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To a large extent this text relies on contributions in former RENCOM reports and during the Final Meeting on 22 October 2004. The former reports were written by *Jacques Vilrocx* and *Jan De Schampheleire* (BE); *Radka Ileva* and *Krastyo Petkov* (BG); *Jürgen Voigt* (DE); *Szabolcs Erdős* and *Anna Probald* (HU); *Alek Nowak*, *Tomek Ochowski*, *Waldek Grzywacz* and *Waldek Koziol* (PL); *Fernando Ruivo*, *Bernardo Campos* and *Carla Valadas* (PT). The contributions from the Final Meeting also include *Eckhard Dittrich* (DE), *Karoly Lorant* (HU), *Stoyan Totev* (BG), *Patrick Maes*, *Sabine Van Depoele* and *Luk Van Biesen* (BE), *Grigor Gradev* (ETUC) and *Jos Janssens* (PRIMUMA).

1 Introduction: SWOT analysis and the “learning region”

In finalising¹ the RENCOM activities, we will attempt for a conclusion based on the material of Workpackage 1, Workpackage 4 and the Final meeting (22 October 2004). Basically, we will reorder and review the findings on the structural indicators and, most importantly, interconnect the various parts of the case study material. (For more in depth issues, the reader is referred to the basic material in the mentioned workpackages.) In retrospect, our basic assumptions could be summarised as follows:

- (a) *Regional development and actors.* We have been looking at various actors operating in a region. None of the individual actors has a representation of the region as a whole. Nor could one of the actors represent the region on itself. Each actor has its own, limited perceptions and goals. Each of them is trying to link with some other actors (while possibly trying to exclude other actors). Once a group of actors has established a coalition or an alliance, they can attain goals that, to a greater or lesser extent, contributes to the regional development.
- (b) *The learning region.* Actors have limited knowledge of their environment. Actors know some things, and ignore other things. They are searching and discovering. They try out their projects - sometimes succeeding, sometimes failing. It is in this sense that they are learning. And it is within this context that we can talk about a learning region.
- (c) *SWOT analysis.* Each actor is trying to find out how it can connect to other actors. In this way it has to discover the goals of the other actors, their possibilities and dependencies. It is trying to find out, on the one hand, what are its own strengths and weaknesses, and, on the other hand, which are the opportunities other actors are offering, or which treats they are forming. In other words, each actor is—at least implicitly—making its own SWOT analysis. The SWOT analysis is part of the actors’ searching and learning process (it is not the privilege of a scientific meta-perspective).
- (d) *Heterogeneous networks.* The actors, in their pursuit of a project, are never limited to a strictly economic or managerial level of operating. Each regional development project implies heterogenous levels: technology, human resources, ecology, physical infrastructures and various levels of politics.
- (e) *Best practices.* For an actor, there are no best practices as such, only practices that are more or less adapted to its situation and goals. As a result, the ways of co-operation between actors can vary substantially and the networks that they establish can take on various forms. The experience of one region will only be *partly* transferable to another region. The regions can only learn from each other if they see the similarities and differences of their problems (Patrick Maes, Final meeting, 22 October 2004).
- (f) *Structural indicators.* Statistical indicators on economic and social development of a region can substantially help the actors to make strategic decisions. However, which

¹ In accordance with the RENCOM contract this workpackage is “Workpackage 3”. In actual working order however it is finished after Workpackage 4. (*Pro memori*: Workpackage 1 is about the structural indicators; Workpackage 2 is a theoretical exposee; and Workpackage 4 is about the casestudies.)

indicators are required and which should be the level of their detail, depends on the needs of the regional actors (Eckhard Dittrich, Final meeting, 22 October 2004).

We will now review and systematise our case-studies.² We will do this while offering a classification of the case studies according to their network forms. We distinguish three major activities: (1) projects about *making a market*; (2) projects about *improving entrepreneurship conditions*; and (3) projects aiming at *incorporating a major foreign investor*. After systematising the case-studies, we will finalise with an overview and some general remarks.

