

*Åsa-Karin Engstrand*

# The Road Once Taken

Transformation of Labour Markets, Politics, and Place Promotion  
in Two Swedish Cities, Karlskrona and Uddevalla 1930–2000



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## **ARBETSLIV I OMVANDLING WORK LIFE IN TRANSITION**

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## **The Road Not Taken**

Two roads diverged in a yellow wood  
And sorry I could not travel both  
And be one traveler, long I stood  
And looked down one as far as I could  
To where it bent in the undergrowth;  
Then took the other, as just as fair,  
And having perhaps the better claim,  
Because it was grassy and wanted wear;  
Though as for that the passing there  
Had worn them really about the same.

And both that morning equally lay  
In leaves no step had trodden black.  
Oh, I kept the first for another day!  
Yet knowing how way leads on to way,  
I doubted if I should ever come back  
I shall be telling this with a sigh  
Somewhere ages and ages hence:  
Two roads diverged in a wood, and I-  
I took the one less traveled by,  
And that has made all the difference.

Robert Frost (1874-1963)



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Stockholm December 2002

*Åsa-Karin Engstrand*

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# I

## The Road Once Taken

### Introduction

How will we know it is us without our past?  
David Lowenthal (1985, p. 43)

RECENTLY, the Karlskrona region in Sweden has attracted attention due to its public-private partnership project Telecom City. Telecom City is a membership organisation including companies within information technology and telecommunications as well as the university college and the municipality's economic development office. In 2001, Nutek [the Swedish Business Development Agency] published the report *Innovative Clusters in Sweden*, bringing forward Telecom City as a successful example of a telecom cluster. This cluster policy is a part of the government's increased focus on regional and local partnerships for growth. The emphasis on local partnership reflects the government's changed view of its role in the politics of local growth. This policy change has been observed in other European countries since the beginning of the 1980s.<sup>1</sup>

Nutek argues that, since the 1990s, the Karlskrona region has created over 3000 new IT-jobs. Furthermore they claim that 20 per cent of the workforce is employed in IT-companies and that the university can take up to 2000 students in IT-areas.<sup>2</sup>

Already in the 1990s we could read in national daily newspapers and business magazines about the 'success' of Telecom City. One journal reported that 'in five years the Blekinge region got 3000 new IT jobs.'<sup>3</sup> In 1999 *Computer Sweden* also reported that 3000 new jobs within IT and telecom had been created in five years.<sup>4</sup> The business magazine *Affärsvärlden* argued that the number of employees within IT and telecom had increased with 400 per cent to 5000 during the last ten years.<sup>5</sup> The daily newspaper *Dagens Nyheter* argued that there were now 5000 employees within

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<sup>1</sup> Elisabeth ter Borg and Gerhan Dijkink 1995. Naturalising Choices and Neutralising Voices? Discourse on Urban Development in Two Cities. In *Regional Policy* 32 (1) p. 49. Karlskrona is situated in south-east Sweden.

<sup>2</sup> Nutek 2001. *Innovative Clusters in Sweden*, pp. 33-34. Nutek was established in 1991 when the Government's Energy Department, the Government's Department of Industry and the Board for Technology Development were united. In 1998 the energy issues were transferred to the Swedish Energy Agency. In 2001 the activities concerning technological research and development were transferred to Vinnova [The Swedish Agency for Innovation Systems] and the industrial policy issues were transferred to Institutet för tillväxtpolitiska studier [The Swedish Institute for Growth Policy Studies]. Nutek belongs under the Ministry of Industry, Employment, and Communications.

<sup>3</sup> *Akademiker* no.4 1999.

<sup>4</sup> *Computer Sweden* 10 February 1999.

<sup>5</sup> *Affärsvärlden* 13 January 1999.

IT and telecom in the region.<sup>1</sup> The party leader of the Centre Party visiting Karlskrona argued that 'we have much to learn from the story of Karlskrona's journey from crisis city to Sweden's answer to Silicon Valley'.<sup>2</sup> A former local government commissioner called the transition from the old times 'a fantastic journey' and he argued that many people call it a 'fairytale'.<sup>3</sup>

I argue, however, that the employment creation in Telecom City is exaggerated and that the success story of Telecom City rather is a successful promotion story. The newspapers and business magazines caught on to the municipality's promotion and then the government's agency followed. First, the description of the background of Telecom City is history-less and disregards for example the history of the electronics industry in Karlskrona. Since 1965 the electronics industry has employed the same share of the totally industrially employed as the shipyard industry. Second, previous descriptions of the development also neglect the importance of the government's regional policy, for example the location of mobile net operator Europolitan. Third, the importance of the other diversified industrial structure in Karlskrona is overlooked. If Karlskrona had not had several different industries supplementing each other, today's diversified labour market had not been possible.

Telecom City is an example of place promotion, an international well-known feature, which has existed in Sweden at least since the 1930s. In an international context this particular part of local economic policy can be traced even further back in time. In this thesis three important parts, the economic history, the local economic policy, and the central regional policy, become even more interesting when we compare with another Swedish municipality, Uddevalla. Uddevalla is not getting the same attention and is not perceived as a success. In addition, we can see that in Uddevalla as well place promotion and local economic development policies have been present throughout history. When Uddevalla shipyard closed down in the middle of the 1980s, the Uddevalla commission<sup>4</sup> carried out extensive place promotion to attract companies to the city.<sup>5</sup>

During the 1990s, the municipality promoted Uddevalla as 'Uddevalla-kuststaden' [the Coastal City]. Percy Barnevik, president of the ABB board, testified that Uddevalla 'was on the right track'. Three features were put forward: education, nature and politics. The Minister of Industry also expressed positive remarks. Furthermore, it was emphasised that 'external accidents had happened to Uddevalla, which they had not been able to control'. In addition, it was also emphasised that

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<sup>1</sup> *Dagens Nyheter* 29 May 2000.

<sup>2</sup> *Computer Sweden* 4 September 2000.

<sup>3</sup> Interview with a former local government commissioner in Karlskrona, 21 June 1999.

<sup>4</sup> A commission appointed by the government to administrate the Uddevalla support package. Comprised of the County administrative Board, Uddevalla municipality, Lysekil municipality, the County Labour Board, the County Council, the Chamber of Commerce, the Development fund, Svenska Varv (The state-owned company), the management and the union at the shipyard.

<sup>5</sup> See for example the advertisement 'Silicon Uddevälley' in *Dagens Industri* 21 January 1986. Uddevalla is situated on the West Coast, north of Göteborg.

the people in the Bohus County was 'a tough breed'. Uddevalla also had the most expansive University College. Five reasons for locating in Uddevalla were the geographical position, the company climate, the political will, competence, and the living environment.<sup>1</sup> On the surface there were similarities between the cities. They had experienced heavy restructuring in manufacturing, they had carried out place promotion, and they had been dependent on the shipyard industry. However, when comparing industrial performance and figures on employment it turned out that Karlskrona had a much more diverse industrial structure than Uddevalla. In addition, the electronics industry was large in Karlskrona. Thus, the reasons for Karlskrona's better performance in industry and service employment should be explained by the historical background, the city's path-dependence, and should not be explained by the establishment of Telecom City.

Place promotion seems to be more active during economically disturbed times. Furthermore, the Swedish government's industrial and regional policy plays an important role. From the 1980s the government's regional policy has become increasingly focused on local activities. One purpose today is to strengthen the regions' already existing advantages or prerequisites. Thus, regional growth agreements should be implemented and the regions are expected to work out their own tailored solutions to the problems. In 1998 a government bill proposed that agreements for regional growth should be drawn up, for the purpose of improving co-ordination between the local and regional agents responsible for growth and employment programmes. The county administrative boards and the regional self-governing bodies were invited to prepare the agreements in close collaboration with other parties, such as representatives of business, chambers of commerce, municipalities and county councils.<sup>2</sup>

In this context attitudes towards co-operation and creativity have been emphasised as important. Naturally, the focus in research and in media on the competitiveness of for example Silicon Valley, Emilia Romagna, Baden-Württemberg, and Gnosjö has played a significant role in this policy view.<sup>3</sup> Implicitly, a region's competitiveness is seen as its ability to make use of its 'social capital'. Today, the Swedish industrial policy is influenced by the cluster and innovation systems approach. In this approach a focus on certain growth industries is important as well as social relations in clusters.<sup>4</sup> The focus on cluster from a relational perspective ignores, however, the fact that social relations can be inhibiting as well as developing. Besides, as others have noted, one danger of a policy based too narrowly on encouraging cluster development lies in the self-reinforcing nature of a complex of

---

<sup>1</sup> Bilaga [supplement] to *Headhunter* no 35 1993.

<sup>2</sup> *Regional growth for jobs and welfare*. Summary of Government Bill 1997/98: no. 62, p. 20.

<sup>3</sup> Nutek 1999 (a). *Svenskt näringsliv och näringspolitik*, p.12. For the research agenda, see section Theory and Previous Research.

<sup>4</sup> The establishment of Vinnova [the Swedish Agency for Innovation Systems] is an example of the innovation systems approach.

like firms. The sense of self-satisfaction and self-administered evaluation of the basis for success can lead to rigidity.<sup>1</sup>

In this thesis I present the relationship between local economic development, conceptions about the development, and political practice from 1930 to 2000. We need historical and interdisciplinary perspectives to fully comprehend today's central and local politics in the arena of local economic development.

## The Problem

The political outlook and the current research agenda disregard 'the big picture', for example the historical context. Cities have distinctive characteristics and histories, and are differently situated within the larger political economy. Many regions in Sweden are 'path dependent' when it comes to the business structure and thus face less advantageous future prospects. The main source of income and the main employer for people have, for some regions, changed following the so-called 'third industrial revolution'.<sup>2</sup> Traditional industries have become marginalized or rationalised and new firms have been created. Thus, to focus on clusters and specialisation as the only way to create growth can be problematic. It is also important to understand the time and place specific character of economic development. Therefore a historical-comparative perspective, in this case Karlskrona and Uddevalla, best illustrates the above arguments.

Another aspect is that social relations, which are seen as a precondition for a prosperous development, also can be obstacles. The concept of 'embeddedness' defines social relations between different groups in society. It can be exemplified by co-operation between business and politics or between employers and unions. Thus, strong embeddedness, or social capital, which perhaps was a key factor for the previous development, can in another time be looked upon as 'inertia' or a lock-in factor. Thus, the social aspect is important, but needs to be problematised.

A third problem in this context is the discourses of economic development, that is dominant sets of statements and expressions. The way people perceive a region's economic performance is important for the politics that are being pursued. Thus, views of the past have repercussions on perceptions of today. Myths and constructions are created to suit present purposes for politics and business alike. One intention with this thesis is to show how discourses of economic development can come about. It is important to understand the history of discourses to accomplish change.

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<sup>1</sup> Bennett Harrison 1997. Response: Why Business Alone Won't Redevelop the Inner City: A Friendly Critique of Michael Porter's Approach to Urban Revitalization. In *Economic Development Quarterly* 11 (1) p. 35.

<sup>2</sup> Lars Magnusson 1999. *Den tredje industriella revolutionen*. The first industrial revolution is the industrial upswing from the end of the 18th century following the introduction of the factory system and new production and sales methods. New power (steam) and new machinery were also important parts. The second industrial revolution is associated with mass production (Magnusson pp. 19-20).

## Purpose and Questions

The thesis's overall purpose is to describe and explain the relationship between the economic transformation of labour markets, local politics, and discourses about the this transformation in Karlskrona and Uddevalla between 1930 and 2000.

More specifically the purpose is to answer the following questions: How did the economic structure change in the two cities? How were discourses about the economic development constructed during different periods? These discourses do not only apply to the local level but to the central level as well, as will be exemplified by debates in the Riksdag and in newspapers. The discourse on local mobilisation, which began in the 1980s, is one example of such a discourse. Another example of a discourse is the common views concerning the shipyard support in Uddevalla. The government's regional policy is also analysed in terms of discourses. The third question to be answered is: How did economic conditions and discourses affect political practices in the cities? An example of political practice is the co-operation between business and politics in Uddevalla following the shipyard establishment. Political strategies have also involved marketing activities to attract business and to change local views. The government's specific measures are also analysed, for example the location of specific companies to Karlskrona and Uddevalla, the closing-down of Uddevalla shipyard and support packages.

The reasons for choosing the period 1930-2000 are threefold. First, we need a long-term perspective to fully comprehend today's economic situation. Second, in the 1930s local governments began to pay attention to place promotion activities. Furthermore, we will see the relation between the economic situation and place promotion since both the 1930s and the 1990s can be characterised as economically disturbed times.

## Theory and Previous Research

The following section provides an outline of research and theories on regional/local economic development and displays how the regional or local perspective is implemented in different disciplines. Often, research on industry location or regional development has formed and is forming today the basis for political decisions; this is especially the case concerning economic geography. Previous research on Karlskrona and Uddevalla is also presented here. Research on regional economic development is characterised by influences from various disciplines such as economics, economic geography, history, political science, business administration and sociology. The section is divided into four different areas, path-dependence, local/regional perspectives, cognitive embeddedness, and political embeddedness.

### Path-dependence

The concept of 'path dependency' developed as a radical critique against the neo-classical paradigm. If transaction cost economics has stressed that different governance structures function as optimal responses to co-ordination problems, advocates for path dependency argue that lock-in effects and sub-optimal behaviour may persist. Thus, history serves to explain these deficiencies. Among the most famous arguments we find the suggestion that minor historical events may affect development into a particular path, which not always has to be most optimal.<sup>1</sup>

Krugman emphasises that path dependence is unmistakable in economic geography. As an example he discusses how the initial advantage of the manufacturing belt in the U.S. was locked in.<sup>2</sup> Also Martin asserts that it is at the regional and local levels that the effects of institutional path-dependence are particularly significant. Institutions are important 'carriers' of local economic histories. Different specific institutional regimes develop in different places and these interact with local economic activity in a mutually reinforcing way. Institutional-economic path dependence is itself place-dependent.<sup>3</sup> Karlskrona's industrial structure of today consists among others of the old shipyard telecommunications industries. New companies have developed from the previous electronics industry and new companies have also located their activities to the city due to the already existing business structure. In Uddevalla the shipyard foundation yielded a large number of jobs and an increased population but the company hit upon financial predicaments already in the 1950s. The institutional response was to support the shipyard to save employment, and this support continued during recurrent crises.

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<sup>1</sup> Lars Magnusson and Jan Ottosson 1997. Introduction. In Lars Magnusson and Jan Ottosson (eds) *Evolutionary Economics and Path-dependence*, p.2.

<sup>2</sup> Paul Krugman 1991. History and Industry Location: The Case of the Manufacturing Belt. In *American Economic Review* 81 (2) pp. 80-84.

<sup>3</sup> Ron Martin 2000. Institutional Approaches in Economic Geography. In Eric Sheppard and Trevor J. Barnes (eds) *A Companion to Economic Geography*, p. 80.



It seems somewhat disheartening that the breakthrough of history in explaining local economic development has come when economists have paid attention to it. But it is also a reminder of that historians have not been able to explain why history is important and in what way from a contemporary viewpoint.

The debate on location and regional policy shows a remarkable consistency in a long-term perspective. Despite the economic changes taken place during the last seventy years, we can recognise both a similar line of thinking and type of politics over time. Therefore, we need a combination of long-term and short-term perspectives. Within the long-term perspective it is important to discuss what might be continuity and change. In the thesis the long-term perspective is the whole period of 1930-2000. Within this period we find continuity in industry (for example, the same type of industry), continuity in politics (local place promotion over the years from the 1940s to the 1990s) and continuity in the discourse as well (for example, views of the government's role). The change is represented by the transformation of the economic structure in both cities (for example, fewer people employed in the manufacturing industry), but also in the discourses in Karlskrona ('we can manage on our own'). The short-term perspective deals with contemporary important events, such as the establishment of a local office for economic development in Karlskrona, the establishment of Ericsson, the establishment and the closing-down of the shipyard in Uddevalla.

### **Local/Regional Perspectives**

In economic history, focusing on the region as an analytical unit has been a way of limiting the study's scope. This applies to the study of, for example, the growth of a national industrialisation course or the rise of national markets, but it has also been used as a comparative and theoretical concept. Research on proto-industrialisation has to a large extent contributed to a more varied spatial apprehension. Pollard argued in 1980 that industrialisation was a regional phenomenon, going back to an old division of labour between mining, agriculture and trade. Mendel's theory on proto-industrialisation suggests that a regional division of labour is the basis for early industrialisation. Aronsson argues that a focus on different regional developments can provide the basis for a discussion on how different industries, their structure and the social relations they carry, create regions in interaction with political and cultural aspects. When a transformation of the economy takes place the new regions cover the old ones.<sup>1</sup>

Traditionally, research on local policy has had a prominent position; it has been a central theme in monographs on municipalities. Studies on local politics are more common for earlier but not in later periods.<sup>2</sup> In connection with Karlskrona's 300th

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<sup>1</sup> Peter Aronsson 1995. *Regionernas roll i Sveriges historia*, pp. 110-111.

<sup>2</sup> Lars Nilsson and Kjell Östberg 1995. Inledning. In Lars Nilsson and Kjell Östberg (eds) *Kommunerna och lokalpolitiken: Rapport från en konferens om modern lokalpolitisk historia*, p. 5.

anniversary e.g. the local folklore association published a monograph. The historian Martin Åberg has written about Uddevalla.<sup>1</sup> He combines a theoretical and empirical perspective, which is unusual in traditional town monographs. Åberg emphasises that Uddevalla has been characterised by local crises and these crises have affected the 'local identity'. It is however unclear how this has been analysed empirically.

Economic geography has traditionally affected the design of location/regional policies. The traditional perspective with regard to what factors determine business location is that of cost reduction. The classical Weberian location theory was based on the assumption that the optimal location for an economic business is where the accumulated production costs, including transports, are lowest. Thus, in this theory three factors determine the location: production costs, transport costs and the local market size.<sup>2</sup> In 1933 Walter Christaller introduced the theory on 'zentralen Orte'. In 1935, the Swedish economist Palander, published a thesis on location theory, which counts as one of the classics within location theory in Sweden.<sup>3</sup> The models of economic science have been used in regional policy, although with some lagging behind. During the 1950s and 1960s, for example, the importance of transport costs was emphasised. During the 1960s and the 1970s Christaller's theory on 'zentralen Orte' became important in Swedish regional policy.<sup>4</sup> In the beginning of the 1970s the growth pole model dominated. Subsidies and infrastructure investment were common elements, focusing on a pole or city within a designated region, thereby hoping to generate growth. The growth pole model was most pronounced in for example Canada, the USSR, the Italian Mezzogiorno and France. A Swedish example is the Fyrstad region<sup>5</sup>, which was brought to the fore in connection with the government decision in 1970 to locate the refinery Scanraff in Brofjorden in the Lysekil municipality. The government stated that the Fyrstad model was intended to promote a development of a co-ordinated industrial region and labour market.<sup>6</sup>

Today, scholars emphasise innovation ability rather than cost efficiency, and these innovations take place in interplay in industrial systems. Geographers emphasise that proximity is important in this interplay and that local knowledge is more important than raw materials.<sup>7</sup> There are a number of concepts within the theory of industrial systems: innovation systems, technological systems, clusters, development

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<sup>1</sup> Agnes Wirén 1986. *Karlskrona 300 år. En återblick i ord och bild*. Martin Åberg 1997. *Uddevalla stads historia*.

<sup>2</sup> Alfred Weber 1909. *Theory of the location of industries*, cited in Anders Malmberg 2001. Lokala miljöer för industriell innovations- och utvecklingskraft. In Eskil Ekstedt (ed.) *Kunskap och handling för företagande och regional utveckling*, p. 20.

<sup>3</sup> Walter Christaller 1933. *Die Zentralen Orte in Süddeutschland*. Tord Palander 1935. *Beiträge zur Standortsteorie*.

<sup>4</sup> See Government Bill 1972: No. 111 and SOU 1974: No. 1 *Orter i regional samverkan*.

<sup>5</sup> Comprising Uddevalla, Trollhättan, Vänersborg and Lysekil.

<sup>6</sup> Ds 1988: No. 42. *Utredning om utbyggd högskoleutbildning: Delbetänkande rörande Fyrstadsregionen*, p. 24.

<sup>7</sup> Anders Malmberg 2001. Lokala miljöer för industriell innovations- och utvecklingskraft. In Eskil Ekstedt (ed.) *Kunskap och handling för företagande och regional utveckling*, p. 24.

blocs, competence blocs, networks, and agglomerations. As I mentioned in the beginning of this chapter, these new theories have also caught politicians' interests. Today, Swedish regional policy is influenced by the innovation systems approach, but also decisive is how factors in the 'milieu', such as social capital, contribute to economic growth.

Previous research on Uddevalla includes three geographical studies. Lars Nordström has analysed the effects of the Uddevalla support package and concludes that the closing-down turned out better than expected.<sup>1</sup> Donald Storrie, however, argues that the package failed to become an industrial political success, mainly due to the investment company Uddevalla Invest's short history and the Volvo closing-down. This does not, however, mean that the employment effects were unfavourable. The latter can, however, rather be ascribed to a generally good labour market at the time.<sup>2</sup> Göran Hallin compares the closures of the shipyards in Sunderland and Uddevalla and shows how different local and central institutions formed their strategies regarding the redevelopment of the two localities. He argues that local economic restructuring is the result of a social regulation of development strategies. The emphasis is on how the institutions involved have reasoned and how this reasoning has influenced the formation of their respective strategies.<sup>3</sup> In a way Hallin's study can be compared with my approach. My study is, however, a comparative and larger study of Uddevalla's business and politics, and focuses also on the historical efforts to support the shipyard and on what occurred afterwards, both in terms of the economic structure and in terms of embeddedness. Other studies of Uddevalla include Kajsa Ellegård et al., who were involved in the planning of the Volvo factory, and Åke Sandberg, who analysed its closing-down.<sup>4</sup>

Some geographers talk about 'a crisis of Fordism', which has been paralleled by a significant geographical re-ordering of economic processes and regulatory practices. The overall pattern has become a 'glocalisation'. Swyngedouw discerns two aspects of the concept: glocalisation of governance and glocalisation of the economy. Glocalisation of governance refers to decentralisation patterns of different kinds: for example the regulation of capital/labour relations from national collective bargaining to localised or individualised forms.<sup>5</sup> A further example is that local institutional and regulatory forms replace other forms of governmental intervention. Thus local or regional forms of governance are emphasised where public/private

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<sup>1</sup> Lars Nordström 1988. *Uddevallas förändring: En kommun i kris eller framgång*, p. 83.

<sup>2</sup> Donald Storrie 1993. *The Anatomy of a Large Swedish Plant Closure*, pp. 162-163.

<sup>3</sup> Göran Hallin 1995. *Struggle over Strategy: States, Localities and Economic Restructuring in Sunderland and Uddevalla*.

<sup>4</sup> Kajsa Ellegård, Tomas Engström, and Lennart Nilsson 1991. *Reforming Industrial Work: Principles and Realities in the Planning of Volvo's Car Assembly Plant in Uddevalla*, Åke Sandberg 1994. 'Volvoism' at the end of the road?, see also Christian Berggren 1992. *The Volvo Experience: Alternatives to Lean Production in the Swedish Auto Industry*.

<sup>5</sup> Eric Swyngedouw 2000. The Marxian Alternative: Historical-Geographical Materialism and the Political Economy of Capitalism. In Eric Sheppard and Trevor J. Barnes (eds) *A Companion to Economic Geography*, p. 52.

partnerships shape the entrepreneurial practice and ideology needed to successfully engage in an intensified process of inter-urban competition. Both these phenomena can be discerned in Sweden and the latter is exemplified in this thesis.<sup>1</sup> Globalisation of the economy refers to the resurgence of local/regional networks, which cooperate locally but compete globally. Here the concepts of 'learning regions', 'innovative regions' etc. fit in.<sup>2</sup>

Webb and Collis argue that the 'new regionalism' consists of a supposed transition from Fordism to post-Fordism: flexible specialisation encourages spatial clustering and integration at the regional level. The nation state is coming to an end: it is too small to deal with capitalism as a global system and too large to respond effectively to the rapid changes taking place at the local level. Therefore it has been forced to devolve more and more of its powers to supranational bodies above it and sub national bodies below it.<sup>3</sup> This can be exemplified by the change in Swedish regional policy. Webb and Collis further argue that the explanation of the re-emergence of the region is often presented as pairings of bad/then and good/now practises.<sup>4</sup> The promotion in Karlskrona consists of just these kinds of practices.

But what exactly is a region? Henning and Liljenäs assert that the region has come into focus due to the formation of the European Union. As a consequence we have a regional competition within the country as well as between regions in Europe.<sup>5</sup> Anssi Paasi sees the institutionalisation of regions as a process in four steps: demarcation of a territory, creation of a regional identity, adaptation of the institutions to the new regions, and creation of a functional region by stimulating the enlargement of communications, culture, education and research.<sup>6</sup> The region to Paasi is thus a construction.

A problem here is that what constitutes an administrative region does not have to correspond to what is perceived as a mental region.<sup>7</sup> Thus, administrative regions can suffer from internal tensions, which might affect collaborations and so on. There can also be a difference between types of businesses within a region. I would for instance argue that many discourses about the unfavourable development in Karlskrona have been connected to what goes on in the Blekinge County. The local and the regional do not have to correspond at all in this respect. Instead, it seems more appropriate to talk about western and eastern Blekinge. In the section Definitions I will return to the application of the region concept.

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<sup>1</sup> See also Christer Thörnqvist 1998. The Swedish Discourse on Decentralisation of Labour Relations. In Daniel Fleming et al. *Global Redefining of Working Life*, p. 267.

<sup>2</sup> Swyngedouw (2000) p. 53.

<sup>3</sup> Darren Webb and Clive Collis 2000. Regional Development Agencies and the 'New Regionalism' in England. In *Regional Studies* (34) 9, p. 858.

<sup>4</sup> Webb and Collis (2000) p. 861.

<sup>5</sup> Roger Henning and Ingrid Liljenäs 1994. *Regionens renässans*. p. 5.

<sup>6</sup> Henning and Liljenäs (1994) p. 7.

<sup>7</sup> For Blekinge see for example Peter Stevrin and Åke Uhlin 1996. *Tillit, kultur och regional utveckling: Aspekter på Blekinge som mentalt kulturlandskap*.

The history of regional policy also goes back longer than traditionally asserted (post-war). During the 18<sup>th</sup> century's mercantilism, manufacturers were subsidised, agriculture was modernised and the county governors' five-year-reports to the government contained increasingly more of regional economics. Examples of regional policy were investments in infrastructure, the railway for example.<sup>1</sup> Ingemar Elander has carried out research on the Swedish regional policy from 1945 to 1972. He argues that the growth ideology has always been present in the regional policy. It has worked as a 'magic formula'.<sup>2</sup> Mats Larsson provides a comprehensive overview of the regional policy development in a comparative study of Britain and Sweden.<sup>3</sup> He emphasises the impact of economic theories on the design of regional policies.

### **Cognitive Embeddedness: Discourse**

The term embeddedness is used to explain that the economy is not autonomous, as it must be in economic theory, but subordinated to politics, religion, and social relations. Karl Polanyi argued that social relations are embedded in the economic system rather than the other way around.<sup>4</sup> For some scholars the concept of social capital is used to explain the importance of social relations. This concept is not only widely used at the individual level; it is also celebrated as the key to success on a regional or national level. Francis Fukuyama and Robert Putnam have both emphasised social capital as essential for prosperity.<sup>5</sup> As mentioned in the Introduction, the concept of social capital has also been used in recent Swedish regional policy.<sup>6</sup> Social capital is seen as important because it allows people to work together to resolve the dilemmas of collective action. James S. Coleman brought social capital into the human capital theory. Alejandro Portes and Patricia Landolt have criticised Coleman for looking at social capital as an unmixed blessing. Coleman has, however, also argued that a particular form of social capital, which is valuable in facilitating certain actions, may be useless or even harmful in other circumstances.<sup>7</sup> Portes and Landolt explicitly argue against emphasising the sunny side of social capital, and point to the negative implications of it. They place the concept of social capital in an insider-outsider framework and argue that the same strong ties that

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<sup>1</sup> Aronsson (1995) p. 140.

<sup>2</sup> Ingemar Elander 1978. *Det nödvändiga och det önskvärda: En studie av socialdemokratisk ideologi och regionalpolitik 1940-72.*

<sup>3</sup> Mats Larsson 1988. *The History of Regional Policy in Britain and Sweden: A comprehensive study of the link between economic theory and political decisions.*

<sup>4</sup> Fred Block 2001. Introduction. In Karl Polanyi [1944] *The Great Transformation*, p. xxiv.

<sup>5</sup> Francis Fukuyama 1995. *Trust: the Social Virtues and the Creation of Prosperity* and Robert Putnam 1992. *Making Democracy Work: Civic Traditions in Modern Italy*. For Sweden see Christian Berggren, Göran Brulin and Lise-Lotte Gustafsson 1998. *Från Italien till Gnosjö: Om det sociala kapitalets betydelse för livskraftiga industriella regioner.*

<sup>6</sup> see for example Nutek 1998. *Bilder av lokal näringslivsutveckling*, 1999. *Lokal näringslivsutveckling och benchmarking.*

<sup>7</sup> James S. Coleman 1988. Social Capital in the Creation of Human Capital. In *American Journal of Sociology* 94 (Supplement) p. 98.

help members of a group often also enable it to exclude outsiders. According to Portes and Landholt, membership in a community also demands conformity.<sup>1</sup>

For my purpose the concept of embeddedness is more applicable than social capital. Then the perspective can for instance be extended; there are different forms of embeddedness. Social capital is more used in describing relations and since I am interested in discourses and actions, embeddedness is more applicable here. In addition, ‘capital’ refers to something positive; the more you have the better. The purpose is to question such an unequivocal application of the concept.

Sharon Zukin and Paul DiMaggio discern cognitive, cultural, social, and political embeddedness.<sup>2</sup> Cognitive embeddedness refers to the ways in which the structured regularities of mental processes limit the exercise of economic reasoning. Such limitations have for the most part been revealed by research in cognitive psychology and decision theory. The notion of cognitive embeddedness is useful in calling attention to the limited ability of both human and corporate actors to employ the synoptic rationality required by neo-classical approaches.<sup>3</sup> I see that it is possible to reveal the content of cognitive embeddedness by performing a critical discourse analysis. I will come back to this in the section on Methods.

Gernot Grabher brings up different embeddedness concepts in his study of the Ruhr area in Germany. Grabher argues that the decline of regional economies can be traced back, at least partially, to a rather high degree of embeddedness. He describes the decline of the Ruhr area, which became locked into a homogeneous regional culture. According to Grabher, this homogeneity was reinforced by ‘social processes such as “groupthink” and resulted in a common worldview which precluded competing perceptions and interpretations of information.’<sup>4</sup> Grabher talks about the ‘embeddedness dilemma’: ‘Too little embeddedness may expose networks to an erosion of their supportive tissue of social practices and institutions. Too much embeddedness, however, may promote a petrification of this supportive tissue and, hence, may pervert networks into cohesive coalitions against more radical innovations’.<sup>5</sup>

The economic situation or transformations affect images of local competitiveness. This can be seen in for example the 1990s debate on ‘regional development’. It is assumed that the globalisation debate affects people’s identities and their discourses of the nation state. We might assume that the same is happening with the

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<sup>1</sup> Alejandro Portes and Patricia Landholt 1996. Unsolved Mysteries: The Tocqueville files II. The Downside of Social Capital. In *The American Prospect* 7 (26) ([www.prospect.org](http://www.prospect.org))

<sup>2</sup> Sharon Zukin and Paul DiMaggio 1990. Introduction. In Sharon Zukin and Paul DiMaggio (eds) *Structures of Capital: The Social Organisation of the Economy*, p.3.

<sup>3</sup> Zukin and DiMaggio (1990) pp.15-16. The authors also talk about *cultural* and *social* embeddedness, but as these concepts are not applied in my thesis I do not discuss them further.

<sup>4</sup> Gernot Grabher 1993 (a) Rediscovering the Social in the Economics of Interfirm Relation. In Gernot Grabher (ed.) *The Embedded Firm* p. 24. Grabher develops Granovetter’s problematisation of the embeddedness concept. See Mark Granovetter 1985. Economic Action and Social Structure: the Problem of Embeddedness. In *American Journal of Sociology*, 91 (3).

<sup>5</sup> Grabher (1993a) pp. 25-26.

regions; Sweden's entry into the European Union has for example revitalised the Fyrstad concept.<sup>1</sup> Of course, this is also affected by the fact that there is support money from the European Union involved. Discourses of development are also connected to regions or the local identity. Jan Olsson asserts that the extent of an external market constitutes a prerequisite for a local identity. This local identity in turns seems to be necessary for a proactive business policy.<sup>2</sup>

According to Eva Österberg it is not self-evident what physical units or what experiences foster feelings of belonging or identification. Countries as well as regions, the European union, or international networks, may constitute frameworks for our future. Class, gender, generation or social belonging are other factors that might create identity.<sup>3</sup>

The cognitive embeddedness is not confined to the localities. The central government's consultation, location, and regional policies are formed in relationship with research agendas. Thus, events taking place at local level can have consequences for central policies. There is a dialectic relationship where several cognitive arenas influence each other: an international research and political discourse, a national discourse and a local discourse. In the thesis I study the change in policy discourse concerning location of industry on the central level and how this debate affected the local level's policies but also the other way around. For example, when the local governments' began to pursue their own industrial policies in the 1930s and 1940s the central government and authorities clearly stated that this was not acceptable.

Thomas Hylland Eriksen emphasises that today people worship the 'locally distinctive', which lacks historical analogue.<sup>4</sup> He further argues that myths give the world a moral structure and create order in chaos.<sup>5</sup> Myths thus become part of an effort to legitimise a certain societal order: an unequal power relation.<sup>6</sup> As we will see in the thesis the local Riksdag members from Blekinge tried to get the government's attention concerning migration. They did this by referring to circumstances beyond the localities' control, for example an unfavourable geographical position.

The critical discourse analysis is a way to analyse how images and world views shape political embeddedness. By such an analysis we can discern how discourses shape and reproduce unequal power relations. Thus, the focus in critical discourse analysis aims both at the discourses as such that construct world views and social

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<sup>1</sup> The Fyrstad region comprises the municipalities of Uddevalla, Trollhättan, Vänersborg and Lysekil. This is an example of the 'growth pole model' in Swedish regional policy. See Chapter V.

<sup>2</sup> Jan Olsson 1995. *Den lokala näringspolitikens politiska ekonomi*, p. 106.

<sup>3</sup> Eva Österberg 1994. Tradition och konstruktion: Svenska regioner i historiskt perspektiv. In Barbro Blomberg and Sven-Olof Lindqvist (eds) *Den regionala särarten*, p. 29.

<sup>4</sup> Thomas Hylland Eriksen 1996. *Historia, myt och identitet*, p. 9.

<sup>5</sup> Eriksen (1996) p. 22.

<sup>6</sup> Eriksen (1996) p. 24.

relations and at the role this construction plays in promoting certain group's interests.<sup>1</sup>

Tim Richardson and Ole B. Jensen discuss the new discourse of European spatial development through the Union's spatial policy. They adopt a definition of discourse, which embraces both text and practice. Furthermore, they talk about power relations. They argue that the European city is framed within EU discourse as a node in an increasingly competition-oriented space economy. Thus, in search for 'winner strategies', new spatial visions and strategies expressed in activities such as urban place marketing, growth coalitions, new forms of strategic planning, public-private partnerships and new institutional settings.<sup>2</sup> They conclude that the new policy discourse is framed in a specific language of polycentricity, efficiency, accessibility and the 'ambiguous rhetorical device' of the policy triangle of growth-ecology-equity. The authors conclude, however, that the discourse is not as coherent as it appears, and ongoing struggles between interests and over core concepts are obscured.<sup>3</sup>

Elisabeth ter Borg and Gerhan Dijkink use discourse analysis in their study of the shift in values and goals concerning the urban environment in two cities in the Netherlands. They argue that although the basic policy discourse and commitments were firmly established at the beginning of the 1970s, urban renewal practice only gained momentum in the 1980s. This new challenge is called 'urban revitalization'.<sup>4</sup> This can be compared with the 'local mobilization' discourse in Sweden during the 1980s. Their conclusion is that labour has entered a new growth coalition, which serves the interests of the employed in the first place. The main malfunctioning of interest articulation will therefore concern the unemployed or unidentified local groups, which are exposed to worsening environmental conditions.<sup>5</sup>

A dominant discourse might create what Grabher describes as a cognitive lock-in. The common orientation of the group-members is reinforced by social processes such as 'groupthink' and specific world views and this may limit the perception of innovation opportunities and the room for 'bridging relationships', i.e. those that transcend a firm's own narrowly circumscribed group and bring together information from different sources. This is what Grabher calls 'the weakness of strong ties' (paraphrasing Granovetter's (1973) 'strength of weak ties').<sup>6</sup> The cognitive lock-in

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<sup>1</sup> Marianne Winther Jørgensen and Louise Phillips 2000. *Diskursanalys som teori och metod*, p. 69.

<sup>2</sup> Tim Richardson and Ole B. Jensen 2000. Discourses of Mobility and Polycentric Development: A Contested View of European Spatial Planning. In *European Planning Studies* 8 (4), pp. 503-504. See also Tim Richardson 1996. Foucauldian Discourse: Power and Truth in Urban and Regional Policy Making. In *European Planning Studies* 4 (3).

