies below may be criticised on the grounds that the Norwegian project holders simply make use of the gap, even at the cost of the Russian side. Of course, this criticism may be countered by pointing at the mutual gains resulting from the projects. Given the overall, cross-border confidence-building objectives of the Barents co-operation, mutual gains should be made an explicit pre-requisite for a project to get funding. In most of the project applications and reports, the focus is on the beneficial effects on the Russian side, whereas the benefits for the Norwegian partner are less clearly depicted if at all.

When the Barents Secretariat outsources programme administration to other institutions, as has been the case with the Barents Plus programme, it is particularly

important that the Secretariat keeps a close eye on the programme implementation and makes sure that changes in the programme surroundings, such as the introduction of new competing programmes, are reflected in the programme set-up.

The projects aiming at implementing projects and bringing about change in smaller settlements and scarcely populated areas on the Russian side are particularly liable to producing unintended negative effects. In particular, this is a danger while working with vulnerable indigenous peoples.

The evaluation shows that there is a need to consider an updating of the overall objectives and a clarification of the programme theory. This would help the Barents Secretariat's grant programme find its identity among other financing sources. For project holders it would help applying and reporting become easier, and first of all probably lead to even more expedient projects.

# Place and Business Development in Lovund

## - from crisis to success

**By Knut Bjørn Stokke, Frants Gundersen, Kjetil Sørli og Erling Vindenes  
NIBR Report 2008:5**

This report presents findings of a study on place and business development in Lovund, a small outer island in Lurøy municipality (Nordland County). As many small and remote local societies along the Northern Norwegian coast, Lovund has been threatened by depopulation as a result of the general decrease in the fishery sector. However, with basis in the salmon aquaculture industry since the 1970<sup>th</sup> the island has experienced a rapid growth, both with regards to employment and business development, and as an attractive place to live.

### **Research questions**

The study is sponsored by Nordland County Council and the Bank of Helgeland, and the main research questions are:

- How has the population and businesses developed in Lovund the last decades, in relation to Lurøy municipality and the Helgeland region?
- What are the most important success criteria for the restructuring and growth in Lovund?
- What is the relationship between place development and economic growth in Lovund?
- What are the most important challenges for Lovund in the future?

### **Methodological approach**

To highlight the above questions a two-dimensional methodological approach was chosen. Firstly the report presents a statistical description of the development of population and businesses. This overview is based on data from Statistics Norway, from Norwegian population and migration register and the The Central Register of Establishment of Enterprises respectively. Secondly, interviews with key-informants among the salmon industry in Lovund and in local and regional authorities is carried out. Finally, relevant plans and documents have been surveyed.

### **Results**

A range of factors have to be in place in order to create restructuring and growth, both in local businesses and local societies. This study emphasizes three crucial elements for Lovund: 1) Entrepreneurs and enthusiasts, 2) Good social relations and

3) Close and interdependent relations between development of local businesses and place qualities.

### **Entrepreneurs and enthusiasts**

The existence of entrepreneurs and enthusiasts is decisive in order to realize a positive development of local businesses, and to make Lovund an attractive place to live. Entrepreneurs are a necessary, but probably not a sufficient condition for success. It is also important that these people have supporters and enough “space” to be able to manoeuvre in the right direction, and they must be willing to take risks.

### **Good social relations and trust**

Good social relations in Lovund were emphasized by our informants as very important for the positive development of the local society. A number of entrepreneurs and enthusiasts have had a common vision and have drawn in the same direction in order to create new businesses based on the salmon industry and adjacent businesses. They have cooperated closely but at the same time there has been elements of competition among them, which also have been an important driver.

In addition, the close cooperation and collaboration with external actors is regarded as crucial for Lovund. These are other actors within the salmon industry and related businesses in the region, public authorities as the County Council, Lurøy municipality and Innovation Norway, and private banks. The banks and public authorities have been important supporters with venture capital in critical phases for the industries in Lovund. Also public financing of infrastructure as the new harbour, fast boats and ferries, and water and energy supply have been a decisive precondition for the development of the community. However, the positive development in Lovund can not be explained by the financial support alone, the social capital has probably been just as important. Both internal and external relations and close collaboration have strengthened the social capital and contributed to the development of knowledge resources, trust and reciprocity.

### **The symbiosis between businesses and place**

The close relationship between the development of local businesses and the development of Lovund as an attractive place to live is also an important explanation of the success. In Lovund this relationship can be described as a symbiosis. The local businesses are dependent of the attractiveness of the place in order to recruit qualified employment, and the place is dependent of profitable businesses and stable employment in order to develop.

One part of this symbiosis is the efforts in securing local ownership of the aquaculture industry in Lovund. The industry competes in global markets and is very vulnerable for economic changes and exposed to acquisition by larger companies, which has been the situation for many small aquaculture companies along the coast of Norway. Local ownership makes it easier for businesses to contribute to the development of the local society, for instance by giving financial support to common goods such as swimming pool, squash studio and centre for coastal culture. However, local ownership is not sufficient; also a collective consciousness and local patriotism among the business leaders is crucial for the development of Lovund.

**Lovund in the future – opportunities and threats**

Although the development of Lovund can be described as a success, there are some persistent questions and future challenges. One of them is how to control and plan the increasing pressure with regard to new dwellings and infrastructure. This is necessary to handle in order to secure Lovund as an attractive place to live, and as an attractive tourist destination also in the future. Another question is how to secure local ownership of the cornerstone company Nova Sea in the future. The unilateral dependency on aquaculture and the fact that this industry is very exposed to global competition also raises questions with regard to both ownership and business development. In order to develop it is probably necessary for Lovund to diversify its economic structure, i.e. to create new and alternative businesses. The purpose of the recently established Kystinkubatoren AS (Coastal Incubator) is to stimulate new businesses and ideas, which may contribute to a more robust local society in the future.

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## Municipal International Co-operation: Walvis Bay (Namibia) and Kristiansand (Norway)

**By Jørn Holm-Hansen**  
**NIBR Report: 2008:6**

Walvis Bay and Kristiansand are pioneers within the Norad-financed Municipal International Co-operation. They started out in a period when the MIC concept resembled people-to-people co-operation and city twinning. Since then, MIC gradually has developed into focusing on purely municipal tasks and having more precise expectations as to what co-operation could achieve. Logical Framework Analysis (LFA) has been introduced for MIC, and its application is under revision to become more accurate. In short, MIC has become more professional in line with the insight that developmental aid is a knowledge-intensive activity.

In general the projects between Walvis Bay and Kristiansand produce outcomes to the benefit of the local population in Walvis Bay, although far less so in Kristiansand. To a large degree the project has been self-going without KS' assistance. This is good for sustainability and in accordance with the principle of local self-government. On the other hand, the self-sufficiency has its drawbacks when it comes to bringing MIC activities in accordance with the current priorities within Norway's developmental policies. And KS and the two municipalities actually have diverged on what MIC ought to consist in.

Still, there is a clear tendency in the two towns' municipalities to perceive their task as consisting in facilitating contacts and co-operation between various local actors irrespective of these actors being municipal or not. Some of the projects, like the one on disabled children, would have been more suitable for a co-operation between professional associations or educational institutions than between two municipalities. Others, like the project on emergency services and the project on internal dialogue in the municipality, are clearly within the MIC framework.

In the future there is reason to stick more closely to purely municipal activities as the basis for individual MIC projects. This way the distinctively municipal contribution to developmental assistance can be cultivated. MIC is a niche and should fix its limits to other developmental activities.

The roles of KS within MIC are manifold, conceptual development, co-ordination and quality control in addition to being an intermediate organ between Norad/Ministry of Foreign Affairs and the participating municipalities. One reason why KS' task has been complicated is the vagueness of the early MIC concept. Now, when MIC is more focused – e.g. MIC activities should be municipal in both countries involved – the task will become more manageable. Identifying a limited set

of policy sectors to prioritise could be a measure to simplify MIC. With a stricter definition of what MIC projects to finance (i.e. municipal core activities) combined with realistic indicators of success, more freedom could be given to the municipalities in carrying out the activities. After all, MIC is based on the belief in the value that can be added by local self-government.

Logical Framework Analysis (LFA) enables the use of programme theory (linking inputs, through outputs and outcomes to impacts). Less important, but of practical value, is the fact that it helps standardise applications and reports and make MIC communicate conceptually with the mainstream of developmental aid. As it has been applied within MIC until now, however, LFA has not been adapted to the fact that the municipal officers involved are non-professional developmental workers. Moreover, the indicator system should be revised thoroughly to make it possible for activities to influence in “measurable” ways on indicators.

MIC between municipalities in Norway and municipalities in the South will have to confront the unpleasant fact of structural asymmetry. The Norwegian municipality is much more developed and has by far more resources at its disposition, it has far more tasks and is involved in a larger number of policy fields. Moreover it is far closer to the financing sources than the Southern partner, and is more knowledgeable of and attuned to the Norwegian authorities’ competence-building approach to developmental aid. Finally, the Norwegian municipality has the overall responsibility for the project, whereas the Southern partner is responsible for implementation on the ground (according to the MIC Guidelines).

Each MIC could be placed along a continuum between full partnership and total asymmetry. Kristiansand – Walvis Bay is probably closer to full partnership than most other MIC’s. As such the cooperation between Kristiansand and Walvis Bay gives evidence to the potentials of co-operation between municipalities that are relatively similar, than to the more typical North-South municipal international co-operation where the similarities between the two partners are few. On the other hand, there a remarkable lack of benefits from the co-operation on the Norwegian side. Apparently, the idea of a mutual municipal benefit does not seem to have occurred. The co-operation has taken place within a “North helps South” way of thinking. In the future MIC should make it a requirement that both involved municipalities explain what they seek to gain and have gained from the co-operation.

The question of similarity and equality versus difference and asymmetry between the involved municipalities should be addressed systematically with the MIC framework because it affects MIC’s programme theory in fundamental ways. What is it that makes North-South municipal cooperation bring about change? Are municipalities that do not have much in common able to bring about change through MIC? The structural asymmetry requires a very careful selection of issues to co-operate on. The role of KS in this respect must be strengthened.

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# Grorud Valley Housing Stock Audit

## A GIS-based review

**By Jon Guttu, Eli Havnen and Gro Koppen**  
**NIBR Report 2008:7**

The purpose of the study is first to determine the composition of the housing stock, and second to establish any possible connections between housing structure and demographic structure in the Grorud Valley. The study relies on information sourced from public registers and the results are shown on maps with the aid of the Geographical Information System (GIS).

The report is divided into two sections. One is devoted to theme maps, the other to analysis. The tables of numerical data on which the report is based are included in an appendix. Purpose, type of use and method are set out in the Introduction, which also includes a brief overview of Grorud Valley's development history together with a description of the geographical division of the area for the audit. The report is intended to be used in two ways. The map section and attached tables are designed as a reference work for use in the day to day work of implementing the Grorud Valley Action Plan and developments in the Grorud districts. The analytical part enumerates the challenges thrown up by the audit. The study is designed to make it easy to add register data if and when required for a particular investigation.

Grorud Valley was developed over two distinct periods of time. The first, beginning in 1900, was prompted by a newly built railway line running through the area. Parcels of land were allocated for detached and semi-detached homes. The second phase belongs to the latter half of the twentieth century though the plans had been drafted as early as 1930 or thereabouts. The development history serves to contextualise a number of observations made during the audit, such as housing type, size, standard and form of ownership.

The theme maps are divided into two sections. The first contains information on housing such as building type, dwelling size, ratio of high-rise buildings (more than three storeys) with access to a lift, ownership form and incidence of overcrowding. Following this, the demographic data cover household composition, age, national affiliation, educational level and residential stability. All data are compared to the average of the city.

The analytical part sets out and aligns basic housing and demographic structure. The analysis concludes on possible ways of addressing the most important challenges. We have also analysed the four targeted investment areas individually and provide a

breakdown of the main characteristics. A brief account of these four areas is placed at the end of the report.

### **The mapping audit in brief**

The mapping audit revealed both positive and problematic features of the housing situation in the Grorud Valley. There was significant variation between the basic geographical units of the audit. There is a mix of building and housing types in the valley. This has produced a visual diversity rather than the monotony that can characterise populous high-rise developments in metropolitan suburbs on the Continent. Homes are close to the forest; travel by car and rail is easy. These are important qualities.

The housing stock audit revealed the following basic features.

- The majority of homes are flats in high-rise buildings over three storeys. Consequently is the ratio of low-rise and small-scale housing low compared with suburban Oslo in general. Residents have few options to switch from one type of housing to another within the valley.
- There is a relatively high preponderance of spacious homes, i.e., dwellings with four or more rooms, when compared with other suburban areas. Many of these are in low-rise and small-scale buildings but tower blocks contain a large number too, particularly in the most recently developed areas on the eastern side of the valley.
- The number of dwellings in high-rise buildings with access to a lift is well over the average for Oslo. The lifts are to be found in the tower blocks and not in the high-rise buildings with less than six floors.
- One very positive feature of the Grorud Valley is the high proportion of home ownership, for which one may thank the housing cooperative model. The proportion of rented accommodation is relatively consistent across the housing types.
- Every tenth home in the Grorud Valley in 2001 was undersized or overcrowded, meaning that the number of people in the household exceeded the number of rooms. Fifty per cent of this overcrowding is in small dwellings of one or two rooms but a relatively substantial fraction, a fifth, affected larger dwellings of four or more rooms. Overcrowding exists in all areas of the valley, though it is mainly concentrated within two belts running on either side of the underground line. This is where one finds most of the high-rise buildings too.

The demographic audit revealed the following basic features.

- 44 per cent of households in the Grorud Valley are single person households, similar to other suburban areas in Oslo, but well under the Oslo average. This is because the single person household tends to cluster in the central areas of the city.
- Grorud Valley is not very different from other suburbs in the number of children relative to the population as a whole. Child density is particularly high, especially of pre-school children, in areas with a preponderance of low-rise and

small-scale buildings. The audit found, however, that the basic geographical units with a high density of pre-school children were not the same as the basic geographical units with high schoolchild density.

- The elderly segment of the Grorud Valley population is at about the Oslo average for persons over seventy. The map indicates higher densities of senior citizens in the older areas on the valley's western slopes, in contrast to the new developments on the east side. The age of the population can therefore be predicted in part by the age of the housing stock.
- Non-Western immigrant density is high in the Grorud Valley: only South Nordstrand has a higher concentration. Within the valley, density varies considerably – not so much between the city districts but between the basic geographical units within districts. The four investment areas all exhibit high concentrations of non-Western immigrants.
- Differences in education are most noticeable across the east-west divide. There is a low preponderance of highly educated people in the Grorud Valley, and a high preponderance of people with only a basic level of education (compulsory schooling). On the other hand, the main types of qualifications are vocational and practical training. The maps show no general correlation between education level and housing type.
- Adult residential stability in the Grorud Valley is not exceptional. It is well over the inner Oslo rate but slightly below the suburban level. In respect of children, however, residential stability is lower than the Oslo average and well below the suburban average.

### **Correlations between housing structure and demographic structure**

In addition to auditing current status, it was important for the study to examine likely correlations between housing structure and demographic structure in the Grorud Valley. What follows represents the main findings.

- In light of the fact that there are 80 per cent more homes than families with children in the Grorud Valley, overcrowding is caused either by an asymmetric distribution of housing types among households, or by unusually large households, or possibly a combination of both. Our findings suggest that the latter option is the likeliest case.
- The analysis shows that overcrowding correlates with factors such as national affiliation, family size and educational achievements. All of the basic geographical units exhibiting substantial overcrowding also have a high preponderance of immigrants. There is also a clear relationship between child density and overcrowding, and between low educational achievement (only compulsory schooling) and overcrowding.
- We also find tendencies for demographic structure to adapt to housing type. In other words, families with schoolchildren tend to cluster in basic geographical units characterised by detached houses, low-rise and small-scale housing. At the same time, the proportion of single-person households is normal in these areas. Given the preponderance of high-rise buildings, that is where most

families with children live, and areas need to be developed to meet the needs of children and families as far as possible.

- We found only minor correlations between access to lifts and prevalence of geographical units housing senior citizens.
- By and large, residential stability of both children and adults is higher in the low-rise and small-scale type buildings than in the high-rise ones. We also found that almost all areas with high stability ratings are close to the Oslo forests. None of the mainly high-rise areas have high stability rates. On the other hand, however, the maps reveal no relation between the size of the dwelling and residential stability.

## Conclusions

That the analysis addresses the physical housing stock does not mean the challenges thrown up by the audit can be solved by building new homes or initiating radical changes to the building structures. Most of the land in Grorud Valley is already developed, and housing per se is resistant to change. As the audit shows, it is also largely in private hands. Steps to improve the situation will therefore need to target areas adjacent to the housing; a broad brush approach will be required as well, physically, financially, socially and organizationally.

We have found evidence of a disparity between household size and the size of the dwelling: the percentage affected by overcrowding is well above the city average. So although the statistics don't allow us to say anything about the level of *perceived* overcrowding, they do indicate the existence of an issue in need of some urgent attention. In our view, steps should be taken to learn more about the effect of overcrowding on the people affected and establish the actual prevalence of overcrowding before further work in the Grorud Valley is undertaken. It will also be necessary to put together a toolbox of measures to alleviate overcrowding. We recommend localised initiatives that makes it possible to do things outside the dwelling, and steps to ensure proper neighbourhood and housing standards, especially in areas with the highest incidence of overcrowding.

Overcrowding is often caused by insufficient financial means to create demand for adequately sized dwellings and as long as the housing market in Oslo remains undersupplied, some overcrowding will affect all areas of the city, including the Grorud Valley. Building small-scale dwellings in the manner of the inner city developments would not be a particularly useful way of addressing the type of problems in the valley. Nor do we have much faith in building detached and other low-rise housing in any significant scale in order to improve the balance. We believe it necessary that development of the housing stock in the valley should take care to emphasize spacious but space-efficient homes.

One way to facilitate a better match between housing and demographic structure could be to incentivize people to move out of detached and semi-detached sooner by offering satisfactory "dwellings for senior citizens". There are several possibilities here, particularly in areas with a preponderance of low-rise housing and small households. Incentivizing elderly residents in low-rise housing to move to a high-rise flat would require high standards in terms of dwelling space, locality and accessibility.

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Another mechanism could be to invest in improved neighbourhood standards. Existing dwellings suitable for the older resident could be improved –high-rise buildings could be fitted with a lift for example. A study of new such developments, identifying who moved in and from where could provide essential information about the most prudent type of development to pursue.

Older people by and large do not reside in the tall tower blocks, despite high accessibility standards. The audit found instead a symmetric distribution of senior citizens across the housing stock, a fact which prevents us from pointing to areas in need of particularly urgent attention. It would be sensible to increase the number of high-rise buildings with access to a lift, including those of less than six storeys. One should also raise standards in the neighbourhoods and buildings in which the elderly can live satisfactorily so as to retain/attract older residents.

Residential stability in the Grorud Valley is not a cause for concern but it is lower than one would have expected given the demographic distribution in the valley. Children in particular are a group that scores low on residential stability. The low proportion of low-rise housing in the Grorud Valley explains at least in part why residential stability, especially among children, is low. It is likely that residential stability could be bolstered by targeting efforts to improve people's sense of wellbeing, local services and assistance. Environmental improvements such as noise reduction, better road safety, easier access to public areas and aesthetic regeneration would also make a positive difference. At the same time, one would be advised to limit the number of small-scale units.

The four investment areas were well chosen. They present a set of particularly arresting challenges. But as the audit shows, other areas need special attention, not least of which are Stovner centre/Fossum, parts of Ammerud and parts of Trosterud/Lindeberg. We therefore recommend more detailed studies and practical steps in areas with high levels of overcrowding.

# Local Democracy in Longyearbyen

## Involvement and Participation in 2007 local election

**By Trine M. Myrvold og Hilde Lorentzen**  
**NIBR Report 2008:8**

Local government came to Longyearbyen – the administrative centre of the Svalbard archipelago – on January 1, 2002. The research project resulting in this report is the second phase of an evaluation of local democracy in Longyearbyen. The first phase of the evaluation took place in a period between two local elections, and in a situation strongly influenced by a parliamentary motion to increase income taxes in Svalbard.

In this report we address two main questions:

- How have citizens' attitudes towards local democracy developed the past two years, especially in light of the solution of the question of taxation
- How can voter participation be explained? What characterizes the election and the election campaign? What are the implications of four year election period?

The analyses presented in the report are based on several data sources: a telephone survey to citizens, interviews with representatives of political parties and lists, interviews with citizens as well as studies of papers and documents.

### How have citizens' attitudes developed?

Since the idea of introducing local democracy to Longyearbyen arose, the opinion among townspeople on this topic has been divided. The 2005 survey revealed that people who had been living in Longyearbyen ten years or more were sceptical to the new democracy, whereas recent inhabitants were supporters of the system. In 2005 many citizens expressed dissatisfaction with what they saw as a direct consequence of local democracy – increased red tape and higher taxes. The taxation issue was in 2007 “solved” by the government, by reducing the tax burden to the 2005 level. At the same time, company taxation was increased.

The project has analyzed the changes in attitudes towards local democracy in Longyearbyen since 2005, particularly in light of the “taxation issue”. Our data indicate a slight change in attitudes in positive direction in this period. In the interviews our respondents mention three main reasons for this change. Firstly, local government has now existed for some years in Longyearbyen. The inhabitants are getting accustomed to the system, and there are no obvious alternatives to local government. Secondly, many of our informants mention that the head of the local council (also called “mayor”) enjoys great confidence and legitimacy by the people.

He has lived on Svalbard for many years, and many inhabitants know him from his former work as a teacher at Longyearbyen school. Thirdly, the resolution of the taxation issue has also had a certain impact on peoples' attitudes. The way this problem was solved, and the role of the local council in this issue, proved that the local democracy can be an important mouthpiece for Longyearbyen towards the national Norwegian government.

## How can the voter turnout be explained, and what characterizes the election campaign?

The voter turnout at the local elections in Longyearbyen in October 2007 was rather disappointing. Only a little over 40 per cent of the population participated in the election. There are several reasons for the low participation rate. Some reasons occur because of the special situation of the Longyearby community. About ¼ of the population changes every year, and many inhabitants live in Longyearbyen only a year or two. A relatively large proportion of the inhabitants has their family on the mainland, and travels to and fro their work on the archipelago. Hence, their involvement in the local community is rather low.

Among the people not participating in the elections, many say they did not have the time or opportunity to vote. Some say that they are not very interested in local politics, or that they have too little knowledge of what is going on in the local political life. Probably, some of people in these groups could have been mobilized by a vital election campaign. Local politics in Longyearbyen is characterized by very little political conflict and few obvious conflict lines between the parties in the council. Moreover, the local services in the town have been of high quality, and the council's relatively generous budget has made painful prioritizing unnecessary. Local politicians seem to avoid difficult political debate. Lack of local and national media attention and absence of popular meetings during the election campaign, also gave the campaign a rather dull colour.

A minor group among the inhabitants do not vote because they are principle opponents of the local government system.

There are different views in the political parties when it comes to the impact of four year election period. The first four year period gave no need for extra election to supply the members of the local council bodies, but most substitute representatives were put in active positions. It may appear difficult to make people commit oneself for four years in a community characterized by high turnover. Some of the parties experienced problems in recruiting people to the party list, but not all. Even though the experience so far covers only one election period, the system seems to work relatively well in Longyearbyen.

## Assessments and suggestions

Even though people seem somewhat more positive in 2007 compared to 2005, there is still a widespread scepticism towards local democracy in Longyearbyen. Those against the system highlighted Svalbard's particular position in Norwegian politics, and the recognition that Longyearbyen neither should nor could be a "normal township". The question is whether these reasons are sufficient vigorous to prevent

people who have settled in Longyearbyen from influencing the development of their local environment and services. We do not believe they do.

### **Election campaign and turnout**

Voter turnout at the 2003 and 2007 elections were low. Lack of interest for local politics seems to be an important reason for people not to participate. The election campaign did not work to increase the temperature in local politics. Local parties may consider making visible the conflicts that exists between the parties, instead of covering them up. This can be done either by the parties themselves being more willing to debate political questions in the public, by the local paper being more active, or by the parties presenting their political views in popular meetings. In this way the election campaign may imply stronger interest in local political issues, and make people see that their participation could make a difference.