2 Making a market: (1) bringing products together

Local actors - i.c. small scale entrepreneurs - can co-operate in order to enlarge their sales. They can basically make a common infrastructure where they have their clients come together. In terms of the network metaphor: the actors are weaving a web that brings their endproducts and their clients together in one place. This is what happens in the case of the Lower Silesian Science Festival (Poland) and in the case of the direct sellers of Anhalt-Zerbst (Germany):

2.1 The Lower Silesian Science Festival (Wroclaw, Poland)

The first Lower Silesian Science Festival was organised in 1998 and attracted some 10,000 participants. Gradually, this has risen to 60,000 in 2003. The festival is organised by an executive committee with members of all academic schools in Wroclaw. It involves several national and local patrons and sponsors. It relies on the voluntary help of students (including postgraduates), teachers, culture centers, church rectors, and the media (e.g. the *Gazeta Wyborcza* and other, local newspapers). The Ministry gives 60% of the funds whilst the academies provide space and lecturers.

The concept of the Festival evolved from a simple presentation of science novelties to a theme related program (e.g. "The multicultural society", "The European Union", "The development of science", "Regional identity"). In general, it promotes the "understanding of science, technology and humanities by showing the effects and benefits of investigations, their achievements and perspectives" and aims "to show that science is an integral part of the cultural and civilizing development of man." (www.festiwal.wroc.pl December 2004).

All in all, the Festival is like a market place, with a positive and healthy competition between academies, especially, between the Wroclaw University and the University of Technology. They compete through their students and through their achievement in science. As a result, for the exhibitor it is an honour to take part in the Festival.

2.2 The direct-sellers network in Anhalt-Zerbst (Germany)

In Anhalt-Zerbst, small farmer enterprises wanting to sell their products on a local scale, have no possibility to do this, as local supermarkets depend on large-scale distribution circuits that ignore the local production units. Moreover, Anhalt-Zerbst is a region with very few industrial centres and with very little regional infrastructure. Political and administrative actors have

² The review of the casestudies is extensively based on the country reports of Workpackages 1 and 4. References are only added when additional sources are being used.

rather weak positions in the region. As a result, the farmers have to rely on each other to find a solution for their situation.

Some fifteen local farmers have developed a direct-sellers network. This includes the following activities: bee keeping, cattle breeding, asparagus farming, fishing, horticulture and floriculture, poultry, pheasant and quail farming, basket making, and restaurants and hotels.

Via this circuit the various locally produced goods are brought together in one location where they are sold to the public. Typically, selling this goods might be part of a touristic trip (“the fish route”, “the honey route”, “the cheese route”) or a farm feast (“Easter-fair”, “flowers-feast”, “asparagus-feast”...). Moreover, a collection of goods is sold in gift baskets.

Two thirds of the clientele are occasional buyers. The other third, however, is a group of people who regularly buys from the direct-sellers. Actually, this one third buys 75% of the turn-over.

The network somehow relies on the central position of two idealistic people (one being a retired farmer) who are not involved as producers, but who play a mediating role.

3 Making a market: (2) standardising products

On the larger scale off mass production, making a market requires standardisation: products should be of guaranteed and constant quality. This is at issue in the cases of the Bull’s Blood wine in Hungary and the fruit production in Haspengouw, in Belgium.

3.1 The Bull’s Blood project in Eger (Heves, Hungary)

Winegrowing in the Heves county is very important. *Bull’s Blood*, which is produced in Eger, the capital city of Heves, is one of the two most well known Hungarian wines (the other one is *Old Tokaj* from a county East to Heves). The local producers, however, face a lack of standards that would exclusively define which regional wines can be called Bull’s Blood. The situation is particularly harmful for those established wine-growers who try to sell their quality wines at high prices.

Already before the transition of the 1990s, Bull’s Blood had lost much of its fame. In terms of an export product, the brand became synonym of *Hungarian moderate quality red wine*. The bottles abided on the bottom shelves of foreign supermarkets. After the transition, the situation got worse, as many new small farmers tried to produce Bull’s Blood on the hills of Eger. With no approved quality control method, the Bull’s Blood label lost even more of its prestige. As a result, In Hungary, foreign wines of guaranteed quality were often cheaper than Bull’s Blood of no guaranteed quality.