<sup>3</sup> Richardson and Jensen (2000) p. 515.

<sup>4</sup> Ter Borg and Dijkink (1995) p. 53.

<sup>5</sup> Ter Borg and Dijkink (1995) p. 67.

<sup>6</sup> Gernot Grabher 1993 (b). The Weakness of Strong Ties: The Lock-In of Regional Development in the Ruhr Area. In Gernot Grabher (ed.) *The Embedded Firm*.



factor explains why it took so long before the Uddevalla shipyard was closed down, despite the fact that it had had economic difficulties since the late 1950s.

The possibility of a 'successful' transformation depends on the possibility of changing the institution-embedded knowledge (e.g. rules and roles), but also on how the firms with capital-embedded knowledge can change. We can in this respect talk about breaking with the past, i.e. try to take another path (a 'lock-out'). This might well be more difficult in cases where there is strong embeddedness and where organisations or communities reluctantly bring in new ideas and outsiders. Thus, our actions are constituted by and constitute of cognitive embeddedness and discourses.

In the thesis we will see how the different localities have been dependent on external political decisions. In Karlskrona this dependence (concerning the naval shipyard) resulted in a negative view on the local economic development and a conflictual relationship with the government. In Uddevalla, we also find both internal (the shipyard was the dominant employer) and external dependencies, but here the relationship with the government could be characterised as benevolent (state support to the shipyard). Thus, the closedown of the shipyard brought about a local political crisis since most people thought that the Social Democratic Party would support the shipyard again. The power of the agenda is crucial here, since questions that are not defined as important for those in power can be dismissed. Thus, actions that are not taken can in effect be as important as those taken.

### **Political Embeddedness: Local Economic Policies and Place Promotion**

Political embeddedness refers to the manner in which economic institutions and decisions are shaped by a struggle for power that involves economic actors and non-market institutions, particularly the state and social classes. The formation of strategies within industrial sectors takes account of policies of the national and local state, the social balance between regional employers and the willingness of a local labour force to tolerate changes.<sup>1</sup>

In Karlskrona and Uddevalla the importance of being 'competitive' resulted in local economic development politics and place promotion. Michael Barke and Ken Harrop argue that a primary function of place promotion in relation to industrial towns is to change the discourses of such places held by a variety of individuals and organisations.<sup>2</sup>

As Stephen V. Ward shows, the effort to attract firms and people to different cities has been going on since the mid 19th century.<sup>3</sup> In the 1930s, when my study begins, this policy developed in Karlskrona and Uddevalla. At that time, several Swedish local governments became interested in these issues, in Gävle, Norrköping,

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<sup>1</sup> Zukin and DiMaggio (1990) pp. 18-20.

<sup>2</sup> Michael Barke and Ken Harrop 1994. *Selling the Industrial Town: Identity, Image and Illusion*. In Stephen V. Ward and John R. Gold (eds) *Place Promotion: The Use of Publicity and Marketing to Sell Towns and Regions*, pp. 94-95.

<sup>3</sup> Stephen V. Ward 1998. *Selling Places: The Marketing and Promotion of Towns and Cities 1850-2000*.

Uppsala, Trollhättan, Växjö, Vänersborg, and Göteborg. One could argue that the actual scope or resources of the local level were not sufficient in those times, but this can be seen in different contexts. We should not underestimate the social relationships with businesses established as a consequence of local politics. This can also be connected to a local reflexivity of the importance of acting in a competitive world.

Local place promotion has rarely been analysed in Sweden. In the international debate this has been more developed.<sup>1</sup> In my thesis the concept of place promotion is very important to understand the Telecom City project in Karlskrona. The promotion strategy as such is, however, not new in an international perspective. For example, during the age of colonial expansion West European and East coast American newspapers were full of advertisements that aimed to entice immigrants to venture into the unknown.<sup>2</sup>

The promotion patterns have changed considerably since the 1970s decentralisation. Economic instability, restructuring, and an acceleration of the international mobility of capital have caused many regions to lose the traditional sources of employment that gave them their primary identity. At the same time, individual national governments have retreated from their former interventionist strategies. Taken together, these forces managing the processes of spatial change have left a vacant policy niche within which local promotional activity has flowered.<sup>3</sup>

According to Ward and Gold, industrial place promotion becomes increasingly frenetic in times of economic recession. Mounting unemployment coupled with a dwindling supply of mobile industry leads towns, cities and regions to compete in promoting themselves to encourage investment and stimulate business.<sup>4</sup> It may also be used as a renewal strategy in order to make the shift to the service economy or the high-tech industry. Place promotion in Karlskrona and Uddevalla was carried out more or less during the investigated period 1930-2000. It seems as if the 1970s in Karlskrona is an exception with a fall in the activities. The number of employees in industry was the highest during this period, which supports Gold and Ward's argument. In Uddevalla despite the progress discourse during the shipyard's years of

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<sup>1</sup> Anna Kåring Wagman 1998. I Love Stockholm: lokal identitet och marknadsföring av orter. In Ann Emilsson and Sven Lilja (eds) *Lokala identiteter*. Göran Hallin 1991. Slogan, image och lokal utveckling. Hallin argues that the competitive demands often lead to that the wanted inforced or established image does not allow a realistic picture of the municipality or city. In Sune Berger 1991. *Samhällets geografi*, p. 190. International research: John R. Gold and Stephen V. Ward 1994. *Place Promotion: The Use of Publicity and Marketing to Sell Towns and Regions*, Stephen V. Ward 1998. *Selling Places*, Gerry Kearns and Chris Philo (eds) 1993. *Selling Places*.

<sup>2</sup> Stephen V. Ward and John R. Gold 1994. Introduction. In Stephen V. Ward and John R. Gold (eds) *Place Promotion: The Use of Publicity and Marketing to Sell Towns and Regions*, p. 2. The Swedish historian Lars Ljungmark has written *For sale - Minnesota: Organized Promotion of Scandinavian Immigration 1866-1873* (1971).

<sup>3</sup> Ward and Gold (1994) p. 2.

<sup>4</sup> Ward and Gold (1994) p. 1.

crisis, the local government's place promotion reveals that the authorities were concerned about the one-sided business structure.

Edward J. Malecki identifies four target markets for places: visitors, residents and workers, business and industry and export markets. For each of these, a marketing programme can include the creation of a positive image, developing attraction and improving local infrastructure and quality of life. The 'make-over' is a common feature of local development policy, involving the creation of a new image and new positioning of a place in the minds of investors and decision-makers.<sup>1</sup> Stockholm's hectic city life is contrasted with the good life in a small city, where you can fish on your lunch break. In the Blekinge growth agreement, the 'new' Blekinge is to be created. A 'make-over' that wishes to get rid of the past and anticipate the new, whatever that is. This area is a potential gold mine for consultants who offer their services to municipalities in order to help out in a difficult situation. Kotler et al. for example, argue that places have to rely increasingly on their own local resources to face the growing competition and for this they need the help of marketing.<sup>2</sup> This kind of consultant work was offered to Uddevalla.<sup>3</sup> Consultants have also been involved in Karlskrona.<sup>4</sup>

Researchers in Sweden have traditionally viewed local mobilisation as a phenomenon of the late 1970s and the 1980s.<sup>5</sup> This should be seen against the background that local government business policy as a research issue was brought up on the agenda in the beginning of the 1980s, after the heavy restructuring of the large industries in the 1970s. After an intensified central regional policy during the 1960s and 1970s, the trend towards collaborative local efforts was observed in many Western countries during the 1980s. Päivi Oinas argues that the responsibility was actively given to local governments by central governments. In this situation it became increasingly common among local governments to look for the private sector's participation in certain aspects of local development planning.<sup>6</sup> Jörgen Johansson describes it as a changed strategy of the central level.<sup>7</sup> Roger Henning, on the other hand, claims that the national level became weakened, partly due to a conscious decentralisation and partly due to local mobilisation.<sup>8</sup> Clarence Stone argues

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<sup>1</sup> Edward J. Malecki 1997. *Technology and Economic Development: The Dynamics of Local, Regional and National Competitiveness*, p. 260.

<sup>2</sup> Philip Kotler, Donald H. Haider, Irving Rein. 1993. *Marketing Places: Attracting Investment, Industry, and Tourism to Cities, States and Nations*, p. 316. For Sweden see Christer Asplund 1991. *Place-hunting: Handbok i konsten att lyckas med produktiv lokalisering*.

<sup>3</sup> Kommunstyrelsen Uddevalla [The Local Council]. Incoming correspondence 1990.

<sup>4</sup> An example is the Swedish consulting company Temaplan. The company has been involved in the marketing of Telecom City. See [www.temaplan.se](http://www.temaplan.se).

<sup>5</sup> Roger Henning 1987. *Näringspolitik i obalans*, Leif Melin et al. 1984. *Kommunerna och näringslivet*, Jon Pierre 1991. *Självstyrelse och omvärldsberoende*, 1992. *Kommunerna, näringslivet och näringspolitiken*.

<sup>6</sup> Päivi Oinas 1991. *Locality and Dependence: On the Relations between Enterprises and Local Governments*, p. 10.

<sup>7</sup> Jörgen Johansson 1995. *Europeiska regioner*, pp. 15-18.

<sup>8</sup> Roger Henning 1987. *Näringspolitik i obalans*, p. 144.

that the way local officials respond to specific constraints has been shaped by the composition of the local governing coalitions they depend upon for support and by the structure of political organisations and institutions in a city. Thus, according to Stone 'politics matter' but is shaped by the interrelationship between the state and the market.<sup>1</sup>

Kevin R. Cox and Andrew Mair outlined the idea of 'local dependence' in the end of the 1980s and the beginning of the 1990s and stressed the fact that certain types of social relations are fixed in particular places. The nature of local dependence determines the form of urban politics. Thus, firms seek to realise their common interests in a particular area via business coalitions.<sup>2</sup> Imrie et al. analyse the interplay between locally dependent firms and Urban Development Corporations, an organisation that is a typically reflection of the central state's restructuring of local government, in the contestation over the meanings, materiality and substance of urban regeneration. They conclude that the case of the Cardiff Bay Business Forum (a local business coalition, CBBF) indicates how the trajectory and definition of economic growth is part of a 'politicised and contestable arena.' Imrie et al. question the notion that organisations such as CBBF represent a new pluralism in urban politics. On the contrary, a redrawing of political boundaries in Cardiff led to a broad dualistic structure between the excluded and the included parties in the politics of local economic development.<sup>3</sup> We can see such tendencies in the organisation of the Telecom City project as well.

The emphasis in Swedish central policy on regional competitiveness and partnerships must be seen in an international context. Ade Kearns and Ivan Turok analyse the competitive aspect of urban policy in Britain during the 1990s. In 1991 the government introduced City Challenge with a clear competitive approach, and localities had to make bids for resources from central government under specific rules determined by the government. An important feature was that local, all-embracing partnership of relevant actors was created to develop and implement regeneration programmes. Kearns and Turok conclude that this competitive urban policy symbolizes the culture of meritocracy and enterprise advocated by the Blair Government with an emphasis on improved performance and reward for effort in all fields of policy, thus laggards or failures have only themselves to blame. At times

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<sup>1</sup> Clarence Stone 1987. *The Study of the Politics of Urban Development*, in Clarence Stone and Heywood T. Sanders. *The Politics of Urban Development*, cited in Oinas 1991, p. 27.

<sup>2</sup> Kevin R. Cox and Andrew Mair 1988. *Locality and Community in the Politics of Local Economic Development*. In *Annals of the Association of American Geographers* 78 (2), and 1991. *From Localised Social Structures to Localities as Agents*. In *Environment and Planning* 23 (2), cited in Rob Imrie, Huw Thomas, and Tim Marshall 1995. *Business Organisations, Local Dependence and the Politics of Urban Renewal in Britain*. In *Urban Studies* 32 (1), p. 34.

<sup>3</sup> Imrie et al. (1995) p. 45.

when resources are under pressure, new competitions and new initiatives are important because they convey an atmosphere of 'dynamism' and new thinking.<sup>1</sup>

Kevin G. Ward analyses the partnership model and marketing politics in his study of Manchester.<sup>2</sup> He discusses the link between the Manchester promotion of itself as 'making things happen' with its use of entrepreneurial policies and practices and partnerships between key institutions around the city. Ward also points to the emergence of a new local agenda as a reaction to the political pressure from central government.<sup>3</sup> Researchers as well as consultants have paid attention to the last years' events in the Karlskrona region. Roger Henning argues that he chose to study Karlskrona's business policy because 'it is usually held up as especially successful'.<sup>4</sup> He does not, however, specify who is emphasising this. Studieförbundet Näringsliv och Samhälle (the Center for Business and Policy Studies) has conducted a project called 'Strategy for local growth' where Telecom City attracted much attention.<sup>5</sup>

### Concluding Remarks

To summarise, economic conditions create a specific cognitive embeddedness, i.e. the understanding of an event or situation. This discourse is reflected in political actions or non-actions. These practices can either be good or bad, leading to lock-in or 'lock-out', depending on time and space. The cognitive embeddedness often affects the political embeddedness, for example the formation of different institutions. The local discourse and the political actions are affected by a larger discourse in society (e.g. on 'partnerships'). The political actions also have consequences for the development of the economic structure. Thus, the relationship between economics, discourse, and politics is dialectic.

We have 'path-dependent' processes both in economics (the structure of industry), in politics (the same actions over time), and in institutions (a common line of thinking over time). But we also have the opposite, 'path-breaking' events (actions and discourses trying to break with the past). The significance of these processes depends on which perspectives we use: long-term, short-term, local, regional, and comparative.

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<sup>1</sup> Ade Kearns and Ivan Turok 2000. Power, Responsibility, and Governance in Britain's New Urban Policy. In *Journal of Urban Affairs* 22 (2), p.187.

<sup>2</sup> Kevin G. Ward 2000. Front Rentiers to Rantiers: 'Active Entrepreneurs', 'Structural Speculators' and the Politics of Marketing the City. In *Urban Studies* 37 (7).

<sup>3</sup> Kevin G. Ward (2000) p. 1098.

<sup>4</sup> Roger Henning 1997. *Företagen och den lokala näringspolitiken: Exemplet Karlskrona*.

<sup>5</sup> SNS. Lokalt fokus. no. 3 January 1998. Consultant reports: Dan Hjalmarsson 1996. Telecom city: en framtid för Karlskrona, Eric Giertz 1996. Kunsksapsföretagen tar täten i nya strukturer. Both published by Telecom city reports.

## Methods

In this section I describe first, how the discourse analysis was carried out, second how the comparison between Karlskrona and Uddevalla was implemented. In addition, some basic statistics on the two municipalities are presented.

### Discourse Analysis

Fairclough argues that ‘discourse is use of language seen as a form of social practice, and discourse analysis is analysis of how texts work within sociocultural practice.’<sup>1</sup>

The discourse analysis builds on the method developed by Fairclough but with some modifications. First, Fairclough’s emphasis on the reproduction and changes of discourse is important. Hegemonic relations limit these changes. Second, an important aspect is that discourses both constitute the social world and are constituted by other social practices.<sup>2</sup> Third, Fairclough argues that media discourse should be regarded as the site of complex and often contradictory processes, including ideological ones. Thus, media language needs to be analysed as discourse. Discourse analysis is concerned with practices as well as texts, and with both discourse practices and sociocultural practices.<sup>3</sup> Critiques argue first that Fairclough’s boundaries between the discursive and the non-discursive are unclear.<sup>4</sup> Chik Collins argue that when Fairclough develops his own approach he tends to proceed by engaging with samples of discourse, which are not very fully contextualised.<sup>5</sup> Second, how do we know where and how the non-discursive affects and changes the discursive and vice versa? Table 1.1 shows how I implement the discourse analysis.

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<sup>1</sup> Norman Fairclough 1995 (a). *Critical Discourse Analysis*, p.7.

<sup>2</sup> Norman Fairclough 1993. Critical Discourse Analysis and the Marketization of Public Discourse: The Universities. In *Discourse and Society* 3 (2) p. 137.

<sup>3</sup> Norman Fairclough 1995 (b). *Media Discourse*, p. 47 and 16. Also Ward emphasises that media is important to analyse because they provide a forum through which certain narratives can be emplotted. In Ward (2000) p. 1096.

<sup>4</sup> Jørgensen and Phillips (1999) p. 93.

<sup>5</sup> Chik Collins 2000. Developing the Linguistic Turn in Urban Studies: Language, Context and Political Economy. In *Urban Studies* 37 (11) p. 2028.

**Table 1.1 The Discourse Analysis.**

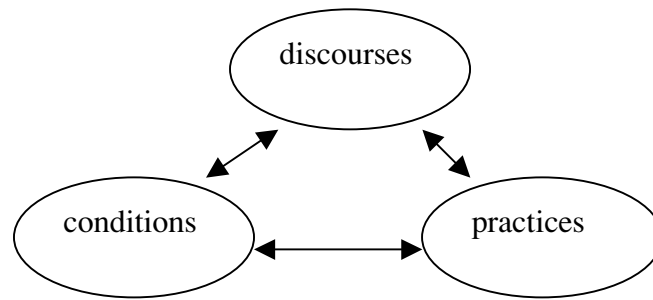
	<i>sources</i>	<i>set of statements (examples)</i>	<i>discourse analysis (examples)</i>
<i>local</i>	local government minutes interviews newspapers local descriptions Riksdag debates	'The situation in Karlskrona is equivalent to that in Norrland'	The population discourse
<i>central</i>	Riksdag debates Official reports Government Bills Motions	'Strengthen the regional responsibility'	The local mobilisation discourse

The analysis consists of five parts: first, an analysis of the quality of the text (a news article, an interview or a political speech), when I look for how the economic situation as well as the 'identity' of the town are described. For example the statement 'the situation in Karlskrona is equivalent to that in Norrland', which appeared in the beginning of the 1970s in Karlskrona. Second, I organise the statements into different local discourses, in this case the population discourse.

Third, I analyse whether the text build on earlier texts. The population discourse can be observed before the 1970s, when the city was viewed as 'once being the biggest but one'. Fourth, I analyse the broader social practice, which the communicative event is a part of. Which economic and institutional conditions might affect the discursive practice? The statement: 'the situation in Karlskrona is equivalent to that in Norrland' refers to the high unemployment and migration traditionally connected to the Norrbotten County. This discourse emanates from the national discourse of the social consequences with the migration from Norrland. Finally, I investigate if the content of the discourse changes or returns, which it did during the 1990s. The discourses are related to social practice, for example the local political activities and central government's policies.

To summarise, I want to emphasise that the study focuses on the relations between the discourses in society (local and central), political practice, and the economic and institutional conditions (see Figure 1.1).

**Figure 1.1: Relationship between Discourses, Practices and Conditions.**



The different components in the discourse analysis are subsequently connected to the theoretical starting-points. It is, as Fairclough emphasises, important to on the one hand specify the particular historical conditions within which a discourse is generated and what its properties and shape owe to these conditions, and on the other hand to specify what part it plays in wider historical processes.<sup>1</sup> In the next section I describe the significance of the above components for the development of the study.

### **The Comparative Perspective**

A complex thing in comparing for example cities is the level of comparison. Thord Strömberg argues that one has to choose one of two principles of selection. The first strategy concerns the role of structure in history. The purpose is then to compare as different localities as possible in order to uncover what is similar. The other strategy concerns the actors. In this case localities as similar as possible should be chosen.<sup>2</sup> I argue that such a perspective requires complete knowledge about different localities from the beginning. If we do not have complete knowledge, should we then choose new localities if the first choice turned out to be less successful? This can perhaps be done in the best of worlds but is not possible in time-consuming historical research. Lars Nilsson contrary to this argues that all cities can be compared. Decisive for the choice of comparative units is what you are looking for and want to find. Thus, the purpose is decisive for the design of the comparison.<sup>3</sup> As Johan Söderberg points out, ‘comparison is not about chasing twin structures, but a conscious way of discovering contrasts and nuances’.<sup>4</sup> He goes on to say that we can distinguish between an explorative and a confirmative comparative analysis. The explorative brings out variations and parallels without the intention of testing an

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<sup>1</sup> Fairclough (1995a) p. 19.

<sup>2</sup> Thord Strömberg 1995. Stadshistoriska dagar 25-26/11 1993. Kommentar. In Lars Nilsson and Kjell Östberg (eds) *Kommunerna och lokalpolitiken*, p. 240.

<sup>3</sup> Lars Nilsson 1995. Först så går det upp sen så går det ner. In Lars Nilsson and Kjell Östberg (eds) *Kommunerna och lokalpolitiken*, p. 119.

<sup>4</sup> Johan Söderberg 1988. Makrohistoria och lokalhistoria. In Ingrid Hammarström (ed.) *Lokalt, regionalt, centralt: analysnivåer i historisk forskning*, p.70.



existing theory. The purpose of the confirmative analysis on the other hand is to test a theory more directly.<sup>1</sup>

In my case the explorative onset was in focus. From the beginning the plan was to study Karlskrona and the Telecom City project alone. Why had this successful project been started in Karlskrona? When I came across statistics on the development, discourses of the city and its development, it was not obvious, however, what was specific with this city. I therefore choose to compare Karlskrona with Uddevalla, taking discourses as my point of departure. It turned out that the Karlskrona area and the Blekinge County where it is situated, had been understood as backward in the eyes of local inhabitants and media. Today, as we saw in the first section, the area gets a lot of positive publicity and is put forward as Sweden's Silicon Valley. Uddevalla, on the other hand, was in the 1950s characterised as 'the Klondike of the West Coast', but after the shipyard closed down and later Volvo, the region is looked upon as an underdeveloped area.<sup>2</sup>

There seemed to be obvious points of similarity between the cities. In a historical perspective they have both been perceived as dogged by bad luck. They have both been affected by structural crises. Uddevalla experienced a great upswing when Thordén started his shipyard. After a liquidity crisis in 1958 a newly established foundation bought the shipyard and in 1986 it was closed down.

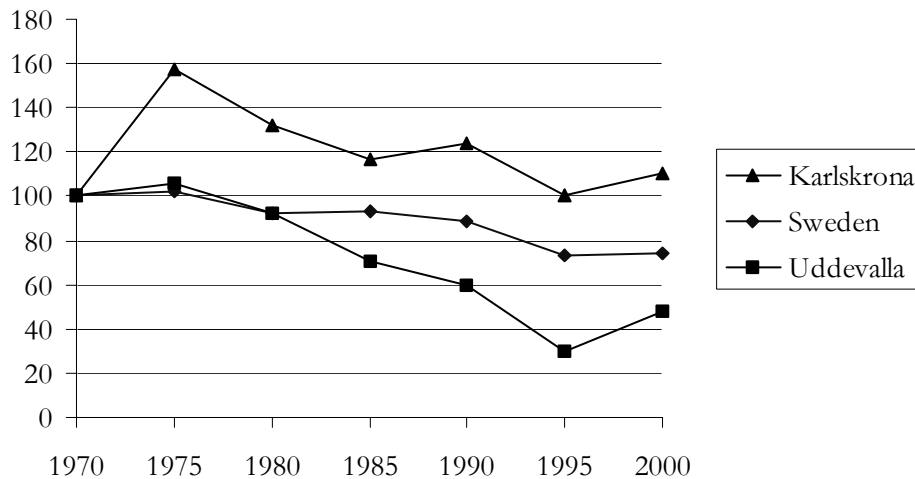
With subsidies from the government Volvo established its car factory, famous for its alternative production methods. It was also closed down in 1993 and reopened in 1995. Karlskrona was perceived as having a negative development with an ageing industrial structure, which led to the loss of many jobs. For several years the discourse of the city was negative, not only considering industrial decline but also regarding population figures. Another similarity is the establishment of University Colleges in 1989. Uddevalla runs the education together with Trollhättan and Karlskrona co-operates with Ronneby. Both cities were affected by the shipyard crisis and both cities received support packages from the government in the 1980s. At first glance both Uddevalla and Karlskrona can be characterised as extremely patriarchal cities, highly dependent on a few workplaces. Since the 1970s, industrial employment has decreased in both cities (see Figure 1.2).

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<sup>1</sup> Söderberg (1988) pp. 77-78.

<sup>2</sup> See Martin Åberg 1997. *Uddevalla stads historia*, p. 277.

Figure 1.2: Employment in Industry in Sweden, Uddevalla, and Karlskrona, 1970-2000. Index 1970=100.



Source: Statistics Sweden Census data 1970-1985. Rams 1990-2000.

Both cities have been strongly dependent on the shipyard industry. How then could today's different discourses of the development in the two cities be explained?

Upon a closer look, it turned out that the industrial employment in Karlskrona had not decreased as much as in Uddevalla, or Sweden as a whole. In addition, the industrial structure was not so one-sided in Karlskrona after all. Uddevalla had been more dependent on a single industry than Karlskrona. The shipyards were different; Karlskrona's shipyard had managed to concentrate on a more diversified production than Uddevalla's. And Karlskrona had the telecom company Ericsson, which was to become important for the later development. The University Colleges have different specialisation. Karlskrona has specialised in IT and telecom. The education in Uddevalla focuses on business and economy. The content of the two government support packages was different, with a more general content in Blekinge County than in Uddevalla. Karlskrona also got a second package in 1989. When Uddevalla got a car factory, Karlskrona got a mobile net operator, Europolitan. It also became evident that the government had changed its attitude towards the municipalities' engagement in local business development over the years. Karlskrona managed to promote itself extremely successfully under these new circumstances. The next thing was to understand and analyse not only the economic restructuring but the social context as well. The place promotion turned out to be a less isolated event in the city's history than anticipated and it became evident that the local government in

Uddevalla as well had promoted the city, for example, in connection with the shipyard closing-down.

Table 1.2 shows that the population in Karlskrona has not changed much since 1965. In Uddevalla, contrary to what one could presume, population has actually increased despite the decrease in industrial employment. Uddevalla had a larger share of employees in industry in 1930 but a smaller share in 2000. Karlskrona had in 1930 and 1965 a larger share of employees in services and in 2000 the distribution was equal in Karlskrona and Uddevalla. In 1930 Sweden had 28 per cent employed in industry, in 1965 38 per cent and in 2000 20 per cent.

**Table 1.2: Karlskrona and Uddevalla: basic statistics.**

	Karlskrona	Uddevalla
<i>Area</i>	1043 km <sup>2</sup>	642 km <sup>2</sup>
<i>Population</i>		
1930	25,491	15,104
1965	60,251	47,336
2000	60,564	48,971
<i>Industry Employment (% of total employment)</i>		
1930	16 %	49 %
1965	34 %	41 %
2000	21 %	14 %
<i>Service Employment (% of total employment)</i>		
1930	53 %	13 %
1965	40 %	24 %
2000	59 %	60 %
<i>Total Employment</i>		
1930	10,754	6642
1965	14,326	15,987
2000	26,437	20,814

*Sources: Area: [www.ne.se](http://www.ne.se), Population: [www.scb.se](http://www.scb.se) (except 1930: *Statistisk årsbok för Sverige 1937*, table 5), Industry and Service Employment: *Statistics Sweden Census 1930, 1965, Rams 2000*), Total Employment *Statistics Sweden Census 1930, 1965 and Rams 2000*. Note: The large population increase in Karlskrona is partly due to the fact that smaller municipalities were incorporated during the 1960s.*

The use of the comparative method gave me, first a better understanding of uniqueness, second a new level of analysis (government regional policy), and third an extended theoretical focus (embeddedness and path-dependence). While my initial findings forced me to use the comparative method, this method in turn forced me to change focus and see the overall context. In my case the comparative method was used during the whole process of the problem formulation.

## Sources

### The Business Structure

I have used the Census for the description of the employment development and Industrial Statistics for the development of specific industries. The use of Census is quite common when analysing regional differences.<sup>1</sup> A Census was performed during the period 1860-1930 every tenth year and thereafter every fifth year, with the exception of 1955. The basic sources for the Census were, in 1930 parish registers, registrations<sup>2</sup> and income tax return forms. In 1940, 1945, and 1950 only registrations were used. In 1960 specific Census forms were introduced based on ISIC (International Standard Industry Classification).

The difference between the Census and the Industrial Statistics is that the latter is based on the average number of employees during the business year, while the former is based on the employment situation at a specific period in time. This affects especially the study of seasonal industrial branches. In 1997 there was a large reorganization of the Industrial Statistics. The last year for the local (municipality) return is therefore 1996. The 1999 figures have been specially calculated by Statistics Sweden from the Structural Business Statistics. In 1990 the last Census was carried out in Sweden; in 1995 it was replaced by Årsys (*Årlig sysselsättningsstatistik*) and, in 1998, Rams (*Regional arbetsmarknadsstatistik*).<sup>3</sup> With the introduction of Årsys a new classification was introduced in 'services' including personal services, cultural services, credit institutes, real estate, company services, authorities and defence, international organisations, research and development and education, health care and social services. Rams includes employees and working time in November.

Figure 1.3 lays out the differences between Industrial Statistics and Census data in Karlskrona.

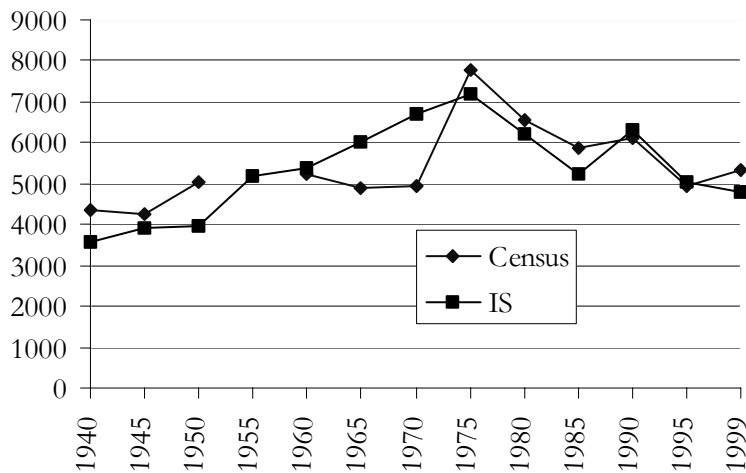
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<sup>1</sup> For example Margareta Dahlström 1991. Tjänsteproduktionens anatomiska geografi. In Sune Berger (ed.) *Samhällets geografi*. See also Dan Bäcklund 1997. Strukturomvandling och regionala skillnader i näringsstruktur. In Hans Westlund (ed.) *Lokal utveckling för regional omvandling*.

<sup>2</sup> In Swedish 'mantalsskrivning'

<sup>3</sup> Årsys: Annual employment statistics, Rams: Labour statistics based on administrative sources. Available on [www.scb.se](http://www.scb.se).

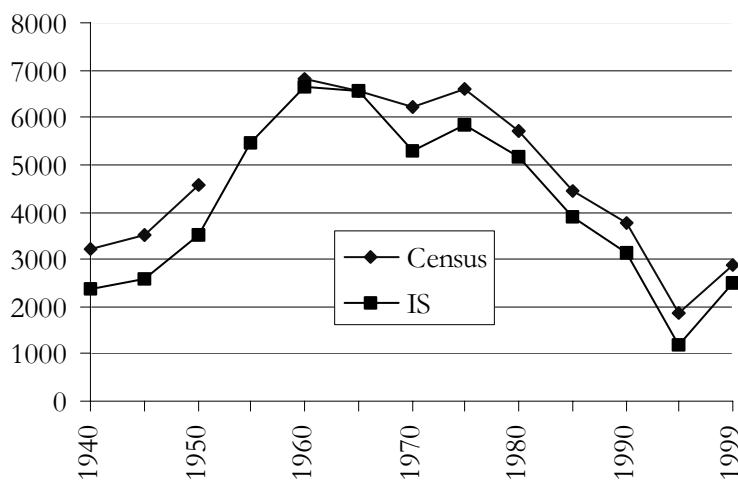
**Figure 1.3: Differences between Industrial Statistics and Census data. Employees in Industry in Karlskrona 1940-1999.**



*Source: Statistics Sweden Industrial Statistics (1999 specially calculated by Statistics Sweden) and Census (Rams 1995 and 1999). There is no Census for 1955.*

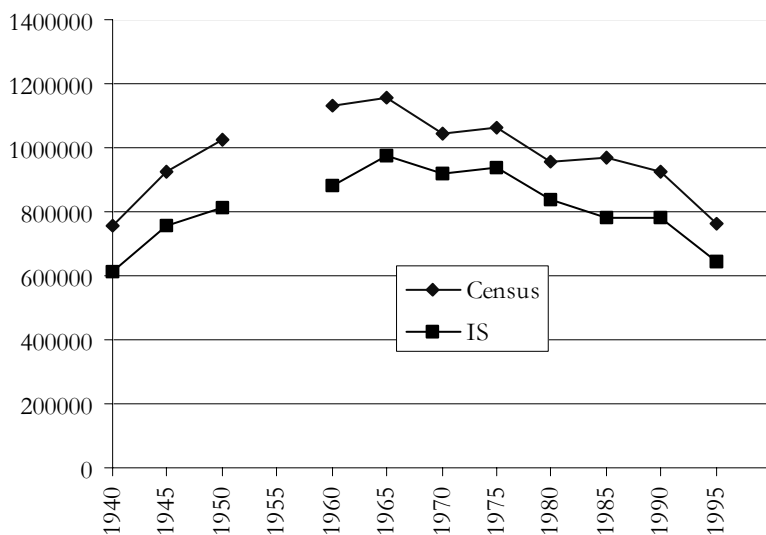
The Industrial Statistics show fewer people than the Census. This is probably due to the difference in measurement methods. The Censuses are based on the employment situation during a specific week in October, and Rams on working time in November, while the Industrial Statistics are based on the whole year in the companies' reports. But the general tendencies in terms of rise and decline seem to be correlated. The exception is the years 1965 and 1970 in Karlskrona, where Industrial Statistics show a rise while the Census numbers level out. This is not the case for Uddevalla or Sweden as a whole (see Figures 1.4 and 1.5).

**Figure 1.4: Differences between Industrial Statistics and Census data. Employees in Industry in Uddevalla 1940-1999.**



*Source: Statistics Sweden Industry Statistics (1995 and 1999 specially calculated by Statistics Sweden) and Census (1995 and 1999 Rams). There is no Census for 1955.*

**Figure 1.5: Differences between Industrial Statistics and Census data. Employees in Industry in Sweden 1940-1995.**



*Source: Statistics Sweden Industrial Statistics and Census (Rams 1995). No Industrial Statistics for 1999.*

The difference is odd since if we compare with the number of members in the Metalworkers' Union in Karlskrona, we find an increase of 115 per cent between 1960 and 1970.<sup>1</sup> According to Statistics Sweden there was a miscount in 1960. Employees that were included in the industry category should have been included in the trade category. In 1965 the figures were corrected. Accordingly, if we want to compare these two years we should put together trade and industry. The differences were, according to Statistics Sweden, especially significant for the electronics industry, which explains the difference in Karlskrona.<sup>2</sup>

When studying the changes between the different Censuses it seems that the main problems occur when comparing on a very detailed level. I have therefore chosen not to do that.<sup>3</sup> I use employment distribution to get a picture of the changed employment structure. It is better to use 'distribution' than real figures since a continuing increase does not affect the share. If employment is rising, it does not necessarily signify a change in the employment structure. In the category 'Industry' the following industries are included: mining, manufacturing, quarrying, land, the wood industry, the paper and pulp industry, the printing industry, the food industry, the textile industry, the leather and hair industry, and the chemical industry. In the category 'Services' education, health care, and other public services are included.

Census-data are not as detailed as the Industrial Statistics. Therefore, the Census figures are completed with figures from the Industrial Statistics. Also in this case the objective is to get a picture of a changed industrial structure. A regrettable thing is that the number of defence employees is only specified for the years 1930 and 1940. Due to the high number of defence employees in Karlskrona, the service sector has been comparatively large here. Table 1.3 clearly demonstrates the difference compared to Uddevalla. In the table the defence employees are included in the sector 'other services'. Note that the shipyard is not included here but in the Industrial Statistics.

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<sup>1</sup> The Metalworkers' Union in Karlskrona. Minutes. 1960: 1311, 1965: 2420, 1970: 2815.

<sup>2</sup> Statistics Sweden 1965 *Census* No. 4, pp. 16-17.

<sup>3</sup> see Statistics Sweden 1975 *Census*, No. 6: III, p. 14.