### **Information to and inclusion of foreign nationals**

In the study of 2005 we pointed out that foreign nationals in Longyearbyen to a little degree were integrated into the political life of the town. We suggested that the local authorities should work out a plan to inform this group about the local government system, and about their rights to vote as citizens in Longyearbyen.

In the past two years it is possible to notice a stronger awareness of the need of integration. The information material mailed to all households in the town prior to the election, contained short texts in Thai, Russian and English. Our informants could not remember to have sees this information, and gave some suggestions on how to make the information more visible. The foreign nationals we talked to through the project, and who fulfilled the requirements to vote, had all participated in the election. Probably, the debate on the rights of foreign nationals living in Svalbard, and the social democratic party's meeting on the subject, probably helped to mobilized this group. In the effort to integrate foreign nationals we find it purposeful to arrange meetings with a particular focus on their situation and interests.

### **Local government's scope of authority**

Our study from 2005 showed that townspeople in Longyearbyen did not feel empowered by the local democracy reform in the sense of being able to shape the town's policies and everyday functioning. Longyearbyen local government operates in the dividing line between high-level national politics and local politics. Given Svalbard's geographical position and international importance, it will be vital to increase the national government's presence in Longyearbyen. In this set of circumstances, the system of local government must find its place in a climate of tighter constrains than small communities on the mainland.

In the long run, one result of the "taxation issue" seems to be a greater awareness at the national level of consulting the local council in matters affecting the people in Longyearbyen. Still, matters will occur where local and national interests collide. Our study shows that townspeople tend to perceive local and national authorities as competing authorities. It is important to develop a mutual understanding of how to handle these grey areas in the future, to prevent a notion that local government constantly must submit to national government's decisions.

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Some of the issues influencing the townspeople's life conditions can not be decided upon by the local government in Longyearbyen. The taxation issue is one example, and the question on foreign national's rights will be an important issue in the years to come. In such questions the local government's role can be that of a mouthpiece towards national authorities. In the 2007 elections the parties tended to bring in such issues in the election campaign. In this way local government in Longyearbyen plays a different role than local governments on the mainland. Since circumstances on Svalbard are unique, the national government could find it purposeful to use local government's local knowledge.

### **Development of the local government system**

Many believe Longyearbyen's version of local democracy replicates too closely many elements of the system as is practised in mainland municipalities. In the report from 2005 we found that some of our informants wanted to see less party-dependent form of local government in Longyearbyen. Others were looking for politicians with a vision for Longyearbyen, and that the role of the council leader should be more mayoral. We underlined that it is the responsibility of the inhabitants, through political processes, to form the local government system.

In 2007 we found that there have been certain changes in line with these requests. If both inhabitants and politicians continue to keep an eye on developing the local system, there is a good chance that the local government system will adjust better to the particular conditions in Longyearbyen.

Our impression is that all political parties in the local council are aware of the question of bureaucratization of the Longyearbyen community. At the 2007 election all the parties' programs stated an aim to limit the tendency of bureaucratization. Even though a clear focus on regulations is a necessary consequence of democracy, it is important that local authorities emphasises to form a system fitted the small and particular circumstances in Longyearbyen. Such adjustments should also be welcomed by the national government.

# G-FORS – Governance for Sustainability

## National Case Study Report, Norway

**By Gro Sandkjær Hanssen, Martin Hanssen, Jan Erling Klausen,  
Elin Kittelsen and Marte Winsvold  
NIBR Report 2008:9**

The G-FORS project has been carried out in 2006-2009, funded by the EU 6<sup>th</sup> Framework for research.<sup>1</sup> This national case study report from Norway reports on case studies on the implementation of the SEA directive (directive 2001/42/EC) and the directive on Emission trading (directive 2002/358/EC) in Norwegian legislation.

The Norwegian SEA case study concerns the planning process with SEA for Molde new hospital. A small town located on the north-western coast of southern Norway, Molde's existing hospital was deteriorating. The Regional Health Authority for Central Norway decided to commence planning for a new hospital, and asked Molde to provide an appropriate site. Molde implemented an SEA process involving an assessment of four optional locations. The SEA was approved by the municipal council, concurrent with a decision for the location recommended by the SEA. The Regional Health Authority however decided that they wanted another location, one that was closer to the city centre of Molde. This decision was in line with an agreement between the mayors of Molde and the neighbouring town Kristiansund. A second SEA was prepared to assess this other location, and it was accepted by the municipal council along with a municipal plan for the area. An action group promoting the construction of one common hospital for the two towns has been unable to gain support, despite the fact that the two towns are located less than one hour's drive from each other.

The analysis carried out in accordance with the G-FORS conceptual framework shows that three themes, containing various knowledge forms, have been filtered into the decision-making process via specific governance arrangements. The two SEAs produced a mixture of expert and local knowledge, which was filtered into the decision-making process through a formalised, hierarchical procedure. The agreement between the two mayors, which was adopted by the Regional Health Authority, can be said to represent "strategic" institutional-political knowledge and was filtered into the process by means of network bargaining. The argument for "one hospital" can be said to represent medical-administrative expert knowledge, and it was unsuccessfully furthered by means of arguing network governance.

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<sup>1</sup> Priority 7 – Citizens and Governance in a Knowledge-based Society  
Working Paper 2009:110

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The Norwegian case study on the emissions trading directive deals with the Norwegian national emissions trading system which was in force in the period 2005-2007, and three of the 51 enterprises subsumed under this system. These three enterprises are *Verdalskalk*, a chalk producer in central Norway; *Trondheim Energy Remote Heating*, located in Trondheim, and *Norcem*, a cement producer in southern Norway.

The enterprises subsumed under the emissions trading system were to be allocated allowances based on historical figures on actual emissions in a reference period. Due to certain clauses in the allowance trading act, however, most of the enterprises were actually granted allowances based on estimated emissions. Because *Norcem* and *Trondheim Energy Remote Heating* implemented the use of quota exempt biofuels, they acquired a substantial surplus of allowances. *Verdalskalk* could not however use this option, due to the purity requirements pertaining to chalk production. As a consequence, *Verdalskalk* received a smaller amount of allowances than it needed, and had to buy allowances on the market.

In the analysis, the allowance trading system is seen as a composite of various governance modes. Elements of hierarchical regulation have to a great extent supplanted the market-based elements of the system, although market-based coordination is still to some extent present. Also, elements of network arguing and bargaining have been observed. The system for the reporting of emissions and the allocation of allowances represent a hierarchical mode of knowledge filtering, whereas the decisions made in the internal hierarchies of the enterprises to a great extent are based on market knowledge.

# Evaluation of New Procedures for Appointing the Municipal Executive Board

**By Inger Marie Stigen, Tore Hansen, Marthe Indset and Trine Myrvold.  
NIBR-Report: 2008:10**

## **Background**

In 1986, the Municipality of Oslo, as the first Norwegian municipality, introduced a parliamentary system of government as an attempt to introduce a majority-based steering system at the expense of the traditional consensus based system. The use of parliamentary municipal government was later on made optional by the revised Local Government Act. Today, several Norwegian regions and municipalities have introduced a parliamentary system of government. Yet, Oslo has in various ways remained a pioneer on parliamentary municipal government, through its continuous aspirations on improving its own governmental system. The current attempt on negative parliamentarism through conducting new procedures for appointing the executive board, represents the most recent of many adjustments of the parliamentary system of government in Oslo.

At the request of the Municipality of Oslo, the Norwegian Institute for Urban and Regional Research (NIBR) has conducted an evaluation of the municipality's new procedures for appointing the municipal executive board. The evaluation was carried out in the period of October 2007 until March 2008.

## **The trial**

The Oslo City Council is composed by numerous political parties. Cooperation and compromises are common in order to pass acts. Only during one relatively short period of the history of parliamentary municipal government in Oslo, the city has been governed by an executive board elected by a majority. Further, until the point of the current trial the municipality enforced a system of rather "weak" positive parliamentarism, by practicing elections of the executive board in the city council, but by allowing empty voting. Accordingly, some parties refrained from voting for the executive board alternatives, and put themselves in a somewhat unclear position in the position-opposition constellations.

In short, the new procedures are as follows: City council elections of the executive board are replaced by the incumbent Mayor's duty to carry out consultations in the city council, concerning which political alternative that may gain support. Based on these consultations, the mayor nominates the candidate for the Head of executive board having the best possibilities to gain city council support for his or her executive board. These procedures are to take place when "the parliamentary

situation in the city council so requires” (§2-1). This system of parliamentary municipal government may be characterised as “negative parliamentarism”, in which the cabinet, the government or the executive board may rule until a motion of no confidence is passed in the council. The executive board or a single municipal commissioner may also resign of their own accord, following a defeat on a motion of confidence. Furthermore, the executive board may resign on its own, based on the perception of an altered parliamentary situation and incomplete political support. This parliamentary model does not require a positive act of confidence in order to institute an executive board.

### **The evaluation**

NIBR has evaluated the new procedures of the Municipality of Oslo in accordance with the justifications of the Municipality for requesting such changed procedures in the first place. The justifications are referred to in the Municipality’s application papers to the Norwegian Ministry of Local Government and Regional Development. The changed procedures were initiated by reference to four main objectives:

- To upgrade a more holistic perspective and conformity between the parliamentary system at national level and municipal level
- To better provide for stable governmental constellations by repealing the possibilities for tactical city council elections of the executive board
- To reduce the practice of mixing the constitution of the city council with the forming of the executive board
- To obtain more sharply defined political alternatives

The last three aims concern the relationship between the city council and the executive board and the relations between the opposition and the position. In addition, evaluating the trial on new procedures for instituting the municipal executive board requires an examination of the role of the Mayor as well as the role of the Head of the executive board. Consequently, the evaluation has been conducted along the following main issues:

6. The role and the power of the Mayor
7. The role and the power of the Head of the executive board
8. The relationship between the city council and the executive board
9. The relations between the opposition and the position

The evaluation was carried through by document studies of written material regarding the new system as well as summaries of city council meetings, both before and during the trial period. In addition, the researchers have attended city council meetings as observers. 23 in-depth interviews with various informants have also been completed. The informants are previous and current politicians and employees of the administration. Finally, the evaluation is based on a statistical study of city council elections and votes, in the years of 1991 and 2006.

### **The results of the evaluation**

The evaluation reveals that the new procedures for appointing the municipal executive board are widely supported by the informants, being both employees of the administration as well as former and current politicians of both the city council and the executive board. The main perception is that the new system is better equipped to provide for stable political constellations and more stable political government.

The conditions revealing the most obvious differences in agreement relate to the question of under what circumstances a “parliamentary situation” has arisen, and also the practice of mixing of how to constitute the city council with the negotiations connected to the forming of the executive board.

Further, it is evident that the role of the Mayor is changed, both formally and intrinsically. The altering role also contains a potential for some degree of increased power, but it is uncertain to what extent.

It also seems clear that the Head of executive board has gained a somewhat more independent position. However, this is

The effects of the new procedures in contributing to more counterbalanced by the Head’s personal authority, experience, skills and trust. distinctive political alternatives and clearer divisions between the position and the opposition are unclear. It is also uncertain whether there are principal differences between municipal parliamentary government and national parliamentary government.

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# Lessons Learned – Review of Four Trials in Local Management of Protected Areas

**By Eva Irene Falleth and Sissel Hovik**  
**NIBR Report 2008:11**

The report presents findings of the reviews of four trial schemes in local management in Setesdal Vesthei-Ryfylkeheiane protected landscape and the three national parks, Forollhogna, Dovrefjell-Sunndalsfjella and Blåfjella-Skjækerfjella. The local trials were initiated by the Norwegian Parliament (Storting) in 1996 against a background of strong tension between local interests and national governments, and a desire on the part of Parliament to reduce conflict intensity and encourage wider local support in nature conservation. The report constitutes a secondary analysis where we compare the review findings of the four trials.

The main conclusion is that the local authorities largely fulfil the formal terms and duties pertaining to a management authority. They deal with matters for which they are intended; they produce management plans; conduct consultations and disseminate information. On the other hand, they have not compiled documentary records or created stewardship mechanisms. Scientific competence in some local authorities does not meet statutory requirements, nor do reporting routines. There are instances of deficient procedures. Individual municipalities are failing in their duties and responsibilities as a conservation authority.

Most local councils adhere in their management of protected areas to the regulatory framework and their management plan. Many local councils do, however, tend, to give precedence to landowners, resource users and tourist businesses to a much higher degree than is usual for protected areas. There are also instances of decisions that go further than the regulatory framework, and some local councils are too ready to issue dispensations for the use of motor vehicles in protected areas and from the general ban against developing conserved land. Repeated violations of the regulations and the steady accumulation of dispensations, each in itself innocuous enough, give cause for some concern as they risk undermining the *raison d'être* of environmental policy and legislation.

Management of protected land finds staunch support in the municipalities. There is, not least, intense political engagement locally. Not unexpectedly, there is most concern to promote local use and business interests, and create a policy that embraces both resource use *and* resource protection. Local councils are reticent about given affected organisations and groups a role in conservation management. So the criticism levelled at conservation authorities at the level of central government for not giving affected parties a say in any real sense is something of which local

councils are equally guilty. It is particularly worrying to see how far local minority interests are neglected. Local management arrangements have not galvanised support of local politicians, associations and organisations for nature conservation. But a large majority is in favour of locally based conservation management.

The management authorities work quickly and efficiently through the caseload, though the cost of inter-municipal coordination and joint strategies and procedures is considerable. Local management in that sense consumes more resources than management by the county governor's office.

The management models differ to some extent regarding the level of formalised inter-municipal collaboration, the scope of delegated authority to local councils, and the right of affected groups and public authorities to participate. These differences are only able to explain a minor part of the variation in local practices, however, variation which to some extent is as pronounced within areas as between them. Attitudes towards the use of natural resources, resource-based industry and use of motor vehicle on protected land have varied historically; their explanatory force seems greater than that of the chosen models. Binding inter municipal cooperation in Dovrefjell has contributed to a common praxis across administrative borders in this national park.

More important, however, are the similarities. Local councils were given a central role in the management of all protected areas. The trials were designed as management trials, but became trials of wide local political engagement. Many local politicians wanted a locally based conservation policy and a reallocation of conservation responsibilities that favoured local government. Unclear national policy on protected areas has given local politicians wide margins of freedom. They grasped this opportunity to draft locally adapted approaches to conservation management plan and praxis. The reviews highlight the need to clarify the regulatory framework and terms on which local conservation management should proceed, along with clearer demarcation of responsibilities of the various management bodies. In this connection it would be useful to have formalized routines for consultations between local and central authorities.

Looking ahead, local management should address the inadequacies revealed by the reviews of the different management models. Local councils exceed their powers with little fear of reprisal from central government. Non-binding inter-municipal collaboration places insufficient onus on councils to follow through, while the government lacks effective punitive powers. Some local governments also lack expertise, documentation and oversight systems. Affected parties and public authorities do not enjoy equal opportunities to participate, and one's ability to arbitrate in local conflicts is frustrated by the lack of mechanisms.

When responsibilities for the management of large protected areas are devolved to local councils, inter-municipal collaboration is essential, a point confirmed by the reviews. Inter-municipal collaboration faces general challenges, however, regarding allocation of responsibilities, duty to follow through, political engagement and governance, and right of affected parties to scrutinise and participate in the process. These challenges demand serious attention, something that has been in rather thin supply in the trials so far.

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# Loyal Adatation or Strategic Participation Local government and the EEA-Agreement

**By Marthe Indset and Sissel Hovik:  
NIBR Report 2008:12**

The Norwegian Institute for Urban and Regional Research (NIBR) has completed a study for the Norwegian Association of Local and Regional Authorities (KS) into the impacts of the European Economic Area Agreement (EEA) on the municipal sector. This summary condenses the study's main findings.

The EEA agreement is the most comprehensive international treaty to which Norway is party. The agreement affects across many areas of society and has a formidable regulatory side. We conducted a review of obligations and opportunities following from the EEA agreement with a bearing on Norwegian municipalities as a means of determining how the agreement affects the municipal sector, that is, as a regulatory vehicle. The study also explored responses within the municipal sector to constraints and opportunities arising from the EEA agreement. On the basis of these two parts of the study, we discuss the consequences the EEA agreement could have for the municipal sector.

The first part of the project – the review of the EEA agreement as a regulatory vehicle – essentially comprised a study of relevant documents, including the agreement itself, government reports, white papers and R&D reports, along with local and county government business in 20 local councils /county councils. The second part of the project – i.e., how local and county councils approach the EEA agreement – was conducted as a two-stage case study. The first stage comprised general interviews in fifteen municipalities and five counties, followed by more thematically focused interviews in four municipalities.

## **The EEA agreement as a regulatory vehicle for local councils**

Our investigation found that the municipal sector in Norway is profoundly and increasingly affected by the EU via the EEA agreement. The regulatory vehicle, which is originated in the EU and is incorporated into the body of Norwegian law via the EEA agreement comes with a comprehensive set of criteria for local authorities to follow. At the same time, the EEA agreement offers new opportunities which if taken, will help communities and services develop, not least by means of the various European programmes. It means, in other words, that the agreement concerns all aspects of municipal responsibilities.

### **The municipal sector and the EEA agreement**

There is wide variation in the approach taken by municipalities to the EEA. It is a relatively non-systematic variation, but certain differences tend to show up between working in projects funded by EU programmes and harmonisation of by-laws, and between small and large municipalities/counties. The latter have a more pro-active stance on programme implementation. The most active councils apply the longer-term perspective, working systematically with a strong technical and political foundation. They look to the chances to profit from participating in programmes of relevance to their obligations. The less active councils are more likely to proceed in an ad hoc fashion and be dominated by a few enthusiasts.

Most of the small municipalities – with a few exceptions – are not particularly active in projects funded by EU programmes. The smallest municipalities lack the expertise and are largely ignorant of the programmes or the significance of the EEA legal acts. Since these local councils are supposed to provide the same services and perform the same tasks as the larger, they may lack both the capacity and energy to get involved.

We also find variation within municipalities, between those working on projects supported by the EU (Interreg, EU sector programmes or EEA funding) and those involved in approximating legal acts with EU origin. The former are more familiar with the EU and EEA, and acknowledge the need for expertise whether in project development, application drafting or knowledge on how the EU and the EEA work.

EEA legal acts tend to elicit a more reactive response. There is little awareness of the possibilities and usefulness of taking part in the preparations of the legal acts in Brussels or later when they are transposed into Norwegian legislation. Nor has the government done much to ease the involvement of local councils. On the other hand, council and county council officials are relatively well-informed within their areas of expertise on the local or regional impacts of state or EU legislation. And although the legal acts are generally not identified as EU products, several informants noted obscurities, inconsistent interpretative practices and angles on issues in legislation from the EU.

The county councils and some of the bigger local councils have adopted strategies and plans for their international work, mainly limited to the projects that are funded by the EU. A couple of local councils have studied EU procedures and information in several EU member states in connection with sector-wise planning. One county council made reference to relations between the EU and EEA in its training plan.

In conclusion then, while policy at the local level has changed significantly in the wake of the EEA agreement, that is, while EU policy is increasingly relevant to local government, steps to harmonise policy organisation or procedures are less in evidence. While the project work of local councils is tentatively aligned to special interests and ideas, legal acts are approximated in a reactive, rule-based way.

### **EEA harmonisation challenges**

The EEA agreement highlights the need for local and county councils to learn more about the agreement and what it entails. This is the case in project work and the opportunities afforded by EEA legal acts in the municipal sector. And it is the case not least when it comes to implementing EU legislation into national law. The legal

acts are complicated and hard to understand (rules on public procurement or impact assessments for instance) and rely on advanced solutions in the municipalities (like the rules on water or waste management).

Local and county councils need help and advice in aligning themselves with the EEA. There is a need to make project competence available to the councils, via, for instance, the regions' representations in Brussels. Local councils want to see guidance and training measures in place to help them meet the regulatory requirements, timely measures that take account of local challenges.

The smallest municipalities are more likely to lack expertise. The smallest local councils try to solve the problem by hiring private consultants and working together with other local councils. The bigger municipalities work with others as well, but are more likely to have and want to keep "in-house" experts. The EEA agreement stimulates inter-municipal collaboration, especially on procurements and waste disposal.

Another highly significant challenge facing local and county councils is to get politicians to take an active interest in EEA/EU affairs. Politicians know less about how the EEA affects the municipal sector than council officials. At the same time, several informants advise against political debates on EEA regulations so as to avoid wider debates on Norwegian EU membership.

There is a final challenge: getting the municipal sector to work with state officials involved in EEA work. The municipal sector is not involved in the preparation of EEA regulations or their transposition into Norwegian law. And as said above, the government has not done much to help local and county councils get involved either, particularly in relation to the regulations, less perhaps in relation to programme work.

### **Conclusion**

The EU via the EEA agreement will become an increasingly important aspect of life for local and county councils: the EEA agreement has led to comprehensive changes in municipal policy making. A problem for many council informants is Norway's implementation of EU policy via the EEA agreement, which, they say, is insufficiently sensitive to local conditions. The municipal sector is highly knowledgeable about local policy objectives and intentions, but is rarely involved in the processes of policy formulation and specification. They are unaware of the opportunities and of the importance of taking part, and they lack the political organisation and procedures. One consequence of the EEA agreement to the municipal sector, we conclude, is a looser bond between policy substance and society at large.

# Improving Coordination Between Housing Allowance, Housing Grant and Start-up Loan Schemes

**By Rolf Barlindhaug and Kim Christian Astrup**  
**NIBR Report: 2008:13**

As the Government made clear in its housing policy white paper (St.meld. nr. 23 “Om boligpolitikken”), facilitating wider home ownership among disadvantaged groups in society is a key policy target. The start-up loan and housing grant schemes are intended to cover part of the cost of buying. The housing allowance complements these policy instruments by enabling households to pay their annual housing expenses and continue to reside in the dwelling.

The Housing Bank commissioned NIBR to review interrelations between the major housing policy schemes. The purpose of the review is to inform action to improve scheme coordination, and encourage local local authorities struggling to help disadvantaged groups in the housing market to make greater use of the schemes to promote home ownership.

The review focuses on the opportunities existing housing policy schemes give to promote home ownership and help disadvantaged people into the ownership market. One of the main purposes of the review was to explore possible incongruities affecting policy mechanisms for different groups in different housing markets. It is necessary to identify which factors are involved when households that are eligible for housing allowance default on their start-up loan payments, also when they are receiving a generous housing allowance. What sort of changes should be made to criteria and rules that would make for improved coordination between the various schemes? Are the annual adjustments in schemes for providing home ownership sufficient, and what is the scale of the need for the scheme? To what extent does the management of local local authorities’ social housing schemes and lack of competence in the relevant fields frustrate closer integration of the available instruments?

To establish signs of scheme disharmony and the impact of amending the rules, we constructed a model with a financing module, a housing allowance calculation module and a module that calculates what’s left after taxes, net housing expenses and a minimum amount for subsistence expenses. The calculation is done for different household types in different housing markets. As a rule, the relationship is denoted by the term economic margin. A figure shows how the economic margin varies with income. As eligibility for a start-up loan is indicated by a positive economic margin,

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we should be able to work out the necessary income level to service a start-up loan in the presence of a housing allowance and housing grant.

To quantify the actual need for start-up subsidies, we analysed data from the 2004 Survey of Living Conditions and investigated how many young people wanted to buy a home but were unable to get a mortgage. We also look at schemes promoting home ownership in the UK and discuss alternatives to the housing grant scheme.

We sought to establish how far management by and competence of local authorities affects scheme implementation by interviewing officials at the Housing Bank's regional offices, in charge of liaising with the authorities locally on matters pertaining to the start-up loan.

How the model performs depends on the assumptions relating to housing standard with corresponding price level, own equity, other loans, interest rate used to factor in future rate changes and subsistence expenses level employed. None of the households in the examples have equity of their own, nor other loans than the start-up loan. We apply a discount rate of 6.5 per cent, as per the recommendations of the Housing Bank. The loan term is set at 20 years as an annuity loan. We use the National Institute for Consumer Research's (SIFO) minimum subsistence scale. This does not include renewal of household equity objects and caution is advised for long-term low-income households, one of the housing grant's eligibility criteria. With regard to single parents, we made certain assumptions as to the child maintenance sum paid by the non-resident parent. We ran separate estimates for all families with children for those with kindergarten children and those with school children. We took Oslo city's kindergarten fees as our baseline.