Although the Eger’s wine farmers agreed that something had to be done, they couldn’t decide if Bull’s Blood should again become the region’s famous high quality wine or should be an unexpensive, market-leader red wine. In 2003, the national authorities modified the *Wine-law* which allows for production regulation and quality labels for extra fine wines. In this new context, the council of 15 Eger parishes defined three wine categories: “Bull’s Blood”, “Bull’s Blood Superior”, and, the best quality, “Superior Eger”. The definitions are among others based on the type of grapes, the amount of sugar, and the volume of grapes per hectare. The regulation will anyhow limit the amount of wine that can carry the Bull’s Blood label.

Moreover, the quality definitions will require investments that many small farmers cannot finance.

Eger's Eszterházy Károly College together with a guild of nine major wine-growers, the Chamber of Commerce and Industry of Heves County, and the Research Institute for Grape and Wine in Eger have set up a project to improve the Eger wine production and to establish an export marketing strategy for Bull's Blood. They applied for a tender in the *National Research and Developing Program* at the Ministry of Education. Their project was approved: the partners invest 100 million Forint (400,000 euros) and the Ministry subsidises another 100 million Forint.

In this project, the role of Eszterházy Károly College basically is to coordinate the project, to supply experts and to build a database. On the longer run, the college should also provide a "wine-producer training", indispensable for the production of Bull's Blood and other high quality wines. The Research Institute for Grape and Wine is expected to do research to improve the wine's quality. The Chamber of Commerce and Industry and the guild of nine wine producers basically provide information and contribute to the research costs.

All in all, in the establishment of wine production standards in Eger, the well-established producers of quality wines try to exclude smaller, less qualified farmers. For this purpose they form an alliance with the local research centres and local authorities. It however is the improvement of the national legal context that allows for this alliance.

3.2 *The fruit auction co-operatives of Haspengouw (Belgium)*

In the Haspengouw area fruit farmers are united in co-operatives, which organise fruit wholesales and auctions. The co-operatives set up the entire infrastructure that allows for a transparent market: they guarantee the quality of the fruit; they make it quantifiable; they take care of logistics; and they set up the auctions. The case illustrates the co-operation and networking that is needed between several actors in order to come to a seemingly natural situation, i.e. free trade.

Although Haspengouw fruit is being distributed on a European and global market, production is done by thousands of relatively small scale farmers. At present there are some 2,500 self-employed fruit farmers in Haspengouw, while seasonal work involves some 26,000 workers (Streekplatform July 2003b). Most typically for Belgium (and the Netherlands), more than 70% of all fruit and vegetable production is marketed through producers associations (EC 2003, p. 5). In contrast, the European mean is only 40%, and the percentage is even lower in France, Spain and Italy, the three most important fruit producing Member States (Ministerie van De Vlaamse Gemeenschap 2003, p. 9).

The producers associations are legally defined as co-operatives. Already in the 1970s, small numbers of fruit farmers united in local co-operatives, organising their own fruit sales. Most farmers would sell their fruit to export firms, while these firms easily took advantage of the competition between producers. After WWII the fruit co-operatives started to gain importance. A steady process of scale enlargements and merging led to the present situation.

4 Improving entrepreneurship conditions: (1) installing facilities

Other regional development projects are production oriented. This is about guaranteeing technical development and innovation and delivering a high educated labour force. It is also about making venture capital available for this innovation. The basic examples in our study are The Lomza Credit Guarantee Fund and the learning networks in Marinha Grande.

4.1 The Lomza Credit Guarantee Fund (Lomzynski, Poland)

Agricultural voivodships (counties) like Lomza, have a relatively low number of private firms and a low share of the private sector in total employment. Moreover, Polish national SME support programmes tend to pass by these counties (United Nations Industrial Development Organisation, document 5054).

The Lomza Credit Guarantee Fund is an initiative supplementary to the existing national and regional programmes. The Fund was established in the beginning of 2004. Within the first six months of its existence it raised 750,000 PLN (the target is 4 million PLN). In this long-term initiative three stages in capital raising have been foreseen:

- bringing in capital of the founding local authorities;
- doubling the capital, via subsidy applications to the Bank Gospodarstwa Krajowego (Bank of National Administration) and the Polish Agency of Enterprise Development;
- rising to the required capital amount, by bringing in European Union structural funds.

The Credit Guarantee is granted if the applicant of an existing business at least keeps the employment level, or if the applicant of a starting business employs at least one other person. The applicant should keep this personnel level at least 24 months after the end of the project.

