



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO

The federal government's regional policy



The core aspects of the federal government's regional policy Page 4
The most important features of Swiss regional policy Page 5
Innovation from internal resources Page 6
Ticino transfer – Open corporate culture for SMEs Page 8
The Graubünden brand – A mountain canton with a strong image Page 10
Centre for services and expertise set to create new economic impetus Page 12
Microtechnology in central Switzerland Page 14
Three economic zones for coordinated development Page 16
Federal agencies pull together Page 18
Knowledge promotes innovation in the regions Page 20
The ground rules of regional policy support Page 22
What a project must achieve Page 23

Imprint

Publisher: State Secretariat for Economic Affairs SECO, Bern
T +41 (0)31 322 28 73, F +41 (0)31 322 27 68
Concept and copy: Zoebeli Communications AG, Bern
Design: Triebwerk AG, Luzern
Translation: Bmp Translations AG, Bern
Printing: Druckerei Odermatt AG, Dallenwil
Cover photograph: Swiss Museum of Transport, Luzern

This brochure is available in German, French, Italian and English.



Dear Reader,

The rural economy has changed radically in recent years. Farming, forestry and tourism are in the midst of a comprehensive transformation, and commercial and industrial structures are also changing. Many regions have recognised the opportunities that go hand in hand with structural change. They are developing innovative approaches, investing their own money in new business models and seeking profitable forms of cooperation.

Regional policy provides financial incentives to help the cantons and regions cope with structural change. What are needed are home-grown efforts – from the original conception to project funding. The federal government can support a project in its initial phase, but its long-term success is down to the regions themselves and the project sponsors. This means that they must be in tune with the requirements and conditions of the market. A central role here is played by the distribution of goods and services across regional, cantonal and national borders. Exports are Switzerland's lifeblood. This is equally true of the country as a whole and of its individual regions.

The regions only have a chance of economic survival if they concentrate on their strengths. A random patchwork of tourism, commerce and services with no clear strategy is a waste of effort for all the bodies involved. Regions are well advised to identify economic focal points. Existing companies can be harnessed to form the beginnings of a specialisation, attractive scenery is the foundation of new tourism models, and heavily populated areas can continue to be promoted for residential use.

The work done by regional policy so far gives grounds for optimism. Bodies involved in numerous projects have had the courage to question obsolete ways of thinking and to develop innovative ideas. They have proven that rural regions also have an economic future in Switzerland. I wish all the working groups and specialist agencies involved in regional policy much continued success.

Head of the Federal Department of Economic Affairs (FDEA)
Doris Leuthard

The core aspects of the federal government's regional policy

The last few years have brought major changes to Switzerland's general economic situation. Mountainous and rural regions often find it harder to cope with this structural change than the stronger central areas. The federal government's regional policy is designed to help rural, mountainous and border areas to implement their development programmes. Control lies with the cantons, who work with the regions affected to develop strategies to strengthen their economies.

The federal government's regional policy is designed to make mountainous, peripheral and border regions more attractive places to do business. It is in no way designed to prop up obsolete structures artificially with federal funding. On the contrary, regions must develop under their own steam. And to do that, they must think about their particular strengths. What makes them unique? How can qualified young people be motivated to take on an entrepreneurial commitment in their home regions? What existing infrastructures could be exploited more profitably? How can services and products be marketed across regional and cantonal borders? For which of them does a real demand exist?

The first stage in building up a strong rural economy is to get entrepreneurs from a variety of sectors to sit round a table and co-

operate on the development of possible economic strategies. Regional authorities and business must pull together. They must not be frightened of new trends. Basic and advanced training for professionals should be available in peripheral regions. Cooperative arrangements should be established among different training systems, together with partnerships between public and private institutions, to ensure that the requisite expertise is put across with a practical as well as a theoretical emphasis.

In its programme for 2008–2015, the federal government highlights the areas that it wishes to promote directly, such as establishing value creation systems with a supra-regional and international orientation, and environmentally friendly tourism focusing on what visitors really want. Further selected topics include the energy industry, forestry and agriculture, and education. These are the areas in which rural and mountainous regions have the best prospects for development.

The principle of regional policy is simple: the regions come up with the idea and get the project started under their own steam – and only then does the federal government provide assistance. The cantons have a key role to play in conception, funding and implementation. A further central factor is the coordination of regional policy with the activities of those federal agencies that are also concerned with rural and mountainous regions. The federal agencies cooperate closely with each other on matters of regional policy, as well as with other Swiss and foreign institutions.

The three pillars of regional policy

Regional policy is based on three separate but complementary pillars.

Pillar 1: increasing the economic strength of the regions

Pillar 1 is the mainstay of regional policy: the federal government promotes the development of innovations and a market-oriented economy. Its objectives are to increase the competitiveness of the regions and help them to make the changes required by globalisation. It includes the direct promotion of initiatives, projects and programmes. The main roles are played by the cantons and the regions (see page 6).

Pillar 2: coordination of regional policy with federal agencies

Pillar 2 strengthens the coordination of regional policy with the work of federal agencies that are also concerned with the needs of rural areas. The cantons and regions benefit from the resulting synergies. The most important elements are policies on innovation, education, agriculture, the environment, energy, tourism, SMEs and the promotion of particular localities as places to do business (see page 18).

Pillar 3: expertise for regional policy and the people involved in it

Pillar 3 assists with the implementation of pillars 1 and 2. Its objective is to gather and process knowledge on the subject of "regional development". At the same time the responsible individuals must also be capable of exploiting that knowledge directly in order to develop, implement and market products and services (see page 20).



The most important features of Swiss regional policy

Regional policy helps rural areas to adjust to the globalised economy.

A few ski-lifts and a bit of industry and commerce in every village... This sort of random development with no overall plan threatens the viability of whole regions. It's not what regional policy is about at all. Regions must collaborate with the cantons to identify sensible priorities and to coordinate their expansion.

Regional policy supports export-oriented value creation systems.

Regional policy is designed to establish competitive, supraregional, supracantonal and international value creation systems. One example is networks based on timber. From forestry management in the Entlebuch to the marketing of the finished product throughout the world, these involve the creation of large numbers of jobs of a most diverse nature. Then there is collaboration with universities of applied sciences and administrative agencies. This sort of value creation system acts as an economic driving force with multiplier effects such as the encouragement of component supply enterprises.

Regional policy takes account of the laws of the market.

The federal government concentrates its support on projects in which private sector partners are involved. This principle ensures that the goods and services promoted are commercially interesting – that there is really a demand for them.

The regional centres are the development drivers.

Regional policy operates in mountainous and other rural areas, and in border regions. But this strategy is subject to restrictions. Rural areas only function well if they have strong centres. Examples of this are Sion, Brig, Naters and Visp in canton Valais, Delémont and Neuchâtel in the Jura arc, and Davos, St Moritz and Chur in Graubünden. Regional policy facilitates cooperative arrangements between regional centres and their surrounding areas.