We find only a minor level of scheme coordination, a conclusion which remains valid even when house prices are significantly overestimated. It echoes however ECON findings (2005), Østerby (2007) and impressions provided by officials at the Housing Bank's regional offices.

The disparity between the highest income that qualifies for a housing allowance and the income required to service a start-up loan is particularly evident for couples without children and families with two adults. It remains valid also when 40 per cent of the purchase price is awarded as a housing grant. But there is little opportunity for inter-scheme coordination under the current rules for single parents. We only find scheme synchronisation in a narrow income range for young, single individuals and disabled young adults. Young, single individuals falls within the housing allowance's target group only if the income comprises social security benefits or public assistance.

Extending maturity to 30 years reduces monthly instalments considerably while leaving room at the same time for an instalment-free period should the household situation becomes critical. Extending the maturity date has a small positive impact on the synchronisation effect for single individuals and single parents with one child, but the effect is larger for the young disabled.

It is not until extended maturity is combined with changes in the housing allowance scheme that we see substantial coordination benefits. There are several ways to increase the highest income for eligibility for the housing allowance. The current

rules calculate the housing allowance as 70 per cent of the difference between what is called “reasonable housing expenses” and “approved housing expenses”. The reasonable housing expenses are that fraction of the income which the households themselves should be able to pay for housing; the fraction varies with income level and number of people in the household. The approved housing expenses are supposed to represent the housing expenses of the household and are based partly on actual expenses and partly on templates for various housing expense components. The housing expense ceiling specifies the ceiling of approved housing expenses. These ceilings vary by number of persons in the household and geographical location of the dwelling.

Higher housing expense ceilings and changes in the formula for calculating reasonable housing expenses, and both in combination, occupy a central position when the rules governing the housing allowance scheme in the model are changed. Examples are given of changes in the housing allowance rules resulting in higher inter-scheme coordination.

In addition to improving coordination between schemes in a start-up phase, changing the housing allowance parameters also increases the housing allowance of current recipients in dwellings they rent or own, and make it easier for other owners and renters to access the housing allowance scheme. We have not tried to estimate the budgetary impact of the changes in the housing allowance rules.

It is difficult, or impossible, to estimate the scale of the need for start-up subsidies. There are some short-term and some long-term needs created by the annual replenishment of the group of disadvantaged persons on the housing market. Recruitment to the group will depend further on changing demographics, habitation patterns and economy. It is a moot point, moreover, whether local authority housing for rent or the rental market more generally should be part of the solution for disadvantaged groups.

Almost four out of ten start-up loan applications are denied. The high rejection rate is caused mainly by an inability to service a loan. Many of the respondents at the regional offices of the Housing Bank think local authorities are too apprehensive about taking risks, and encourage them to relax their rather mechanical application of SIFO's normal subsistence tariff, which indeed the Housing Bank recommends in its guidelines.

Funds for the housing allowance scheme were too low, according to our informants. Small municipalities find it difficult to comply with the Housing Bank's request to provide large housing grants to few applicants. In the opinion of some, the housing allowance has helped promoting home ownership among young disadvantaged adults. Many local authorities, according to two of the informants, failed to take into account whether start-up loan applicants were eligible for housing allowance prior to their consideration of the start-up loan applications.

The view was relatively widespread that small municipalities have disconnected and uncoordinated social housing schemes, and inadequate inter-agency liaising. Agencies are seldom housed in the same building. Small municipalities also lack expertise for properly assessing start-up loan applicants.

What can be done to improve coordination between the start-up loan, housing grant and housing allowance schemes to promote home ownership among low income groups? As far as loans and credit ratings are concerned, a 30-year term could be justified. It would reduce the savings component of payment of housing expenses while leaving room to temporarily halt payments should the household go through a particularly difficult period. Many recipients of the start-up loan will see their earnings grow with time, making it less onerous to repay the loan. When assessing the credit rating of loan applicants, the minimum subsistence rate then should be applied. The subsistence tariff does not include the savings component allocated for renewal of household appliances. Today, a calculation interest rate of 6.5 per cent below the credit estimate is in force. This should not be lowered.

As specified by the guidelines, only permanently low-income households are eligible for the housing grant. In these cases, local authorities should take care to avoid applying subsistence rates under a certain level, as the household will likely suffer poor economic health for some considerable time. Local authorities in these cases should consider whether SIFO's minimum standards are too low, and carry out a thorough assessment of credit worthiness. What the household over time has paid in the rental market can be a guideline.

Single parents whose children have a kindergarten place are more likely to obtain a start-up loan, according to our calculation formula. Vigilance will be required when the child leaves the kindergarten to start school, insofar as a major income component such as child care benefit may be discontinued.

A better procedural system could help local authorities understand the possibility of running the schemes in concert and also indicate when a start-up loan can be given without having to provide a housing grant. It would allow local authorities to target this scarce resource to the people who need it – and the system could work out the appropriate housing grant percentage of the house price.

When assessing housing grant eligibility, one should remember that the grant in certain circumstances will have a significant impact on the economic margin due to the tax system's design. In other situations, the effect of the housing grant may cause approved housing expenses in the housing allowance scheme to fall below the housing expense ceiling, which would depress the housing allowance to the household.

The Housing Bank wants local authorities to make more use of the start-up loan scheme than is currently the case. Since local authorities record small losses on the scheme, they should arguably accept a wider risk and offer the loan to more applicants.

The wish to extend the start-up loan scheme needs elaboration. First, losses sustained by local authorities will also mean that the borrower will lose out if the dwelling is sold under foreclosure. In this situation, re-establishing oneself as a home owner at later point in time may prove difficult. It would be very unfortunate indeed if wider use of the start-up loan scheme resulted in losses for the authorities and more foreclosures.

Some local authorities refuse loans to households with the capacity to service a start-up loan. Perhaps the local authorities' eligibility criteria are too narrow, or they fail to make a more individual assessment of the applicant's credit worthiness. But changing practice here too could lead to more foreclosures and leave a larger number of indebted households in its wake. Local authorities will have to weigh the benefit of helping a larger number of people against the risk of undesired consequences and higher foreclosure rates. At the same time, it concerns the sort of help local authorities can offer people whose circumstances have taken a turn for the worse.

Further to the project we look at fresh issues worthy of consideration.

### **How appropriate is the housing allowance scheme in a start-up phase?**

If the housing allowance scheme is to have an effect for more people setting up a house, a thorough overhaul of the regulations will be needed. The question is whether the housing allowance scheme should target first-home owners alone or help others on the first rungs of the housing market. This brings us to the next issue.

### **Should the housing allowance scheme or housing grant scheme compensate regional housing market disparities?**

Today, one is encouraged to provide substantial housing grants in high-demand areas, at the same time as differentiated housing expense ceilings are supposed to extend the housing allowance scheme to slightly higher earning households in the same neighbourhoods. If the purpose is to target subsidies at home ownership, additional spending should be settled on the housing grant budget.

### **The role of the housing grant scheme in housing policy**

Consideration should be given whether to change the housing grant to a fixed period interest and instalment free loan, 10 years for instance, after which the household's eligibility for a further period of interest and instalment freedom could be reassessed. Alternatively the housing grant can be given as a loan with means-tested interest subsidies. This would widen the scope of the scheme and improve its legitimacy, but without changing loan service capacity or economic margin as estimated above for the first year. Lessons of schemes like the UK and Irish HomeBuy and Shared Ownership, which facilitate wider home ownership, should be considered in this connection. "Shared ownership" is a possible alternative to promote home ownership without changing the housing allowances scheme.

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# Resident Satisfaction with Newly Built Homes

**By Rolf Barlindhaug and Marit Ekne Ruud**  
**NIBR Report 2008:14**

## **Purpose of the project**

The Building Cost Programme seeks to slow building cost inflation and accelerate productivity in the construction sector. It also seeks improvements in the construction process and construction standards. We explore in this project the experiences and response of residents to newly built dwellings, hoping thereby to fill a gap for better information in this area. The project will highlight which areas function efficiently and which could benefit from improvements. One counts on the results in efforts to strengthen competence of prospective buyers while encouraging higher product standards among housing providers.

## **Characteristic features of the market for new construction**

Both the development and production of homes are increasingly governed by market forces with local councils downscaling provision of building plots and a large number of planning applications filed by private individuals. These factors combine to increase the risk for developers. There is a strong demand for housing, and building new homes for resale is increasingly popular. Many have competed for suitable land, driving prices higher. At the same time, the construction sector is running at full capacity and the workforce is increasingly internationalized. Full capacity will put pressure on price setting in the contracting sector and lead in some case to poorer quality in the finished product.

From the turn of the century the ratio of new homes in the most populous municipalities grew from about 70 per cent to over 80-odd per cent. The block share is more than 50 per cent with the past twenty years witnessing a rapid decline in the percentage of self-builders.

## **The study**

NIBR has completed a survey of a representative sample of residents of all types of newly built homes. The Dwelling Address Project allowed us to identify home-owners, residents in housing associations and renters. Our questionnaire was sent out in June 2007 to a gross sample of 3,981 residents of dwellings completed in 2005. The response rate was 39 per cent. Excellent register information on the entire gross sample meant that we could weight responses to avoid bias on type of dwelling,

neighbourhood and respondent age. This provides for a sounder result than if we had not performed a weighting operation.

### **Mode of acquisition and resident profile**

The study found that the percentage of self-builders still remains significant, constituting 22 per cent of the sample. It came out as 9 per cent in the bigger cities and as much as 58 per cent in remoter communities. Housing association homes bought in 2005 accounted for 22 per cent, a twofold increase over a ten-year period. Their share was only 8 per cent in rural areas.

The questionnaire was designed to optimise data gathering on the extent of re-sales, that is, homes bought up by different parties with no intention residing in them themselves, but to sell them on, preferably at a profit, immediately prior to completion. In our estimate, 4 per cent of dwellings built in 2005 were re-sold in this way. About 6 per cent of residents of housing completed in 2005 are tenants.

Self-builders are usually young couples, with or without children, with a preference for detached houses. Housing associations recruit a relatively large number of single people and couples over fifty. Many of these couples also buy their home from private developers. Single people under forty account for 13 per cent of the residents in the new homes. Housing association residents are much more likely to be in the lower income brackets.

The average home built in 2005 cost 2.1 million Norwegian kroner (NOK). This does not include the value of work performed by the owner. The most expensive homes, at NOK 28-29,000 per square metre, were sold by developers and housing associations in the larger cities. Nine out of ten self-builders invested about 1,000 hours on their home. Of those who bought a home from a private developer, a third did some of the work themselves, on average 180 hours.

### **What sorts of features are included in new homes?**

We differentiate between neighbourhood attributes and amenities in the home itself. A large percentage of the new homes are in convenient distance of public transport, schools and shops. Blocks score well on all of our chosen neighbourhood attributes, while detached homes are less likely to be within walking distance of public and private services, shopping centres, restaurants and cultural activities. As a rule, semidetached homes tend to be more like detached homes than blocks.

Open kitchen designs are very popular nowadays, especially in flats. Detached homes generally have a separate washroom, several bathrooms/toilets and a central vacuum system. Cold storage rooms and saunas are less likely. Residents of detached houses usually have several types of heating at their disposal, and there is a connection between having a choice of heating system and several power sources. Over half of the detached houses have a balanced ventilation system, while only a quarter of the flats do so.

Typical storage area in flats and semidetached homes is 8 square metres, 13 in semidetached and 23 in detached houses.

The study shows that 37 per cent of the new homes offer full access for people with disabilities, that is, it is possible for wheelchair users to reach all types of room in the

dwelling from a garage or car park. Almost half of the new Housing Bank-financed homes feature full wheelchair accessibility standards.

### **What are residents most and least satisfied with?**

#### *Fittings, products, standards*

Highest satisfaction levels are elicited by kitchen layouts generally and fittings, countertop area and storage space in particular. Ventilation systems generally and kitchen and bathroom ventilation particularly come second. Bathroom fittings, living room walls and floor and inside doors populate the next group. Residents are least satisfied with sound insulation between rooms, but even on this score two in three residents said they were satisfied. Insulation standards between flats evoke more or less the same response. The dissatisfaction rate is 17 per cent, and significantly more likely among residents of semidetached homes.

#### *Faults, defects and repairs*

Six out of ten residents are satisfied with the standard of workmanship. All the same, 15 per cent report serious failings and defects after taking possession, while as many as 69 per cent discovered minor damage and shortcomings. Most minor problems affect living rooms and common areas, and are apt to involve doors and windows. Buckling walls and floors are also mentioned. There are fewer defects of a more serious nature, and largely affect electricity and plumbing. Problems with bathrooms and kitchens are mentioned frequently, generally because of faulty electrical installations and damp. Mistakes, once they are made, are often repeated in different rooms and different parts of the structure. But a combination of issues, like power problems and damp, is comparatively rare.

Very nearly every resident had called the seller with a problem or a complaint, and repairs were forthcoming for most or all of the defects in three in four cases. That said, many were particularly unhappy about the seller's response. Only one in three residents who had filed complaints about defects and faults were satisfied with the response, while as many as 45 per cent were unhappy. There were only small differences between self-builders, residents who had bought from a private developer and those that had bought from a housing association.

#### *Sales process and contractual factors*

While self-builders sign contracts with construction firms before construction work actually begins, over half of those who buy from developers or a housing association sign the purchase agreement before building work starts. About 7 per cent of homes erected by developers and housing associations are sold after completion. Two in three residents were satisfied with the buying and selling process.

There will be numerous modifications after a contract is signed and construction work is under way. Almost one in three residents, slightly more if they were self-builders, report modifications to plans and 28 per cent faced completion date extensions. Far fewer report changes affecting the size or price of the home during construction.

Almost all buyers of homes from developers or housing associations receive an information package and architectural plans. Of self-builders, three in four get

delivery receipts and instruction manuals, while only 50–60 per cent of residents in housing association accommodation do so. Big private developers are most likely to give delivery receipts and instruction manuals. Self-builders do not automatically receive delivery receipts or instruction manuals for technical installations.

Information provided to residents is satisfactory before the actual purchase, and at the signing of the contract, but less so once the keys to the dwelling are in their hands. Almost a third felt that information in the post-purchase period was either extremely poor or deficient. The private developers were worst, but inside this group we find that highest satisfaction levels were recorded by residents who bought their home from a larger or smaller developer, and lowest among residents whose property was provided by a modular home firm. Only one in three were satisfied with follow-through after taking possession.

One in three are aware of information issued by the Consumer Council relating to home building, but only 3 per cent had made inquiries, and most of these were self-builders.

#### *Overall satisfaction*

On most of the questions relating to the dwelling's fittings, products and materials, about 80 per cent said they were satisfied and 10 per cent dissatisfied. The remaining 10 per cent were neither satisfied nor dissatisfied. Responses to our satisfaction questions generally co-vary with the cost of the dwelling, what they anticipated, and their experiences since moving in. The price of similar homes varies widely depending on centrality and size. Features of the dwelling itself had little impact on price. For flats, a central vacuum system, balanced ventilation, a choice of heating systems, parking space and more than one bathroom/toilet increased the price. Our analysis shows, however, that the price of detached homes varies only on number of bathrooms/toilets and storage space. For other smaller dwellings, a garage and balanced ventilation add to the price.

Overall analysis of all assessment questions concerning satisfaction finds the highest levels among the self-builders. Residents with a view, central vacuum facility, water leak sensor, garage, full wheelchair accessibility are more pleased than those without such amenities. Wider choice though means less standardisation and higher building costs for the developers.

#### *Why opt for a newly constructed home?*

What proved important for the self-builders was an opportunity to have a say on choice of materials, colours, design and layout and standards. A chance to make a practical contribution was also highly appreciated.

Many opted for a newly built home because of the lower maintenance compared with older dwellings. Some felt that the standards of older housing were unsatisfactory; others were unable to find an existing dwelling that met their needs. It was also a point in favour of purchasing a new home that it had not been previously occupied.

#### *What would residents like to have seen done differently?*

To an open-ended question about what residents felt could have been done differently, many opted for bigger rooms and verandas, particularly residents of smaller homes. Some would have liked a separate kitchen and living room and a dedicated washroom. Several wanted more storage space and better sound insulation between rooms and neighbouring flats. Water-borne heating and better ventilation systems were also mentioned. Not many were interested in reducing space or lowering standards to improve the dwelling's environmental specifications. One in three was willing to contemplate reducing indoor temperature a couple of degrees. 21 per cent would certainly have paid more for a more environmentally friendly home, and 65 per cent would consider paying more if the additional cost could be recouped in lower energy bills.

### **What characterises the Housing Bank-financed homes?**

In our survey, 15 per cent had a mortgage from the Norwegian State Housing Bank, and as many again had no outstanding mortgage. Housing Bank statistics show that it financed 22 per cent of all homes built in 2005. The disparities likely spring from the fact that many respondents have no knowledge of their housing cooperative's funding arrangements.

Only a tiny minority of the self-builders had a Housing Bank mortgage. For homes built in 2005, it was the old home construction loan programme that applied. That most of the self-builders went elsewhere for their mortgage was due to the Housing Bank's restrictions to which they were unwilling to submit. Many also said they were offered better terms by other lenders.

Our data show that the Housing Bank-financed dwellings cost less than dwellings which in all other respects are similar, and are more likely to provide full accessibility for wheelchair users. More than one in three homes financed by the Housing Bank obtained a supplementary loan to upgrade to a lifespan standard, which is a likely explanation of the difference.

Housing Bank-financed homes are less likely to have a fireplace, offer multiple heating options or include balanced ventilation. Balanced ventilation predominates in detached houses, few of which are financed by the Housing Bank.

### **Concluding remarks**

On the basis of our findings, we would like to highlight certain points for further consideration by developers when planning new projects.

There appears to be a demand and readiness to pay for multiple energy sources and balanced ventilation. Whether the additional investment cost of installing energy-friendly systems finds a response in greater willingness to pay is a much-discussed issue. Insofar as those with an option of energy-friendly systems are likely to accept it, one would assume there is a willingness to pay for them. But it is also conceivable that self-builders go through a learning process, resulting in greater awareness of these issues than ordinary new home buyers, whether they buy from a developer or a housing association.

Turning to faults and defects affecting the dwelling, it seems that once a mistake is mad, it will probably turn up in other rooms and other parts of the structure.

Workmanship standards are something the construction industry needs to address, because there is a high incidence nowadays of errors and defects. Many residents say mistakes and defects are repaired in the end, but it does take a lot of trouble to get that far, and sellers seem reluctant to respond to complaints once the keys have been handed over. It would be sensible then to take steps to improve quality control overall and efficiency in particular, both during the construction period and subsequent to the hand over. Necessary documents are not always forthcoming either, including delivery receipts and instructions. Many residents would like to see contractual improvements – very many indeed have experienced alterations to plans and delays in completion dates.

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# The Pathway to Permanent Home

## Evaluation of the national strategy to prevent and counteract homelessness

### 2005-2007

**By Evelyn Dyb, Marit Kristine Helgesen and Katja Johannessen**  
**NIBR Report: 2008:15**

A homelessness prevention and alleviation strategy was in place between 2005 and 2007. Five ministries were involved: Ministry of Labour and Social Affairs (now Ministry of Labour and Social Inclusion), Ministry of Children and Family Affairs (now Ministry of Children and Equality), Ministry of Health and Care Services, Ministry of Justice and Ministry of Local Government and Regional Development. Implementing the strategy were front line agencies, mainly the Norwegian State Housing Bank working in close collaboration with the Directorate for Health and Social Affairs (now Norwegian Labour and Welfare Organisation – NAV). The strategy's five performance targets were:

- Reduce the number of eviction petitions by 50 per cent and evictions by 30 per cent
- No one should be required to stay at an emergency shelter on release from prison
- No one should be required to stay at an emergency shelter on discharge from an institution
- No one should be offered an emergency shelter place without a quality agreement
- No one should be required to reside for more than three months in temporary accommodation

Following the layout of the evaluation report, this summary presents the most important findings and assessments. We begin with the first chapter to deal with substantive issues, Chapter 2.

*Chapter 2 – Performance Assessment* reviews various ways of determining achievements against performance targets, investigates the soundness of the methods, looks at structural factors likely to affect performance and at relations between means and ends. This methodological survey is not included in the summary. We present here simply findings and conclusions. The target to reduce eviction petitions by 50 per cent was very nearly achieved, and the number of evictions was reduced by much more than 30 per cent. Statistics for 2004 provided the calculation base, representing

the year before the strategy was put into action. Between 2004 and 2007, eviction petitions fell by 46 per cent and actual evictions by 66 per cent nationwide. Petitions and evictions are prevalent in all types of municipality, but significantly more both relatively and absolutely in the major cities. Having said that, however, target achievement in Oslo is on par with the national average.

Achievements against the other four performance targets are reported to KOSTRA (Municipality-State-Reporting, a central database on municipal activity). The figures are considered unreliable; those on the use of emergency shelters are exceptionally unreliable and have only partly been published by KOSTRA/Statistics Norway. The use of temporary housing measures increased overall during the strategy's lifetime. One important reason for the rise is that these questions were new additions to the reporting forms in 2004, but reporting has improved during the strategy's lifetime as well. Nevertheless, the figures filed with KOSTRA show that temporary accommodation is used in all types of municipality, and for longer than three months as well. Not only were these performance targets not met, it is difficult to determine rates of progress on any of them. Many local authorities consider the target to avoid offering places at emergency shelters without quality agreement to be of little or no relevance, and reporting is also deficient in this area.

The structural setting for the homelessness prevention and reduction strategy is a housing sector dominated by a home owners, a small, transient property market and limited social housing provisions locally. The strategy unfolded under a favourable economic climate characterised by low interest rates. People who ordinarily would have waited before buying a home, purchased one now, boosting capacity in the rental sector in the process. Progress on target measures proceeded on the back of a thriving economy. As the strategy approached its end of life, the climate worsened. Interest rates began an upwards spiral, and the rental sector shrank fast in the major cities.

The Housing Bank's housing policy instruments, i.e., start-up loan (startlån), housing subsidy (boligtilskudd) and housing allowance (bostøtte), are increasingly used to benefit disadvantaged groups in the housing market. They aim to promote wider home ownership. The use of the start-up loan and subsidy to procure homes for the strategy's target groups is limited. The chapter reviews legislative measures aimed at facilitating efforts to reduce and combat homelessness. At a general systemic level, it is difficult to assess the immediate effect of these statutory changes on achievement rates. On the other hand, they were instituted on the basis of identified needs from working with the target groups. The right to a dwelling was not enacted in law, however.

*Chapter 3 – The Strategy from a Top-down Perspective* explores the roles of the various stakeholders, the views of selected stakeholders regarding performance targets, achievements and priorities, instruments and methods and opinions on strategy implementation, embeddedness and prolonging the work. The strategy facilitates significant vertical and horizontal collaboration between public and private stakeholders. Stakeholders include voluntary organisations, user organisations, private housing sector players such as landlords and developers, central and local government bodies. Collaboration is secured through partnerships or commercial agreements. Data for this chapter derive largely from interviews with the most

important stakeholders, senior officials at the State Housing Bank and The Directorate for Health and Social Affairs and County Governor's Office.

The measures include, on the one side, grant strategies and, on the other, exchange of information and mutual learning between the various arenas. The strategy is theoretically grounded in a governance approach, a form of government in which central government provides the means and local councils and other stakeholders work together in networks or public-private partnerships to promote goal achievement. Responsibility for bringing the various stakeholders together and enabling optimal performance in the various arenas is delegated to the Housing Bank. The Housing Bank builds on pre-existing networks coordinated by the County Governor and collaboration with the County Governor, but completely new networks were set up as well. Networking among local councils has offered a practical channel for sharing lessons and, not least examples of best practice. How well information was transmitted to elements of the council organisation not involved in the inter-council networks is an open question. The regional contact forums have brought stakeholders together on whose collective input results depend. One of the conclusions drawn from information provided by the interviewees is that stakeholders do not always see themselves as "owners" of the strategy, and its objectives garners varying degrees of support from stakeholder to stakeholder.

A raft of grants are available for improving housing for the strategy's target groups. The foremost among them were the Housing Bank's competence grant and a grant for follow-up services managed by the Directorate for Health and Social Affairs. Both organisations, but the Housing Bank in particular, have put resources into making local councils more aware of the grants and subsidies. The Directorate's grants were used mainly to widen the range of services, but also to develop methodology. The Housing Bank's grants were spent on learning and competence building, and organising partnerships.