**Table 1.3: Employed in Public Management and Liberal Professions in Karlskrona and Uddevalla in 1940.**

Sector	Karlskrona	Uddevalla
Public Services	280	151
Defence	4422	396
Social Services	76	54
Health Services	543	404
Religious Services	40	24
Education and Research	267	198
Art and Literature	83	76
Organizations for Community of Interest	16	15
<i>Total</i>	<i>5727</i>	<i>1318</i>

*Source: Statistics Sweden Census 1940:III: table 8.*

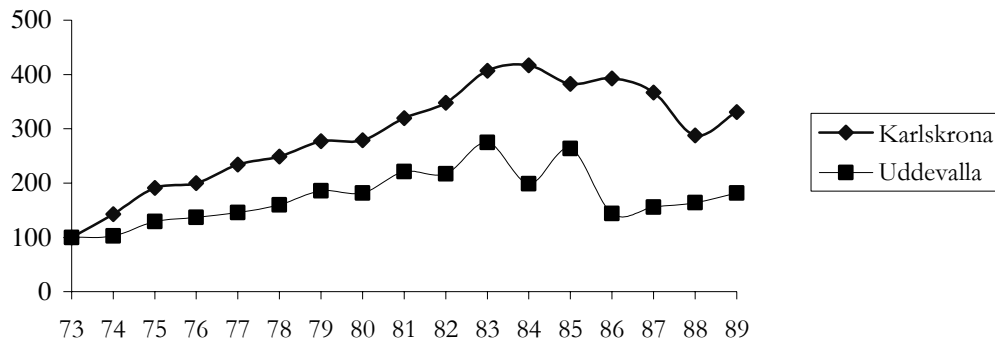
To compare the two cities' industrial performance I have chosen to compare value added in manufacturing.<sup>1</sup> These numbers have been especially calculated by Statistics Sweden. Figure 1.6 shows that Karlskrona has had a more steady development than Uddevalla. The usual disclaimers regarding statistical divisions and comparability should of course be recognised. The statistics must therefore be used with precaution but are nevertheless very useful for contrasting discourses of development. Furthermore, since it is so easy to use data indiscriminately for example in place promotion, it is important to question different statistical usage and pictures provided, and sometimes even to present alternative ones. This is especially the case for the last period, in which I compare newspapers' and official reports' use of statistics with the figures from Statistics Sweden.

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<sup>1</sup> Value added consists of the revenue from selling a product (market value) minus costs for primary inputs, energy, transports, repairs and wage costs. In Chapter II there is also a comparison for the 1990s.



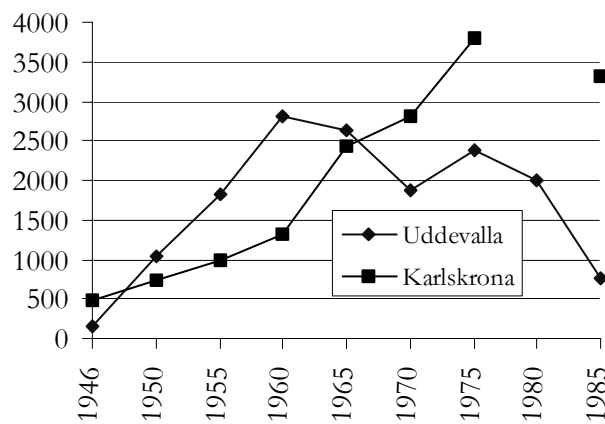
**Figure 1.6: Value Added in Manufacturing in Karlskrona and Uddevalla 1973-89.  
Index 1973=100.**



*Source: Data specially calculated by Statistics Sweden from the Industrial Statistics.*

For the economic development in Sweden, I have mainly used secondary sources by economic historians, completed with statistics from Statistics Sweden. For the development of Karlskrona and Uddevalla shipyard I have had to rely on secondary sources as well as Industrial Statistics. For the economic development and labour market situation at the local level I have also used annual reports from the Metalworkers' Union in Uddevalla (no. 170) and Karlskrona (no. 96). Union minutes have also been used but they are unfortunately not very exhaustive. In Uddevalla annual reports for the years 1965-68, 70-79, 81-82, 84-95 are missing. The union was also discontinued in 1995. Some information has been available from the *Grovplåtslagare* (the Tinsmiths) union at the shipyard and from the shipyard's shop floor union. Figure 1.7 shows the rise (and decline!) in membership in the local Metalworkers' Unions. 1960 was the top year in Uddevalla while 1975 was the top year in Karlskrona. These figures are correlated with industrial employment.

**Figure 1.7: Members in the Metalworkers' Unions in Karlskrona and Uddevalla 1946-1985.**



*Source: The Metalworkers Union no 69 in Karlskrona. The Metalworkers' Union in Uddevalla no 170 Annual Reports and Minutes. No data in 1980 for Karlskrona.*

## Discourses

I have studied discourses in local government minutes and documents, for example reports, letters, and promotion material. The local government material is quite extensive in both cities. The annual reports provided by *Stadsfullmäktige* [the Town Council] in Uddevalla have, however, no equivalent in Karlskrona. The work on local economic development was placed in a specific office in Karlskrona, thus giving rise to more extensive material, in form of for example letters. In this material the discourses are more or less easy to see. Often, the local government minutes are scanty and not very exciting. Instead the most interesting information can be found in internal memos and correspondence.

The annual reports in Uddevalla *Stadsfullmäktige* have also been useful in this respect. One crucial thing with this kind of analysis is that it is easy to miss what you are really looking for. You don't see the relevance of it until a later date. This is of course an even bigger problem when studying two different localities, that you do not have access to daily. Being an outsider can in this respect be another problem, since you do not have the same opportunity of going back to the material. In other respects it might, however, be an advantage, since you are not involved in the local embeddedness yourself but can study the events from another perspective.

I have used material from Uddevalla shipyard, minutes from the company board and correspondence. Unfortunately, I was not allowed access to Karlskrona shipyard's archive and have therefore not been able to study the discourses about the development as thoroughly as in the case of Uddevalla. Debates in the Riksdag have also been used for the study of discourses, particularly the debates on the defence organisation, Uddevalla shipyard, Blekinge's economic conditions, Karlskrona ship-

yard, government subsidies, and regional policy issues. I have also used private motions from local Riksdag members to detect discourses of the development.

Contemporary literature has also been used to detect discourses, for example folklore literature published by museums and other local associations, as well as town or county descriptions published by external publishing houses. Bruno Wendel, for example, wrote descriptions of both Blekinge and Bohuslän. I have also used memoirs for discourses, for example memoirs by the Chief of the Navy Stig Hson Ericson and the County Governor Erik von Heland, and Gustaf Thordén. Other contemporary literature includes books published for new inhabitants in both cities, something that became common in the end of the 1960s, and continued up to the end of the 1970s. Often these books have a preface by the local government commissioner, and in these we can see changes in conceptions over time.

Often the union material is not very useful for the study of discourses. The minutes provide limited information and the annual reports are very focused on the numbers of members. However, the Uddevalla shipyard's shop floor union has been useful in this case to some extent, as well as some correspondence and a magazine. Interviews have been studied almost exclusively as discourses of development. But I have also relied on the interviews as evidence of political practice, for example when the interviewed person has described a specific event (for example when someone met someone at a specific meeting) or his/her relationships with different persons (members of the same association for example). In each city I have interviewed a former and a present local government commissioner, and a civil servant working with economic development issues. In addition, I have interviewed the former president of the local Metalworkers' Union in Uddevalla and the present shop floor union president at Flextronics in Karlskrona. I have also interviewed the county councillor in Blekinge, the present principal for the university college in Karlskrona/Ronneby, the former managing director at Uddevalla shipyard and the present managing director in the Mattsson Group. Finally, I have interviewed two human resource managers in two engineering companies in each city.<sup>1</sup>

The following local newspapers have been used: *Blekinge Läns Tidning* (liberal) and *Sydöstra Sveriges Dagblad* (social democratic, later *Sydöstran*), *Bohusläningen* (liberal), *Kuriren* (social democratic, discontinued in 1965), *Uddevalla-Posten* (one-day newspaper centre party, occasional issues). Karlskrona is actually quite unique since there are not many cities in Sweden that have two competing daily newspapers today.

The following newspapers with national coverage have also been used, *Aftonbladet* (social democratic), *Arbetet* (social democratic), *Dagens Nyheter* (liberal), *Svenska*

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<sup>1</sup> I have not named the people interviewed because their personal names need not be displayed as I am interested in their discourses as professionals. The interviews were taped and transcribed. The tapes and transcriptions are available at the National Institute for Working Life in Stockholm. The head of economic development in Uddevalla was, in 2000, not interested in an interview because the current work with these issues was in 'an unfinished state'.

*Dagbladet* (liberal conservative), and the following business magazines: *Affärsvärlden*, *Computer Sweden*, *Dagens Industri*, *Veckans Affärer*. I have also used the social-democratic journal *Tiden* as well as the promotion leaflets, *Telecom City News* and *Näringslivet i Uddevalla*. It is interesting to study how the economic situation has affected the newspapers reports and whether their reports have changed, or remained the same through history. It is of course difficult to assess the effects on the readers, but in the reports on the shipyard crisis in the middle of the 1980s, the managing director at Uddevalla shipyard claimed that media had treated the shipyard unfairly. Ship owner Thordén also argued this in connection with the 1958 crisis. Bo Hagström argues that today the newspapers' local material has a strong position with the audience.<sup>1</sup> Elsewhere, scholars have identified the local media as central players in growth coalitions.<sup>2</sup>

In my cases, the local newspapers show a remarkable consistency in their world-views. In *Blekinge Läns Tidning* for example, the discussions about the shipyard dominate whether there are other important businesses or not. This is also the case in *Bobusläningen*. In *Blekinge Läns Tidning* the relation to the government and the government's responsibility towards Karlskrona is constantly referred to.

It is of course hard work to look through every daily newspaper, and I have refrained from doing so. I have chosen certain years when something important has happened in for example business or politics. Examples of interesting events are the Karlskrona 250th jubilee in 1930, the defence committee's report of 1935, the Ericsson location, different Riksdag debates, the Uddevalla shipyard establishment, and the different industrial crises. I realise that this is a limitation for the study, but I can also see a degree of saturation, i.e. I have come to a point where I did not find any other discourses than those I already had.

In order to test this hypothesis, I have extended the first investigation with some additional years, for example the unemployment years in Uddevalla during the 1930s. For the period 1982 and forward, and concerning the national newspapers and the business magazines, I have used the database *Affärsdata*. Promotion and advertisements cannot be found in the database, so I have scanned the relevant years on microfilm for that information.

I have mainly studied editorials but also browsed through advertisements and reports from certain events, for example a closing-down. Editorials are, however, better to use for discourses, especially for the early years of the study, since the articles in the newspapers seldom put forward any values. They are striving to be objective. For example, decisions in Stadsfullmäktige are often cited word for word. In some cases I have referred to interviews with local actors as they can reflect the official political view of things. For discourses on central level, I have studied the

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<sup>1</sup> Bo Hagström 2000. *Pressens bild av kommunalpolitiken i Malmö stad*, p. 25.

<sup>2</sup> Huw Thomas 1994. The Local Press and Urban Renewal. In *International Journal of Urban and Regional Research* 18 (2), p. 317.

government's official reports on location and regional policy, Riksdag debates, government bills, union reports and journals.

### **Political Practice**

For political embeddedness, or the actual political practice, the following material has been used: local government decisions, government bills, and Riksdag decisions. Local government investigations and interviews have also been used to some extent. Union minutes have been used for union actions and joint union-political actions. For industry locations I have relied on the Labour Market Board (AMS) sources, as well as local government sources, and secondary sources. In some cases the Government's Central Archive (Regeringskansliets centralarkiv) has been used, for example concerning the location of Nordic Tel. I have furthermore used official reports both as examples of discourses and of political actions. The reports are, however, limited for actual events and they are best used as expressions of cognitive embeddedness. They are also interesting in that they often are influenced by the research agenda. To summarise, several sources can be used for different purposes. It is of course difficult to estimate if and to which extent a political decision is carried out. The main objective is to distinguish between the discussions or descriptions of a particular event and the event as such.

## Definitions

### The Swedish Local Government

The 1862 Local Government Ordinances provided the foundation for the modern local government in Sweden. Secular affairs were placed under the rural municipality and ecclesiastical affairs under the parish. Urban self-government was not affected in the same way.<sup>1</sup> Local government operates at local and regional level through municipalities [*kommun*] and county councils [*landsting*]. The county council is a regional municipality, composed of several primary municipalities.<sup>2</sup> In the beginning of the 20th century the relations between municipality-community-state began to change. The government began to impose certain duties on the municipalities. In 1952 a large reform was carried through which cut down the number of rural districts from 2300 to 821. Two other reforms were carried through in 1971 and today there are 289 municipalities. The word *stad* (town or city) disappeared in Swedish government legislation in 1971 with the introduction of a single uniform concept, the municipality.<sup>3</sup> In the Swedish Local Government Act of 1991 it says that municipalities and county councils should manage their affairs, even those regulated in special regulations, according to the municipal self-government principle.<sup>4</sup> Municipalities and county councils may promote the local business in general but individual firm support is only allowed if particular reasons exist.<sup>5</sup>

The local government structure is strongly connected to the party system. In our cases the Social Democratic Party has been the largest party in both Karlskrona (except for the period 1967-70, and 1991-94) and Uddevalla, except for the period 1991-1994.

The local government consisted of *Stadsfullmäktige* [the Town Council] and *Drätselkammaren* [the Borough Finance Department] up to 1971. After 1971 *Kommunfullmäktige* [the Local Council] replaced *Stadsfullmäktige* and *Kommunstyrelsen* [the Municipal Executive Board] replaced *Drätselkammaren*. In practice the real decision-making took place in *Drätselkammaren* and today *Kommunstyrelsen* has the most important role.

### Swedish Regional Structure

During the 17th century the county division varied a lot but from the 18th century it began to take its present form. The duties of the county governor have always been altogether of a civilian character. The main task was to watch the crown's economic interests and supervise and execute the jurisdiction. Over time, the county adminis-

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<sup>1</sup> Agne Gustafsson 1988. *Local Government in Sweden*, pp. 23-24.

<sup>2</sup> Gustafsson (1988) p. 23.

<sup>3</sup> Gustafsson (1988) p. 24.

<sup>4</sup> Agne Gustafsson 1996. *Kommunal självstyrelse*, p. 22.

<sup>5</sup> Gustafsson (1996) pp. 94-95.

trative board developed into an administrative court, involving vagrancy regulations and decision-making in debt cases. During the 18<sup>th</sup> century the county governors were very active reformers. It was not until after the Second World War that the county governor became a spokesperson for the region, while the government surveillance tasks were transferred to a civil servant level.<sup>1</sup> Sweden has a long tradition of weak regions. Stockholm's role as a centre for the state's power and authority has been striking. It is instead the local self-government that is strong in an international perspective. *Länsstyrelsen* [the County Administrative Board] is the government's representative in the county.

### **The Application of Local and Regional**

In the thesis the municipalities are the main study objects. The statistics are based on the development of industries in the municipalities. The local governments conduct local industrial policies. The town or city is also used for example in descriptions. Accordingly, the town, the city and the municipality can be referred to as the local level. The counties, Blekinge (Karlskrona) or Bohuslän (Uddevalla), are brought up in discussions in the Riksdag and the mass media. The counties are thus also referred to as 'regions'. For the Uddevalla case yet another term is used, namely *Fyrstad* (Four cities). Fyrstad is a political collaboration between four municipalities: Uddevalla, Trollhättan, Vänersborg and Lysekil. In 1998 Göteborg and Bohus County was merged with Västergötland County and the new county was named Västra Götaland. The name Bohuslän is, however, still used in promotion activities for example when it comes to tourism.

The discourses of economic development in the counties are described so that we can see similarities and differences between the local and the regional discourses. Sometimes the same discourses of the county appear in descriptions of the towns. Place promotion activities have taken place on both local and regional level, primarily in the county administrative boards. Thus, the political activities at regional level affect the local level.

### **Different Policies**

'Business policy' is the part of the economic policy aimed at promoting economic development for example by affecting the different business structures. Credit and interest policy and the structure of taxes play an important role. 'Industrial policy' is the same as business policy and can also be conducted locally. The concept 'location policy' was used in the 1950s until the end of the 1960s when it was replaced by 'regional policy'. Regional policy can involve loan and subsidies for investments in buildings and equipment. Transport support and employment subsidies are other measures. During the 1980s the support was extended to comprise product development, promotion and skill development. Today, this policy is much concerned

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<sup>1</sup> Aronsson (1995) pp. 70-71.

with infrastructure, e.g. building and maintenance of roads and railways. Education is also part of this policy. In 1977 several new university colleges were located in the country. Other measures have included the relocation of government institutions. Today the European Union has taken over certain tasks through four structural funds: the Regional Development Fund, the Social Fund, the Agricultural Guidance and Guarantee Fund, and the Fisheries Guidance.

The members of the Riksdag are divided into 16 committees in order to deal with the government bills and private members' motions. Unlike most other countries, all government bills and private members' motions must be prepared by a committee, which then submits a proposal as to how the Chamber should vote on the matter. Different parties are represented in the committees.

### **Outline of the Thesis**

It is always difficult to divide history into periods and in this case it is particularly difficult since the thesis covers three fields on different levels and in different geographical parts: economic development, politics, and discourse. Thus, what is actually happening at a local level does not have to correspond to what is happening at a national level. Every division is necessarily a construction. The comparative aspect makes it further complex since the two places show different economic problems in different times.

Chapter II presents the economic changes in Sweden, Karlskrona and Uddevalla for the whole period 1930-2000. This framework is necessary in order to understand the discourses and the political actions. The chapter is divided into four sections, each describing the development in Sweden followed by the development in Karlskrona and Uddevalla. Each section ends with a summary.

In Chapters III to VII I show continuity and change in both discourses and practices. Chapter III (Consultation Policy) examines the period 1930-1956. First, the government's view of industry location is accounted for, second, the discourses of economic development in Karlskrona (e.g. the government responsibility discourse) and the political practice (e.g. the establishment of an economic development office), and third, the discourses and practices in Uddevalla (e.g. the gender division discourse and industry support). The relations between local governments and business are also investigated, especially when it comes to local government support of various kinds (for example concerning Ericsson in Karlskrona and the shipyard in Uddevalla).

Chapter IV (Location Policy) goes into the period 1950-1969 when the government and the Riksdag discuss the location of industry more seriously, and the local industrial policy continues. Chapter V (Regional Policy) investigates the period 1969-1982 when the government and the Riksdag begin to focus on the importance of a central regional policy and emphasises social aspects of the economic transformation. The discourses and political practices in Karlskrona follows, I show for ex-



ample how the central discourse on Norrland is reflected in the local population discourse. During this period the government's previous support discourse concerning Uddevalla shipyard slowly begins to change.

Chapter VI (Local Mobilisation) explores the period 1982-1990 when the government emphasises local and regional prerequisites in the regional policy. The previous discourses on government responsibility and local mobilisation can be found in Karlskrona. The Blekinge County and Karlskrona receive two support packages from the government during this period. In Uddevalla the support discourse is still held on to but the government changes its previous support practice and the shipyard is eventually closed down. I show how this event creates an image of Uddevalla as a loser but also how this image changes as a result of place promotion.

Chapter VII (Partnerships) analyses the period 1991-2000. The government's policy of local and regional mobilisation continues and is supplemented with the partnership concept brought in from the European Union regional policy agenda. The recent focus in 2001 on cluster policy is also referred to in this chapter. I analyse local discourses of the economic development and the political actions, for example the marketing of Telecom City in Karlskrona and various promotion and other economic development strategies in Uddevalla.

Chapter VIII sums up the thesis and discusses some policy implications.



## II

# Economic Changes 1930-2000

For most companies the industrial traditions and a professionally experienced labour force are very important [...] That is the reason why the industry of today continues where it once began.  
Sveriges industriförbund 1948.<sup>1</sup>

IN THIS CHAPTER I describe the economic structure in Sweden, Karlskrona, and Uddevalla during the periods 1930-45, 1945-65, 1965-90, and 1991-2000.<sup>2</sup> Each period ends with a summary. I have not made these divisions because each period represents something entirely new; on the contrary, each period builds on the previous ones. However, the division structures the course of events and makes it easier to see their relevance for the whole study. I go back to the 1930s for two reasons, first, during the 1930s the fundamentals of a new business system are put forward at a national level, second, there was an increasing local understanding of the industry's importance in a broader context. Between 1945 and 1965 the business systems at a local level developed in decisive ways, LM Ericsson established a factory in Karlskrona and Gustaf Thordén founded Uddevalla shipyard. The second section ends in 1965 when industrial employment reaches the highest employment level in Sweden. The period 1965-90 is characterised by a restructuring in manufacturing and an employment increase in the service sector. But the period is also distinguished by periods of full employment, and a new 'third way policy'. Industrial employment decreases in both Karlskrona and Uddevalla and the shipyard is closed down in Uddevalla. Finally, the last period deals with the economic recession and the recovery during the 1990s. Ericsson in Karlskrona sells its manufacturing unit to Flextronics, and Europolitan is located to Karlskrona. In Uddevalla Volvo is closed down and returns a few years later.

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<sup>1</sup> För de flesta företag äro de industriella traditionerna och en yrkesvan arbetarstam av stor betydelse (...) Det är detta som gör, att en av orsakerna till industrins nutida lokalisering i stort sett ligger däri att verksamheten fortsätter, där den en gång börjat. (Original in Swedish).

<sup>2</sup> These periods are not fixed entities but may overlap each other.

## Economic Crisis and Recovery in Sweden 1930-1945

Lars Jonung has described the crisis in the 1930s as mainly external. Swedish exports decreased owing to international economic recessions. Different political actions within American, English and French monetary policy, the international trade policy with increasing duties and the indemnifications on Germany, contributed to impede the growth of a well functioning international currency system. Sweden was forced to leave the gold standard and also devaluated the Swedish krona in September 1931, after which the Bank of Sweden was denied to foreign loans. Fortunately, the devaluation and the transition to a monetary standard (on paper) based on a domestic price stabilisation programme isolated the Swedish economy and thus prevented it from being drawn deeper into the world depression.

Jonung argues that the 1930s was a politically successful decade for Sweden as compared to the countries that kept the gold standard. The international development was the primary driving force behind the depression. When the international trade conditions turned around in 1933, the Swedish economy benefited from the boom.<sup>1</sup> Lennart Schön argues that the crisis and the reactions to the crisis became so destructive because Europe had failed to create the institutions, which could carry the late 19<sup>th</sup> century's innovations further. Schön argues that this concerned the international rules in particular. Schön also distinguishes two specific traits in the 1930s. First, the new technology had to be used for mass production in interplay with mass consumption. Second, there was a need to create stable institutions and include an increasing part of the population in the pursuit for growth.<sup>2</sup> Table 2.1 shows that growth in Sweden was high and continued to be high during the next period. In the USA the 1930s depression was more pronounced, as was the boom after the war.<sup>3</sup>

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<sup>1</sup> Lars Jonung 1994. *1990-talets ekonomiska kris i historisk belysning*, p. 17.

<sup>2</sup> Lennart Schön 2000. *En modern svensk historia: Tillväxt och omvandling under två sekel*, pp. 327-329.

<sup>3</sup> Schön (2000) pp. 334-335.

**Table 2.1: Annual GDP Growth Rates in Various Industrial Countries 1929-1951 (per cent).**

<i>Country</i>	<i>1929/1931- 1937/1939</i>	<i>1937/1939- 1949/1951</i>
Sweden	3.1	3.7
the other Nordic countries <sup>a</sup>	2.9	2.4
the other European countries <sup>aa</sup>	2.0	1.1
North America	0.9	4.7
Japan	4.9	-0.8

*Source: Schön (2000) p. 335. <sup>a</sup>Denmark, Finland, and Norway. <sup>aa</sup>Belgium, France, Holland, Italy, Switzerland, Great Britain, Germany and Austria.*

There is an agreement among scholars that Sweden managed the 1930s crisis comparatively well. The reasons provided for this have, however, differed. Schön distinguishes three explanatory factors: the exports, the demographic change, and the development blocs. Swedish exports benefited from the German rearmament of the armed forces, since Germany imported iron ore. Paper and pulp and the shipyard industry also managed quite well.<sup>1</sup> Lars Magnusson emphasises that the export industry benefited from that the krona was disconnected from the gold standard in 1932. This meant in practice a heavy devaluation of the krona, thus leading to increased competitiveness.<sup>2</sup> According to Schön the exports share of production actually fell compared to the 1920s. There was a demographic increase in the group of 20-29 year-olds, which led to an increased supply of labour. When the economy turned around this made possible an expansion of new companies, investments and the granting of credits. This age-group also set up households, which led to an increased demand for capital goods and a demand for housing.<sup>3</sup> The third factor was the development blocs, for example the electrification between the south/middle and northern Sweden and the expansion in the transport sector of mainly lorries and buses.<sup>4</sup> Magnusson argues that the reason for that the crisis did not struck so hard was primarily that the international business cycle was not followed by a similar structural crises as the one in the 1920s.<sup>5</sup>

With regard to employment the situation was, however, different. In 1932 and 1933 more than 20 per cent of the union members were registered as unemployed.<sup>6</sup> During the 1930s there was a ‘new economic-political regime’ emphasising political interference in the economy to affect employment.<sup>7</sup> Magnusson also emphasises the ‘lease of life’ in Sweden with the new ‘crisis policy’ conducted by the social-

<sup>1</sup> Schön (2000) pp. 351-352.

<sup>2</sup> Lars Magnusson 1996. *Sveriges ekonomiska historia*, p. 373.

<sup>3</sup> Schön (2000) p. 353. Magnusson also emphasises demographic factors in Magnusson (1996) p. 373.

<sup>4</sup> Schön (2000) p. 356.

<sup>5</sup> Magnusson (1996) p. 372.

<sup>6</sup> Ulf Olsson 1993. *Industrilandet*. In *Äventyret Sverige*, p. 79.

<sup>7</sup> Rolf Ohlsson and Jonas Olofsson 1998. *Arbetslöshetens dilemma: motsättningar och samförstånd i svensk arbetslöshetsdebatt under två hundra år*, p. 24.

democrats and *Bondeförbundet* (The Farmer's Party, later the Center Party).<sup>1</sup> In order to fight the high unemployment figures, which had reached the level of the 1920s, the new Keynesian influenced policy aimed at a deficit financing of the government's budget and a use of the means to finance public relief work. In this way, the supply of capital would increase, the demand in the economy would rise and unemployment figures decrease. In contrast to previous relief work, the public relief work was paid wages adjusted to conditions on the market.<sup>2</sup>

**Table 2.2: Employees per Sector in Sweden in 1930, 1940, 1945 and Change 1930-1945 (per cent).**

<i>Sector</i>	<i>1930</i>	<i>1940</i>	<i>1945<sup>a</sup></i>	<i>Change 1930-1945 per cent</i>
Agriculture	1,040,793	267,646	732,800	-30
Industry	755,526	756,223	911,100	21
Building	171,473	158,739	216,700	26
Transport & Communication	191,646	179,133	220,100	15
Trade <sup>aa</sup>	319,420	303,021	430,000	35
Public services	184,139	241,490	301,200	64
<i>Total</i>	<i>2,662,997</i>	<i>1,906,252</i>	<i>2,811,900</i>	<i>6</i>

*Source: Statistics Sweden 1930 Census:III: table 4, 1940 Census:III: table 20. Note Domestic work (due to reorganization in the statistics) and mining excluded. <sup>a</sup>Rounded numbers. <sup>aa</sup>Including banks and restaurants.*

Table 2.2 shows that the number of employees in agriculture fell rapidly between 1930 and 1945. There was also an increase in public services, partly as an effect of the mobilization. Between 1930 and 1945 Based on Industrial Statistics, Table 2.3 shows that despite the crisis, the number of workers had by the time of 1935 increased in several industries. This trend continued over the war. The crisis for the match industry is, however, apparent.

**Table 2.3: Number of Workers in Various Swedish Industries 1931, 1935, 1941, 1945 and Change 1931-45 (per cent).**

<i>Industry</i>	<i>1931</i>	<i>1935</i>	<i>1941</i>	<i>1945</i>	<i>Change 1931-45 per cent</i>
Mining and enrichment	9421	8486	13,203	10,486	11
Metal manufacturing	17,052	21,316	26,842	26,874	58
Iron and steel ware <sup>a</sup>	96,687	117,222	164,342	194,962	102
Other metal industry	8807	11,971	14,325	17,056	94
Textile	42,842	48,044	48,069	48,401	13
Clothing and similar industries	18,364	25,062	33,545	38,567	110
Match factories	4952	2459	1165	986	-80

*Source: Statistics Sweden SOS Industri 1935, p. 9. <sup>a</sup>Including shipyards and engineering.*

<sup>1</sup> Magnusson (1996) p. 403.

<sup>2</sup> Schön (2000) pp. 345-346.

Ohlsson and Olofsson argue that in reality the residual unemployment during the war years decreased from around 10 per cent in the beginning of the 1940s to around 5 per cent in 1945. The reason for this was the strong expansive effects caused by the war economy and the mobilization.<sup>1</sup> The mobilization affected the local economy of Karlskrona, as we will see in the next section.

### Economic Structure in Karlskrona

In 1680 a naval base was founded in Karlskrona with a shipyard as the most important part. The reason for the establishment was that the Swedish navy in 1675-77 was struck by several setbacks in the war with Denmark, ascribed to the Stockholm base's unfit location. The foundation of the naval base became a recurring theme in Karlskrona's relationship with the government and came to affect discourses of business development and political actions. In 1930 the military employed 4870 people. In 1940 the number was 4422.<sup>2</sup> Table 2.4 shows the service sector's dominance, which is explained by the military's large share of employment. But we can also see that the industry's share by the time of 1945 almost had doubled. Furthermore, total employment increased between 1930 and 1945 due to the industry's expansion.<sup>3</sup>

**Table 2.4: Employment Distribution in Karlskrona 1930, 1940, and 1945 (per cent).**

<i>Sector</i>	<i>1930</i>	<i>1940</i>	<i>1945</i>
Industry	16	31	32
Building	5	5	7
Trade and communications	26	23	24
Services	53	41	37
<i>Total</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total number</i>	<i>10,754</i>	<i>14,036</i>	<i>13,363</i>

*Source: Statistics Sweden Census 1930 No. III: table 7, 1940 No. III: table 8, 1945 No. V: table 4. 'Agriculture, fishing and forestry', 'electricity, water, and garbage', domestic work, and unspecified activities omitted.*

Apart from the shipyard industry, the textile, pottery and food industries dominated. The distribution of employment between the different industries did not change much during the period. Table 2.5 shows that in 1930 the shipyard industry's share of total industrial employment was 49 per cent. By the time of 1945 it had increased to 54 per cent. The textile industry's share fell from 12 per cent in 1930 to 8 per cent in 1945, although employment increased. Both according to Census data and Industrial Statistics industrial employment increased during the period, much due to the mobilisation at the shipyard.

<sup>1</sup> Ohlsson and Olofsson (1998) p. 141.

<sup>2</sup> Statistics Sweden 1930 *Census III*: table 7, 1940 *Census III*: table 8.

<sup>3</sup> Note that we cannot compare industrially employed in the Industrial Statistics and Census due to the different collection methods (see section on Method). Thus, the Census data are used for the employment structure as a whole and Industrial Statistics for the share of employment in different industries. The differences are, however, discussed when relevant. Appendix 1 presents the numbers.

**Table 2.5: Employment Distribution in Industry in Karlskrona 1930, 1935, 1940, and 1945 (per cent).**

<i>Sector</i>	<i>1930</i>	<i>1935</i>	<i>1940</i>	<i>1945</i>
Shipyards and boat building <sup>a</sup>	49	49	58	54
Textile	12	10	10	8
China, Pottery	12	14	8	12
Food	9	8	8	9
Printing and allied industries	4	3	2	2
Other	14	15	13	15
<i>Total</i>	<i>100</i>	<i>99</i>	<i>99</i>	<i>100</i>
<i>Total number</i>	<i>2425</i>	<i>2581</i>	<i>3588</i>	<i>3893</i>

*Source: Statistics Sweden SOS Industri 1930, 1935, 1940, and 1945. <sup>a</sup>In 1945 only shipyards. Owing to rounding errors columns 1935 and 1940 total 99 per cent.*

In Blekinge County, the stone industry was primarily affected by unemployment.<sup>1</sup> In Karlskrona the employment in the navy and at the shipyard was most important. According to *Statens arbetsmarknadskommision* [the Government's Labour Market Commission], the number of applicants for unemployment relief fell with 63 per cent between 1940 and 1947.<sup>2</sup>

### *The Shipyard*

In 1936 the Prime Minister concluded that the defence issue had been under continuous investigation during the first decades of the 20<sup>th</sup> century and that this had caused insecurity for the defence work. The situation had even deteriorated significantly since 1925. The 1936 government bill therefore aimed at rationalising and rendering the defence institutions more effective without adding to the present costs.<sup>3</sup>

Towards the end of the 1930s the navy's means increased. In 1938 the Prime Minister argued that the increased international insecurity had caused the government to investigate how the defence could be strengthened.<sup>4</sup> In 1942 the Prime Minister argued that the defence regulations of 1936 were still fundamentally in effect. Some changes had, however, been carried through, mainly concerning the war organisation, which had been strengthened during the last years.<sup>5</sup> The Swedish

<sup>1</sup> Statens arbetsmarknadskommision 1942. No. C 1008, p. 98.

<sup>2</sup> Statens arbetsmarknadskommision 1947. *Redogörelse för Statens arbetsmarknadskommisions verksamhet under år 1940-47.*

<sup>3</sup> KM:s Proposition [His Majesty's Bill] 1936: No. 225. *Angående försvarsväsendets ordnande* [On the Regulation of the Defence] pp. 3-5.

<sup>4</sup> Riksdag Debate 1938: No. 20, 16 March. *Angående försvarsdepartementet* [On the Ministry of Defence], p. 35.

<sup>5</sup> KM:s Proposition [His Majesty's Bill] 1942: No. 210. *Angående den fortsatta utbyggnaden och organisationen av landets försvarskrafter* [On the Continuous Enlargement and Organisation of the Country's Defence] pp. 2-3.



rearmament during the war years involved arms manufacturer Bofors, and also companies manufacturing tanks such as Volvo, Scania Vabis and Landsort. Many companies moreover played important roles as subcontractors. For the rearmament of the marine the naval shipyard in Karlskrona played the most important part.<sup>1</sup>

Despite drastic changes in the preconditions for the shipyard during the period 1910 to 1945 including rearmament, world wars, and a peace period with disarmament it has been argued that there still was a striking continuity in the shipyard's activities.<sup>2</sup> The shipyard's main assignment was to serve the navy with repairs and maintenance of its vessels. The large change came after the Second World War. As we will see in Chapter III, however, the investigations affected local discourses of the shipyard's conditions and as a consequence political practice.

### **Economic Structure in Uddevalla**

Table 2.6 shows that industry employed a large part of the labour force in Uddevalla. In comparison with Karlskrona the industry sector was larger and the service sector smaller. In 1945 the industry had decreased its share due to the closure of the match factory. The industrial structure in Uddevalla during this time resembled the structure before the 1930s. The textile industry dominated and the companies Schwartzmann & Nordström and Kampenhof were especially salient. Schwartzmann & Nordström commenced its activities in 1903. Manager Marcus Schwartzmann had been a travelling salesman for the company AB Eriksson and Larsson in Borås. Uddevalla was a centre in his selling district. In the middle of the 1930s the company resumed its manufacturing of less expensive ready-made clothing. The manufacturing had been idle since the 1920s. The company did not, however, want the famous Tiger brand to be associated with mass production, thus the company Uvkläder was founded.<sup>3</sup> In 1935 it was argued in a town description: 'to write the company's history is to write the Swedish ready-made clothing industry's history'.<sup>4</sup>

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<sup>1</sup> Schön (2000) p. 360.

<sup>2</sup> Björn Gäfvert 1993. Kontinuitet i föränderlig omvärld 1910-1945. In Erik Norberg (ed.) *Karlskronavarvets historia Del 2 1866-1992*, pp. 133-134.

<sup>3</sup> AB Schwartzmann & Nordström 1943. *En storindustri i Bohuslän*, pp. 46-47.

<sup>4</sup> Carl Werner 1935. *Beskrivning över Uddevalla*, p. 27.

**Table 2.6: Employment Distribution in Uddevalla 1930, 1940, and 1945 (per cent).**

<i>Sector</i>	<i>1930</i>	<i>1940</i>	<i>1945</i>
Industry	49	41	39
Building	9	10	11
Trade and communications	30	32	33
Services	13	17	17
<i>Total</i>	<i>101</i>	<i>100</i>	<i>100</i>
<i>Total number</i>	<i>6642</i>	<i>7825</i>	<i>8875</i>

*Source: Statistics Sweden Census 1930 No. III: table 7, 1940 No. III: table 8, 1945 No. V: table 4. 'Agriculture, fishing and forestry', 'electricity, water, and garbage', domestic work, and unspecified activities omitted. Owing to rounding errors column 1930 totals 101 per cent.*

Table 2.7 shows that in 1930 and 1945 the textile industry's shares of the industrially employed were 51 and 50 per cent respectively. The match factory employed around 27 per cent of the industrially employed. In 1945, when the match factory had closed down, the wood industry had increased its share, from 2 per cent in 1930 to 18 per cent in 1945. The textile industry was as dominating in Uddevalla as the shipyard was in Karlskrona. Female labour participation continued to be large; at the end of the 1930s, it was 48 per cent.<sup>1</sup> In 1929 Cöster's joinery shop was closed down and in 1938 the match factory suffered the same fate. Some other companies were, however, established: Bakelit (a bakelite company) in 1936, Tubus (a wood tube factory) in 1937 and Junohus (a wooden house factory) in 1938. The increase between 1935 and 1945 in the wood industry can probably be ascribed to the establishments of Tubus and Junohus. Unemployment was a large problem in Uddevalla during the 1930s. According to Industrial Statistics industrial employment decreased between 1930 and 1935.<sup>2</sup> In 1933 over 15 per cent of the population was dependent on public support. In 1936 300 people was officially reported as unemployed.<sup>3</sup> The situation on the labour market improved considerably during the 1940s. According to Statens arbetsmarknadskommision the applicants for unemployment relief had practically disappeared in 1947.<sup>4</sup>

<sup>1</sup> Åberg (1997) p. 196.