Who implements regional policy in practice?

The starting point for the specific implementation of regional policy is the federal government's multi-year programme 2008–2015. In consultation with the State Secretariat for Economic Affairs SECO, the cantons and regions define detailed implementation programmes. The federal government merely assesses the fundamental strategic orientation of the development that the cantons wish to pursue. Responsibility for implementing pillar 1 lies with the cantons, while the federal government is responsible for pillars 2 and 3.

How important is environmental policy?

Regional policy only supports projects that are compatible with the sustainable development of the regions.

Can cross-border projects be funded under regional policy?

Yes, cross-border projects can also be launched under the aegis of implementation programmes.



Innovation from internal resources

Pillar 1 is the mechanism by which the federal government supports strategies and projects that enable the cantons to boost their economies. Rather than dissipating their energies in well-intentioned isolated campaigns, regional companies and institutions work as teams. They look beyond their own garden fences, focusing on supraregional, national and international markets.

Pillar 1 is the heart of regional policy. It is the context within which the cantons determine their development policies, deciding which projects are to be supported. Collaboration with the regions is particularly important. The cantons form joint project teams to work out concrete strategies for the promotion of the regional economy.

Areas to receive assistance

Only projects with an impact on mountainous, rural and border regions can receive support from regional policy. The five largest conurbations – Zurich, Geneva, Basel, Bern and Lausanne – receive no financial support. They have other ways of strengthening their economies.

Crossing borders

Crossing borders is a guiding principle of regional policy, whether these borders divide mountains from valleys, cities from the countryside or Switzerland from its neighbours. To an employee, whether he lives in the French or the Swiss part of the conurbation of Geneva is ultimately less important for his quality of life than easy cross-border access to the labour market. The federal government therefore remains committed to continuing the European territorial collaboration that exists at present. This provides the framework within which regions of different nations work together on joint, cross-border projects. The cantons also cooperate with the federal government, which in its turn is committed to bilateral collaboration with Switzerland's neighbours. These cross-border, transnational and interregional cooperation efforts are designed to create competitive regional economic locations.

Ideas and projects to receive assistance

In the quest for suitable economic strategies, the cantons critically examine their available resources. Project ideas do not appear out of the blue. The regions concentrate on their existing economic strengths, for example on an

abundant raw material such as water, timber or stone, a tourist attraction, or locally based industry. One region focuses on tourism, while another invests in support for industry. So not all geographical areas develop equally vigorously in all fields. Individual regions always focus on the resources with the greatest potential to boost the economy and attract highly qualified employees. A well-trained labour force is a crucially important factor in international competition.

Development strategies issue from the following areas.

Industry

The Schaffhausen area is the location for no fewer than 30 international corporate groups. The inception of a master's course in packaging technology in Neuhausen was the first major step, taken by a project team committed to regional policy, towards the creation of a future packaging cluster in the region. The puntoBregaglia project in the Bregaglia valley has assembled a number of companies in a single complex of buildings. Placing companies in close proximity to one another promotes the exchange of knowledge and experience. This sort of commercial network triggers chain reactions in both companies and institutions that ignore the borders separating regions, cantons and even nations.

Tourism

When a number of different holiday destinations amalgamate under a single brand name, this raises awareness – both at home and abroad. One example of this is the Graubünden umbrella brand, with its distinctive ibex logo. Not that the use of the brand is restricted to tourism: it is also proving an effective marketing tool for regional products and services.

As a major holiday destination it helps tourism providers to promote major projects, like thermal baths and conference centres. Regional policy also supports collaboration between tourist destinations in Switzerland and their partner regions abroad.

Education and health

Jobs for highly qualified staff in the fields of education and health strengthen the regional labour market. The most promising arrangement is for the various institutions to cooperate with one another. The idea for the rehabilitation centre at Le Noirmont emerged in the Franches-Montagnes district of Jura as long ago as the 1980s. The range of medical services it offers brings around a thousand patients to the region every year, thus safeguarding attractive jobs.

Energy

Energy is among the important exports from rural areas. New markets are opening up for small and medium-sized enterprises in the field of alternative energies. The preconditions are a high degree of specialisation, the mutual exchange of knowledge and experience, and advanced training. In Lucerne, for example, the timber trade is trying to reposition itself – and timber's function as an energy carrier has an important part to play. Companies throughout the sector are involved in the mehrwertHOLZ project (translated roughly as Timber – added value).

Natural resources

Keeping landscapes as natural as possible can bring the region economic benefits. Investors from the public and private sectors develop a joint concept. One example of this is the involvement of tourism, agriculture and commerce in marketing a nature park or a biosphere reserve. The Entlebuch biosphere reserve attracts tourists with its extraordinary moors, flower meadows and rich, varied fungi. Food manufacturers, sawmills and hotels all market themselves under the label of the biosphere reserve.

Agribusiness

The development and marketing of innovative niche products requires close cooperation between local and supraregional players, plus close attention to global market trends. Mountain herbs, used in the production of medicines and beverages, have been harvested in the valleys of Valais from time immemorial. The Phytoark project is designed to exploit their economic potential more effectively. A newly built centre of excellence acts as the link between producers, research centres and industry.

Do cable cars qualify for financial support?

On certain conditions there is no reason why the federal government cannot subsidise the renewal of an obsolete facility – but it would have to be an important component of a higher-level development strategy, and to strengthen the regional economy. Regional policy concentrates on key projects in the development of a region.

Does regional policy support cultural projects?

The economy is at the forefront of regional policy, but music and theatre festivals are big business these days. If cross-border cultural projects support the economy of the region, they will remain eligible for federal funding in future. It's important for there to be a clear differentiation from other policy areas. The Federal Office of Culture is responsible for supporting the arts, but as a rule local cultural events do not come under the aegis of the federal government.

Ticinotransfer – Open corporate culture for SMEs

In close collaboration with small and medium-sized enterprises (SMEs), the bodies involved in the Ticinotransfer network support the development of a flexible corporate culture and cooperation between research institutions and regional enterprises.

Small and medium-sized enterprises (SMEs) often lack the means and the resources to set innovation processes in motion under their own steam. The Ticinotransfer network motivates companies to cooperate with research institutions, thus encouraging commercial innovation in Ticino itself and the Italian-speaking areas of Graubünden and upper Valais. The network is coordinated by the Università della Svizzera italiana (USI) and the Scuola universitaria professionale della Svizzera italiana (SUPSI).

The quest for suitable partners

The bodies involved in Ticinotransfer actively and personally seek out small and medium-sized enterprises and make their managers aware of the advantages of cooperating with research institutions and partner enterprises. The opportunities and threats facing the company are jointly discussed, and if there appear

to be possibilities for cooperation, Ticinotransfer puts the company directly in touch with the most appropriate research institution. Possible candidates are those at the USI and the Federal Institute of Technology in Zurich (ETHZ), and applied-research institutions at the SUPSI. Institutions at the universities of applied science and other research centres throughout Switzerland are involved as and when required.