The policy instruments – grants and networks/forums – are not directly linked to target achievement, and there is no guarantee of improved performance either. The Housing Bank's ordinary policy instruments to boost home ownership were not used to any appreciable extent for procuring homes for the homeless. The lack of dwellings is defined as the biggest hurdle going forward by our interviewees.

*Chapter 4 – Local Government Survey*, is based on information retrieved by a survey of local councils receiving competence building grants from the Housing Bank and/or participating in an inter-municipal network. Analyses of the data rely consistently on a fourfold division of municipalities based on population: 1) Oslo city districts; 2) at least 42,000 inhabitants (except Oslo); 3) 10-39,000; and 4) no more than 9,999 inhabitants.

Over half of the local councils have successfully cut back on the use of temporary substitutes (with significant or very significant cuts). A small minority tells us that they no longer depend on stopgaps at all. The average score of the municipalities' own achievement estimates is well beyond the midpoint on all performance targets. Progress was best on reducing evictions by 50 per cent. Half the municipalities and city districts operated with self-generated performance targets during the strategy. Progress on these performance targets is considered good by the councils

themselves. The lack of housing is cited as the main reason for shortfalls on the strategy's national targets and locally adopted targets in the municipalities and city districts, for which home acquisitions and/or conversions are the highest priorities.

Most municipalities/city districts target both substance abusers and people with mental health problems. These groups have high priority and merit particular attention.

Of the steps and activities initiated by the municipalities/city districts under the strategy, financial counselling and advice ranks first. Four out of five local authorities have opened financial advice services. Counselling and advice on housing questions and follow-up services for homeless persons and substance abusers were in place in 77 per cent of municipalities/city districts. 68 per cent of the municipalities expanded employee competence in the area of social housing and 63 per cent set up follow-up schemes for people with mental health problems. 61 per cent procured accommodation and 55 per cent adapted pre-existing homes.

Two thirds of municipalities obtained funds under the Housing Bank's competence building scheme, and slightly less, 61 per cent, under the Directorate for Health and Social Affairs' follow-up scheme for homeless persons and substance abusers. A significant proportion – between 30 and 40 per cent – used other government grants in connection with strategy implementation. The highest scoring government schemes was the Housing Bank's ordinary facilities, i.e., loans, grants and housing allowance. 82 per cent of municipalities/city districts report using them. In the view of the municipalities, these schemes fit the needs of the strategy's target groups quite well. Housing allowance comes out worst, start-up loan best.

The municipalities partaking in the survey were chosen for various reasons, mostly however because they were members of inter-municipal networks. The large municipalities, with populations of >40,000, and Oslo's city districts, were more likely to take part in networking, forums, conferences and benefit from training schemes. We found systematic correlation between municipal size and participation in these arenas. We did not find a systematic relation between municipal size and assessments of the importance of these arenas to efforts to combat homelessness. The survey found wide variance in assessments, but large municipalities were more likely than small to assess competence and exchange of lessons learned as important factors.

One out of four municipalities/city districts have planned strategy actions without putting them into effect. They comprise in the main various housing projects. The reason for suspending them tends to be the state of the municipal economy. Two projects were shelved after protests from neighbours.

The Housing Bank is the municipalities' preferred partner, followed by agencies in one's own municipality/city district. The County Governor and Enforcement Commissioner come third and fourth. After them, in order of mention: health enterprises; police; child welfare authorities; correctional and probation service. One out of four municipalities worked with property developers/managers and private rental businesses. One in every five municipalities/city districts worked in league with voluntary organisations and user organisations.

The social services have overall management responsibility for combating homelessness and improving conditions for the target groups. In the major cities and city districts of Oslo it is the housing agency that oversees the work, however. The scope and content of the responsibilities of the alcohol and drug addiction services vary by municipal category. The Norwegian Labour and Welfare Organisation (NAV), home care and health services have few responsibilities in this area. According to most municipalities combating and preventing homelessness is very firmly or firmly embedded in the departments responsible for the target groups.

Collaboration on homelessness and target groups within municipalities/city districts could be better or much better according to all respondents in the three largest municipal groups. Responses from the smaller municipalities diverge somewhat. Combating and alleviating homelessness and working for the good of the target groups are firmly embedded at the managerial level in the municipalities/city districts. Overall, embeddedness in the administrative departments has not progressed as much as the service departments, and least of all within the political leadership.

One way of measuring embeddedness is to look at the eventual continuation/discontinuation of measures after the end of the strategy. In the majority of the larger cities (91 per cent) and Oslo city districts, fixed duration schemes were continued beyond the strategy. Nearly half of the medium and a third of the small municipalities also decided to keep measures active. There is, however, reason to doubt the responses of the small municipalities. Half of them answered 'don't know' to the question of continued activities. Continuation largely involved turning temporary personnel positions funded under government grants into permanent ones.

Fewer municipalities extended non-fixed duration measures installed under the strategy than fixed duration measures. Half the respondents gave a "don't know" response, possibly indicating low likelihood of establishing permanent action during a scheme's lifetime, and a choice by the municipalities to set up measures initially up as pilot strategies.

All municipalities and city districts have planned practical action to combat and alleviate homelessness. The most important measure, and most prevalent in the municipalities, is procurement of accommodation for disadvantaged groups. Strengthening service delivery, building competence and improving internal municipal/city district collaboration are also high on the list of planned measures. The most prevalent form of funding is a combination of government and municipal moneys. Funding remains uncertain for some of the initiatives.

*Chapter 5 – Municipality Study: Case Study*, was carried out in three municipalities, "Fjord Village", "Regional Town" and "City District", that is, a district of Oslo. These three cases are diverse in terms of geography, size (number of inhabitants), management model, social housing policy challenges and responses to and implementation of the strategy locally. The three case municipalities were chosen because they had all had some success implementing the strategy. They identified groups at a disadvantage in the housing market and the difficulties facing them.

The three municipalities rank the various strategy goals differently. The national objectives, in the perception of Fjord Village, are insensitive to municipal needs insofar as they establish a general priority to procure housing for disadvantaged persons and persons released from prison or discharged from an institution. City District and Regional Town worked to achieve all five of the performance targets. In addition, all three adopted targets of their own. City District and Regional Town had done this before the strategy came on line, while Fjord Village started working on its local objectives during the strategy's lifetime. Self-devised objectives are particularly sensitive to the circumstances in the municipality. Some are responses to particular problems. The case studies corroborate the findings of the survey: performance is slightly better on the locally designed objectives than the national.

During the strategy's lifetime, activity in the three municipalities grew in pace and scope. Funding options used varied slightly. Fjord Village received funds from the Housing Bank and the Directorate for Health and Social Affairs; Regional Town procured most of its funds from the Directorate for Health and Social Affairs, some from the Housing Bank, and some from its own treasury; City District was funded by the Housing Bank, Directorate for Health and Social Affairs, own treasury and other actions not initially connected with the strategy. A problem facing them all is the lack of housing for the groups targeted by the strategy. Fjord Village solved this problem, and knows of no one still in need of social housing. Regional Town and City District have waiting lists for social housing, and lack adapted housing for people with special needs.

All three case municipalities installed a follow-up service. The design and degree of incorporation in the ordinary services vary. What the three municipalities share is a flexible set of services adapted to the needs of the users. They differ in that sense from ordinary home care services. Regional Town, for instance, adopted a more standardised approach to its follow-up services, provision of which is managed by the mental health care unit. All three municipalities offer daytime activities. The strategy does not exactly prescribe activities like this, but as most users are unemployed the municipalities consider extended services as an important aspect of a holistic approach. The case municipalities are more likely than the average survey municipality to view the Housing Bank's provisions, with their emphasis on the start-up loan and housing allowance, as less responsive to the strategy's target groups.

Strategy integration technically and administratively involves several units and agencies and seems rather fragmented in all three municipalities. Fragmentation can be construed as beneficial and as detrimental. A negative construal sees services for the strategy's target groups as extraneous to and out of sync with the "ordinary" responsibilities of the municipality. In this scenario, the action or service remains on the outside of ordinary service delivery, and is discontinued when project funding dries up. While the users need a flexible response, flexibility is likely to exacerbate fragmentation in municipalities with a flat organisation structure. Fragmentation, viewed positively, however, expresses an ability to address the varied needs of the persons involved. The development of special services or dedicated housing follow-up system could enhance the service's visibility and underpin its justification. The degree of political support varied widely among the three municipalities.

Municipalities were not required to join networks as a condition for the release of grants, but the three case municipalities were members of experience-exchange networks. They had also – altogether – entered into collaborative agreements with the correctional and probation service, health enterprises, “local” labour and welfare organisation and enforcement commissioner. Two had set up a local labour and welfare organisation office. Here, however, reorganisation has impacted negatively on social housing efforts.

All three municipalities worked with private developers, and Regional Town and City District worked also with private residential landlords. The strategy encourages municipalities to work closely with voluntary and user organisations. Only City District followed this advice and worked extensively with the voluntary sector during the strategy’s lifetime. Regional Town invited voluntary sector organisations to do specific work. Fjord Village worked closely with user organisations, less with voluntary organisations.

Chapter 6 summarises performance enhancing factors and inhibitors. The chapter also discusses and justifies a raft of recommendations and alternatives for the work ahead. In brief, the recommendations are as follows.

On the basis of the evaluation, work in relation to performance targets 1 (reduce eviction petitions and evictions), 2 (avoid stopgap remedies following release from prison/institution) and 3 (no one should need to live more than three months in temporary accommodation) should continue. Given the harsher housing market climate from mid 2007, especially in the major cities, efforts should be redoubled and new approaches adopted to secure achievements so far and progress further.

The Housing Bank’s funding arrangements could be adapted to meet the needs of a wider section of disadvantaged individuals in the housing market than is the case today. It would exceed our mandate however to assess how this could be examined and accomplished in practice.

The Housing Bank should step up its efforts to inform local authorities about the bank’s ordinary portfolio of social housing options, i.e., start-up loan, grant and housing allowance, offering advice and information on the ability of the schemes to help particular groups of disadvantaged home seekers.

There should be a set of criteria for separating emergency accommodation (shelters) from provisional housing for a longer periods pending a permanent solution. Rather than standard quality agreements, guidelines on acceptable standards of provisional housing should be formulated. The three month ceiling should not be changed.

We recommend compiling a set of criteria on provisional accommodation, that is, the circumstances in which provisional lodgings are appropriate and the length of time involved pending normal housing arrangements. The personal plan (*individuell plan*) should be used to organise transition to a permanent home.

The evaluation shows a need for a supervisory authority which monitors local authorities’ statutory duty to procure housing for people and households unable to do so themselves. Control of provisional accommodation (shelters) and temporary housing should be strengthened pending permanent housing to ensure compliance with intentions.

It would be advisable to retain a focus on the most disadvantaged groups – substance abusers and people with mental health problems. Expertise and services developed during the anti-homelessness strategy are the most important aids in the municipal service portfolio for these groups. Indeed, in some areas they are the only aids.

Risk assessment criteria should be widened to young families, persons and households for whom homelessness is a real threat in an increasingly tighter housing market.

Opportunities for collaborative governance should be strengthened centrally, regionally and locally enabling a more coordinated push to achieve targets and engaging with the individual client. Multi-level governance offers a way of involving various bodies and players in efforts to combat homelessness.

We recommend letting the follow-up service for the strategy's target groups develop into a dedicated service in the sense of giving it space to define itself as a specialised area. The follow-up service could be eventually incorporated into the home care services should that be necessary.

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# Mental Health and Psychiatric Disorders

## Openness, knowledge and attitudes

**By Trine Monica Myrvold**  
**NIBR Report: 2008:16**

The National Action Programme on Mental Health running from 1999 to 2008 is a comprehensive plan intended to strengthen and develop services for people suffering from mental problems. The Action Programme is now in its final year, and this report presents the results of one of several research projects monitoring the programme.

The report analyzes openness, knowledge and attitudes in the population when it comes to mental health and psychiatric disorders. Three groups of questions are addressed:

10. What characterizes people's knowledge about mental health and psychiatric disorders? From where do they get information on the issue? Has knowledge changed within the time period of the Action Programme? What factors influence knowledge and information?
11. Are people concerned about issues concerning mental health? Would they want to be open about it, if they or someone in their family get mental problems? Has commitment and openness increased over the past five years? What factors influence commitment and openness?
12. What characterizes people's attitudes towards mental problems and psychiatric disorders? Have attitudes changed? What factors influence attitudes?

One of the main aims of the project has been to analyze possible changes in knowledge, openness and attitudes in the course of the Action Programme on Mental Health. Even if the report not constitutes a direct monitoring of any single information initiative related to the Action Programme, the analyses are directed to seeing whether elements in the Programme's information strategy are reflected in people's knowledge, openness and attitudes.

The report accounts from findings from two rounds of telephone interviews to a representative sample of 2000 of the Norwegian population. Almost identical surveys were conducted in 2002 and 2007.

### **Information and knowledge**

Our data indicate that the demand for information about mental health issues is not fully met in Norway. Almost 50 per cent of the survey respondents find their knowledge insufficient. A majority would like to know more about how mental

problems and disorders may be prevented. Whereas some respondents find it relatively easy to obtain information about mental health issues, do other respondents find it more difficult. Those who know someone who are or have been mentally ill, demand more information than those who do not have such acquaintances. They are also generally satisfied with the information they find.

Internet is becoming an ever more important source of getting information about mental health issues. Internet appears, however, to replace most other sources of information. Particularly, fewer people would seek information in different parts of the health sector.

Given the Government's strengthening of the mental health client organizations, we expected these organizations and their helplines to be a more important source of information about mental problems, but our data do not indicate such a development.

Of the individual characteristics, age stand out as an important predictor in people's access to information. The youngest respondents find it easiest to access information about mental health problems. Higher educated people and people working within the health and welfare services are more confident than others that they possess sufficient knowledge about mental health issues.

The information provided by the Government has the past few years shifted from a focus on severe psychiatric disorders to emphasizing milder problems. Hence, we expected that milder mental problems would be more present in people's understanding of issues pertaining to mental health. Our survey indicates a certain shift of focus in the expected direction, but we can not draw reliable conclusions on this matter.

### **Commitment and openness**

Closeness is important for people's commitment and openness when it comes to mental problems. People are most concerned about the mental health of close friends and family. A clear majority of the survey respondents agree that they would be involved if one of their nearest friends or relatives was to have mental problems. Most of them would also be open in case of own or close people's mental problems. Whereas most people would want to tell the family about mental problems, less are willing to be open about such problems towards friends, and even fewer towards colleagues. There is a clear trend towards increased commitment from 2002 to 2007, but we do not find such an increase in the will to be open about mental problems.

Gender is important in explaining commitment and openness: compared to men women want to be both more committed and more open when it comes to mental problems. Age is of minor importance, except for people under 30 years being less willing to be open about own or friends' mental problems. Income shows the same pattern: people with a low income desire less openness than people with higher income. Education seems less important when it comes to involvement in mental health problems.

People working within the health and welfare services are more involved in issues pertaining to mental health than people in other occupations. To know someone who is or has been mentally ill does also increase commitment. Such knowledge also

increases the inclination to be open to the family about mental problems, but does not increase the openness towards friends and colleagues. One possible explanation of this may be that people knowing someone with mental problems more easily than others see the possible problematic aspects of being open, especially when it comes to openness about other people's illness.

### **Attitudes towards mental health and psychiatric disorders**

Generally, Norwegians seem not to stigmatize people with mental problems, at least when they are asked about their attitudes in a survey. Moreover, most people think that there are good possibilities of recovering from mental problems. A majority of the respondents seems to have a rather realistic picture of what may be of help for a person with mental problems. Some people tend, however, to believe that relatively flimsy methods may be of good help in cases of mental problems and illnesses.

Our survey indicates that most people understand the need for developing the services for people with mental problems and illnesses. A clear majority sees the importance of the Government working for improved mental health in the Norwegian population, and only very few mean that people should solve their own problems. From 2002 to 2007 there has been a reduction in the proportion of respondents answering that people should solve the problems themselves. This may indicate increased popular accept for improved public services for mentally ill.

The attitudes towards mental health issues and mental illness seem to have developed in a positive direction from 2002 to 2007. Generally, people expose less stigmatizing attitudes in 2007. There is, for instance, a reduction in the proportion of respondents answering that having mental problems is embarrassing. Moreover, more people seem to be rather optimistic when it comes to possibilities of recovering from mental illness in 2007 compared to five years earlier. In the same period, however, the belief in somewhat flimsy solutions to mental problems increases.

Gender is an important predictor of people's attitudes towards mental health issues. Women are generally less stigmatizing, they believe less in easy solutions to problems, and they are more positive to public service provision to people with mental problems. Age is also important: older people reveal more stigmatizing attitudes, and are less willing to develop public services for mentally ill.

The traditional status variables, like education and income, are of great significance in explaining attitudes. People holding a university degree, and people with higher incomes, appear to be less stigmatizing in their attitudes, and do to a lesser degree believe that mental problems and illnesses can be cured by easy measures.

Occupation seems less important, with one exception: people working within transportation, industrial production and crafts seem to be more stigmatizing, and to a greater extent than others they support the view that people with mental problems ought to solve their problems for themselves.

## Attractive Tourist Destinations

- good development and environment for young people?  
Geilo and Hemsedal for local youth

**By Guri Mette Vestby and Marit Ekne Ruud**  
**NIBR Report 2008:17**

This study traces connections between factors like living conditions for children and adolescents, expanding tourist and second home markets, natural resource management and rural culture. It showcases the effects of policy making and economic development on the everyday lives of the young and on their sense of belonging. It means that local councils should formulate a comprehensive, coherent policy towards children, adolescents and preventative action. Over a longer time span, it also concerns young people's self-understanding as members of a rural community to which they feel attached and appreciated.

A central preoccupation of the project was to gather information about how adolescents themselves perceive Geilo and Hemsedal as places to live and grow, given that both are very popular tourist destinations. Both local councils face a considerable challenge to balance the needs of tourism and place development while ensuring a satisfactory environment for children and adolescents. Our main informants are young people aged 15–25, though well-placed individuals and young seasonal workers have contributed to the stock of information. The empirical basis comprises qualitative data from the interviews and quantitative data from survey and statistics.

The young residents of Geilo and Hemsedal enjoy many advantages and opportunities from the fact that their home places are popular among tourists. Compared with many other rural communities out of the tourist way, there is a large number of things going on, there is more life, a lot more events, arrangements and amusements. Facilities and land developed by the tourism industry are usually open to local youngsters as well. Compensating the low number of local residents are the tourists, seasonal and guest workers. It is exciting and stimulating to meet new people from other places, say the young people. It encourages a more outgoing mentality and makes the community more open. They are proud of their home places, of the magnificent natural surroundings and everything the places have to offer for tourists and travellers, and they mirror themselves instinctively in the attractive perceptions of places that are known to so many. Their home places are by no means anonymous! Their skiing skills, fashionable attire and equipment give the young quite a reputation on the ski slopes. Here they meet young people from other places, though they tend not to mix off the slopes. They are observers more than

participants at after-ski events and venues. Nor do they emulate the party culture of visitors and seasonal workers, although half of our young informants believe they are not unaffected by it. A minority gets involved in partying in the here and now, but the majority may still be affected over a longer term. Visitors arrive and stay in holiday mode, the locals have their own everyday lives to get on with.

Nor is there much intermingling between local people and seasonal workers whose stay is counted in months. The seasonal workers themselves find it difficult to get to know local inhabitants, and many of them miss having a part to play in the ordinary round of rural life, cultural and leisure. In addition, many families are temporary staying in Geilo and Hemsedal. Unskilled jobs are plentiful, which tends to also attract at-risk families. Both child welfare authorities and schools in both places feel a duty to encourage integration of these “modern nomads”, but the temporary nature of their stays is a barrier. “They’ll be off soon enough”, and many of them have little interest in the local community or what they have to offer in the cultural or social line.

Images of these mountain communities are influenced by many agents, and we show how the tourism business itself, seasonal workers from the outside and the local youth all take part in the construction of the place images. Magnificent natural surroundings are an important ingredient of these place images. Hemsedal pursues image development seriously, with events, activities, competitions, entertainments and amusements. Innumerable restaurants and bars help define the “this is where it happens!” image, and the young agree it is a place for partying. History and traditions are almost completely absent from these place images, particularly the winter images. Geilo does more to accentuate its heritage as the envelope around the narrative of a congenial place for the whole family, a welcoming atmosphere in and around the mountain town. The young, too, mention the mountain plateau’s opportunities, and it is at Geilo the young speak about environmentally friendly natural benefits like fresh air and pure, clean water. They are worried about the pace of second home and apartment complex building in recent years. It could damage the landscape, the unique qualities and idyll. This is true of both places, but Geilo youth are more concerned than the young of Hemsedal.

During certain periods of the winter season tourists dominate these rural towns. Hordes of partying teenagers and young adults home in on Hemsedal where they drink to excess, behave like vandals and cause trouble; the adult population too describes the situation as not particularly “good for children or youth”. At Geilo the tourists predominate in a different way, and local youth take offence at the arrogance of many tourists, their lack of consideration and apparent belief that “they own the place”. The sense of inferiority and antagonism towards tourists are stronger than the young of Hemsedal display.

One positive outcome is that tourism creates a range of employment opportunities both for adults and youngsters after school, though it has a strong effect on the young people’s wider environment, directing attention towards clothes and accessories. Some adults are worried that the old rural values are disintegrating. Social status used to derive from who you were and what you did for the community, Today, consumption is on the fore front. The danger is the increasing importance of wealth as an indicator of social standing. For low-income families, the relative

difference feels much wider. And as the ski slope is the most popular venue during the winter, a place “everybody” visits, where children and adolescents pose in the latest accessories and outfits, being short of money is obviously painful. Social inequality based on conspicuous consumption could introduce new inclusion and exclusion mechanisms. With high influx levels and temporary stays, the constant flow of outsiders helps set the direction in which key community values are likely to change. There is a higher proportion of outsiders than “natives” in the age-group adults with schoolchildren.

A large number of the young feel expansion is out of control. Economic growth destroys the natural environment and sense of the idyllic; makes the place less enjoyable; and threatens the lifeblood of the community, while increasing the pace of urbanisation and transformation of place identity. Local youths and young seasonal workers are squeezed out of the housing market as demand presses house prices sky high. This is not simply an economic and practical question, it appears to have a serious symbolic effect. Young people feel as if they are worth less, and of little importance to the community of the future. The young people’s sense of belonging depends largely on their sense of attachment to the natural environment, landscape, social connections and rural community, despite a highly diverse native population. Asked if they could imagine settling in the town as adults, they say it depends on the job opportunities, affordable housing and a safe place to rear children, with attractive activities and cultural diversions. They also insist that developments and expansion must not be allowed to damage the natural environment, the landscape or rural community. The authorities need to attend to the needs of the local residents, not just the tourists. It is not simply a practical issue. It is just as important for the young people’s sense of place attachment.

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# A Life Between the Buildings

## A qualitative study of homeless people's everyday life

**By Katja Haarslev Johannessen**

**NIBR Report 2008:18**

The subject of this study is the everyday life of homeless people in Oslo. Data were obtained through qualitative interviews with eight homeless persons. The questions related to practical issues in their everyday life and I have attempted to identify strategies used to construct a homeless life.

The study sought to establish the impact of homelessness on how my informants tackled the practicalities of everyday life; to identify factors that explain the marginalisation of the homeless; and to gain an insight into about circumstances under which homeless people live.

In the analysis I identify structural factors which perpetuate my informants' marginal position in society. Recent years have witnessed an accelerating privatisation of public space, accompanied by stronger policing of the borders between the public and private domains. Regulating the public domain is not always carried out with a view to regulating its use by homeless individuals, but it often impinges nevertheless on those who spend much of their time in public areas. Intensified border control makes it easier to see who is being excluded from the public arena. My informants feel distinctly unwelcome in certain areas of the capital. They are ejected from and refused entry to places like Oslo City (a shopping mall) and Oslo S (the main train station) for no other reason than they are who they are. Surveillance is not noticed by those who use public areas "properly". But if you use it "wrongly" or belong to a category of high risk individuals, the likelihood of exclusion is never far away. The alternative for my informants is somewhere outside the guarded perimeter, or in venues set up by mainstream society with this precise purpose in mind, to house the marginalised. Marginal spaces for marginal people, in the words of Elm Larsen (2002).

