



1. Studying globalization and democracy by budget discussions



2. Democracy

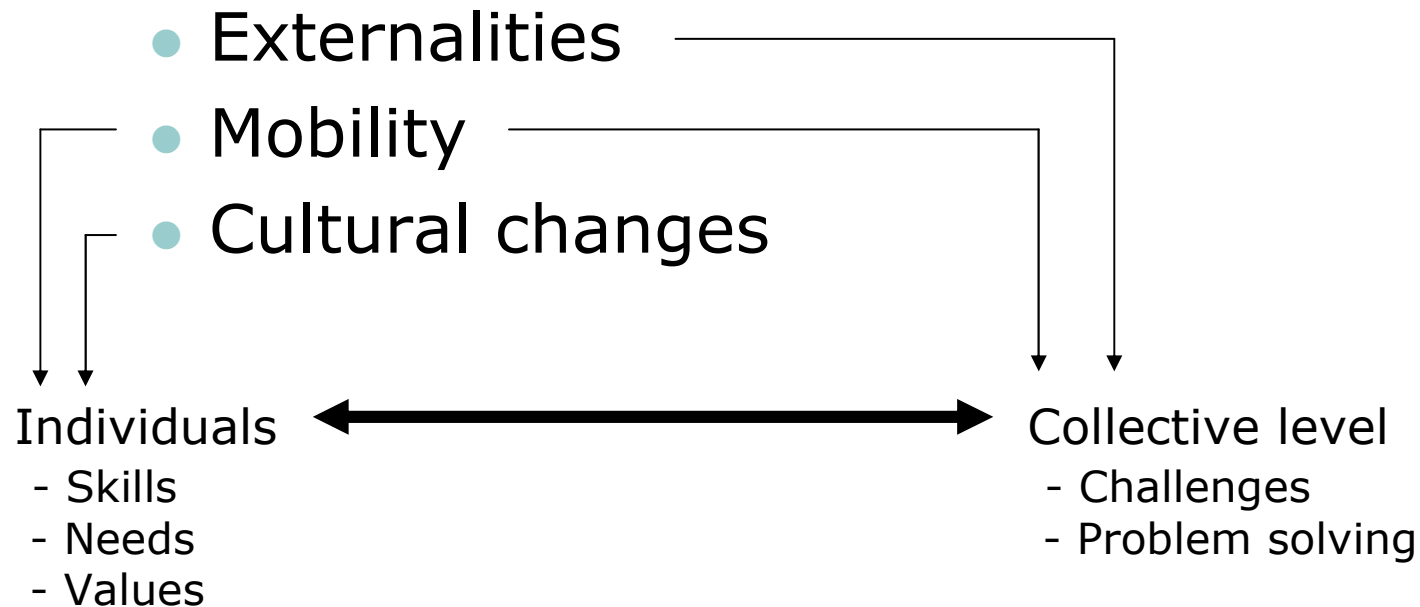
- Linking individuals to common action and common problem solving





3. Globalization

- The processes whereby societies become interconnected





4. Regions in the North, examples

- Canada: Nova Scotia
 - Resource industry declining, population decline, hope for tourism, but modest expectations
- Russia: Murmansk region
 - Mining industry declining, regional migration to city centers, Trying to develop a more pluralistic economy
- Norway: Vesterålen
 - Decline in population, regional migration, heavy changes in infrastructure, trying to attract more people, hoping for future oil industry



5. Some traditions for studying budgets

- "Does politics matter?"
- "How to make public spending smarter?"
- "Why do budgets change so slowly?"
- Here - Budget as a planning activity!