The SME is always in charge of the collaboration, though the research institutions also benefit from it. Arrangements for the protection of intellectual property are made jointly with Ticinotransfer advisors.

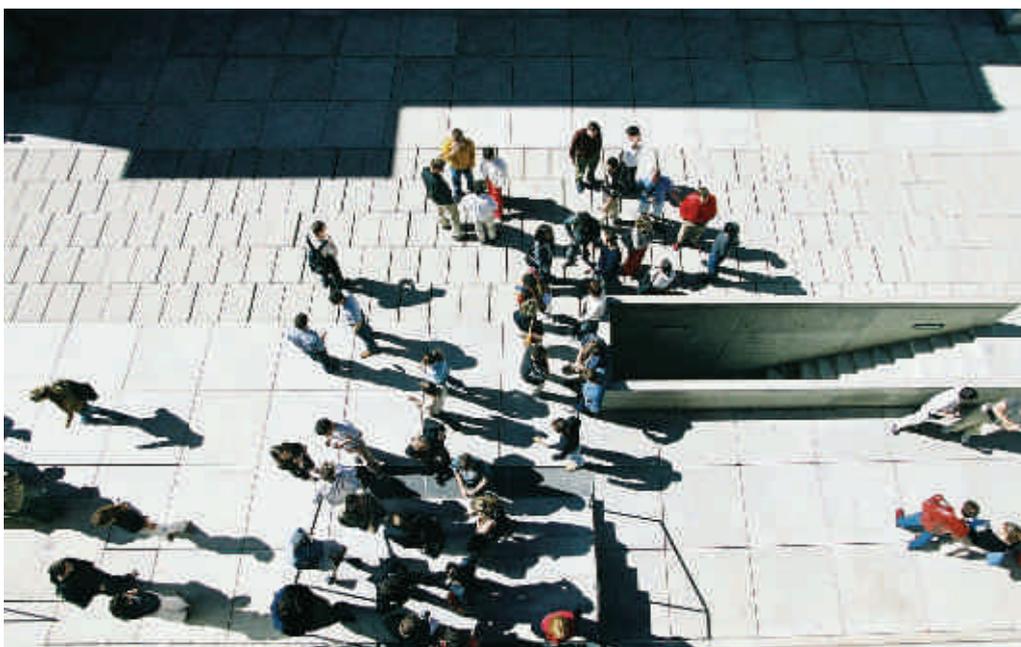
To overcome SME neophobia, the project agencies set up a number of contact points downstream of the research institutions. Examples of the interfaces include the Chamber of Industry and Trade of canton Ticino, the Ticino Industrial Association and the Ticino Department of Business and Finance.

Beyond national borders

Expertise from neighbouring countries also flows into the network – from the plastics and textile industries in Lombardy, for example. At the same time Italian and Swiss SMEs benefit from cross-border partnerships.

Ticinotransfer is an autonomous sub-project of the federal government's WWT knowledge and technology transfer programme and a member of the Alliance consortium in French-speaking Switzerland.





“Cities are important engines.”

Where in Ticino do you see potential for supraregional, industrial value added systems?

We are strengthening the granite and wood industry throughout the whole value added chain, from production to the development of new products and marketing. Several geographical areas in Ticino, in particular its more remote regions, are reaping the benefits. In addition we are focusing on food production and health and wellness resorts.

Describe the relationship between town and country in Ticino?

Lugano has become the financial centre of Ticino. After countless mergers, Lugano is now a respectable size and a town of national importance. The urban area of Lugano is growing faster than Bellinzona, Locarno or Mendrisiotto. The towns are important hubs for the whole region and the strength of any urban area invariably depends on the driving force of its city centre. In recent years we have reduced the number of communes from 250 to 190 and we plan to reduce it further to 115 communes. What we are aiming for is to have more robust communes throughout the canton with sufficient financial and personal resources to launch their own development projects.

Another regional policy focus is to make knowledge available. What strategies are used in Ticino in this regard?

The foundation of the Università della Svizzera italiana (USI) and the Scuola universitaria professionale della Svizzera italiana (SUPSI) provide a good basic infrastructure. In the future we want to make even better use of these institutions to provide subjects of interest to regional policy. One possibility would be to

offer new courses on regional policy and establish a centre of excellence to deal with topics such as regional development and radiating the region's appeal well beyond the confines of its borders.

Southern Switzerland is an important international tourist destination. What sort of a role do holidaymakers play in the future of Ticino?

Ticino's cantonal promotion priorities have not yet been fixed. Up to now tourism has not been the focus of regional development. The strengthening of Ticino as a holiday destination goes beyond the remit and tools of regional policy. But tourism will always remain an enormously important economic sector, particularly for regions.