<sup>2</sup> See Appendix 1.

<sup>3</sup> Åberg (1997) p. 199.

<sup>4</sup> Statens arbetsmarknadskommision 1947. *Redogörelse för Statens arbetsmarknadskommisions verksamhet under år 1940-47*. In 1940 the number of applicants was 69. In 1941 it was 109. In 1947 1 (!) applicant was reported.

**Table 2.7: Employment Distribution in Industry in Uddevalla 1930, 1935, 1940 and 1945 (per cent).**

<i>Sector</i>	<i>1930</i>	<i>1935</i>	<i>1940</i>	<i>1945</i>
Textile <sup>a</sup>	51	62	59	50
The match factory	27	12.5	-	-
Food	5	9	8	10
Printing and allied industries	3	3	4	5
Wood	2	3	18	18
Other	11	10.5	11	17
<i>Total</i>	<i>99</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total number</i>	<i>1993</i>	<i>1758</i>	<i>2381</i>	<i>2572</i>

*Source: Statistics Sweden SOS Industri 1930, 1935, 1940, and 1945. <sup>a</sup>Including cotton spinning mills and weaving mills and from 1940 dye-works. Owing to rounding errors column 1930 totals 99 per cent.*

## Summary

To summarise, during the period 1930-1945 the shipyard dominated the industry in Karlskrona, employing about half of the industrially employed. The shipyard's conditions were governed by the central government and the period was marked by recurring investigations and reorganisations. Thus, the mobilization in the nation as a whole affected the shipyard in Karlskrona. In Uddevalla the textile industry was equally important with 62 per cent of the industrially employed in 1935. This gradually decreased to 50 per cent in 1945. The match factory was closed down in the aftermath of the national crisis for the match industry. The match factory was, however, replaced by another company in the wood industry. Thus, the increase of labour in the textile industry and the crisis for the match industry in the nation as a whole were reflected in Uddevalla.

## The 'Golden Years' in Sweden 1945-1965

Just after the Second World War Swedish industry had large structural problems. The government kept some regulations from the war period in order to make the restructuring less painful. The government also feared that there was a danger of quick inflation. The regulation system controlled for example the consumption of raw materials, fuel, building (a control of construction work was in effect from 1947 to 1958), and the use of labour.<sup>1</sup> Table 2.8 shows that growth during the 1950s was below the total average for 15 industrial countries.

**Table 2.8: Annual GDP Growth Rates in Various Industrial Countries 1949/1951-1959/1961 (per cent).**

<i>Countries</i>	<i>1949/1951-1959/1961</i>
Sweden	3.4
The other Nordic countries	3.9
The other European countries	4.9
North America	3.2
Japan	8.4
<i>Total 15 industrial countries</i>	<i>4.2</i>

*Source: Schön (2000) p. 367. See also comments table 2.1.*

In Sweden the manufacturing industry was the most successful business up to the 1970s. This was particularly the case in the engineering industry, the electronics industry, the shipyard industry and transports. The expansion within the shipyard industry was built on a heavy specialisation of large cargo ship manufacturing and later on oil tankers. Other important companies were, in the electronics industry, the power company Asea, in low current electricity LM Ericsson, and in manufacturing of domestic machines Electrolux and Luxor. Two large companies, Volvo and Saab, dominated the car industry. Other companies were SKF in ball bearing, Alfa Laval in agriculture and dairy machines, Facit in typewriters and calculators. Thus, the expansion was relatively technology intensive and export oriented.<sup>2</sup>

Table 2.9 shows that employment in agriculture fell dramatically between 1945 and 1965 while all other sectors experienced a boom. This was especially the case for the building sector and public services. Agriculture's share of employment fell from approximately 26 per cent in 1945 to 13 per cent in 1965. The increase in employment in public services signified the enlargement of the public sector in Sweden. Eventually this enlargement had great consequences for the municipalities' and the county councils' consumption.

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<sup>1</sup> Magnusson (1996) pp. 411-413.

<sup>2</sup> Magnusson (1996) p. 420.

**Table 2.9: Employees per Sector in Sweden 1945, 1950, 1965 and Change in Per Cent 1945-1965.**

<i>Sector</i>	<i>1945</i>	<i>1950</i>	<i>1965</i>	<i>Change 1945-1965</i>
Agriculture	732,800	639,800	407,560	-44
Industry	911,100	1,023,022	1,155,854	27
Building	216,700	244,299	330,278	52
Transport & Communication	220,100	250,569	246,634	12
Trade <sup>a</sup>	430,000	484,800	510,077	19
Public services	301,200	342,300	431,253	43
<i>Total</i>	<i>2,811,900</i>	<i>2,984,790</i>	<i>3,081,656</i>	<i>10</i>

*Source: 1945 and 1950: Census 1950 del II table E. Rounded numbers. 1965: Census 1965 del IV table A. Domestic work and mining excluded.<sup>a</sup> Incl. banks and restaurants.*

Schön argues that during the 1960s Swedish industry was at the front line within the electronics industry. At that time electronics was primarily about developing steering system for large-scale heavy processing industries and to develop and use industrial robots in the engineering industry. Power electronics constituted yet another Swedish area of specialist knowledge where the nuclear power programme was distinctive. Several of these industries fell into a crisis during the 1970s and the application of electronics changed.<sup>1</sup>

**Table 2.10: Employees in the Textile, Electronics and Shipyard Industries in Sweden 1955, 1960, 1965 and Change in Per Cent 1955-1965.**

<i>Industry</i>	<i>1955</i>	<i>1960</i>	<i>1965</i>	<i>Change 1955-1965</i>
Textile	105,022	94,303	87,031	-17
Electronics	49,677	58,179	68,779	38
Shipyard	29,596	32,333	31,164	5

*Source: Statistics Sweden SOS Industri 1955, 1960, and 1965.*

Table 2.10 shows the employment increase in the electronics industry and the decrease in the textile industry. As I mentioned earlier, the textile industry played a significant role in Uddevalla. This type of industry was also operating in Karlskrona. After the Second World War people thought that the demands for textile goods, which for several years had been neglected, would secure employment for the industry for a long time ahead. During the first post war years the world consumption of wool and cotton was larger than the running production and production could only be maintained by a comprehensive use of the raw material stock. A certain flagging began to manifest itself from the end of 1949 into the first half of 1950 and a gradual normalization of production and consumption seemed to be within sight.<sup>2</sup> However, the development took a different turn due to three things: a failed cotton crop, inflation in the USA, and the Korean War (with a comprehensive national

<sup>1</sup> Schön (2000) p. 513.

<sup>2</sup> Kurt Billum 1957. *Textil och konfektionsindustrien i Sverige*, p. 24.

storage and rush for raw material). In spring 1951 a severe crisis followed. In Sweden the textile and ready-made clothing industry's production index fell from 106 to 90 between the second and third quarter. 15 per cent of the labour force disappeared in Sweden.<sup>1</sup> The largest changes were, however, yet to come during the 1970s.

The shipyard industry experienced heavy fluctuations in demand during this period and was also hit severely by restructuring in the late 1970s. The development of world shipping after the war became the basis for the boom in the shipyard industry. During the 1950s, production was more than redoubled. During the period 1965-75 production was almost quadrupled (measured in tonnage). During this period, there were also extensive changes in the international division of labour.<sup>2</sup> Bohlin characterises the 1950s as 'a golden age for Swedish shipyard industry'. But it was Great Britain that was the leading nation until 1960 when it was passed by Japan. Japan continued to dominate during the following period.

**Table 2.11: The Shipyard Production Worldwide 1950-1975. Launched tonnage (per cent).**

<i>Year</i>	<i>Sweden</i>	<i>Norway</i>	<i>West Germany</i>	<i>Great Britain</i>	<i>USA</i>	<i>Japan</i>
1950	10	1.5	4.4	37.9	12.5	10.0
1955	9.9	2.7	17.5	27.7	1.4	15.6
1960	8.5	2.4	13.1	15.9	5.8	20.7
1965	9.6	3.3	8.4	8.8	2.2	43.9
1970	7.9	2.9	7.8	5.7	1.6	48.3
1975	6.9	2.9	7.1	3.7	2.8	50.1

*Source: Bohlin (1989) p. 43.*

Government credit guarantees were common in the West European countries. There were also interest subsidies. The shipyards were compensated for having to supply the ship-owners with credits with an interest rate below the market interest, while the shipyards themselves in order to finance the loans, had to pay market interests.<sup>3</sup> In all countries except Sweden the import of certain products for ship production was duty free. The subsidies increased during the 1960s in Western Europe while they decreased in Japan.<sup>4</sup> In Sweden, subsidies were given as credit guarantees, for example to Uddevalla shipyard, as we will see later on.

The business cycles fluctuated considerably from 1950 to 1973. The Korean War and the closing-down of the Suez Canal in 1958 and 1967 led to increased freight rates. When the closing-down of the pipeline to the Mediterranean Sea and cutbacks

<sup>1</sup> Billum (1957) p. 25.

<sup>2</sup> Jan Bohlin 1989. *Svensk varvsindustri 1920-1975*, p. 42.

<sup>3</sup> Bohlin (1989) p. 45.

<sup>4</sup> Bohlin (1989) p. 46.

in Libya's oil production took place there was a boom while the Arab-Israeli war in 1973 resulted in a crisis.<sup>1</sup>

In the end of the 1950s the new building contracts changed towards larger and longer credits and with decreased turnover periods of capital as a consequence. In the new contracts 15 per cent of the ship price was paid in advance and 5 per cent at delivery. The remaining 80 per cent was paid off during the following 8-10 years with a 1-2 per cent interest below the market interest. This unfavourable stipulation for the shipyards came as a consequence of the increased world market competition. The financing load for the shipyard industry increased heavily. In order to finance new ships the shipyards had to borrow more money, loans that to a large extent were placed on the international credit market. The interest costs led to decreased profitability.<sup>2</sup> In the section on Uddevalla, we will see how this development affected Uddevalla shipyard.

Sabel and Piore describe the restructuring of industry in the late 1960s as 'a crisis for mass production'. They focus on two explanations for the development: the external shocks to the economic system and how political responses to these shocks further undermined the macroeconomic stability and aggravated the crisis.<sup>3</sup> This view presupposes that the actors had access to perfect information and that they acted on an economically rational basis. In the local studies we will see that the situation for the actors was far more complex than that.

### **Economic Structure in Karlskrona**

Table 2.12 shows that the employment distribution in the industry and service sectors was more similar between 1945 and 1965 than it was during the previous period (see Table 2.4). Total employment increased but not as much as in Sweden as a whole.

Table 2.13 shows that the share of employees at the shipyard decreased between 1945 and 1965. 1955 was the top year in terms of employment. For the whole period 1930 to 1965 the number of employees increased with 42 per cent. However, we must be careful when comparing the number of employees over time because of the different reorganisations. The period 1930-1945 (+74 per cent) and the period 1950-1960 (no change) seem to be relatively easy to compare as well as the years after 1961.

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<sup>1</sup> Bohlin (1989) pp. 46-48.

<sup>2</sup> Bohlin (1989) p. 358.

<sup>3</sup> Michael J. Piore and Charles F. Sabel 1984. *The Second Industrial Divide*, p. 166.

**Table 2.12: Employment Distribution in Karlskrona 1945, 1950, 1960, and 1965 (per cent).**

<i>Sector</i>	<i>1945</i>	<i>1950</i>	<i>1960</i>	<i>1965</i>
Industry	32	35	38	34
Building	7	8	6	6
Trade and communications	24	26	21	20
Services	37	31	35	40
<i>Total</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total number</i>	<i>13,363</i>	<i>14,478</i>	<i>13,845</i>	<i>14,326</i>

*Source: Statistics Sweden Census 1945: No. V: table 4, 1950 No. IV: table 5, 1960 No. VI: table 1, 1965(municipality) No. IV: table 1. 'Agriculture, fishing, and forestry' omitted. In 1945 and 1950 'electricity, water, and garbage', 'not specified activities' and 'domestic work' omitted. In 1960 and 1965 'electricity, water, and garbage' is not specified. Not specified activities are part of 'Services'. 'Domestic work' omitted. In 1965 domestic work is no longer a category.*

According to the Industrial Statistics the electronics industry had a great boom between 1950 and 1965. In 1950 the share of employed in the electronics sector was 9 per cent and the share of employed in the shipyard industry was 47 per cent. In 1965 the electronics industry had the same share as the shipyard (about 30 per cent). Between 1945 and 1965 the total number of industrially employed increased with 54 per cent. There was also an increase in union membership. In 1947 the local Metalworkers' Union had 473 members, in 1954 875. In 1962 the number was 2549.<sup>1</sup>

**Table 2.13: Employment Distribution in Industry in Karlskrona 1945, 1950, 1955, 1960, and 1965 (per cent).**

<i>Sector</i>	<i>1945</i>	<i>1950</i>	<i>1955</i>	<i>1960</i>	<i>1965</i>
Shipyard	54	47	42	34	28
Electronics	-	9	14	22	29
Textile	8	10	10	12	10
China and Pottery	12	11	9	8	6
Food	9	7	6	9	7
Printing	2	3	4	5	5
Other	15	14	15	11	15
<i>Total</i>	<i>100</i>	<i>101</i>	<i>100</i>	<i>101</i>	<i>100</i>
<i>Total number</i>	<i>3893</i>	<i>3943</i>	<i>5193</i>	<i>5360</i>	<i>6010</i>

*Source: Statistics Sweden SOS Industri 1945, 1950, 1955, 1960, 1965. Owing to rounding errors columns 1950 and 1960 total 101 per cent.*

<sup>1</sup> The Local Metalworkers' Union 1948. Annual Report 1947 (unpublished). Annex to Board Minutes 17 February. Undated *Annual Report 1954*. Undated *Annual Report 1962*.



### *The Navy and the Shipyard*

In June 1945 the Riksdag set up a Defence Committee in order to investigate the Swedish defence situation. The purpose was to render the defence more effective on the basis of the experiences of the war. The Committee pointed out that ‘a peace period of not too insignificant duration’ was expected and therefore it proposed considerable downsizing within the defence.<sup>1</sup> There should be a decrease in the number of naval shipyards in particular. But from a strategic point of view it was better to keep business in several cities. The work volume could be shifted between the shipyards to obtain better coverage of the work and more effective use of the resources. A possibility was to transfer business from Stockholm to Karlskrona. The Riksdag decided that a specific investigation should analyse the issue further.<sup>2</sup> The Berlin crisis and the Prague coup influenced the Defence Resolution of 1948, leading to an acceptance of the Supreme Commander’s proposition of a gradual reorganisation. Also, henceforth, the war and peace organisation should be determining and defence grants were to be adapted accordingly. The defence resolution emphasised threats from air and sudden attacks. The air forces, in particular fighters, were strengthened. The navy should keep the same number of destroyers, submarines and lighter ships. Already in 1949 the government set up a new defence investigation, suggesting a significant downsizing. The outbreak of the Korean War in 1950 led to the abandonment of this proposition as well.<sup>3</sup>

**Table 2.14: Distribution of Hours of Manufacturing at Karlskrona Shipyard 1948-1955 (per cent).**

The navy	74
Municipality and other	11
Other public authorities	8
Other defence authorities	7

*Source: SOU 1957:9 and Government Bill 1960 no. 184.*

The starting-point for the 1953 shipyard investigation was the military technological development after the war. There had been a transition to lighter ships more dependent on shore-based works. The A-bomb threat demanded a distribution of bases and mountain space. It was therefore possible that the naval shipyards would consist of mother shipyards for smaller bases along the coasts. The primary assignments in the future would be maintenance work. The government’s organisation committee argued that only maintenance and rebuilding should take place at the naval shipyards. Government business should be limited as much as possible and the national defence institutions should not be used for regulating the labour mar-

<sup>1</sup> Ronny Lindsjö 1994. *Marinhistoria*, p. 432.

<sup>2</sup> SOU 1947: No.72, Erik Norberg 1993. *Från marinverkstäder till aktiebolag 1945-1992*. In Erik Norberg (ed.) *Karlskronavarvets historia del 2 1866-1992*, p. 138.

<sup>3</sup> Lindsjö (1994) p. 433.

ket. The Swedish shipyard association expressed the same opinion. Naturally the representatives in Blekinge and Karlskrona were against this.<sup>1</sup>

In 1961 the naval base was divided into a military base and a state-owned limited company with civilian management, Karlskronavarvet AB (the Karlskrona Shipyard Ltd). The navy was no longer head of the shipyard. From an organisational viewpoint the formation of the company meant extensive changes. The company got a board with representatives for the Ministry of Defence, the Navy, the local government, the Blekinge County, the industry and the unions.<sup>2</sup>

### *Other Industries*

In 1947 LM Ericsson located a factory for the manufacturing of telephone products in Karlskrona. Atlas Diesel located its manufacturing of heavy loading machinery in rented premises, where students from the engineering school worked in order to get practical experience.<sup>3</sup>

In a more detailed study of Karlskrona's industry the picture is varied. In 1949 the job supply was quite satisfying and unemployment had only occurred in connection with holiday closures at certain workplaces. In the end of 1949, however, 125 workers at LM Ericsson had been given notice to quit. The board had made serious petitions to the town's authorities in order to interest industries in moving to Karlskrona. The unions visited the government to argue for a widening of the railway net. The union hoped that the mutual efforts of rousing the town industrially would eventually pay off.<sup>4</sup>

In connection with the Korean War in the beginning of the 1950s an economic recession affected especially export industries such as the hat-, porcelain- and the ready-made clothing industry as well as LM Ericsson. All industries were severely pressed by above all German competition and had to curtail their operations. But local politicians recognised that LM Ericsson had increased its business outside Sweden, for example in the USA. The porcelain industry was under hard pressure due to competition from Germany, Czechoslovakia and Japan. As far as the hat factory was concerned, the competition was fierce. 80-85 per cent of all hats sold in Sweden were imported.<sup>5</sup> In 1953 the Metalworkers' Union members were worried about the job situation. Several workplaces within engineering had inaugurated reduced production in the form of lay offs and temporary dismissals. In some cases shortened working hours had been implemented. The union had taken part in the town's decision to call upon Arbetsmarknadsstyrelsen, AMS [The Labour Market Board] and the companies.<sup>6</sup>

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<sup>1</sup> Norberg (1993) pp. 141-142.

<sup>2</sup> Arne Myllenberg 1980. *300 år och 400 fartyg*, p. 23.

<sup>3</sup> Wirén (1986) p. 65.

<sup>4</sup> The Local Metalworkers' Union 1950. *Annual Report 1949*. Annex to Minutes 17 January.

<sup>5</sup> Industrirådet 1952. Memo ang. sysselsättningen inom stadens industrier [Memo on the Employment in the Town's Industries] Annex 5 to Minutes 11 June.

<sup>6</sup> The Local Metalworkers' Union. Undated. *Annual Report 1953*.

As mentioned before, the textile industry decreased its employment at national level between 1955 and 1965. This was, however, not the case in Karlskrona. The electronics sector's expansion became even more pronounced in Karlskrona than in the country as a whole.

In 1954 Atlas Diesel's branch was closed down.<sup>1</sup> This led to extensive unemployment and long lay-offs in other companies. Many members with vocational training had to move from the town or change line of business. But during the second half of the year the jobs increased at LM Ericsson and consequently the number of members increased from 728 to 875 during the year.<sup>2</sup>

In 1954 Findus established factory premises in Karlskrona, specialised in preserving and deep-freezing fish and berries. According to AMS, the reasons for the establishment were supply of raw material and good possibilities for recruitment and space for a cold storage industry. It employed approximately 90 people, during high season 300. The Defence Department's [*Försvarsverket*], laundry facilitation was located in 1957, employing about 130 people. It came about due to location policies because of the closing-down of the defence shoe factory and the general labour market situation in Karlskrona. Citograf (addressing machines) was another establishment during the late 1950s. Citograf moved from Stockholm because of good recruiting possibilities plus government and municipal support.<sup>3</sup> In 1960 it was decided that Ermi - a daughter company of LM Ericsson, manufacturing electricity meters - should transfer its production to Karlskrona.<sup>4</sup>

Vibroverken was established in 1934, one of the world's leading companies in manufacturing machinery for land and asphalt packing and the working of concrete and of vibrations equipment. It was located in Ljungby in Småland but was an international company present in the USA and Brazil. Some contract work, for example heavy turning and metal pressing, had previously been laid out to the naval workshops in Karlskrona.<sup>5</sup> In order to facilitate a location to Karlskrona the town established a real-estate company and sold land to the company, which built on the premises. In 1960 Vibroverken employed 60 people, in 1975 300 and in 1981 371.<sup>6</sup> The company, which later changed its name to Dynapac, is still situated in Karlskrona, and belongs to the Svedala group.

In 1956, according to the Metalworkers' Union, the labour market situation was quite good and members who had to quit their job could look for temporary work within the building industry. During the year the business at LM Ericsson had increased and therefore member no. 1000 had been registered.<sup>7</sup> In 1958 the

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<sup>1</sup> Industrirådet 1954. Memo ang. nedläggande av Atlas Diesels härvarande filial [Memo on the Closure of the Atlas Diesel Factory]. Annex 3 to Minutes 11 January.

<sup>2</sup> The Local Metalworkers' Union. undated. *Annual Report 1954*.

<sup>3</sup> AMS 1960. *Industrilokalisering under åren 1946-1959*, p. 15.

<sup>4</sup> Stadsfullmäktige 1960. Minutes 28 January.

<sup>5</sup> Kjell Nilsson 1999. En industrihistoria. In Kjell Nilsson and Stig Larsson. *Två Karlskronaföretag*, p. 10.

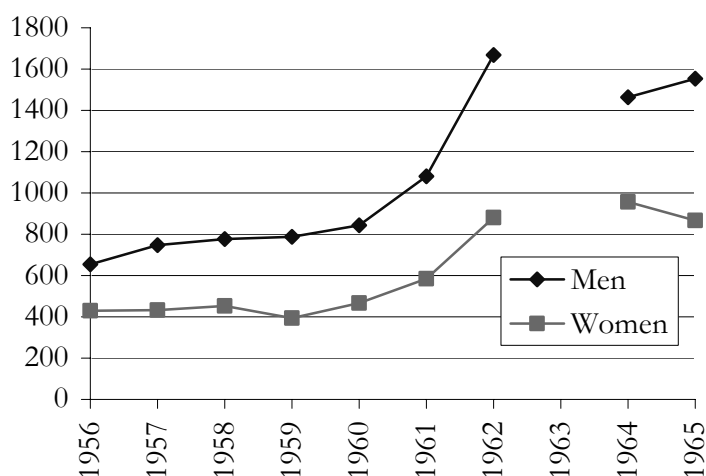
<sup>6</sup> Wirén (1986) p.77.

<sup>7</sup> The Local Metalworkers' Union 1956. Annual Report 1955. Annex to Minutes 10 January.

Metalworkers' Union concluded that the year had not led to any increased numbers of jobs, and the situation had been worse than previous years. This was the case despite the location of Citograf.<sup>1</sup>

In 1959 the Metalworkers' Union concluded that the year had been better than the previous year, due to strenuous work by the authorities in the town as well as in Blekinge. Karlskrona's welding workshop had been enlarged and Vibroverken was expected to yield further work opportunities. On the other hand, this increase was equivalent to the decrease in jobs within the navy.<sup>2</sup> In the beginning of the 1960s the labour market started to improve. An evidence of the improved labour market in the area was that the union had treated applications concerning exemption for overtime and import of foreign labour.<sup>3</sup> Between 1950 and 1960 the number of women employed in industry increased from 996 to 1485.<sup>4</sup> Figure 2.1 shows that the largest increase of union members took place in 1962.

**Figure 2.1: Men and Women in the Metalworkers' Union in Karlskrona 1956-1965.**



*Source: The Metalworkers' Union in Karlskrona Annual Reports 1956-1965. No numbers for 1963.*

<sup>1</sup> The Local Metalworkers' Union 1958. *Annual Report*.

<sup>2</sup> The Local Metalworkers' Union 1960. Annual Report 1959. Annex to Minutes 9 February.

<sup>3</sup> The Local Metalworkers' Union 1961. Minutes 19 December.

<sup>4</sup> Statistics Sweden 1950 *Census IV*: table 4 and 1960 *Census:VI* table 2.

## Economic Structure in Uddevalla

In 1946 Gustaf Thordén founded Uddevalla shipyard. During the first years there was a great employment expansion at the shipyard (see Table 2.16). Population also increased, from 34 533 in 1950 to 47 336 in 1965.<sup>1</sup> One contributing factor was that the expected post-war recession did not take place. In the annual report of 1946 the Metalworkers' Union reported that there had not been any unemployment in the proper sense. On the contrary, there was an increased demand for labour. New appointments and a set-up of a shop union characterised the situation on the shipyard. It was, however, also mentioned that notwithstanding this the shop union, perhaps more than other shop unions, had to negotiate and correct shortcomings in terms of working conditions. They expected that when the organisation had gained the stability needed for such a large company, the shop union, with resources from the federation, would be able to successfully plead the members' cause.<sup>2</sup>

In 1958 there was a financial crisis for the shipyard which led to that Thordén had to sell the shipyard for 1 krona to a foundation for public utilities (Gustaf B Thordéns stiftelse för allmännyttiga ändamål) made up of five members appointed by the banks involved (especially Stockholms Enskilda Bank), and three members appointed by the government; one chairman (the County Governor of Bohus County), a representative for West Sweden and a representative for Uddevalla municipality. At the same time the government proposed a bill guaranteeing the banks credit to the shipyard of 30 million kronor.<sup>3</sup>

**Table 2.15: Employment Distribution in Uddevalla 1945, 1950, 1960, and 1965 (per cent).**

<i>Sector</i>	<i>1945</i>	<i>1950</i>	<i>1960</i>	<i>1965</i>
Industry	39	43	46	41
Building	11	10	10	10
Trade and communications	33	32	23	25
Services	17	15	21	24
<i>Total</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total number</i>	<i>8875</i>	<i>10591</i>	<i>14904</i>	<i>15987</i>

*Source: Statistics Sweden Census 1945: No. V: table 4, 1950 No. IV: table 5, 1960 No. VI: table 1, 1965(municipality) No. IV: table 1. See Table 2.12 for comments.*

In 1962 there was, however, another crisis. The government solved the shipyard's liquidity problems by purchasing the foundation's shares. The worst competitor, Eriksberg in Göteborg, became a part owner. At the same time, Uddevalla municipality was released from its credit guarantee for the shipyard but on the other hand lost the shipyard's credit commitment for the housing foundation Dalaberg. But

<sup>1</sup> Statistics Sweden Population 1950 and 1965: [www.scb.se](http://www.scb.se).

<sup>2</sup> The Metalworkers' Union undated. *Annual Report 1946*.

<sup>3</sup> KM:s Proposition [His Majesty's Bill] 1958: No. 118. Angående garanti för krediter till Uddevallavarvet Aktiebolag [On Credit Guarantees to Uddevalla shipyard].

1963 was also a difficult year for the shipyard. Thus the government proposed in its bill that an investment subsidy should be granted to the shipyard as well as credit guarantees of 130 million kronor.<sup>1</sup> In 1965 it was time again. An infusion of capital to the shipyard of 40 million was needed and granted by the government.<sup>2</sup>

Table 2.16 shows the boom for the shipyard. In 1945 textiles employed 1288 people, equivalent to 50 per cent of the totally employed. In 1950 the shipyard employed 899 people, approximately 25 per cent of the totally employed and textile 35 per cent. In 1955 the shipyard had passed the textile industry and in 1960 and 1965 its dominant position was evident. This differs from the development of the textile industry in Karlskrona as we saw earlier. Accordingly, Uddevalla's business structure became more specialised and the town more dependent on a specific industry than Karlskrona.

**Table 2.16: Employment Distribution in Industry in Uddevalla 1945-1965. Per Cent.**

<i>Sector</i>	<i>1945</i>	<i>1950</i>	<i>1955</i>	<i>1960</i>	<i>1965</i>
Shipyard	-	25	36	52	53
Textile	50	35	24	17.5	15
Wood	18	13	10	4	6
Food	10	7	6	5.5	7
Printing	5	4	6	5	4
Other	17	16	18	16	14
<i>Total</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>99</i>
<i>Total number</i>	<i>2572</i>	<i>3534</i>	<i>5481</i>	<i>6626</i>	<i>6548</i>

*Source: Statistics Sweden SOS Industri 1950-1965. Owing to rounding errors column 1965 totals 99 per cent.*

In 1950 the ready-made clothing company Konfektion AB Magna was founded, employing about 70 people. According to AMS the reason for the establishment was that the company owner was from the town.<sup>3</sup> The textile company Kampenhof was liquidated in 1954. In 1954 Nordverk established a factory, which manufactured car cushions and wall panelling for coaches and office shelves of steel. The company had 465 employees. The company took over the premises previously belonging to Kampenhof. AMS states that a good supply of labour and closeness to the market were contributing factors for the location, but we might assume that it also had something to do with that Kampenhof closed down.<sup>4</sup> The factory Superfosfatfabrikerna was established in 1950 but closed down already in the middle of the 1960s.

The Metalworkers' Union had shop floor unions, besides the shipyard, at Mekaniska Gjuteriet, Alpha, Texinpex and a joint shop floor union for the workers

<sup>1</sup> KM:s Proposition [His Majesty's Bill] 1963: No. 28. Förslag till vissa kreditgarantier åt svenska varvsindustrin [Proposal to Certain Credit Guarantees for Swedish Shipyard Industry].

<sup>2</sup> KM:s Proposition [His Majesty's Bill] 1965: No. 46. Förslag till vissa kreditgarantier åt svenska varvsindustrin [Proposal to Certain Credit Guarantees for Swedish Shipyard Industry].

<sup>3</sup> AMS (1960) p. 25.

<sup>4</sup> AMS (1960) p. 25.

at car shops. The other workplaces were so small at the time that shop floor unions could not be started.<sup>1</sup> Uddevalla Gjuteri och Mekaniska verkstad was founded in 1879 and manufactured boats and railway wagons from the beginning. In 1935 the company had changed its production to machines for the stone industry and different iron constructions for establishments in Bohuslän and Dalsland, for example bridges for ferry berths. It also repaired boats.<sup>2</sup>

Gustaf Mattson was a shipbuilder who started to deliver goods and services to the shipyard industry in Sweden. Although in the same line of business, he was, however, never involved with Uddevalla shipyard.<sup>3</sup> The Mattson companies multiplied and grew bigger. At its peak the concern had 1200 employees, manufacturing heavy parts for the boat, packing and paper industry. Recessions and shipyard crises turned the development downwards again and during the 1995 300 people were employed in the companies.<sup>4</sup>

Interestingly we can see a significant growth also of the service sector, which was not the case in Karlskrona during the same period. Of course this can partly be ascribed to the fact that this sector was much bigger in Karlskrona from the beginning (cf. Chapter 1).

## Summary

To summarise, the increase in industry employment for the nation as a whole did occur in Karlskrona and Uddevalla as well. In Karlskrona this was exemplified by the development of the electronics industry but also in quite diverse sectors such as textile and food. The shipyard was subjected to investigations and reorganisations, as was the case in the previous period. It was also turned into a state-owned company in 1961. A decrease in employment occurred. The shipyard industry in the country as a whole showed a modest increase in terms of employment, while the increase in employment at the shipyard in Uddevalla was exceptionally. Eventually, the shipyard got into a number of crises and the government had to intervene and provide credit support. The government did also play a role indirectly in the Ericsson location to Karlskrona, due to the building regulation in the larger cities. The employment in the textile industries in Karlskrona and Uddevalla showed different paths, with an increase in Karlskrona and a decrease in Uddevalla and Sweden as a whole.

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<sup>1</sup> The Metalworkers' Union 1952. *Annual Report*.

<sup>2</sup> Werner (1935) p. 26.

<sup>3</sup> Interview with the managing director and owner of the Mattson group, 21 November 2000.

<sup>4</sup> Ulf Eriksson 1995. *Historien om Uddevalla*, p. 177.

## Economic Restructuring in Sweden 1965-1990

### Political Changes

In the late 1960s and early 1970s, a number of critical episodes occurred which would affect the future development. Firstly, there was a wave of social unrest, primarily in the U.S. because of the Vietnam War, but also in Europe with student revolutions, debates on the work environment and demands for economic democracy. In Sweden this led to extensive labour law legislation and to a debate on wage-earners' funds<sup>1</sup>. The international monetary system underwent a major change, when the fixed exchange rates were abandoned. The United States' competitive position in international markets deteriorated rapidly due to inflation and trade deficits. The dollar was first devalued and then allowed to float.<sup>2</sup> Sweden as well experienced problems with a large deficit in the balance of trade. The recession of 1971/72 became unexpectedly deep and high unemployment followed. The oil embargo of the Arab states in 1973 increased the instability of the national economic systems.

**Table 2.17: Annual GDP Growth Rates in Various Industrial Countries 1959/1961-1972/1974 (per cent).**

<i>Countries</i>	<i>1959/1961-1972/1974</i>	<i>1949/1951-1972/1974</i> <i>per capita</i>
Sweden	4.2	3.2
The other Nordic countries	4.3	3.4
The other European countries	4.3	3.8
North America	3.8	2.1
Japan	8.9	7.6
<i>Total 15 industrial countries</i>	<i>4.6</i>	<i>3.3</i>

*Source: Schön (2000) p. 367. See also comments table 2.1.*

Since Sweden between 1973 and 1976 had a Riksdag with equal weight between the non-socialist group and the socialists, the Social Democratic government had to, compromise or draw lots for decisions. This led to several agreements between the government, the non-socialist group and the labour market parties.<sup>3</sup> No party accepted increased unemployment and decreased purchase power. Instead there was a competition on expansive politics such as tax reductions and industrial stock support. With increased inflation the cost explosion was a fact. In 1976 Sweden was hit by yet another recession. The new non-socialist government decided to devalue and

<sup>1</sup> The purpose behind the goal of the funds was 'equalization of the differences in the structure of wealth and increased wage-earner influence over the industrial life through ownership of capital. At the same time they should constitute a complement to the solidaric wage policy that tends to favor the profit-making companies and their owners'. Rudolf Meidner 1975. *Löntagarfonder*. Cited in Rolf Eidem and Bernt Öhman 1979. *Economic Democracy through Wage-Earner Funds*, p. 41.

<sup>2</sup> Piore and Sabel (1984) p. 170.

<sup>3</sup> Magnusson (1996) p. 473.



leave the so-called snake—the European monetary co-operation. This was followed by three further devaluations up to 1981.<sup>1</sup> In 1979 the Iranian revolution occurred. This gave rise to a second oil crisis, which destroyed confidence in that the international institutional system would be able to adjust to the challenges of the 1970s. The recession of 1980 was relatively shallow and policy makers were unsure as to how severe it really was.<sup>2</sup>

In 1982 in Sweden, the newly elected Social Democratic government's policy was to create full employment, economic growth, a decreased budget deficit and low inflation. This 'third way policy' aimed at increasing growth through increased profitability in business. The solidaristic wage policy and the unions' traditional loyalty would guarantee that the increased profitability was not eaten up by wage increases. The recipe was a powerful devaluation. The unemployment decreased and the heavy budget and trade deficits were turned around. The wage demands were, however, difficult to hold back. This led to antagonism between the government and the LO (The Trade Union Confederation). The business cycle increase in 1983/84 became the start of an expansive restructuring with a new growth focus especially on 'growth regions'. Decentralisation became the buzzword and an increased work for European integration took place.

Later in the 1980s, the Ministry of Finance conducted several kinds of deregulations, for example on the monetary market. The credit market became almost free. An increasing problem was that the industrial growth did not increase despite high profits. Magnusson argues that one problem was that the industry did not go through the necessary restructuring. In the end of the 1980s the problems became immense. Inflation rose and there was a lack of labour despite decreased productivity.<sup>3</sup>

**Table 2.18: Growth rate in GDP per capita in Various Industrial Countries 1971/75-1986/90 (dollar 1985).**

<i>Country</i>	<i>1971/75-1986/90</i>
Sweden	1.6
The other Nordic countries	2.6
Southern Europe	2.3
The other European countries	2.0
North America	1.9
Japan	3.1

*Source: Schön (2000) p. 469.*

<sup>1</sup> Magnusson (1996) pp. 475-476.

<sup>2</sup> Piore and Sabel (1984) pp. 178-179.

<sup>3</sup> Magnusson (1996) pp. 478-480.

