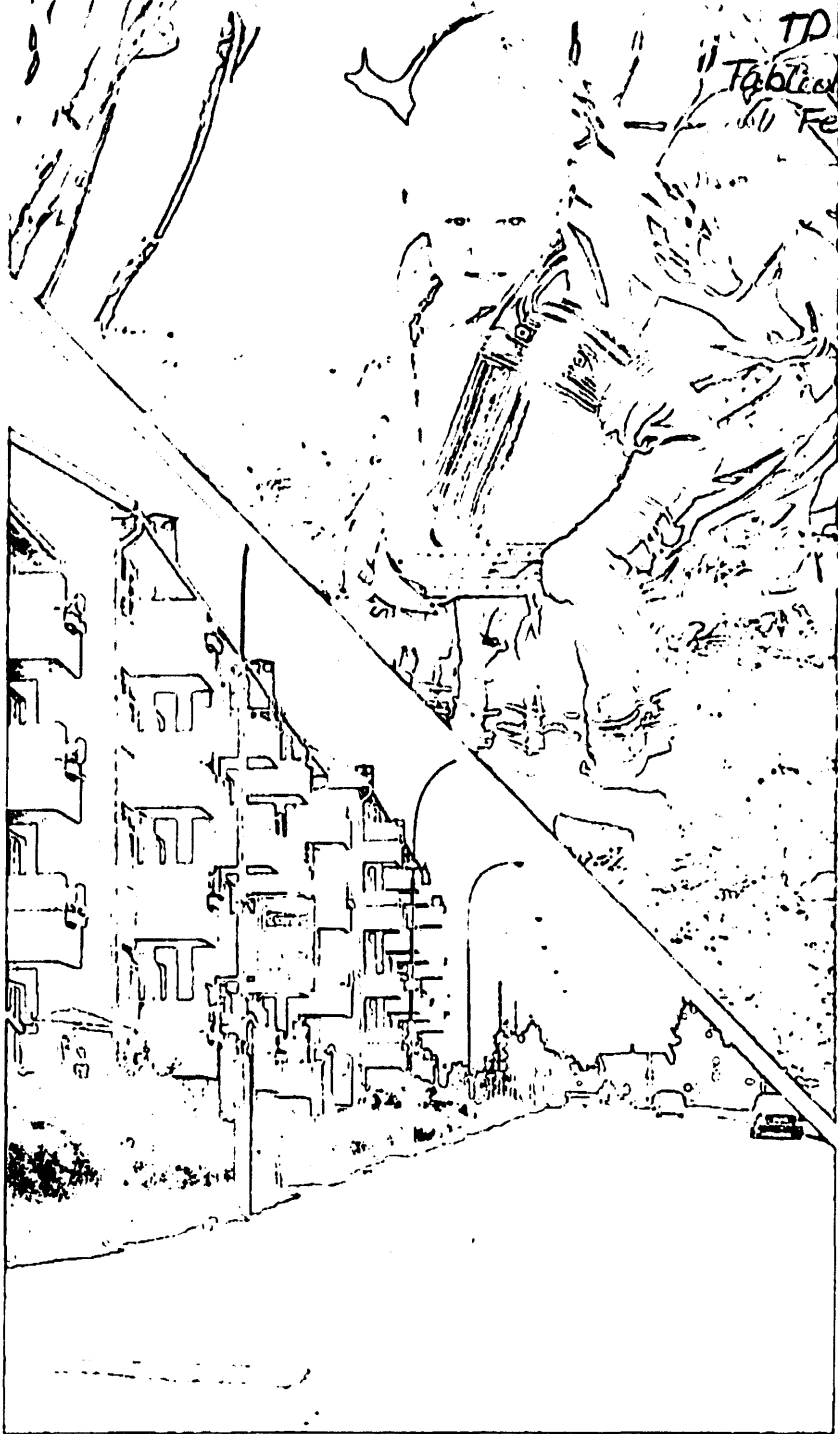


**LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
7TH COUNCIL, 51ST SESSION**

TABLED DOCUMENT NO. 12-51

TABLED ON Feb. 7th, 1974

LAPP LAND



TD 12-51
Table on
Feb. 7, 1974

The Old and the New: Lapp child in reindeer camp and apartments in Norway.



GOVERNMENT OF THE NORTHWEST TERRITORIES

LAPLAND

text and photographs by Alex Gordon
published by the Government of the Northwest Territories

TABLE OF CONTENTS

	<u>Page</u>
FOREWARD	i
INTRODUCTION	iii
NORWAY	1
I. Government Structure	1
(a) Boundaries	2
II. Regional Planning & Development	2
A. Regional Development Fund	5
(1) Financial Assistance	5
(2) Compensation for Relocation Grants	5
(3) Grants for training of labour	5
(4) Compensation for Commencement Costs	5
(5) Consultant Services	5
(6) Direct Investment Grants	5
B. Regional Transport Subsidies	5
C. Tax Concessions	7
D. State Banks	7
E. Financing of Infrastructure	7
III. Housing in Norway	8
(1) Administration at National Level	8
(2) Administration at Regional & Local Level	8
(3) Other Organizations	8
(4) Economic Structure of the Country	8
(5) Housing Finance	10
(6) Housing Cooperatives	12
(7) Special Incentives	12
IV Northern Norway	12
1. Lappland	16
V Education	18
VI General	20
VII Sweden	22
(1) Local Government in Sweden	22
(2) New Municipal Boundaries	23
(3) Municipal Federations	23
VIII Regional Development Policy in Sweden	23
(1) Introduction	23
(2) Goals of Regional Development Policy	26
(3) Instruments of Policy	26
(a) Tax Equalization Grants	26
(b) Bus Routes	26
(c) Telephone Charges	26
(d) Development Aid	28

	<u>Page</u>
IX Northern Sweden	28
X Housing in Sweden	31
XI Summary on Sweden	34
XII Conclusion	35
XIII Recommendations for the Northwest Territories	37
XIV BIBLIOGRAPHY	38

FOREWORD

During June and July, 1973, I visited Norway and Sweden to do a general overview of the programs and conditions in the northern areas of these countries. I paid particular attention to physical planning, economic development, housing and education. The geographical areas of interest to us in the Northwest Territories were those areas north of the Arctic Circle in the Scandinavian countries, where the Lappish people are the minority group.

The progress made in transportation, development of power resources and in economic incentives are advances that could be compared to standards in southern Canada.

I received very good cooperation throughout Scandinavia. I am most grateful to those who helped me and would like to thank Professor K. Bergsland, H. Ahrens, B. Gaarder, J.M. Alnes, Mrs. M. Rui, Johan J. Haetta, R. Roy, H. Lunde, K. Karlsson, S. Holmgren, J. Jussila, S. Persson, P. Heinbecker, S. Hellekant, B. Naswall, S. Brunnsjo, G.A. Bjorkman, Mrs. H. Dergalin, Jan Stromdahl, S. Lindmark, O. Wigardt, G. Lindeborg, Ove Hansson and many others who contributed to my work in Scandinavia.

I would also like to thank R. Morrison, E.M.R. Cotterill, and L. Elkin of the Government of the Northwest Territories for their guidance and Mrs. M. Burns for her understanding and patience in typing my report.

My wish is that those who read this report will do so not for the sake of reading but for constructive criticism so that some feedback will be of benefit to us in the North.

Alex G. Gordon,
September, 1973

INTRODUCTION

The Government of the Northwest Territories has been looking to other circumpolar countries for the purpose of extracting new ideas and methods in approaching problems in our Canadian north. It has investigated various housing programs to determine how the economic, social, cultural and technical aspects of housing affect the lives of the people. It has also observed other interests such as economic development and education as it relates to sparsely populated and depressed areas.

We believe there is something to be learned from other countries. It is only reasonable that there are many parallel problems between other northern nations and our north. It is, therefore, worthwhile to gain knowledge as well as to share our knowledge with others and to foster an exchange relationship with these countries so that all can benefit.

The following report gives a general overview of programs and conditions in the Scandinavian countries of Norway and Sweden.

NORWAY

I. Government Structure

The administrative organization throughout Norway is made up of 18 counties. Of these 18 counties, Oslo, does not participate in a county commune or municipality. It is a county by itself. There are 444 primary municipalities in Norway. Three hundred and ninety seven of these are rural district municipalities and 47 are urban district municipalities. The counties are therefore similar to Provincial or Territorial administrative regions but with the County Governor being appointed by the King through Parliament the county would be in effect similar to a Canadian Territory.

Neither the organization of counties nor the organization of municipalities has been prescribed by the constitution. Both are created by ordinary Legislation and they receive their authority from special acts concerning counties or municipalities and from acts concerning special fields of administration.

In principle the counties and municipalities are self-governing and self-financing bodies within the framework of law. According to legal regulations they are subject to some central government control.

The county itself acts as a secondary municipality since all the municipalities within a county together constitute the county. The make-up of the county has two effects. The county council is not elected by general elections, but the municipal council of each member municipality elects an adequate number of members of the county council. The number of members would depend on the size of the individual municipalities so there are varying numbers of members sitting in the county council. Further the county council is not financed by taxes imposed directly or indirectly on the taxpayers, but by contributions from the municipalities. The amounts spent by the county on activities within each municipality is distributed according to legal regulations.

The counties and the municipalities can then undertake activities of every kind of common interest as far as there is no legal restriction. However by legal regulations the responsibility for a great part of social programs is laid on either the county or municipality.

The County Governor is the representative of the State and appointed by the King. The mayor of each municipality is elected along political party lines as are the members of the municipality.

Special funds are distributed directly from the State to the municipalities according to the State constitution, i.e. for Health, Education, Communication and Transportation. There is also a general fund used by the State to distribute money to the County Governor and he distributes money directly to the municipalities as decided by the Standing Committee on Finance in the County Council. Fiscal budgeting is done in the Autumn with the fiscal year starting in January.

With respect to borrowing of money by the municipalities any amount over \$200,000 has to be approved by the Minister of Municipal Affairs and any amount under this is approved by the County Governor.

The Standing Committee on Finance within the County Council decides if the loan is required. The repayment period of loans is set by the Governor and the Minister.

Each municipality has the right to collect capital and personal income taxes. The municipality can decide to collect up to 21.3% of personal taxable income (not progressive). The exemption on personal income is 4,000 Norwegian Kroner for single people and 8,000 for married. The State can then levy taxes on real and general property. For example, there is a tax on cars, bonds, stocks, savings and dividends. The homeowner can deduct mortgage payments on his house from his personal income tax.

The average tax on personal income would be approximately 44%.

An example of the operation of one of the counties in Northern Norway is as follows:

Troms County - Population 140,000

Total Budget 1973	\$53,000,000
County Tax and Tax Equalization	<u>21,600,000</u>
State Contribution	<u>\$31,400,000</u>

The money is spent on the following activities:

Secondary Schooling	\$10,800,000
Health Care, hospitals, old age homes	25,000,000
Primary Schools, Water, Sewage, County roads	8,000,000
Other Development and Maintenance	<u>9,200,000</u>
Total	<u>\$53,000,000</u>

The municipalities are responsible for Social Assistance and for hiring of social workers.

Over and above the administrative units of county councils and municipalities each county has a separate administrative body headed by the County Governor. This government administration represents the State and handles the daily operation of the county, and does routine administrative work for the county council.

(a) Boundaries

In Norway the boundaries of counties and of municipalities to a great extent are natural due to the geography of the country. To some extent there is a mixture of natural and artificial boundaries. Between valleys or fiords the mountains form natural boundaries. Across the valleys the boundaries may be natural (forests) but have often to be artificial. In some wider parts of the country boundaries also have to be artificial if there are not forests to form natural boundaries. Generally it may be said that the boundaries are either natural or historical.

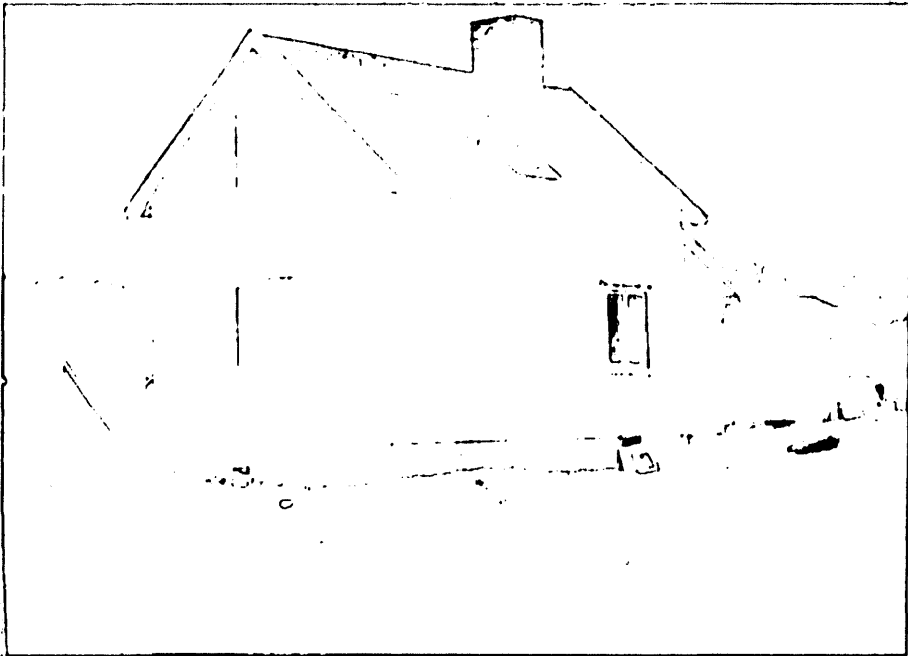
The largest county in the northern region of Norway is Finnmark with an area of 48,649 square kilometers with the smallest population of 77,000. This county is the home of the majority of the Lappish people who number about 30,000. The density here being 1.6 persons per square kilometer.

The total area of Norway is 3.7 million square kilometers with a total population of 3.9 million.

II Regional Planning and Development

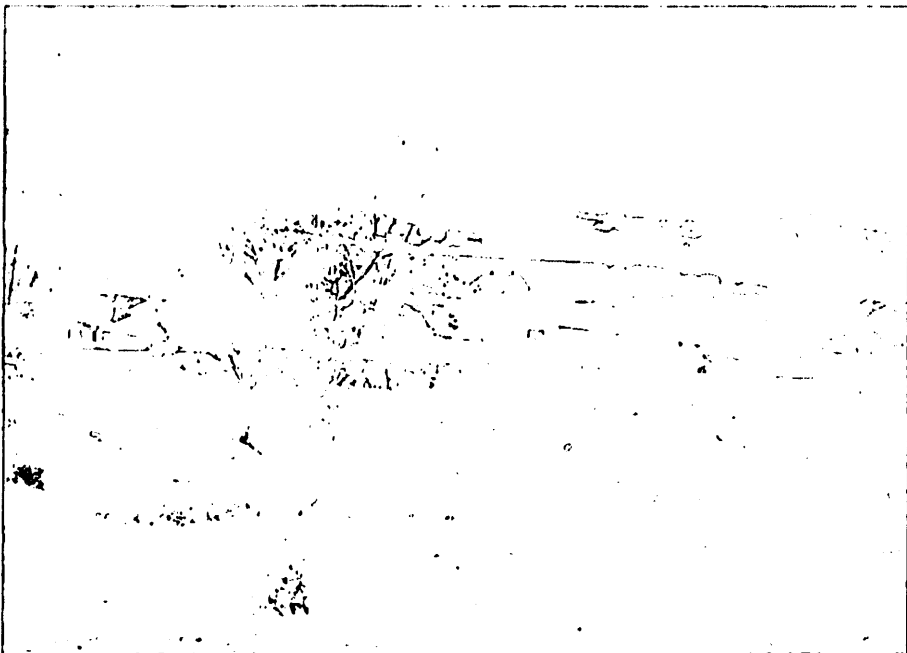
The general trend in Norway over the last 50 years is a move of the population from the countryside into densely populated areas and to higher density centres within a rural district. The depopulation trend has increased tremendously over the past few years because of the decrease in labour on farms and in the forestry industry. Although agricultural output is increasing new methods and machinery have revolutionized farming so that the small farms are bought up and larger farms are in operation. Forestry has been mechanized to a great extent so that forestry workers are not required in as large numbers as before. For example, in 1930 there was 29.78% of the labour force in farming and agriculture and today there are only about 8% of the work force in this industry. Fishing has decreased from 7.37% in 1930 to 3% in 1970. The resident population in other industries has increased in manufacturing, commerce, transportation and communication, and services. Other income from pensions, welfare and unspecified capital has shown an increase to 13 per cent.

In assessing the move of people to larger centres research has shown that the younger people are moving but leaving the old people behind. This type of depopulation presents many problems. The reduced employment in agriculture, forestry and fishing implies a reduced basis for continuation of settlement in rural and coastal areas. The main growth of employment then must take place within the service industries. In this respect the location of service industries will be near urban centres, since service firms and institutions will choose a location as central as possible in relation to the population and to the market they are to serve. The move to service industries will tend to cause a further geographical concentration of economic activity and settlement if there is no counter-action by government policy.



Typical Lappish Farmhouse - Norway

School complex - Kautokeino, Norway



The eight largest urban regions with 40 per cent of the population in 1960 accounted for approximately 70 per cent of the population increase between 1960 and 1965. In relative terms rural settlement has declined almost twice as fast over the last decade. Among the smaller urban centres with good services have had the greatest growth whereas rate of growth has been lower for those towns with a manufacturing and fishing base. The northern region of Norway has experienced the greatest depopulation with a yearly average of net migration in 1951-60 of -2112 to -4129 in 1968. It should be noted, however, that the migration deficit account for a small portion of the total population in the main regions. There has been a population growth in each region and although there are movements from sparsely populated areas the regions' share of the total population has changed very little over time.

The movements of population in districts that experience a migration deficit has created problems, but the fast growth in urban centres has also posed many problems.

The problems arising in the large areas characterized by a decline in population are related to a weak and undiversified industrial base, underemployment and unemployment. Migration deficits and underemployment means that the population base for local services shrink, so that the basis for improving poor service supplies are further weakened.

Other problems are related to maintaining social services to older people who do not move and to housing shortages and unemployment in larger centres for those younger people who do move.

Population movements into densely populated areas is also attributed to a centralization of institutional services such as health care and education. The school system only allowed the teaching of up to grade seven in most of the country schools. Children were either bussed to schools with distances of up to 45 kilometers or boarded in hostels at larger centres.

The central government is now reversing its policy to decentralization to try to meet the problems in the depressed areas of the country. Education will be available to the ninth grade or the last year of compulsory education. The return to the one-room classroom will be reinstated. The government also intends to meet problems through regional policy measures - through measures which stimulate a location pattern different from the one which develops spontaneously.

The aims of regional policy will be as follows:

- (1) The development of town and country environment so as to comply with human needs and aspirations.
- (2) A fair distribution of the rising living standard between different parts and areas of the country.
- (3) A policy of location of industry and housing that ensures an optimal use of economic and human resources and stimulate economic growth.
- (4) A location and investment pattern which pays due considerations to the preservation of natural resources.
- (5) An adequate supply of social and community service in all parts of the country.
- (6) The relieving of problems of readjustment which arise for the individual and for the local community in the process of economic and structural changes.

The new set up for regional planning will allow municipalities and other public bodies to have a direct input into those areas for which they are responsible. In the concept of regional planning all aspects of planning will be considered by municipalities, i.e., land-use regulations, town planning, economic planning, environmental, welfare, social services, education and so on.

In those regions where small municipalities cannot handle the job of certain municipal tasks there will be cooperation between municipalities. Small municipalities will be able to ask for help from larger municipalities. This is necessary, especially for those areas or regions where a concerted effort is required to come up with a total regional plan. Where there are problems of rapid expanding urban regions, joint planning of the main features of land use, and investments in infrastructure will be carried out.

The following instruments will be used to attain the goals of regional policy.

A. Regional Development Fund

The regional development fund is the main special body in charge of implementing the Government's regional development policy.

As Norway traditionally has a dispersed settlement, the effects of the national migrations have been very strong. The biggest urban centres are meeting great growth problems. Problems of an opposite nature are affecting the rural communities with a small population base.