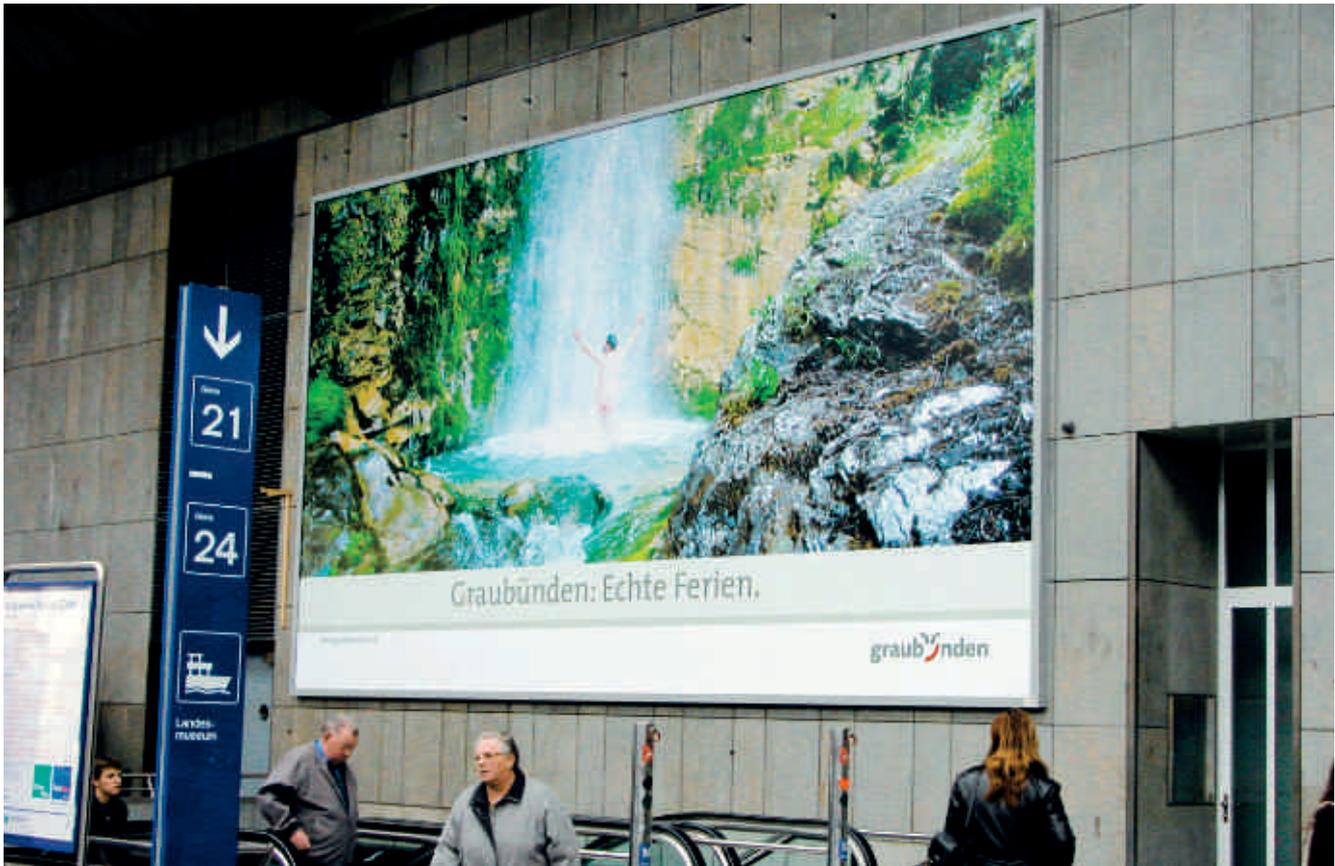


Luigi Pedrazzini,
Cantonal Councillor,
canton Ticino

Pre-competitive field

Possible contribution from regional policy to similar projects

A flourishing economy starts with good ideas and the readiness to take entrepreneurial risk. Regional policy supports the preliminary work. This includes projects like Ticinotransfer that pass on knowledge, support consultation or help in the development of conceptual foundations.



The Graubünden brand – A mountain canton with a strong image

With a carefully engineered brand, the canton of Graubünden is raising awareness of regional products and services – both in Switzerland and abroad. Partners from widely diverse areas and sectors continually launch new cooperative arrangements, goods and services beneath the brand umbrella.

Inside Switzerland's borders Graubünden is one of the best-known tourist destinations, but awareness of the canton abroad is low. Until 2003 it lacked a comprehensive brand, encapsulating Graubünden in all its regional, cultural and economic diversity. As in other cantons, its many small and medium-sized enterprises (SMEs), its regional institutions and individual destinations found it hard to break the awareness threshold on their own.

Interactive process

In 2000 the Graubünden government established a team, with representatives from Graubünden's tourism body and the administration, which had a brief to come up with the concept of a strong brand for the region, clearly positioned, with a strong content. In

an interactive process with external experts and participants from business, politics and culture, the brand's vision, mission, core values and structure gradually took shape. Today the fields of holidays and leisure, manufactured products, business, transport, culture and education have all been brought together under one roof. The visual label is the "Graubünden" logo with the "Capricorn" ibex symbol.

The ibex as optical label

The project has generated partnerships, goods and services that cross borders between individual sectors and different areas of life. Two examples: the Bergkäse food line and the graubündenKULTUR cultural organisation. This network will be expanded on an ongoing basis in the coming months and years. Lenzerheide was the first destination to commit itself entirely to the Graubünden brand, in 2006 – and the same process is currently under way in Chur. Other destinations are also working on the integration of the brand.

“Defining functional areas consolidates our strengths.”

What are the focal points of regional policy in canton Graubünden?

The idea is to consolidate our strengths by defining functional areas. One central theme is tourism and reducing what were originally 92 spa associations to three or four strong destinations. We are promoting Misox, for example, as a cross-cantonal economic area with Bellinzona – while the Rhine valley within our borders, with its various industries, constitutes another economic area.

Where do you see the most important value creation systems?

Apart from tourism, the value chains stemming from two resources – stone and timber – have great potential. Water – not only the basis of all life and a source of energy, but also a tourist attraction – is the core of another important value creation system in canton Graubünden.

What are the main opportunities and risks presented by regional policy for the canton?

Regional policy will mainly benefit the valley areas. It can't solve all our problems, of course. As a canton we have an additional responsibility to halt emigration.

What are your strategies with regard to the transfer of expertise?

We have three excellent higher education establishments in the canton: the University of Applied Sciences in Chur, the Swiss School of Tourism and Hospitality in Passugg and the Academia Engiadina in Samedan. A major step for the canton would be to set up our own institute for applied research, which would collaborate with representatives of manufacturing industry. We have high-tech and medical companies in the Rhine valley and the Prättigau, and we promote cooperation between these companies and partners in Liechtenstein and St Gallen.



*Hansjörg Trachsel,
Cantonal Councillor,
canton Graubünden*

Cooperative intercompany arrangements

Possible contribution from regional policy to similar projects

Innovations are often too costly or too risky for individual companies in rural areas, so the regional policy works to promote networking among individual bodies and to increase their professionalism – as with tourism providers in the canton of Graubünden.



Centre for services and expertise set to create new economic impetus

Upper Valais is proposing to establish a centre for services and expertise in Naters for institutions and companies in the fields of business, science and leisure, with the aim of reinforcing regional added value.

The town of Naters is to play a major role in the development strategy of canton Valais. As a regional centre it will boost the economy of upper Valais. Representatives of the private and public sectors have formed a project group that has jointly worked out the basic concept for a centre for services and expertise in Naters. The aim is to take greater advantage of the potential of the region.

Jobs and tax revenue

The “Campus for Business, Science and Leisure” will network diverse fields with the constant objective of boosting value creation. Its new complex of buildings on an old industrial site, currently being used as a car park, will accommodate private sector companies, public sector organisations, tourism bodies and education and leisure facilities. The centre is intended to increase the attractions of Naters as a business location and to create jobs. The town also has hopes of additional tax revenue as new companies move in, and an attractive range of new job vacancies. A strong economic centre and coordinated collaboration

with the universities of applied sciences involved in the project would also strengthen tourism and commerce throughout the upper Valais region.

Broad support

The project is currently at the planning stage, but it already enjoys broad support. Its partners include the Jungfrau-Aletsch-Bietschhorn UNESCO World Heritage Site, the cantonal Department of Economic Affairs and Spatial Development, and the canton’s Economic Development Agency. The Department of Education, Culture and Sport is involved, as is the University of Applied Sciences Western Switzerland. The participation of private investors will ensure that the project is oriented towards the market economy on a long-term view.



“Companies and research institutions work closely together.”

In which direction is the economy of canton Valais developing?