The Lomza Credit Guarantee Fund supports feasible well-prepared, economic projects. As a result of banking safety procedures, it is improbable that the credit is not paid back. The Fund also takes advantage of the scale effect. At first, the initiative faced resistance and mistrust. With the flow of time it gradually won supporters.

4.2 Learning networks in Marinha Grande (Pinhal Litoral, Portugal)

Marinha Grande is a highly industrial municipality. At present, in the region, the moulding industry has become of strategic importance. It is controlled by Portuguese entrepreneurs, export oriented and very much affected by technical innovation. The “M-Group”—a pseudonym we use for one of the biggest Portuguese moulding enterprises groups—has its head-office in Marinha Grande. It has eleven enterprises in Portugal and six abroad (i.e. in Mexico, Tunisia, Sweden, Germany, England and Brazil).

The M-Group and its president are highly involved in the regional economic development of Marinha Grande. The M-group companies strongly invest in R&D and in the training of their staff. Although they mainly produce for the automobile sector, they also aim at product diversification (i.e. moulds for household products and the aeronautic industry). The companies take advantage of their competences in the moulding industry to involve in other forms of product engineering and design.

Not only the M-group, but all the moulding industry companies have a tradition of co-operation between each other. They subcontract larger contracts to each other, according to

each company's specialisation. The companies are united in an association (Cefamol) which has its own technological centre and which organises business meetings and missions.

Much more difficult, however, is the co-operation on the level of the Territorial Employment Pact for Marinha Grande, which started in 1994. With this pact there are many, heterogeneous partners involved: entrepreneurs, workers representatives, local and national authorities. On the level of general aims, there is a consensus between the partners. For example, all partners agree for a "solidarity pact between regions". They also agreed to establish "excellence poles" at regional level.

However, when it comes to establishing specifically planned institutions, the co-operation is highly problematic. Until now, neither the Local Development Agency (a joint stock company to promote SMEs) nor the Local Development Society (a venture capital society to promote technical innovation) have been established.

It is reported that in the Territorial Employment Pact, the involved actors try to prescribe each other's role without much respect for each other's position. For example, the involvement of the municipalities is rather ambiguous, as they basically use the pact in order to achieve their own goals. From their side, the employers blame the state for not bringing in more financial support. Also, the workers representatives at first promoted better workers qualifications, but they lost much of their influence on the project.

All in all, the social and economic partners have major difficulties in developing economic and social strategies at local level. With a highly centralised administration structure, which delegates very few powers to regional organisations, there is very little expertise in local co-operation between the social and economic partners.

(http://europa.eu.int/comm/regional_policy/innovation/innovating/pacts/ December 2004)

5 Improving entrepreneurship conditions: (2) setting up business incubators

One step further in product- and production innovation, is to develop mediating institutes that take care of embryotic new firms and projects. The mediating structures that we found as examples are the Instituto Pedro Nunes and the competence network in Oder-Spree.

5.1 The Instituto Pedro Nunes (IPN) (Baixo Mondego, Portugal)

The Instituto Pedro Nunes (IPN) was created in 1991 by the Faculty of Sciences and Technology of the University of Coimbra (UC). It is a private non-profit institution with public utility. Its goal is the transfer of university developed scientific and technical innovation to industrial products and production processes. IPN therefore co-operates with enterprises in applied research and promotes knowledge intensive enterprises.

On the one hand, IPN has a set of laboratories that render service to enterprises (for example in pharmaceutical studies, in automation, in electro analysis). On the other hand, the IPN incubator includes 17 emerging companies. In 2003, these companies reached a turnover of 2,9 million euros. With these activities, IPN also involves in the training of applied researchers.

While IPN participates in international networks and is well known for delivering good projects and dossiers, its main source of success is reported to be its connection between, on the one hand, the well-established reputation of Coimbra University and, on the other hand, the need for economic renewal in the region. With respect to the latter, since the 1970s and 1980s,

Coimbra promotes the service industry, and particularly knowledge-intensive industry, rather than classic heavy industry.

5.2 *The competence network in metal industry (Oder-Spree, Germany)*

Eisenhüttenstadt is a city in Oder-Spree that emerged when, in the early 1950s, the EKO-Stahl plant was established in this region. No other industrial activities than steel have been developed in this region. With the restructuration of industry in East-Europe, EKO-Stahl dramatically reduced its personnel from 12,000 to 3,000. As a result, finding new industrial activities for this area became as urgent as difficult.