The most important aspects of the R.D.F. are:

(1) Financial Assistance:

The R.D.F. grants medium and long term investment loans and guarantees for loans at regular market interest rates. Working credit may be included.

The loans are supposed to serve as "top" financing, where first priority loans are to be provided by banks and other credit institutions, but no absolute limitation is applied. Since 1970 about 75% of the loans and guarantees were granted to manufacturing and mining. Except for the tourist trade, service industry has not been subject to R.D.F. financial assistance.

(2) Compensation for Relocation Costs:

Compensation is given to enterprises which transfer their activities from a developed to an underdeveloped area. Grants may cover expenses involved in the planning of relocation, transfer of machinery and personnel and losses caused by interruption of production.

(3) Grants for Training of Labour:

These grants apply to new or relocated enterprises and to existing firms in development areas making considerable additions to their payroll. Grants include wages, travelling, room and board for instructors or key personnel (foreman or specialized journeymen) as well as 50 per cent of the wages of ordinary workers for a limited period of time.

(4) Compensation for Commencement Costs:

In the cases of relocation and of new entries other grants may be given for a limited time to compensate for low productivity during initial stages of production.

(5) Consultant Services:

Services are given by R.D.F. and grants are given to cover consultant services for other sources.

(6) Direct Investment Grants:

Geographical differentiated investment grants for new plants and machinery are given in development districts, maximum grants are:

Thirty-five per cent, partly 25% for designated tax areas, i.e. North Norway and some coastal and rural areas in South Norway.

Fifteen per cent for most other areas in South Norway.

Grants may be given for investments in manufacturing, tourism, industrial estates, and for certain investments in primary industries.

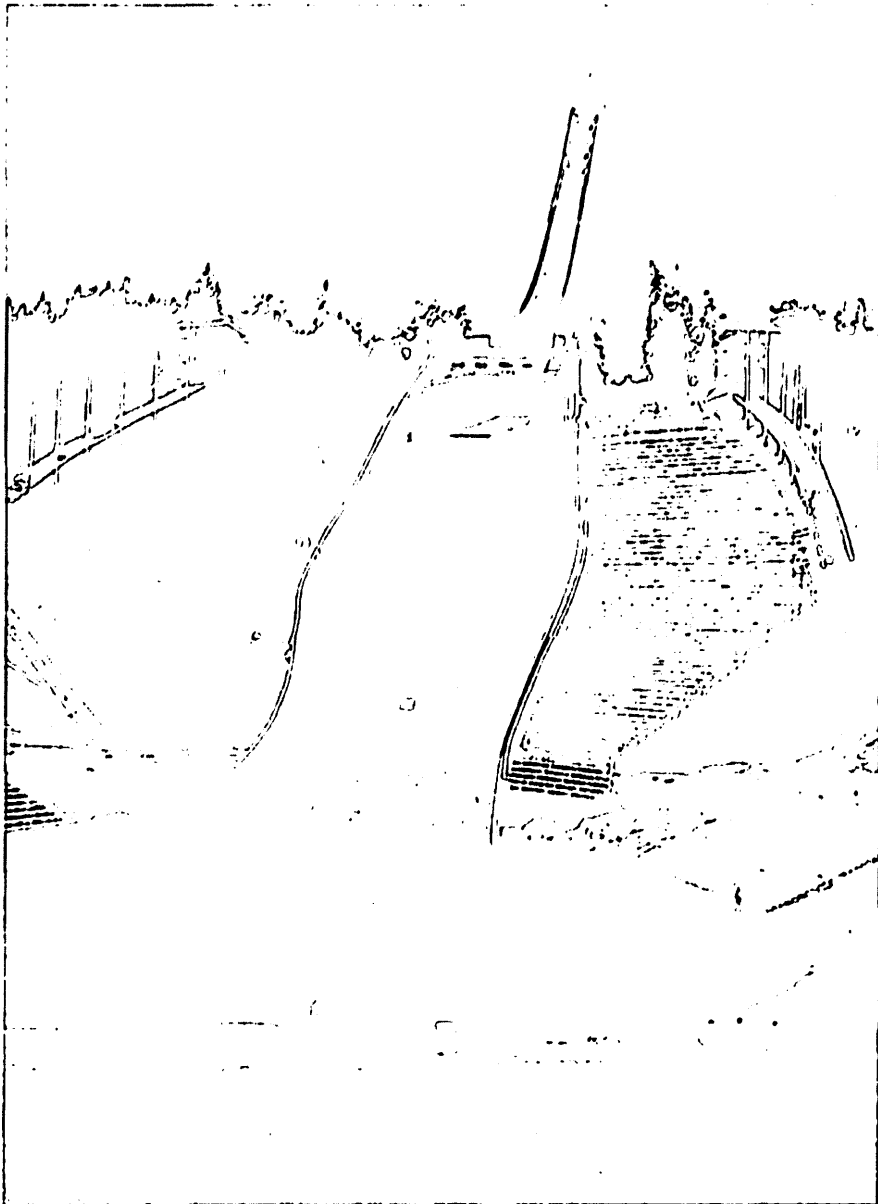
B. Regional Transport Subsidies

Grants up to 35% may be given to cover parts of out-transport costs incurred by manufacturers in North Norway and in mid-west coastal areas. Grants are given for the out-transport of finished or semi-finished goods when the transport distance is at least 250 miles.

The subsidy scheme, however, excludes consignments for export. There may be a problem here of unnecessary reloading if subsidies are granted for the domestic transportation of goods which at the next stage are exported.

The Ministry of Local Government and Labour undertake the administration of this scheme. Applications are sent to the County Governor for processing.

In respect of transportation qualifying for the subsidy, a producer must incur



Sport facilities like this combination ski-jump swimming pool are found throughout Norway

freight expenditures of at least \$1,000 per year. Subsidies are paid on a 6 month operation period.

Some of the types of commodities covered by the regional transport subsidy are:

- (1) Fresh, chilled or frozen fish fillets
- (2) Frozen roe
- (3) Milk and Cream
- (4) Kelp and algae meal
- (5) Refined fats and oils
- (6) Meats sugars, flour, produce, beverages
- (7) Soap and other toilet articles
- (8) Chemical products
- (9) Processed plastics, cellulose, resins, other processed polymers
- (10) Leather, furs, paper, books, newspapers
- (11) Textile products
- (12) Clothing, footwear
- (13) Stone, cement, asbestos, mica
- (14) Steel bars, wire, sectional steel, other base metals
- (15) Tools, implements, knives, etc.
- (16) Boilers, electrical machinery
- (17) Aircraft and parts thereof
- (18) Clocks, watches
- (19) Arms and ammunition
- (20) Boats, canoes, other floating structure
- (21) Furniture, toys

C. Tax Concessions

Tax free deductions for the purpose of later investments in designated areas may generally be allowed for up to 25 per cent of taxable income, or up to 50 per cent if taxable income is not brought below the average of the last two years. Such deductions are open to all taxpayers and funds accrued in this way must be used for industrial investments, normally within 5 years.

Special depreciation rules apply to the three northernmost counties, in that up to 50% of the value of new plant and equipment may be written off initially.

D. State Banks

Government credit institutions contribute to the development of business and industry in development areas. Loans from these banks are mainly long-term and medium investment loans. These banks are the Industrial Bank, Communal Bank, Fishermen's Bank and the Bank for Agriculture.

E. Financing of Infrastructure in Development Areas

A considerable part of the basic investments for expansion of economic activity in weakly developed areas is the responsibility of the primary municipalities. An important financial resource is the Communal Bank. Direct grants from the State to municipalities to help finance investments in infrastructure has become very important. State transfers to municipalities and county councils to level out the standard and flow of community services are also made.

In relative terms employment problems of individual areas and regions are no longer a dominant issue in Norway. Other factors such as environmental control, trend of urbanization and how to achieve a balanced development between town and country and between the different parts of the country have come to the foreground in political discussions. The regional distribution of public services and of building up a good infrastructure is given greater attention now.

The growth centre ideas has not been a part of government policy. There are no designated growth points paralleling grant areas. However, the idea of growth centres may, in the near future, be part and parcel of regional development. Although the investment grant and regional transport subsidies are supposed to be strong measures,

there is no indication yet that they are working. They have only been in use for two years.

III Housing in Norway

(1) Administration at National Level

The Ministry of Local Government and Labour takes direct charge of housing policies at the National level. The Housing Department is charged with site policy, programming of housing, financing of infrastructure, research, financing of houses, and administration of housing matters. There are independent bodies which deal with housing without having to submit to the Ministry. These are the State Municipal Bank (Ministry of Finance), which grants loans for the purchase of land and for services, the State Housing Bank (Ministry of Local Government and Labour), and the State Agriculture Bank (Ministry of Agriculture) which grant loans to 75% of the number of dwellings that are to be built each year. The Ministry of Environmental Affairs is responsible for master and regional planning.

(2) Administration at Regional & Local Level

Regional authorities also carry out certain functions of housing administration. The county councils act as liaison between municipalities and the central government as well as being involved in the technical inspection of construction, the collection of statistics for the Ministry, doing functions in relation to housing legislation, town and regional planning and municipal housing programs.

The municipalities have the right to taxation and form an independent administration subject to certain controls by the Ministry of Local Government and Labour. The local municipalities carry out an extensive activity in the field of housing. They are responsible for financial aid, the purchase and development of land for building purposes, the preparation of master and regional plans for housing programs, and are concerned about the application of loans to the housing banks.

(3) Other Organizations Involved in Housing

There are other organizations involved in the housing process. These are the Norwegian Building Research Institute, and the Norwegian Council for Building Standardization. They work in close cooperation with the various government organizations, agencies and cooperatives dealing with housing.

(4) Economic Structure of the Country

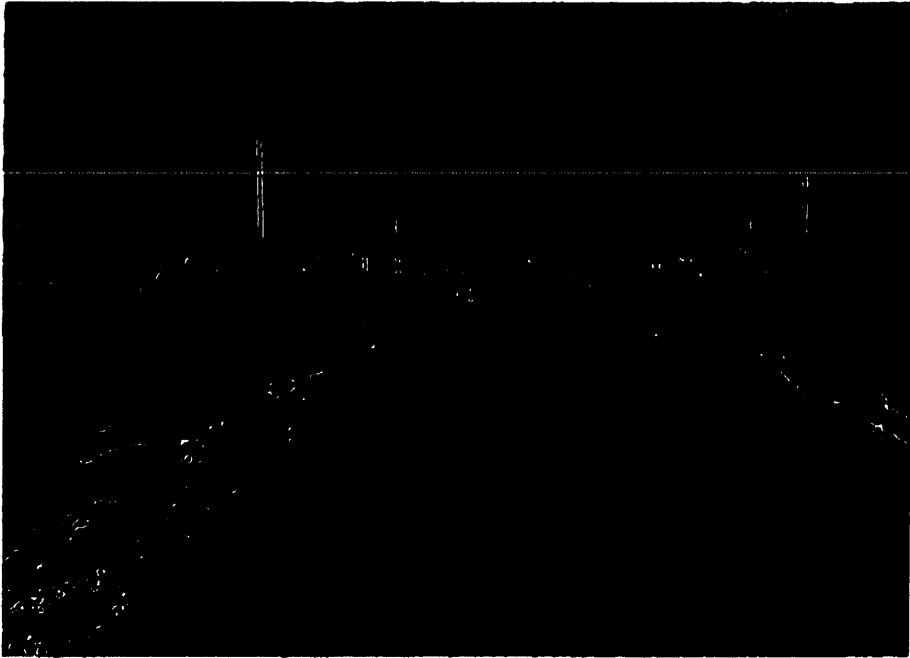
The Gross National Product for the country of Norway is approximately 2.8 billion dollars or a per capita Gross National Product of \$7,200. The population consists of 50.3 per cent women and the age distribution is as follows: 75.6 per cent of the population is over 15 and 13 per cent over the age of 65. The economic active population is 39 per cent of the total population.

The breakdown of the industries is indicated below:

Farming, Agriculture and Fishing	11.0 per cent
Industry	27.6 per cent
Building	10.4 per cent
Commerce	16.5 per cent
Transportation	10.1 per cent
Services	24.4 per cent

The total gross investments decreased from 36.4 per cent in 1960 to 35.4% in 1971. Of the total fixed capital formation the investments in building and construction has increased to 48 per cent.

The following indicates a comparison of development which has taken place in Norway in a ten year period between 1960 and 1970.



Good asphalt roads are indicative of northern development in Norway

Kautokeino - a Lappish town of 2000 - a major centre for reindeer farming in Norway



	<u>1960</u>	<u>1970</u>
State and National Insurance Expenditure in % of G.N.P.	22.8	30.9
Total Public Expenditure in % of G.N.P.	29.7	38.5
Gross formation of Public Fixed Capital in % of Total		
Gross formation of Fixed Capital	27.2	29.7
Of these: In Public Enterprises	14.4	13.1
In Public Consumption Capital	12.8	16.6

*Figures taken from Department of Housing, Ministry of Local Government and Labour, Norway.

(5) Housing Finance

The Housing banks may grant loans up to the total fixed amount in the National budget. The budget contains the total amount of financing, the number of dwellings to be financed and the average loan per dwelling to be granted. The production cost of a family dwelling in a large town should not exceed \$30,000, excluding value added tax (housebuilding has been compensated for the tax through a grant based on the size of the dwelling and covered over the state budget). The average family home should not exceed 95-100 square metres floor space. There are no limitations as to the income and financial means of the family.

The State Housing Bank grants first mortgage loans of up to 60-80 per cent - in some special cases up to 100 per cent of the total costs of the house. Other capital through second mortgages is secured through private banks.

The interest on the loans is fixed at 5½ per cent (market interest is 7%). The annual interest charge and repayment of the principle of the loan is adjusted to the average wages of an adult male industrial worker. The first few years after moving into the house, the repayment normally will be less than the interest charge with no payment on the principle. The payable amount for later years will be adjusted upwards corresponding to wage growth. Normal pay back period is 30-40 years.

There are annual subsidies paid to lower income families living in relatively expensive houses and this is paid for by the State.

Planning at the municipal level is done through 5 year plans with yearly updating. Municipalities can get loans for buying land for housing development. They also have the power to expropriate land for any use. All land in Norway is now leased, except for those lands that had previous title by land owners.

In Norway the single family dwelling is the prevailing house type. There is higher density in larger centres, however, nationally the number of flats and apartments represent about 25 per cent of the dwellings. There has been discussion concerning the possibility of decreasing the number of one family houses, however, nothing has been done yet to increase the number of apartment units.

The estimated housing needs in Norway in 1975 in thousands of dwellings is as follows:

	<u>Number of Rooms Including Kitchens</u>						
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>Total</u>
1. Dwellings in '75	27.9	164	340.9	434	331	66	1326
2. Dwellings in '69	58	90	220	300	300	257	1223
3. Difference	-31	+74	+120	+134	+31	-191	137
4. Decrease 70-75	8	13	30	32	20	0	103
5. Estimated Needs 70-75	-23	87	150	166	51	-191	240

The estimated size of households and dwellings are as follows:



Lappish sheep farm in Finmark County - Norway

Percentage of Households with own
Dwellings in 1975 - Number of Rooms
Including Kitchen

<u>No. of Persons In Households</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6 or more</u>
1	10	60	50			
2		65		35		
3		10		60	30	
4		10		50	40	
5				15	60	25
6				10	60	30

Of the 444 municipalities in Norway only 200 of the larger municipalities work out their own housing planning and programs. Most of the municipalities in Northern Norway are small, so they do not carry out housing planning. They then must go to the State Housing Bank to get assistance.

Lappish people can get assistance through the State Housing Bank and do receive some special assistance in lower interest rates, (5%) and can receive small grants from a State fund. There are no defined years of repayment, they use "rule-of-thumb" to determine the repayment period. A worker in Norway should not pay more than 20 per cent of his income towards housing including upkeep of the dwelling.

An example of a repayment is as follows:

Say Mean Income is	40,000 Kroner
20% of Income	8,000 Kroner
Less: insurance, service, etc.	3,000 Kroner
Difference	5,000 Kroner

Suppose Loan is 100,000 kroner. Five thousand kroner would represent 5% interest at 5½% normal rate for first few years payment. In these first years the loan would grow. As income increases principle would be rapid.

(6) Housing Co-operatives

Housing co-operatives build houses as well. It costs about 50-100 kroner or \$10-\$20 to be a member. The scheme works like this:

Family pays one initial payment from \$3,000-\$10,000 then pay monthly rent to co-operative to pay the principle and interest on the Co-operative Loan. If the family moves the householder can be reimbursed for his original investment or sell his interest to a new member. The scheme differs from one co-operative to another. This scheme however is not in operation in rural districts.

(7) Special Incentives

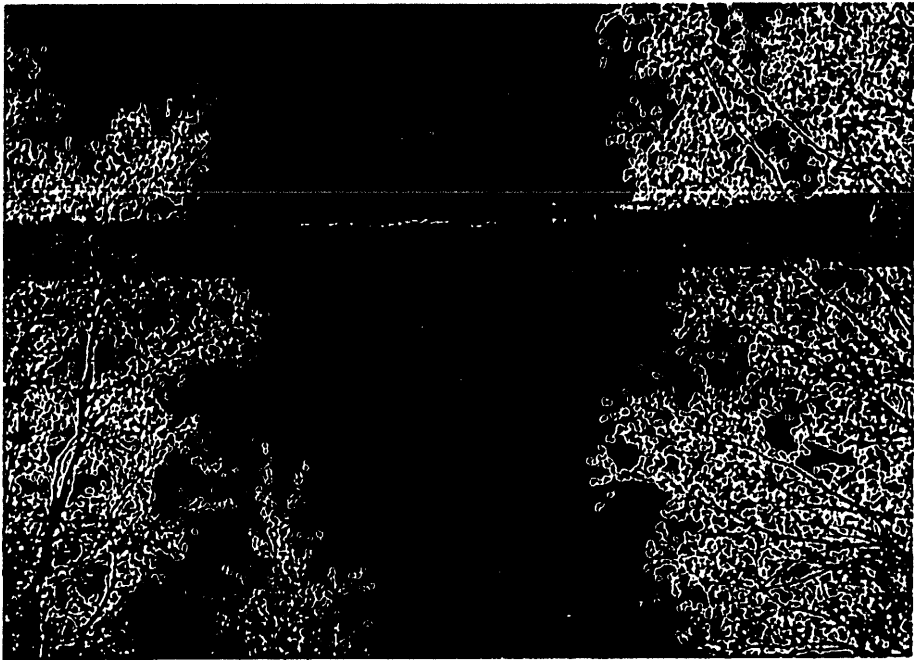
There are special grants given to homeowners who want to build during winter months. It works similar to the Winter Works Program. This system is designed for the four counties from October 15th to April 15th.

A builder can get up to 4000 kroner (\$800) as a grant under this program.