Valais has many companies in the life sciences, telecommunications and industrial fields. These form the basis for the centre known as The Ark – the showpiece business promotion project in canton Valais. Companies and research institutions work closely together. Existing companies and the appealing environment draw more companies in, creating attractive jobs.

Valais is traditionally strong on tourism. What development do you wish to see in this area?

We plan to amalgamate the 140 tourist offices into nine tourism regions. As larger competitive units they have better prospects of holding their own in the national and international arenas.

Does agriculture have a future in Valais?

Yes, agriculture remains important. The canton is establishing nature parks and devising new marketing strategies for agricultural produce, thus helping farmers to adapt to the changing market environment.

Have you also defined geographical focal points?

The regional centres are located in the valley. Brig and Glis are the centres for remote services and distance learning, Visp is the centre for the energy field, while Naters is the central starting point for business promotion. That leaves the tourist regions in the mountains: we propose to amalgamate the four existing regions into a single Upper Valais region. At the same time we propose to combine the four existing Upper Valais regions into a single Upper Valais region. A reduction in the four existing regions in Lower Valais defined in investment assistance legislation is also under consideration.



*Jean-Michel Cina,
Cantonal Councillor,
canton Valais*

Infrastructure aimed towards added value

Possible regional policy contribution to similar projects

The right infrastructure in the right place can create commercial impetus. The proposed centre in Valais promises to attract numerous companies. Infrastructure projects in the fields of healthcare, education, research and tourism are also possible as long as these are key projects.

Microtechnology in central Switzerland

The objective of Micro Center Central-Switzerland AG (MCCS) is to establish central Switzerland as a specialist region for micro- and nanotechnology. During the initial phase, with support from the federal government, research and educational institutions formed themselves into a supraregional, international cluster.

The specific impetus for the coordinated promotion of microtechnology in central Switzerland came in 2000 from a number of individual companies in canton Obwalden. Today Micro Center Central Switzerland (MCCS) consists of a network of more than a dozen companies in central Switzerland, together with research and educational institutions.

A seminal partnership

The MCCS found a strong partner in the very year of its foundation: the Centre Suisse d'Electronique et de Microtechnique S.A. (CSEM) in Neuchâtel concluded a cooperation agreement under which it undertook to establish a centre of excellence in central Switzerland. Some of the funding for research activities comes from the cantons of central

Switzerland. Today around 35 physicists, engineers and technicians work in Alpnach. The CSEM received the Swiss Technology Award for the development of a miniature robot.

Microtechnology platform

A second focal point of the project is the networking of companies and institutions from a variety of different sectors that are active in the field of microtechnology, whose representatives have been holding regular meetings to exchange expertise since 2003. Since 2005 its initiators have also been cooperating with the Zug Technology Forum within the Virtual Microtechnology Cluster.

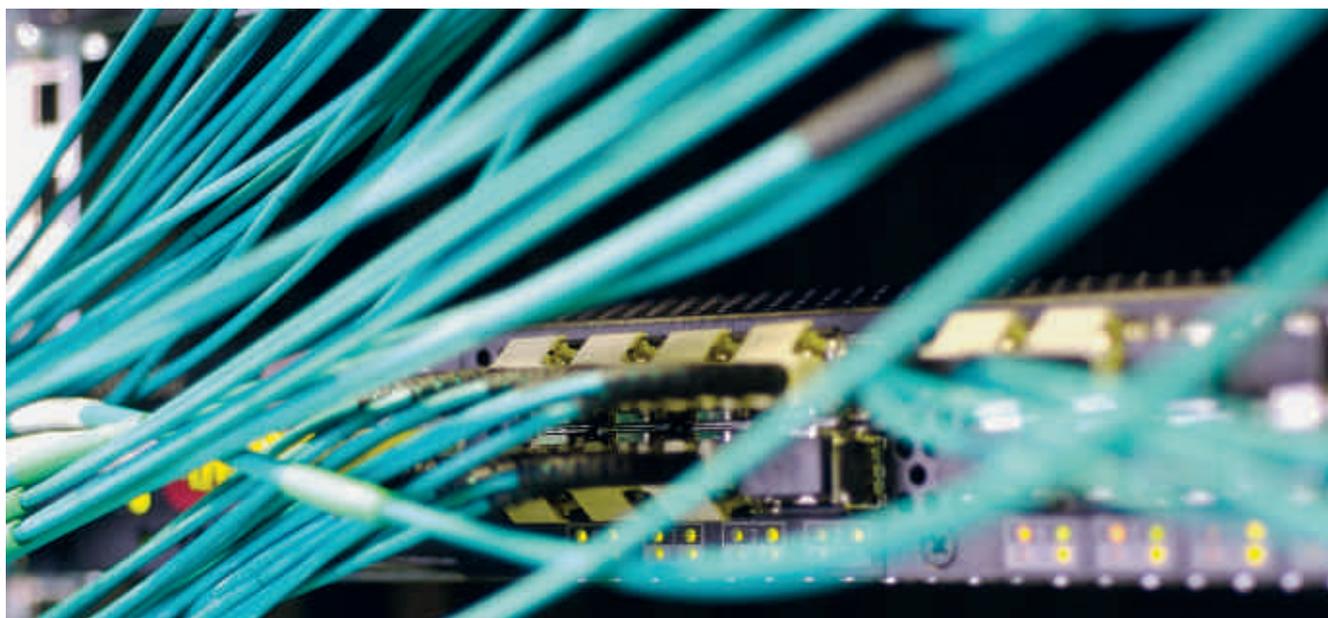
Qualified professionals

The MCCS initiates and supports a variety of staff training activities. It collaborated with the Swissmem vocational training organisation, for example, on the design of a twelve-day course in basic microtechnology, which is held once a year. It also puts on microTalks, a series of scientific lectures held quarterly and attended by between fifty and one hundred people.

Cross-border cooperation in the Basel Trinational Agglomeration

The Trinational Eurodistrict Basel established in January 2007 promotes cross-border cooperation between Germany, France and Switzerland.

In the Basel agglomeration people from Germany, France and Switzerland inhabit a common residential and economic region extending across national borders. Going it alone to resolve issues of regional planning, economic, tourism or educational policy makes no sense for the individual countries in the agglomeration. Close, cross-border cooperation between cities, local governments and regional authorities holds out the promise of greater quality of life and improved competitiveness. Projects for the development of the Basel Trinational Agglomeration have therefore been supported by the Interreg programme since 1997. It is intended that similar projects should also be promoted in future in the Upper Rhine region, especially in the fields of regional planning and urban development, as well as traffic, transport and health.



“We have to take the blinkers off.”

What are your strategies for economic development in canton Obwalden?

We have defined four core areas. Obwalden has plenty of track and field facilities that are used by international athletes, and we are adding to these. We want Obwalden to become a specialist sports region. A second focal point is the Zentralschweiz innovativ programme. This has a large number of sub-projects to promote the regional economy, such as cooperative arrangements between applied research and the private sector. The third mainstay is the continuous expansion of Micro Center Central-Switzerland, which is establishing central Switzerland as a specialist region for micro- and nanotechnology. The fourth core area is tourism.