As my theoretical starting point I take Pierre Bourdieu's theory of power. Habitus and cultural, economic and social capital are Bourdieuan terms used here to analyse my informant's narratives. When people lose their home they have to devise survival strategies and adapt to the new situation. I also rely on street capital in Sandberg and Pedersen's (2007) rendering to illustrate the skills and knowledge acquired by my informants as they seek to create a life without a dwelling place. Street capital differs from Bourdieuan forms of capital in its specificity to a particular setting. It is a restricted corpus of cultural capital whose viability is limited to the street; it cannot be converted and used in other settings. Homeless people have little Bourdieuan

capital, and are therefore compelled to look for other types. I use the term street career to show the concurrent process of integration into a street culture and desocialisation from mainstream society. The more street capital you possess, the worse your chances in mainstream society.

I use Bourdieu's (1990) concept of habitus in an analysis of my informants' internalisation of street culture. Agents make decisions freely, but decisions based on past experience and acquired categories. This can be observed in my particular field of study as informants' inability to adapt to a way of life without a permanent home; changing one's life style cannot be done in an instant. The embodied expression of street capital is habitus; in my context, the actions of the homeless are informed by their acquired stock of street capital. Street capital, I argue, is a drawback in the housing market, but a joker in street cultural terms.

Asking what it is that sustains the marginal position of homeless people, I trace in the study the career trajectory of my informants. Regulation of public areas is accompanied by tougher surveillance and border control routines. They force the homeless and other stigmatised individuals to seek out alternative venues. They undergo a process I call the role-loss ladder. From loss of role, the route goes via street career to integration within a street culture and acquisition of street capital. Street capital offers social status in street cultural terms, but it also protects from continued stigmatisation by mainstream society. Street capital acts in this sense to obstruct integration in mainstream society, providing further confirmation of the marginal position of the homeless in society.

## E-Initiative

### An evaluation of a pilot scheme involving electronic inhabitant initiatives

**By Hilde Lorentzen and Marte Winsvold**  
**NIBR Report: 2008:19**

A two-year pilot scheme allowing the public to submit proposals via the web, the electronic inhabitant initiative, was conducted in fourteen municipalities. After starting in three municipalities – Eidsvoll, Hole and Lørenskog – in November 2005, the final eleven joined the scheme on November 1, 2006. They were Andebu, Hof, Holmestrand, Horten, Larvik, Nøtterøy, Re, Sandefjord, Stokke, Tjøme and Tønsberg. The evaluation is based on the experience of these municipalities accumulated during the scheme's twenty-four-month lifespan. Five of these municipalities – Eidsvoll, Hole, Lørenskog, Sandefjord and Horten – were chosen as case municipalities and studied particularly carefully. We interviewed officials on the Holmestrand and Larvik councils as well.

The electronic inhabitant initiative programme (Norwegian: *elektronisk innbyggerinitiativ*; e-initiative for short) allows residents of a municipality to submit and countersign proposals for council deliberation using the council's website. It represents an opportunity for the public to use its right of initiative as laid out in section 39a of the Local Government Act (*Kommuneloven*) electronically.

The pilot scheme saw thirty one proposals tabled in nine of the fourteen test municipalities over its lifetime. One of the proposals was anonymous and therefore discarded. Of the thirty proposals from named persons, thirteen were opened for countersigning. Three of these had attracted a sufficient number of signatures for eligibility as council business. All three received the majority vote in the council. Action to implement one of proposals, for a climbing wall in the municipality of Eidsvoll, has already been taken. Seventeen proposals were not opened for countersigning for various reasons. Some proposals fell outside the council's jurisdiction, some had already been considered during the current electoral term or were awaiting approval. Some were viewed as expressions of opinion rather than serious proposals. And some were dealt with administratively.

The purpose of the electronic resident initiative was to widen accessibility, facilitate public scrutiny of the proposal processes, improve the process in terms of information and activate new groups, particularly the young.

The evaluation found improved access to and use of the right of initiative as a result of the trial. More proposals were lodged in the pilot municipalities than across the

country as a whole. One the reason was possibly because it is easier to collect endorsements via the Internet than by paper. Another could be that the public in the test municipalities are much more aware of the right of initiative than populations in other municipalities.

Aspirations for increased scrutiny, better information and wider group activation were not fulfilled to the same degree, mainly because local councils failed to tap into the full potential of the e-initiative system.

The initiative was expected to promote wider public scrutiny simply because submitted proposals could be posted immediately on the council web pages along with supplementary information regarding progression in the administration. Residents have not, however, availed themselves of the system's heightened procedural transparency. This is an area where significant improvements could be made. Proposals achieve higher public visibility in the trial municipalities not least because the media are alerted earlier than and can follow a greater part of process.

The public was expected to learn more about the right of initiative inasmuch as residents could set out their arguments and reasoning on the council's home pages in detail, reaching a larger segment of the population. And this was done, by and large. Each proposal was allotted a dedicated forum where the public could respond. This particular measure was expected to provide important information for council officials in charge of approving or discarding proposals and politicians making the final decision. These forums were not used much either to post responses or read arguments posted by others.

The e-initiative was also expected to activate new groups, especially younger people to whom the Internet is no stranger. But here too, expectations were left wanting. Instead, the councils found, communicating via the Internet appealed more to older, already politically active members of the public. There were some exceptions. One proposal was submitted by a teenager, and others by people who had not been involved in local politics before.

The e-initiative satisfied most expectations of wider accessibility. But for the e-initiative to improve the public's opportunity to monitor initiative processes, inform potential endorsers, vetting officials and politicians, and activate other segments of the population, councils need to take action. The report offers in conclusion a series of recommendations on council action to get the scheme to work as intended.

# Municipal Organisation 2008

## A report of the Ministry of Local Government and Regional Development's organisation database

**By Sissel Hovik and Inger Marie Stigen**  
**NIBR Report 2008:20**

Acting on behalf of the Ministry of Local Government and Regional Development NIBR has conducted a survey in 2008 of organisation forms and work processes in local and county municipalities through what is known as the organisation database. This report summarises the results. Before this present study, four others had been conducted, in 2004 (Hovik and Stigen 2004), 2000 (Vabo and Stigen 2000), 1996 (Gravdahl and Hagen 1997) and 1995 (Johnsen 1996) respectively. When historical data are to hand, the new findings are compared with those of previous years.

The earlier surveys did show a significant change in how both the political and administrative levels of local and county municipalities were organised over the years. Prompted by the 1993 revision of the Local Government Act, the early 1990s saw the start of a wave of organisational changes which lasted until 2004. This latest study shows significantly less changes in the major political and administrative structures. The same applies to the delegation of powers from the political to the administrative level and the introduction of management by objectives.

On the contrary, local and county council services are increasingly exposed to competitive tendering. Furthermore, the local and county municipalities are to a greater extent implementing measures promoting a dialogue with the public, business communities, local organisations and users. Examples are public meetings, brainstorming sessions and user surveys. A strong historical focus on internal structures and procedures seems, at least to some degree, to be replaced by a stronger focus on the relations with users of municipal services, local interest groups and citizens. There is less focus on the "town hall functions" and more on service operations and cooperation between councils and residents/users.

### **Political bodies**

The number of municipalities which have changed their major political structure is substantially lower in the period between 2004 and 2008, than the previous periods. Between 2000 and 2004 66 percent of the municipalities did change their committee-structure, between 2004 and 2008 only 36 percent did change these structures. In the period between 1993 and 2004, we observed a steady reduction in the number of councillors and executive committee members, of meetings convened and matters dealt with by these bodies, and in the number of standing committees. At the same

time, we observed a tendency of delegation of responsibilities from political to administrative level within the local and county municipalities. Political involvement was losing in terms of both breadth and depth. The last survey shows that this trend has almost come to an end. The number of councillors and executive committee members, and meetings convened by these bodies remains unchanged. The delegation of power from the political to the administrative level has slowed down relative to the pace noted in earlier studies.

The proportion of female representation on councils and county councils, executive committees, county executive boards and standing committees continues to rise. There is, however, no dramatic change. On average, the female contingent on local councils is 37 per cent 2007–11 and 45 per cent on county councils in the same period.

### **Administrative organisation**

There are also fewer changes in the organisation of council administrations in this latest period. While about 60 per cent of local councils made changes in their main administrative structure between 2000 and 2004, the 2004–08 percentage was around 40. Many councils that had made changes in the period 2000–04 had introduced a flatter administrative structure, or what is known as a two-tier model. This latest registration shows clearly that the move towards a flatter structure has stopped. There appears, on the other hand, to be a wider range of organisational solutions within councils, indicating greater complexity. Many councils run the two-tier model in some areas, in parallel with a more traditional agency structure in others. The two-tier model is less well represented in county council administrations.

The use of management by objectives did not rise between 2004 and 2008. About a quarter of all councils have yet to introduce the system. Both the formalisation of internal procurement routines and separation of the responsibilities of procuring and implementing services are also rare, relatively speaking. A growing number of councils are, however, using the balanced scorecard, performance measuring tools and routinely providing feedback to the political level on performance results. Besides, councils where these instruments are in play are much more likely to be using them across *all* service areas than previously. So we can say that new forms of management, quality assurance and performance monitoring are being used to an increasing extent within and between the municipalities. The same applies largely to county councils.

### **Personnel policy measures**

As in 2004, most local and county councils undertake systematic surveys to establish the type of expertise that is needed. Competence building plans are in place for each member of staff and there are manager development programmes. We find less evidence of performance pay and fixed-term contracts for senior management staff. The difference now is that more councils are implementing these measures across all service areas. A growing number of councils also conduct regular working environment studies (four in five councils) and assessment meetings for staff members (virtually all councils). In six in ten councils political leaders conduct leadership assessments with the administrative head at least once a year. In

conclusion then, the great majority of local and county councils has indeed a systematic personnel policy in place.

### **Municipal task performance**

Most tasks are performed by the council's own service organisation. This is particularly true of person-focused services such as elementary education and domiciliary care. The exceptions are refuse disposal and auditing, which are often undertaken by municipalities working in partnership. There is, however, wide organisational variation in the way councils perform many municipal tasks. Inter-municipal collaboration is extensive in the field of fire prevention, IT and procurement, as well as in refuse disposal and auditing. Procurement from private suppliers often comes in addition to other methods in services like road maintenance, day-care for children and IT tasks. County councils let their own organisation undertake most tasks, but with three important exceptions. Public transport, road maintenance and management and maintenance of buildings are mostly outsourced to the private sector. Neither local nor county councils have changed much in this regard since the last study.

Our study shows that local and county councils are exposing tasks and services for competition or introducing market based mechanisms at an increasing rate. By 2008, the percentage of councils practising various market based approaches had grown from 60 per cent in 2004 to 77 per cent. Competitive tendering is practised by about 60 per cent of councils, benchmarking in the shape of comparative data by one third, and freer user choice and principal-agent systems in more than one in five. Councils are less likely to practise other forms of competitive tendering (benchmarking, internal contracts, public-private partnerships, and unit price financing). While technical services are set out for tendering more often, personal services are more likely to be benchmarked. Road management and maintenance is more exposed to competition than any other task in the municipalities, followed by day-care for children.

### **Information and participation**

Over 40 per cent of the councils have an information officer and nearly 40 per cent issue an information paper regularly. The data do not allow us to draw firm conclusions on possible changes affecting information provisions, 2004–08. But the data shows clearly that councils engage with residents and users either via information meetings, public meetings, user surveys, user meetings, brainstorming sessions, along with regular meetings with the business community and local interest groups. The use of such schemes has grown rapidly since the last study, four years ago. We find much of the same pattern in the county councils.

Local councils are increasingly 'online'. The percentage of councils using the internet methods selected for study has grown rapidly: Almost all councils post information on the web today, including news, agendas, minutes of meetings and electronic records. They also provide Internet facilities for the public at various public and private establishments. While communication by email earlier was limited to inquiries to council administrations, the public now also can email their elected representatives in an increasing number of municipalities. More than eight in ten councils post forms

online, making it possible for people to apply for various services through internet, and nearly five in ten offer electronic processing.

In 2008, the study looked at collaboration between councils and the voluntary sector for the first time. While councils work with voluntary organisations across a wide range of issues, only a small number have adopted a specific policy for governing relations with the sector. Most councils do not have liaison officers who coordinate relations; each council department or body is generally left to initiate contact with relevant voluntary organisations whenever the need arises; The county councils appear to have gone further in formalising voluntary sector policy. Partnerships between county councils and voluntary organisations appear to be more widespread. Many county councils have also entered into binding partnerships with the business sector, R&D businesses and local councils to promote economic and regional growth.

### **Control and appeals**

Control committees under local and county councils are usually manned by politicians. Neither the business community nor civil society organisations are widely represented. The chair of the control committee is most often a member of the political opposition. Beyond a slight increase in the number of cases, there are few changes of note since the last study four years ago. Performance audits are still given precedence by most control committees under both local and county councils.

Nor did we find significant differences in relation to who deals with internal appeals. Local councils tend to use the executive committee as an appeals board, while county councils generally have a dedicated appeals body.

We also inquired for the first time in these studies whether local and county councils had prepared ethical guidelines for their activities. Three out of four local councils and fifteen out of seventeen county councils responded in the affirmative.

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# Svalbard: Society and industrial affairs 2008

**By Hild-Marte Bjørnsen and Steinar Johansen**  
**NIBR Report: 2008:21**

Svalbard is a part of the Kingdom of Norway, but foreigners and foreign economic interests have freer access to Svalbard than they have to Mainland Norway. Norwegian sovereignty at Svalbard is regulated in the Svalbard Treaty. Several conditions have to be met in order to secure that Norwegian sovereignty is prolonged. One important one is that there have to be Norwegian economic activities at Svalbard. When the treaty was signed, mining was the dominating economic activity.

Mining continued to be the dominant activity at Svalbard up until the 1990s. The main Norwegian settlement of Longyearbyen was built as a company town, close to the existing coal mines. Longyearbyen was run by the mining company (Store Norske, or SN), which provided the inhabitants with all the goods and services they needed. The company was the employer of the miners and other workers, the economic base of Longyearbyen and Svalbard, and responsible for most societal functions in Longyearbyen. It also paid for (most of) these. In other words: SN was behind (almost) all activities in Longyearbyen.

At the start of the 1990s, however, the future of coal mining at Svalbard didn't look too prosperous. The mines in Longyearbyen were emptying, and the price of coal was relatively moderate. These prospects forced the Norwegian Government, which also owned (and still owns) SN, into discussing the future of the Norwegian settlement at Svalbard and Longyearbyen. What would happen if mining was no longer viable, and could other economic activities replace mining in the future? Norwegian presence at Svalbard is important for the claim of Norwegian sovereignty and, hence, the choice of economic activities based there is of national importance. One of the tools applied for answering these questions was the analysis of the local community<sup>2</sup>, which commenced in 1991 and since has been repeated (almost) annually. This report is the 2008 version of the analysis, which is based on similar methods and data to the ones applied at the earlier ones.

## **A brief history since 1990**

Since 1990, there have been many changes to the local community at Longyearbyen. The most important ones are probably that the economic base and the industrial structure have changed considerably, that the number of jobs and inhabitants, and thus the city's size, has grown substantially, that the former company town has

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<sup>2</sup> Samfunns- og næringsanalysen in Norwegian.

Working Paper 2009:110

evolved to a modern settlement and the local community itself has replaced SN as the main provider of public services.

*Mining* is still an important part of the economic base at Svalbard. Prospects for the mining company changed during the 1990s, when prices rose and the company started mining at the new site at Svea. From 2006 to 2007, employment in SN rose by 100 man years to 484. The management expects to prolong a high activity level in the coming years.

*Travel and tourism* became an important base sector at Svalbard during the 1990s. Svalbard is a popular place to travel for many reasons, which we will not discuss here. Today, there are several hotels and other accommodation possibilities at Longyearbyen, there are many restaurants and bars, there are many shops, and there are many activities an active tourist can participate in. The number of overnight stays has increased throughout the period and is in 2007 close to 90.000. This last year, there has also been an increase in the number of man years performed by 12 per cent.

*Research and higher education* became a new important activity at Svalbard early in the 1990s. UNIS (the University Centre) was established, parallel to several other research activities. Today, this sector represents around 111 man years of employment, in addition to around 145 student man years.

*The public sector*, which includes both the national state and the local public sector, is also an important part of the economic base. It employs around 240 man years of labour, at administering Svalbard and activities there, and at producing local public services. Employment within the public sector will grow moderately the next five years.

*Derived activities* are the activities that are not a part of the economic base (the four sectors above). The base industries export their products (or services) to the world market or to Norway, or their activity level at Svalbard is decided by the Norwegian Government. Either way, the base industries provide income to the local community. The income is used by the employed persons or by the base industries to demand derived goods or services locally. Around 550 man years are provided by derived activities. The derived activities' share of employment increased substantially since 1991 (from 20 per cent), but seemingly has stabilised around 40 per cent since 2000. Since employment within the base industries has grown almost every year since 1991, therefore, so has employment within derived activities. The goods and services provided by the derived businesses are very important in the process of modernising Longyearbyen.

Longyearbyen is a community with very high employment rates. The ratio of grown people to man years worked is close to one. In 2007 the ratio was 97 which imply that only 97 adult people live in Longyearbyen per 100 man years worked. This is also reflected in the demographic structure. The share of children and the share of women are much lower than in mainland Norway. Almost no elderly people live at Svalbard. The share of young and middle aged people, especially men, in Svalbard is very high, and all of them participate in the work force. In 2007, 2055 persons lived in Svalbard, of which 2013 lived in Longyearbyen. Of these, 372 were children and 40 per cent were women.

### **Future employment and population in Longyearbyen**

Based on data from 2007, we have estimated employment multipliers for each of the base sectors. These multipliers show how many man years the demand generated by each of the base activities require within derived sectors. For all base industries together, the employment multiplier is 0.45 (a man year in an average base sector requires 0.45 derived man years). The multiplier ranges from the high of 0.81 (the public sector), via exactly average of 0.44 (the mining sector) to low of 0.39 (the research and education sector and the travel and tourism sector) and only 0.07 (the students).

Based on prospects for each base industry, discussed above, we have constructed a prognosis of employment in Longyearbyen from 2008 to 2012. Employment in most of the base industries will grow only moderately. The strongest growth is expected at the university centre, UNIS, which bring the research sector up by approximately 30 per cent growth in 2012. The other sectors are expected to grow more moderately at 0,5 - 1 per cent. This leads to an increase of employment in the base sectors by eleven per cent by 2012. Via the sectoral employment multipliers, this will lead to a moderate increase of eight per cent in derived employment. All in all, employment at Svalbard will increase by ten per cent from 2007 to 2012.

There is (almost) a one-to-one relationship between employment and grown population in Svalbard, and it has always been like that. It is, therefore, relatively easy to estimate the effects the increased employment will have on the number of grown people. It will grow by the same rate. However, there is a relatively high turnover also among existing jobs and the existing population. The turnover rate is 20-25 per cent. This is not very important when it comes to calculating the number of grown persons, but is very important when we try to calculate the number of children. The significance of migration is greater than the significance of ageing. We have tried to overcome this problem by adopting "child frequencies". The number of children per father employed in the different sectors has been used as the indicator.

When we add these assumptions together, we find that the number of inhabitants grows for all age groups. In 2012, an increase of nine per cent in the population is consistent with the growth in employment, given the present ratio of adults to man years.

# Mining and Local Community in Longyearbyen

**By Hild-Marte Bjørnsen and Steinar Johansen**  
**NIBR Report 2008:22**

The Norwegian Government is preparing a White Paper, which is due in 2009, on the Norwegian Svalbard Policy, and has for this purpose commissioned NIBR to analyse the links between mining and the community in Longyearbyen. One central aim of this project is thus to examine the effects on local society from changing the activity level of the mining industry. The findings of NIBR's research will, together with other information, be turned to account when the Government writes its White Paper.

Traditionally, mining has been the economic base for the Norwegian settlement at Longyearbyen. In addition to the mining activities, the company (Store Norske Spitsbergen Kulkompani or SNSK) was responsible for most societal activities at Longyearbyen. Longyearbyen was a "company town". During the past couple of decades, however, this changed substantially. New basic economic activities (Tourism, Research and Higher Education) were developed. Local democracy (Longyearbyen Lokalstyre or LL) was introduced, and the LL became the responsible body for producing local public services, for infrastructure provision and for land use planning in Longyearbyen. In addition, so called derived activities developed. These activities are mainly private services directed towards the local businesses, the local population and the tourists. Today, the "company town" has developed into a modern, local community, which has a substantially more diverse industrial structure than earlier.

There are in excess of 2,000 registered inhabitants in Longyearbyen today. Most of the miners, who work at Svea 50 km away, are also registered inhabitants, and thus occupy housing facilities in Longyearbyen. We know, however, that approximately 50 per cent of the employees in the mining company are, in fact, commuting to the mainland. The reason why the commuters stay registered as inhabitants of Longyearbyen may be the tax benefits and civic rights attached to being registered inhabitants. Disregarding the commuters, the real number of inhabitants at Longyearbyen might be between 1,750 and 1,850. In this sense, the supply of private and public services is adapted to a somewhat smaller population than the 2,000 registered inhabitants.

Our analysis shows that mining, despite of the diversification of the industrial structure, still is the most important industry in Longyearbyen and Svea. If we include SNSK's "share" of the derived activities, around 40 per cent of all man years

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would disappear from Svalbard should the mines be shut down in 2012. The labour market is the most important factor in demographic development in Longyearbyen (we have estimated a factor of about 1 registered adult inhabitant per man year), and therefore the adult population would be reduced accordingly. When all these people migrate from Longyearbyen, our estimations show that around 50 per cent of the children will migrate with them. This will reduce the need for child care and schools. All in all, shutting down the mining activities will change Longyearbyen substantially. The quantity of both private and public services will be reduced. In addition, we have to expect reduced quality in the sense that the set of both private and public services will be narrowed down due to the shrinking market for these services. This will, again, contribute to reducing Longyearbyen's position as an attractive place to work for a period of time, and could influence the labour supply directed both at the remaining basic (including Tourism and Research) and derived (private and public services) industries.

We have also shown that it is difficult to replace the potentially vanishing mining industry by increasing the activity in other basic industries. A simultaneous doubling of the number of tourists, the number of researchers and the number of students could replace the mining industry quantitatively, but this would not give the same level of demand (secondary effects) directed towards private and public services, and it would have other impacts (a.o. a doubling of the number of tourists would probably be considered to have substantial negative impacts for the environment).

The conclusion is, therefore, that Longyearbyen still depends on mining, and that shutting down the mining industry will have significant secondary impacts for the local community in Longyearbyen.

# The role of housing cooperatives in housing policy

With a special focus on newbuilt policy.

**By Arne Holm**  
**NIBR Report: 2008:23**

## Issues

This study looks at the political role of the housing associations. The question of political role addresses firstly the ability to influence political decisions. By reasoning and pursuing other forms of advocacy *vis-à-vis* political decision makers, players can play a role in policy making by defining the premises. Agents can also play a political role by implementing policy decisions and strategies. Central and local government can elect to form partnerships in various policy areas. Such partners will enjoy a privileged position *vis-à-vis* other players in the implementation politically adopted objectives and strategies through the customization of policy tools and special arrangements. The role played by such partners will be political in virtue of their privileged status as implementers and by realising the implications of various policy objectives and strategies.

In light of both of these approaches to political involvement we discuss in this study the role of housing associations and Norwegian Federation of Co-operative Housing Associations (NBBL) in municipal and national housing policy respectively. Our first question concerns the extent to which the housing associations can influence local housing policy and NBBL government housing policy. Our second question concerns the extent to which the housing associations and NBBL play a political role today in relation to implementing housing policy goals and strategies.

The study's focus on the housing associations' current building policy represents an important delimitation. It is about the housing cooperative's image as a developer and the interests they seek to address. This is important in a wider perspective. The housing cooperative addresses today multiple issues within its operating range. If one includes the housing cooperative's total housing stock, most of it can be found in the existing housing stock. These homes are intended for all types of needs. But on top of this, there is the housing for groups prioritised by central and local government as a function of municipal property.