## Changes in Employment Distribution

An important part of the third industrial revolution is the change in employment distribution. In 1965 34 per cent of the Swedish labour force was employed in industry.<sup>1</sup> Table 2.19 shows that the share of industrially employed had decreased in 1990 to approximately 22 per cent of the labour force. The increase in service employment is remarkable. On a more detailed level we can see that between 1970 and 1975 employment in health care increased with 40 per cent and between 1970 and 1990 the increase was 66 per cent.<sup>2</sup>

**Table 2.19: Employees per Sector in Sweden 1970-90 and Change in Per Cent 1970-90.**

<i>Sector</i>	<i>1970</i>	<i>1975</i>	<i>1980</i>	<i>1985</i>	<i>1990</i>	<i>Change in per cent 1970-1990</i>
Agriculture and forest	276,505	227,751	206,350	213,237	141,210	-49
Industry	1,041,474	1,060,749	953,268	967,452	925,181	-11
Building	332,464	281,616	269,867	254,716	295,035	-11
Trade and Communications	736,858	759,786	776,070	851,791	837,785	-14
Services	1,016,637	1,209,643	1,503,695	1,887,745	2,093,421	106
<i>Total</i>	<i>3,403,938</i>	<i>3,539,545</i>	<i>3,709,250</i>	<i>4,174,941</i>	<i>4,292,632</i>	<i>26</i>

*Source: Statistics Sweden Census 1970:5; table A & 10; table 3, 1975:6:2; table B, table 5. 1980: 6:2; table 2 & table 6, 1985: 5; table A & table 5, Rams 1992. The year 1965 has been omitted due to classification changes in the service sector. The number of employees in industry: 1,155,854.*

Schön argues that despite the fact that several industries experienced crises during the 1970s, the Swedish competence in electronics remained stable and during the 1980s it developed along different paths. During this decade a widespread computerisation took place in both industry and services. The new private service sector stood out with investments in information technology, which constituted the core of the decade's optimistic expansion. The private service sector's share of Swedish tangible investments increased from a tenth to a quarter, mainly in electronic equipment, at the same time as the company formation became lively. Thus, during the 1980s the foundation was laid for the extraordinary breakthrough in the 1990s for Swedish companies within information technology.

During the 1970s LM Ericsson underwent a critical transformation, when the competition from new manufacturers of electronic equipment increased. During the 1970s and in the beginning of the 1980s, Ericsson together with Swedish Telecom developed the new digital telephone exchange system for the public telephone net (AXE) and also digital company exchanges. The company developed a strategic po-

<sup>1</sup> Statistics Sweden 1965 *Census IV*: table A.

<sup>2</sup> Statistics Sweden 1970 *Census 5*: table A & 10; table 3, 1975 *Census 6:2*; table B, table 5, 1990: Rams (www.scb.se).

sition on the market for transferring both images and data of large quantity. During the second half of the 1980s the digital systems became a large export success. At the same time the company also developed its range within mobile telephony. The activities in Sweden became increasingly focused on research and development, while manufacturing to an increasing extent took place abroad.<sup>1</sup> Table 2.20 shows the reduction in employment in several industries. The largest decline came in two of the industries important for both Karlskrona and Uddevalla: textiles and shipbuilding. We can also see that the electronics industry coped fairly well during the period. However, 1985 was the top year for this industry and in 1990 the number of employees had decreased with 10 per cent.

**Table 2.20: Employees in Various Swedish Industries 1970-1990.**

<i>Sector</i>	<i>1970</i>	<i>1975</i>	<i>1980</i>	<i>1985</i>	<i>1990</i>	<i>Change 1970-90</i>
Chemicals	68,111	70,935	70,577	50,201	44,782	-34
Paper & Pulp	119,792	120,246	119,390	60,405	57,132	-52
Wood	91,476	87,906	83,981	72,201	74,916	-18
Textile	87,363	66,715	48,605	39,425	30,034	-66
Mining and other Manufacturing	674,732	714,947	630,715	745,220	710,838	5
- <i>shipyard</i>	33,642	41,130	25,247	13,465	4388 <sup>a</sup>	-87
- <i>electronics</i>	77,033	85,313	81,704	86,999	77,943	1
- <i>machinery</i>	132,981	140,144	no data	120,507	118,889	-11

*Source: Census 1970, del 5, table A & del 10, table 3, 1975, del 6:2, table B, table 5. 1980 del 6:2, table 2 & table 6, 1985 del 5, table A & table 5, 1990: del 5 table E "Industrial Statistics: www.scb.se*

In 1974 the order intake for the shipyard industry was less than the annual production for the first time since the beginning of the 1960s.<sup>2</sup> In 1975 and 76 there was a further decrease in orders but thanks to previous years' contracts the order intake was still high.<sup>3</sup> The decrease in shipyard production during the 1970s was not an ordinary business cycle recess. The oil crisis revealed that the world's shipyard industry had a large over-capacity.<sup>4</sup> We might assume that this also had something to do with the heavy subsidies to the industry. In the beginning of the 1970s ship owners focused on a continued strong growth in the world trade in oil. Instead there was a decrease, and the ship owners were left with a tanker fleet that was too large in dimensions in relation to the transports that would be carried out.<sup>5</sup>

The profitability in Swedish shipyard industry between 1950 and the beginning of the 1970s was very high. During the 1960s the first tendencies towards a decreased profitability appeared due to an increased competition on the world market. 1965 marks the beginning of heavy losses for Uddevalla shipyard. The crisis was discon-

<sup>1</sup> Schön (2000) p. 513.

<sup>2</sup> Bohlin (1989) p. 49.

<sup>3</sup> Bohlin (1989) p. 50.

<sup>4</sup> Bohlin (1989) p. 50.

<sup>5</sup> Bohlin (1989) p. 51.

tinued temporarily in the beginning of the 1970s. But in connection with the oil crisis in 1974 the crisis was a fact. A result of the first oil crisis was a transfer of the epicentre of economic expansion from the developed world to the developing world. For Sweden this led to lost export shares and a deep industrial crisis. The shipyard industry and mining, iron and steel were the primary crisis businesses. During the period 1976-83 a total of 19.6 billion kronor was paid in state subsidies to the shipyards, approximately one-third of the total industrial support during the same period.<sup>1</sup> The support led to the establishment of the state owned Svenska Varv [Swedish Shipyards], which almost took over the whole Swedish shipyard industry in 1977. The aim was to close down most of the shipyards as soon as possible.<sup>2</sup>

**Table 2.21: Unemployment rates in Sweden, Karlskrona and Uddevalla 1981, 1985, and 1990 (per cent).**

	1981	1985	1990
Sweden	1.8	2.6	1.5
Karlskrona	1.7	3.1	1.7
Uddevalla	1.7	2.8	1.3

*Source: 1981: Arbetsmarknadsutskottet 1980/81:23 Appendix B37, 1985: Arbetsmarknadsutskottet 1985/86:13 Appendix 2, 1990: Arbetsmarknadsutskottet 1990/91: 13 Appendix.*

<sup>1</sup> Magnusson (1996) pp. 476-477.

<sup>2</sup> Olsson (1993) p. 101.

## Economic Structure in Karlskrona

Table 2.22 shows that the industrial sector gradually decreased its share of total employment between 1970 and 1990 while the service sector, however, continued to expand. Between 1970 and 1980 the increase was 85 per cent and between 1970 and 1990 the increase was 128 per cent.<sup>1</sup>

**Table 2.22: Employment Distribution in Karlskrona 1970, 1975, 1980, 1985, and 1990. Per cent.**

<i>Sector</i>	<i>1970</i>	<i>1975</i>	<i>1980</i>	<i>1985</i>	<i>1990</i>
Industry	31	33	27	22	22
Building	8	8	7	5	6
Trade and communications	17	15	14	15	14
Services	44	44	52	58	58
<i>Total</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total number</i>	<i>15,877</i>	<i>23,805</i>	<i>24,705</i>	<i>26,301</i>	<i>27,389</i>

*Source: Statistics Sweden Census 1970: No. V, table 2, 1975: No. 7:1, table 4, 1980: No. 6:2: table 10, 1985: No. 6, table 7, 1990 Rams. 'Agriculture, fishing, and forestry', 'electricity, water and garbage', and 'unknown activities' omitted.*

As for the country in general, unemployment figures were low in the beginning of the 1980s, in Karlskrona 1.7 per cent, equalling the country's average 1.8.<sup>2</sup> In 1981 the local Metalworkers' Union decreased in numbers since many youths moved from the city due to lack of work.<sup>3</sup> During 1985 the number of unemployed in Karlskrona decreased after a few tough years during 1982 and 1983. The Metalworkers' Union argued, however, that the decrease was entirely caused by the expiration of unemployment benefits. The largest problem was the youth unemployment, forcing young people to leave Blekinge.<sup>4</sup> The unemployment in Karlskrona at this point was 3.11 per cent (cf. country 2.62, Uddevalla 2.86). In 1990 unemployment had fallen to 1.7 per cent.<sup>5</sup>

<sup>1</sup> Statistics Sweden 1970 *Census V*: table 2, 1980 *Census 6:2*: table 10, 1990 Rams. 1970: 6988, 1975: 10,486, 1980: 12,948, 1985: 15,240, 1990: 15,950.

<sup>2</sup> Arbetsmarknadsutskottet [The Labour Market Committee] 1980/81: No. 23 Appendix B37.

<sup>3</sup> The Local Metalworkers' Union undated 1981. *Annual Report*.

<sup>4</sup> The Local Metal Workers' Union undated 1985. *Annual Report*.

<sup>5</sup> Arbetsmarknadsutskottet [The Labour Market Committee] 1985/86: No. 13 Appendix 2. 1990/91: No. 13 Appendix.

**Table 2.23: Employment Distribution in Industry in Karlskrona 1975, 1980, 1985, 1990 (per cent).**

<i>Sector</i>	<i>1975</i>	<i>1980</i>	<i>1985</i>	<i>1990</i>
Shipyard	23	24	21	14
Telephone <sup>a</sup>	33	30	29	35
Food	8	9	12	11
Textile	3	1	-	-
Printing	5	6	8	7
Other	28	30	30	32
<i>Total</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>99</i>
<i>Total number</i>	<i>7179</i>	<i>6236</i>	<i>5251</i>	<i>6317</i>

*Source: Statistics Sweden Industrial Statistics 1970:SM I 1974:9, 1975: SM I 1977:7, 1980: SM I 1982:7, 1985: IB 20 SM 8701, 1990:SM 9301. There are no detailed local statistics from 1970. <sup>a</sup>New category. Owing to rounding errors column 1990 equals 99 per cent.*

The number of employees in telephone manufacturing decreased between 1975 and 1990. The toughest year for this industry was 1987 when the number of employees went down to 1368 people.<sup>1</sup> Table 2.23 shows that in 1975 the shipyard's share of employment was 23 per cent. In 1990 it had decreased to 14 per cent. The telephone sector slightly increased its dominance from 33 per cent in 1975 to 35 per cent in 1990 because of the general decrease in industry employment.

#### *The Establishment of Uddcomb*

Since the middle of the 1950s the government and the industry had conducted development work in atomic energy. In June 1969 the government, Uddeholm and Combustion came to an agreement about the establishment of a joint company, Uddcomb Sweden AB. The company was supposed to develop, produce and market reactor tanks and other heavy components for nuclear energy and heavy industry. The government bill of 1969 concluded that three cities, Uddevalla, Karlskrona and Karlshamn seemed to be the best alternatives for the location. A closer investigation showed that the surroundings of Uddevalla could lead to technically difficult preparatory work for a construction due to the specific demands that Uddcomb had. Because of this and the relatively extensive excavation and bursting which must be taken, there was a risk of delay, which the board could not accept since the schedule was tight. Primarily due to the second reason Uddevalla was not an alternative. Karlskrona and Karlshamn had both good technical prerequisites. In Karlshamn the bursting and excavation work would be more extensive than in Karlskrona. In Karlskrona a deep-water harbour was planned just outside the workshop area. There was also a possibility of varying the design of primarily the berthing place, but also the workshop constructions. From a technical point of view Karlskrona was therefore found to be the best place. The Uddcomb board saw it as of decisive importance for the company that the production started in time. The

<sup>1</sup> Statistics Sweden *Industrial Statistics. SM8901.*

board could therefore not consider risking any delay at all of the construction work. It also estimated that there had to be maximum flexibility with regard to the workshop area since it was not possible to judge which demands would be called for.<sup>1</sup>

Wirén states that the decision on Uddcomb was taken quickly and during strong time pressure. The local government sidestepped the normal procedure. Uddcomb became the fastest built large-scale industry ever in Sweden. In three months, 300,000 m<sup>3</sup> stone was burst. At the same time as this can be seen as an industrial peak in Blekinge's history, it also became a part of the dramatic events that followed in the late 1970s.<sup>2</sup>

In November 1971 the state-owned company Statsföretag requested financial participation in Uddcomb's establishment in Karlskrona. In relation to this it became clear that Uddcomb had run at a loss of approximately 50 million kronor. This was due to the costs for the organisation build-up, as well as development and manufacturing of new products. Statsföretag came to an agreement with Uddeholm to guarantee the financial needs. Thus, it was suggested that the government would guarantee a loan of 60 million kronor. This was also proposed in the government bill.<sup>3</sup> In the middle of the 1970s, in the wake of the nuclear power resistance movement, the demand for nuclear components decreased. In the end of the 1970s there were structural changes towards alternative production in chemical products.<sup>4</sup> The establishment of Uddcomb was one reason for the increase in the Metalworker union's membership to 3201 in 1971.<sup>5</sup>

In 1981 Uddcomb Engineering was founded. During the first years it was run as a division within the Uddcomb group. In 1985 Uddcomb became an independent company. In 1991 a group within the management bought the company – and Karlskrona Vessel Assembly, which during 1992 was incorporated in Uddcomb Engineering.

### *The Textile Industry*

During the 1970s the crisis for the textile industry became apparent. In a government bill in 1976 the Minister of Industry, Rune B. Johansson, argued that the business at CBV mainly had been devoted to orders from the government authorities, that it lacked its own fashion profile and only manufactured standard products, which were sensitive to Swedish as well as foreign competition. In order to maintain employment at CBV the FFV [The Defence Works] had to get, in certain cases, orders at prices equal to those it could get for imported goods from low-price countries. Rune B. Johansson argued that there were no economic prerequisites to

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<sup>1</sup> Government Bill 1969: No. 151. Angående förvärv av aktier i Uddcomb Sweden AB [Regarding acquisition of shares in Uddcomb Sweden AB].

<sup>2</sup> Wirén (1986) p.79. There is no record of the location in Kommunfullmäktige Minutes.

<sup>3</sup> Government Bill 1972: No. 85. Utdrag av protokollet över industriärenden [Extract from Minutes on Industrial Matters].

<sup>4</sup> [www.uddcomb.se](http://www.uddcomb.se)

<sup>5</sup> The Local Metalworkers' Union undated. *Annual Report 1971*.

maintain manufacturing at CBV in the long run.<sup>1</sup> CBV closed its business eventually but the employees could get work at Ericsson. At this time, Ericsson borrowed money from the investment fund.<sup>2</sup> In 1982 the textile company Trivab was closed down and that was the end of Karlskrona's textile industry.

### *The Electronics Industry and Ericsson*

The electronics industry continued to expand. The demand for labour increased continuously during 1974. LM Ericsson counted the largest increase with 290 persons.<sup>3</sup> LM Ericsson's AXE switch was introduced in 1976. The demand for tripods decreased heavily and faster than anticipated. In 1977, in order to avoid lay offs at LM Ericsson, all employees got training following government grants to the company.<sup>4</sup> LM Ericsson was to refrain from the announced closedown until another industry had been established. Eventually, the company agreed upon this 'due to the opinion created by the union'.<sup>5</sup>

In 1981, Ericsson had together with Programator (founded in 1967) formed a fifty-fifty owned company called EP-data. Its business areas were mainframe programming and software development for the digital business exchange MD 110. EP data started its business by taking on twelve employees, previously working at the Karlskrona division's economy department. The company grew quickly and in 1983 it moved to new premises in the former porcelain factory.<sup>6</sup> In 1982 Ericsson started a new computer company, Information Systems, comprising among other things Data Saab. The purpose was to dominate the market for office automation. In Karlskrona some thirty people were hired at EP-data.<sup>7</sup> Later the same year Ericsson bought Facit from Electrolux. The purpose was to integrate Facit into Information Systems.<sup>8</sup> In 1984 it turned out that Information Systems had not fulfilled the expectations and in 1985 a large austerity package was launched.<sup>9</sup> In 1987 Information Systems had sold off peripheral business, terminated the concentration on personal computers in the USA and focused entirely on selling systems, not instruments.<sup>10</sup> In 1988 Ericsson sold those parts of Information Systems comprising the manufacturing and selling of computer terminals, PCs, and mini computers. Infor-

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<sup>1</sup> Government Bill 1975/76: No. 122. Om omorganisation av förenade fabriksverken [Regarding reorganization of the defence works].

<sup>2</sup> *Sydöstran* 18 January 1975. p.2. Possibilities for companies to dispose a part of their profits to a fund and make a deduction for that amount at taxation. If the fund was used for investments when the Government wanted to stimulate investments, no income tax was paid. In effect from 1958 to mid 1970s, settled 1989-96.

<sup>3</sup> The Local Metalworkers' Union undated. *Annual Report 1974*.

<sup>4</sup> The Local Metal Workers' Union undated. *Annual Report 1977*.

<sup>5</sup> The Local Metal Workers' Union 1977. Minutes 8 March.

<sup>6</sup> Gösta Ed 1994. *46 år på Ölandsgatan i Karlskrona*, p. 77.

<sup>7</sup> *Dagens Industri* 14 January 1982.

<sup>8</sup> *Dagens Industri* 30 September 1982.

<sup>9</sup> *Veckans Affärer* 13 December 1984, 21 February 1985.

<sup>10</sup> *Veckans Affärer* 21 May 1987.



mation Systems now comprised of office exchanges, phone manufacturing and networks.<sup>1</sup>

In 1986 both Ericsson and Dynapac restructured its businesses. The union established that the year had been tough with laid off labour at Ericsson, and negotiations about lay-offs at Dynapac. The union demanded strong regional political measures in order to direct investments and manufacturing from overheated large cities to cities with labour and housing.<sup>2</sup> This was one of the few times when the union actually demanded regional policy measures. The laid off employees at Ericsson were offered education.<sup>3</sup> Ericsson contacted the government and applied for investments in Blekinge from the Riksbank's liquidity account in order to secure the jobs in Karlskrona.<sup>4</sup> In 1984 and 1985 the government had compelled companies to deposit 6 or 10 per cent of the total wage sum in so-called liquidity accounts in the Riksbank. This was an anti-inflationary measure.

In 1989 EP Data decided to change its business focus in order to expand turnover and profits. Most of EP data's assignments had Ericsson as customer. In 1989 EP data obtained, through a government decision, regional support for new employment within telecommunications in Karlskrona.<sup>5</sup>

### *The Shipyard*

During the first years of the new Karlskrona shipyard things went quite well. But the business cycle turned around. In 1968 the shipyard requested a loan of 70 million kronor for investment and product development. The government proposed that the shipyard's organisation would change into two sectors, one for maintenance (mainly for the navy) and one for the manufacturing of own products (mechanical manufacturing and plastic products). A government bill suggested a security so that necessary investments in buildings and machines as well as product development could be carried through. The shipyard was granted 50 million kronor in credits.<sup>6</sup> In order to consolidate the business the shipyard had to develop its own products. Some of these products were the sailing-boat Viggen, cold-storage rooms, milling machines, and prefabricated houses. The shipyard actually manufactured quite a few pleasure-boats. In the end of the 1960s the shipyard and Kockums co-operated on manufacturing sections. This manufacturing later comprised helms and fore bodies.<sup>7</sup>

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<sup>1</sup> *Dagens Industri* 21 January 1988.

<sup>2</sup> The Local Metalworkers' Union undated. *Annual Report 1986*.

<sup>3</sup> The Local Metalworkers' Union 1986. Minutes 5 September.

<sup>4</sup> Letter from Ericsson to Ministry of Industry. December 1985, cited in *Dagens Industri* 17 February, 1986.

<sup>5</sup> Karlskrona municipality. Näringslivskontoret [the Economic Development Office], Information Memo 17 November 1989.

<sup>6</sup> Government Bill 1968: No. 109. KM:s proposition ang. vissa organisations- och anslagsfrågor rörande försvaret [Certain Organisational and Appropriation Questions Concerning the Defence].

<sup>7</sup> Norberg (1993) p. 169.

In 1970 the Ministry of Industry took over the responsibility for the Karlskrona shipyard. At the same time it became a daughter company to the newly founded Statsföretag. From 1961 to 1980 the shipyard delivered 49 ships and sectors for three submarines. Nine of these ships were exported; eight were civilian merchant vessels, roll on/roll offs as well as tankers. Other constructions were ship sectors and helms to the shipyards on the west coast, plastic boats and coast guard systems.<sup>1</sup> Alternative production had actually been developed since the naval workshops period: sluices and wagons for the Water Board Authorities, transport tins for the aviation, revolving stages for theatres.<sup>2</sup>

The foundation of Svenska Varv affected Götaverken, Karlskrona shipyard, Uddevalla shipyard and later Kockums. Adam Gerge argues that the reason for the government's entry was its responsibility for the employment policy. Another explanation was the extensive granting of credits by the government already before the creation of Svenska Varv. Through the takeover there were possibilities that an improved shipyard business cycle in the future would mean that not all of the state's credit guarantees had to be used.<sup>3</sup> In February 1978 the group executive board of Svenska Varv presented an investigation into the state-owned shipyards. The purpose was to propose measures of reducing expected losses. The investigation had a pessimistic view as to the possibilities of running a large shipyard on the basis of sound business-like conditions. The investigation did not propose any reduction or restructuring of the business but recommended that all naval development and manufacturing be concentrated to Karlskrona shipyard. This should also apply to the manufacturing of submarines.<sup>4</sup> The Government Bill of 1978 did not stipulate any reductions at Karlskrona shipyard in particular.<sup>5</sup>

In 1980 Svenska Varv presented a plan for the future: Strukturplan 80. Uddevalla shipyard was to focus on bulk, tank and cargo-ships. The restructuring was to take place within a given economic framework.<sup>6</sup> The Karlskrona shipyard should focus on new naval manufacturing and maintenance business for the Swedish navy and for export.<sup>7</sup> The Riksdag decision on the restructuring of the shipyards built on Svenska Varv's plan. Profitability was to be attained in 1985 and the staff was to be reduced with 8000 people; 2000 in Göteborg, 1900 in Malmö, 1500 in Landskrona, 450 in Stockholm, 100 in Uddevalla, and 300 in Karlskrona.<sup>8</sup>

In 1980 the Minister of Industry, Nils G. Åsling, said that he shared the shipyard commission's and Svenska Varv's opinion on the future of Karlskrona Shipyard. According to Svenska Varv the prerequisites for carrying through the long-term

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<sup>1</sup> Myllenberg (1980) pp. 23-26.

<sup>2</sup> Myllenberg (1980) p. 28.

<sup>3</sup> Adam Gerge 1992. *Celsius Industrier: från varv i kris till diversifierad industri*, pp. 6-7.

<sup>4</sup> Norberg (1993) p. 171.

<sup>5</sup> Government Bill 1978/79: No. 49. Om vissa varvsfrågor [Regarding Certain Shipyard Issues]

<sup>6</sup> Svenska Varv 1980. *Svenska Varv-koncernens strukturplan*, p. 16.

<sup>7</sup> Svenska Varv (1980) p. 19.

<sup>8</sup> Norberg (1993) p. 172.

plans were that some of the Swedish navy's orders were placed with the shipyard earlier in order for it to succeed in its export of navy ships. Economic conditions should also be created for the shipyard to further develop its knowledge in the plastic technological area.<sup>1</sup> In 1980 the Riksdag had no objections to Svenska Varv's structural plan for the shipyard. The plan implied that the shipyard's resources should be focused in naval new constructions with specific focus on export and to a certain extent alternative production. At this time, Åsling argued that Karlskrona could be part of the regional development area 1.<sup>2</sup> The metal workers union was also involved (although another union, Seko, organised the members at the shipyard), to investigate if they could persuade the government to locate work to the shipyard.<sup>3</sup>

To summarise, Karlskrona shipyard became the dominating naval shipyard in the country.<sup>4</sup> Despite this quite positive outcome, there was a growing understanding that the navy's orders would decrease. An idea of merging the Kockums shipyard in Malmö and Karlskrona shipyard gradually developed. During the 1980s the shipyard went through a restructuring. Business was computerised; CAD systems for example replaced drawing-tables. Specialists within valves, ventilation, and the electronics section worked integrated with central databases and the material control was connected to the CAD system. Other areas were coast guard systems including coast guard ships, for example oil control devices.<sup>5</sup> But the situation for the shipyard turned out to be worse than expected. In 1980/81 the shipyard was faced with bankruptcy. As we saw before, the new structure plans for the shipyards demanded profitability by 1985 and a decrease of the staff. Thus, the business was yet again rationalised and a new organisation introduced. This time the efforts turned the trend. The loss of 130 million kronor in 1981 turned into a profit of 46 million.<sup>6</sup> The naval business conducted at Karlskrona shipyard and Kockums in 1987/88 was dependent on orders from the Swedish marine. The 1987 defence resolution meant that there were no new orders from the marine placed with Karlskrona shipyard.<sup>7</sup>

In June 1987 Svenska Varv changed its name to Celsius. The changed character of the operation gave cause to a change of name. The yard part had decreased its share of the business.<sup>8</sup> In 1989 Celsius presented an investigation into the shipyards' future. The managing director for Celsius argued that the new manufacturing at Karlskrona shipyard should be moved to Kockums Marine in Malmö. Karlskrona shipyard was to become a shipyard only for maintenance and repairs. The changes

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<sup>1</sup> Government Bill 1979/80: No. 165.

<sup>2</sup> Government Bill 1980/81: No. 131. In the 1970s the regional support was divided into different development areas, where area 1 comprised the most vulnerable areas.

<sup>3</sup> The Local Metalworkers' Union 1980. Minutes 9 October.

<sup>4</sup> Norberg (1993) pp. 198-199.

<sup>5</sup> Norberg (1993) p. 182.

<sup>6</sup> Norberg (1993) pp. 175-176.

<sup>7</sup> Gerge (1992) p. 21.

<sup>8</sup> *Dagens Industri* 18 June 1987.

would lead to a reduction of 600 out of the 900 jobs. But these measures were postponed. The Minister of Industry, Ivar Norberg, had talks with representatives for the Karlskrona municipality about a proposition to the shipyard board. The shipyard should get 50 per cent of the submarine constructions and possible future naval ships.<sup>1</sup> The local union at Kockums reacted and the press talked about 'ministerial government rule'.<sup>2</sup> In March 1989 Celsius decided that 600 jobs would successively disappear altogether at Kockums Marine and at Karlskrona shipyard up to 1993. In the autumn there were, however, no longer any plans of reductions. In the middle of the 1980s the shipyard management carried through a very offensive business strategy concerning possible export markets. The prognosis at the time pointed towards the shipyard being able to count on a good capacity up to 1988.<sup>3</sup> However, things did not turn out as expected. In 1987 the shipyard showed a loss of 40 million kronor after five profitable years.<sup>4</sup> In 1987 Svenska Varv changed its name to Celsius and in March 1989 Svenska Varv's successor Celsius presented an investigation on the future direction of Kockum's and the Karlskrona shipyard. The shipyard was divided into two parts and became a daughter company to Kockums in Malmö. In April the Celsius board decided to accept the proposition for a new structure of the naval yard business, which the earlier board at Kockum's Karlskrona had supported.<sup>5</sup>

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<sup>1</sup> Gerge (1992) p. 22.

<sup>2</sup> Gerge (1992) p. 23. 'Ministerial government rule' is a principle for decision-making within governments according to which the individual minister can decide on behalf of the government and often also in matters concerning subordinate administration organization, which is a normal principle in countries with parliamentary rule but not in Sweden.

<sup>3</sup> Norberg (1993) p. 177.

<sup>4</sup> Norberg (1993) p. 178.

<sup>5</sup> Norberg (1993) p. 180.

## Economic Structure in Uddevalla

Table 2.24 shows the decrease in industry's share of employment between 1970 and 1990. The service sector increased dramatically. In this sector we find that the health sector increased the most, followed by the sectors including banking, insurance, and commissions. The service sector increased between 1970 and 1980 with 58 per cent. During the whole period 1970-1990 the increase was 124 per cent.<sup>1</sup>

**Table 2.24: Employment Distribution in Uddevalla 1970, 1975, 1980, 1985, and 1990 (per cent).**

<i>Sector</i>	<i>1970</i>	<i>1975</i>	<i>1980</i>	<i>1985</i>	<i>1990</i>
Industry	32	31	27	19	16
Building	12	11	7	8	9
Trade and communications	25	23	22	23	21
Services	31	35	44	50	54
<i>Total</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Total number</i>	<i>19,171</i>	<i>21,068</i>	<i>21,340</i>	<i>23,184</i>	<i>24,231</i>

*Source: Statistics Sweden Census 1970: No. V: table 2, 1975:No. 7:1, Table 4, 1980: No. 6:2, table 10, 1985: No. 6, table 7, 1990: Rams. 'Agriculture, fishing, and forestry', 'electricity, garbage and water', and 'un-specified activities' omitted.*

Table 2.25 shows that the shipyard continued to dominate although it successively decreased its labour force up to its closure. In 1990 the distribution between the different sectors had become more equal.

**Table 2.25: Employment Distribution in Industry in Uddevalla 1975, 1980, 1985 and 1990. Per Cent.**

<i>Sector</i>	<i>1975</i>	<i>1980</i>	<i>1985</i>	<i>1990</i>
Automobile	-	-	-	30
Shipyard	52	53	43	4
Textile	10	8	10	7
Wood	5	5	6	13
Food	10	14	15	6
Printing	4	6	9	12
Other	17	14	18	28
<i>Total</i>	<i>98</i>	<i>100</i>	<i>101</i>	<i>100</i>
<i>Total number</i>	<i>5821</i>	<i>5166</i>	<i>3900</i>	<i>3115</i>

*Source: Statistics Sweden 1975: SM I 1977:7, 1980: SM I 1982:7, 1985: IB 20 SM 8701, 1990: i20SM9301. There are no detailed local statistics for 1970. Owing to rounding errors column 1975 totals 98 per cent and column 1985 101 per cent.*

In the beginning of the 1980s, just as in Karlskrona, unemployment in Uddevalla was low, 1.7.<sup>2</sup> But the favourable situation was to change. As we have seen, the

<sup>1</sup> Statistics Sweden 1970. *Census V*: table 2, *Census 1980*:6:2 table 10, *Census 1990*:5: table 22. 1970: 5943, 1975: 6867, 1980: 9365, 1985: 10687, 1990: 13312.

<sup>2</sup> Arbetsmarknadsutskottet 1980/81: No. 23 Appendix B37.

prospects for shipbuilding were gloomy in the end of the 1970s and the early 1980s. The government increased its pressure on non-profitable yards each year. In 1985 unemployment was 2.9, and in 1990 it had fallen to exceptionally 1.3 per cent. In 1992, however, unemployment increased to 11 per cent.

### *The Shipyard*

The second half of the 1960s was characterised by a number of crises for the shipyard. In 1966 the managing director explained that despite rationalisations and organisational changes, the costs had not cut down as desired. Employment was considered to be in danger.<sup>1</sup> In 1967 the managing director, Schriel, explained that the market for new orders was extremely difficult and that it despite large efforts not had been possible to obtain any suitable orders. At the same time the managing director argued that they were in urgent need of new orders and evident signs seemed to suggest that no other employment could be obtained from the shipyard.<sup>2</sup> Later the same year the managing director explained that since the last meeting they had not been able to sign any new orders. In the Uddevalla region there had not been any change to the better, on the contrary, some companies in the region had gotten into trouble – for example, Uddevalla gjuteri och mekaniska verkstad [a foundry and engineering company] had suspended its payment. The situation was therefore extremely serious.<sup>3</sup>

The government investigation concluded that the shipyard ought to be run with one bedding. This would lead to a reduction in staff, of about 500 people. The company together with the union instead suggested two beddings. This would only lead to a lay-off of about 100 people. A Riksdag decision passed the joint company union proposal. The problems persisted during the following years. A government bill also suggested an infusion of capital to the shipyard. The proposition suggested that the Riksdag decided on an investment grant of 75 millions.<sup>4</sup>

In spring 1968 Mr. Schreil announced that the employment situation was very gloomy. The employment was secured only for a short period in the coming year. A member of the board confirmed that the market situation was discouraging but suggested at the same time that there was a possibility that a Russian order could be extended.<sup>5</sup> In the autumn the managing director reported that the employment situation at the shipyard could be characterised as fairly satisfying. It was very difficult to get qualified labour.<sup>6</sup>

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<sup>1</sup> Uddevalla Shipyard Board 1966. Minutes 6 November.

<sup>2</sup> Uddevalla Shipyard Board 1967. Minutes 13 March 13.

<sup>3</sup> Uddevalla Shipyard Board 1967 Minutes 9 May.

<sup>4</sup> Government Bill 1967: No. 30. Med förslag om kapitaltillskott till Uddevallavarvet [With a Proposition of Capital Infusion to Uddevalla Shipyard].

<sup>5</sup> Uddevalla Shipyard Board 1968. Minutes 12 March.

<sup>6</sup> Uddevalla Shipyard Board 1968. Minutes 13 November.

In 1972 the managing director informed about the bad market situation, which as far as he could judge had reached the bottom.<sup>1</sup> The managing director further informed about the positive development on the freight market for tank as well as bulk tonnage. Even if this development so far had not led to any orders for the shipyard there was an increased interest for the shipyard's ship models.<sup>2</sup>

In 1973 the managing director at the shipyard reported that employment was secured for a considerable time. The managing director estimated that the shipyard was currently at the crossroads. Either the shipyard should be heavily modernised and rebuilt to keep its position within Swedish shipyard industry and thus be able to meet the customers' future demands, or the shipyard would, after some inevitable modernisation, basically produce the present types of ships. The last alternative would mean that the shipyard quickly lost its position in Swedish shipyard industry. It would also lose several of its present customers. Because of the shipyard's location and other prerequisites in Uddevalla, the managing director argued for the first alternative. He also pointed out the importance of not making any 'half measure', which could prove to be expensive in the future. The board discussed the proposal and decided to agree upon an enlargement of the shipyard accordingly.<sup>3</sup>

In 1974, as good as all business had ceased due to the extremely bad freight situation for tank as well as bulk tonnage. The shipyard industry would probably have to face troublesome times in the coming two, three years.<sup>4</sup> Three years later the managing director reported that yet another intensification of the crisis in the world's shipyard industry became increasingly more evident. He reported from the shipyard analysis group's investigation and accounted for his points of view in a report to the investigation.<sup>5</sup>

The end of the decade was pretty much the same as the beginning. The managing director and the unions worked on suggestions of measures to reach the 1979 government bill.<sup>6</sup> The business was still troublesome and the tank market continued to have a downward trend caused by the Iran disturbances.<sup>7</sup>

The shipyard employed 3444 men in 1965. According to Industrial Statistics the number had ten years later decreased to 3052. But the situation was far more difficult for the textile industry. Between 1965 and 1975 the number of employees decreased with 40 per cent.<sup>8</sup> Thus, the industry in Uddevalla as a whole was in practice dominated by the shipyard.

In 1982 the managing director Ingvar Trogen commented on the new government shipyard bill. The decision was not going to lead to any major changes for

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<sup>1</sup> Uddevalla Shipyard Board 1972. Minutes 20 April.

<sup>2</sup> Uddevalla Shipyard Board 1972. Minutes 28 September.

<sup>3</sup> Uddevalla Shipyard Board 1973. Minutes 4 May.

<sup>4</sup> Uddevalla Shipyard Board 1974. Minutes 21 August.

<sup>5</sup> Uddevalla Shipyard Board 1977. Minutes 25 February.

<sup>6</sup> Uddevalla Shipyard Board 1979. Minutes 28 February.

<sup>7</sup> Uddevalla Shipyard Board 1979. Minutes 30 March.

<sup>8</sup> Statistics Sweden *Industrial Statistics: SOS Industri 1965, Industri 1975: SMI 1977:7.*

Uddevalla. However, the shipyards had to reach an enduring profitability by 1985, if not, measures had to be taken leading to, for example, a termination of certain businesses.<sup>1</sup> In the autumn the same year the managing director presented information about the freight market and commented on the extremely difficult market situation. He said that the current recession was without parallel in modern times.<sup>2</sup> This depressing picture of the situation continued to be put forward during the autumn. The managing director said that the situation was the hardest during the whole 20<sup>th</sup> century. If there were not any orders the capacity problems would be very tough.<sup>3</sup>

In the spring of 1984, the Uddevalla shipyard closed a deal with Consafe AB for the production of offshore vessels. Already the following summer Consafe had financial troubles, leading firstly to the withdrawal of the two vessel orders and secondly to the termination of Consafe in 1985.<sup>4</sup> The shipyard also lost two ferry orders from the national railways to a Norwegian yard. It was clear that the shipyard would not be able to reach profitability by 1986. In December 1984 the boards of the shipyard and the state-owned Svenska Varv jointly decided to start trade union negotiations for a closing-down in 1986.<sup>5</sup> Olof Lund had been a member of the Uddevalla shipyard board before he became managing director of Svenska Varv. On taking up his duties in 1984 he became chairman in the Uddevalla shipyard board. He opted for a closing down rather than a continued downsizing of the business.<sup>6</sup>

### *The Volvo Factory*

The most important part of the government's support package was that Volvo was building a factory in Uddevalla. The background the new factory was that the company faced high personnel turnover, high quality costs, and a high level of sick leave in its assembly line production. The status of industrial work was low and there was full employment. The new Volvo factory was therefore characterised by quality, flexibility, and investment in people as well as involving an important step forward in the co-operation between Volvo and its company trade unions.<sup>7</sup> The Uddevalla project group consisted of two researchers engaged by Volvo as specialists. They were part of the LOM programme<sup>8</sup> and action researchers. A reference group consisting of researchers, representatives of the interested parties in the engineering industry, a local group from Volvo's Uddevalla plant, representatives of all parties concerned monitored the research.<sup>9</sup> A special project group started the projection of

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<sup>1</sup> Government Bill 1982/83: No. 147. Uddevalla Shipyard Board 1982. Minutes 11 June.