How are these focal points organised geographically?

We've allocated the core areas to different regions. We are building up the lower Sarnen valley as a business centre, while Melchsee-Frutt, Engelberg and the recreational area in the upper part of the canton are the focus for tourism.

Where do you see the greatest difficulties and opportunities for the implementation of regional policy in your canton?

Obwalden's small size presents great opportunities. Intimacy makes communication easier, but at the same time these very structures act as a brake on our development. We have to take the blinkers off! At the launch of a new multi-canton project, everybody concerned is full of enthusiasm. But to make sure funding is in place after that initial phase, we need long-term partners. Cooperative arrangements – both throughout Switzerland and abroad – are also important.

Regional policy also focuses on the transfer of expertise. What strategies does the canton of Obwalden have in this field?

The Zentralschweiz innovativ programme has enabled us to achieve a certain amount in the field of knowledge transfer in the last few years. I believe there is further potential in Micro Center Central-Switzerland. It already brings together considerable expertise, but we must disseminate this better and make more use of it. The innovation transfer contact point for central Switzerland, which was set up in 1998, has created a lot of movement. Here companies can obtain lots of practical assistance, such as model applications for working capital loans. The contact point is supported by professionals with practical experience, ensuring that the advice given is realistic.

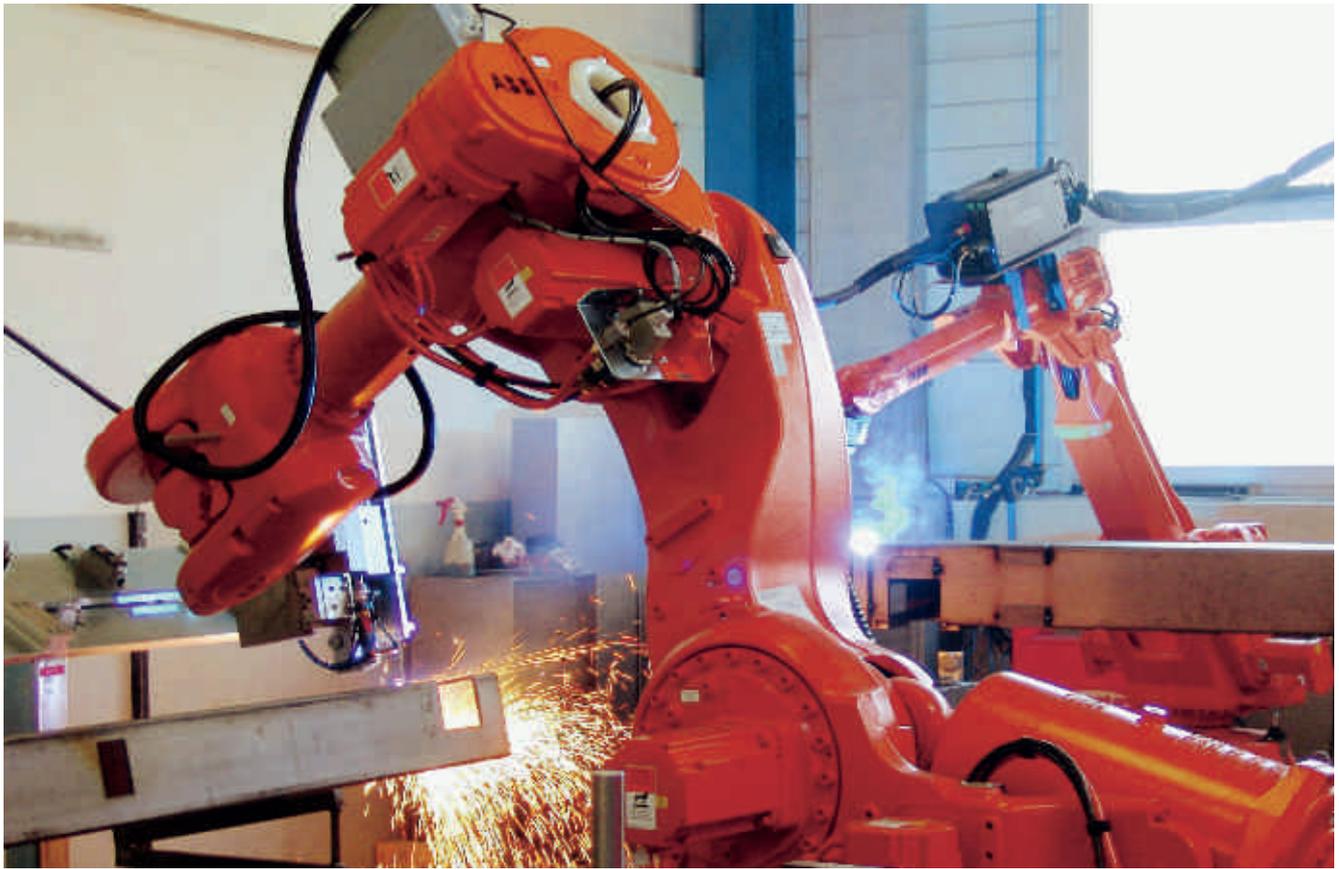


*Niklaus Bleiker,
Cantonal Councillor,
canton Obwalden*

Interregional and international networking

Possible contribution from regional policy to similar projects

Regional policy supports projects that cross borders between regions, cantons and nations. Today even rural companies are in competition with enterprises all over the world. On the other hand, this “smaller” world also presents opportunities to establish new forms of cooperation. Originating in Obwalden, this network now cooperates with scientists throughout the world.



Three economic zones for coordinated development

With its three clearly defined economic zones, the canton of Glarus now has everything it needs for a supraregionally coordinated economic policy. The reorganisation of tasks and territorial structures increases the region's value creation potential.

The canton of Glarus is suffering more than most from structural change. The loss of jobs, in the textile industry particularly, presents the canton with special challenges. In 2002 the canton developed a framework programme oriented towards regional policy, and implemented it as a pilot project. Its objective was to strengthen the regional economy on the basis of a concept straddling both the communes and the regions.

Three economic zones

The division of the canton into three economic zones, each with a clearly defined orientation, has proved to be a most suitable strategy. Under the name LinthLand – Dynamic Business Area, Glarus North now positions itself as an economic zone with a national and international orientation. It is the

joint objective of the communes, economic development bodies and the Linth Technology Centre to improve the marketing of Glarus North – and to coordinate its continued development – as a place to do business. Glarus Central is concentrating on maintaining its current range of industrial goods and services, while Glarus South is focusing on tourism and its strengths as a residential area – though it also wishes to establish small companies as centres of growth. In parallel to this, the town of Glarus acts as a regional centre with strengths in the services field.