Pre- and, not least, post-WWII housing shortages created the environment for the launch of the housing cooperative movement. It became one of the main tools in the work to satisfy demand for housing. One could even talk of a society-wide campaign

with various affected parties and mechanisms all pulling in the same direction. The cooperative system and Norwegian State Housing Bank were vital counterparts in this effort to elements of the government and parliament.

The main policy tool was government regulation of house prices and the credit market. The Housing Bank's management of wider policy mechanisms was an additional factor. In this work, the housing associations were central as developers.

In the current climate, regulation has lost its preferential status as a policy tool, and homes are distributed mainly by the market. Housing shortages have caused steep rises in the cost of homes, now increasingly seen as objects of investment. At the same time, policy tools are increasingly specialised. It creates a new situation with new challenges for local housing associations and NBBL nationally in relation to national housing policy.

This is some of the historical background to this study, which asks whether housing associations have a role to play in housing policy and whether they set the pace or lay the premises for local policy making, and if they do, in which areas of local housing policy.

It concerns how the associations actually function in the housing market, what is built, for whom and within which segments of the market. And in extension, we examine the perceptions of the associations themselves of their role in the wider housing market.

Supplementary to this, we look at NBBL in relation to national housing policy. What sort of relations do the government and NBBL enjoy? Do they avail themselves mainly of the corporative channel, or has informal advocacy/lobbying achieved dominance as a means of influencing national policy authorities? And does NBBL's national role reflect that of the housing associations at the local level?

### **The changing role of the housing associations**

Adopting a historical perspective, we show the changes affecting the housing market since the housing cooperative model took root in the 1930s. It has responded to a changing statutory and economic environment and to changing policy objectives. It emerged at a time of severe housing shortage when concerns about living standards came a distant second to simply finding a place to live at all. Local councils and housing associations worked together. Local councils used the associations to put their strategies into effect in the wider market arena.

The housing associations were able to play a central role in house building because, crucially, policy mechanisms were adapted to the cooperative model. It was considered of vital importance to keep the minimum mortgage deposit at the lowest possible level to make housing within reach of low-income and low-asset households. Government mortgage packages and price regulation were key mechanisms.

The social balance of housing association membership changed over the years with rising affluence and prosperity. In the same period, the sale of housing association homes became increasingly attuned to the external market.

## Method

This study takes as its point of departure the operations of ten selected housing associations locally and NBBL at the national level. We build here on quantitative and qualitative data. The former comprise statistics compiled by NBBL providing a numerical political profile of the ten housing associations.

The latter derive from interviews with the senior management of the ten housing associations. The associations were chosen on the basis of size and geography. We have also interviewed senior council officials in some of the municipalities in which the selected housing associations are based. They all represent relevant experience in housing policy matters. The political views of the councils were accessed partly from data assembled in connection with a study of housing policy of local councils which explored various relevant players, including housing associations.<sup>3</sup>

### Housing association operations

Housing associations are part of the bedrock of the Norwegian welfare state model which emerged in the aftermath of the Second World War. The essential idea is to provide homes for all members of society, including families and individuals in the lower income brackets. The model builds on the notion of community. Deposits were low, and association debts were to be paid in the form of rent.

The model was effective and popular. The housing cooperative movement organised large-scale developments in most of the country's towns and cities. As economic growth stimulated prosperity, the membership profile of the cooperative changed as well. In the late 1980s, housing shortages began heating up the housing market, and the price gap between price-controlled housing association flats and freehold homes had a negative effect on sales. Statutory price control of housing association homes was therefore abolished.

Other policy tools and mechanisms changed as well, including local councils' land use policies. Equal competition was enforced by law in conformity with international commitments. Government housing policy became increasingly selective, focusing on the most disadvantaged families in the housing market.

A discussion of the housing associations as instruments of government housing policy is essential to understanding what they built and who they built for. It is about the housing associations' policies in the housing market.

The housing associations do not, we find, cater specifically to social groups given priority by policy makers. Such groups include the elderly and disabled, youth and refugees. The associations appear therefore to cater less to the disadvantaged. Homes are built, rather, for the wider membership, those with the economic wherewithal to obtain a mortgage and pay living expenses. This could indicate that the housing associations build for the wider housing market and are less involved in housing projects for social groups with a higher risk profile.

Although the Housing Bank's mechanisms have grown increasingly selective, it is interesting to see the rapid decline in the number of homes financed by the Bank's

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<sup>3</sup> Cf. Holm 2007.

basic loan. It means in practice that occupiers of housing association flats are more likely to approach non-state mortgage lenders than the Housing Bank. It would be natural to conclude therefore that the groups accorded preferential treatment by the Housing Bank through its mortgage and support policies will not be encountered to any great extent among the groups moving into the new homes built by the housing associations.

### **The political role of the housing associations**

What is the role of the housing associations in terms of municipal housing policy? Despite wide variation, a broad pattern does seem to stand out. First and foremost, the housing associations do not seem to play a pro-active role in policy making by, for instance, setting the pace or laying the premises. They do not inform council authorities of their opinions apart from when they apply for planning permission and monitor the progress of their projects. These projects, moreover, are largely intended for their general membership, less for the groups identified in government policy as the most needy.

This does not stop the housing associations from attending to the needs of targeted social groups in the municipalities. We found several instances of active collaboration with council authorities on housing matters, such as the building of residential and service accommodation for groups with special needs. The practical results of such collaborative efforts vary. The important and interesting thing here is that the housing associations, despite the preponderance of projects pursued under ordinary market terms, in many places work alongside councils in the field of social housing. In relation to notions of political role, some housing associations not only possess, but take political action on the basis of social conscience. This is particularly evident in initiatives brought to the table and readiness to work with council authorities. In other words, the local housing cooperative is much more than an ordinary market player.

The building policy of the housing associations is to provide acceptable housing for members new and old. The households in question are sufficiently prosperous to manage their own expenses. As this group is not considered especially needy in council housing policy terms, one could say that the councils and housing associations target different social groups. Council concerns are for the least advantaged, while the associations represent the more affluent or economically secure members of society. To the extent that they come together, it is more a consequence of the housing associations' social conscience and the need of the councils to have a partner in the housing market. Out of such partnerships, excellent projects do indeed emerge, benefiting from both parties' particular expertise and merits.

In this connection it is also important to remember how the regulatory and economic environment has changed with respect to local housing policy making. It is increasingly difficult to treat certain players preferentially. One must not forget the changing regulatory environment in which the housing associations operate, with the abolishment of controlled prices and modified local housing policy, with the end of a land use policy geared especially to developments. The housing associations have adapted to these changes by and large, and in doing so the housing associations have come to resemble ordinary players in the housing market.

### The role of the NBBL in the design and enactment national housing policy

Relations between NBBL and government (Ministry of Local Government and Regional Affairs) and parliament, are official and unofficial, and take place on a regular basis. Officials come together in commissions and councils, but more to the point however, the housing associations themselves take the initiative to contact senior housing policy officials. The role of the housing cooperative in the corporative channel appears to have receded somewhat, but without informal networking making up for the loss in contact. The role of NBBL in national policy making seems therefore to be increasingly marginal.

We highlight two factors in the study that appear to be central in this respect. The first concerns the expectations of policy makers to NBBL and vice versa, and the other the policy arenas considered to be of relevance by NBBL and the political establishment.

We believe that the distance we discovered between NBBL and government can largely be interpreted in terms of their expectations of each other. We see throughout the study the consistency with which NBBL and the local housing associations seek to safeguard members' interests by supplying them with high quality homes. In this and in its building projects, the housing cooperative speaks more to those groups with whom private sector mortgage lenders are willing to do business, and less to the disadvantaged social groups such as young people and refugees. Even the Housing Bank is retreating from supporting housing association home building and purchases, leaving NBBL to target the mid-tier of the housing market.

The Government's policy on housing has, in contrast, been increasingly concerned with the plight of the least affluent members of society. We find evidence for this in our study as well, not least in terms of the increasingly specialised mechanisms currently in force targeting narrowly delineated social needs.

These various policy standpoints are also expressed in the parties' mutual expectations on policy decisions and choice of action. While senior figures at NBBL believe the government and relevant parliamentary bodies are preoccupied with the most disadvantaged individuals in the housing market to the point of "*monomania*",<sup>4</sup> senior political informants tell us that "*NBBL caters to an increasingly prosperous membership*". And despite wide individual variations, and many housing associations do indeed address the needs of those to whom the housing market presents nearly insurmountable problems, the study found a clearly divergent focus, which in turn informs their mutual expectations.

At the same time, both NBBL and our centrally placed political and administrative informants want to make use of each other's capacities and roles to advance their own projects. In this sense, senior figures at NBBL would like to see the government *widen housing policy's catchment area*, mainly by widening the criteria for eligibility support.<sup>5</sup> This would make policy mechanisms operative within the NBBL's segment of society.

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<sup>4</sup> Cf. Norberg and Johannesen 2006:2.

<sup>5</sup> Cf. Norberg and Johannesen 2006, and their criticism of relying too heavily on housing support as a policy tool.

Similarly, an informant placed centrally in the government's housing policy structure says that a stronger social commitment by NBBL, extending particularly to the disadvantaged, would result in a stronger tendency to take NBBL's opinions into account.

This desire to redefine or extend the boundaries of the other's policies is interesting and can be understood as an expression of the duality facing the housing cooperative today. For the housing cooperative has played an immensely important policy role historically for many decades. In many urban municipalities, the housing associations were virtually the only suppliers of flats and dwellings for the ordinary wage-worker. But the cooperative is by definition a membership organisation whose first allegiance is to the interests of its members. It wants the government to tone down policy specialisation and widen the scope of policy instruments sufficiently to include cooperative members. This would also make needs-testing superfluous.

It is therefore easy to see the housing cooperative's policy position primarily as a desire to represent ordinary people with ordinary incomes and jobs. This is of course the group the housing cooperative has traditionally served.

After working for several decades to involve the housing cooperative in policy implementation, the government naturally expected some firm commitment. In light of the changing regulatory environment around the end of the 1980s and throughout the 1990s, the attitudes of the housing cooperative changed as well as it sought greater market adaptation. If the government expects a stronger commitment from the housing cooperative to national housing policy, it must realise that the environment in which the cooperative operates has changed significantly. This is vital if one wants to understand why the housing cooperative adjusted its profile and focus. As this study suggests, if the housing cooperative wants to play a more active role in shaping the government's housing policy, working more closely with senior policy players must not only be perceived as a possibility, but an interesting one at that. This in turn depends on a widening of the scope of policy incentives. For the time being, given the current political climate, there is little chance of this happening.

### **The mutual dependency of welfare society pillars**

This study of the political role of the housing cooperative locally and nationally tells the story of how one of the welfare state's pillars in housing policy went from being a force in the development of society and key government partner to an active market player and increasingly removed from important policy-relevant arenas.

The housing cooperative remains a useful instrument for public authorities, but who it builds for depends largely on how housing policy mechanisms are designed. Insofar as the government has substituted specialised approaches for wide-spectrum mechanisms, the social groups accorded government priority in housing policy have changed as well. There has been increasing political focus on those with least capacity to negotiate the housing market. Building homes for these families and individuals should also be possible under the housing cooperative model. Many housing associations have successfully completed projects with a social profile, usually in partnership with local government and/or the Housing Bank. New homes built by the housing associations, however, are largely intended for existing members or new members with adequate financial capacity.

In this report we paint a broad picture showing how housing policy players moved apart in the decades following WWII, from basically occupying a single housing policy arena to separating out into arenas of varying relevance to housing policy. While the government and its proxies the Housing Bank, local authorities and housing cooperatives, used to pull together in a common commitment to provide homes for ordinary wage-earners, the housing cooperative has distanced itself from government policy, both in terms of enactment and, not least, laying the premises for and helping to shape policy. The new situation is the result of quite fundamental shifts in the regulatory environment surrounding the housing cooperative and its work. In addition there is the dramatic rise in living standards and welfare over the same period. Nevertheless, completely new and more affluent groups have become the housing cooperative's possibly main recruitment base.

Taken together, this shows at any rate how one of the welfare state's housing policy pillars, which the housing cooperative has indisputably been, depended on government mechanisms to maintain a social profile. If the welfare policy mechanisms in this area change, as when broad spectrum mechanisms gave way for specialised housing strategies, the entire structure holding established housing policy interests together will be undermined.

The housing cooperative has an important political role to play by virtue of its position as developers and managers. And it is not absent from the social housing area either. But it maintains a lower profile in housing policy terms. This may have something to do with a different policy on housing. But whether the scope of housing policy is widened, as NBBL is calling for, will be a question of what is politically possible.

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# How d'you buy a home that only exists on paper?

## A study of buying homes by brochure

**By Lene Schmidt**

**NIBR Report: 2008:24**

### **Purpose**

The purpose of this project is to study a largely ignored area of social research at the intersection of housing and consumer policy. It was achieved by analysing the information packages produced for potential buyers and exploring the thoughts of the implicated parties, i.e., the buyers and vendors, concerning these packages. The purpose of these analyses is to formulate recommendations that could help improve the information that reaches the consumer.

### **Background**

The study arose from a sense of incomprehension over how the public could buy homes which didn't exist. Our curiosity was whetted by a spring 2006 publicity drive featuring the Turbine Housing Association at Kvæernerbyen ("Kvæerner City") in Oslo which made a point precisely of the opportunity to buy a home which couldn't be viewed. How could potential purchasers assess a home's features and standards without inspecting it? This is a matter of concern to many people, because so many do purchase a home before it is built.

Another important reason to pursue this study is market liberalisation, which made the quality of homes more an issue of supply and demand, as indeed was proposed by the Housing White Paper (St.meld.nr 23 (2003-2004)). When buyers express a desire for quality, they will get quality. The system places great responsibility on the shoulders of the consumer who has to make sure that homes are built to satisfactory standards. For the system to work, buyers need to know how to assess the commodity in question and make known their requirements. And developers are clearly responsible for supplying homes that meet certain standards and for making sure that buyers have adequate information on those standards.

According to the consumer authorities, the balance of power between the consumer and professional developers and planners is weighted heavily in favour of the latter. The Home Construction Act, Marketing Control Act and industry-wide standards are supposed to regulate the sale and purchase of homes and ensure that the interests of the consumer are taken into account. The law requires balanced, easily understood information to be made available. Misleading the customer is forbidden, and both the

positive and negative aspects of a neighbourhood should be given approximately equal weight.

It is interesting that policy makers have such confidence in the home buyer's ability to assess standards and make felt their wishes. The consumer watchdog, however, believes the consumer is the equations weakest link.

Planners and researchers point to what the authorities should have done to ensure standards are adequately met in practice. Criticism has been levelled at new urban homes because of poor layout (Manum 2006, Støa et al. 2006) and outdoor areas (Isdahl 2007, Guttu and Schmidt 2008).

The authorities have admitted the market is unable to produce environmentally friendly homes in a universal design format, both of which the authorities are eager to promote (St.meld.nr 23 (2003-2004)).

### **Research questions**

We formulated three questions for the project

1. What characterises information packages provided to prospective buyers at the projecting stage on the home itself, its surroundings, standards and other attributes?
2. How do buyers assess these packages?
3. How do agents assess these packages?

We limited ourselves to analysing the actual information and some of the features and attributes of the homes and immediate vicinity, i.e., layout and practicality, prospect and relation to the surrounding area, size and standards of outside facilities, sunshine and daylight, universal design and environmentally friendly features. These factors were chosen because they are currently under pressure and of concern to the authorities. We concentrated particularly on the information package and what it included in the form of plans and verbal descriptions.

### **Method and choice of case**

We decided to carry out a comparative case study. We studied the sales procedures and information disseminated in adverts, on websites, at showcase homes etc. The case study method is particularly useful for exploring relations between people, according to Thagaard (1998). They are also highly relevant to studies of processes, that is, how people and sales information interact. They offer an opportunity to study the same phenomenon on the basis of data retrieved from a variety of sources (Yin 2003). We interviewed buyers and agents (i.e. estate agents, sales officers, people in charge of information packages). We observed sales meetings and visits to the demonstration centres. We conversed with buyers, agents and other representatives of the vendor. We carried out document analyses of information packages and other sales material.

We chose two cases with contextual similarities. Both are centrally situated in Oslo, both were put on the market in the spring of 2007 before construction got under way. Both target in their marketing slightly different segments of the young adult population. We anticipated a high standard of information, as required by the consumer authorities for information targeting young buyers and first-home buyers.

The cases differ, nevertheless, with respect to developer. One is a private sector firm, the other a housing association. We anticipated a very high standard of information from the housing association as an experienced home builder serving a significant membership.

M-X is designed by a private sector firm and marketed towards the younger segment of the home buying market. The project comprises 84 two and three room flats. The second case, Møllehjulet, represents the second stage of the OBOS-managed renovation of the Kværner site, a former manufacturing estate centrally situated in Oslo. 1800 homes are projected, including the 177 homes in the Møllehjulet project. We studied the first construction phase of the latter project which resulted in 70 homes, mainly three room flats. They were put onto the market in the spring of 2007. The marketing material suggests these homes were designed essentially with the young single buyer, young couple and young family in mind.

The cases share certain features, but are also different, allowing us to compare the phenomenon under study, i.e., information quality. If the same pattern emerges from different cases, it will add weight to our data. If trends discovered in our findings that are replicated in other investigations, it will strengthen the veracity of our findings.

Our informants received a copy of a draft of this report for commenting. Errors and misunderstandings have been corrected. The researchers are nevertheless wholly responsible for interpreting the findings.

### **What sort of information do prospective buyers get?**

We assessed the information packages on the basis of our own professional judgement, and recommendations and guidelines issued by the Norwegian State Housing Bank and Ministry of Local Government and Regional Development, among others, concerning the features and qualities of the homes and neighbourhoods warranting particular attention by the prospective buyer. We limited this part of the study to information issued prior to an eventual deal since it forms the basis for the buyer's decision.

We noticed previously that information provided by OBOS as a member organisation and experienced developer tends to be better and more balanced than information compiled by private developers. Home buyers in the Møllehjulet project chose OBOS deliberately because it was a serious player and they trusted it. According to earlier studies, experienced developers tend to be more concerned about protecting image and reputation (Isdahl 2004, Orderud and Røe 2002). This was borne out in our case by the information package the dealers had put together for prospective buyers. The M-X brochure was dominated by irrelevant images and text, in the midst of which objective information was almost hidden from view. This ill-assorted mix of relevant and irrelevant imagery and text is particularly unfortunate in marketing material.

We anticipated a high standard of information in both cases given the young market segment targeted by the developers. Both brochures suffered from various shortcomings on the features the developers had chosen to showcase. This was especially evident when it came to information about the dimensions of outside areas, facilities and features, information on sunlight and ambient lighting, universal design and steps taken to promote environmentally friendly constructions. The

information lacks references to the Home Construction Act, consumer authorities and relevant sites on the Internet.

### **What do buyers think of the information?**

The information packages are given good marks by and large by the buyers. As regards the information on factors included in this study, our informants were somewhat constrained. We could put this down to lack of knowledge – it is difficult to ask questions about things one knows little or nothing of. But buyers may have trusted the authorities to oversee informational standards, or perhaps thought the homes would have the desired standard and be environmentally friendly. The buyers admitted their dependency on agents and the information they saw fit to provide. They trusted the agents' recommendations, and a recommended home was expected to be a good home. Buyers with some knowledge of the building industry had heard about construction deficiencies and shortcomings. They inquired about things they knew about and were concerned for, and had less confidence in the information provided.

### **What do agents think of the information?**

The agents, i.e., representatives of the vendors, believe the information packages are good. They realize that buyers will have limited information and have to rely on what the agent tells them. They are also aware of the need to publish negative and positive information on the surrounding area, but choose to put it in small print – if they include it at all. They are aware of their duty to give objective information, but also of the need to market the products creatively to attract buyers and get the homes sold. Agents and marketing firms are actively involved in designing the information in collaboration with architect and developer.

### **Statutory compliance?**

In our considered opinion, the information material lacks compliance with some of the statutory provisions and regulations. There is a lack of information on the features we have studied. The M-X project package is overlaid with irrelevant imagery, text and adverts, and the layout plans of the homes at the M-X development are misleading. Only a few pieces of furniture are shown, some furniture dimensions are erroneous, making the flat seem bigger than it is. There is no information on negative features in any of our cases, despite the central location of both developments with the risk that brings of ambient noise and pollution.

### **Is the consumer the weakest link?**

Buyers and vendors all agree that buyers lack the skills and expertise to assess purchases and have to rely on what the vendor tells them. It is our considered opinion, which echoes that of the consumer authorities, that this lack of skills makes the consumer the weakest link. Consumer surveys show that consumers generally have little faith in their ability to assess the quality ordinary commodities and services (Berg 2006). Purchasing a home is a much more serious investment than buying consumables. Even buyers with some knowledge of the construction industry are uncertain as to how the dwelling and housing estate will turn out in the end.

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### **Experts and people in general**

In our assessment of the information, we are more critical than the vendors and buyers. This may be because we, as experts, are more critical than people generally. Our critique, however, is corroborated by other research, although the research on this particular subject is limited.

### **What explains the lack of information?**

Information deficiencies can be explained by vicious circles. Vendors do not want to include more information than the buyers want, and buyers don't ask because they don't know what to ask for. But it could be the case that outdoor facilities and technical plans are not ready, or the developer may fear complaints if he alters the plans, including the layout for instance.

And there appears to be an imbalance between what the buyers would like and the information on views, sunlight and daylight provided.

The authorities are concerned to promote universal design and environmentally friendly practices. It is a concern shared by neither vendor nor buyer, however.

According to our informants, buying a new home is a wise investment anyway, and whether the information is too much or too little doesn't really matter in the long run. If the buyer is dissatisfied, they can always sell up and move. Whether this is a feasible approach in a falling market remains an open question.

### **Carried away by a dream and leaving the detail to the authorities**

In comparison with older information brochures, the current packages featured an excess of images of smiling people, superlatives and what is known as estate agent jargon. The brochures attempted to create a sense of identity and fulfilment of a dream. Marketing treads a thin line between informing objectively and persuading the reader to come round to a certain point of view. This is understandable given the way the marketing industry has changed. It is also understandable given the symbolic value of the home. And playing on emotions rather than providing objective information can be understood as a consequence of women's increased influence on purchase decisions.

### **Black holes?**

The information is deficient and there is a danger that buyers are lulled into a dream world. We saw how much reliance buyers place in the authorities to safeguard matters pertaining to standards and quality, but the authorities, as we have shown, rely on the critical consumer to ask for quality. The question is whether there are any black holes, features, attributes which neither the authorities, buyers or agents are sufficiently aware of. In the opinion of social scientists and planners, the market alone is unable to safeguard quality, and buyers lack the requisite skills. One agent warning emphatically against relaxing the regulations and putting the responsibility on the shoulders of the buyer.

### **Need for further research**

We note a need for further, more wide-ranging studies of information material and how home sales proceed because so many people are affected. At the same time, the

issue of features and qualities extends beyond the construction industry and buyers' responsibilities because it concerns the standards we as a society want to see enshrined in the homes we build.

### **Recommended measures**

We have outlined certain steps that should improve the quality of the information packages. The suggestions need to be examined in detail, in collaboration if possible with the industry and consumer authorities.

First, floor plans drawn to scale should be a mandatory part of the information package. The plans shall indicate alternative furniture and fixture arrangements along with the total indoor space and individual room dimensions. Location and building designs showing the built environment, orientation, access features etc. should be included as well. Plans for outdoor areas should include dimensions and details of landscape work. Sunlight and shade diagrams should inform on conditions at the equinoxes and at various times of those particular days. Information should be provided on universal design, and on the projecting parties. Finally, information packages should include details about consumer rights under the Home Construction Act and links to consumer authorities and websites. Software and 3D programs should be used to produce more and better perspective drawings and descriptions of the dwelling and built environment

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# Physical Planning and Institution Building

## Lessons learned and documentation of PPIB project in Palestine

**By Arne Tesli**  
**NIBR Report: 2008:26**

In the period January 1995 - March 2008 Norway supported the Ministry of Planning and International Cooperation (MOPIC) in Palestine in work to establish and build up capacity and expertise in physical planning. A team of Norwegian consultants was engaged to cooperate with the Palestinian staff for this purpose. The project had the official name *Physical Planning and Institution Building* (PPIB).