<sup>2</sup> Uddevalla Shipyard Board 1982. Minutes 14 September.

<sup>3</sup> Uddevalla Shipyard Board 1982. Minutes 29 October.

<sup>4</sup> Hallin (1995) p. 50.

<sup>5</sup> Hallin (1995) p. 50.

<sup>6</sup> Gerge (1992) p. 16.

<sup>7</sup> Ellegård et al. (1991) p. 8.

<sup>8</sup> Ledning, organisation, medbestämmande (Management, Organisation, Co-determination), a research programme financed by Arbetsmiljöfonden (The Work Environment Fund).

<sup>9</sup> Ellegård et al. (1991) pp. 9-11.



the Uddevalla plant with representatives from Volvo and the trade unions. The intention from the beginning was to build a complete car plant, i.e. body shop, paint shop and assembly shop. In January 1986 Volvo had not yet received any indication from the Franchise Board for Environmental Protection as to whether its licence to discharge polluting effluents would be granted and the projection of the body and paint shops was set aside.<sup>1</sup> It was decided to start a training workshop in Uddevalla, with the aim of training workers in the new profession of car-builders. It would try to bridge the employment gap in Uddevalla between the closing-down of the shipyard and the start of production at the car plant. It started in April 1986.<sup>2</sup>

The total cost of Volvo's investment in Uddevalla was calculated to be 180 billion kronor. This was, however, before Volvo abandoned its plans for the bodywork and painting plants and decided to build only an assembly plant. Volvo received 165 million in industrial grants and the government permitted Volvo to use 12,500 million of their deposit in the Investment Fund.<sup>3</sup> An important part of the government-Volvo deal was the actual take-over of the shipyard site. By purchasing Uddevalla shipyard, Volvo not only acquired the site and buildings, but also the tax-allowances from the losses of Uddevalla shipyard for, as Hallin puts it, 'a mere song'.<sup>4</sup>

## Summary

To summarise, the period was characterised by changes in employment distribution, employment went down in the industry sector and increased in services. But a restructuring within the shipyard, the textile and the electronics industries also took place. During the 1970s the oil crises led to increasing problems for the shipyard industry. The textile industry could not compete with newly industrialised countries but outsourced its manufacturing. Ericsson had problems with the computer division and began to focus on its core activities. In 1982 the social democrats took over office and began to pursue the 'third way policy'. The krona was devalued and the monetary market, among others, was deregulated. Between 1975 and 1990 industrial employment went down with 21 per cent in Karlskrona and 43 per cent in Uddevalla. In Sweden as a whole the decrease was 17 per cent. The shipyard in Uddevalla was closed down and Volvo located a factory to Uddevalla. Ericsson and Karlskrona shipyard decreased their staffs.

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<sup>1</sup> Ellegård et al. (1991) p. 12.

<sup>2</sup> Ellegård et al. (1991) p. 25.

<sup>3</sup> Storrie (1993) p. 28.

<sup>4</sup> Hallin (1995) p. 52.

## A Turbulent Period in Sweden 1991-2000

Magnusson has characterised the Swedish economy in the early 1990s as ‘overheated’. This was a time of full employment, a financial sector that had an oversized borrowing, guaranteed with high mortgage loans on overestimated assets; high inflation and a diminishing export industry. In the spring of 1990 the Social Democratic government put forward a ‘crisis package’. It contained a ban on strikes, a wage stop, and a municipal taxation freeze. The reaction from LO was immense. Since the package was voted down in the Riksdag the government chose to resign. The government was restructured and put forward a smaller package and a new Minister of Finance. The international recession led to a heavy downturn. Growth decreased. At the same time the credit market was in trouble.<sup>1</sup>

In 1991 a coalition between Conservatives, Liberals, the Centre party and the Christian Democrats won the election. Magnusson argues that the crisis was reinforced by the following economic policy. The Swedish krona’s value was defended which led to an overestimation. Speculations towards the krona led to increased interests. In the autumn 1992 the government had to let the krona flow. This led in practice to a devaluation of 25 per cent.<sup>2</sup> The Swedish economy dived into the deepest recession since the interwar period.

**Table 2.26: Unemployment rates 1992, 1995, 1999, and 2000. Sweden, Karlskrona, and Uddevalla (per cent).**

	1992	1995	1999	2000
Sweden	5.7	7.9	4.9	4.1
Karlskrona	5.8	8.2	5.3	4.2
Uddevalla	6.5	11.1	5.3	5.1

*Source: AMS statistikenhet. Arbetslöshetsstatistik [Unemployment Statistics] 1992-2000.*

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<sup>1</sup> Magnusson (1996) pp. 481-182.

<sup>2</sup> Magnusson (1996) pp. 481-482.

**Table 2.27: Growth Rate in GDP per Capita in Industrial Countries 1986/90-1991/95 (dollar 1985).**

<i>Country</i>	<i>Growth</i> <i>1986/90-1991/95</i>
Sweden	-0.3
The other Nordic countries	0.6
Southern Europe	1.8
The other European Countries	1.2
North America	0.5
Japan	2.5

*Source: Schön (2000) p.469.*

One result of the crisis was a large increase in the number of bankruptcies. In 1980 the number of bankruptcies amounted to 5000 and in 1992 21,000.<sup>1</sup> Jonung argues that one unique thing with the 1990s is that investments went down three years in a row. Building investments fell with 24 per cent during 1990-93. The decrease in investment between 1990-93 was closely connected to the contraction within the construction sector, which according to Jonung can be traced back to the construction boom in the late 1980s. The overheated market contributed to that the housing stock appeared to be oversized in connection with fast increasing interest rates around 1990-91.<sup>2</sup>

As we saw in the previous section the Swedish labour market's composition has changed since the 1960s; the employment distribution has been altered from a high share in industrial employment to a dominating share in service employment. Between 1990 and 1999 the number of employed decreased in for example the industry sector as a whole and within building. Table 2.28 shows an increase in most service sectors. The number of employees in the health sector has, however, decreased. During 1998 the total number of employees increased again, equivalent to 3.1 per cent. This was the largest increase during the 1990s. Despite this, there is a large difference compared to the late 1980s. Trade and industry accounted for a net addition of 99,000 jobs, i.e. 85 per cent of the total increase. In the public sector municipalities and county councils the number of employees increased with 22,060 while the number employed by the state decreased with 1700.<sup>3</sup>

During 1999 the number of employees increased with 30,000 people, but with an uneven distribution over the country. Only 114 out of 289 municipalities increased their employment. The company-related service sector increased with 9 per cent compared to 1998. Computer consultants and computer services increased the

<sup>1</sup> Mats Lundmark and Anders Malmberg 1995. *The Transformation of Industry: Changes in Localisation*. In Claes Alvstam (ed.) *National Atlas of Sweden* p. 33.

<sup>2</sup> Jonung (1994) p. 8.

<sup>3</sup> Statistics Sweden. *AM 32 SM 0002*, pp. 3-7.

most. Employment in manufacturing continued to decrease with 2.6 per cent from 1998.<sup>1</sup> Another way of measuring labour input is the number of working hours. Between 1990 and 1993 working hours in industry fell with 24 per cent and then between 1993 and 1996 the number of hours increased. But for the period as a whole the decrease was 14 per cent.<sup>2</sup>

It is, however, important that we observe that different sectors that have decreased in terms of employment still function as important, supporting sectors in the economy. For example, industrial production is still expanding even though the number of people directly employed in traditional industry is declining. Many people work in activities that support industry.<sup>3</sup> Nevertheless, the changes in the classification of work affect the whole labour market structure and the organisation of production.

**Table 2.28: Employees in Various Sectors in Sweden 1991, 1995, and 2000 and Change in Per Cent.**

<i>Sector</i>	<i>1991</i>	<i>1995</i>	<i>2000</i>	<i>Change 1991-2000</i>
Industry	850,246	765,046	775,781	-9
Building	301,646	223,818	228,596	-24
Trade and communications	805,343	710,303	756,376	-6
Personal and cultural services	248,468	242,994	269,342	8
Credit institutions, real estate, company services	425,609	406,359	545,147	28
Civilian authorities, defence, international organizations	220,794	218,003	216,479	-2
Research and development, education	304,131	290,029	333,377	10
Health care	875,886	752,081	731,312	-17
<i>Total</i>	<i>4,032,123</i>	<i>3,608,633</i>	<i>3,856,410</i>	<i>-4</i>

*Source: Statistics Sweden, Rams 1991-2000. Note sectors 'agriculture', 'energy, water, garbage', and 'unknown activities' are omitted.*

Table 2.29, which is based on a different classification (CFAR<sup>4</sup>), shows on a finer level that several sectors increased its employment between 1993 and 2000. Most notable is the increase in computer consultants, but also the sectors 'telephone products' and 'pharmaceuticals' show an increase.

<sup>1</sup> Statistics Sweden. Press Communiqué No. 2001: 085.

<sup>2</sup> Statistics Sweden Industrial Statistics: [www.scb.se](http://www.scb.se).

<sup>3</sup> Eskil Ekstedt et al. 1999. *Neo-Industrial Organising*, p. 2.

<sup>4</sup> Statistics Sweden Centrala företagsregistret [Central Register of Enterprises and Establishments].

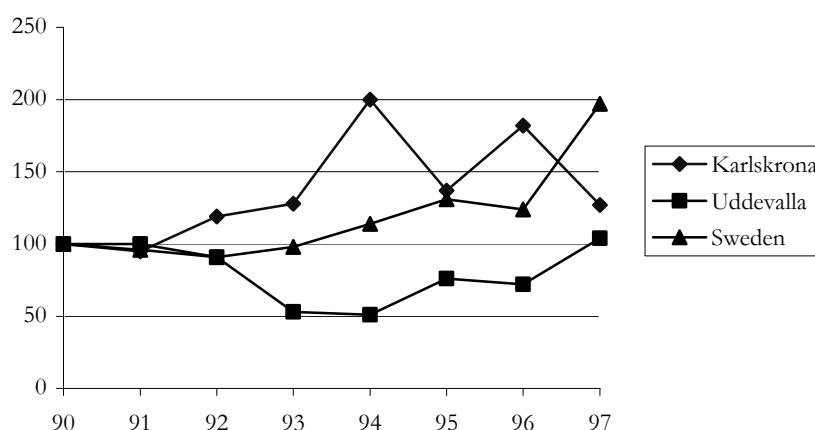
**Table 2.29: Employees in Various Swedish Industries 1993, 1996, 2000 and Change 1993-2000 in Per Cent.**

<i>Industries</i>	<i>1993</i>	<i>1996</i>	<i>2000</i>	<i>Change 1993-2000</i>
Telephone products	29,327	32,675	38,560	31
R & D	26,384	27,782	28,235	7
Computer consultants	31,925	42,298	79,432	148
Chemicals	27,756	29,181	38,284	38
- <i>pharmaceuticals</i>	8367	10,175	17,406	108
Paper and pulp	49,277	46,426	43,796	-11
Textile	10,001	9356	8528	-1

*Source: Statistics Sweden CFAR (www.scb.se).*

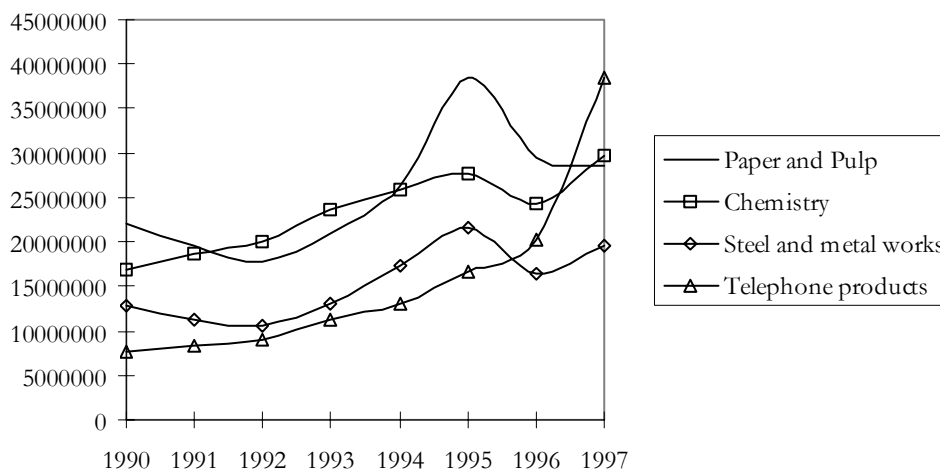
Another way of measuring the industry's performance is to look at value added. Figure 2.2 shows that Sweden shows quite a steady increase in value added, even during the crisis. In Uddevalla the crisis for the industry is illustrated while Karlskrona stands out. The ABB location in 1991 can be a contributing factor. The diversity in Karlskrona's industry is probably another factor. The decline in 1995 is, however, difficult to explain. It might be the case that a firm has changed statistical belonging in 1995. The more detailed Figure 2.3 of Sweden, shows the expansion within telecommunications.

**Figure 2.2: Value Added in Manufacturing in Karlskrona, Uddevalla and Sweden. Index 1990=100.**



*Source: 1990-1996: Data specially calculated by Statistics Sweden from the Industrial Statistics. 1997: Structural Business Statistics.*

**Figure 2.3: Value Added in Various Industries in Sweden. Kronor.**



Source: Data specially calculated by Statistics Sweden from Industrial Statistics, 1997: Structural Business Statistics.

### Economic Structure in Karlskrona

In 1992 unemployment increased to 5.8 per cent. Table 2.30 shows that the employment distribution did not change much during the decade. Total employment, however, decreased.

**Table 2.30: Employment Distribution in Karlskrona 1991, 1995, and 2000 (per cent).**

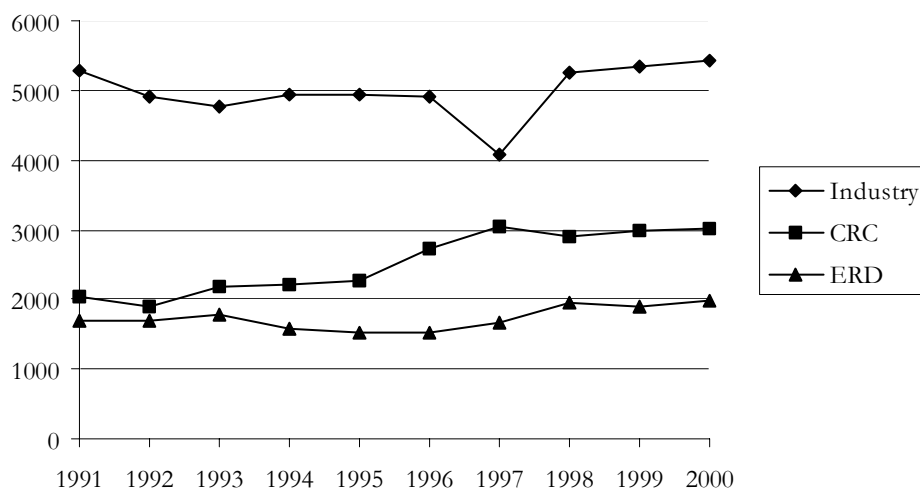
Sector	1991	1995	2000
Industry	20	20	21
Building	6	4	5
Trade and communications	13	14	16
Services	61	62	59
Total	100	100	101 <sup>a</sup>
Total number	27,048	24,910	26,437

Source: Statistics Sweden, Rams "Owing to rounding errors column 2000 totals 101 per cent. 'Agriculture, fishing, and forestry', 'energy, garbage, and water', and 'unspecified activities' omitted. Owing to rounding errors column 2000 totals 101 per cent.

As I mentioned in Chapter I, the public debate has focused on the increase of IT and telecom jobs. Therefore, I have analysed the figures in the sectors 'industry', 'credit institutions, real estate, and company services' (CRC) and 'education, research and development' (ERD). It is, however, difficult to analyse what constitutes an IT-job, but I provide these statistics to get a picture of the development. Furthermore, in Chapter VII I discuss the statistics more thoroughly when analysing the media's reports. Figure 2.4 shows that between 1991 and 2000 industry in-

creased its employment with 135 people, the sector ‘credit institutions, real estate and company services’ increased with 987 and ‘education, research and development’ increased with 287 people. Thus, the total increase for these sectors was 1409. If we compare with the period 1990-2000 we find that industrial employment decreased with 710 people.<sup>1</sup>

**Figure 2.4: Employment in Various Sectors in Karlskrona 1991-2000.**



*Source: Statistics Sweden Rams. CRC=Credit institutions, real estate, and company services. ERD= Education, research and development.*

It is, however, probably the case that not all of these jobs can be defined as IT or telecom jobs. Table 2.31 shows that in 1998, according to Statistics Sweden, 1266 computer consultants worked in the IT-business in the labour market region Karlskrona (which includes the city of Ronneby) and the total number in the IT-business (including telecom) was 2467.<sup>2</sup>

**Table 2.31: Number of Employees in the IT-business in Various Labour Market Regions in 1998.**

Lm-region	Trade with IT-goods	Telecom	Computer consultants and services	Total	Share in the country
Stockholm	23,190	11,688	32,756	67,634	48.4
Göteborg	4390	3016	7600	15,606	10.7
Malmö	3116	1905	4217	9238	6.6
Linköping	10,313	315	2279	3607	2.6
Sundsvall	461	1522	905	2888	2.1
Västerås	689	476	1407	2572	1.8
Karlskrona	498	703	1266	2467	1.8

*Source: Statistics Sweden AM 32 SM 0002. Note: 'Karlskrona' includes Ronneby.*

<sup>1</sup> See Appendix 1.

<sup>2</sup> Statistics Sweden AM 32 SM 0002.

In 1991 ABB located a manufacturing of high voltage cables in Karlskrona through buying Uddcomb's premises. The net operator Nordic Tel was founded in 1990 and was at the time owned by Custodia, Pharos, SAS and Volvo. The telecommunications market was at this time a market in transition. In January 1991 Europolitan, owned by Nordic Tel Holdings AB (in turn owned by the American mobile telecommunications operator AirTouch Communications and British Vodafone), obtained the third licence for GSM frequencies from PTS, the authority granting admissions in the post and telecommunications markets in Sweden.<sup>1</sup> Today Europolitan is a part of Vodafone.

In January 1992 Cap Gemini Sogeti, consisting of French C.A.P, French Sogeti and American Gemini, bought Programator. Ericsson wanted to have total ownership of EP data since more than 80 per cent of its assignments came from Ericsson. EP-data thus became a daughter-company completely owned by Ericsson, employing about 170 people. In May 1993 the name was changed to EP Consulting Group. And in 1995 EP Consulting Group became what is today most known as Ericsson Software Technology.<sup>2</sup> Today, the 'old' Ericsson lives on in Ericsson Business Networks, employing 90 people (January 1998). In March 1997, Flextronics International Lt.'s daughter company bought Ericsson's manufacturing units with 1050 employees, manufacturing company switches and telephones. Flextronics International Sweden AB is one of Europe's largest contract manufacturers of electronics with 1260 employees in Karlskrona. The company has four factories, two in Karlskrona. It offers design services, manufacturing of prototypes and complete manufacturing from printed circuit cards to logistics and delivery, installation and after sales service.

After 1994 there seemed to be a turning point in the business cycle, at least to judge by the local Metalworkers' Union, which stated in its annual reports that engineering firms had begun to reemploy people again. This was especially true in Svedala, Flextronics and ABB. However, in 1998 too many metal workers were still unemployed according to the union.<sup>3</sup>

The Karlskrona shipyard and the navy are still two of the city's largest workplaces. In 1992 Celsius became privately owned and in 1999 Celsius sold Kockums to Howaldtswerke-Deutsche-Werft (HDW).

Table 2.32 shows that the distribution did not change significantly between 1992 and 1999. In 1999 the telephone sector's share of industry employment was about the same as in 1975. The statistics is very problematic in this case. While Rams shows a slight increase in industrial employment, Industrial Statistics show a decrease. In addition, the figures from the Industrial Statistics and the Structural Business Statistics (as shown in Table 2.32) seem not to be comparable. These figures

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<sup>1</sup> Gull-May Holst (ed.) 1997. *The Teldok Yearbook 1997: Telecommunications and Information Technology in Sweden as seen from a User's Perspective*, p. 340.

<sup>2</sup> [www.ericsson.com/SE/epk/presentation/history/index.html](http://www.ericsson.com/SE/epk/presentation/history/index.html) 16 August 1999.

<sup>3</sup> The Local Metalworkers' Union. *Annual Reports 1994-1998*.



should therefore be interpreted carefully. The differences concerning total employment do not, however, seem to have affected the shares.

**Table 2.32: Employment Distribution in Industry in Karlskrona 1991, 1995, and 1999 (per cent).**

<i>Sector</i>	<i>1991</i>	<i>1995</i>	<i>1999</i>
Shipyard	14	18	18
Telephone	35	35	34
Printing	11	8	7
Food	10	10	7
Other	30	29	33
<i>Total</i>	<i>100</i>	<i>100</i>	<i>99</i>
<i>Total number</i>	<i>6175</i>	<i>5016</i>	<i>4789</i>

*Source: Statistics Sweden SOS Industri 1991, SMI 9302, 1995: I20SM9701, 1999: Företagsstatistik [Structural Business Statistics], specially calculated by Statistics Sweden. Owing to rounding errors column 1999 totals 99 per cent.*

An interesting aspect in the ‘new economy’ is outsourcing of manufacturing to subcontractors. This has been a new trend during the 1990s. During the 1990s Ericsson began to restructure its business, focusing on R&D, marketing, sales and services instead of manufacturing. The previous manufacturing has either been located abroad or bought by American manufacturers. In 1996 Ericsson sold one of its factories in Karlskrona to Flextronics. Thus, a large part of the manufacturing activity remained in Sweden, in for example Visby and Karlskrona. ABB is another company that has sold factories to Flextronics in Västerås and Malmö. Emerson and Solectron are American companies that have taken over Ericsson’s manufacturing in Östersund and Söderhamn. Interestingly enough, Ericsson is still the largest customer to Flextronics, 80-90 per cent. The difference today is that Ericsson can demand more of Flextronics than they could of their own company.<sup>1</sup>

In some cases the work carried out in these factories can be characterised as a modified taylorism. It has just got a new name, Demand Flow Technology. Accordingly, the telecom industry consists of different types of firms and so does the network Telecom City, for example Ericsson, Kockums (the shipyard), Vodafone (former Europolitan), and Flextronics. There seems to be a company turnover in the network. In 1999 there were 29 companies in the network and in 2000 35. In 2002 the number was yet again 29. Fourteen of these companies were members in 1999. Ericsson, Kockums, Vodafone, and Flextronics employ around 4500 people and the others approximately 700. Thus, the historical industrial structure is reflected in Telecom City. In the network companies from the near-by cities

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<sup>1</sup> Interview with president in the shop floor union at Flextronics 14 September 2000. Note that in November 2001 and in August 2002 350 and 315 employees respectively were given notice to quit at Flextronics.

Ronneby and Svängsta are members, but most of the companies are located in Karlskrona.<sup>1</sup>

### Economic Structure in Uddevalla

A relevant question is whether Uddevalla can be characterised as an example of deindustrialisation. Employment in industry has decreased continuously as well as value added in industry. Furthermore, there is no local Metalworkers' Union left. As I show more of in Chapter VII, the number of 8 per cent employed in industry is mentioned in interviews and in newspapers: 'During the palmy days 40 per cent was employed in industry, today it is 8.'<sup>2</sup> Table 2.33 shows that the industry's share of employment in 2000 was about 14 per cent, which is far from the 'palmy days' of the 1960s when it was 48 per cent. Perhaps it is in a longer perspective justified to talk about a deindustrialisation. Much depends on what happens with the car industry. The service sector's share of employment is about the same as in Karlskrona, around 60 per cent. Between 1991 and 2000 the industry's share has remained the same. 1995 was an exceptionally unfortunate year for the industry and total employment as a whole. The numbers show a decrease in all sectors except for 'education, research and development'. Total employment has since 1991 fallen with 13 per cent.

**Table 2.33: Employment Distribution in Uddevalla 1991, 1995, and 2000 (per cent).**

<i>Sector</i>	<i>1991</i>	<i>1995</i>	<i>2000</i>
Industry	14	9	14
Building	9	8	7
Trade and communica- tions	21	21	18
Services	56	62	60
<i>Total</i>	<i>100</i>	<i>100</i>	<i>99</i>
<i>Total number</i>	<i>23,809</i>	<i>19,949</i>	<i>20,814</i>

*Source: Statistics Sweden, Rams. 'Agriculture, fishing, and forestry', 'energy, water, and garbage', and 'unspecified activities' omitted. Owing to rounding errors column 2000 totals 99 per cent.*

In 1992 Volvo closed its factory but the factory was re-opened three years later. Hallin argues that the closing-down of the Volvo factory actually was a more severe blow to the local economy than the closing-down of the shipyard since this happened during the national recession. During the period Etri (former Junohus), the slaughter-house and the regiment were all closed down.<sup>3</sup> During the 1990s the textile industry as good as disappeared (from 213 employees in 1990 to 19 employees in 1992). According to Industrial Statistics the number employed in industry in 1994

<sup>1</sup> See Appendix 3. The numbers apply for 2002.

<sup>2</sup> *Bohusläningen* 28 February 1995 Supplement: Blick på Fyrstad. Interview with civil servant in the municipality's economic development office, 5 October 1999.

<sup>3</sup> Hallin (1995) p. 54.

was 1050, the lowest figure in decades.<sup>1</sup> Table 2.34 shows the changes in employment shares and the dominance of the automobile sector. In the case of Uddevalla both Rams and the Industrial Statistics show a decrease in industrial employment between 1991 and 1999. Thus, the statistics on Karlskrona suggests that one or several firms have changed statistical belonging.

**Table 2.34: Employment Distribution in Industry in Uddevalla 1991, 1995, and 1999 (per cent).**

<i>Sector</i>	<i>1991</i>	<i>1995</i>	<i>1999</i>
Automobile	35	10	49
Food	7	10	no data
Wood	12	2	12
Printing	14	21	7
Other	33	57	32
<i>Total</i>	<i>101</i>	<i>100</i>	<i>100</i>
<i>Total number</i>	<i>2585</i>	<i>1196</i>	<i>2490</i>

*Source: Statistics Sweden SOS Industri 1991: I20SM9302 1995:I20SM9701, 1999: Företagsstatistik, [Structural Business Statistics] specially calculated by Statistics Sweden. Owing to rounding errors column 1991 totals 101 per cent.*

In the beginning of March 2000 there was a dispute between the owners of Autonova, TWR and Volvo. The managing director at Autonova accused Volvo of not paying what the C70 cars cost and of taking advantage of the situation in order to force prices down on TWR's shares in Autonova. Therefore TWR stopped the production.<sup>2</sup> In April Volvo took over Autonova. The struggle between TWR and Volvo concerned the balance for 1998, whether there was a profit or a loss.<sup>3</sup> In 2000 Volvo planned to get rid of what was left of the Uddevalla concept to bring down the costs. Parallel to this the factory has been renamed Volvo Car Uddevalla Plant.<sup>4</sup>

The main local supplier for Autonova was the Lear Corporation in Trollhättan. Noco-Stolar in Uddevalla has indirectly supplied Autonova with fabric panel parts through their dealings with Lear in Tanumshede, north of Fyrstad. The other local suppliers are delivery and repair firms.<sup>5</sup>

A company, which has survived from the 1960s, is the Mattson group. It consists of business areas in engineering: Junoverken and Uddevalla Finmekanik, plus in paper tools: Uddevalla Mekaniska Verkstad. The group is supplier of machinery to the Swedish industry. The group has developed from a pure engineering group to a technology group. According to the managing director the employees used to consist of 80 per cent blue-collar workers, today it is 50 per cent.<sup>6</sup> In April 1999, the

<sup>1</sup> Statistics Sweden *Industrial Statistics I 20 SM 9601*.

<sup>2</sup> *Svenska Dagbladet Ekonomi* 27 March 2000.

<sup>3</sup> *Dagens Industri* 1 April 2000.

<sup>4</sup> *Dagens Industri* 15 August 2000.

<sup>5</sup> Ross Brown 1998. *Maximising the Economic and Technological Impact of Large Companies*, p. 16.

<sup>6</sup> Interview with managing director of the Mattson Group, 21 November 2000.

Mattson company Fartygsentreprenad went bankrupt. The firm had carried out sub-contract work to for example the shipyard industry.

Brown argues that a problem in the long run is the fact that many of Fyrstad's 'low-technology small and medium-sized enterprises' either have little scope or have not perceived the need to develop their technological capabilities.<sup>1</sup> Ekberg argues that there has been a decisive lack of engineers and technicians regardless of the business cycle. The local university college, established in 1990, has been unable to fill the gaps. The region is today dominated by large industrial enterprises dependent on export. Saab Automobile and Volvo Aero account for half of all industrial jobs, and industry still accounts for 30 per cent of all jobs. Ekberg characterizes this development as 'a question of survival'. A slight shift in the market can create chaos in Fyrstad. An important element in this picture is the weak inclination to start new enterprises. More than 300 new enterprises per year in addition to those that are actually started would be needed if the region should reach the national average.<sup>2</sup>

Today, the R&D intensity in the region is characterised by polarisation. On the one hand, there are a few world-leading firms, which have large R&D resources. On the other hand there are several firms, which undergo limited technological development. The extent of research at the University College is small. The driving force behind the larger companies co-operation with the local university lies in securing staff recruitment rather than finding collaborative partners in R&D.<sup>3</sup>

## Summary

For Sweden as well as Karlskrona and Uddevalla the decade was an exceptional period of high unemployment. The unemployment in the country reached its highest level in 1995, 7.9 per cent. In 2000 unemployment had decreased to 4.1 per cent. Unemployment in Karlskrona (8.2 per cent) and Uddevalla (11.1 per cent) decreased between 1995 and 2000 to 4.2 and 5.1 per cent respectively. In Sweden the decrease in industrial employment between 1991 and 2000 was 9 per cent. There was, however, an increase in employment in the service sector, for example the category 'credit institutions, real estate and company services' increased with 28 per cent. On a finer level we have seen that the category computer consultants increased with 148 per cent between 1993 and 2000. The 'IT and telecom boom' was also noted in Karlskrona. Nordic Tel (later Europolitan) located its headquarters and Telecom City was established. Flextronics bought Ericsson's manufacturing unit. The employment distribution remained almost the same during the period. Industry increased employment with 3 per cent and the sector 'credit institutions, real estate

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<sup>1</sup> Brown (1998) p. 32.

<sup>2</sup> Tomas Ekberg 1997. Fyrstad's New Sense of Identity and Purpose. In *The Nordic Journal of Regional Development and Territorial Policy* no. 8, pp. 13-14. In November 2002 Saab in Trollhättan gave 1250 people notice to quit.

<sup>3</sup> Jan Amcoff and Göran Hallin 1999. *FOU-resurser i Fyrstad*, p. 1. see also Ross Brown 1998. *Maximising the Economic and Technological Impact of Large Companies*.

and company services' increased with 49 per cent between 1991 and 2000. Total employment decreased, however, with 2 per cent. In Uddevalla industry employment decreased during the period as well as total employment. The historical economic structure plays an important role in explaining the structure of today's labour market in Karlskrona. The shipyard, Ericsson, and Flextronics (the former Ericsson factory) are all members of Telecom City. This, if anything, signifies the importance of local path-dependence. Uddevalla has not experienced the same development due to its different historical background. The electronics industry in Karlskrona proved to be more adaptive to restructuring than the shipyard industry in Uddevalla. Furthermore, the industrial structure as a whole was more differentiated in Karlskrona than in Uddevalla.

In the next chapters I show how these economic changes and continuities were reflected in local and central discourses and what politicians and others did accordingly.



### III

## Consultation Policy

History is more or less bunk. It's tradition. We don't want tradition. We want to live in the present and the only history that is worth a tinker's damn is the history we made today.  
Henry Ford (1916)

THIS CHAPTER describes first, official views of depopulation and policy measures concerning industry locations. Second, I analyse discourses of economic development and economic development policies in Karlskrona and Uddevalla. The chapter begins in 1930 and the contemporary local discourses following the economic recession. Furthermore, during this decade, local governments begin to pursue policies aiming at attracting industrial companies. The chapter ends just before the debate on the necessity of a central location policy gets moving.

### General Discussions on Industry Location and Depopulation

In 1933 the economist Palander referred to an American study of new industrial establishments and their locations in USA and Canada in 1926 and 1927. One location factor was financial support in form of free taxes and free land. Palander commented that such benefits seemed to play a large role when cities' competed on new industry locations. But he also added that in Sweden with some exceptions, this seemed to be an unknown phenomenon.<sup>1</sup> In 1937 the geographer Astner explained that the current geographical distribution of industry had historical roots. Increased competition and economic crises led to that companies with an unfavourable location closed down. Moreover, changed location demands led to slow adjustments. Astner argued, however, that the situation was complicated by the government's interventions, which impeded a 'natural' location of firms.<sup>2</sup> Unfortunately, he did not specify the interventions.

In the end of the 1930s *Befolkningskommissionen* [the Population Commission] presented its report on the depopulation of the countryside. The report did not lead up to a government bill, but Elander emphasises that it is nevertheless interesting to see how the depopulation issue was viewed. There was no belief that the 'flight' from agriculture could be prevented. Industries could be located to the countryside due to lower building site prices, lower costs of living and lower wages. However, there was

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<sup>1</sup> Tord Palander 1933. *Industriens lokalisering*, p. 2.

<sup>2</sup> Einar Astner 1937. *Sveriges industri, dess geografiska fördelning och något om orsakerna härtill*, p. 30.

no discussion about what measures could be used to persuade industries to relocate or establish factories in the countryside.<sup>1</sup>

In 1940 the government had commissioned an investigation regarding the economic situation in Norrland, the northern parts of Sweden. In 1943 the investigation stated that the depopulation of the countryside and the drifts to the towns were two of the most significant events during the last generation. In Norrland there was no balance between population and resources, which had led to current difficulties. The investigation concluded that there was a need for improved communications, lower transport costs, enlargement of education, and tax equalisation between municipalities.<sup>2</sup>

Elander shows, however, that in the debates on depopulation between 1938 and 1945 the basic opinion was that private business needed to concentrate its production and this had to be respected. The measures of affecting locations should basically constitute of *consultation* between business and society.<sup>3</sup>

Locally there was, however, a more vivid debate on the location of industry, not only in Karlskrona and Uddevalla, but also in for example Gävle and Stockholm. The local debate was conducted in a situation where the local authorities were highly responsible for unemployment issues since they had to pay poor relief to the unemployed. The political work with unemployment issues was carried out in the unemployment committees. The local governments had to apply for grants for relief work from the central government. In 1940 the employment issues were nationalized and *Statens arbetsmarknadskommission* [the Labour Market Commission] was established. In 1948 it was reorganised into *Arbetsmarknadsstyrelsen, AMS* [the Labour Market Board]. At the same time county labour committees and local job centers were introduced. If we look at reports from Statens arbetsmarknads-kommission we can see that the policy of transfer and adaptation of labour was important in the 1940s. The measures were consultation and information (in the radio), reports to unions and grants for travels and removals.<sup>4</sup>

Thus, the government's basic measures for affecting industry location were consultation and information. In the next sections we will see what politics were pursued in Karlskrona and Uddevalla.

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<sup>1</sup> Elander (1978) pp. 19-20.

<sup>2</sup> SOU 1943: No. 39. *Utredning angående Norrlands näringsliv: 1940 års Norrlandsutredning* [Investigation Regarding Trade and Industry in Norrland], p. 1.

<sup>3</sup> Elander (1978) p. 31.

<sup>4</sup> Statens arbetsmarknadskommission 1940. *Redogörelse för verksamheten 1940*.



## Discourse and Political Practice in Karlskrona 1930-40

### The Establishment of Kommunala byrån

For Karlskrona, 1930 was a prominent year since the town celebrated its 250<sup>th</sup> birthday. The newspaper *Blekinge Läns Tidning* concluded at the end of the year that 1930 had been an important and memorable year. The jubilee exhibition had been a success not only for Karlskrona but also for the whole province.<sup>1</sup> At the celebration in June the newspaper described the history of Karlskrona. The town had developed following a royal decree and became the abode for Sweden's navy. The newspaper argued that it was joyful to see the readiness from the state and local authorities. The co-operation had everywhere, not at least when it came to the military institutions, been 'perfectly smooth'.<sup>2</sup> The competing newspaper *Sydöstra Sveriges Dagblad* also emphasised the rich and interesting history, which testified to the naval town's great importance for the country's destiny. But the newspaper also concluded that these times were gone and today the town had a more modest ranking among the country's towns.<sup>3</sup>

In 1935, there was a local debate on possible reductions at the naval station suggested by an official report.<sup>4</sup> *Blekinge Läns Tidning* argued that if the planned reductions would take place in Karlskrona, the town's situation would be fatal. The government could hardly avoid noticing this point of view. The newspaper continued to say that Karlskrona had 'once come into existence on a royal decree' with the task of constituting the main station of the navy. If the prerequisites for this task were taken away, 'the government had to take the consequences' for what would happen.<sup>5</sup>

In the beginning of the 1930s politicians were mostly concerned with combating unemployment by different means of relief work. However, in 1935, the Social Democrat and chief editor of *Sydöstra Sveriges Dagblad*, Algot Törnkvist, proposed in a motion to *Stadsfullmäktige* [the Town Council], that a local body to stimulate the development of business in Karlskrona be formed. He argued that the modern economic and social development required much from society. It was, however, well known that different communities had different prerequisites due to for example their geographical location, economic conditions and the direction of the local politics. Societies fought with each other for the location of companies. Advertisements declaring what advantages society could offer companies had become popular.<sup>6</sup>

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<sup>1</sup> *Blekinge Läns Tidning* 31 December 1930. Editorial.