IV Northern Norway

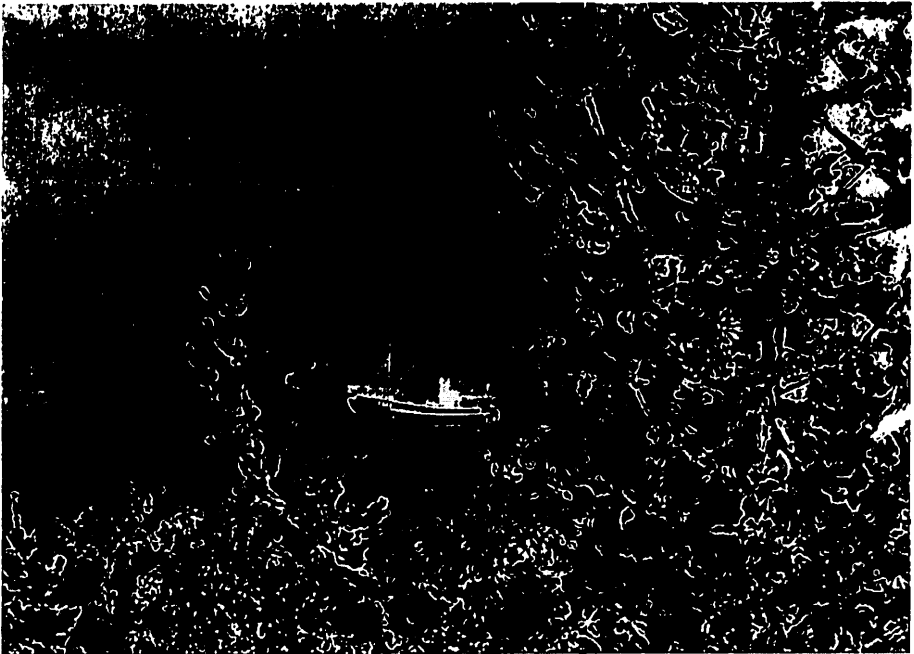
Northern Norway consists of the three most northern counties, Troms, Nordland and Finmark, with an area of over 100,000 square kilometres or about one-third of the total area of Norway. The area is about 625 miles long and takes in a variation of nature, climate and vegetation, from the forests to the taiga and tundra. With respect to industry, Northern Norway can be defined as heterogeneous - from highly developed industrial areas in Southern Nordland to reindeer farming in Finmark.

There are about 460,000 people living in the area, 240,000 in Nordland, 140,000 in Troms and 76,000 in Finmark. Of this total amount about 40 per cent live on islands along the coast.



There can be beauty in the taiga northern Scandinavia

Good stands of fir trees at 71° latitude north - Alta Norway



The area is considerably less urbanized than the country as a whole, but there are a number of large towns or cities like Troms with 40,000 in Troms County and Alta with 12,000 in Finnmark county. Although urbanization is slight the area is experiencing a trend to urbanization. The net emigration now is about 4,000 persons annually with about half of these people moving to the Oslo area.

After the war the northern region experienced an expansion of population due to the rebuilding of the country. Virtually all of the buildings in northern Norway were burnt to the ground by retreating German troops. In most towns only the churches were left standing. This intense building program that took place during the post-war period brought a short-term prosperity to the area. The whole region is relatively new in respect to homes, shops, schools and other institutions.

With depopulation now being a major concern efforts are being made to decentralize government and education and to reinforce the economy through measures stipulated by Regional Development Policy. Urbanization in the North is taking place within its boundaries with the built-up areas being at Narvik, Tromsø where a new university is opened, at Alta, Lakselv, Hammerfest, Vadsø and Kirkenes. All of these towns are on the coast. The interior settlements are remaining small with some almost completely depopulated and a few like Kautokeino and Karasjok growing slightly. The latter two towns being primarily Lappish communities.

The change in the settlement pattern has taken an effect on the employment of northerners. The northern area experienced a drop of 2.8 per cent in employment in the 1970's, while the country as a whole experienced an increase in employment of 8.3 per cent. There has been a shift in trade in this area during the 1960's. In 1960, 28.9 per cent of all employed people were engaged in primary industries and only 20 per cent in 1970. The shift has been in the direction of secondary and tertiary industries. This shift has caused concern because of the geographical barriers it causes in the settlement pattern. Primary industries are country industries whereas tertiary industries are centred in and around large growth areas. The continued reduction of manpower in primary industries will lead to negative effects for the sparsely populated municipalities which have a dispersed pattern of population. For example only about 10 per cent of the 30,000 Lappish people in Northern Norway are now engaged in reindeer farming.

Very good records are kept on the number of people that are unemployed. Even those engaged in primary industries are taken into account. The Northern area of Norway with 12 per cent of the population accounted for 29 per cent of the total recorded unemployment in 1970. The unemployment does seem rather high, but in the areas where primary industry is concentrated some appreciation has to be given for seasonal unemployment. Winter months account for high unemployment and the rest of the unemployment is mainly due to unskilled labour. If employment in Northern Norway is to come near the national average about 2,000 new jobs are required per year and if population does not increase at all about 500 new jobs are needed each year.

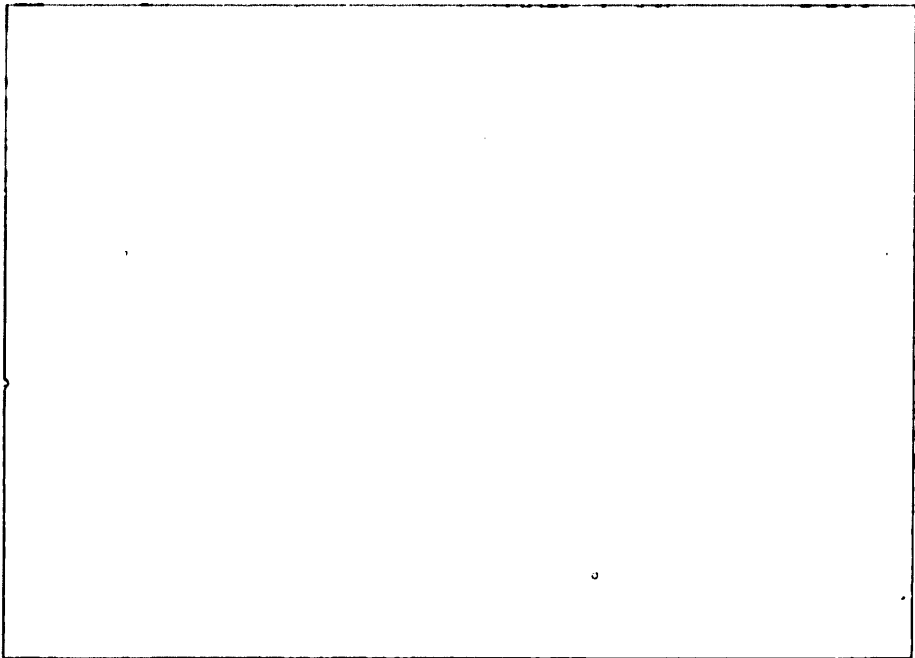
One of the problems facing this northern region is that the area is producing a lot of raw materials or non-renewable resources, which on one hand is a drain on the area and on the other hand does not create many new jobs. Another problem is that many secondary industries are small, employing few people. If expansion of these industries can employ more people, the output has to be great to compete with southern markets. Where there is expansion of secondary industry, other types of service industry should develop. However this may not be the case within a small geographical area with a small population base.

Although the situation may look very discouraging steps have been taken and are being taken to promote a more viable future for this northern area.

One of the methods used to encourage development is through Regional Economic policy mentioned in detail earlier. There is now a new university at Tromsø which will train northerners with the hope that northerners trained in the north will stay in the north.

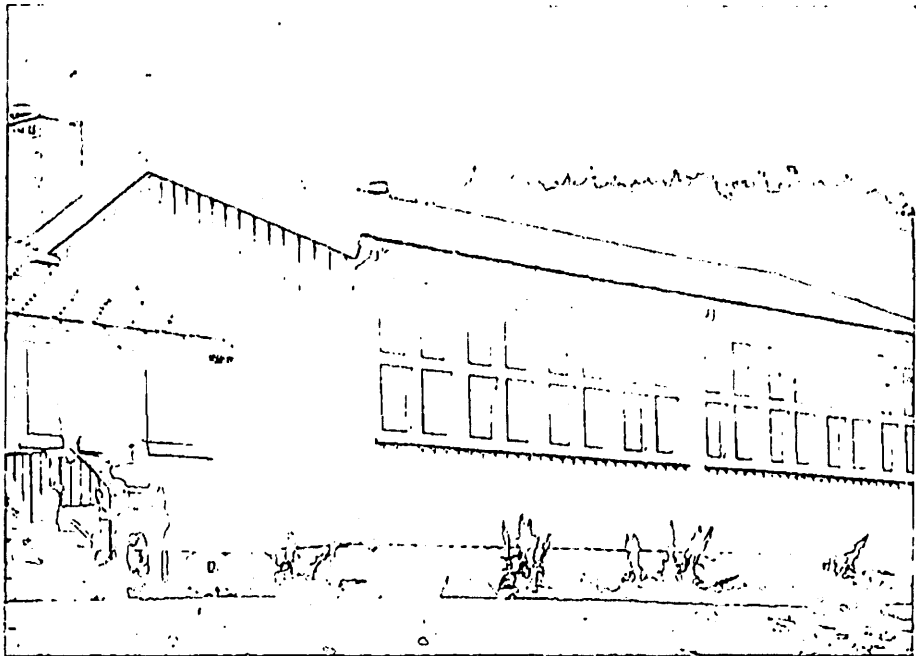
The whole northern region has good highway transportation. All primary roads are asphalt finish even to the northern coast. Air transport is growing with Jet service to all main centres. Feeder service lines with Twin Otters bring people into the main airports.

Tourism is growing because of new facilities built to accommodate tourists and



Tourists come from all corners of the earth to see the sun that never sets

Elementary County School - northern Norway



good transportation networks. For example, Alta Norway, a town of 12,000 has five daily Jet flights connecting North and South traffic.

The emphasis regarding service centre development will be to develop urbanization in centres within a one hour drive to primary industry areas. The idea is to develop feeder lines from the country to town, similar to a growth centre concept. The only difference is that with the growth centre concept the surrounding countryside could be completely depopulated, but with a feeder line system with good road development, people can still maintain a living off the land.

The Lappish people are presently using this type of system. People in central Finmark can use good asphalt highways to go to Alta for services and tourist trade can come in through the back door from Finland.

2. Lapland

When one considers the Northern Regions of Norway there should be some mention of the minority groups living in Finmark county. Although the county has 76,000 people, about 30,000 of these are Lappish. So something must be said about the Lapps.

The home of the Lapps or as the Lapps themselves call it Sameaatnam (Same meaning "Lapp" and aatnam, "land") is not a country but a region in Norway, Sweden and Finland where the Laplanders live.

Contrary to common belief, only about 10 per cent of Lapps in Finmark county engage in reindeer farming. The farmers drive their reindeer to the coast for summer grazing and then back inland for the winter. There are about 135,000 reindeer in this country with approximately 65,000 animals in the Kautokeino area.

The reindeer harvest at Kautokeino takes place in the autumn with about 7,000 animals killed in government inspected slaughterhouses. The owners get 90 cents per pound for the meat.

Lapps who do not work with reindeer farming are now involved with other wage employment. Some are professional teachers, skilled labourers, working with and selling handicraft, but most as labourers and workers in service type industry such as stores, shops, hotels, small farmers and so on.

The people speak 9 different dialects and it is said that Lapps in the southern areas of Norway will not understand those in the North-eastern region of Norway. Nordsamisk is the largest dialect group with 75% of the people understanding this dialect.

Lapps feel that they are not given the opportunity to express themselves as a people in their own right. It is the opinion of certain Lappish leaders that if Lapps are not considered as Lapps, but as Norwegians, they may lose their language. There is an attempt being made by the government to give Lapps an opportunity to preserve their culture and social status in society but Lapps feel that this is only lip service. Lapps believe that it is impossible to maintain culture if you cannot be economically stable.

There are a few schools in Finmark County which teach in the Lappish language but this has only been a recent development. Most Lapp children do not go beyond grade 9, the last year of compulsory education, because there is the problem of going to larger centres to complete high school. It is necessary then to board children away from home. Lapp parents are reluctant to send children to sophisticated schools that promote high standards for the reason that their children do not fully understand what is being taught in the higher grades. There is a question of parity between Norwegian children and Lapp children as far as the education level is concerned.

From observation it appears that Lapps are left to themselves to organize and to take action on their own to promote their own livelihood. Interviews with Norwegians and observation indicate that there is no outright discrimination against Lapps. Norwegians seem to be proud of the Lapps as the Lapps are proud of themselves. There was no indication or appearance of poverty amongst the Lapps. Their housing may not be of the same standard as the national level but they do build and own good accommodation. In fact those Lapps who are engaged in reindeer farming usually have a summer home near the summer grazing pastures as well as the winter home in their own community.

Many Lapps take advantage of the tourist trade. They make their own handicraft out of reindeer skins and horn and sell these items to tourists along the highways. It



Slate is big local industry in Alta Norway

Local small industries like this silversmith shop are part of economic development programs for northern Norway



is not uncommon to see little tourist stands along the interior and coastal roads, with Lapps selling their wares.

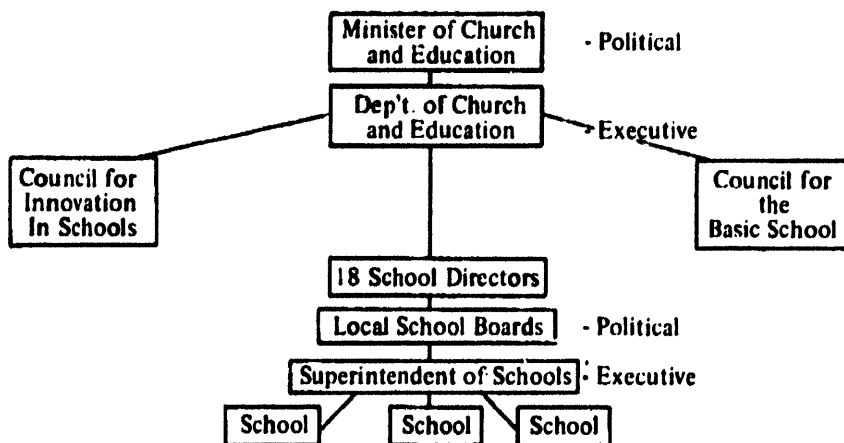
The Lapps are one of the last nature people in the Northern Scandinavia regions. They live close to the land, are very friendly and outgoing and seem to be aware that they do stand out as a minority people in their own right.

V. Education in Norway

The Education Act of 1969 concerning the basic school makes nine years school attendance compulsory for all children.

The administration of the basic school is divided between the central government and the local authorities in the municipalities.

The organization is as follows:



The department does not operate the schools or hire teachers, but it does prescribe curricula, approve texts, set minimum standards of education, control distribution and nature of school buildings, teacher training, determine the principles of recognition of teachers as qualified, negotiate salary scales and support schools financially by government grants.

The administration is decentralized to local education authorities and within the schools. There is a high degree of cooperation within the school system at the community level. In each school there is a teachers' council, other employees council, parents' council and a pupils' council. All councils are represented on a coordinating committee where the school principal and a representative elected by the School Board are members. In most matters the committee has a consultant function but it can make decisions.

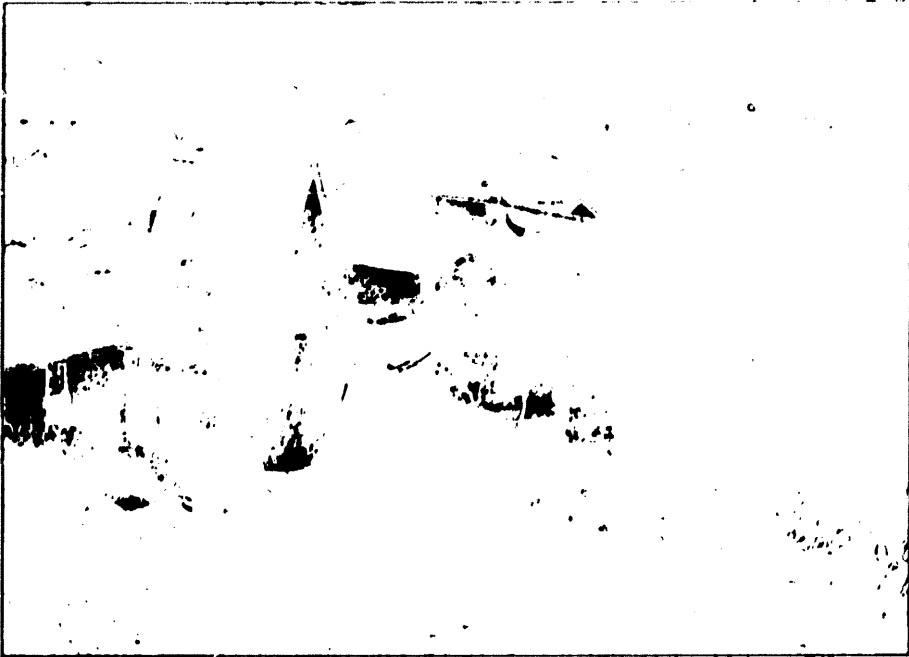
The basic school is divided into two parts:

1. primary or classes 1-6
2. secondary or classes 7-9

No school can have over 600 students and no primary school less than six. The maximum number of pupils per class is 30.

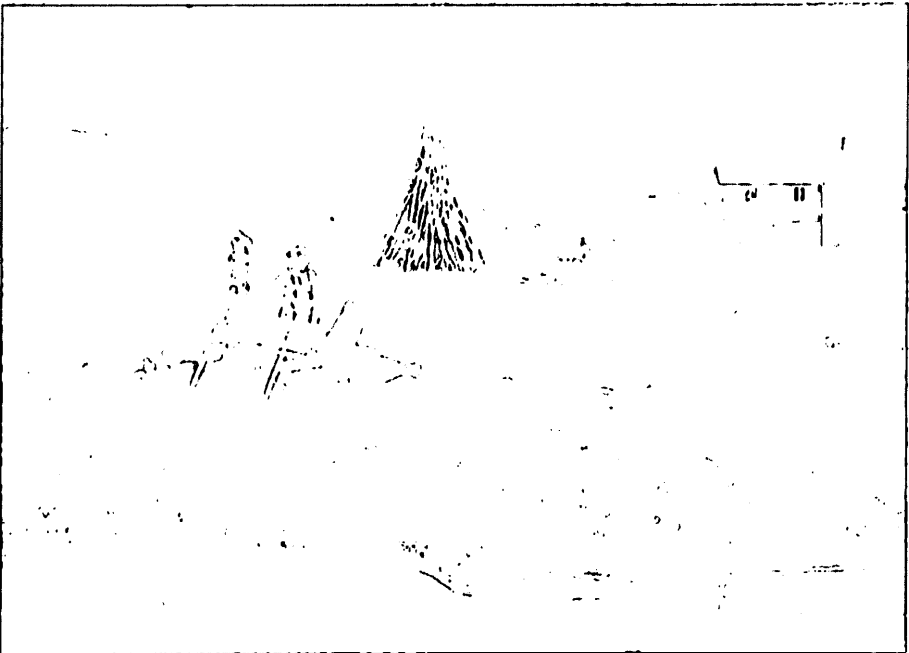
The number of lessons taught per week for the primary (1-6) is 123 obligatory lessons plus 6 for free choice or a maximum of 147 (24 free choice). The number of lessons at the secondary level (7-9) is 90.

The lessons are split up according to subjects as follows:



Silversmith shop - Kautokeino

Lapp summer reindeer camp



Primary School

Subjects	Class Levels						Total
	1	2	3	4	5	6	
Religious Instruction	2	2	2	2	2	2	12
Norwegian	5	5	5	4	5	5	29
Mathematics	3	3	4	4	3	3	20
English				2	2	3	7
Social & Natural Science	2	2	2	4	4	7	21
Music	1	1	1	2	2	1	8
Art	1	1	2	4	4	4	16
Physical Training	1	1	2	2	2	2	10
Per Week	15	15	18	24	24	27	123 +6(24) 129 (147)

The secondary level is comprehensive and non-selective, providing all types of education.

There are no marks or ranges given at the primary level. Teachers inform the parents of the progress and development of the child by written and personal reports. At the secondary level grades are given twice per year and at the completion of grade 9 a national leaving examination is given.

In 1972 the public expenditure for education was about one billion dollars with 40 per cent of the money expended by the municipalities.

In Northern Finmark County about one-third of the children must be transported to schools. The maximum length of transport being 50 kilometres. Of the 14,000 students attending school in this area 1500 must be boarded out.

The main problems experienced in Finmark County is that of lack of qualified teachers. About 18 per cent of the teachers are substitutes and in some coastal municipalities about 50 per cent of the teachers are substitutes. Teacher turnover is 33 per cent. Although there are special considerations given to teachers who teach in the north the reasons given for leaving or not going in are: Isolation, depressing atmosphere, lack of opportunity to maintain professional standing (far from university centres for upgrading), salaries not high enough, and for teachers going in an unawareness of what the north has to offer, misunderstanding of environment, climate, school standards, and so on.