### **Institution building**

The PPIB project initially had two main objectives:

- To carry out institution building that could establish professional physical planning in Palestine; and
- To produce plans that would be of relevance and value for the development of Palestine.

To achieve these objectives, the project focused on three main areas: i) establishing and shaping a sound professional basis for physical planning, by collecting relevant data and information, creating maps, establishing databases, GIS-work, etc.; ii) organising the PPIB's planning activities, and enhancing its integration into the existing institutional structures; and iii) securing financial and technical support for its operations. That is, the intention was to establish and institutionalise appropriate and sustainable physical planning procedures and structures, through the introduction of modern and high quality planning methods and models, and to produce concrete and relevant physical plans and other outputs.

PPIB has been a relatively large project of its kind in Palestine. The total cost being more than US\$ 17 million. The results and output have also been very comprehensive and wide-reaching:

- A large number of concrete plans, studies and reports have been produced (see Appendix 1), and these have been of great relevance and importance for the development of Palestine.
- More than 80 persons have obtained professional, high-level training and education in physical planning and related topics – both as informal on-the-job

training, and as formal education and university studies. These persons have been able to utilise the expertise and experience gained through the PPIB project in the work they later have been engaged in, whether this work is still within the MOP, or in other ministries or institutions.

### **Training and Education**

The PPIB project had a relatively large and comprehensive training and education component, and it constituted more than twelve years of training and capacity building in the field of physical planning.

The professionals that originally were recruited to the project were architects, engineers and social scientists “in the pure sense”. That is, they did not have any previous education as planners, and they thus had to go through a training process to become operative planners.

During the initial years of the project, the focus of the PPIB training activities was two-fold: On the one hand, the training aimed at enhancing the planning competence and expertise of the PPIB staff; but at the same time, emphasis was put on developing a long-term education program for physical planning in Palestine.

The PPIB project has to a considerable degree raised the planning expertise and competence of the Palestinian staff. Through high level and very professional on-the-job training and academic education, the project established a good understanding and awareness of concrete and professional planning methods and models. The training was carried out partly as intensive on-the-job training, internal seminars and courses in Palestine and internationally. Many of the staff also became linked up in formal education, and a relatively large number of the PPIB staff received education abroad – taking master’s degrees or PhDs in Palestine, in Norway or elsewhere internationally.

The project managed to establish top-level expertise, competence and capacity in physical planning among a large number of Palestinians, and these persons have later – and are currently – working in various institutions in Palestine. They have become high level experts with several years of experience from carrying out concrete plans, and today they are involved in work as physical planners, engineers, financial planners, educators, etc. The establishing of a very professional staff of planners with high skills in carrying out and making plans – as well as a strong awareness about the role and importance of physical planning, policy making and decision making, must be considered a major achievement of the PPIB.

The persons that were attached to the PPIB project consider themselves to have been very privileged: they received high level and professional training and expertise in very concrete planning work; got a chance to learn and use GIS; could make use of all kinds of modern and advanced technical equipment and facilities; got early access to internet; etc.

### **The Norwegian consultants**

The Norwegian consultancy team was composed of experts with very long and top level expertise and experience from work with physical planning in Norway and internationally. The selection of these experts was based on their experience both as

top-level managers and administrators of public and private planning institutions; as planners of concrete projects, as well as from their work in academia and research. Their role in Palestine was to function primarily as *advisors* in the setting up of the planning authorities at central level.

The Norwegian consultants introduced something that was relatively new in Palestine; using high level academic and administrative knowledge and expertise in the practical work of formulating a large number of very concrete and relevant plans. This was done as part of, and at the same time as, institution building for physical planning in Palestine was taking place.

### **Production of concrete plans**

The PPIB project was designed to link the institution-building to the actual production of concrete plans, and the PPIB project has produced a very large number of concrete plans, studies, reports and articles (See Appendix 1 for a more detailed overview of all plans and reports). The plans that were produced had to offer practical and applicable solutions for the urgently arising needs, as well as cater for participatory and democratic planning processes in the Palestinian setting. At the outset of the project, these needs and demands had as a result that the project had to work with almost all relevant aspects of planning: national, regional, local – and across sectors and topics. Gradually, however, the work became more focused on regional and national planning.

A lot of modern and very good models and methods were introduced and used to formulate, structure and organise the planning work. This also included the training and awareness-raising on issues such as environment and natural resource management, as well as integration of wider aspects of planning methods and approaches into the data-collection and analysis.

The plans that have been made by PPIB contain a lot of information regarding the local conditions and situations, and have been widely used by different ministries and institutions in Palestine. MOP has also developed and provided guidelines and directions regarding local level planning.

During the last few years, work has been carried out in which closer linkages and cooperation have been established between the local, regional and national level planning. The planning work that has been done in Ramallah, Al Bireh and Beituniya, as well as in Jenin are examples of fruitful cooperation that MOP and the PPIB staff have been involved in.

### **Institutional challenges**

There has been a number of challenges linked to the institutional framework and development of the PPIB project. Central in this respect, has been that it has taken long time to define, and agree upon, the organizational division of responsibilities for planning at different levels in Palestine. There has been some clear overlap in the planning responsibilities assigned to the different ministries and agencies, and one of the big challenges in terms of institutional building, has been to find a good way and good procedures for the cooperation between the different ministries.

It is thus necessary to clarify the mandate of the individual ministry, as well as the relationships between the different ministries and departments: the linkages to other institutions; the regulatory framework; legal acts, guidelines; etc. These issues need to be settled, both in the long term, as well as in the short term. To a certain extent, some of this has been sorted out by 2008. However, there is still a need to clarify which ministry and administrative level that should be responsible for various parts and aspects of physical planning in Palestine. In connection with this, there is a particular need to finalise the Planning and Building Act (PBA).

There have also been challenges linked to the career opportunities of the personnel that were employed and trained in the PPIB. A large number of persons received very professional training and expertise through the project. However, many of these individuals later had to seek employment in other institutions. This problem occurred especially after 2000. One can ask whether sufficient emphasis initially was put on the question of transforming PPIB from a project to becoming an integral part of the Ministry of Planning. The plans regarding the long term employment of staff should have been more clearly discussed from the initiation of the project.

### **Lessons learned**

#### *Institutional development and cooperation*

The MOP staff as well as the planners in other ministries and departments are praising the cooperation they have had with the Norwegian PPIB experts and consultants. All the interviewed persons say that, the PPIB project has been very successful in terms of managing to introduce high level expertise and models for concrete physical planning.

#### *Training of local level planners*

The PPIB project had a relatively strong focus on training of personnel for the central and national planning authorities. This was linked to the fact that there was a very strong need to develop this kind of national level planning, and also that there had not been established a tradition for local level planning in Palestine – the Israelis had not allowed this to happen. As a consequence of this, the persons from the municipalities and local level institutions were not included in the initial years of the physical planning training. The training could perhaps, also at the initial stage, have included more representatives from the regional and local level authorities. However, this was, of course, also a question of resources available as well as PPIB capacity.

#### *Institution building vs. consultancy work*

In spite of the impressive results and outputs of the project, some of the representatives of the Norwegian donor were at different intervals raising questions regarding the results or outputs of the concrete planning activity: “What are the concrete results of the project; where are the plans you have been making?” The donor representatives were in this way looking upon the project, much in terms of being a traditional consultancy job, where the consultant was expected to produce some concrete physical plans, rather than looking upon the consultant’s role primarily as advisors, that were supposed to provide input to the Palestinian authorities’ institution building for physical planning. In this way, the donor representatives under-emphasised the very crucial principle regarding the *ownership* of plans, which implies that it is crucial that the concrete plans are made by the ones who are going to implement them. Experience has demonstrated, that this is a very

fundamental principle that one ought to stick to – if one is going to have plans that are sustainable, and which can be implemented successfully. This indicates that it is necessary to make a clear distinction between: Institution building that should be carried out as a long term process, involving capacity building, training, cooperation, dialogue, etc., on the one side, vs. more short term consultancy work aimed at producing concrete plans and results, on the other. This distinction should have been stated and communicated more clearly and explicitly at the initiation of the PPIB project – as well as later in the process. The leaders of the project should therefore have made it more explicitly clear, that *the main goals of the project* only could be expected to be accomplished in the long run.

#### *Time frame of the project*

The time-frame that initially was stipulated for the project was way too short. The PPIB was a very ambitious, large and complex project, and the involved actors should right from the beginning have seen that the implementation and carrying out of all the planned project activities would require considerably more time than the three years initially indicated. Subsequently, the time frame was also expanded and extended several times.

#### **Sustainability**

The PPIB project established a very strong forward drive and momentum for the development of planning in Palestine. Much of this momentum is still present. All the PPIB persons obtained a very professional, high-level expertise and training, and they became very competent and qualified planners. Even though, many of the ones who received their training in physical planning are not working in MOP any longer, most of the persons who have been attached to the PPIB project are still working as planners or educators in Palestine, and they have very good relations and connections with the people in MOP.

#### **Some continuing challenges**

##### *Geo-political situation*

Very many aspects linked to the development of physical planning in Palestine, are, and have been, clearly related to the political situation. One were, after all, dealing with issues relating to land, water and natural resources, mapping, etc. At the start of the project, it was, for instance, difficult to obtain maps, and the physical planning was, of course, totally dependent upon having maps. The political situation and framework has thus influenced the PPIB project to be quite different during different periods and stages. In the first years after 1995, the PPIB work was closely related to the establishing of the new Palestinian State. This was the main and fundamental framework for the PPIB work from 1995 to 1999, and the project played a central role in providing background information in the negotiations between Palestine and Israel. A lot of essential inputs, data, maps etc. was produced and constituted crucial background information to the negotiations. In many respects, 1995-99 can be considered to have been the “golden period” of the PPIB project.

##### *The division of the Palestinian territory into areas A, B and C*

One major concerns, has been that the infrastructure planning becomes extremely difficult when you cannot relate to, and work with, the whole geographical area that

is of relevance for, and influences the various sectors of planning. In Palestine, this has been the case throughout the PPIB project period.

This is also demonstrated to the extreme in Palestine, by the zoning/classification of the Palestinian territory into areas A, B and C, and where the Israelis control area C (the national) area. This makes it practically impossible for the Palestinians to prepare plans at this level.

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# Holistic and long terms concerns in welfare policy decision-making

**By Elin Kittelsen, Jan Erling Klausen and Erik Nergaard**  
**NIBR Report 2008:27**

## **Definitions and methodology**

This is the final report from the project "Holistic and long term concerns in welfare policy decision-making" which has been carried out by NIBR on commission from KS in 2008. The purpose of the project has been to investigate if, and if so how, national level policy-making in welfare related issues takes into account concerns about the long-term sustainability of the welfare system. Decisions are usually made in the context of a specific sector or issue, and there's often a focus on current events and developments. In light of this, it is relevant to ask whether or not the government and the parliament manages to take into account the ways in which individual decisions impact on the municipal sector and on the welfare state as a whole, in the longer run.

The empirical basis for the arguments made in the report is a discourse analysis of four decisions prepared by the government and made in Stortinget (the Norwegian parliament) during the last decades. Two of these were concerned with child care services, the two others with care services for the elderly and the infirm. In all four cases, documents related to the treatment of the cases in the cabinet as well as in parliament were read. These include the proposal submitted by the cabinet, the proposal prepared by the parliamentary committee and the minutes of the debate in Parliament. The discourse analysis has taken departure in a composite definition of the terms "holistic" and "long term" with three dimensions. The first of these is "sustainability", which has to do with the long term viability of local government service provision. The analysis has sought to disclose how the national government takes into account issues pertaining to funding, availability of qualified personnel and administrative workload, among other things. The second element of the definition is termed "flexibility", which has to do with the ability of local governments to adjust to changing circumstances. The third dimension is "focus". This dimension relates to the fact that many users of welfare services need a number of different services, and that there is a need to consider these in conjunction.

## **Empirical observations**

The first case on care services is characterized by a broad approach to holistic and long term concerns. Most if not all dimensions are covered. Yet there are few references to reports containing long term analysis of the economy of the local

government sector. As for flexibility, there are differences in opinion which seem to be structured by party affiliation. Whereas some members of Parliament emphasize local self-rule and delegated powers, others put emphasis on the need for national policy guidance and steering.

The second case on care services is marked by a scarcity of concern for “sustainability”. The need for “flexibility” is emphasized though, with a particular view on potential gains in efficiency. “Focus” is a key concern for the cabinet as well as for Parliament.

The first case on child care services is marked by a broad concern for “sustainability”, not least related to concerns about the availability of personnel. Also, long term economic sustainability is very much in focus. There are clear party cleavages between those who want to increase local government funding and those who believe there is a potential for increasing efficiency which could potentially decrease the need for increased funding.

As for “flexibility” there is great concern for the need to enable local governments to use discretion. Concerns for “Focus” is observed related to the links between the child care services and the use of preventive measures. However, little attention is paid to the consequences for co-operation with other branches of service provision.

The second case on child care services is seen as having very limited economic consequences and so sustainability is treated only briefly. Even so there is a clear party-based cleavage between those who would prefer to increase local government funding and those who would opt for efficiency-enhancing measures. As for “flexibility” there is an almost unanimous support for the idea that local governments should be able to adjust to local contingencies. “Focus” is not a key concern in this case, as the issue in question is defined quite narrowly.

All in all, even though references are certainly made to local government funding, there is surprisingly few references to reports containing analysis on long term economic prospects for the local government sector. There is also limited concern for how new policies affect the total administrative workload of local governments.

The treatment of concerns related to “flexibility” primarily has to do with the balance between local self-rule and the need for national standards. “Focus” is perhaps the predominant dimension of “holistic” approaches in cabinet proposals and parliamentary proposals and debates. This term is used unequivocally in the positive sense, in a rather uncritical way. Taking into account a broad range of concerns from many branches of service provision simultaneously can be challenging, but these challenges are rarely brought into consideration.

### **How can holistic and long term concerns be addressed?**

NIBR would contend that there is a dilemma of a rather basic nature related to “focus”: When an increasing number of aspects are taken into account, for instance coordination with an increasing number of other branches of service provision, the challenges pertaining to effective decision-making become increasingly problematic. And should “holism” reside in national government or in the local governments? Adopting a broad-range holistic approach nationally may hamper the local freedom of discretion that is needed to adjust flexibly to local contingencies. It is however also

relevant to put a question mark on the capacity for increased holism in local governments, as the sector is rather fragmented and contains very small units.

Relevant measures to increase holism and long-term perspectives may be of a temporary or a permanent nature. They may furthermore focus on specific branches of service provision individually, or they may take on a broader scope. If a national commission on welfare services is installed, as KS has suggested, it would be a temporary measure covering a broad range of issues. The report notes that such a commission would have a challenging task, due to the complexity of the issue.

### **A threefold strategy for increasing holism**

The report proposes a strategy for increasing holism that combines temporary and permanent measures, and has a broad focus as well as a focus on individual services, in a short as well as in a longer perspective. NIBR proposes that consequences for long-term sustainability are to be assessed more systematically in all national policy issues pertaining to welfare service provision. Furthermore, cabinets should be obliged to provide a four-year plan for major reforms in the welfare state. Lastly, it is proposed that national foresight-processes on the long term sustainability of the welfare state are conducted on a regular basis.

# Municipal co-operation between the Western Balkans and Norway: A Review

**By Jørn Holm-Hansen**  
**NIBR Report 2008:29**

## **Background**

Between 2002 and 2007 approximately 55 million NOK have been allocated by the Ministry of Foreign Affairs to the activities administered by the KS International Projects in the Western Balkans. KS' main activities have been the Municipal International Co-operation (MIC) and the Institutional Co-operation with Sister Organisations. In addition, KS has administered a project on local business development. Apart from a Review on MIC in Bosnia and Herzegovina (2004) this Report is the first external evaluation of the projects.

## **Purpose/objective**

The Terms-of-Reference (ToR) wanted the Review to focus on the *results* from the activities that have been carried out by the KS and its member organisations. The underlying question is whether the programmes and projects in the Western Balkans coordinated by KS have strengthened local capacities. The Review identifies strengths and weaknesses within the programmes and gives recommendations on how to improve the programme concepts.

## **Methodology**

The Review is based on a thorough analysis of each project. All municipalities (with the exception of two Norwegian ones) and partner organisations involved have been visited. The Evaluator was in the field for a period of 17 work days and made interviews with around 105 people in 22 municipalities/towns. All projects have been analysed as cases, presented in separate chapters in the Report. The findings emerge from these case-studies.

The identification of results has been made by means of programme theory. This tool brings forth the assumed relations between causes and effects, in this case between the activities under the programmes and the effects.

## **Key findings**

KS has conceived Municipal International Co-Operation (MIC) as a tool, a municipal niche, within developmental aid and democracy support. MIC enables direct

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exchange of experiences and transfer of knowledge and techniques in policy fields that are under municipal competency in both municipalities involved.

The Review found that KS and the involved municipalities only partly have put MIC to use. The activities under the MIC programme have not been confined to the MIC niche, nor have they necessarily been municipal. It is not clear what value the municipal element has added, and there is reason to ask whether many activities could have been carried out more efficiently by other actors (e.g. school-to-school; profession-to-profession; NGO-to-NGO).

In many cases the activities are replicas of activities carried out by other, non-municipal agencies. Often, what was supposed to be a municipality-to-municipality co-operation tends towards people-to-people activities. This can be explained by the origins of the municipal co-operation, which are loose friendship agreements from the 1960's, 70' s and 80's in the Serbian case, and charitable work for Bosnia and Herzegovina in the 1990's. In some of the cases, the co-operating municipalities do not match each others due to differences in size or profile.

The review identifies several, rivalling programme theories within the MIC activities. The programme theories differ as to what the problem in the Western Balkans municipalities consist in (poor skills versus poor municipal infrastructure). Therefore the actors involved differ as to what measures they want to apply. Norwegian authorities would like to see municipal capacity-building. Western Balkan municipalities would like to use the co-operation to get municipal infrastructure financed whereas Norwegian municipalities would like to carry out a broad range of activities on a people-to-people basis.

The support to KS' sister organisations has consisted in carrying out large training programmes, and in the case of Serbia, developing a strategy. The municipal associations in the Western Balkans have a dual identity. Partly they are member organisations doing advocacy and providing service to their members, partly they are implementing partners of donors. Although the processes of developing the training programmes financed through KS have involved the local municipalities, the Review found reason to ask whether carrying out yet another project for a foreign donor is what a Western Balkan municipal association needs to become stronger.

The Review found that the knowledge-intensity of doing municipal co-operation in the Western Balkans has been underestimated. Most municipalities are not international actors, and need to acquire skills in international work and not least knowledge on Western Balkan realities.

Among others due to the fact that there are several rivalling programme theories in the programme, KS' role has been a difficult one. KS finds itself between the funding source (the Norwegian MFA) and the implementing municipalities and organisations. KS is caught between MFA's demand on KS that they control the use of funds and the municipalities' reminders that KS is their member organisation and that the ideology is local self-government.

## **Recommendations**

Refine the MIC instrument and use it: KS develops MIC Guidelines tailored for use in the Western Balkans and with strict demarcation lines to people-to-people activities.

Brush up MIC to enable outcomes: In the new phase of Norwegian – Western Balkan MIC efforts should be concentrated to a limited number of core issues that project holders stick to over time. Within each of the core issues one Norwegian and one Western Balkans municipality are assigned the role of lead partners with a special responsibility for providing knowledge and keep in touch with relevant authorities at ministerial level. Project implementers' focus must be widened to cover outcomes and impacts as well as outputs.

Restart MIC in the Western Balkans: Existing MIC's get a one year exit period. In the meantime KS is assigned the task of recruiting and matching municipalities for a second round of MIC in the Western Balkans. The new MIC programme is run according to the new MIC Guidelines for the Western Balkans. Existing MIC municipalities are encouraged to join the new programme under the new guidelines. At least one municipality in the Republika Srpska of Bosnia and Herzegovina should be included.

KS should give its Western Balkan activity more attention: KS ought to go through its systems and practices of handling the Western Balkans project portfolio. Further specialisation of members of the staff should be considered.

Strengthen sister organisations as member associations: KS should avoid the pitfall of contributing to the "project-implementer" identity of its sister organisations.

The potentials of Local Democracy Agencies should be clarified: KS presents a plan on how to link the individual MIC's to LDA. Concrete requirements/ demands should be put on LDA's through KS on behalf of the Norwegian member municipalities. KS invites relevant LDA's to a seminar with Norwegian and Western Balkan MIC partners. If LDA is found to be of little potential use, the membership in ALDA should be re-examined.

# Evaluation of CATIE degraded pastures in Central America project

**By Henrik Wiig, Myriam Blanco, Marit Jørgensen and Edwin Pérez  
NIBR Report 2008:30**

In December 2002 CATIE signed an agreement with the government of Norway to develop the Project “Participative development of sustainable land use alternatives for degraded pasture lands in Central America”. The total grant was NOK 45 million, and the project was carried out in three Central American countries (Guatemala, Honduras and Nicaragua) for a period of the five years 2003-2007. A one year no-cost extension was approved, and the Project will finally end in December 2008.

The main objectives were to improve the management of land resources on degraded pastures, to increase livestock productivity through environmentally-friendly technologies, and to build better policies to promote sustainable land use. Five products were defined: Product 1 was research on technologies to change land use to more sustainable systems, Product 2 was the adoption, improvement and validation of a participative methodology for technology transfer (Farmer Field Schools, FFS), Product 3 was knowledge and methodology transfer to partners in all three countries, Product 4 was the involving of local politicians in a) identifying new policies to promote sustainable land use and b) attempting to influence policies and regulations, and Product 5 corresponded to planning, monitoring, evaluating and documenting objectives and results.

The Project is ending after six years of operation. The Norwegian Embassy in Nicaragua, which has supervisory responsibility for this project, decided to contract an external evaluation. This was held during September and October 2008. The objectives of this evaluation were to determine whether the Project had achieved its established goals and whether it had contributed to solving environmental problems, to alleviating poverty and to promoting gender participation.

The project’s working strategy was to organize producers in Farmer Field Schools (FFS). In the first phase CATIE itself established FFS with its own technicians, and in the second phase more FFS were founded and facilitated by local partners in each country. The small farms were the experimental plots where training and research activities for farmers, technicians and students were conducted.

## **Major findings**

4. The project developed/validated a large and very important number of technologies designed to improve the sustainability of pastures and to increase

farm productivity. Planting and evaluation of improved grasses and legumes were the most important activities; silvopastoral systems were also established and evaluated. In addition, other non-forage technologies were studied to improve water availability and farm facilities and to promote more tree-planting.

5. Two mechanisms were used to develop these technologies: traditional research led by CATIE and its partners through students (graduate and undergraduates) and the use of participative research procedures through FFS.
6. This combination of traditional and participative research developed very successful improved technologies in terms of increased production and profitability.
7. FFS methodology was also successfully adapted, and was accepted by both farmers and partner institutions. Some criticism of this methodology is based on its higher cost (personnel and inputs) compared with other extension methods, but there is no doubt of its effectiveness.
8. Institutional partners of the Project were involved in various ways: the development of scripts for field experiments and participative training sessions was an initial measure, after which the FFS were funded and facilitated, thus contributing to the dissemination of the improved more sustainable farm technologies.
9. Training farmers in new technologies through FFS and technicians (through short courses) on the FFS methodology and farm technologies was another task developed by the Project staff. Several students from CATIE and other institutions were also trained through project activities.
10. The number of farmers participating in FFS tripled the established figure in the Project document. This is a good indicator of institutional partner commitment to the methodology and technologies as many more FFS were established than the anticipated number. However, the cost was nearly USD 4000 for each household attended. We were able to visit all the pilot zones and all partners and to witness the adoption of both the methodology and the technologies. The adoption of technologies by farmers not participating in FFS was not observed, which could be a valid criticism, but it will probably take some time to accomplish this “indirect adoption”. Such secondary effects are necessary to justify the rather high cost of this project.
11. Extension systems are very weak, at least in two of the three Project countries. A more institutional framework for extension was found in Nicaragua, but it was heavily dependent on external funding. Extension program strengthening is a must in order to reap long-term benefits from FFS.
12. The policy Product for sustainable livestock production was considered weak by the evaluators: it started late and was considered isolated from the remaining Project products. Some success was observed in policies regarding acceptance by the authorities of silvopastoral systems as forestry systems. This could allow small farmers (if approved) to utilize isolated trees produced pastures or in live fences.
13. The Project is considered adequately led at both regional and local levels. The Project team is regarded as capable and dedicated, with good capacities for conducting the planned activities. There are some questions as to what will

happen with the FFS system once the Project ends; lack of support on technology generation and methodology development could stop this initiative.