<sup>2</sup> *Blekinge Läns Tidning* 18 June 1930. Editorial.

<sup>3</sup> *Sydöstra Sveriges Dagblad* 18 June 1930. Editorial.

<sup>4</sup> SOU 1935: No. 38-43. *Betänkande med förslag till ordnande av Sveriges försvarsväsende* [Report with Proposals Regarding the Regulation of the Swedish Defence].

<sup>5</sup> *Blekinge Läns Tidning* 23 March 1935, p. 2.

<sup>6</sup> Algot Törnkvist Motion to *Stadsfullmäktige* 25 April 1935. In *Stadsfullmäktige Minutes* 27 June 1935.

Drättselkammaren [the Borough Finance Department] emphasised that for a couple of years and in these times of widespread unemployment, towns had increasingly paid attention to appropriate measures for increasing their competitiveness. Thus, they would be able to cope with the 'heavy burdens' put upon them.<sup>1</sup> One example of this was the 'town prize competitions', which began in 1931. A number of Swedish towns had competitions, arranged by newspapers, municipal men and employers in order to encourage the inhabitants to suggest how the towns could grow and improve. In 1931 Stadsfullmäktige in Gävle (situated on the north coast, sixteen Swedish miles from Stockholm) noticed that the Census of 1930 showed a population decrease. Something had to be done to improve the town's economic position. The local newspaper announced a contest in which one of the prize-winners referred to the situation in the USA and England, where local authorities had conducted place promotion. Accordingly, a local industrial council to improve the economic situation was proposed.<sup>2</sup>

In Norrköping the first prize-winner argued for the establishment of an industrial council.<sup>3</sup> Another example of the local government's increased work on these issues was the municipal support given in connection with the transfer of Swedish Match's main office to Jönköping in 1932.<sup>4</sup>

Drättselkammaren argued that the future for Karlskrona was more 'indefinite' than for most other towns and therefore it was especially urgent to 'set one's house in order' before other communities came before Karlskrona.<sup>5</sup> *Blekinge Läns Tidning* commented on the committee's work and argued in accordance with Drättselkammaren. There was a clear opinion that measures had to be taken in order to hold the position in the 'tug-of-war' between different communities.<sup>6</sup>

Stadsfullmäktige therefore decided to establish *Kommunala byrån för näringslivets främjande* [the Local Office for the Promotion of Business-hereafter abbreviated to Kommunala byrån]. It existed between 1935 and 1950 and was replaced by *Industrirådet* [the Industrial Council], which was active until 1963 when its duties were taken over by Drättselkammaren. Kommunala byrån consisted of, as a historical chronicle tells us: 'municipal men of influence, in order to attain an efficient authority.'<sup>7</sup> This was a joint project between the political parties. Törnkvist became chairman and Lieutenant-Colonel C.A Claus became head of Kommunala byrån.<sup>8</sup>

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<sup>1</sup> Drättselkammaren opinion 27 June 1935. In Stadsfullmäktige Minutes.

<sup>2</sup> *Gefle stads förkovran och utveckling. Skrifter i Gefle-Postens pristävling 1931*, pp. 9-11.

<sup>3</sup> Ragnar Ekman 1932. Stadskommunala behov och önskemål. Reflexioner kring tre stadspristävlingar. In *Svenska stadsförbundets tidskrift* 21, pp. 291-298.

<sup>4</sup> *Svenska stadsförbundets tidskrift* 1932, pp. 519-520, cited in Drättselkammaren's opinion 27 June 1935.

<sup>5</sup> Drättselkammaren's opinion 27 June 1935.

<sup>6</sup> *Blekinge Läns Tidning* 27 June 1935.

<sup>7</sup> Historik över Kommunala Byrån och Industrirådet [Historical Account of the Local Office and the Industrial Council] Annex 1 Industrirådet 27 January 1956.

<sup>8</sup> Industrirådet 1956. Historik över Kommunala Byrån och Industrirådet [Historical Account of the Local Office and the Industrial Council]. Minutes 27 January, Annex 1. The cost for Kommunala byrån would

Concerning the possible reductions at the naval base, Kommunala byrån pointed out that it was difficult to state in numbers what the abolitions would mean for Karlskrona. The only possibility to show the unfavourable consequences for the town, was in the stated changes that could be feared in the different military units' wage accounts, an estimated sum of 374,948 kronor for the withdrawn units. It was also difficult to estimate what the effects would be for the navy but a 'probability calculus' showed that the wage accounts would decrease with approximately 600,000 kronor. Kommunala byrån concluded that the issue was of such serious nature that Stadsfullmäktige should intervene in order to get some compensation.<sup>1</sup> In a memo to Stadsfullmäktige, Kommunala byrån concluded that the downsizing of the military institutions in Karlskrona, following the 1925 defence decision, had to some extent had a restraining influence on the town's development and progress during the past years. Since the town had come about through 'a military dictatorial language' the government had 'a moral obligation' to compensate the town for the costs.<sup>2</sup>

Kommunala byrån also sent a letter to the Riksdag's specific committee, emphasising the historical circumstances. The importance of the military could best be described by the fact that more than a third of the taxes came from the stationed publicly employed officials and workers. The town had made efforts to create a vigorous industry and strong commerce, but due to 'the geographical position' and the military this had not been very successful. On the contrary, the last centuries had been characterised by the state's centralisation with regard to the purchase of necessities, leading to a decrease in trade. The town's development and decline were closely related to its military significance. In the beginning of the 19th century Karlskrona was 'the third-largest city', in the 1930s it was 'the fourteenth largest'.<sup>3</sup> This referred to the ranking in terms of population. Karlskrona was the second largest town in Sweden during the 1730s. During the 18th century Göteborg passed Karlskrona.<sup>4</sup>

Thus, the town had got into a difficult situation since it had to deal with the expenses connected to the military institutions. The unemployment had its real origin

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be 10,000 kronor annually, in today's money value approximately 245,000. The cost for advertising would be 2500, today approximately 61,435.

<sup>1</sup> Kommunala byrån för näringslivets främjande 1936. Minutes 15 April, Annex 2. PM ang. försvarspropositionens inverkan å stadens ekonomi. [Memo Regarding the Effect of the Defence Bill on the Town's Economy]. Today approximately 9,000,000 kronor and approximately 14,500,000 kronor respectively.

<sup>2</sup> Kommunala byrån för näringslivets främjande 1936. PM till Stadsfullmäktige [Memo to the Town Council] Minutes 15 April Annex 3.

<sup>3</sup> Kommunala byrån för näringslivets främjande 1936. Brev till Riksdagens särskilda utskott [Letter to the Riksdag's Separate Committee] Minutes 4 May, Annex 2.

<sup>4</sup> Sven Lilja and Lars Nilsson 1996. *Historisk tätortsstatistik D2. Städernas folkmängd och tillväx: Sverige (med Finland) ca 1570 till 1810-tal*, pp. 30-32.

in the difficulties for former service men to find their livelihood outside the military labour market.<sup>1</sup>

Kommunala byrån was, however, also interested in how to get new industries to the town. Different alternatives were discussed. A private shipyard was not a possible option. Only a few of the country's shipyards were economically sound. The engineering industry was seen as much more promising. Concerning the textile industry there might be possibilities to start a ready-made clothing industry, since the sale of clothes would be large, not least considering the military staff's needs. Seven factors were seen to be important in attracting business to a society: 1. the geographical position, which in Karlskrona's case was bad; 2. communications (Karlskrona had a good port); 3. land; 4. housing (Karlskrona lacked housing); 5. taxes, which were unfavourable in Karlskrona; 6. high costs of living and 7. charges and electricity.

The following steps should therefore be taken to get industry: 1. establish steamship lines, for example to Poland; 2. provide land; 3. solve the housing problem; 4. cut down taxes.

Kommunala byrån established that although there was at present an economic boom, industry was very moderate when it came to new establishments. Instead there was a rationalisation of the production in the existing factories.<sup>2</sup>

### Concluding Remarks

The economic conditions connected to the shipyard and the military dominated the period in Karlskrona. We find several statements, constituting *the government responsibility discourse*. The government was seen as having a 'moral obligation' towards the town. The media emphasised that the town had been established through a 'royal decree'. This referred to the foundation of the town by King Karl XI in 1680. Possible reductions at the naval base caused the politicians to talk about a 'military dictatorial language' from the government. Another discourse was the *geography discourse* which referred to the bad geographical position when explaining the reasons for the bad economic development. The members of Kommunala byrån also talked about the town's decreasing population; once it was the third largest city, now the fourteenth largest. This can be seen as *the population discourse*. Politicians were mostly concerned with combating unemployment. But gradually there was an understanding that the town had to be competitive in a new business world. Thus, the local government established a specific office to promote the town and attract companies: an office that included different parties and men from different professions.

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<sup>1</sup> Kommunala byrån för näringslivets främjande 1936. Brev till Riksdagens särskilda utskott [Letter to the Riksdag's Separate Committee] Minutes 4 May, Annex 2.

<sup>2</sup> Kommunala byrån för näringslivets främjande 1937. PM angående möjligheterna att till Karlskrona förlägga nya industriföretag [Memo on the Possibilities to Locate New Industrial Companies to Karlskrona] Minutes 22 January, Annex 3.

## Discourse and Political Practice in Uddevalla 1930-40

### Unemployment and Industry Support

In 1929 *Arbetslöshets- och Nödhjäpskommittén* [the Unemployment and Relief Work Committee] decided that it should convey to Drätselkammaren the absolute necessity of systematic actions for acquiring one or several industrial companies *employing male labour* and that the sacrifices in the form of tax reduction, cheap building sites or the like would surely be far cheaper than the otherwise rampant unemployment. There was a surplus of male labour and the approaching changeover of the operation at the match factory could not yield employment for as many male workers. The committee considered the appointment of a specific committee to investigate how the town could entice new industrial business. The committee should also arrange a practical promotion among those people, which could be expected to be interested in such businesses.<sup>1</sup> Thus, the *gender division discourse* emphasised the importance of finding work for men.

Eventually Drätselkammaren decided to commission the president to advertise in order to induce industrial establishments to locate their business in Uddevalla. Drätselkammaren was prepared to support the opening of industrial free sites for these establishments.<sup>2</sup> This political and discursive practice of *industry support* was to be a recurring theme.

According to the local newspaper the situation on the labour market had deteriorated in the province, especially for the stone industry.<sup>3</sup> In December 1932, Stadsfullmäktige had to conclude that last year's prospects of decreasing unemployment and offering the entire town's inhabitants means of subsistence, had unfortunately not been fulfilled. On the contrary, the 'evil of unemployment' pressed heavily upon the society and its inhabitants.<sup>4</sup>

Although Stadsfullmäktige in 1935 argued that 'neither the province nor the town had benefited from the general times of prosperity for the country as a whole', there seemed to be 'an inkling of better times and certain signs indicated that the worst period had been passed'.<sup>5</sup> Thus, Stadsfullmäktige's president stated that the year of 1935 had been an eventful year. During the year Stadsfullmäktige had decided to rebuild a main road, with government money. The government had decided to construct a port for the total cost of 84,000 kronor, and the town contributed with 25 per cent.<sup>6</sup>

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<sup>1</sup> Arbetslöshets och Nödhjäpskommittén i Uddevalla [The Unemployment and Relief Committee] 9 December 1929. In Drätselkammaren 1930, Minutes 2 January 1930. Emphasis added.

<sup>2</sup> Drätselkammaren 1930. Minutes 2 January.

<sup>3</sup> *Bohusläningen* 7 March 1931, p.1.

<sup>4</sup> Stadsfullmäktige 1932. Minutes 20 December. No. 12.

<sup>5</sup> Stadsfullmäktige 1935. Minutes 17 December. No. 15.

<sup>6</sup> Stadsfullmäktige 1935. Minutes 17 December. No. 15.

In 1936 Drätselkammaren paid attention to the emergence of the new bakelite industry. Bakelit AB in Malmö planned to move its business and Drätselkammaren argued that suitable premises could be offered at an advantageous price in the match factory's property. At the beginning of the negotiations it indeed seemed as if the government would contribute to the capital increase with a loan. When possibilities for the business to rise further capital elsewhere appeared to be precluded the company proposed certain conditions for its move to Uddevalla. The town should in one way or another shoulder the responsibility for an infusion of capital of approximately 100,000 kronor. The board of Jönköping and Vulcan's match factory was prepared to put 50,000 kronor in Bakelit. The match company's conditions for this contribution were that Bakelit received loans from the government as well as from Uddevalla town. The company also requested a ready subsidy and that the town should pay for the moving costs.

Drätselkammaren pointed out that one could certainly have misgivings about the town's support to Bakelit but 'developments had come to this'. It had become impossible for a town to attract any industrial business without economic sacrifices in one way or the other. Stadsfullmäktige decided that when the move in question was carried out money should be paid to the company, covering the moving costs. The town would also offer a loan of 25,000 kronor against a bond of mortgage consent in the company's property.<sup>1</sup> In a debate in Stadsfullmäktige there were different opinions about whether the town should engage in industrial companies. But as the situation was, they had to support the local government whether they liked it or not.<sup>2</sup> In the same year the local newspaper described the government as being 'powerless' against unemployment.<sup>3</sup>

In 1938 the Bakelite company had financial problems and wanted the town to write off the loan. It argued: 'When Bakelit AB is without liquid capital it is plain that very quick measures must be taken to avoid liquidation. The losses were mainly due to the obligation towards the town in using local, unskilled labour. This had led to unproductive wages, high cassation percentage and as a consequence, delayed deliveries. If the town wrote off the loan, there were good prospects for a continued carrying on of the business.' Drätselkammaren found itself compelled to support the request.<sup>4</sup>

In 1937 the town, by agreement with Västra Sveriges Slaktdjurs-försäljningsförening [the West Sweden Slaughtery Sales Association], bound itself to leave a building site to a slaughterhouse, at a cost of 600,000 kronor. The unemployment

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<sup>1</sup> Stadsfullmäktige 1936. Minutes. Drätselkammarens framställning ang. flyttning till Uddevalla av nytt industriföretag [Drätselkammaren's Statement on Transferring a New Industrial Company to Uddevalla] 3 July. No. 10.

<sup>2</sup> *Bohusläningen* 4 July 1936, p.1.

<sup>3</sup> *Bohusläningen* 5 May 1936. Editorial.

<sup>4</sup> PM Betr. Bakelit AB i Uddevalla, av Ågren på Bakelit [Memo concerning Bakelit AB in Uddevalla, by Ågren at Bakelit] Extract from Drätselkammaren meeting in Uddevalla 8 March 1938. In Stadsfullmäktige Minutes 22 March 1938.

was still extensive. This problem caused Drättselkammaren to start up AB Tubus, a factory for producing wood tubes.

The town had also got the government's permission to carry out work on the Göteborg road as a municipal public relief work. It was emphasised that also in other respects the government had showed the town an extremely benevolent consideration. Government support was also granted for carrying out extensive dredging in the harbour entrance.<sup>1</sup>

In 1938 the match factory closed down. The reason for the closing-down was, according to the managing director, that the factory was not well situated considering timber supply. The editorial of *Bohusläningen* argued that 'in these times, one has to submit to the great upheavals taking place and try to accommodate oneself to them'.<sup>2</sup>

However, the government assisted and secured the establishment of a wooden house factory, called Junohus. The government had pledged to pay 90 per cent of the costs involved. The town had to, firstly, guarantee a loan and secondly, allot approximately 100,000 square meters of land.<sup>3</sup> Stadsfullmäktige decided to leave the land within the factory and site area to the company, and carry out some necessary work at the site. The town should also either itself grant AB Junohus a loan of 500,000 kronor or stand surety to the company for a loan of this sum.<sup>4</sup>

The government support to the wooden house factory was preceded by a Riksdag debate where the government was criticised for the support. A conservative member argued that it could be harmful with this kind of support since it was 'an interference in private business'. There were also doubts about the actual market for this kind of company. The already established companies in the industry could be heavily affected.<sup>5</sup> It was evidently the case that representatives for the industry had expressed their disapproval concerning this location. The Minister of Social Affairs argued that the purpose of the company was to compete internationally, by selling its products on the British market. The important thing was that unemployment went down. The only way to decrease unemployment was to *differentiate* the business structure.<sup>6</sup> *Bohusläningen* pointed out that it was, during the present conditions, almost impossible to attract new industry without offering free sites.<sup>7</sup> In an

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<sup>1</sup> Stadsfullmäktige Minutes 21 December 1937. No 15.

<sup>2</sup> *Bohusläningen* 1 June 1938, p. 1 and p. 2.

<sup>3</sup> Hugo Edward Uddgren 1946. *Register över Uddevalla stadsfullmäktige beslut 1913-1942: Med kommunalhistoriska anteckningar enligt uppdrag*, p. 14.

<sup>4</sup> Stadsfullmäktige 1938. Förslag ang. förläggning till Uddevalla av fabrik för monteringsfärdiga trähus [Proposition to Locate to Uddevalla a Factory for Prefabrication of Wooden Houses]. In Minutes 10 June 1938. No 7.

<sup>5</sup> Conservative member in the First Chamber of the Riksdag 1938: No. 39, 31 May. Anslag till beredskapsarbeten [Grants for public relief work], p. 6.

<sup>6</sup> The Minister of Social Affairs in the Second Chamber of the Riksdag 1938: No. 40, 31 May 1938. Ang. anslag till statliga och kommunala beredskapsarbeten [Regarding grants for public relief work], pp. 18-19. Emphasis added.

<sup>7</sup> *Bohusläningen* 6 June 1938, p. 2.

advertisement from Drätselkammaren Uddevalla offered sites, good railway, bus and boat connections, and as good as an ice-free port all-year-around.<sup>1</sup>

The newspaper had an interview with the managing director of a textile company, who was also vice-chairman in Drätselkammaren.<sup>2</sup> The purpose with the interview was to 'give the many strangers visiting Uddevalla a picture of the town's development and possibilities in the years to come'. The managing director thought that it was difficult to grasp the enormous difference compared to the beginning of the century. The 'phlegmatic calm' of those days had been succeeded by 'the new times' bustle and rush'-an early example of the *progress discourse*.<sup>3</sup>

A Göteborg newspaper had argued that 'Uddevalla was dying', but *Bohusläningen* argued that the author of the article had not 'investigated the real situation'. The only industry declining was the match factory. Textile prospered and the wood industry had recovered. Population had increased.<sup>4</sup> The same year the newspaper argued that there were many things to take advantage of in Bohuslän, but that an 'enterprising spirit' was needed not only among the Bohuslän people but also among those in power.<sup>5</sup>

In 1939 the County Governor Jacobson gave a talk on the economic problem in Bohuslän. He concluded that the lack of a prospering business was a misfortune for the county. Bohuslän would therefore be a distressed province, which would have to count on the government for support. The Bohuslän people were described as a 'serious-minded generation' who viewed tough work as natural.<sup>6</sup>

## Concluding Remarks

As was the case in Karlskrona, local politicians perceived that the economic situation demanded an active local as well as central policy concerning industry locations. During the 1930s, industrial employment decreased and unemployment was still quite extensive in 1936. In the beginning of the decade the local government talked about the bad labour market situation in the province (the stone industry) as well as the 'evil of unemployment'. Thus, unemployment created *the gender division* and *the support discourses*. The government support in turn created *the progress discourse*.

The gender division discourse is exemplified by the importance of finding work to male labour. The newly established wooden house factory was expected to offer job opportunities to men. The laid off female workers from the match factory were presumed to find work in the textile industry.

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<sup>1</sup> Advertisement from Drätselkammaren: 'Uddevalla stad' [Uddevalla town], in *Bohusläningen* 11 June 1938, p. 6.

<sup>2</sup> In Karlskrona men from the military was working in the political sphere, in Uddevalla men from the textile industry.

<sup>3</sup> *Bohusläningen* 11 June 1938, p. 6.

<sup>4</sup> *Bohusläningen* 16 May 1938. Editorial.

<sup>5</sup> *Bohusläningen* 18 May 1938. Editorial.

<sup>6</sup> Malte Jacobson 1939. *Bohuslän och dess ekonomiska problem*, pp. 27-29.



During the 1940s employment increased in several sectors. The support discourse presupposed both local and central support to industry. Drätselkammaren was prepared to support the opening of industrial free sites and supported the Bakelit company arguing that developments had come to this. The government assisted and secured the establishment of a wooden house factory. According to the newspaper the local government had to offer free sites to attract new industry and in an advertisement the local government promoted Uddevalla's sites and good infrastructure. The County Governor argued that Bohuslän had to count on the government for support. This support practice led to a strong political embeddedness between firms, local and central governments.

The progress discourse was exemplified by that the newspaper argued that one had to 'submit to the great upheavals taking place' and the new times were characterised as 'bustle and rush'. In Göteborg, one newspaper argued that Uddevalla 'was dying' but *Bohusläningen* heavily denied this.

In comparison to the situation in Karlskrona, the central government was much more active in Uddevalla. An interesting aspect is that the business structure was reflected in politics. In Karlskrona a colonel worked in a political body and in Uddevalla a managing director from the textile industry was part of Drätselkammaren.

## The Government, the Riksdag and the Location Policy 1940-1956

In 1945 several motions to the Riksdag emphasised that the development of industry had reached a limit and that society had to interfere and try and affect the population movements.<sup>1</sup> One of the motions demanded an investigation:

on the government's participation in order to accomplish a [...] more rational distribution of industry in different cities and parts of the country.<sup>2</sup>

But *Statsutskottet* [the Standard Committee of Supply] and the Riksdag majority did not consider it necessary with a tangible standpoint for or against directing companies.<sup>3</sup>

The government, however, instigated an investigation to analyse the industry's location problems. It was seen as important to notice the difference between general measures to affect the preconditions for industry locations and specific measures to influence a specific company. The investigation should also consider to what extent it could be justified with a decentralisation of business to different areas, whereas the county could form the natural unit. The activities in England conducted within so-called development areas were seen as a possible model. Even if the situation in Sweden was perceived as different, there was a strong need for a county organisation directed towards a business development within special areas.<sup>4</sup> It was also said that the location of trade and industry should take place where it was 'desirable and suitable'. It was, however, never clearly specified *what* was desirable and suitable.<sup>5</sup>

The investigation came to the conclusion that the local government's role had an exceptional scope.<sup>6</sup> In the early 1950s, as good as every larger town had attempted in one way or another to influence the location of companies, for example through different kinds of promotion and advertising and by giving economic subsidies to firms. The investigation argued that the government should not, except for exceptional cases, give individual subsidy to single companies. Not even the local government should affect the location of businesses through subsidising firms.<sup>7</sup> The investigation concluded that a location was not always good from both a business and a national economic perspective. The depopulation of the agricultural and forest districts that took place, should not, except for specific cases, be affected

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<sup>1</sup> Motion [Private Motion] 1945 First Chamber: No. 78, Second Chamber: No. 135, First Chamber: No. 53, Second Chamber: No. 54, First Chamber: No. 290, Second Chamber: No. 449. Motion 1947 Second Chamber: No. 199.

<sup>2</sup> Motion 1945 First Chamber: No. 53, Second Chamber: No. 54.

<sup>3</sup> Statsutskottet 1945 opinion No. 244, the First Chamber 1945: No. 31, Second Chamber 1945: No. 32.

<sup>4</sup> SOU 1951: No. 6. *Näringslivets lokalisering* [Location of Trade and Industry], pp.11-12.

<sup>5</sup> Elander (1978) p. 51.

<sup>6</sup> *Statskommunala åtgärder i syfte att tillföra kommunen nya industriföretag resp. hindra flyttning av redan befintliga industrier till annan ort*, [Municipal Measures to Attract New Industrial Companies and Prevent Moving of Existing Industries] cited in SOU 1951:6: pp. 62-63.

<sup>7</sup> SOU 1951:6. pp. 113-114.

through location policy. Therefore business and settlements concentration was to a large extent a question of communications.

Economic development should be promoted through communications, and people in the sparsely populated areas should have access to the required communications. The report concluded that economic reasons indicated that society pursued some kind of location policy. The economic and social interests could come into conflict. Therefore the report concluded that 'special requirements' could be provided for, only if they did not interfere with economic efficiency.<sup>1</sup>

A problem was that the labour market policy could come into conflict with the location policy. The labour market and location policy should not quite simply create new possibilities of employment in cities where there was a surplus of labour. Such a policy could stop a rationalisation of production. Instead a well-developed, decentralised vocational education was advocated.<sup>2</sup>

*Landsorganisationen, LO*, (the Trade Union Confederation) argued for stimulating relocation of labour to places with labour shortage. The less profitable industries should be forced to restructure their business and were not to be given subsidies.<sup>3</sup> An article in the social-democratic journal *Tiden* emphasised that it was probably for the best to support the most technically rational location of industry as well as the most desirable from the industrial population's point of view. The people on the countryside could be given favourable conditions through the general formation of the agricultural policy.<sup>4</sup> The government bill of 1952 emphasised that the location policy should be conducted 'in accordance with the present applied principles'. The measures to affect firm location should primarily be based on information and guidance.<sup>5</sup>

In 1949 another investigation had analysed if the direct investment control caused by the building control could be replaced by general measures for investment management. The conclusion was that the control over construction work had undoubtedly given the authorities the possibility to exercise a certain control over the location of business. This control had been exercised in such a way that new establishments and enlargements were established in suitable cities, or at least not entirely unsuitable, in the authorities' view.<sup>6</sup> But the investigation argued that there was no need for any extreme tightening up.<sup>7</sup> In 1954 the government suggested an abolishment of the building regulation. The regulation was seen as a means to hinder evi-

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<sup>1</sup> SOU 1951:6, pp. 91-94.

<sup>2</sup> SOU 1951:6, pp. 100-105.

<sup>3</sup> LO 1951. *Fackföreningsrörelsen och den fulla sysselsättningen*, p. 152.

<sup>4</sup> Sune Lindström 1951. Näringslivets lokalisering. In *Tiden* 6, pp. 343-345.

<sup>5</sup> KM:s proposition angående anslag för budgetår 1952/53 till arbetsmarknadsstyrelsen och den offentliga arbetsförmedlingen m.m. [His Majesty's Bill Regarding Grants for the Labour Market Board and the Public Job Centres] No. 1:7.

<sup>6</sup> SOU 1953: No. 6. *1949 års investeringskommitté. Betänkande angående generella metoder och fysiska kontroller inom investeringspolitiken* [Official Report Regarding General Methods and Physical Control in Investment Policy], p. 55.

<sup>7</sup> SOU 1953:6, p. 64.

dently inappropriate locations. Elander argues that the regulation offered the possibilities for managing company investment, but to what extent it was used is another matter.<sup>1</sup> I will show that it played a role for the Ericsson location to Karlskrona. The regulation was eventually abolished in 1958.

In 1955 the Minister of Social Affairs, Gunnar Sträng, referred to the Town and Country Planning Act (1947) in Britain, which was said to 'guarantee society's influence on the location of industry'.<sup>2</sup> A year later it was emphasised in the journal *Tiden* that there were reasons to pay attention to the English and French debate. In England, it seemed to be quite accepted that society had to have effective means to affect the location of industry. The French government had also taken regulatory measures to prevent further industrial growth of the larger cities. In Sweden, the advisory activities by AMS did not seem to have been effective enough.<sup>3</sup> In another article it was argued that the problems with depopulation of the sparsely-populated areas could seldom be solved by industry location. Industry location was more or less a question of location to larger or smaller population centres. The author of the article (a well-known social planner) argued that those working with town planning had for years tried to arouse people's interest for location policy issues. The Ministry of Health and Social Affairs had now come to the conclusion that large cities were uneconomically and that population in certain parts of the country had diminished. The author was very critical against that the direction of future industry location was based on such 'general phrases'.<sup>4</sup>

### **Concluding Remarks**

Politicians began to pay attention to what they thought was an uneven distribution of industry throughout the country. The depopulation of the northern parts was considered a problem especially by some members in the Centre Party and by the Social Democrats. In 1951 the government appointed an investigation to analyse the industry location. The investigation emphasised that the local government had played an important role in attracting companies and this was not seen as fair, since different municipalities had different possibilities carrying out this kind of work. It was also concluded that the depopulation tendencies should not be affected through location policy. The concentration issue of business and settlements was an issue of improved communications. LO emphasised that it was important that a central location policy did not counteract the aims of the labour market policy and the rationalisation of different industries. The conclusion in the following government bill was that location policies should be carried out as before, that is mainly through information and guidance.

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<sup>1</sup> Elander (1978) pp. 55-56.

<sup>2</sup> Gunnar Sträng 1955. Synpunkter på industrilokaliseringen. In *Tiden* 6, p. 330.

<sup>3</sup> Tidens spegel 1956. Nya medel för lokaliseringspolitiken. In *Tiden* 2, pp. 117-118.

<sup>4</sup> Sune Lindström 1956. Lokaliseringspolitikens mål. In *Tiden* 4, pp. 215-216.

As previously mentioned the location industry report of 1951 had emphasised the large role of local governments in these matters. Let us now turn to what happened in this respect in Karlskrona and Uddevalla.

## Discourse and Political Practice in Karlskrona 1941-1956

### **The Government Responsibility and the Geography Discourses**

In 1941 we recognise the previous government responsibility and the geography discourses in a description of Karlskrona. The foundation of the town was referred to:

Karlskrona did not develop owing to natural prerequisites [...] but the town was founded by a royal decree.<sup>1</sup>

The geographical location was described as:

For hundreds of years the group of islands outside the Blekinge coast, stretching from the eastern spit of Torshamn to the west, lay far from the beaten tracks, forgotten and solitary.<sup>2</sup>

Furthermore, it was argued that the change in population had led to a change in the town's leadership in such a way that all the military employees decreased in number and 'men of practical life' came in the forefront.<sup>3</sup> However, in the beginning of the 1940s the situation had improved for the military and there was in effect a mobilization. In this situation Kommunala byrån noted that the strong expansion of the military units had led to a strong increase in the town's population, thereby causing a lack of housing.<sup>4</sup> This increase seemed to stop during 1944. During the war the work at Kommunala byrån was discontinued since the director served in the military. The agenda was dominated by the housing problems and the possibilities of building a freezer storage and a fish meal factory.

In 1946 the promotion activities got going. Kommunala byrån proposed an advertisement with the title: 'Facts about Karlskrona that deserve attention'. Karlskrona was presented as:

the Swedish navy's main location, in direct connection with the standard railway net. Sweden's largest fishing harbour on the east coast with an excellent harbour. Situated in one of Sweden's most beautiful spots and reminding us more than any other town in the country about Sweden's period as a great power. A tourist resort.<sup>5</sup>

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<sup>1</sup> Bruno Wendel 1941. *Beskrivning över Blekinge. Karlskrona, Ronneby, Karlshamn, Sölvesborg*, p. 64.

<sup>2</sup> Wendel (1941) p. 10.

<sup>3</sup> Wendel (1941) p. 13.

<sup>4</sup> Kommunala byrån för näringslivets främjande 1942. Annex 1 in Stadsfullmäktige Minutes 30 March.

<sup>5</sup> Kommunala byrån för näringslivets främjande 1946. Annex to Minutes 26 March.

In the promotion, Karlskrona's previous 'bad' geographical position and its dependence on the military were now seen as something positive. The previous characterization of a rather dark history was suddenly turned into a glorification of Sweden as a military power.

The geography discourse can also be found in a Riksdag debate on the problems in Blekinge. In 1949 a member of the Liberal Party, Mr. Johnsson from Mörrum in Blekinge, asked if the government had noticed the serious conditions within Blekinge and what measures the government planned to take.<sup>1</sup> The Prime Minister answered that the tendencies were not specific for Blekinge and the employment difficulties were less pronounced in Blekinge than in other places. The County had despite a decrease in population a more favourable population development within the productive ages than the country as a whole. The government had contributed to several business related measures of great importance for the County, for example the 1947 decision on the rationalisation of agriculture, the 1948 decision on the archipelago traffic, the support for building of fishing harbours and the 1946 consultation concerning industrial locations conducted by AMS and the Industrial Production Council. This resulted in for example the establishment of LM Ericsson, and other important companies. The Prime Minister also stated that the solution to these issues had to take place with consideration for the business' development and production in the country as a whole.<sup>2</sup> He also argued that the opportunities for vocational education had been improved. The government had therefore devoted great attention to labour and business conditions in Blekinge and had taken measures in order to create new and improved subsistence possibilities for the population.<sup>3</sup>

Furthermore, the Prime Minister commented that the emigration out of Blekinge between 1931-1945 did not seem to have been larger than the emigration from the neighbouring counties. The Prime Minister also argued that if the expansion of the business in Blekinge did not offer enough employment possibilities it would be both natural and suitable that people moved to areas short of labour.<sup>4</sup> But Johnsson had an opposing opinion in this case and argued that nobody should sit in Stockholm and decide what companies should pull through or not.<sup>5</sup> He could not cope with the ageing population, or with poverty, population decrease, or bad communications.<sup>6</sup>

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<sup>1</sup> The Second Chamber of the Riksdag. Minutes 1949: No. 9, 10 May. Interpellation angående befolknings- och näringsförhållandena i Blekinge län [Interpellation Regarding Population and Business Conditions in Blekinge], p. 54.

<sup>2</sup> The Second Chamber of the Riksdag. Minutes 1949: No. 16, 10 May. Svar på interpellation ang. befolknings- och näringsförhållandena i Blekinge län. [Reply to interpellation on the population and business conditions in Blekinge], p. 21.

<sup>3</sup> Riksdag Minutes 1949. No. 16, p. 23.

<sup>4</sup> Riksdag Minutes 1949. No. 16, p. 21.

<sup>5</sup> Riksdag Minutes 1949. No. 16, p. 25.

<sup>6</sup> Riksdag Minutes 1949. No. 16, p. 27.

The speaker also referred to its military dependence arguing that Karlskrona had always had to suffer because it was a military city.<sup>1</sup>

*Blekinge Läns Tidning* stated that the Prime Minister's answer was typical. The Social Democratic regime had to be infallible. Everyday life in Blekinge did not correspond to the 'socialistic welfare map'. The newspaper concluded ironically that the map was correct, not the reality.<sup>2</sup> *Sydöstra Sveriges Dagblad* did not criticise the Prime Minister but stated that Blekinge had its own specific problems and that the people in the County had dealt with them in their own way. Since the Social Democrats had taken over office the developments had been characterised by 'a successful wrestling with the difficulties'. One example was the industrial expansion in Karlskrona. The newspaper also argued that it was not 'right and proper' to make promises in the Riksdag.<sup>3</sup>

The previous positive geography discourse was repeated in later promotion material. In 1953 a short guide to Karlskrona was published. The port of Karlskrona was described as: 'easy to put into/has a sheltered situation/is free from ice all the year round/performs a quick despatch/Railway tracks on the quays directly joined to the system of railways/has the most modern fishing-harbour on the Swedish south- and east-coast.' And the advertisement was concluded with 'Unload and load in Karlskrona'.<sup>4</sup> Some facts 'worthy of consideration' were also mentioned:

Karlskrona

is the principal station of the Swedish fleet in direct communication with the system of railways of the country and Blekinge has excellent roads for motor cars

is admirably situated and its great archipelago is rich in beautiful scenery with splendid possibilities for sea-bathing

has one of the greatest fishing-harbours of the country and is a centre of the fishing industry in south-east Sweden

is a rising industrial town with good possibility of development

is liked as a tourist town, and its inhabitants are very glad to welcome tourists.<sup>5</sup>

In an international perspective it seems as if the selling of places took place late in Sweden. Ward tells us that advertising, publicity and public relations were central aspects of local promotion in North America and Britain. Local council leaders as well as leaders of local boards of trade or chambers of commerce would play key roles. Soundness in the local business climate and prospects for growth were often

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<sup>1</sup> Riksdag Minutes 1949. No. 16, p. 29.

<sup>2</sup> *Blekinge Läns Tidning* 5 May, 1949. Editorial.

<sup>3</sup> *Sydöstra Sveriges Dagblad* 11 May, 1949. Editorial.

<sup>4</sup> Advertisement from Karlskrona town. In Carl Werner 1953. *Karlskrona. Kortfattad beskrivning med karta. Short guide with map of Karlskrona*, p. 2. Original in English.

<sup>5</sup> Advertisement from Karlskrona town. In Werner (1953) p. 3.

stressed. Another important thing was special supplements of local newspapers.<sup>1</sup> This was the case in both Karlskrona and Uddevalla.

In 1955 the Karlskrona investigation handed in a letter to Stadsfullmäktige on grants for advertisement. It was said in the letter that according to the publicity given certain changes in the military institutions, one could get the impression that Karlskrona was a declining town and this also had happened. Such an opinion had an injurious effect when it came to attracting new companies. In recent years the town had become less dependent on the military. One did not have to entertain fears about Karlskrona's future. According to the investigation it was necessary to propagate knowledge of the real circumstances in Karlskrona. The investigation had for this purpose contacted the newspapers about publishing a specific Karlskrona edition. This publication would also be distributed to Riksdag members, advertising agencies, companies and other newspapers.<sup>2</sup> Thus, promotion was a means to change what was perceived as a bad image.