Compensation is given to teachers who leave after three years service. Teachers get \$600 extra as northern allowance. Teachers are given up to two years with full pay if they wish to study Lappish or other special studies. Teachers in few graded schools get 6 years anticipated seniority.

The total cost per year to educate one child in primary school is \$520 and the per pupil cost in secondary schools is \$880.

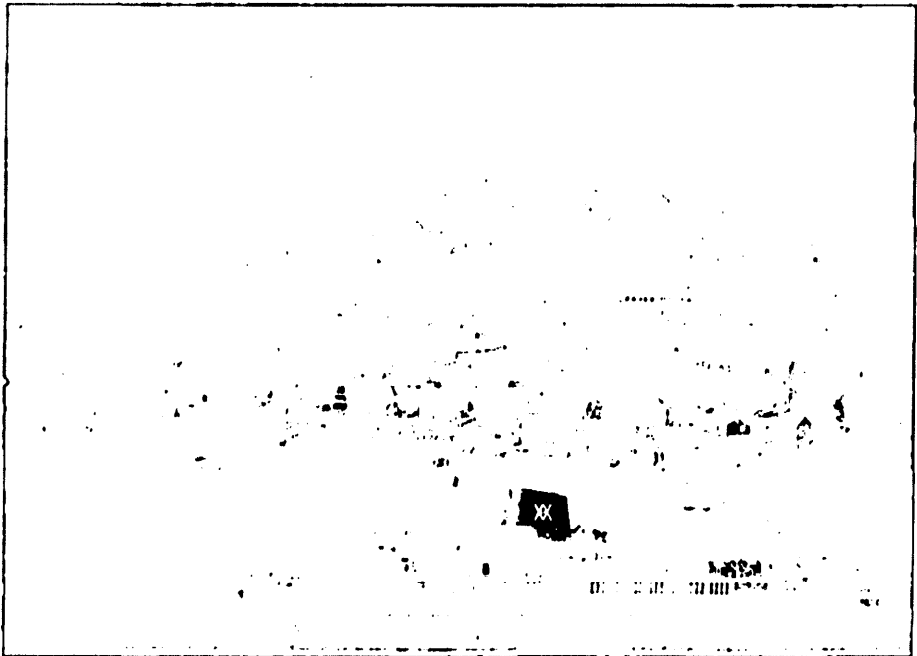
Most of the schools in the larger towns in Northern Norway are well equipped and have every modern convenience. The small schools on the other hand seem to be of a lower standard as far as equipment and material is concerned. The libraries are not up to the standards of the same type of school in urbanized communities.

VI General

Politically Norway operates under a democratic monarchy. The present government is social democrat and its aim is to promote a high standard of living for the people through social programs but at the same time retaining free enterprise. The State does have the power, however, to own public companies and does so in areas where excess capital is required to maintain industry. Some of the social goals of the government to maintain a high level of health standard, social welfare for the poor, national pension system tied in with every employer, high standard of education, good transportation throughout the country and to ensure good working conditions for the people.

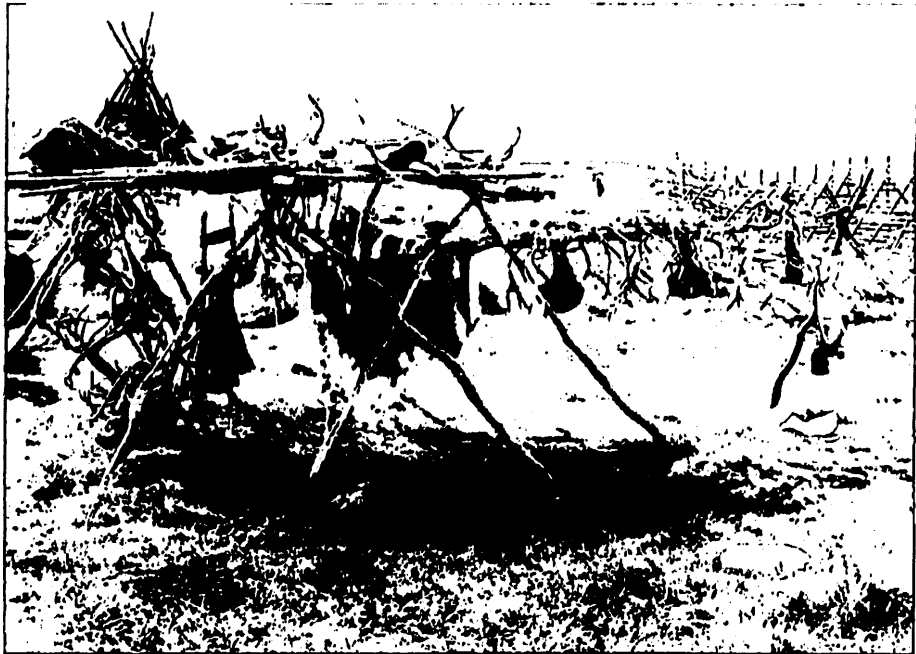
I believe that Norway is achieving these goals, but at a high cost to the individual.

In order to achieve the high standard of living, which may be comparable to that of



Deep sea port at Hammerfest Norway

Roadside handicraft shops like this one are common in northern Norway



Canada, it is very expensive for a country with few people. Geographically Norway has the disadvantage of being a country that is a long strip of land bordering the ocean on one side and the mountains on the other. It is very narrow and therefore the physical environment must always be considered when developing roads or farms or town planning.

Because of the size of Norway, the farms must be small and the northern area must consider ribbon development. Coastal areas where fishing is the prime industry offers the best opportunity for resource harvesting, but the infrastructure development is very expensive because of the physical terrain, and fishing now, contributes very little to the country.

With physical environment and geographical problems the people must share most of the burden to develop and maintain a good life. There seems no way out, the revenue to maintain the country must come from within its borders. Oil exploration and drilling on the North shore may offer added revenue.

The Norwegian people through referendum rejected entry into the common market and it is too early yet to see what effect this may have on the people.

The general picture I received while visiting Norway was that there is a mixed feeling about present government policies. The average wage earner feels that he is paying too much in taxes and that private enterprise (owners) are not paying enough. It's like buying a cadillac when you can only afford a volkswagen.

My own view is that there is a limit to which social programs can be imposed before the whole system degenerates to the point where a new system takes over.

Over and above this philosophy, however, I do believe that some of the incentives offered to develop the north are sound and will work. The policies that may apply and work in southern Norway may not be the ones that work in the north. The Government is recognizing this and efforts are being made to develop the north with bold policy measures.

VII SWEDEN

1. Local Government in Sweden

The concept of local government in Sweden (the municipality) dates back to 1862. At that time the fulfilment of certain municipal duties called for larger administrative units so the county council was organized.

Three types of municipalities were formed:

- (1) Civil municipalities (rural, borough, cities) (Primary)
- (2) Parishes (Primary)
- (3) County Councils (Secondary)

The municipality handles its own affairs as long as it does not infringe on the jurisdiction of other administrative bodies. Therefore municipalities have unregulated activities as well as tasks delegated by the national government (regulated) in such areas as schools, social welfare, health administration, and so on.

Appeals by residents can be made against municipal decisions but first the appeal must be presented to the county council, headed by a Governor appointed by the National Government, and then before the Supreme Administration Court. Appeals can be made only if he can show the decision is made under one of the following conditions:

- (1) The decision has not been made according to law.
- (2) The decision is against the law of the land or against legal statutes, otherwise exceeding the jurisdiction of the municipal body.
- (3) The decision is against the rights and liberties of the appellant or is based on unjust premises.

The decision of the municipal council can either be upheld or reversed but cannot be changed and the Governor or Court cannot ask the Council to make a new decision.

All municipal councils are elected by the people with candidates running on party platforms similar to national party politics.

Each municipality consists of the municipal council and an executive board. In the parishes corresponding bodies are the common vestry and the parochial church council.

The number of representatives in a municipal council is determined by the council members within stated limits outlined in the municipal administration act. According

to population the smallest number of representatives are:

<u>Population</u>	<u>No. of Representatives</u>
20,000 or less	31
20,001 to 40,000	41
40,001 to 60,000	51
Over 60,000	61

The term of office of a member is 3 years, the same as the term of office as a member of the national parliament.

One of the most important functions of the county councils is to manage hospitals and other types of medical care. They are in charge of dispensary units as well as large hospitals. Other programs are the district nurse organization, mother and child welfare programs, and dental care clinics, maternity homes, correctional institutions, and nurseries. It also has responsibility in education, for example, the operation of 50% of the folk high schools and carries out training programs for nurses.

Expenditures by municipalities are mainly covered by municipal income tax, where personal income tax is collected on a proportional system. Other grants-in-aid and loans help finance the municipality.

The county councils are also financed by a personal tax, levied against the populace in the same manner as the municipal tax.

The tax paid by an average worker in Sweden, may be up to 48 per cent of his gross pay.

2. New Municipal Boundaries

During the early 1950's there were 3,000 municipalities in Sweden. In 1972 there were just over 1,000 and by the end of 1973, the number of municipalities will be reduced to 270. Because many of the small municipalities (population under 100) could not maintain the standards of the large municipalities in respect to health care, schools and social welfare an amalgamation process took place to give the small municipalities a stronger financial base, as well as strengthening their administration. Municipalities are no longer separately labelled as towns, boroughs or rural municipalities.

3. Municipal Federations

There are two active organizations involved in lobbying on behalf of municipalities and counties. There are Swedish Association of Local Authorities and the Federation of the Swedish County Councils. The Association of Local Authority operate centres for training of municipal staff, councillors, and members of boards. They assist in the updating of regulations and lobby to the national government to the greatest benefit of the member municipalities. They are also involved in wage negotiations for municipal employees and work on central government committees regarding municipal interest.

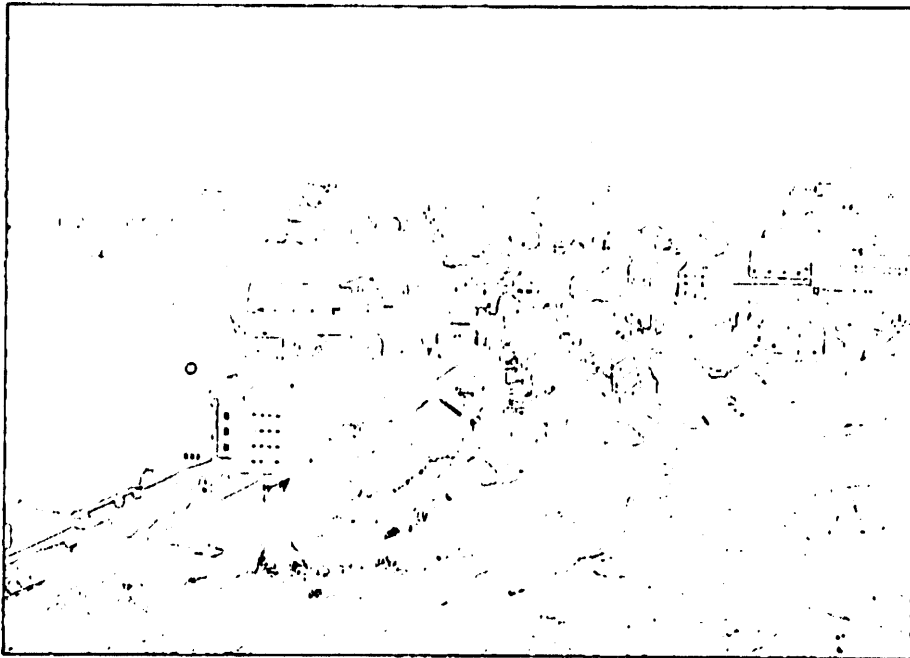
The associations also offer help in budget work and accounting. They also operate a corporation for central purchasing of equipment for municipal offices, schools, old-age homes, as well as payroll services through their data company.

VIII Regional Development Policy in Sweden

1. Introduction

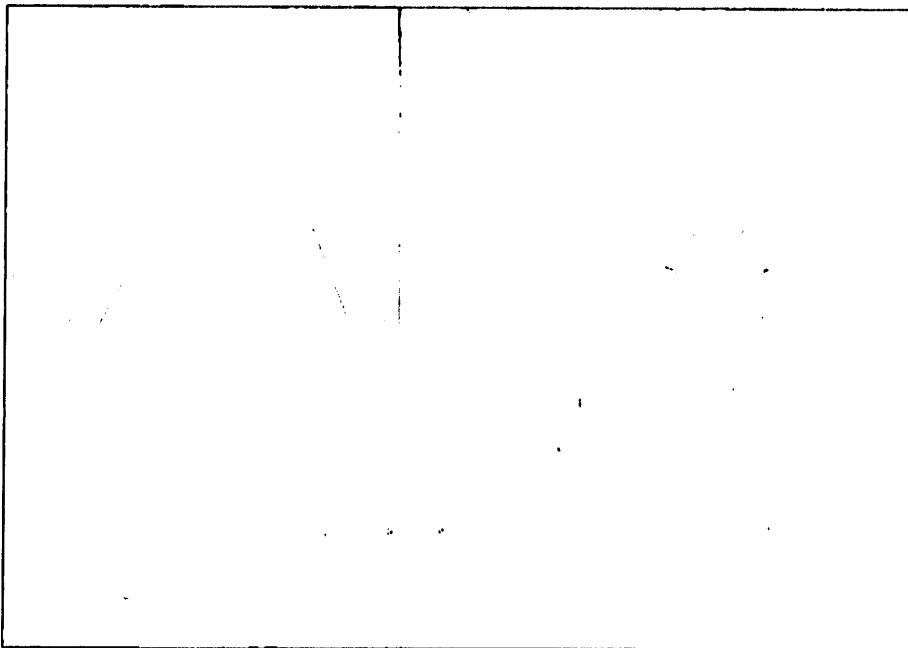
Sweden has experienced the same problem of regional imbalance that Norway has. A steady decline in forestry and agriculture has been accompanied by an increase in employment in the manufacturing and service sectors. This process has brought rapid migration from rural to urban areas. At the turn of the century about one-third of the population was urban, today it is 75 per cent and the general trend would indicate by the year 2000 it may well be over 90 per cent.

Taking a look at the county trends in western, East-central and southern Sweden there has been relatively little change in population. North-central and South-eastern Sweden have had a steady diminishing share of the nation's population. In mid-northern and Northern Sweden the share of the population grew strongly. In the early 1900's peaked in the early 1960's and is now starting to decline.



Town planning is difficult in northern communities where solid rock must be blasted out to provide adequate room for building

Local church with the bell-house designed like the traditional Lapp tent - Kiruna Sweden



In many areas such as the North-central and Northern Sweden agriculture and forestry has declined tremendously vis-a-vis labour requirements and the manufacturing and service industries have not been able to expand fast enough to prevail against the loss of job openings brought on by structural change. In Northern Sweden agriculture accounted for about 30 per cent of the labour force up to the early 1950's and now it only accounts for about 10 per cent of the work force. In North-central Sweden agriculture still accounts for about 30 per cent of the labour force.

The movement of people though in most counties of Sweden were short-distance moves. Most of the people moved within the county, but this migration in itself caused problems. Not only was the countryside being depopulated but the small towns were as well. A disproportionately great number of those left behind in areas of declining population belong to the older age group. The shrinking population base makes it more difficult to maintain a satisfactory level of services.

The largest relative increase in population has occurred in towns of 1,000 to 50,000 people. This has given rise to regional imbalance.

The rise of unemployment during 1971 was greatest in counties where unemployment had been low in the period 1969-70, while the increase was more subdued in North-central and Northern Sweden. At the end of 1972 the unemployment rate in Northern Sweden was about 10 per cent and in North-central only 3 per cent.

The contraction in employment on agriculture and forestry reflects a number of factors. For instance, agriculture policy has been designed to reflect an increase in profits in this sector so the policy supported the amalgamation of farms and mechanization has increased. Total acreage has risen but the number of farms has fallen. In forestry the labour input per cubic metre fell rapidly during the 1960's and this trend is expected to continue until the late 1970's. The labour force therefore is declining at the rate of 6 per cent in forestry alone.

The following table gives an indication in the change in employment and the change in production from 1961 to 1975.

Type of Activity	Change in employment (%) per 5 year period			Change in Production (%) per 5 year period (volume)		
	1961- 1965	1966- 1970	1971- 1975	1961- 1965	1966- 1970	1971- 1975
Agriculture & Forestry	-23.4	-23.9	-26.7	-0.5	+2.5	+0.5
Mining & Manufacturing	+4.2	-2.7	-4.7	+46.9	+30.7	+29.5
Building & Construction	+17.2	+1.9	+1.1	+41.6	+9.9	+13.1
Commercial Services	+4.6	+3.7	+3.7	+27.6	+20.5	+21.1
Public Services	+26.9	+33.4	+24.5	+19.3	+25.2	+19.3
TOTAL	+3.7	+2.6	+2.2	+33.2	+23.4	+22.3

The weak decline of total industrial employment in the period 1965-1969 conceals considerable variation between different branches. For instance, in the transport industry employment rose 18 per cent, while it fell in the clothing, leather and rubber products industry by 25 per cent. The negative changes in the industrial employment was reflected greatly in large metropolitan areas where higher wages and land costs have made some of these industries less competitive. However in northern Sweden where general aid is applied to build up industry because of contraction in agriculture and forestry indicates a positive effect.

The increased share of employment in the service activities is a marked feature of economic development in Sweden. The employment expansion was most rapid for

public services and consultant services as indicated by the following table:

Employment in Different Sectors of Service for 1961-1970

Sector	No. Employed			Percentage Change	
	1960	1965	1970	1960-1965	1966-1970
Trade	478,000	534,000	534,000	+11.7	+0.0
Transport	242,000	247,000	251,000	+2.1	+1.6
Public Services	393,000	503,000	696,000	+27.0	+38.3
Consultant Services	34,000	60,000	81,000	+76.4	+35.0
Other Services	271,000	251,000	279,000	-8.3	+10.0
TOTAL	1,418,000	1,595,000	1,841,000	+13.2	+15.4

The number of government employees increased more from 1960 to 1970 in large metropolitan areas - where central government operations are located. In northern sparse areas the increase in government employees was 6.3 per cent compared to 15.6 per cent in Stockholm.

2. Goals of Regional Development Policy

This policy in operation for five years now, seeks to allocate the national resources of capital and labour in a way that will promote rapid economic growth. The rising wealth is to be distributed so as to provide an adequate level of social and cultural services to all parts of the country. The aim is also to ensure that structural change and economic growth proceed in a manner and at a rate which safeguards individual security.

The objectives of the policy are to:

1. Slow down the growth of metropolitan areas and divert the growth to other undeveloped parts of the country. Develop urban regions as attractive as large centres;
2. top priority aid be given to those areas that can provide a diversified and central structure and labour market;
3. support given to at least one growth centre in each county.

3. Instruments of Policy

The government has stressed the importance of slowing down the growth of big central government offices. It is now moving central agencies out of Stockholm. In 1971 the government approved the move of 37 agencies with 6,300 employees. The move to be completed by 1975 will boost the economy in northern, mid-northern and other counties. The total number of places to be affected by the move will be 13 in the initial stages. During 1973 the government has agreed to relocate an additional 4,000 employees to primary centres in the various counties.

a. Tax Equalization Grants

Tax equalization grants will be increased to municipalities. The total amount of grants is now 650 million dollars. The northern region of Sweden will be most affected by these new grants.

b. Bus Routes

Increased grants are given to unprofitable bus routes in order to maintain viable ground transportation.