Of particular interest is the way the department of Research & Development of EKO-Stahl redefined its own position. With the restructuration this department was meant to be eliminated. The department, however, reorganised itself into an independent technical research institute.

Especially Eberhard Grünberg, the head of the R&D department, played an important role. Under his impulse, the new institute turned away from pure technical questions to practical questions of regional development. For example, he got acquainted with co-operation possibilities in the development of manufacturing techniques and machine building. Also, he inquired how the production of car components could be introduced in a region with no tradition in this area. In this way, Grünberg became a specialist in network building, while remaining a professional in metal-processing.

At present, the institute is involved in start-up firms, such as the production of the “steel-house” and a plant for the production of precision pipes. The institute is also working on several innovation projects (e.g. on the development of multi-functional modular roof systems, on the cleaning of metal surfaces with plasma particles) and regional projects (e.g. on professional learning and further education).

The institute is strongly connected to several regional actors, such as the Chamber of Commerce, the authorities of Eisenhüttenstadt, of Anhalt-Zerbst (Landkreis level) and of Brandenburg (county level). The institute is co-financed with national and EU project money. With a shrinking percentage of supplied project money, the continuity of the institute is however uncertain.

6 Incorporating an external investor: (1) involving local entrepreneurs

The basic element that improves the chances of successfully incorporating an external investor seems to be the involvement of local entrepreneurs. When the local entrepreneurs can gain with the project, the possibilities for symbiosis with the region are substantially higher. A success story in this respect is Vidima Ideal-Standard in Bulgaria. On the same line—but still in negotiation—is the commercial airport of Fejér in Hungary.

6.1 *Vidima Ideal-Standard (Gabrovo, Bulgaria)*

In Bulgaria, Vidima is a well-known manufacturer of sanitary fittings and plumbing products. Since 1995, it produces under licence of American Standard, one of the world’s largest plumbing products manufacturers. During the 1990s, this American company has invested some 110 million USD in two Bulgarian plants: Vidima Ideal and Ideal Standard (the latter in the Sevlievo municipality). The two companies together employ about 3,200 people.

With the restructuration in the 1990s, the role of Vidima Ideal-Standard proved to be of strategic importance for the Gabrovo region:

- Gabrovo restored its leading role in the national industry. Along with American Standard, other foreign investors (German, Italian, Swedish) expand their production in the region.
- Contrary to most parts of Central North Bulgaria, the region has a low emigration and a unemployment level. Recently, unemployment rates are slightly increasing (up to 7%), due to the new industry's higher qualification requirements. Qualified people are immigrating to the region.
- Gabrovo re-established its position as an exporting region. Before the 1990s, export was mainly towards the East. Today the leading market destinations are towards Germany, France, Italy, the UK, Greece, Benelux, Mexico and countries in Eastern Europe.

Already early in the 1990s, the local authorities and the foreign investors of Vidima Ideal-Standard established the basics of their partnership. Most notably, the mayor of Sevlievo was strongly supported by the population and the local business. While on the level of central government, there have been many changes, the mayor of Sevlievo has subsequently been elected for three mandates. As a consequence, the local government, and more generally, the local actors, could make strong and independent decisions:

- Initially, the local government provided favourable investment conditions: suitable and cheap land, full administrative co-operation and support in contacts with the central institutions.
- In later investments, representatives of the local economic elite played a consulting and lobbyist role.
- The American enterprises installed a full Bulgarian management. At present, members of this management participate in the municipality council, while they also support NGO's relevant for the industry.
- The municipality gained access to other international partners, making use of its contacts with the first American investors. Foreign suppliers are encouraged to build affiliated companies in Sevlievo. In this way, a full cluster of interdependent industrial enterprises is created.

6.2 *The commercial airport project in Fejér (Hungary) (Part 1)*

Fejér is one of the highest industrialised counties in Hungary. Székesfehérvár, the county's capital, is a logistical centre with multinational companies. The town is on the axis of the main national (and international) roads, such as the M7 highway (Budapest - Lake Balaton) which connects to international roads to Vienna and to the Mediterranean and Balkan countries. In the industrial parks that have been developed since the 1990s, plants can be found of Ford, Philips-Grundig, IBM, Nokia, Stollwerck, Shell-Gas, General Plastic, Denso, Alcoa, Parmalat, Emerson, Kenwood, Matsuhita and Texas Instruments Investments (www.cimls.com December 2004).