Communes to merge by 2011

Launched because of economic considerations, the reorganisation of the canton has triggered processes with broader ramifications. In 2006 the Glarus Landsgemeinde resolved to reduce the number of communes from its former level of 25 to 3. After the merger in 2011 the borders of the new communes will coincide exactly with those of the three economic zones.

“The people showed themselves to be more reform-minded than the politicians gave them credit for.”

What has regional policy achieved in canton Glarus so far?

In the past we used to improve living conditions in this rural region by carrying out work on basic infrastructure, but now we concentrate on strengthening our economic potential. Initial experience with the Glarus pilot project is good. The clear division of the canton into various development zones has created great opportunities. Now all we have to do is exploit them.

How do you mean?

Canton Glarus is on the move. The definition of the three economic development zones, the strengthening of the regional centres, the reform of local authorities – these are complex processes, all of which must be handled in parallel.

How closely do the canton, the communes and the population collaborate?

The initial position in canton Glarus is unusual. The people’s assembly (Landsgemeinde) is a unique mechanism for enabling the population – quite literally – to have its say. Without this it would never have been possible to divide the canton into three communes so quickly. The people showed themselves to be more reform-minded than the politicians gave them credit for. We make every effort to collaborate closely with individual communes on the implementation of the economic development strategy. In the final analysis, they are the ones who have to take the decisions.

Where in the canton of Glarus do you see the greatest economic development opportunities?

The reform of the communes creates good conditions. It generates a lot of savings – money that we can invest in making the canton more attractive. The simplified structures create new development potential. Even today, the canton is heavily industrialised. Our core competencies lie in mechanical engineering, synthetic processing and electronics. Besides that, we want to maintain and increase the appeal of those regions designated as residential. Intelligent tourism projects are an additional opportunity.



*Marianne Dürst,
Cantonal Councillor,
canton Glarus*

Institutions and institutional reforms

Possible contribution from regional policy to similar projects

Institutional barriers can hamper a region’s economic development. Regional policy supports projects that harmonise political structures with residential or economic areas. Regional policy can even help to define or re-organise tasks, though the necessary political decisions are always the province of the communes and the cantons.



Federal agencies pull together

At federal level the agencies most concerned with regional development cooperate closely with one another. This ensures that the various measures taken by them complement each other rather than conflicting.

The federal government engages in a wide range of activities by which rural, mountainous or border regions are affected, either directly or indirectly – activities that extend far beyond regional policy. Programmes in the areas of tourism, agriculture, energy and the timber industry are just a few examples of federal government activity with effects on the development of rural regions. So representatives of regional policy cooperate with other federal agencies whenever it is possible and expedient to do so. This avoids duplication and contradictions, ensures that the agencies complement each other, exploit synergies and increase the effect of individual measures in the regions. There are clear ground rules for all the bodies involved, and cooperation with the various federal agencies is subject to mandatory provisions.

Integrated spatial development

Even if various agencies are involved in the federal government's policy on spatial development, this is presented to its partners in the cantons and regions as a uniform whole. The federal government therefore consistently coordinates regional policy with other, related tasks. Spatial planning is prominent among them.

Looking beyond the garden fence

The involvement of the federal government in European territorial cooperation supports the implementation of projects in large, specially designated cross-border areas such as the Alpine region and North-Western Europe. These focus on current spatial challenges – such as the provision of basic facilities in underpopulated alpine areas, for example.

Partners in Germany, Austria, Italy, Slovenia, France and Switzerland have jointly developed innovative proposals to do just that in the affected regions. In another project partners are investigating the effects of transalpine transit traffic, while in yet another the Twente region in the Netherlands, Lucerne and Uri in central Switzerland and the Western Palatinate region in Germany are looking into the causes and effects of the brain drain – the loss of highly qualified employees.

The bodies involved benefit from working in international teams. Dialogue increases their specialist expertise, and helps to establish the basis of trust that is essential if European territorial cooperation is to continue.

The use and transfer of knowledge

Innovation, properly functioning organisations and prospering companies all need capable managers. Access to knowledge is extraordinarily important to rural, mountainous and border areas. If correctly applied, it promotes growth in the economy. This is not a new idea, but that makes it all the harder to put it into practice in Switzerland's rural, mountainous and border areas. They are often too small to be able to establish the necessary training and research facilities themselves, and to benefit from a direct exchange with universities and colleges. Regional policy is therefore coordinated with programmes and initiatives of the federal government in the fields of education, research and innovation. The government only supports these cooperative arrangements with regional policy funds if rural areas benefit.



More than regional policy: in these fields federal agencies work hand in hand

Tourism

When implementing programmes to promote rural tourism, the federal government takes simultaneous account of regional policy strategies in the cantons and regions. The basis for this is the close collaboration between innotour, the nationwide tourism programme of the State Secretariat for Economic Affairs SECO, and regional policy, with its cantonal orientation.

Agriculture

Low-cost competing produce from abroad is compelling Swiss agriculture to take unpalatable measures, and the reduction of direct payments from the federal government is not making the situation any easier. But these factors also create opportunities. Smallholders in rural and mountainous regions can particularly benefit from repositioning themselves. Agricultural policy needs fallback positions and innovative corporate models, and regional policy is one factor with a role to play.

Energy

All the indications are that energy prices are not going to revert to their 1990s levels in the foreseeable future. This is increasing public interest in renewable energies. Rural areas can benefit from generating and marketing environmentally friendly energy carriers such as hydropower, timber, biomass, solar and wind power. In matters related to energy policy, regional policy bodies work shoulder to shoulder with the Federal Office of Energy (SFOE), the Federal Office for the Environment (FOEN) and the Federal Office for Agriculture (FOAG).

Forest and timber

The objective of the Swiss timber programme of the Federal Office for the Environment (FOEN) is to make better use of Switzerland's forests and to increase timber processing here at home. The federal government has hopes that new, attractive jobs will stem from it. But this will not happen without cooperation between representatives of the Federal Office for the Environment and regional policy.

Countryside and the environment

Following the amendment of the Nature and Cultural Heritage Protection Act, the Federal Office for the Environment now supports nature parks. This term denotes countryside areas that are maintained in a natural state, at the same time permitting new, innovative and environmentally friendly corporate models – such as the development and marketing of regional products under the label of the Parc Jurassien Vaudois in canton Vaud.



Knowledge promotes innovation in the regions

The bodies responsible for regional policy face exacting requirements. The federal government therefore supports them by facilitating networking and the mutual exchange of knowledge. A website provides them with expertise, practical as well as theoretical, and the latest news about regional policy. All this is coordinated by a networking agency that does not form part of the federal administration.

Managing regional development is a complex business. It is no easy matter for cantonal and regional agencies to implement their programmes. Often the most diverse sorts of people sit round the table: the university professor next to the regional secretary, the CEO of a sawmill opposite the director of the local tourism association. Between formulating the first project objective and preparing the final accounts, they have countless hurdles to negotiate – some easy, some daunting. Working out the concept, looking for partners, imposing strict financial control and coping with unforeseen setbacks: this is all part of day-to-day project work. Pillar 3 is support from the federal government for the activity of regional policy agencies.