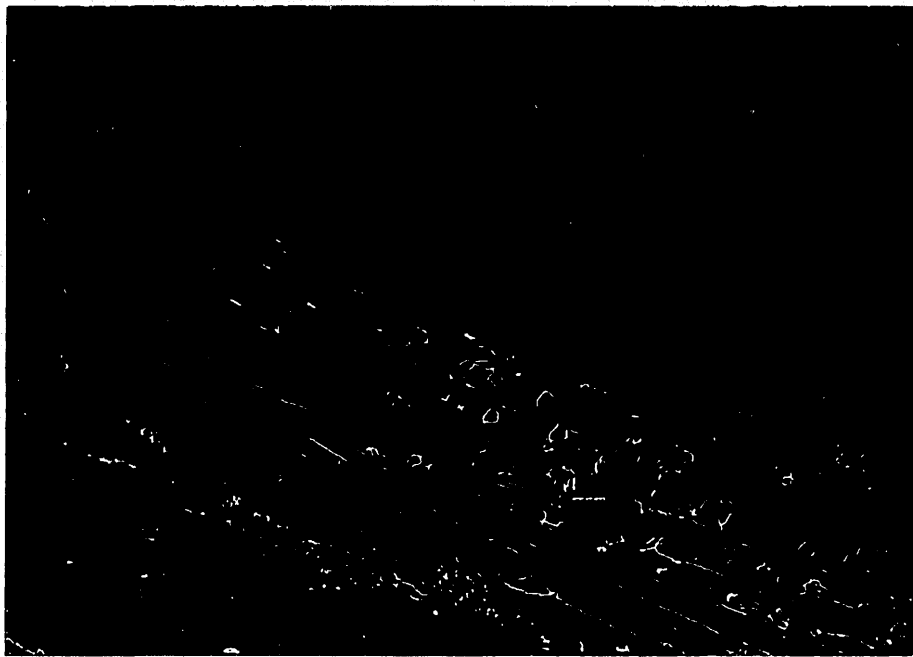
c. Telephone Charges

Are to be evened out and reduced mainly in northern Sweden by up to 50 per cent. so that industry can compete with southern competitors.



600 room tourist facilities for skiers and holidayers in Central Sweden

Ribbon development along rivers in central Sweden



d. Development Aid

Location assistance is provided for industrial and allied activities such as wholesaling, marketing consultants, et cetera.

Grants amount up to 50 per cent of the cost of building investments and in some cases up to 65 per cent of the cost of investment.

For the period 1965-72 grants and loans were given to 870 firms for a total of 380 million dollars. The net result in increased labour during this period was 18,000 new employees.

Of the total number of firms that were granted aid up to 1971, 43 of them have gone bankrupt or closed down. The assistance given to these firms represented 1.7% of the total amount granted.

Training grants are given to firms for training new and existing employees. For each employee working in the new industry the subsidy is given over a three year period with a total of \$4,375 given - broken down to \$1,750 for the first two years and \$875 for the last year. Over and above this there is an extra aid given for less developed areas. This subsidy is given to each employee at the rate of \$1.25 per hour per 6 month period. In certain depressed areas the subsidy can be increased up to \$2.50 per hour up to a one year period.

Transport subsidies are given to offset the disadvantageous costs inherent in long-distance transports from northern Sweden. The aid is given to cover goods transported by rail and road from places within the area over distances exceeding 185 miles.

The transport subsidies vary between 15% and 35% of the freight charged depending on the distance travelled. For example, for distances between 300 and 500 kilometres the rate is reduced in stages to 15%.

Regional development at the local level is administered by the county administrative board in each of the 24 counties. The National Labour Market Board provides counselling and information services on designated areas and deals with applications from firms for relocation assistance. There is a certain amount of consultation with the labour unions.

At the national level the responsibility of regional development is in the hands of the Ministry of Labour and Housing.

IX Northern Sweden

It is quite difficult to relate how economic and other programs are working for certain regions of Sweden if the whole of Sweden is considered. Although the country is small by comparison with Canada, (the whole country could be placed along our Mackenzie Corridor) it does have a population of 8 million which is quite large by Canadian standards for the area involved. In this respect I will look at the Northern county of Sweden (Norbotten) which is a sparsely populated area. This may give a better indicator of northern development in Sweden.

Norbotten in size covers some 105,500 square kilometers or 24 per cent of the total land area of Sweden. It is still large by European standards. The whole of Belgium, Holland and Switzerland could fit in nicely in this county. The area has 3 per cent of the total Swedish population or 260,000. It does, however, produce 10 per cent of Sweden's exports and has an unemployment rate of 10 per cent. Fifty per cent of the population lives along the coast.

Norbotten is a land of contrasts. To the north-west a barren mountain region with desolate wastes, to the south-east, fertile soil with good farming and in the central areas sparsely populated forestland.

Although the area is a heterogeneous one there is still a high degree of unemployment, which in a way is a paradox because the county is rich in resources. The resources however, are mostly non-renewable, i.e., mining - the iron mine at Kiruna still has a life of 200 years but can only employ a small number of people. There has been a re-allocation of human resource from agriculture and forestry into service type industries. From 1950 to 1970 the employment in these two activities dropped from 35,000 to 5,000. The problem faced here is that industry has not taken up the slack. The birthrate in the northern county has been higher than the national average and this reflects a higher percentage of young people on the labour market.

Sixty per cent of the young people entering the market are under 40 years as compared to 55 per cent of the country as a whole.

Another reason for troubled labour market is the high concentration of big industry. For every 100,000 kroner invested in capital the industry will lose one man year. Even with high concentration in heavy industry, i.e. steel mills, aircraft assembly parts factory, the small industries are not being forced out of the market. The service industry is continuing to grow but the medium size industries are shrinking. These types of industries which service heavy industry in way of operational equipment and parts are being squeezed out, because heavy industry can now take up these types of activities within their own plants where materials can be produced at variable cost.

The result is that the young people - 22 to 24 years old are moving south to the larger centres and it is difficult to re-train older people to new jobs. In Norbotten alone it is estimated that 16,000 new jobs are needed between 1965 and 1980 to maintain a status quo.

The administration in this county have taken the attitude that in order to solve the problem of high unemployment and to encourage new industry, is to operate under the regional development plan and at the same time to investment in infrastructure. It is felt that subsidies are only a short-term answer and investments must be made in those areas that have some future economic base. The growth centre concept is developing but investments are not being made on artificial based economies.

The administration is also stressing community planning at all levels of government and to involve as many people and organizations as possible in planning.

The methods used to get people involved is by using municipal Associations. These Associations set up project groups consisting of municipal department heads, a project leader and a secretary. They use consultants and then review the planning with a leading group (usually politicians from the County Board) and with reference groups which are the users of the plan. These may be trade unions, service institutions, et cetera. The total plan of the municipality is reviewed and press conferences are held so all of the public are aware. Once a preliminary plan is drawn up it is advertised in the newspapers and pamphlets explaining the whole plan; what it intends to achieve and how it can be achieved is sent to households for feedback. Once all reviews are made and feedback is collected, the administration will develop the master plan. Once the master plan is completed, finalized and put into operation, a re-evaluation is made and the commencement of a new plan takes place.

Some of the areas that are considered now in the master plan are as follows according to various sectors in society.

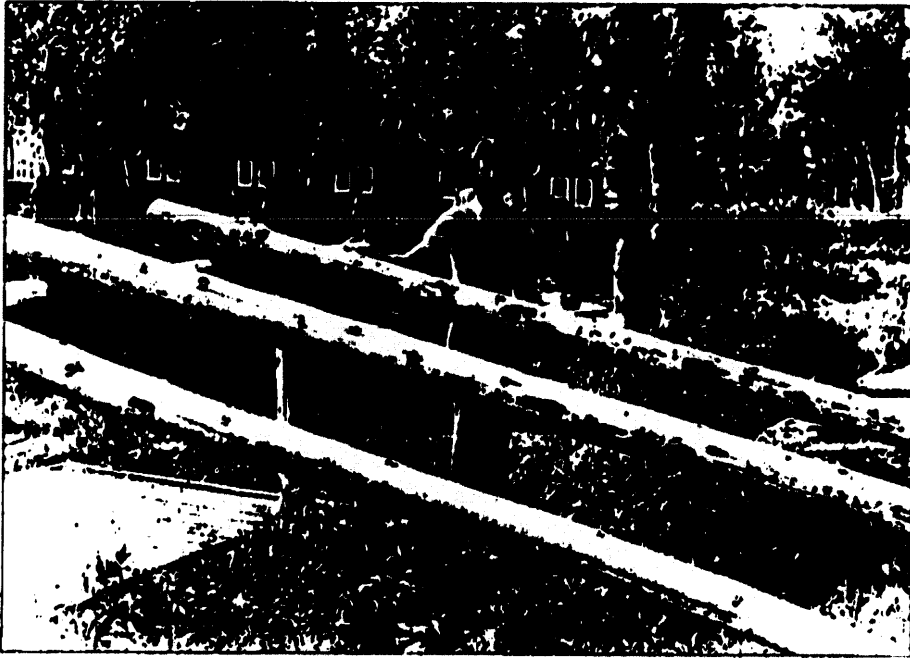
Commercial Services

1. Delivering of daily goods to households to reduce freightage (municipalities get 35 per cent state support).
2. State investment supply to tradesmen in commercial services of fundamental importance.
3. State credit guarantee for tradesmen who get state investment support to finance supply of stocks of goods.
4. Municipal communities must work out plans for maintenance of commercial services.

These proposals are re-tested after five years of operation.

Medical and Health Services

1. State investment support to enlarging cottage type hospitals.
2. Further education of district nurses who work in sparsely populated areas within the interior support area.
3. The cars of district nurses to be equipped with wireless transmitters.
4. One ambulance stationed in each municipal community with large sparsely populated areas.
5. Compulsory education of nursing to all pilots who serve in ambulance planes.
6. State investment support to enlarging of county covering wireless alarming network.



Health is important for Swedes. Exercise devices are made of local material.

Department stores at Kiruna, Sweden



Municipal Social Services

1. Homes for ages to be seen as an important factor in the local services and ought to be located in the principal centres of the municipal communities.
2. Service centres for elderly and handicapped persons to be established in several different places in the municipal communities.
3. The municipality to consider placing housing at far away living for elderly persons disposal in the principle centres of the municipality.
4. State support for mechanical snow-ploughing.
5. Municipal communities in the interior support areas to get state support for social home aid up to 50 per cent of the costs.

Education

1. The experiment with integration of preparatory school with lower compulsory school to be widened in places where risks of drawing in lower compulsory school are at hand.
2. Compulsory schools to be maintained so that pupils will not be lodged.
3. The experiment with cooperation between different year's courses to be widened to prevent the abandonment of small higher compulsory schools.
4. Pupils at colleges in the general support area to get free journey home every weekend if they are lodged more than 35 kilometres from their native home.

Communications

1. Great restrictivity in drawing in public roads because of declining population.
2. More state support to private roads.
3. The postal distribution to be combined with other public and commercial services.
4. That all households should get daily post service.
5. Each municipality draw up local traffic plans.

Employment

1. A five year experiment with enlarged production consultation to small farms in sparsely populated areas of the forest provinces to increase the possibilities of combination with other industries.
2. Veterinary service not to be concentrated so that service does not severely affect the most pronounced farming areas.
3. State support for transportation of milk.
4. State support for restoration of buildings on small farms.
5. The working power of tourist areas to get a better education in tourism.
6. A five year experiment with enlarged possibilities to the association of business to give free advice to small business.
7. A continuous support to the experiment with home work (home assembly or cottage industry).

The methods used to achieve grass-roots involvement of people is a healthy one and the feeling I received from the people was that they were indeed involved to a great extent in determining what they wanted in their respective areas.

X Housing in Sweden

In Sweden today building and construction account for about 15 per cent of the Gross National Product with about 10 per cent of the labour force contributing to this production.

The regulation of housing is the responsibility of the state. It determines public investment priorities, and establishes social policy as well as indirectly being involved in setting minimum standards and guaranteeing mortgages. The local municipal governments are responsible for the operation of the national housing policies. All building plans and specifications receive the scrutiny of local authorities. The local governments are also responsible for seeing that land is available for construction purposes and can use expropriation if land is in short supply. Master plans are usually used for determining annual housing needs, but because of high immigration into urban areas, these plans

are too inflexible to be of great benefit to housing planning.

The sharp rise in urban immigration has created a shortage of houses in large centres and has evidently changed the physical character of the towns. These shortages of houses in metropolis areas where jobs exist has created problems of higher unemployment in rural areas where people must remain until housing is available.

Due to a generous social welfare program Sweden has produced an impressive quality of good quality housing. Nowhere in my travels in Sweden did I see any real slum areas. There were old areas and depressed areas as far as architectural design and colour but no real slum areas. Together with providing an impressive amount of housing Sweden has rationalized the building industry by way of standardization of measurements, sizes and floor plans for easy construction, a reduction and simplification of the number and variety of housing types and use of pre-fabricated building elements to reduce construction time, and increases in the size of housing areas to achieve economies of scale.

It is argued that stereotype buildings and high density areas may lead to monotonous living but if there is imagination in urban planning providing for adequate playgrounds, parks and other amenities with the view of creating a well-knit integrated community, the stereotype house may disappear into the landscape. Sweden is considering above all urban planning on a scale that takes into account the desires of the people and does employ to a large extent the element of giving priority to town planning before the houses are built. In respect of town planning it is observed that town planners in Sweden are mostly architects and do fall under an Engineering type of administration but do take into account the social aspects of the community living. The county architects assist the municipalities as well as the general public with advice and information.

The National Housing Board is the central authority for the promotion of housing construction and its main aim is to assist in the financing of housing starts with loans and grants. This Board puts out the national quotas desired for the year. The information is given to housing committees set up by the counties and these county housing committees are provided with loan funds by the National Board based of course on the county quota. The county then grants loans to qualifying applicants and administers the loans. The National Board will also assist private and public organizations engaged in housing construction with long range planning and to find ways to better the housing supply position.

Over and above the organizations mentioned there are institutions involved in building research, technology, urban and regional planning on a nordic basis and other groups involved in some way with house planning, design and construction.

Because of the migration effect taking place in sparsely populated areas of Sweden the government has stressed economic development policies to solve high unemployment and to build up industry where agriculture and forestry labour forces have decreased. When this happens the housing policies must go hand in hand with economic development. The problem of getting suitable land and enough land within town boundaries is quite a problem in those areas where farming was once a predominant industry. Expropriation has become necessary in many cases and higher density building is apparent to cut down infrastructure costs as well as to house as many people as possible in the shortest time. In the city of Lulea, for example with 60,000 people, as industry increased housing became critical and as a result the county must be geared up for production of 800 to 1,200 units the next year. The same thing is happening in other coastal towns and in mining centres like Kiruna. The tearing down of sub-standard housing together with new housing places a great demand on the national budget. Sweden is producing some 13 new dwellings for every 1,000 inhabitants as compared to six for the United States. It is difficult to determine whether this high housing construction program is operating so effectively that more better housing is being constructed, with old slum type of dwellings disappearing. Poverty in Sweden as far as living below a minimum is concerned is pretty well non-existent and poverty where exclusion from the continually expanding comforts, opportunities and self respect is also becoming non-existent as the country involves more and more people at the grass-roots level.



Large apartment block in Svappavara designed by Ralph Erskine Swedish architect

Small farmers in Scandinavia still use the old methods of coiling hay which is still quite effective for small operations



But the problem of poverty re-defined in terms of inequality can be felt in those areas where people really do not have any say at all. In the under developed sparse populated - under populated because of negative immigration leaving the old behind is a sign of inequality, because the spread of equality is not even. The butter is only spread in the middle and does not touch the corners. In any society where growth is evident and where new industry must be concentrated according to market and availability of water the equality across the nation becomes less even. Social programs, like housing and concilliary programs can help to check inequality but they will never reverse them to the original state. If all social programs do not work hand in hand with economic programs, then the normal evolution of industrial urbanized centres or counties will widen the gap and create new conflicts between the rich and poor. Sweden has been noted for its advancement in social programs, not only in housing but in other programs to help the aged, sick and underprivileged. It is said that a nation reveals the quality of its culture and the level of its civilization by the way it treats its old people, its mentally disturbed and the physically handicapped and the poorest citizens. These statements in a literal sense may be true - a nation's capacity to evolve as a free society with democratic chosen leaders, with people's rights protected by law may depend on its success in giving every citizen equal rights and opportunities. A nation that does not do this can survive but at many costs in law enforcement and social disorder with a degradation of human relationships. This hypothesis on the surface looks great, but it is the level of services that determines if the people will gain the respect of the governing body and at what level of services and at what level of taxation will achieve this utopian position? At what level of social services paid through taxation by the worker and the person who lives off social welfare? How far must social services go before the worker becomes unimpressed with the good life for the underprivileged and he then becomes an instrument for social disorder? Under what type of democratic system will equilibrium be achieved? Nobody really knows. Discussions on social policies can go on and on and nothing will be gained. Housing is one area that must consider all aspects of social programs as well as considering other parameters such as culture and technical problems. Housing is a very central issue and does play a major role in determining living standards and social status that policy makers must consider national problems, as well as local and regional problems. Sweden is looking at housing as a part of the over-all picture and it sets out a diversified housing program with home-ownership a major concern in developed areas. Due to its size it can view regional problems as national ones whereas larger countries with geographical as well as a mixed culture cannot. In this respect housing programs in Sweden are geared to the needs of the people, whether they be poor or not. In depressed areas housing is still required even though other infrastructure services may not be on the same level as the growth areas. In regions where the central government cannot finance to meet the total demand for housing other institutions are involved. To this end cooperatives and trade unions also play a major role in the housing programs.

XI Summary on Sweden

The progress being made in Sweden especially in northern Sweden, is indicative of bold economic programs that affect the growing centres along the Baltic. There are a few large centres in the interior except for mining towns like Kiruna (26,000). The problem of course in the interior is high cost of transportation, shortage of skilled workers and underdeveloped infrastructure. Infrastructure is seen as one of the paramount objectives of the government. In those growth areas emphasis is given to investment in infrastructure because only through proper planning, good municipal services, education and training centres can the people remain in the north. It is felt that if people cannot be re-trained and educated to the level desired to take jobs in new industry in the north, people will move south resulting, in under population and no young people to work in heavier type industry. To achieve some economic balance between north and south economic development programs of a subsidized nature is achieving to a certain extent a balance in the population at least in the short-run. To say that subsidy programs are the answer to underdeveloped or depressed areas it not possible considering that these programs have only been in effect for five years. It may be that total reliance by way of welfare assistance may be the worse of two evils. At least the people are working for the amount

of subsidy paid into the north.

Communication and transportation networks in northern Sweden are well developed. Good hard surface roads extend to the northern most point in Sweden and daily Jet transport services the coastal area, with feeder lines into the interior and mountain areas. These feeder lines are served by twin-otter, Jet, and Jet-prop aircraft.

XII Conclusion

The findings in this study indicates that Sweden is the leading country in Scandinavia. It is richer in resources than Norway and the physical environment lends itself to better farming land and forestry areas as well as mining. It can make use of more aerable land than can Norway and it is the leader in economic and social policies.

Norway, on the other hand, although rich in fisheries does not have the advantage of space. It follows Sweden in economic and social programs. Although the policies are similar, it takes many of its ideas from Sweden. As a result it is about two years behind Sweden in development. Some of this, however, can be attributed to the fact that Norway had a heavy financial burden after the last war. It had to rebuild the whole northern region, whereas Sweden remained neutral during the war and was able to place investment in its north sooner and with greater amounts. To some extent the differences in these two countries have to be viewed on a micro-level. On a micro-level the treatment of minority groups is given greater attention in Norway. This, however, may be attributed to the number of Lapps in Norway. From observation it can be seen that Lapps in Northern Norway feel they have an identity and even display it by the way they dress. This is not so evident in Sweden.

The Department of Agriculture in Sweden are the policy makers for the Lappish people and the feeling I got when I interviewed people in the government was that the Lapps must take the initiative and help themselves. They did not seem to be too concerned about the Lapps and the impressions I received was that there were more important things to consider. The Lapps in Sweden felt that they could not expect too much help and that they must consider the national objectives of government. It seemed though that the attitude portrayed by Lapps was that their region was being exploited by big industry and there was no way they could go back to the old life of reindeer farming or living off the land.

There are no special programs for Lapps. They could get housing the same as anyone else and the social programs were available to them as well as other citizens. They are indeed Swedish citizens and special treatment does not seem to be of utmost concern right now.