6. Vesterålen

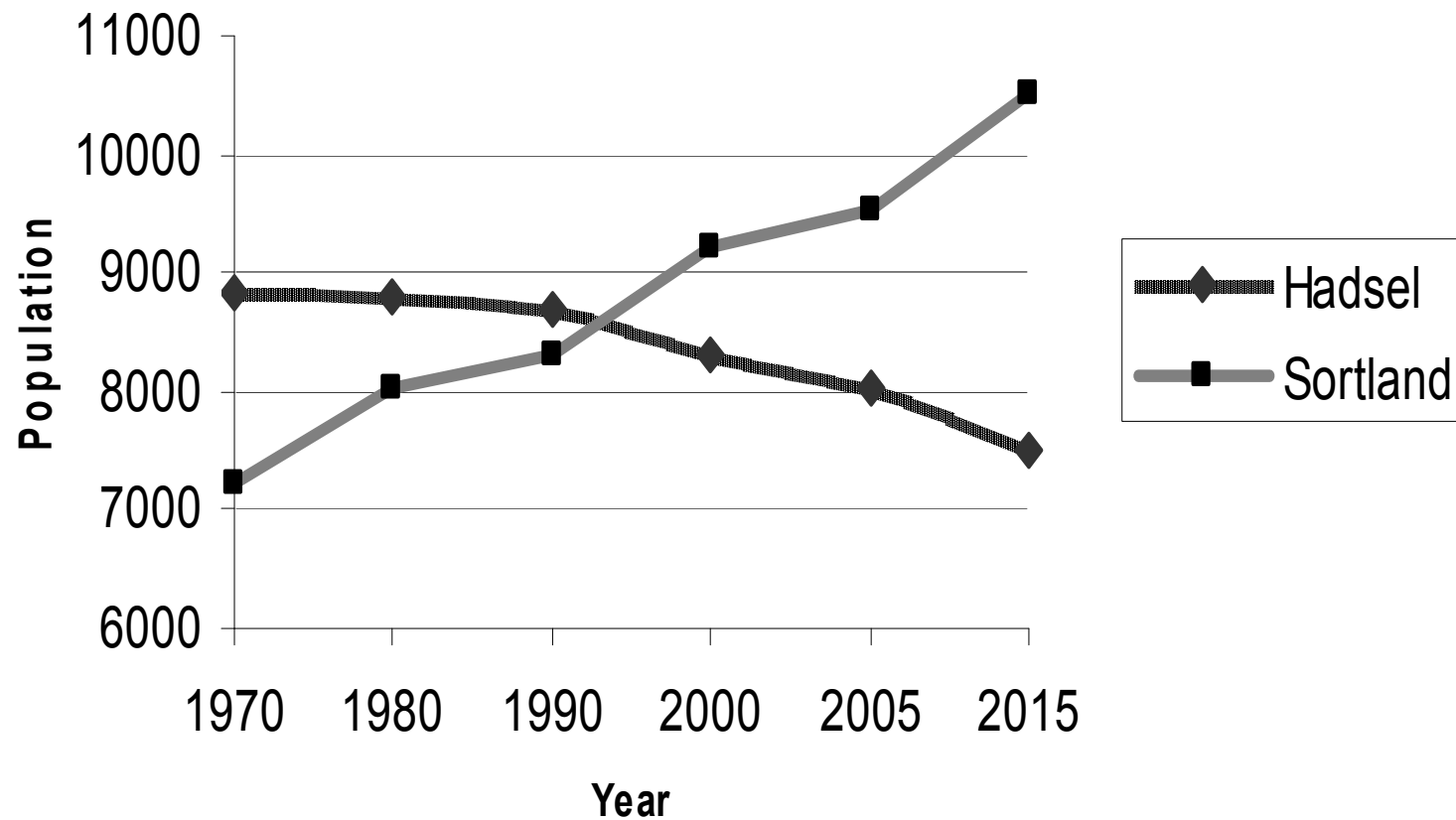


**Municipality
of Hadsel**



**Municipality
of Sortland**

7. Overall challenge to both Hadsel and Sortland



8. Transforming coping strategies into public spending? I



Administrative preparations



Proposal from administrative chief executive



Discussion and decision in "Formannskap" (Steering committee)



Final discussion and decision in Council



Implementation

May-Sept.

Oct-Nov

November

December

Jan-Dec



9. The paradox of budgeting

- Norwegian municipalities are responsible for any problem/challenge facing their communities
- Budget is the main local decision process in a political year
- Norwegian municipalities have much resources
 - major employer in many municipalities
 - Large budgets
- Still: Budget appears to be rather unimportant!



10. Some possible explanations: The welfare argument!

- Most resources are tied by "automatic" welfare functions
 - Pro: Hadsel and Sortland:
 - Education, health and social > 70%
 - Contra: Good welfare is important to attract new citizens, and thereby reduce population loss!



11. Some possible explanations: The multi-level argument

- Some important resources for problem solving is governed by some other public agencies
 - Pro: Hospital, airport, higher education are all governed by the state
 - Contra: Still responsibility for planning activity, coordination, etc.



12. Challenge for policy making

- Linking welfare service to community development
- Multilevel collaboration (Municipality-Counties-State)
- Multi-sector collaboration (Public-Market-Civil)
 - Creativity
 - Organizational flexibility