The national networking agency as conduit

The focal point is a networking agency that does not form part of the federal administration. This agency acts as the link among bodies involved in regional development, encouraging them to take maximum advantage of the support services provided by federal government. It also coordinates existing services.

Advanced training on the latest regional policy questions

The federal government conducts training programmes that continuously increase the quality of its promotional work. These are based on both practical experience and theoretical knowledge. Training focuses principally on local managers, who have a crucial role to play in ensuring that expertise can be passed on and assimilated. It is designed, inter alia, for regional managements and secretariats, specialist agencies of the federal government and the cantons, members of parliament and the executive, members of association, educational and advisory bodies, and academic institutions.

From practice, for practice

Practitioners in working groups consider strategically important topics and general questions of regional policy, ensuring that their findings are quickly adopted in practice. Possible topics include strategies for tourist transport facilities and the prospects for nature-oriented tourism, while others are the effects of global warming on the development of the regions, or analyses of the potential for industrial and commercial start-ups.

Academic institutions network with the world of politics too

Regional policy gives Swiss regional researchers an incentive to work together closely. An active network of individual research institutions facilitates dialogue and creates synergies. The research institutions pursue their own academic interests, but the federal government also commissions specific research assignments. As a result, policy and the persons responsible for implementing it benefit directly from the findings of scientific research at the Federal Institutes of Technology and other universities and colleges.

Information at the click of a mouse

The regional development Internet portal gives all interested parties access to knowledge, both theoretical and practical. The mutual exchange means that all visitors benefit from the expertise of other regions. Looking over other people's shoulders is a valuable exercise: it gives everybody the tools they need to implement development strategies more efficiently in their own regions.



The ground rules of regional policy support

The canton prepares a four-year programme embodying its objectives and strategies for regional policy. On this basis, the federal government and the canton sign a programme agreement specifying how much money the government will contribute to it. The main responsibility for implementing regional policy lies, however, with the canton, which – with assistance from the federal government – decides throughout the implementation period which projects are to be supported.

Step 1: the canton defines an implementation programme

The federal government does not hand out cash to the cantons on the principle of equal shares for all in order to encourage them to take an interest in the objectives of regional policy. On the contrary: no support is forthcoming unless the canton is ready to embrace structural change, and to do so whole-heartedly. It cannot do that without innovative ideas and compelling concepts. The federal government supports a canton if it is clear about its development aims and can come up with innovative ideas. Needless to say, the canton works with the regions concerned on the design of their implementation programme. In addition, the canton considers whether it wishes to engage in cross-border cooperation with neighbouring cantons or other European countries, and incorporates corresponding strategies into its four-year programme.

Step 2: the federal government and the canton conclude a programme agreement

The federal government assesses the application and the quality of the canton's proposed strategy. Both parties sign a joint programme agreement defining objectives, measures, milestones and each party's financial contribution.

Step 3: the canton implements its strategy

During the programme period it is up to the canton to employ the funds made available by the federal government efficiently and effectively. The contractually agreed objectives and milestones are the cornerstones of the collaboration, as are measures to monitor their achievement, annual reporting and discussions. If there is any change in the overall situation, the federal government and the cantons can adjust the contract accordingly. If objectives and milestones are not achieved, the project may be terminated.

How much money is the federal government investing in the multi-year programme 2008–2015?

The federal government pays out an annual average of CHF 40 million in non-repayable grants. It also provides about CHF 50 million in repayable loans. The cantons spend at least as much as the federal government on implementing their programmes. In most cases project sponsors also contribute to the costs themselves.

Does the federal government support the implementation of strategies promoting residential locations?

The federal government only supports projects that strengthen the region as a business location. From the viewpoint of individual regions and cantons, implementing strategies promoting residential locations may well make sense – but they do not qualify for funding under the regional policy of the federal government.

Does the regional policy support individual businesses?

It is not possible for regional policy to provide support for individual companies. Regional policy supports fundamental work (in the pre-competitive phase) and projects benefiting a number of businesses, sectors or supply chains.



What a project must achieve:

Material requirements	Reason
The project conforms with the strategic focal points of the cantons' overriding development strategy.	The federal government is opposed to any "equal shares for all" policy. Projects must comply with the canton's development strategy as approved by the federal government. This restriction ensures that the funds are employed to the maximum possible effect.
The project promotes the export of goods and services from the region, the canton or Switzerland.	Companies, organisations and institutions that export products and services at a profit determine a region's prosperity and development potential. They are also a driving force for the purely regional economy.
The project is innovative.	Innovation means doing new things or doing familiar things differently. Innovation is the driver of economic growth. Innovation is not confined to companies or particular technologies. It is also possible in the institutional environment, and in every phase of a process.
The project meets the latest environmental and social standards.	Regional economic growth is at its most sustainable if it is not generated at the expense of the environment or individual sections of the population.

Methodological requirements	Reason
The promotional phase is followed by one in which the project is independent of the federal government.	One regional policy objective is that regions should be market-oriented.
The project is of a reasonable size for the region.	As the federal government's resources are limited, they are concentrated on good, important projects.
As many commercial bodies as possible in a region benefit from the project.	The objective of regional policy is to improve the qualities of a location as a whole, not to benefit selected companies. When as many bodies as possible benefit from a project, it gives rise to continuing commercial impetus on both the supply and the demand side (the multiplier effect).
Regional business is financially involved in the project.	Private co-funding is generally the best way to demonstrate the acceptance of a project in the region. Furthermore a project can only exist in the long term if it is funded by private sponsors.
The project supports worthwhile reforms.	The quality of an economic location depends on modern, flexible public structures. These are often the result of reforms.

Spatial requirements	Reason
The project is not oriented towards institutionalised areas as they appear on maps, but towards actual economic areas – the so-called "functionally coherent areas".	The borders that are shown on maps often have little to do with the actual commercial territories of regional companies. In these cases it makes sense to overcome these borders by means of cooperative arrangements.

The last few years have brought major changes to Switzerland's general economic situation. Mountainous and rural regions often find it harder to cope with this structural change than the stronger central areas. The federal government's regional policy is designed to help rural, mountainous and border areas to implement their development programmes. Control lies with the cantons, who work with the regions affected to develop strategies to strengthen their economies.

State Secretariat for Economic Affairs SECO
Regional and Spatial Planning Policy
Effingerstrasse 27
3003 Bern
T +41 (0)31 322 28 73
F +41 (0)31 322 27 68
www.seco.admin.ch

Federal Office for Spatial Development ARE
Mühlestrasse 2
3063 Ittigen Bern
Postal address: 3003 Bern
T +41 (0)31 322 40 60
F +41 (0)31 322 78 69
www.are.admin.ch