The Norwegian government, on the other hand, has started on a special bilingual program for Lappish children and is still encouraging Lapps to maintain the reindeer farming.

The Swedes say that they receive negative revenue from Lapp reindeer farms because the amount of social programs and the cost of administering reindeer farming exceeds the revenue generated from reindeer farming. The total revenue from 700 families was 4 million kroner in 1972. The government administration state that Lapps want their own identity and culture but they cannot expect to live as normal Swedes and keep a 11th century culture. Government officials feel that assimilation is the answer, by helping the young people to mix with the Swedes and to keep the old people out.

To make comparisons between Scandinavia and the Canadian North is almost impossible. The physical environment and climate is much more favourable in Scandinavia than in the Northwest Territories. How does one compare large stands of fir timber at 70° latitude in Norway with the same latitudes in Canada, i.e. Tuktoyaktuk, Thom Bay or Clyde River where there is only tundra and rock. Where the Norwegians have year round open sea ports, the Canadian arctic has ice-clogged ports; where Norway has large timber berths, Canada has tundra; where Norway has dairy farming and sheep farming the Canadian Arctic has no aerable land for such farming. The picture is clearer when one looks at the climate and the physical characteristics of the country. As far as policy is concerned I believe we can learn from these countries. The economic policies in Scandinavia can be of benefit to our Canadian north. There may be differences in national objectives, culture, social structure, government structure and the legal frame-



Apartment designed by Architect Erskine at Kiruna - northern city of 26,000 in Sweden

work, but the ideas are all that are needed to make some start in looking at new approaches to development in the northern regions of Canada.

XIII Recommendations for the Northwest Territories

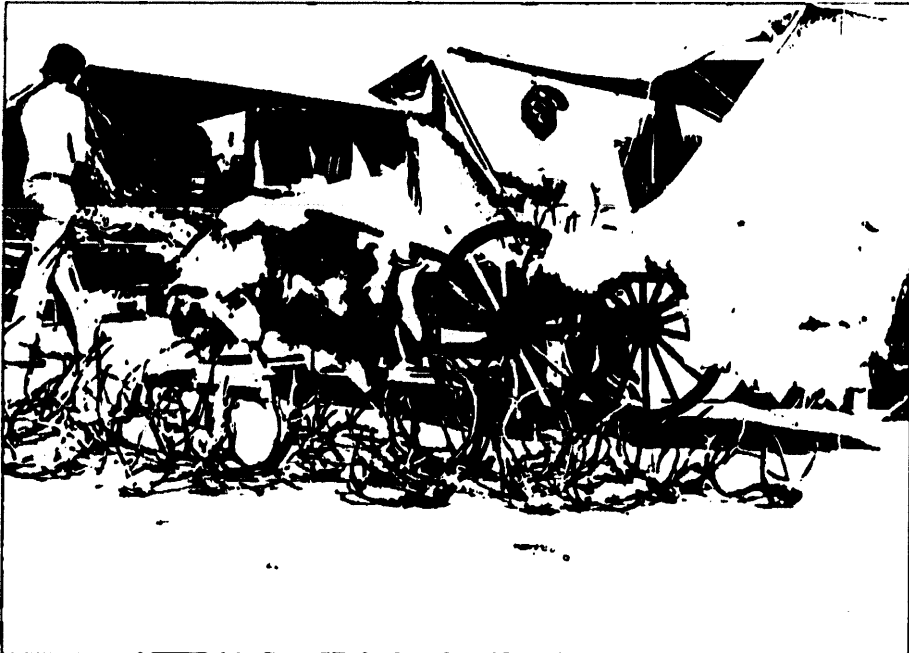
At the present time there is little information in the Northwest Territories concerning movement of people. Urbanization has been the trend in all developing countries and Canada is no exception. If the north is going to develop in a meaningful manner some knowledge of the demographic structure of the communities must be made available to policy makers. For example, how many Indians and Eskimos are moving into larger centres, where are they coming from, are they young or old, educated or unskilled? Who are left in the camps or in small settlements? If the young leave, to what centres are they going and will strong government be maintained at the local level by older people? Should growth centres be considered in Inuvik and other places along the Mackenzie River? If so, on what type of information are these types of objectives being made?

1. A research survey should be made of those growing centres as well as on those areas that are remaining static to give information on the types of trends taking place, so that people can be better informed and equipped to suggest new policies and programs.
2. Some thought should be given to concentrating population in those areas of the arctic that do not have a reasonable economic base. I am thinking of those settlements that rely heavily on social assistance. If the amount of money spent on several communities was spent on one or two settlements there could be better opportunity to develop some heavier industry and to give the people an opportunity for wage employment as well as increasing educational standards and training of skilled workers. In this respect there could be some possibility of a freeze and/or growth centre concept of development. For example, looking at the central arctic communities of Holman Island, Cambridge Bay, Gjoa Haven, Spence Bay, Pelly Bay and Coppermine, the most likely spot for a growth centre would be Coppermine, for one reason it has the best water supply and therefore opportunities for heavier types of industry like a tannery and manufacturing of arctic clothing on a larger scale that is being done now at Tuktoyaktuk or Aklavik. Of course information is needed on such things as people's wishes, physical planning, sustainable yields on seal harvests and other non-renewable resources.
3. With the oil activity in the Inuvik region there is an increased need for service to the aircraft transportation service industry. At the present time there is no suitable maintenance service for the number of airplanes used in and around Inuvik. Consideration should be given to government spending in constructing a large hangar with maintenance service to larger type of aircraft, i.e. DC 3's, Electra's, etc. This could be managed under a cooperative.
4. Consideration should be given to subsidizing transportation of manufactured goods so that enterprises can compete with southern industry. Such items that could be included in such a policy would be Eskimo carvings, muskrat and sealskin parkas and jackets, handicrafts and other goods of a semi-finished nature, such as fish, prefabricated housing and lumber.
5. Training grants be given to firms for training new and existing employees. These grants could be given over a three year period at an annual or hourly rate.
6. Consideration be given to allowing special depreciation for building of new plant and equipment where a percentage of the value of new plant and equipment may be written off initially.
7. Consideration be given to tax free deductions for the purpose of later investment. Those firms that receive this deduction must re-invest the funds accrued within a certain period of time.
8. Consideration should be given to having all social assistance dispensed at the municipal level of government, so that social workers will be able to do what they were trained to do - to get into the homes, to find out what the family

problems are and to play a more meaningful role in society. If the aid is given out at the municipal level referrals on problems other than financial can be made to the social worker.

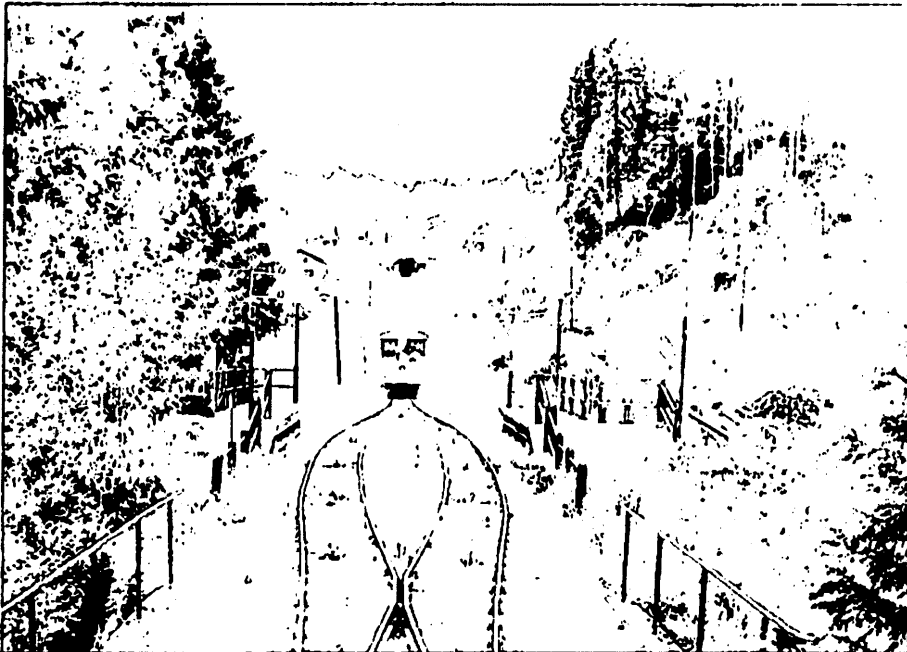
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Handicraft markets like this one are quite common throughout Scandinavia

Small resort areas use this type of lift to bring summer tourists to the high panoramic viewing areas



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LAPPLAND



The Old and the New: Lapp child in reindeer camp and apartments in Norway.



GOVERNMENT OF THE NORTHWEST TERRITORIES

LAPLAND

text and photographs by Alex Gordon

published by the Government of the Northwest Territories

	<u>Page</u>
IX Northern Sweden	28
X Housing in Sweden	31
XI Summary on Sweden	34
XII Conclusion	35
XIII Recommendations for the Northwest Territories	37
XIV BIBLIOGRAPHY	38

FOREWORD

During June and July, 1973, I visited Norway and Sweden to do a general overview of the programs and conditions in the northern areas of these countries. I paid particular attention to physical planning, economic development, housing and education. The geographical areas of interest to us in the Northwest Territories were those areas north of the Arctic Circle in the Scandinavian countries, where the Lappish people are the minority group.

The progress made in transportation, development of power resources and in economic incentives are advances that could be compared to standards in southern Canada.

I received very good cooperation throughout Scandinavia. I am most grateful to those who helped me and would like to thank Professor K. Bergsland, H. Ahrens, B. Gaarder, J.M. Alnes, Mrs. M. Rui, Johan J. Haetta, R. Roy, H. Lunde, K. Karlsson, S. Holmgren, J. Jussila, S. Persson, P. Heinbecker, S. Hellekant, B. Naswall, S. Brunnsjo, G.A. Bjorkman, Mrs. H. Dergalin, Jan Stromdahl, S. Lindmark, O. Wigardt, G. Lindeborg, Ove Hansson and many others who contributed to my work in Scandinavia.

I would also like to thank R. Morrison, E.M.R. Cotterill, and L. Elkin of the Government of the Northwest Territories for their guidance and Mrs. M. Burns for her understanding and patience in typing my report.

My wish is that those who read this report will do so not for the sake of reading but for constructive criticism so that some feedback will be of benefit to us in the North.

Alex G. Gordon,
September, 1973

INTRODUCTION

The Government of the Northwest Territories has been looking to other circumpolar countries for the purpose of extracting new ideas and methods in approaching problems in our Canadian north. It has investigated various housing programs to determine how the economic, social, cultural and technical aspects of housing affect the lives of the people. It has also observed other interests such as economic development and education as it relates to sparsely populated and depressed areas.

We believe there is something to be learned from other countries. It is only reasonable that there are many parallel problems between other northern nations and our north. It is, therefore, worthwhile to gain knowledge as well as to share our knowledge with others and to foster an exchange relationship with these countries so that all can benefit.

The following report gives a general overview of programs and conditions in the Scandinavian countries of Norway and Sweden.

NORWAY

1. Government Structure

The administrative organization throughout Norway is made up of 18 counties. Of these 18 counties, Oslo, does not participate in a county commune or municipality. It is a county by itself. There are 444 primary municipalities in Norway. Three hundred and ninety seven of these are rural district municipalities and 47 are urban district municipalities. The counties are therefore similar to Provincial or Territorial administrative regions but with the County Governor being appointed by the King through Parliament the county would be in effect similar to a Canadian Territory.

Neither the organization of counties nor the organization of municipalities has been prescribed by the constitution. Both are created by ordinary Legislation and they receive their authority from special acts concerning counties or municipalities and from acts concerning special fields of administration.

In principle the counties and municipalities are self-governing and self-financing bodies within the framework of law. According to legal regulations they are subject to some central government control.

The county itself acts as a secondary municipality since all the municipalities within a county together constitute the county. The make-up of the county has two effects. The county council is not elected by general elections, but the municipal council of each member municipality elects an adequate number of members of the county council. The number of members would depend on the size of the individual municipalities so there are varying numbers of members sitting in the county council. Further the county council is not financed by taxes imposed directly or indirectly on the taxpayers, but by contributions from the municipalities. The amounts spent by the county on activities within each municipality is distributed according to legal regulations.

The counties and the municipalities can then undertake activities of every kind of common interest as far as there is no legal restriction. However by legal regulations the responsibility for a great part of social programs is laid on either the county or municipality.

The County Governor is the representative of the State and appointed by the King. The mayor of each municipality is elected along political party lines as are the members of the municipality.

Special funds are distributed directly from the State to the municipalities according to the State constitution, i.e. for Health, Education, Communication and Transportation. There is also a general fund used by the State to distribute money to the County Governor and he distributes money directly to the municipalities as decided by the Standing Committee on Finance in the County Council. Fiscal budgeting is done in the Autumn with the fiscal year starting in January.

With respect to borrowing of money by the municipalities any amount over \$200,000 has to be approved by the Minister of Municipal Affairs and any amount under this is approved by the County Governor.

The Standing Committee on Finance within the County Council decides if the loan is required. The repayment period of loans is set by the Governor and the Minister.

Each municipality has the right to collect capital and personal income taxes. The municipality can decide to collect up to 21.3% of personal taxable income (not progressive). The exemption on personal income is 4,000 Norwegian Kroner for single people and 8,000 for married. The State can then levy taxes on real and general property. For example, there is a tax on cars, bonds, stocks, savings and dividends. The homeowner can deduct mortgage payments on his house from his personal income tax.

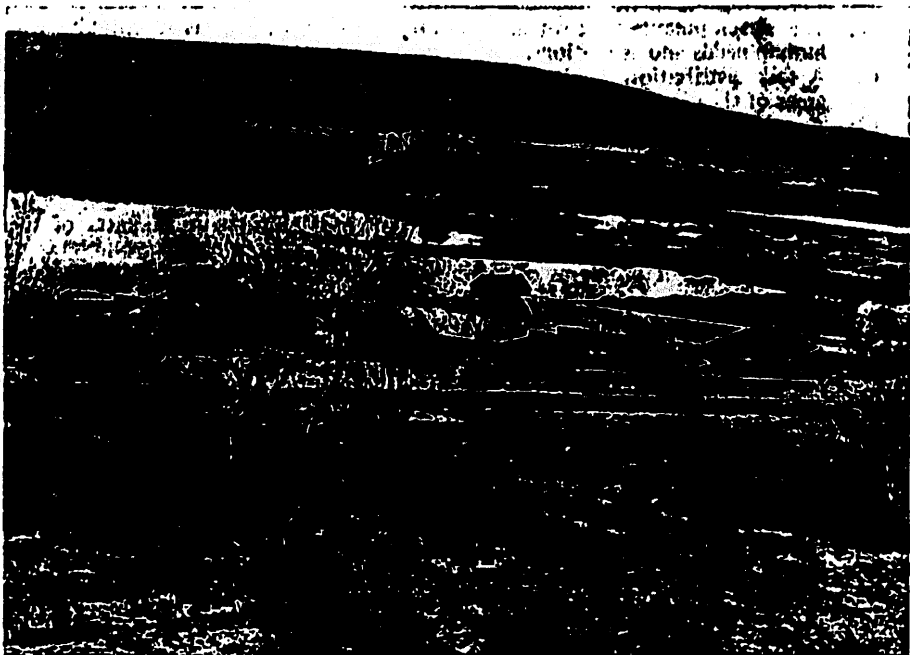
The average tax on personal income would be approximately 44%.

An example of the operation of one of the counties in Northern Norway is as follows:



Typical Lappish Farmhouse - Norway

School complex - Kautokeino, Norway



A. Regional Development Fund

The regional development fund is the main special body in charge of implementing the Government's regional development policy.

As Norway traditionally has a dispersed settlement, the effects of the national migrations have been very strong. The biggest urban centres are meeting great growth problems. Problems of an opposite nature are affecting the rural communities with a small population base.

The most important aspects of the R.D.F. are:

(1) Financial Assistance:

The R.D.F. grants medium and long term investment loans and guarantees for loans at regular market interest rates. Working credit may be included.

The loans are supposed to serve as "top" financing, where first priority loans are to be provided by banks and other credit institutions, but no absolute limitation is applied. Since 1970 about 75% of the loans and guarantees were granted to manufacturing and mining. Except for the tourist trade, service industry has not been subject to R.D.F. financial assistance.

(2) Compensation for Relocation Costs:

Compensation is given to enterprises which transfer their activities from a developed to an underdeveloped area. Grants may cover expenses involved in the planning of relocation, transfer of machinery and personnel and losses caused by interruption of production.

(3) Grants for Training of Labour:

These grants apply to new or relocated enterprises and to existing firms in development areas making considerable additions to their payroll. Grants include wages, travelling, room and board for instructors or key personnel (foreman or specialized journeymen) as well as 50 per cent of the wages of ordinary workers for a limited period of time.

(4) Compensation for Commencement Costs:

In the cases of relocation and of new entries other grants may be given for a limited time to compensate for low productivity during initial stages of production.

(5) Consultant Services:

Services are given by R.D.F. and grants are given to cover consultant services for other sources.

(6) Direct Investment Grants:

Geographical differentiated investment grants for new plants and machinery are given in development districts, maximum grants are:

Thirty-five per cent, partly 25% for designated tax areas, i.e. North Norway and some coastal and rural areas in South Norway.

Fifteen per cent for most other areas in South Norway.

Grants may be given for investments in manufacturing, tourism, industrial estates, and for certain investments in primary industries.

B. Regional Transport Subsidies

Grants up to 35% may be given to cover parts of out-transport costs incurred by manufacturers in North Norway and in mid-west coastal areas. Grants are given for the out-transport of finished or semi-finished goods when the transport distance is at least 250 miles.

The subsidy scheme, however, excludes consignments for export. There may be a problem here of unnecessary reloading if subsidies are granted for the domestic transportation of goods which at the next stage are exported.

The Ministry of Local Government and Labour undertake the administration of this scheme. Applications are sent to the County Governor for processing.

In respect of transportation qualifying for the subsidy, a producer must incur

freight expenditures of at least \$1,000 per year. Subsidies are paid on a 6 month operation period.

Some of the types of commodities covered by the regional transport subsidy are:

- (1) Fresh, chilled or frozen fish fillets
- (2) Frozen roe
- (3) Milk and Cream
- (4) Kelp and algae meal
- (5) Refined fats and oils
- (6) Meats sugars, flour, produce, beverages
- (7) Soap and other toilet articles
- (8) Chemical products
- (9) Processed plastics, cellulose, resins, other processed polymers
- (10) Leather, furs, paper, books, newspapers
- (11) Textile products
- (12) Clothing, footwear
- (13) Stone, cement, asbestos, mica
- (14) Steel bars, wire, sectional steel, other base metals
- (15) Tools, implements, knives, etc.
- (16) Boilers, electrical machinery
- (17) Aircraft and parts thereof
- (18) Clocks, watches
- (19) Arms and ammunition
- (20) Boats, canoes, other floating structure
- (21) Furniture, toys

C. Tax Concessions

Tax free deductions for the purpose of later investments in designated areas may generally be allowed for up to 25 per cent of taxable income, or up to 50 per cent if taxable income is not brought below the average of the last two years. Such deductions are open to all taxpayers and funds accrued in this way must be used for industrial investments, normally within 5 years.

Special depreciation rules apply to the three northernmost counties, in that up to 50% of the value of new plant and equipment may be written off initially.