By the end of the 1990s, a British company, Wiggins Ltd., decided to build a commercial airport next to Székesfehérvár, at the conjunction of the motor-way, the high-way and the railway, to serve the group of multinational companies in the region. All local contacts and negotiations were made by an intermediary actor contracted by Wiggins Ltd. to locally co-

ordinate the project: the Regional Enterprise Developing Foundation, which is active nationwide via its regional offices.

Until the end of the 1980s, the airport area used to be a Russian military base. Afterwards, while the state still owned the area, the trustees were the city Székesfehérvár and the small village of Aba. When Wiggins Ltd entered the scene, it put forward that it would only rent the area if the local governments would become the owners of the area.

For the city of Székesfehérvár it is highly important to serve the multinational companies. These companies do not hesitate to move away to countries with lower wages or tax discounts. The development of the local airport is an important service to these companies. Shortly before his re-election in 2002, Tihamér Warvasovszky, the mayor of Székesfehérvár, declared that “The multinational companies based in this city will only stay, if they can organise their relations safely and efficiently.” In the same year, the city took ownership of the airport area.

7 Incorporating an external investor: (2) reconciling local and national politics

A general problem that external investment projects often face is a tension between local politics, or between local and national or federal politics. Various regions, with divergent perspectives, can be involved in one project. The national or federal government can have a different position than the regional ones. With these conflicting positions, the basis for decision taking can become problematic.

The examples that we found show the tension between, on the one hand, the rather simple decision model of business allocation and, on the other hand, the extremely complicated and ambiguous domain of decision taking in politics. First we look at two airport projects: once again the example of Fejér and then the DHL expansion project in Zaventem, Belgium. A final complicated and ambiguous case is Rahovetsgas in Bulgaria.

7.1 The commercial airport project in Fejér (Hungary) - (part 2)

The acquisition of the old Fejér airport area gave rise to an important conflict between the Hungarian state and the local governments. In similar cases with former military bases, the state gave the area for free to the municipalities. Székesfehérvár and Aba, however, had to pay for the area. The argument was that in this case the domain would be used for commercial purposes (while in the other cases the use would more clearly serve the *common good*). In National Parliament the government parties voted for exceptionally selling this area. The parties that form the majority in the Székesfehérvár council, are, on the national level, part of the opposition.

For the actual development of the airport, there will be no state support. The airport doesn't qualify for support, as it will primarily be a cargo airport. It has also not been qualified by the national government as an international airport, nor as an international airport *in potentia*.

Székesfehérvár is, however, in a rather good position to rely on its own resources, because of its company tax revenues. While in most Hungarian municipalities the own resources make up 5 to 10 percent of the total budget, in Fejér county in 2002 this is 30 percent.

7.2 The DHL superhub project in Zaventem (Halle-Vilvoorde, Belgium)

This project is a remarkable example of the contrast between simple economic criteria and complex political criteria. On the economic side, the preference of DHL was clear. For the location of its new superhub, to be build between 2004 to 2012, it definitely preferred Zaventem. In part this is related to human resources: in and around Brussels well trained and responsible personnel can be found. All other elements have to do with the airport itself. Brussels National Airport has a central position in DHL's network. The airport also has good weather conditions (it is seldom closed), it has a surplus in capacity and growth possibilities, and it is surrounded by a good transport infrastructure. As a result, DHL asked the Belgian federal government to approve its expansion plans, at the latest by September 2004.

On the political side, things were never simple. Already on 16 January 2004, the federal government gave an appalling complicated answer to the simple request. It decided: (1) that there would be a federal negotiator (Steve Dubois) in the DHL dossier; (2) that DHL would build its new superhub in Belgium according to two site-options: either Zaventem or a new site (i.e. Bierset); (3) that the final site choice would be made before 1 September 2004. Clearly, point (2) was a "decision" that the government simply couldn't take. The decision was DHL's.