14. All technologies observed are considered environmentally-friendly and have contributed to the welfare of producers. Female involvement in livestock activities was not achieved; some FFS were developed for women, but not in cattle-related issues, which is the important income generating system of the household.

### **Recommendations**

Since the Project is coming to an end, most of the recommendations are meant to be considered for future Projects developed by CATIE with Norwegian grants.

15. This Project has produced a very large amount of information, mostly concentrated in theses and in project and consultancy reports. There is a need to disseminate the information to a) the scientific community through articles, and b) the extensionists through bulletins, technical manuals and videos.
16. There is a need for better remuneration for the counterpart specialists of the academic institutions. Some rewarding was given in the form of training, but motivation is important and the incomes of local technicians are very low in all three countries. Adoption and long-run results will depend on the local counterparts' convictions of the benefits, and well-being helps.
17. FFS was a successful methodology for technology transfer in this Project. CATIE should assume the responsibility for continued support for the methodology. A supporting unit for FFS should be considered within MAP. This unit could develop new scripts, group dynamics and learning tools – not only for livestock projects but for other CATIE projects.
18. When a project is formulated, some assumptions may not actually be found in reality (such as the absence of extension agents in the field in this project). Project staff should be allowed to develop changes (in this case to use farmer to farmer training methods, or to use farmer organizations as counterparts). This is easier to achieve in cases where the researchers in charge of the execution are also involved in planning the Project.
19. The Norwegian funding agencies should ask for more detailed research plans. One option is to carry out annual reviews, preferably by external independent scientific consultants. This would make it possible to attain a good match between expected and obtained outputs. An independent high-quality academic control mechanism should be included instead of a “desk appraisal” from the Development Programs' Norwegian bureaucracy. To wait until “Mid Term Reviews” is not adequate; too much time has passed and opportunities for reorientation are lost.
20. If a strong environmental impact is expected, large producers should be involved in these projects. Large farms are very badly managed in spite of the availability of resources to promote fast improvements. With these changes, labor demand will probably increase, and unemployment for the poorest sectors will decrease. If “Corporate Social Responsibility” procedures are promoted (or enforced), positive effects for the poor, for minorities or for the environment can be achieved. Today's perception that only small farmers (land

owners) can be included within these projects excludes the poorest sectors of rural societies – generally those working for someone else. A possible solution for larger farmers is to integrate farmer organizations, usually composed of large farmers; through these organizations sustainable technologies may be disseminated using their own human and capital resources.

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## Living conditions among mentally ill

**Trine Monica Myrvold, Frode Berglund og Marit Kristine Helgesen**  
**NIBR Report: 2008:32**

This report is written on commission of the Norwegian Research Council within the evaluation of The National Action Programme on Mental Health running from 1999 through 2008.

The report analyzes the living conditions among people with symptoms of mentally illness in Norway. The main question we are addressing is:

*Has the National Action Programme on Mental Health advanced to enhance living conditions among people with mental problems and illnesses?*

To answer this question we are analyzing three sets of data:

- Data from three rounds of Health and Living Conditions Surveys to a representative sample of the Norwegian population, conducted by Statistics Norway in 1998, 2002 and 2005. An important restriction of the data set is that severe mentally ill most likely are not represented
- Data from a survey among the heads of municipal psychiatric health work in Norwegian municipalities
- Interviews with employees in municipal psychiatric health work in six municipalities

Many of the means within the National Action Programme on Mental Health aim at enhancing the living conditions among mentally ill: development of serviced or sheltered housing, day-care units, home-care services, support persons and recreational activities, and strengthening of employment measures. Most of these measures are implemented by the municipalities.

The analyses in this report show that people with psychiatric problems and illnesses in general have poorer living conditions than people who are not mentally ill. By and large we find modest changes in living conditions for mentally ill in the period from 1998 to 2005. The National Action Programme on Mental Health does not appear to have caused a substantial improvement of the living conditions. This general conclusion deserves, however, some additional remarks.

Firstly, we will point to the necessity of making some reservations on the possibility of the National Action Programme on Mental Health to have a significant impact on the living conditions among mentally ill. Several of the indicators of living conditions

used in this report change slowly and are influenced by fundamental attitudes and market forces beyond the control of the National Action Programme.

The evolution of the living conditions among people with psychiatric problems and illnesses is affected by the situation on the arenas where the individual's resources are converted to living conditions. For instance, the labour market situation will be of importance when it comes to the possibilities of mentally ill to be able to get (or get back to) a job. Within the time period of the National Action Programme on Mental Health, the Norwegian labour market has experienced some fluctuations, with more people unemployed in 2005 than in 1998 and 2002. Usually marginal groups will suffer greater problems than other groups when the labour market is slack. When our analyses show that people with mental problems are not hurt more than other groups by the increased unemployment in 2005, this might possibly indicate that the employment measures for mentally ill works (if only modestly). It is, however, difficult to conclude that the means implemented through the National Action Programme actually are working, or if other national employment programmes are equally or more important.

Development of serviced or sheltered housing for mentally ill has been an essential part of the National Action Programme on Mental Health. Quite a few mentally ill have been helped by new houses built by the municipalities. Nevertheless, many municipalities report problems of finding suitable housing for mentally ill. It appears particularly difficult to house people with both psychiatric problems and severe drug/alcohol abuse. Small, rural municipalities, often with a rather homogenous housing stock of villas, find it difficult to find good houses for this group. Also municipalities in high-demand areas are reporting difficulties on this matter, particularly because houses in these areas are so expensive that young people with psychiatric problems never have the chance to enter the property market. The demand for municipal housing, hence, becomes too large for the municipalities to handle.

Among the factors relating to living conditions studied in our report the most obvious improvement is that mentally ill now are more involved in different local activities, and thus have more contact with other people than they had some years ago. This is an area where the municipalities are quite free to work out such services as they like. Arranging for mentally ill to participate in cultural events, day-care units and other leisure activities contributes to enhanced social contact. A major part of this contact is, however, with other mentally ill. A real integration of mentally ill in the local community – as The National Action Programme aims for – appears more difficult to achieve.

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# The Boarders as Barriers for Cooperation

## A Survey of Contact across the Boarders for Scandinavian Firms

**By Frants Gundersen**  
**NIBR Report: 2008:33**

This report is a summary of a survey about cooperation across national boarders. It was carried out among enterprises along the boarders between Norway and Sweden, Norway and Finland and Finland, Åland and Sweden.

The background for the study is an assumption that cooperation between firms is a means for enhancing competitiveness, and that cooperation between firms at different sides of the boarders is not yet fully developed. This survey supports both parts of the assumption.

The survey was targeted towards a part of the business enterprise sector where cooperation across national boarders was likely to occur. The firms where of a certain size, they operated in certain industries and they all were located in municipals along national boarders. More than half of the firms in the survey reported some cooperation across the boarder.

The survey shows that the potential of cooperation is not yet fully exploited. Many firms without cooperation reported that cooperation in some respect would have been an advantage. However, a certain amount of the enterprises reported that they actually don't need cooperation. An increase in cooperation is therefore not a solution for everyone everywhere, but for some firms in certain situations.

The most important partner for cooperation is tied to the value-chain, i.e. customers, sales-agents and suppliers. For industries without a clear value-chain (for example construction), competitors are important too. Cooperation-partners that are not linked to economic structures, such as consultants, knowledge-institutions and public services, are general not so important partners for the firms.

Hampering factors for cooperation are first and foremost linked to formalities and regulations, controlled by public governments, such as customs, formal regulations and public standards. Factors linked to general business life (price, information or different business cultures) or more unchangeable factors (language or distance) are also mentioned, but to a much less degree.

Business enterprises without cooperation report that they think cooperation might be positive for the firm. Many of them think that cooperation would boost both the turnover and the profit. Every fifth of them also have plans for starting cooperation

across the national border. But for some of them the main reason not to cooperate across the boarder is that they don't need to.

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# Growth pains and the housing market

## Centralisation and changes in regional prices

**Per Medby and Rolf Barlindhaug**  
**NIBR Report 2008:34**

The report analyzes the housing market impact of centralisation. The price of housing in central as opposed to peripheral municipalities varies widely, and regional price differences have also widened in recent years. Whether we group municipalities across four levels of centrality or compare urban/high demand areas with “rest of the country”, prices remain significantly higher in the most central municipalities.

In Sweden, what varies most in peripheral areas, studies show, is the volume of transactions, not prices. Norwegian data reveal positive covariance between rising prices and transaction volumes in both urban and rural areas. At municipal and levels, however, the historical data are incomplete, covering only a period during which prices rose. One needs an observation period with *falling* house prices to reveal covariance between house prices and transaction volumes.

Housing wealth stands for a significant share of household net wealth. Changing prices will therefore have a major impact on the regional distribution of wealth. The result of the widening price gap in recent years is wider regional differences in wealth.

Demographically, the population is growing increasingly centralised, especially if we compare major urban centres with the rest of the country. It is therefore rather surprising to find positive covariance between population growth, housing prices and rate of housing construction. The shortage of building land may have slowed construction in some municipalities and population growth in consequence.

From a centre–periphery perspective, certain types of risk have an effect on *when* people move from the periphery to the centre. House prices fluctuate more in and near major cities, and relocating to a central area will therefore make economic sense when prices touch bottom. In practice, however, the rate of centralisation and of home buying among the young is highest in periods of *rising* prices.

The purchase and sale of a home in connection with migration between centre and periphery will reconfigure the composition of the person’s wealth. Total wealth will be not affected by these transactions, however.

The price of homes in major cities reflects the value of living in relative proximity to attractive jobs, important public and private services and interesting cultural events etc.

Although growth in house prices should be significantly steeper in high-price areas than in low-price areas, it should be acknowledged that people living in central areas with rapid price gains can build wealth through growth in house prices.

We do not know whether central and peripheral house prices will continue to separate (as an effect of centralisation). If the gap widens further, those most likely to lose out are tenants living in rented housing over the longer term in the major towns, while rising house prices will benefit urban homeowners. The impact on migrants to the periphery is less certain, and will depend on factors in the housing market and their effect on migration patterns. If the price of housing is important, rising relative prices in favour of the major cities will, all else being equal, slow the flow of migrants from the peripheries to the centres. And while permanent residents in outlying areas experience declining house wealth, it doesn't matter because they have no intention of moving anyway. They could, however, suffer a decline in welfare from cuts in public and private services in their area.

Relative house prices biased in favour of central areas will result in higher aggregated housing wealth, which in turn will reinforce tax subsidies for home ownership.

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# Infrastructure and investing

## Impact of population growth and decline in the municipalities

**By Per Medby and Stig Karlstad**  
**NIBR Report 2008:35**

Centralisation means that a larger proportion of the population resides in central areas of the country and a smaller proportion in peripheral areas. Centralisation raises challenges related to infrastructural adaptation in “growing municipalities” and “shrinking municipalities”.

Municipalities may find it difficult to accommodate actual capital stock to desired capital stock in response to changing population size. Adaptive inertia may in the shorter run result in lower capital costs (and real capital) per head of population in growing municipalities, because the cost of borrowing can be shared among more people. Real investment is high in expanding communities because real capital needs to be increased to serve a growing population.

Adaptive inertia will also tend to raise capital costs per head of population in municipalities with populations in decline because fewer individuals will be available to share the costs. It is difficult to reduce real capital in step with changing population figures, and the cost of maintaining and operating old infrastructure can be high.

Descriptive statistics show that write-downs per head of population in municipalities affected by a rapidly shrinking population are clearly higher than in the average municipality in Norway. Rapidly growing municipalities, on the other hand, display lower write-downs per head of population than the national average. Write-downs per head of population are also far higher in municipalities with small populations. Shrinking municipalities tend to have small populations and growing municipalities tend to have large. Diseconomies of scale could therefore explain the high write-downs in shrinking municipalities. Write-downs are slightly higher in municipalities with populations over fifty thousand than in municipalities with “medium-sized” populations.

We therefore ran several multivariate regression analyses together and for four sectors. For total write-downs we find no connection between population change and write-down level. The same applies to the education sector and administrative sector. We did discover for the technical sector that an increase in the population aged 8–13 affected write-downs per head of population in a significantly positive (if weak) direction. In the nursing and care sector, we find indications of a negative

correlation between write-down level and population growth, though the explanation is probably, we suspect, down to a specification error.

Diseconomies of scale were found in the education, technical and administrative sectors. We found no diseconomies of scale in the nursing and care sector.

Diseconomies of scale were only present in the administrative sector of populous municipalities. In this sector, capital costs traced a U-shaped relationship.

Overall, then, we have to say that regression analysis only offers weak support to our hypothesis of a correlation between write-down and population change in earlier periods. The observed relationship between write-down and population change in the descriptive analysis is probably a result of differences in income levels and population sizes in the municipalities. We need to remember here, however, that the model could suffer from specification errors given cross-section analysis's insensitivity to dynamic contexts.

## Operating costs and tax base

### The effect of expanding and contracting populations in the municipalities

**By Per Medby and Stig Karlstad**  
**NIBR Report 2008:36**

Centralisation can increase operating costs for both municipalities undergoing expansion and municipalities that are shrinking. For the former, however, a population on the rise could generate a positive effect insofar it will expand the tax base per head of population. The net effect will therefore be positive.

When populations decline, it will exacerbate the diseconomies of scale prevalent in low-population municipalities. Small populations are often typical of shrinking municipalities. Population growth, on the other hand, can exacerbate crowding problems in densely populated municipalities. Expanding municipalities tend to have many inhabitants, though the correlation is not as consistent as with shrinking municipalities and small populations.

Not surprisingly, statistical analysis correlates the highest operating costs with the low-population municipalities: spending per inhabitant is higher in shrinking municipalities. This could be a corollary of the low number of inhabitants and low population density in these municipalities. The higher operating costs per inhabitant in shrinking municipalities could also be connected with factors other than population change. We therefore ran a multivariate regression analysis. This analysis shows that overall operating costs depend negatively on the last decade of population growth, also when adjusted for characteristics specific to each of the municipalities. Sector analysis, however, does not produce this result. One also finds diseconomies of small scale in municipalities with populations <10.000. No diseconomies of large scale were found.

So shrinking municipalities endure higher operating costs per inhabitant. And protracted decline only causes the problems to mount.

Migration data show that those moving out of the fifty shrinking municipalities have higher incomes than those who remain. Those migrating to the finding expanding municipalities either have or will have a high income. Diseconomies of scale are (more than) made up for by tax base growth. The weakening tax base of shrinking municipalities combines with mounting unit costs to produce the municipal services to undermine the economic situation further. Shrinking municipalities also find it increasingly difficult to sustain a sufficiently differentiated service portfolio of acceptable quality because they are unable to attract highly skilled personnel.

Government grants might help shrinking municipalities, but it would be at a cost to the macro economy. How much compensation should be channelled through the income system remains a political question and depends on the strength of the Government's egalitarianist ambitions for the municipal sector.

# Participation in urban planning in Norway

**By Eva Irene Falleth, Gro Sandkjær Hanssen and Inger-Lise Saglie  
NIBR Report 2008:37**

It is the intention of the Planning and Building Act to facilitate the active involvement of affected parties and the wider public in the preparation of plans. Today, the preliminary stage of most zoning plans is owned by market actors. There is reason to expect this state of affairs – the increasing pervasiveness of private zoning plans – to affect the ability of the public at large, civil society and politicians to set their stamp on urban development. To date, no one has studied the patterns of contact and participation in the field of zoning planning for development purposes, a situation we hope to rectify with this study. The leading question in this report is: Has the new division of responsibilities between developer and planning authority affected the manner in which and degree to which actors from the local community are involved in urban planning? How does participation of the local community proceed today (scope, channels, patterns)? To answer these questions we shall investigate

21. The extent of participation through consultations. Has the extent of involvement changed?
22. The extent of arranged participatory activity over and above the letter of the law. Has the extent of this activity changed?
23. The attitudes and opinions of actors to the involvement of civil society.
24. The pattern of contacts between actors at different stages of planning process.
25. Actor empowerment in the zoning planning process (according to the actors themselves).

We answer these questions in the report by means first of a document study of zoning plans and second by a survey. The document study of one hundred plans seeks to establish whether the pattern of participation has changed since the introduction of the then new Planning and Building Act came into force in July, 1986. We studied fifty plans from 1987 and fifty from 2005, in the cities of Oslo, Bergen and Trondheim. Half of the plans are from Oslo, with the rest divided between Bergen and Trondheim. The selection is random and made from the agendas of decision making bodies.

The questionnaire was sent to a wide selection of actors involved in urban planning. We were primarily interested in *urban* planning and limited the survey moreover to the 145 most populous municipalities (which account for a third of all municipalities in the country). Urban planning is here delimited to zoning plans for developments. The actors to whom the questionnaires were sent include municipal officials (chief

executive officers, heads of planning departments and local government officers) in the municipalities; politicians (mayors, politicians with seats on the planning committee) in the municipalities; civil society organisations and associations and private business in the construction sector.

The project is financed under the Norwegian Research Council's programme on Democracy, Governance in Regional Context (DEMOSREG).

### **What defines practice when it comes to community involvement in zoning decisions? (chapters 3 and 4)**

The authorities' planning documents shed little light on the initial part of the planning process. This is the most important stage, the one in which the most incisive influence can be brought to bear on the outcome. By contrast, the formal stages of the zoning process are well documented in the files, allowing the ready extraction of data on contact patterns.

The *document study* of zoning cases shows that consultation (hearing) responses are well documented and provide the predominant form of communication. Consultation responses were filed in 96 per cent of the planning proposals. It is a common form of communication for neighbours and neighbourhoods and is gaining in popularity. In 1987, 60 per cent of the planning proposals received consultation responses from neighbours and neighbourhoods, while in 2005 the percentage had grown to 82. There is little doubt that people feel concerned about changes in their immediate vicinity.

Special forms of participation over and above consultation responses are much rarer. Public meetings were arranged for four of the planning proposals, petitions for three and a meeting with politicians for one. One of the proposals involved both a public meeting and a petition, and another prompted a petition and meeting with politicians. No meetings were arranged between municipal officers and civil society actors. Since the absolute numbers themselves are so small, there is little point in comparing the two years.

There are considerably more consultation responses per proposal in 2005 than 1987, nearly a doubling in fact. In 1987, an average of 8.5 consultation responses were filed, and in 2005, the average had risen to 15.2.

There is a great deal of contact between the proposer, affected parties, associations and politicians at the decision stage. The prevailing mode of communication is written correspondence, but developers in particular are liable to meet politicians quite extensively.

Plans are very often amended during the planning process, especially at the public consultation stage. There are notable differences in the types of reason for altering plans. In 1987, the leading reasons related to traffic and children. In 2005, other reasons had gained prominence, including for instance a requirement to reduce the utilisation ratio; increase the number of rooms per apartment; preservation of green areas, cultural monuments and neighbourhood character. This could be explained by the fact that developments are frequently one component in a densification programme, and therefore more controversial. But of equal merit, there is greater interest in and awareness of the quality of the urban environment.

Planning processes tend to “drag on” more in 2005 compared to 1987. Planning decisions are more likely to be challenged as well. In 1987, eleven out of fifty planning decisions were challenged, a figure that had doubled by 2005 (with twenty-one appeals). The appellant is usually a neighbour, a resident association, and to a lesser extent, voluntary organisations.

As the *survey* found, briefing local organisations in writing about zoning plans is normal procedure, though it is not done in every case. Organisations are much more likely to participate by responding to consultations, something 66 per cent report having done. The size of the organisation makes a difference: large-scale organisations are more likely to respond to consultations than small ones.

A high percentage of heads of planning departments and local politicians on planning committees in the municipalities say that the number of appeals is rising, something our document study was able to confirm.

In the questionnaire sent to the organisations we asked them to tell us which forms of participation they had used in zoning processes. The most frequently reported form was, as mentioned above, filing responses to consultation papers: 66 per cent reported having done that. Next comes contact with politicians or administrative planning officers, at 56 per cent. Slight under a half had attended public meetings or open meetings with the developers. We also found that large organisations are more likely to express their opinions across a wider selection of channels than the smaller organisations.

Who takes the initiative to engage affected parties in the process over and above the minimum statutory requirements? In the responses to the questionnaires, planning officials, politicians and organisations were in unison: the initiator is the municipal planning department. Few have the impression that developers take this kind of initiative.

### **Attitudes to participation (chapter 5)**

The data retrieved by the survey shows that developers are significantly less likely than actors in the municipality to lay much store by community involvement. The likely explanation is that developers lack a tradition for appreciating participation and are dominated by the logic of the market. While the ideal of participation is staunchly supported in the municipality, both by politicians and planning officials, the latter are convinced that community actors are motivated by self-interest. Some of our findings could therefore indicate a weakening of the ideal of participation that has long prevailed in the planning literature (Forester 1989, 1999, Healey 1997) and in planning practice.

### **Contact (chapter 6)**

One important means available to the wider community to obtain information and exercise influence on the authorities is informal contact with local politicians. Such contact is widespread at all stages of the zoning process, and actually leads the field during the first informal stage (at which time the role played by the politicians remains undefined). People tend to be in contact with political members of the planning committee, rather than the mayors, which is the norm otherwise (Askim and Hanssen 2008, Hanssen 2008). Contact between politicians and the public has

not been documented to an appreciable degree before, and the planner as a professional, and planning as a political institution, have been rather neglected as a subject of study. Our investigation documents how this channel plays an extremely important part in urban planning.

Given the attention in the planning literature to the planner's responsibility to promote community participation in the planning work (Forester 1989, 1999) it was surprising to find so little contact between actors in the community and planning officials. The planner enjoys a significant level of contact with developers, however, as indeed do the politicians.

The survey also found that the community lacks institutionalised venues for contact with planning authorities (political and administrative) in the planning work. Developers, on the other hand, can avail themselves of institutionalised channels of communication through which to press their case with the planning authorities in most municipalities. These channels, known as feasibility or preparatory meetings, pre-stage conferences, etc., take place early in the planning process. More than 90 per cent of the developers report this as their most important channel of communication with the municipal authorities. Community actors are compelled to use informal channels, especially in the early phases of the planning work, such as direct contact with politicians and planning department.

### **Influence (chapter 7)**

The local community is not seen as exercising much influence on the zoning process. In our study no respondent groups saw civil society actors as too powerful. The actors with power in the field of urban planning are considered to be the planning authorities and the developers. Nearly half of the politicians report nevertheless that input and contact with local community actors do affect the final outcome, an impression strengthened by politicians' sense of being constrained by public inquiries and opinions. These are important findings in that we have also shown that direct contact with politicians is an important channel through which the community and third parties involved in the planning process make their opinions known.

The survey also found that local politicians feel bound by preparatory conferences and development agreements between planning officials and developers when they come to take decisions in zoning matters. This could indicate that close relations between the planning department and developers in the early phases of the planning process lead to a certain degree of path dependence, limiting the politicians' options when they come to the voting stage. This in turn could indirectly reduce the community's ability to affect the outcome of zoning plans in that the politicians are the most important "gateway" to this type of municipal business. When politicians' room for manoeuvre shrinks, the input of local community actors that is channelled through the politicians will clearly have less impact on the outcome. There is therefore reason to discuss the degree to which practices such as preparatory conferences behind closed doors and development contracts reduce the public's ability to hold their politicians to account for the urban development that takes place and to make a contribution to these processes (intended to ensure input legitimacy).

**Public debate (chapter 8)**

Is there wide public discussion concerning physical urban planning in the 145 municipalities we studied? Where does this debate take place, and what characterises it? As other studies also have found (Myrvold 2004, Winsvold and Myrvold 2005), local public debates tend to play out in the local papers – and that includes zoning issues as well. A clear majority see the local press as the most important vehicle of debate. The local public debate on zoning matters appears to be conducted by local politicians.

The report has looked at planning first and foremost as a political institution rather than a technical exercise. More in-depth research is needed to ascertain the balance of power in the zoning planning process and to establish which factors affect the final outcome.