D. State Banks

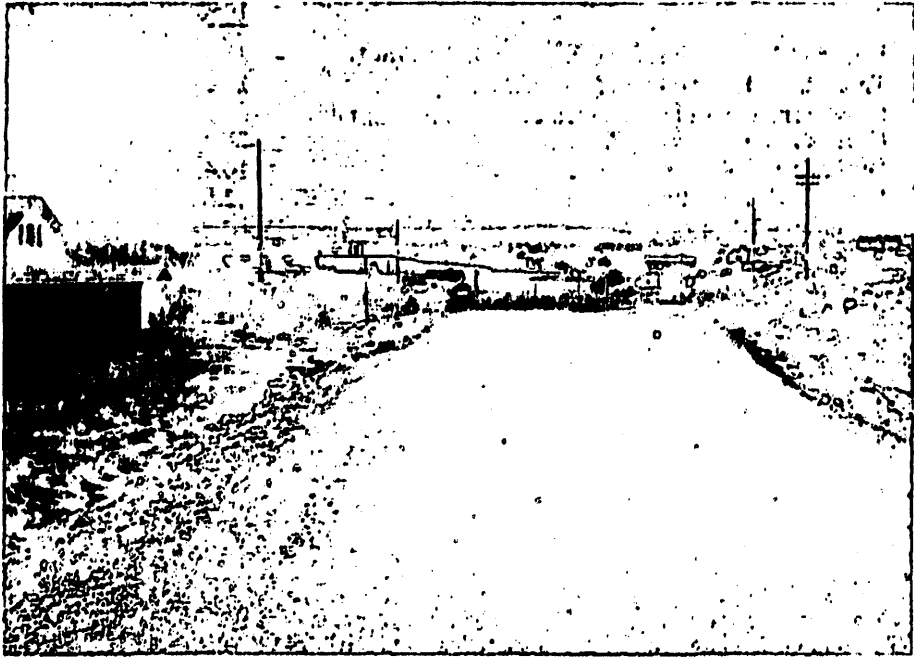
Government credit institutions contribute to the development of business and industry in development areas. Loans from these banks are mainly long-term and medium investment loans. These banks are the Industrial Bank, Communal Bank, Fishermen's Bank and the Bank for Agriculture.

E. Financing of Infrastructure in Development Areas

A considerable part of the basic investments for expansion of economic activity in weakly developed areas is the responsibility of the primary municipalities. An important financial resource is the Communal Bank. Direct grants from the State to municipalities to help finance investments in infrastructure has become very important. State transfers to municipalities and county councils to level out the standard and flow of community services are also made.

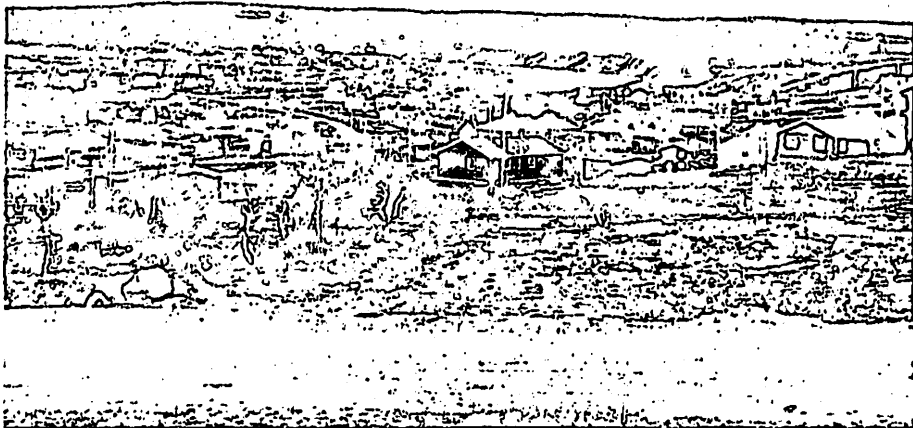
In relative terms employment problems of individual areas and regions are no longer a dominant issue in Norway. Other factors such as environmental control, trend of urbanization and how to achieve a balanced development between town and country and between the different parts of the country have come to the foreground in political discussions. The regional distribution of public services and of building up a good infrastructure is given greater attention now.

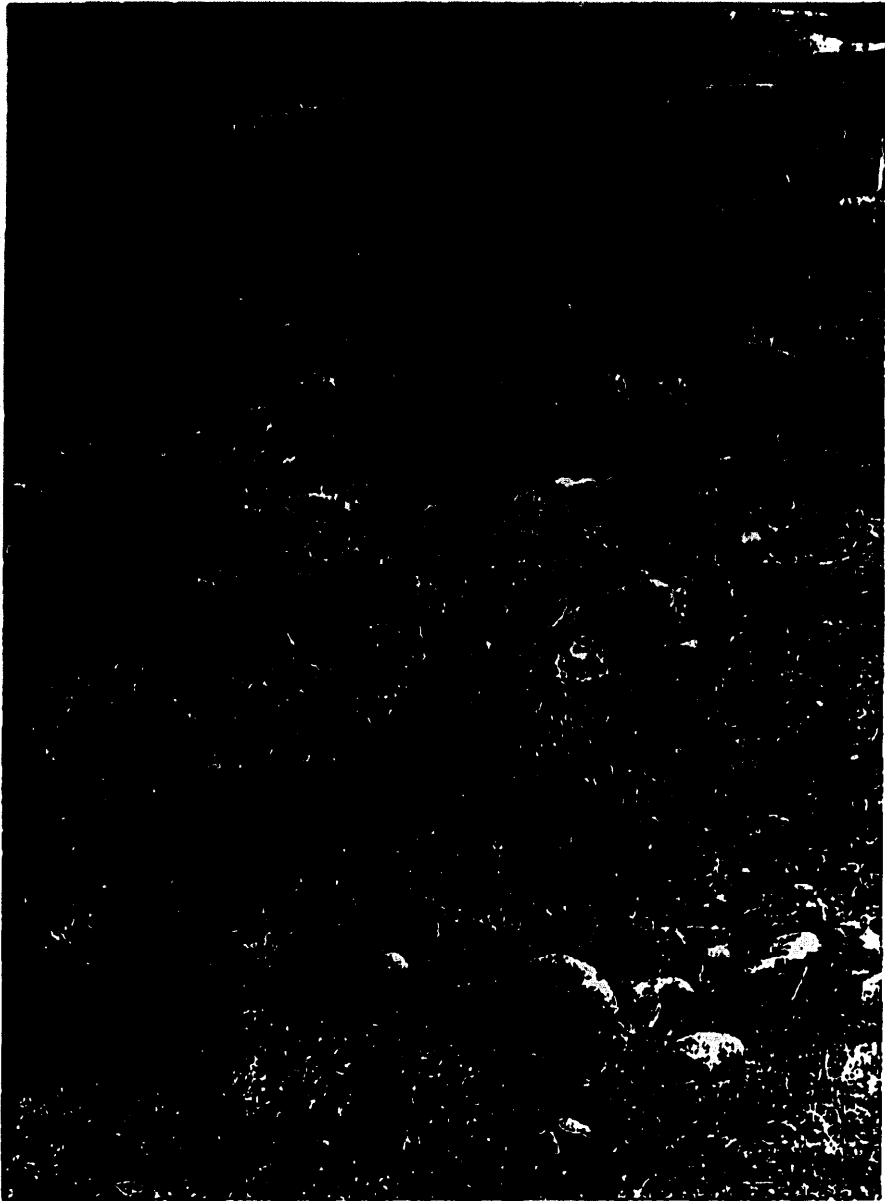
The growth centre ideas has not been a part of government policy. There are no designated growth points paralleling grant areas. However, the idea of growth centres may, in the near future, be part and parcel of regional development. Although the investment grant and regional transport subsidies are supposed to be strong measures,



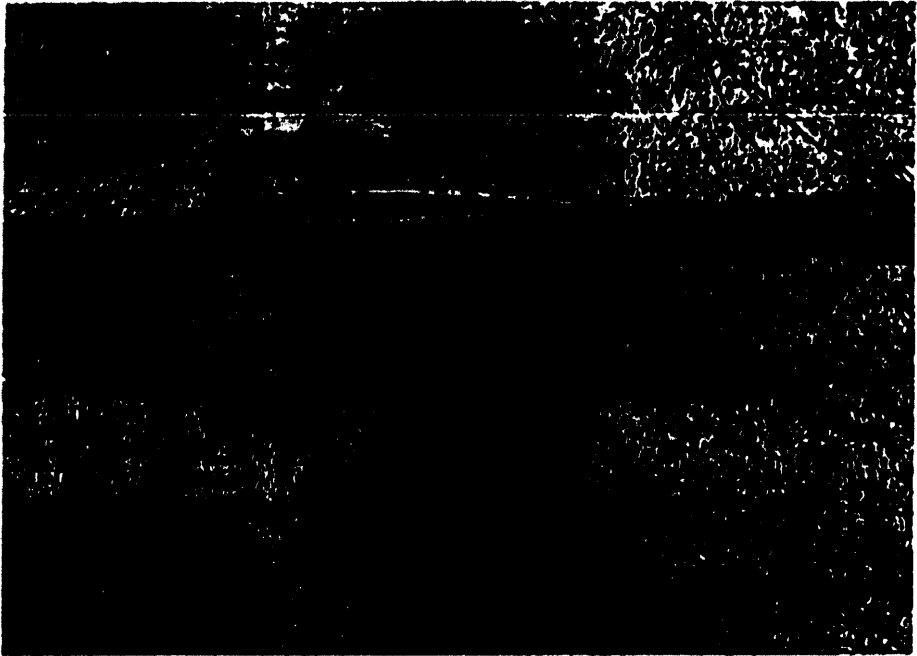
Good asphalt roads are indicative of northern development in Norway

Kautokeino - a Lappish town of 2000 - a major centre for reindeer farming in Norway



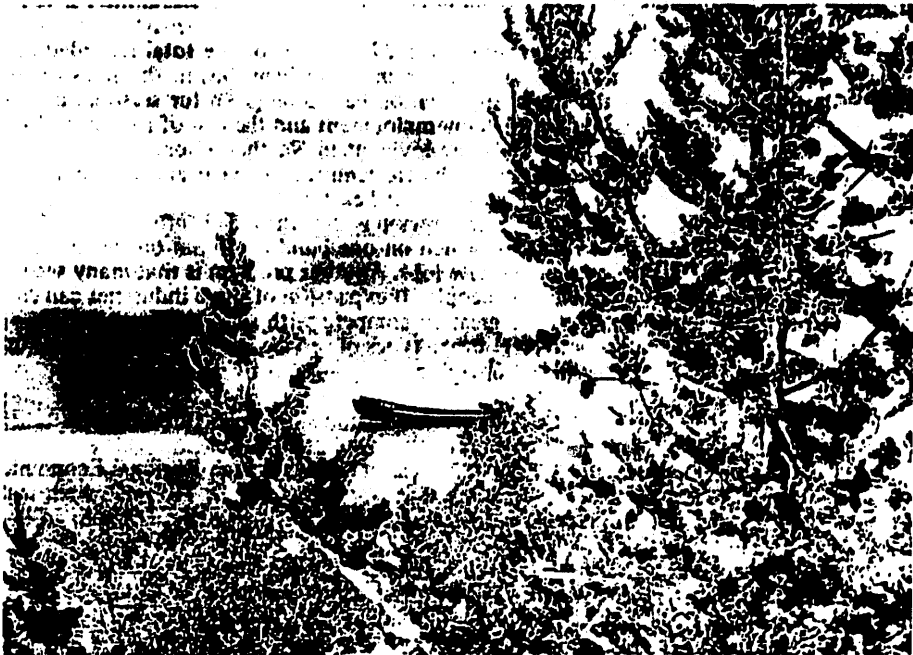


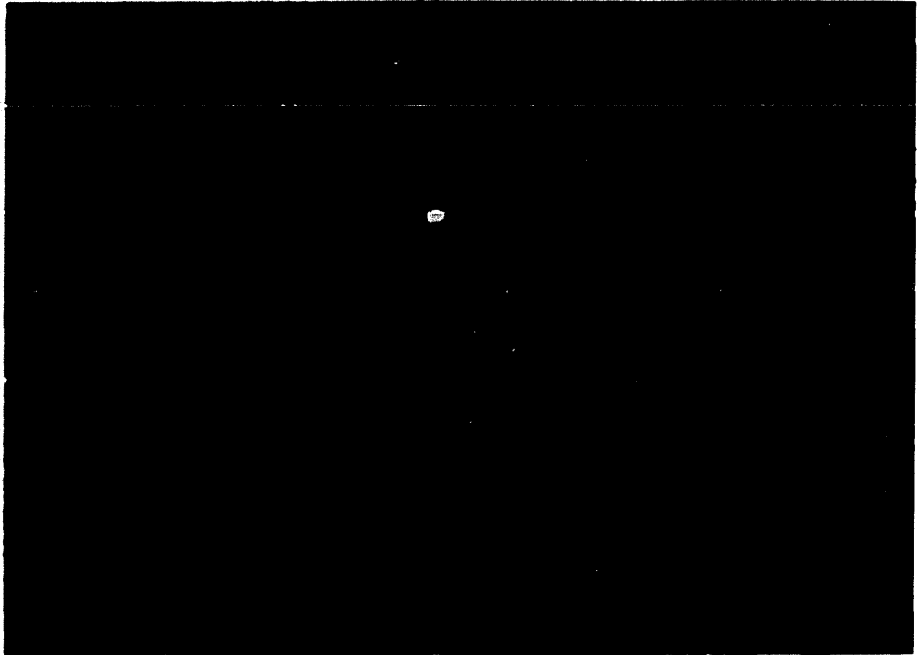
Lappish sheep farm in Finmark County - Norway



There can be beauty in the taiga northern Scandinavia

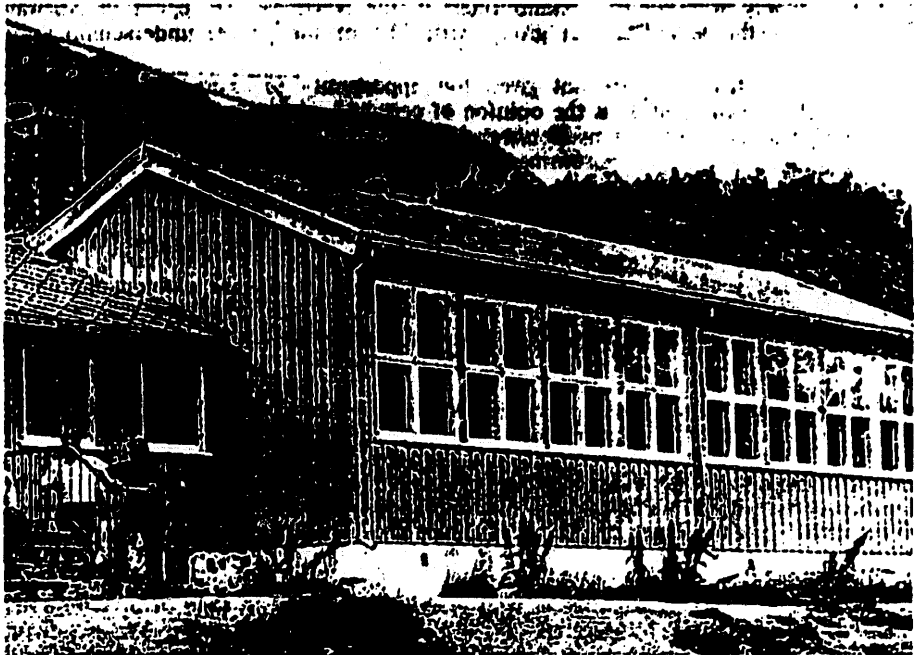
Good stands of fir trees at 71° latitude north - Alta Norway





Tourists come from all corners of the earth to see the sun that never sets

Elementary County School - northern Norway





Slate is big local industry in Alta Norway

Local small industries like this silversmith shop are part of economic development programs for northern Norway





Silvermith shop - Kautoketno

Lapp summer reindeer camp





Deep sea port at Hammerfest Norway

Roadside handicraft shops like this one are common in northern Norway



to population the smallest number of representatives are:

<u>Population</u>	<u>No. of Representatives</u>
20,000 or less	31
20,001 to 40,000	41
40,001 to 60,000	51
Over 60,000	61

The term of office of a member is 3 years, the same as the term of office as a member of the national parliament.

One of the most important functions of the county councils is to manage hospitals and other types of medical care. They are in charge of dispensary units as well as large hospitals. Other programs are the district nurse organization, mother and child welfare programs, and dental care clinics, maternity homes, correctional institutions, and nurseries. It also has responsibility in education, for example, the operation of 50% of the folk high schools and carries out training programs for nurses.

Expenditures by municipalities are mainly covered by municipal income tax, where personal income tax is collected on a proportional system. Other grants-in-aid and loans help finance the municipality.

The county councils are also financed by a personal tax, levied against the populace in the same manner as the municipal tax.

The tax paid by an average worker in Sweden, may be up to 48 per cent of his gross pay.

2. New Municipal Boundaries

During the early 1950's there were 3,000 municipalities in Sweden. In 1972 there were just over 1,000 and by the end of 1973, the number of municipalities will be reduced to 270. Because many of the small municipalities (population under 100) could not maintain the standards of the large municipalities in respect to health care, schools and social welfare an amalgamation process took place to give the small municipalities a stronger financial base, as well as strengthening their administration. Municipalities are no longer separately labelled as towns, boroughs or rural municipalities.

3. Municipal Federations

There are two active organizations involved in lobbying on behalf of municipalities and counties. There are Swedish Association of Local Authorities and the Federation of the Swedish County Councils. The Association of Local Authority operate centres for training of municipal staff, councillors, and members of boards. They assist in the updating of regulations and lobby to the national government to the greatest benefit of the member municipalities. They are also involved in wage negotiations for municipal employees and work on central government committees regarding municipal interest.

The associations also offer help in budget work and accounting. They also operate a corporation for central purchasing of equipment for municipal offices, schools, old-age homes, as well as payroll services through their data company.

VIII Regional Development Policy in Sweden

1. Introduction

Sweden has experienced the same problem of regional imbalance that Norway has. A steady decline in forestry and agriculture has been accompanied by an increase in employment in the manufacturing and service sectors. This process has brought rapid migration from rural to urban areas. At the turn of the century about one-third of the population was urban, today it is 75 per cent and the general trend would indicate by the year 2000 it may well be over 90 per cent.

Taking a look at the county trends in western, East-central and southern Sweden there has been relatively little change in population. North-central and South-eastern Sweden have had a steady diminishing share of the nation's population. In mid-northern and Northern Sweden the share of the population grew strongly in the early 1900's peaked in the early 1960's and is now starting to decline.

In many areas such as the North-central and Northern Sweden agriculture and forestry has declined tremendously vis-a-vis labour requirements and the manufacturing and service industries have not been able to expand fast enough to prevail against the loss of job openings brought on by structural change. In Northern Sweden agriculture accounted for about 30 per cent of the labour force up to the early 1950's and now it only accounts for about 10 per cent of the work force. In North-central Sweden agriculture still accounts for about 30 per cent of the labour force.

The movement of people though in most counties of Sweden were short-distance moves. Most of the people moved within the county, but this migration in itself caused problems. Not only was the countryside being depopulated but the small towns were as well. A disproportionately great number of those left behind in areas of declining population belong to the older age group. The shrinking population base makes it more difficult to maintain a satisfactory level of services.

The largest relative increase in population has occurred in towns of 1,000 to 50,000 people. This has given rise to regional imbalance.

The rise of unemployment during 1971 was greatest in counties where unemployment had been low in the period 1969-70, while the increase was more subdued in North-central and Northern Sweden. At the end of 1972 the unemployment rate in Northern Sweden was about 10 per cent and in North-central only 3 per cent.