In matters where Brussels National Airport is involved, decision procedures are never simple. While the airport regulations—including flight routes—are a federal matter, ecological standards are a responsibility of (mainly) the regions and (to some extend) of the provinces. One problem is that each region has its own noise emission standards. Flanders and Wallonia are rather permissive, while Brussels Capital Region (BCR) has the most restrictive standards. The BCR plays an easy game: it has no airport, so it only is restrive to others.

The federal government has given much attention to the management and regulation of Brussels National Airport, trying out diverse—antithetical—approaches. Night flights (and day flights too) have become a hot issue in the media. Protest groups are being more vivid than ever on the matter.

In July 2004, the new regional governments were installed. In Flanders and in the BCR, the Christian democrats became part of the majority; in the BCR the Francophone ecologists also joined the majority. As a result, the majorities differ from the federal government. Moreover, in the BCR, the strict quota on night flights were reinforced, also by the parties that participate in the federal government. Whereas until June 2004, the federal government could *discipline* the regional government, after that date it no longer had this possibility. The Flemish government, while declaring to be very much in favour of the DHL project, demanded that the BCR would give in on its flights quota. The BCR, however, had very little to gain in this dossier and could also not be forced to give in.

The negotiations for the DHL superhub project proved to be extremely difficult. For the Belgian federal government it was an issue of primary interest, even absorbing most of its attention in September and October 2004. All this was in vain and no agreement with the regions could be made. To the horror of Belgium's Prime Minister Guy Verhofstadt, DHL decided to build its new superhub in Leipzig. From 2008 onwards, the existing DHL superhub in Zaventem will be downsized.

7.3 *Rahovetsgas (Veliko Turnovo, Bulgaria)*

Rahovetsgas is the biggest regional gasification project in Bulgaria. It involves several partners: six power engineering experts (12% of the shares); three Veliko Turnovo municipalities (20%); the joint-stock company Overgas Inc (34%) and Overgas Ltd (34%), a

Bulgarian-Russian company. The three participating municipalities are close to the main gas trunk, which is owned by Bulgargas, a state monopoly that builds, maintains and governs the gas-transportation network in the whole country.

Until to date, Rahovetsgas has invested 9 million euros in the construction of urban distribution networks and 5 million euros in two local stations and their connection to the main gas trunk. There are good perspectives for industrial development and public consumption, as each of these three towns has more than 150,000 inhabitants. With the recent exception of a gas company from Sevlievo, Rahovetsgas has no direct competitors in Northern Bulgaria.

The role of the national authority in this project, however, is extremely ambiguous. Mainly driven by Bulgarian and Russian capital (Rahovets Inc, a joint-stock company) the project was already promoted in the early 1990s. In 1997, however, the new UDF right-wing government, with Prime-Minister Ivan Kostov, froze several projects with Russian partners in the fields of privatisation, new investments and education. The expansion of mixed Bulgarian-Russian companies was also legally and administratively limited.

When Rahovetsgas was established it relied on a long-term partnership with Bulgargas. The latter, however, didn't conform to its legal obligation of constructing ramifications of the main gas trunk. Moreover, the Energy Law was changed in order to relief Bulgargas from these obligations. For Rahovetsgas, which calculated on Bulgargas' obligations, this led to substantial financial damages.

This is not to say that Bulgargas and the national authorities are always on the same line. Bulgargas is not exclusively guided by political motives, nor are its decisions always formed at government level. As any monopolist, Bulgargas is striving to limit the competitive power of new companies. For this purpose it uses the state and the legislative system.

The national government declares that it stands for freedom and private initiative. Although in some cases it facilitates the new economic agents, in others it impedes them. In this sense the industrial restructuring is a controlled and even manipulated process, which negatively affects the development of economic branches and the regions. At the same time, this shows the weakness of local actors and their networks.

8 Some general topics and discussions

In the table on the final page we offer an overview of the case studies and their major formal characteristics: the rows include the classification of the case studies in the mentioned categories; the columns refer to the specific actors and the nature of problems. More specifically, Column 1 indicates if the central (protagonistic) actor works on a voluntary basis. This is so in both the Portuguese and German cases. Typically, it is a rather wealthy person with strong roots in the region.

Column 2 to 5 refer to *differences* in supporting actors (obviously, we do not include a column for e.g. local entrepreneurs or local infrastructure, as they always play a role in any project). Column 2 refers to the role of scientific research. In the Lower Silesian Science Festival research results are the object of the market. Research is the driving force for the cases on standardisation and business incubation. Finally, research on the economic and ecological impact of the DHL superhub also played a (minor) role in the decision process on this issue.