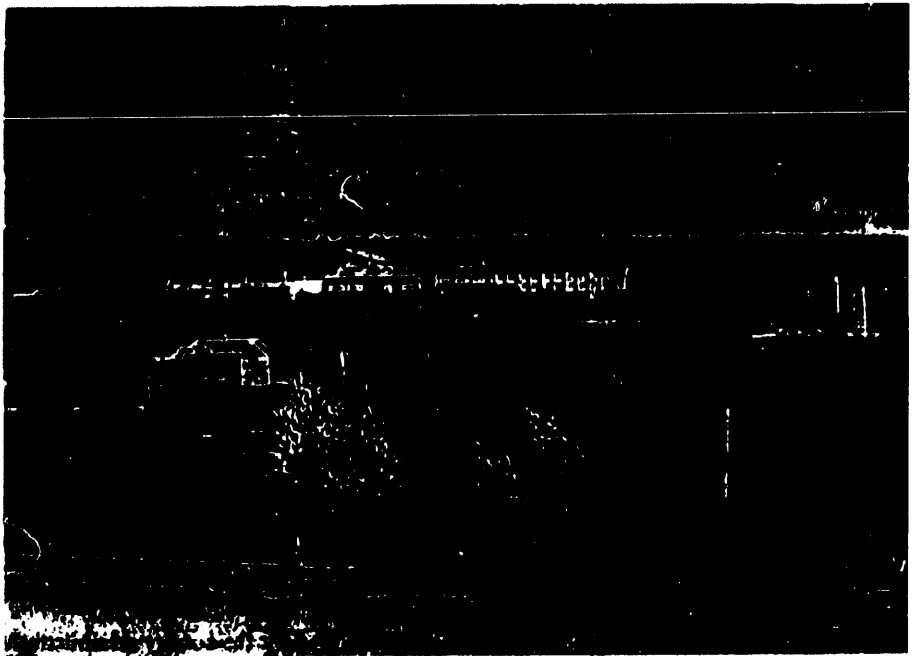
The contraction in employment on agriculture and forestry reflects a number of factors. For instance, agriculture policy has been designed to reflect an increase in profits in this sector so the policy supported the amalgamation of farms and mechanization has increased. Total acreage has risen but the number of farms has fallen. In forestry the labour input per cubic metre fell rapidly during the 1960's and this trend is expected to continue until the late 1970's. The labour force therefore is declining at the rate of 6 per cent in forestry alone.

The following table gives an indication in the change in employment and the change in production from 1961 to 1975.

Type of Activity	Change in employment (%) per 5 year period			Change in Production (%) per 5 year period (volume)		
	1961-1965	1966-1970	1971-1975	1961-1965	1966-1970	1971-1975
Agriculture & Forestry	-23.4	-23.9	-26.7	-0.5	+2.5	+0.5
Mining & Manufacturing	+4.2	-2.7	-4.7	+46.9	+30.7	+29.5
Building & Construction	+17.2	+1.9	+1.1	+41.6	+9.9	+13.1
Commercial Services	+4.6	+3.7	+3.7	+27.6	+20.5	+21.1
Public Services	+26.9	+33.4	+24.5	+19.3	+25.2	+19.3
TOTAL	+3.7	+2.6	+2.2	+33.2	+23.4	+22.3

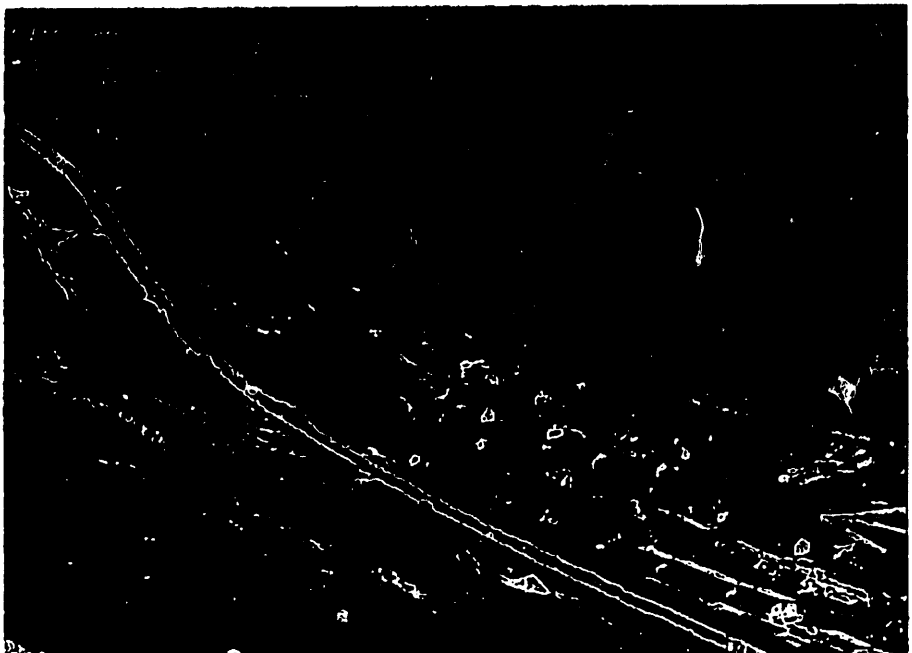
The weak decline of total industrial employment in the period 1965-1969 conceals considerable variation between different branches. For instance, in the transport industry employment rose 18 per cent, while it fell in the clothing, leather and rubber products industry by 25 per cent. The negative changes in the industrial employment was reflected greatly in large metropolitan areas where higher wages and land costs have made some of these industries less competitive. However in northern Sweden where general aid is applied to build up industry because of contraction in agriculture and forestry indicates a positive effect.

The increased share of employment in the service activities is a marked feature of economic development in Sweden. The employment expansion was most rapid for



600 room tourist facilities for skiers and holidayers in Central Sweden

Ribbon development along rivers in central Sweden



Sixty per cent of the young people entering the market are under 40 years as compared to 55 per cent of the country as a whole.

Another reason for troubled labour market is the high concentration of big industry. For every 100,000 kroner invested in capital the industry will lose one man year. Even with high concentration in heavy industry, i.e. steel mills, aircraft assembly parts factory, the small industries are not being forced out of the market. The service industry is continuing to grow but the medium size industries are shrinking. These types of industries which service heavy industry in way of operational equipment and parts are being squeezed out, because heavy industry can now take up these types of activities within their own plants where materials can be produced at variable cost.

The result is that the young people - 22 to 24 years old are moving south to the larger centres and it is difficult to re-train older people to new jobs. In Norbotten alone it is estimated that 16,000 new jobs are needed between 1965 and 1980 to maintain a status quo.

The administration in this county have taken the attitude that in order to solve the problem of high unemployment and to encourage new industry, is to operate under the regional development plan and at the same time to investment in infrastructure. It is felt that subsidies are only a short-term answer and investments must be made in those areas that have some future economic base. The growth centre concept is developing but investments are not being made on artificial based economies.

The administration is also stressing community planning at all levels of government and to involve as many people and organizations as possible in planning.

The methods used to get people involved is by using municipal Associations. These Associations set up project groups consisting of municipal department heads, a project leader and a secretary. They use consultants and then review the planning with a leading group (usually politicians from the County Board) and with reference groups which are the users of the plan. These may be trade unions, service institutions, et cetera. The total plan of the municipality is reviewed and press conferences are held so all of the public are aware. Once a preliminary plan is drawn up it is advertised in the newspapers and pamphlets explaining the whole plan; what it intends to achieve and how it can be achieved is sent to households for feedback. Once all reviews are made and feedback is collected, the administration will develop the master plan. Once the master plan is completed, finalized and put into operation, a re-evaluation is made and the commencement of a new plan takes place.

Some of the areas that are considered now in the master plan are as follows according to various sectors in society.

Commercial Services

1. Delivering of daily goods to households to reduce freightage (municipalities get 35 per cent state support).
2. State investment supply to tradesmen in commercial services of fundamental importance.
3. State credit guarantee for tradesmen who get state investment support to finance supply of stocks of goods.
4. Municipal communities must work out plans for maintenance of commercial services.

These proposals are re-tested after five years of operation.

Medical and Health Services

1. State investment support to enlarging cottage type hospitals.
2. Further education of district nurses who work in sparsely populated areas within the interior support area.
3. The cars of district nurses to be equipped with wireless transmitters.
4. One ambulance stationed in each municipal community with large sparsely populated areas.
5. Compulsory education of nursing to all pilots who serve in ambulance planes.
6. State investment support to enlarging of county covering wireless alarming network.

Municipal Social Services

1. Homes for ages to be seen as an important factor in the local services and ought to be located in the principal centres of the municipal communities.
2. Service centres for elderly and handicapped persons to be established in several different places in the municipal communities.
3. The municipality to consider placing housing at far away living for elderly persons disposal in the principle centres of the municipality.
4. State support for mechanical snow-ploughing.
5. Municipal communities in the interior support areas to get state support for social home aid up to 50 per cent of the costs.

Education

1. The experiment with integration of preparatory school with lower compulsory school to be widened in places where risks of drawing in lower compulsory school are at hand.
2. Compulsory schools to be maintained so that pupils will not be lodged.
3. The experiment with cooperation between different year's courses to be widened to prevent the abandonment of small higher compulsory schools.
4. Pupils at colleges in the general support area to get free journey home every weekend if they are lodged more than 35 kilometres from their native home.

Communications

1. Great restrictivity in drawing in public roads because of declining population.
2. More state support to private roads.
3. The postal distribution to be combined with other public and commercial services.
4. That all households should get daily post service.
5. Each municipality draw up local traffic plans.

Employment

1. A five year experiment with enlarged production consultation to small farms in sparsely populated areas of the forest provinces to increase the possibilities of combination with other industries.
2. Veterinary service not to be concentrated so that service does not severely affect the most pronounced farming areas.
3. State support for transportation of milk.
4. State support for restoration of buildings on small farms.
5. The working power of tourist areas to get a better education in tourism.
6. A five year experiment with enlarged possibilities to the association of business to give free advice to small business.
7. A continuous support to the experiment with home work (home assembly or cottage industry).

The methods used to achieve grass-roots involvement of people is a healthy one and the feeling I received from the people was that they were indeed involved to a great extent in determining what they wanted in their respective areas.

X Housing in Sweden

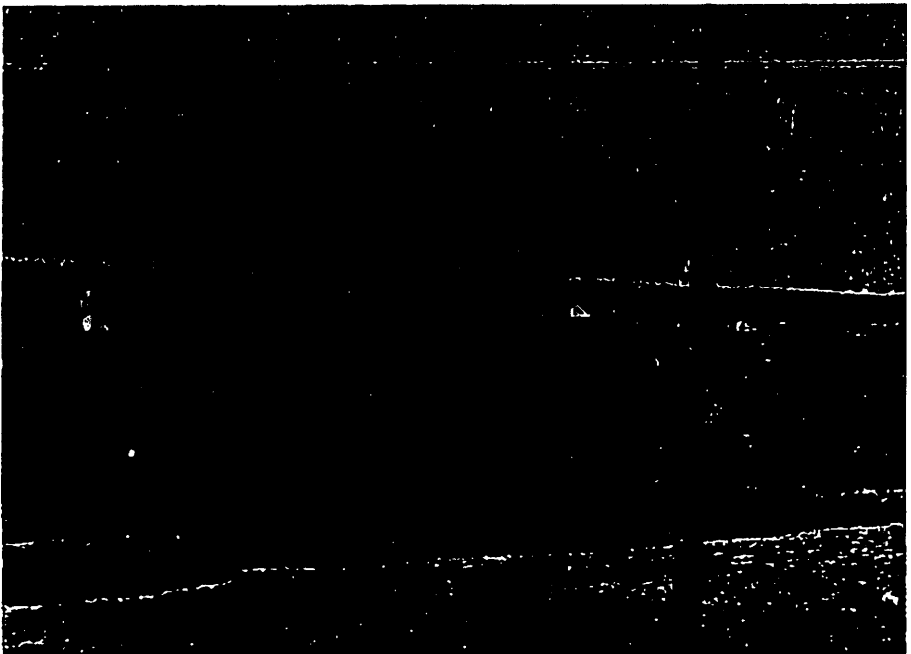
In Sweden today building and construction account for about 15 per cent of the Gross National Product with about 10 per cent of the labour force contributing to this production.

The regulation of housing is the responsibility of the state. It determines public investment priorities, and establishes social policy as well as indirectly being involved in setting minimum standards and guaranteeing mortgages. The local municipal governments are responsible for the operation of the national housing policies. All building plans and specifications receive the scrutiny of local authorities. The local governments are also responsible for seeing that land is available for construction purposes and can use expropriation if land is in short supply. Master plans are usually used for determining annual housing needs, but because of high immigration into urban areas, these plans



Large apartment block in Svappavara designed by Ralph Erskine Swedish architect

Small farmers in Scandinavia still use the old methods of coiling hay which is still quite effective for small operations



of subsidy paid into the north.

Communication and transportation networks in northern Sweden are well developed. Good hard surface roads extend to the northern most point in Sweden and daily Jet transport services the coastal area, with feeder lines into the interior and mountain areas. These feeder lines are served by twin-otter, Jet, and Jet-prop aircraft.

XII Conclusion

The findings in this study indicates that Sweden is the leading country in Scandinavia. It is richer in resources than Norway and the physical environment lends itself to better farming land and forestry areas as well as mining. It can make use of more aerable land than can Norway and it is the leader in economic and social policies.

Norway, on the other hand, although rich in fisheries does not have the advantage of space. It follows Sweden in economic and social programs. Although the policies are similar, it takes many of its ideas from Sweden. As a result it is about two years behind Sweden in development. Some of this, however, can be attributed to the fact that Norway had a heavy financial burden after the last war. It had to rebuild the whole northern region, whereas Sweden remained neutral during the war and was able to place investment in its north sooner and with greater amounts. To some extent the differences in these two countries have to be viewed on a micro-level. On a micro-level the treatment of minority groups is given greater attention in Norway. This, however, may be attributed to the number of Lapps in Norway. From observation it can be seen that Lapps in Northern Norway feel they have an identity and even display it by the way they dress. This is not so evident in Sweden.

The Department of Agriculture in Sweden are the policy makers for the Lappish people and the feeling I got when I interviewed people in the government was that the Lapps must take the initiative and help themselves. They did not seem to be too concerned about the Lapps and the impressions I received was that there were more important things to consider. The Lapps in Sweden felt that they could not expect too much help and that they must consider the national objectives of government. It seemed though that the attitude portrayed by Lapps was that their region was being exploited by big industry and there was no way they could go back to the old life of reindeer farming or living off the land.

There are no special programs for Lapps. They could get housing the same as anyone else and the social programs were available to them as well as other citizens. They are indeed Swedish citizens and special treatment does not seem to be of utmost concern right now.

The Norwegian government, on the other hand, has started on a special bilingual program for Lappish children and is still encouraging Lapps to maintain the reindeer farming.

The Swedes say that they receive negative revenue from Lapp reindeer farms because the amount of social programs and the cost of administering reindeer farming exceeds the revenue generated from reindeer farming. The total revenue from 700 families was 4 million kroner in 1972. The government administration state that Lapps want their own identity and culture but they cannot expect to live as normal Swedes and keep a 11th century culture. Government officials feel that assimilation is the answer, by helping the young people to mix with the Swedes and to keep the old people out.

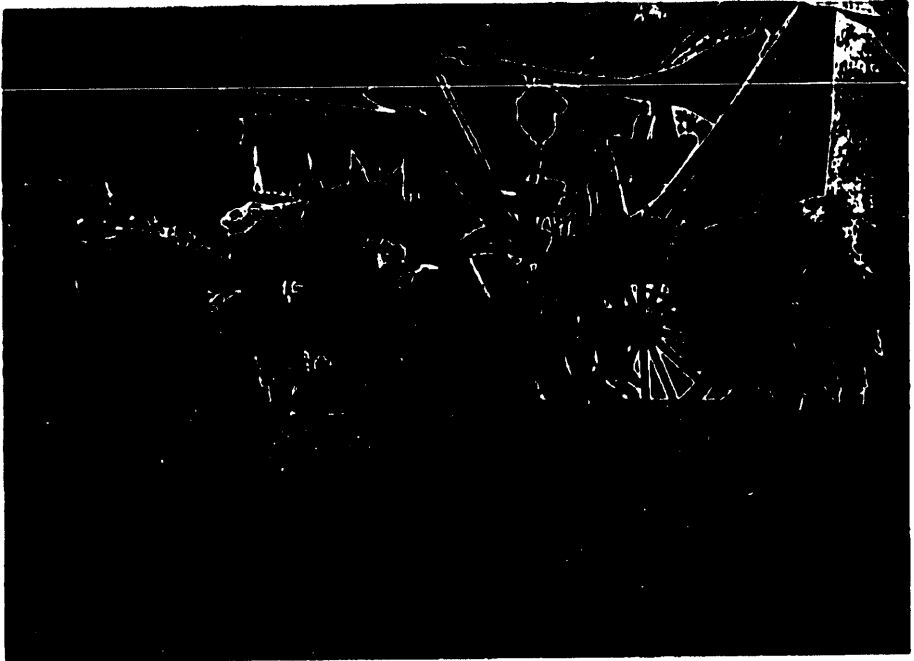
To make comparisons between Scandinavia and the Canadian North is almost impossible. The physical environment and climate is much more favourable in Scandinavia than in the Northwest Territories. How does one compare large stands of fir timber at 70° latitude in Norway with the same latitudes in Canada, i.e. Tuktoyaktuk, Thom Bay or Clyde River where there is only tundra and rock. Where the Norwegians have year round open sea ports, the Canadian arctic has ice-clogged ports; where Norway has large timber berths, Canada has tundra; where Norway has dairy farming and sheep farming the Canadian Arctic has no aerable land for such farming. The picture is clearer when one looks at the climate and the physical characteristics of the country. As far as policy is concerned I believe we can learn from these countries. The economic policies in Scandinavia can be of benefit to our Canadian north. There may be differences in national objectives, culture, social structure, government structure and the legal frame-

work, but the ideas are all that are needed to make some start in looking at new approaches to development in the northern regions of Canada.

XIII Recommendations for the Northwest Territories

At the present time there is little information in the Northwest Territories concerning movement of people. Urbanization has been the trend in all developing countries and Canada is no exception. If the north is going to develop in a meaningful manner some knowledge of the demographic structure of the communities must be made available to policy makers. For example, how many Indians and Eskimos are moving into larger centres, where are they coming from, are they young or old, educated or unskilled? Who are left in the camps or in small settlements? If the young leave, to what centres are they going and will strong government be maintained at the local level by older people? Should growth centres be considered in Inuvik and other places along the Mackenzie River? If so, on what type of information are these types of objectives being made?

1. A research survey should be made of those growing centres as well as on those areas that are remaining static to give information on the types of trends taking place, so that people can be better informed and equipped to suggest new policies and programs.
2. Some thought should be given to concentrating population in those areas of the arctic that do not have a reasonable economic base. I am thinking of those settlements that rely heavily on social assistance. If the amount of money spent on several communities was spent on one or two settlements there could be better opportunity to develop some heavier industry and to give the people an opportunity for wage employment as well as increasing educational standards and training of skilled workers. In this respect there could be some possibility of a freeze and/or growth centre concept of development. For example, looking at the central arctic communities of Holman Island, Cambridge Bay, Gjoa Haven, Spence Bay, Pelly Bay and Coppermine, the most likely spot for a growth centre would be Coppermine, for one reason it has the best water supply and therefore opportunities for heavier types of industry like a tannery and manufacturing of arctic clothing on a larger scale that is being done now at Tuktoyaktuk or Aklavik. Of course information is needed on such things as people's wishes, physical planning, sustainable yields on seal harvests and other non-renewable resources.
3. With the oil activity in the Inuvik region there is an increased need for service to the aircraft transportation service industry. At the present time there is no suitable maintenance service for the number of airplanes used in and around Inuvik. Consideration should be given to government spending in constructing a large hangar with maintenance service to larger type of aircraft, i.e. DC 3's, Electra's, etc. This could be managed under a cooperative.
4. Consideration should be given to subsidizing transportation of manufactured goods so that enterprises can compete with southern industry. Such items that could be included in such a policy would be Eskimo carvings, muskrat and sealskin parkas and jackets, handicrafts and other goods of a semi-finished nature, such as fish, prefabricated housing and lumber.
5. Training grants be given to firms for training new and existing employees. These grants could be given over a three year period at an annual or hourly rate.
6. Consideration be given to allowing special depreciation for building of new plant and equipment where a percentage of the value of new plant and equipment may be written off initially.
7. Consideration be given to tax free deductions for the purpose of later investment. Those firms that receive this deduction must re-invest the funds accrued within a certain period of time.
8. Consideration should be given to having all social assistance dispensed at the municipal level of government, so that social workers will be able to do what they were trained to do - to get into the homes, to find out what the family



Handicraft markets like this one are quite common throughout Scandinavia

Small resort areas use this type of lift to bring summer tourists to the high panoramic viewing areas