Column 3 refers to the role of municipality authorities. Only in the case of the direct sellers in Anhalt-Zerbst is their role clearly missing. In the decision taking process on DHL, the municipalities at the maximum played a very indirect role (which was anyway ignored by the other actors). It is furthermore important that no other local authorities play a role in these case studies: the next stage is always the role of the national state or, in the case of federalised countries (Belgium, Germany), the regional governments. They are indicated in column 4. Their role is not explicit in the German and Portuguese cases studies, nor in the cases of the Belgian fruit auctions and Vidima-Ideal-Standard.

The role of international players (Column 5) is obvious in all cases of “incorporating an external investor”. It also is important in the cases on product standardisation, as this is related to operating on an international market. International players are also important in the learning networks in Marinha Grande as the local entrepreneurs are operative on an international market and as it implies a Territorial Employment Pact. Finally, the Lomza Credit Guarantee Fund relies on an assumed support of EU-structural funds.

Columns 6 and 7 are about problems that undermine the successful completion of the project. In several cases there is a clear opposition of actor goals: small, unprofessional wine growers versus prestigious and professional ones in the case of Bull’s Blood wine; various actors having different agendas in the cases of Marinha Grande and Rahovetsgas; conflicts between regions and political parties in the cases of Fejér airport and the DHL superhub project.

Finally, while looking back at the RENCOM project, one striking observation might be how *classic* our study material looks like. Contrary to all our intentions we have been forced to look at regions as entities that only change from the inside and by some slow redefinition of their own identity:

(1) *Until now, the policy role of NUTS 3-regions is very limited.* In all countries, the NUTS3-level, which we originally took as a reference, turned out to play a very minor role. All case studies led to a description where only the municipality level (NUTS 5) and the national (or regional) level (NUTS 1 and 2) are involved.

(2) *With old bricks new houses are built.* A basic theme in all our studies is that projects succeed when they involve people that are well familiar and well accepted in the region. They use an existing infrastructure and existing competencies, while redefining and renewing an old system.

(3) *A very modest role for ICT.* In describing learning processes, all our case studies concentrated on networking and forms of co-operation. Very little was to be said about ICT. Surprisingly enough, whenever we described the actors’ networking activities, possibilities in data transmission or in communication took a very modest position. Similarly, the role of education, training, not to mention lifelong learning, was also very modest. It is still possible that this is only a matter of coincidence. But it is more probable that for actors in a region it is still less important to have various communication facilities than to know who they can address to.

Network form		Case study	1	2	3	4	5	6	7
<i>Making a market</i>	<i>Bringing products together</i>	The Lower Silesian Science Festival (Wroclaw, Poland)		x	x	x			
		The direct-sellers network in Anhalt-Zerbst (Germany)	x						x
	<i>Standardising products</i>	The Bull's Blood project in Eger (Heves, Hungary)		x	x	x			x
		The fruit auction co-operatives of Haspengouw (Belgium)		x					
<i>Improving entrepreneurship conditions</i>	<i>Installing entrepreneur facilities</i>	The Lomza Credit Guarantee Fund (Lomzynski, Poland)			x	x	x		
		Learning networks in Marinha Grande (Pinhal Litoral, Portugal)	x		x		x	x	
	<i>Setting up business incubators</i>	The Instituto Pedro Nunes (IPN) (Baixo Mondego, Portugal)	x	x	x				
		The competence network in metal industry (Oder-Spree, Germany)	x	x	x				x
<i>Incorporating an external investor</i>	<i>Involving local entrepreneurs</i>	Vidima Ideal-Standard (Gabrovo, Bulgaria)			x		x		
		The commercial airport project in Fejér (Hungary)			x	x	x	x	
	<i>Reconciling local and national politics</i>	The DHL superhub project in Zaventem (Halle-Vilvoorde, Belgium)		x		x	x	x	
		Rahovetsgas (Veliko Turnovo, Bulgaria)			x	x	x	x	
1 = role of one central voluntary worker		5 = role of international players							
2 = role of an R&D institute		6 = problem of conflicting goals							
3 = role of local authorities (municipality level)		7 = problem of lacking financial means							
4 = role of national authorities									