### **Political Practice: the Location of Industry**

Kommunala byrån continued to analyse the possibilities of locating industry to Karlskrona. A coat factory had been contacted but was unwilling to start a ready-made clothing firm at the same place as the state-owned clothing industry. In 1922 Centrala Beklädnadsverkstaden, CBV [the Naval Force's Central Clothing Industry] had been organised with a tailor and shoemaker. In 1930 the plant was the largest industry in Karlskrona after the shipyard with a labour force of 110 women and 70 men. According to Kommunala byrån, the employees had better privileges in the state-owned company than in the private, leading to uneven competition. Unfortunately these 'privileges' were not further specified.<sup>3</sup>

Electrolux had also been interested but was not satisfied with the geographical conditions. Kommunala byrån also stated that 'LM Ericsson was obliged to locate to Karlskrona, but the company argued that the city was lying too far away from the middle of Sweden, where the company had its largest markets and where the other factories were located'.<sup>4</sup>

In 1946 Kommunala byrån stated that the best way to attract industrial establishments was to have industrial sites prepared to let. The companies themselves were unwilling to build new factories and it was also very hard to obtain building licenses.<sup>5</sup> In the largest cities, especially in Stockholm, it was virtually impossible to get permission to build new industrial premises due to the building regulations. According to Attman and Olsson, contacts with the government soon indicated that

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<sup>1</sup> Ward (1998) pp. 144-148.

<sup>2</sup> Stadsfullmäktige 1955. Minutes 26 May.

<sup>3</sup> Kommunala byrån för näringslivets främjande 1946. Memo. ang åtgärder för hitförläggning av industri [Memo on Measures for the Location of Industry]. Annex 1 to Minutes 2 March.

<sup>4</sup> Kommunala byrån för näringslivets främjande 1946. Memo. ang åtgärder för hitförläggning av industri [Memo on Measures for the Location of Industry]. Annex 1 to Minutes 2 March.

<sup>5</sup> Kommunala byrån för näringslivets främjande 1946. Minutes 2 January.



building licenses would be easier to obtain if the telecom company LM Ericsson chose specific parts of the country - areas where there was a labour surplus. AMS assisted in selecting the locations desirable from the community's point of view.<sup>1</sup> According to Meurling and Jeans, the company was interested in new, less mobile labour, especially female labour. Building costs and wages were also lower out in the country than in Stockholm.<sup>2</sup>

In the end of 1946 Kommunala byrån opened negotiations with LM Ericsson. In November 1946 Stadsfullmäktige in Karlskrona approved of a preliminary pre-arranged site purchase.<sup>3</sup> Four days after the application was handed in, a building permit was given for the new factory and for the rebuilding of the bought estate. In January 1947 the company emphasised that it was important that more industries did not locate their businesses to Karlskrona, with the exception of the planned porcelain factory and the possible enlargement of Jacobson's ready-made clothing factory.<sup>4</sup> In a letter to LM Ericsson Kommunala byrån stated:

The board announces that it fully agrees with your thoughts that industry should not be located here to such an extent that difficulties result in providing the necessary labour.<sup>5</sup>

The company replied:

Considering the presented plans of enlargements and new establishments we must emphasize as our opinion that the arising labour demand will partially seriously worsen our recruiting possibilities. This is especially the case concerning the female labour force [...] As we are now planning our new factory for approximately 600 workers, we fear that further industrialisation in Karlskrona would, at least during present conditions, seriously lessen our possibilities of obtaining labour, especially as the estimated labour reserve of women will decrease also through the planned enlargement of the older Karlskrona industry. In view of this we therefore request that Karlskrona town shall not assist in any further industrial location until our factory has started and its need for labour is fulfilled.<sup>6</sup>

Kommunala byrån answered that it could be presumed that the LM Ericsson factory would have properly started before the recruitment of labour to the porcelain

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<sup>1</sup> Artur Attman and Ulf Olsson 1977. *LM Ericsson 100 years. Volume II: Rescue, Reconstruction, Worldwide Enterprise 1932-1976*, p. 306.

<sup>2</sup> John Meurling and Richard Jeans 2000. *Ericssonkrönikan*, p. 208.

<sup>3</sup> Skrivelse från Drätselkammaren till Stadsfullmäktige ang. försäljning av mark till Telefon AB LM Ericsson 28 November 1946 [Communication from the Borough Finance Department to the Town Council Regarding Sale of Land to LM Ericsson].

<sup>4</sup> Kommunala byrån för näringslivets främjande 1947. Minutes 9 January and Annex 4.

<sup>5</sup> Kommunala byrån för näringslivets främjande 1947. Brev till LM Ericsson [Letter to LM Ericsson]. Annex 5 to minutes 10 January.

<sup>6</sup> Kommunala byrån för näringslivets främjande 1947. Brev från LM Ericsson [Letter from LM Ericsson]. Minutes 21 January.

factory took place. Concerning the Jacobson factory, no enlargement of this industry could take place earlier than in 1950. Further on, Kommunala byrån had already dissuaded several other companies from establishing production in Karlskrona.<sup>1</sup> Although this seems to contradict the previous wishes of new industry, there is no evidence of that this restrictive policy was carried out.

LM Ericsson's demand caused problems for Kommunala byrån in relation to other establishments. Atlas Diesel had plans of an establishment in Karlskrona but several problems arose. First, the issue had not been presented to the Atlas Diesel board. It was only the chairman, Marcus Wallenberg, who was acquainted with the matter. Second, rumours of a possible transfer to Karlskrona would cause worries among the employees at Atlas Diesel. Third, LM Ericsson would certainly be worried if they heard these rumours. Fourth, other cities would perhaps try to contact Atlas Diesel.<sup>2</sup>

The growing industry caused a lack of housing. In a memo the head of Kommunala byrån said that if Drätselkammaren did not change its housing policy in Karlskrona, the city would face very large difficulties in developing its industry.<sup>3</sup> Later on, in 1955, Industrirådet proposed that Drätselkammaren should guarantee apartments for the external labour recruited by LM Ericsson. But Drätselkammaren argued that the town could not promise anything like that. Instead it could try to bring about a housing production, which would satisfy the demand.<sup>4</sup>

Ten years later, the managing director of LM Ericsson argued that the company had been met by 'the greatest understanding and a positive intention of understanding and co-operation' by the municipal authorities. Without such an attitude it would not have been possible to reach the current scale of the business so soon.<sup>5</sup> In 1960 AMS pointed out that due to this location, Karlskrona had partly been compensated for the recession within the navy.<sup>6</sup> In 1964, Drätselkammaren concluded that LM Ericsson's location to Karlskrona 'largely must have been instructed by the government'.<sup>7</sup>

*Sydöstra Sveriges Dagblad* stated that from many points of view the Ericsson location was a happy event. Most important was that with this location, 'the up to now stubborn practice of not placing civilian industry within the fortress, had ended'. Ericsson was seen as being 'complementary to the shipyard'. It was now justified to

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<sup>1</sup> Kommunala byrån för näringslivets främjande 1947. Brev till LM Ericsson [Letter to LM Ericsson]. Annex 13 to Minutes 26 February.

<sup>2</sup> Kommunala byrån för näringslivets främjande 1947. Memo ang. av Atlas Diesel ifrågasatt utveckling av dess rörelse härstädes [Memo on Questioned Development of Atlas Diesel's Business]. Annex 5 to Minutes 18 August.

<sup>3</sup> Kommunala byrån för näringslivets främjande 1948. Memo ang. bostadsfrågan m.m i Karlskrona [On the Housing Issue etc. in Karlskrona]. Annex 9 to Minutes 10 September.

<sup>4</sup> Stadsfullmäktige Minutes 26 May, 1955.

<sup>5</sup> Sven T. Åberg 1957. Telefonaktiebolaget LM Ericsson. In Erik von Heland 1957. *Blekinge. Prognoser, synpunkter och önskemål beträffande utvecklingen i Blekinge*, pp. 66-67.

<sup>6</sup> AMS (1960) p. 16.

<sup>7</sup> Drätselkammaren 1964. Annex 15 a, Minutes 15 June.

characterise the event as one of the most important events in the town's history.<sup>1</sup> In retrospect the accuracy of the comment must be emphasised.

In 1951 Industrirådet [the Industrial Council] replaced Kommunala byrån. An organisation committee argued that Kommunala byrån should first and foremost be given credit for 'the strong industrial development' in Karlskrona during the last few years. Therefore the organisation should be kept in some form, for example as an industrial council focusing on the city's industrial development. The council should comprise of Stadsfullmäktige's three chairmen as well as other prominent local government politicians. The president in Stadsfullmäktige, also principal of the engineering school, Drättselkammaren's president, the town *ombudsman* and the manager for the municipal business companies were among the council's members. One person should be in contact with industrial companies and promote the city's business.<sup>2</sup>

This occurred at the same time as a new civil service department was suggested to be responsible for location issues on central level. Eventually AMS got this responsibility. Here we can see the germ of a more offensive central location policy. Industrirådet argued that if a civil service department in the capital could decide which industries would be located to a certain city, the local right of self-determination would be jeopardized, at least considering the development of the city's trade and business.<sup>3</sup> The building committee argued that 'already established bodies had performed good work in different location issues, and therefore it did not seem necessary to create a new body for the location policy.'<sup>4</sup> This attitude towards government intervention was in contrast to the previous discourse of the government's responsibility.

In 1954 the suggestion to locate the new state-owned laundry to Karlskrona was received with great satisfaction by the town's authorities. Not least Industrirådet had been involved in this matter several times and it had done much work to convince the authorities that Karlskrona was the best place. CA Claus in Industrirådet said that: 'Our work has not been in vain. Several places had been in focus for the location but one could not get away from the fact that Karlskrona is best suited for it.'<sup>5</sup>

There was a slight recession in the establishment of new industries during the later part of the 1950s. Certain construction projects could not be carried through. Industrirådet's attempts to locate Saab and Scania Vabis failed as well as an establishment of Chic modeller. Already in the middle of the 1950s Industrirådet contacted representatives of de Laval and showed an interest in an establishment.<sup>6</sup> However, the discussion with de Laval came to nothing. In 1957 there was a large

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<sup>1</sup> *Sydöstra Sveriges Dagblad* 1 November, 1946. Editorial.

<sup>2</sup> Stadsfullmäktige 1951. Minutes 22 February.

<sup>3</sup> Industrirådet 1951. Annex 1 to Minutes 23 May.

<sup>4</sup> Stadsfullmäktige 1951. Minutes 28 June.

<sup>5</sup> *Blekinge Läns Tidning* 12 August, 1954.

<sup>6</sup> Industrirådet 1954. Brev till teknisk direktör I. Jung, de Laval ångturbin [Letter to Technical Director I. Jung, De Laval Steam Turbine] Annex to Minutes 21 May.

surplus of labour. In 1959 on the other hand, the town managed to arrive at an agreement with Vibroverken in which the town promised to build factory premises.<sup>1</sup>

### **Discourses Related to the Shipyard**

In 1947 the liberal local newspaper *Blekinge Läns Tidning* argued that the Supreme Commander underestimated the navy. According to the national paper *Expressen* the Supreme Commander's investigation argued that the navy should be set aside. If the Supreme Commander's intentions were carried through Karlskrona would be heavily struck. The margin of expenditure for the navy was skimpy. There would be no room for a naval base in southern Sweden. Locally this would get unforeseen consequences.<sup>2</sup> The same year the newspaper reported that it was 'a well-known fact' that Blekinge during the course of times had received nothing of the country's prosperity, as had most other provinces. The geography discourse, the location 'far off the beaten tracks', was used as an explanatory factor for the bad economic development. Karlskrona was described as a typical civil servant town with a development practically totally intertwined with the varied cycles of the country's defence.<sup>3</sup>

Later the same year the newspaper commented on the new defence report. It was understandable that the Defence Committee in these financially stretched times was forced to make savings where they could be made but it could not be right, in our sparsely populated land, to make such an adjustment between the defence branches, thereby treating a not very labour intensive defence branch unfairly, a defence branch, which moreover had always proven to be indispensable when it came to the point.<sup>4</sup>

As mentioned in Chapter II the naval shipyard organisation was investigated in the beginning of the 1950s. In connections to the debates on possible cutbacks in Karlskrona, *Blekinge Läns Tidning* reacted sharply and polemized against the chief of the navy, Stig Hson Ericson, who was accused of ignoring Karlskrona's importance as one of the navy's primary bases. The newspaper described what Ericson had said about Karlskrona's significance from a military point of view. The conclusion was that Karlskrona could not be considered the navy's main station. Not that the admiral had said that 'outright', but 'you understood, judging from his statements, that if Stockholm previously had been jokingly called a naval depot, now the tables were turned'.<sup>5</sup>

The admiral had said that it was not a question of a closure but that the naval shipyard could remain as a 'peace shipyard'. The newspaper commented that this concept although a little unclear, was clearly some kind of 'degrading'. This 'de-

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<sup>1</sup> Stadsfullmäktige 1959. Minutes 10 August.

<sup>2</sup> *Blekinge Läns Tidning* 24 March, 1947. Editorial.

<sup>3</sup> *Blekinge Läns Tidning* 28 April, 1947. Editorial.

<sup>4</sup> *Blekinge Läns Tidning* 13 December, 1947, p. 3.

<sup>5</sup> *Blekinge Läns Tidning* 27 February, 1954. Editorial.

grading' was in effect taking place by decreasing appropriations and rearrangement of ships etc. What would happen the day the government in surprise realised that Karlskrona in military respect was nothing but an empty shell? The local government's policy had to have, more than ever before, these conditions in mind. Many things had been done to get industries to Karlskrona. In some cases this had been a success and the work had to be intensified.<sup>1</sup> *Sydöstra Sveriges Dagblad* argued that the chief of the navy had said that Karlskrona in peace should play its old important role as education centre. The assignments during war was an entirely other matter. Then, the assignments would have to be transferred to another place. The admiral had in view the current naval station on Muskö outside Stockholm. However, one did not have to interpret this negatively. There were still no changes in the conditions during peace.<sup>2</sup>

In his memoirs Hson Ericson argues that since its establishment as a naval base Karlskrona had been a 'problem child', prompt to accuse the navy of infidelity and always prepared to take up the cudgels for its own welfare.<sup>3</sup> He does not seem to have gotten along very well with County Governor Erik von Heland. He claims that von Heland said in the Defence Committee that he wanted a small well-equipped picked troop with a larger and less educated partisan army.<sup>4</sup> He also states that von Heland wanted to sell the cruisers, break up all armoured ships and close down all naval yards. He was also supposed to have suggested an amalgamation of the army and the navy.<sup>5</sup> In 1952 when Hson Ericson visited Karlskrona von Heland had become County Governor: 'With the smooth and easy manners he had previously established in defence issues he had now changed his course and said he was a warm friend of the navy - of course on the premises that the navy in all ways favoured Blekinge.'<sup>6</sup>

In 1959 the Karlskrona shipyard investigation was completed. The most important task for the investigation was to consider the possibility of a civilian operation. The judgements were based on the conditions for the shipyard industry as a whole. Karlskrona shipyard's advantages were a well-educated labour force and good nautical conditions. The disadvantages were that the shipping in Karlskrona was small and no large shipping company had Karlskrona as main port. One had to take into consideration the future international competition as well. Norberg argues that the points of view were strongly influenced by the different interests involved.<sup>7</sup>

For the Ministry of Defence it was clear that the production in Karlskrona was not entirely a military issue. The solution was to conduct the business in a state owned company. Since the shipyard business cycles were not that good at the time

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<sup>1</sup> *Blekinge Läns Tidning* 27 February, 1954. Editorial.

<sup>2</sup> *Sydöstra Sveriges Dagblad* 27 February, 1954. Editorial.

<sup>3</sup> Stig Hson Ericson 1966. *Knopar på logglinan*, p. 236.

<sup>4</sup> Stig Hson Ericson (1966) p. 195.

<sup>5</sup> Stig Hson Ericson (1966) p. 198 and p. 209.

<sup>6</sup> Stig Hson Ericson (1966) p. 273.

<sup>7</sup> Norberg (1993) p. 143 and SOU 1959: No. 11. *Karlskronavarvsutredningen*.

the business should also comprise of mechanical engineering.<sup>1</sup> Drättselkammaren suggested that Stadsfullmäktige could basically agree on what was proposed in the Ministry's memo and just emphasised the importance of best possible work conditions at the prospective naval base.<sup>2</sup>

Interestingly enough, it was mostly the newspapers and local associations that showed a particular interest in the shipyard. The local government had directed its focus elsewhere. We recognise the previous discourses in for example, the local association Gamla Carlsrona's [Old Carlsrona] description of Karlskrona as 'a sheltering haven for the navy' and 'a safeguard for the whole country'. The town was also seen as a 'precious relic from those days when Swedish power and Swedish initiatives took a bold try, when everyone was inspired by wide perspectives and when the yellow and blue colours symbolised a "united and energetic people"'.<sup>3</sup>

On the other hand, the local authorities stated in an account of the business situation in 1950 that much attention had been focused on the necessity of maintaining Karlskrona's porcelain factory in the town. This had caused many problems. Accordingly, land had to be exploited and let out for necessary building and the local authorities had also supported the company in its work to realise the rebuilding and modernisation of the works. It was clear that this had not been possible without economic sacrifices from the town.<sup>4</sup>

The county labour board director concluded that industry in Karlskrona for a long time had been almost exclusively concentrated on work in connection with maintenance and improvement of the ships. Still the shipyard was the largest industry but some of the country's largest companies had opened comprehensive branches. The town therefore now had a 'particularly lively industrial business'.<sup>5</sup> Thus, there were double messages in the article; both an emphasis on the importance of the shipyard and the new industrial structure.

The County Governor also focused on the military. In 1956 he argued that the decrease in the navy was 'inconceivable for ordinary people in Blekinge'. The Karlskrona inhabitant was, however, a realist and the 'town made progress' as an industrial and port town.<sup>6</sup> The county labour board director concluded that Blekinge's prerequisites as an industrial province must be 'regarded as very good' and 'wholly comparable' to other parts of the country. Regarding population, labour and vocational training, the prerequisites were 'above average' for the country.

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<sup>1</sup> Norberg (1993) pp. 144-145.

<sup>2</sup> Stadsfullmäktige 1960. Minutes 30 June.

<sup>3</sup> Föreningen Gamla Carlsrona 1948. *Karlskrona: Vägvisare i tid och rum*, p. 16.

<sup>4</sup> Kommunala byrån för näringslivets främjande 1950. Brev till Stadsfullmäktige [Letter to Stadsfullmäktige]. Annex 1 to Minutes 22 April.

<sup>5</sup> Länsarbetsnämndens direktör [the County Labour Market Board Director] cited in *Blekinge Läns Tidning* 9 June, 1954, p. 18.

<sup>6</sup> Erik von Heland 1956. Blekinge läns städer. In *Karlskrona, Ronneby, Karlshamn, Sölvesborg med omgivning*, p. 10.

There were good possibilities for business expansion and new establishments.<sup>1</sup> On the one hand, these images, *the promotion discourse*, are quite different compared to the more negative ones we have seen earlier. They are also found in a publication, which probably aimed at promoting a positive image of the town. We also find the population discourse when the chief magistrate as well as the rear admiral described the town as ‘once being the biggest but one.’<sup>2</sup> In the same source we also recognise the geography discourse as the chief magistrate argued that ‘the town had no real hinterland and was located far from the beaten tracks’.<sup>3</sup>

## Descriptions and Promotion of the County

Some statements focused on characters. When the County Governor Lindeberg left his position *Blekinge Läns Tidning* gave him the unqualified acknowledgement, that he had familiarized himself with Blekinge’s specific conditions and also managed to catch ‘the soul of the province’. The Blekinge people were described as open and easy to approach but with an abrupt change of mood, mirroring the diversified province. They could also be ‘intractable and suspicious’.<sup>4</sup>

In 1953 the new County Governor von Heland wrote an article in *Sydöstra Sveriges Dagblad* emphasising that a richer and more differentiated business was of vital necessity for Blekinge. A difficulty was, however, the Blekinge ‘stubbornness’, which sometimes manifested itself in ‘obstinacy’ and a ‘reluctance to follow good advice and wise proposals’. The negativist people destroyed not only for themselves but also for others. Not least due to this the newspapers had a great duty in Blekinge County. It should not help these negativistic people but support others who wanted to accomplish something for society.<sup>5</sup>

According to the County Governor 1954 and 1955 became two large propaganda years. This was a strategy towards improving the image of Blekinge County. Blekinge was to be known and marketed to attract industrial investments. The agitation for increased action power within the country continued and the newspapers had headlines such as ‘Brighter future prognosis for the County’s business’ and ‘The County who got a grip on itself’.<sup>6</sup> In the summer of 1954 Blekinge had a ‘county propaganda exhibition’.<sup>7</sup> In a special edition Blekinge was described as:

the shore with its archipelago embraces the south with sun sparkling water between islets and skerries, with towns decorated with flags, from

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<sup>1</sup> Gunnar Strand 1956. Blekinge på frammarsch. In *Karlskrona, Ronneby, Karlshamn, Sölvesborg med omgivning*, p. 36.

<sup>2</sup> Ebbe Dymling 1956. Min syn på Karlskrona. In *Karlskrona, Ronneby, Karlshamn, Sölvesborg med omgivning*, pp. 51-52. Erik Samuelsson 1956. Örlogsstaden Karlskrona. In *Karlskrona, Ronneby, Karlshamn, Sölvesborg med omgivning*, p. 74.

<sup>3</sup> Dymling (1956) p. 51.

<sup>4</sup> *Blekinge Läns Tidning* 16 December, 1947, p. 2.

<sup>5</sup> *Sydöstra Sveriges Dagblad* 28 November 1953, p. 10.

<sup>6</sup> Erik von Heland 1971. *Landshövdingen och pensionären*, pp. 24-25.

<sup>7</sup> *Blekinge Läns Tidning* 8 February, 1954.

the little Carolingian Karlskrona in the east, to the woody Ronneby with its idyllic atmosphere, to the hectic Karlshamn and the old-fashioned Sölvesborg [...] But Blekinge is not only an idyllic spot, not only romance, not only a garden. Blekinge is work and struggle for existence. The Blekinge melody contains hammer-blows from Karlskrona naval yard, from the Kallinge works and Olofström, the drone from workshops over the County and many delivered goods of quality, some of which have got world-wide reputation [...] Blekinge's history of today is to strive peacefully and goal-oriented towards creating better favourable conditions for its population by developing and differentiating the business.<sup>1</sup>

In the same edition the county labour market director argued that the conditions on the labour market were not good and that something had to be done. Another development within business would have to begin. The population had not increased since the turn of the century.<sup>2</sup> But at the same time it was emphasised that Blekinge was 'industry minded':

[...] That's why the industrialists and business managers with great expectations look forward to the broadening of the County's coastal railroad and attach as large significance as possible to these communication prospects for the County's industrial development.<sup>3</sup>

*Sydöstra Sveriges Dagblad* argued that the strong development of production in the County only to a small degree had been reflected in the south-east. The industrialisation had been and was at the moment too small to be able to make any revolutionary leap. There were no divided opinions about the reasons for this. Bad communications was one factor. Now was the time to convince others about the prerequisites of the province. When the province's position off the beaten tracks would come to an end, it would be easier to create contacts with the rest of Sweden.<sup>4</sup>

In 1955 the social-democratic newspaper complained that the Minister of Communication only abstractedly had noticed Blekinge's communication backwardness. The difficulties Karlskrona had concerning the defence divisions, contributed to giving the whole of Blekinge a character as a part of the country over which 'scarcity's cold star for ever seemed to be stationed'.<sup>5</sup> On the other hand the other newspaper said that one could perhaps say that Karlskrona's future never had been brighter than today.<sup>6</sup>

In 1957 the County Governor elucidated a critical situation for the whole of Blekinge. There was a large shortage of job opportunities due to the depopulation in

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<sup>1</sup> *Blekinge Läns Tidning* 9 June, 1954, p. 1.

<sup>2</sup> *Blekinge Läns Tidning* 9 June, 1954, p. 17.

<sup>3</sup> Länsarbetsnämnden [The County Labour Board] Director in *Blekinge Läns Tidning* 9 June 1954, p. 18.

<sup>4</sup> *Sydöstra Sveriges Dagblad* 11 June, 1954. Editorial.

<sup>5</sup> *Sydöstra Sveriges Dagblad* 13 January, 1955. Editorial.

<sup>6</sup> *Blekinge Läns Tidning* 24 March, 1955. Editorial.



agriculture and a weak business structure. This had the result that the younger labour force moved from Blekinge and that the older labour force was faced with unemployment, firmly tied as they were to the native district and more difficult to retrain.<sup>1</sup>

Heland also noted that several of the county's authorities had mobilised 'a power of initiative' during the last years leading to many results. But it was also noted that the effects of the measures taken were lagging behind. Therefore, the results had been delayed and not until now started to show in statistics.<sup>2</sup> Later, in his memoirs, von Heland said that the chief editors in Karlskrona were 'of invaluable help in spreading impartial information.'<sup>3</sup>

### **The Expansion of Ericsson**

The expansion of Ericsson continued. The company had to develop its business and Industrirådet suggested that a municipal company should build and let a new factory to LM Ericsson. This, however, turned out to be too expensive. Industrirådet therefore suggested that land would be let to Ericsson at a reduced price and that the town would pay for the construction of water, drain and electricity. In addition to this, Karlskrona would buy shares in or grant loan to a part-municipal company, directed towards building, and thereafter let a factory to LM Ericsson.<sup>4</sup> But the matter was further discussed. In a memo Industrirådet stated that of course municipal subsidies to industry could be objected to. Such opinions, however, were separated from reality, since the competition between the towns demanded industry subsidies from those societies who wanted to prosper and develop. The last subsidy to LM Ericsson had after all resulted in a return in taxes.<sup>5</sup>

Later, a representative for LM Ericsson attended one of Industrirådet's meetings. Director Lindberg emphasised that according to his view a possible establishment of some of de Laval's production would not affect Ericsson's plans in any bad way. But on the other hand the establishment of further ready-made clothing industry could cause troubles, 'therefore it was desirable that it did not take place'.<sup>6</sup> LM Ericsson also tried to affect the structure of education. In a letter to the 1948 technical school investigation it was stated that Ericsson planned to double its workshops in Karlskrona and that it would be very appropriate with a telecommunications course located in a town where a large telecommunication industry would

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<sup>1</sup> Erik von Heland 1957. *Blekinge: Prognoser, synpunkter och önskemål beträffande utvecklingen i Blekinge*, pp. 3-4.

<sup>2</sup> von Heland (1957) p. 4.

<sup>3</sup> von Heland (1971) p. 12.

<sup>4</sup> Industrirådet 1954. PM ang. hitförläggande av en ny fabrik, tillhörig LM Ericsson för finmekanisk tillverkning [Memo on the Location of a New LM Ericsson Factory for Precision-tool Work]. Annex 1 to Minutes 17 November.

<sup>5</sup> Industrirådet 1955. PM ang. utbyggnad av LM Ericssons fabrik härstädes [Memo on the Expansion of the LM Ericsson Factory]. Annex 1 to Minutes 7 January.

<sup>6</sup> Industrirådet 1955. Minutes 4 March.

grow up.<sup>1</sup> The technical vocational school in Karlskrona existed already at the turn of the century, in private hands, but in 1921 the town took over the responsibility and the school was named Karlskrona town apprentice and vocational school.<sup>2</sup> In 1936 the town started a vocational education in construction and engineering for youths from the whole County. The education was later to become the engineering school.<sup>3</sup>

The engineering school was situated opposite of LM Ericsson. After finishing their education many students joined the Karlskrona factory. There was a demand for toolmakers, machine repairmen and electricians. In the end of the 1950s, when the switch and stand manufacturing had begun, LM Ericsson offered to contribute certain laboratory equipment and teachers if the recently opened technical secondary grammar school increased its supply with a telecommunications course. This did eventually take place.<sup>4</sup>

In 1947 new directions had prescribed that the apprentices at the shipyard were obliged to attend courses in the town's schools for vocational education. The theoretical education was, as a rule, three years while the apprentice education was still four years. Many engineers and foremen at the Naval Workshops were engaged as teachers at the vocational school. After the formation of the company in 1961 the educational system was reorganised. In 1963 a specific apprentice workshop was set up in the torpedo workshop. In the end of the 1960s the apprentice school became an industrial school. This meant that all practical education took place in the shipyard and was arranged by the shipyard. The theoretical education was still carried on by the vocational school. In 1972 the apprentice education became integrated in the new high school education. The industrial school conducted the practical vocational education.<sup>5</sup>

In 1956 LM Ericsson pointed out that the town must provide housing. The housing manager asked if the company could not build their own apartments, but the company argued that this was impossible considering its liquidity and the fact that Swedish companies were hardly pressed by taxes and charges.<sup>6</sup>

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<sup>1</sup> Industrirådet 1955. Brev från LM Ericsson till 1948 års tekniska skolutredning [Letter from LM Ericsson to the Technical School Investigation of 1948]. Annex 3 to Minutes 30 March.

<sup>2</sup> Nils Hansson 1993. *Campus Gräsvik*, p. 7.

<sup>3</sup> Hansson (1993) p. 8.

<sup>4</sup> Ed (1994) p. 96.

<sup>5</sup> Myllenberg (1980) p. 82.

<sup>6</sup> Industrirådet 1956. Minutes 15 November.

## Concluding Remarks

The foundation of Karlskrona by a royal decree was repeated and both the Blekinge County and the town were referred to as lying far from the beaten tracks-*the geography discourse*. The government responsibility and the geography discourses were brought up in several debates on the shipyard's situation and position. In the Riksdag debate it was argued that Karlskrona had always had to suffer because it was a military city. In for example advertisements there was, however, another discourse; *the promotion discourse*. The town was described as a 'haven for the navy', a 'rising industrial town'. It was also 'admirably situated', and had a 'particular lively industrial business'. The fact that the shipyard's and the navy's position affected the cognitive embeddedness is also exemplified by *the population discourse* with statements such as 'once being the biggest but one'. The political actions during this period were characterized by place promotion of various kinds as well as a keen interest in industry development projects. The most prominent political embeddedness was established between the local government and Ericsson. One the first hand, the dependence on Ericsson was exemplified by that the company demanded that no other companies should compete for the labour force. On the other hand, Ericsson and the local authorities collaborated concerning issues of education.

## Discourse and Political Practice in Uddevalla 1942-1956

### Accident and Progress Discourses

According to Uddgren, 1940 was the first year in a very long time that there were no unemployed persons reported during the summer. The laid off women from the match factory got jobs in the textile industry. In many homes the wife was the gainfully employed and the husband was responsible for the household work.<sup>1</sup>

In 1942 Stadsfullmäktige proudly established that unemployment basically had disappeared. The expectations the town had in connection with the establishment of the wooden house factory had completely been fulfilled, and this was the chief cause for the good job supply.<sup>2</sup> This trend continued in 1943.<sup>3</sup>

Just as in Karlskrona there were references to historical circumstances. In Uddevalla these references constituted *the accident discourse*. In connection with the 450<sup>th</sup> jubilee, Stadsfullmäktige argued that accidental fire and other accidents had afflicted Uddevalla during the times. Several times the accidents had completely ruined the town but people had with united efforts built new houses and once again Uddevalla had grown up from ashes and ruins. During the last few years, Stadsfullmäktige went on, the town had to fight severe depressions and extremely widespread unemployment. Times were bad in Uddevalla when Uddevalla match factory and Fredrik Cöster's joinery shop closed its business. All good forces had to be summoned to bring about success and an unusually fast expansion.<sup>4</sup>

We recognise the progress discourse from previous years as Uddevalla was described as a town 'trying to follow what these times demand in all respects. You can tell that there are on all sides a strong intention of progress.'<sup>5</sup> In 1944 Stadsfullmäktige maintained that the town was in fast development that involved expenses. The most significant thing for the town was the increased building activity. Due to the keen building business and owing to the fact that both industries and trade had grown, there was a good job supply.<sup>6</sup> Thus, the accident and the progress discourse were vivid at the same time.

When Kampenhof was liquidated Drätselkammaren stepped in 'with admirable promptness', according to Stadsfullmäktige minutes, and Stadsfullmäktige acted 'just as fast', thereby managing to avert the threatening unemployment but also to attract interest from a new industry, which well enough would replace the old.<sup>7</sup>

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<sup>1</sup> Uddgren (1946) p.15 and p. 71.

<sup>2</sup> Stadsfullmäktige 1942. Minutes 19 December. No. 12.

<sup>3</sup> Stadsfullmäktige 1943. Minutes 18 December. No. 15.

<sup>4</sup> Stadsfullmäktige 1948. Minutes 18 December. No. 11.

<sup>5</sup> Bruno Wendel 1943. *Beskrivning över Bohuslän*, p. 11.

<sup>6</sup> Stadsfullmäktige 1944. Minutes 16 December. No. 13.

<sup>7</sup> Stadsfullmäktige 1954. Minutes 18 December. No. 12.

In the next section we will see in more detail what this local industrial support meant in practice.

### **Industry Support**

In 1940 there was a small dispute with the wooden house factory, Junohus. The company argued that Stadsfullmäktige had promised to fill up the factory site's area 2 metres in height. However, this filling up never took place as desired. The company proposed that it was to be compensated for the inadequate filling up. Furthermore, the town should annul the town's demand on the company for various deliveries of gravel and macadam. If these measures were carried through Junohus would write off its demand of filling up. The company hoped that both parties could 'carry through this deal in the same agreeable way as during previous negotiations'. The company thought that it had succeeded in offering employment for the unemployed in Uddevalla in a satisfactory way.<sup>1</sup> The president of Stadsfullmäktige argued that it had not given any promise to fill up the area transferred to AB Junohus. There could therefore not be any legal obligation to fill up the area further. Considering the present circumstances, however, Drätselkammaren had decided to support the company's proposal of a final settlement concerning the site transfer.<sup>2</sup>

Proposals had repeatedly conveyed in Drätselkammaren that the town should in the same way as was the case in other towns have premises ready for smaller industries and trade, in order to encourage and facilitate the otherwise often troublesome acquisition of premises. A committee within Drätselkammaren analysing this issue argued that during the last years the significance of sound small industries for a society had caught the authorities' attention. It had become more and more desirable to be able to keep and support small industry because it had turned out to be a remarkable vital force and had capacity to furnish job opportunities during periods of extensive unemployment. Göteborg and Halmstad were examples of towns that had taken an interest in this issue. In 1935, Norrköping set up a committee for developing businesses. Karlskrona was also noted for having established a division with fairly far-reaching competence for promoting business.

In Uddevalla Drätselkammaren had taken care of the issues concerning the industry's development. It did not seem necessary to create a specific body for promoting the industrial business in the town modelling other towns. Drätselkammaren, on grounds of principle, assumed a particularly hesitant attitude towards the plans that the town should engage itself economically in the business area by building industrial premises and letting factory premises. This area did really not belong to the local government keeping but had up to now been seen as belonging to the

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<sup>1</sup> Stadsfullmäktige 1940 Minutes. Extract from Minutes from Drätselkammaren Meeting 1 October. No. 74.

<sup>2</sup> Approval of Stadsfullmäktige Minutes 15 October 1940. No. 10.

individual entrepreneurship. However, Drätselkammaren did not deny, that the conditions had become such, that it could not be wise local politics to adopt a negative attitude towards all town participation for solving this issue. Therefore, Drätselkammaren proposed that Stadsfullmäktige should authorise Drätselkammaren to sell land of about 2500 square metres and participate in the formation of an economic association for preparing premises for industry and trade.<sup>1</sup>

After the war much local work was naturally connected to the establishment of the shipyard but as we saw in Chapter II some other locations also took place. Drätselkammaren argued that the town should contribute to the engineering company Alpha's permanent location to Uddevalla by putting the proposed site at the company's disposal. The factory had quite a few male workers employed and could offer home work to some people, in great need, and could also provide employment for not wholly able-bodied people.<sup>2</sup> This was the same politics as the local government in Karlskrona pursued concerning industrial premises.

During 1950 Drätselkammaren contacted Förenade Superfosfatfabriker (a superphosphate factory) about a location of their activities to Uddevalla. The company had requested that Stadsfullmäktige visit the factory in Norrköping.<sup>3</sup> Later, Drätselkammaren suggested a selling of land to the company. The issue was brought up again and Drätselkammaren stated that it was most desirable for the town and its development to have a location in the Sörvik area. Drätselkammaren emphasised that the fact that the town had to make economic sacrifices must be considered of particular insignificance in relation to the advantages.<sup>4</sup> In 1951 Stadsfullmäktige argued that the expansion had continued for a number of years leading to an increased workload for Stadsfullmäktige's committees. There was still lack of housing. The town's industries and trade had plenty of work and there had been a lack of labour.<sup>5</sup> This positive development persisted and in 1952 Superfosfatfabrikerna had finished the first stage of its significant works.<sup>6</sup> In 1953 Superfosfatfabrikerna lodged an appeal about Stadsfullmäktige's decision to release land to Uddevalla shipyard. Stadsfullmäktige found the way in which the company had interfered with

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<sup>1</sup> Stadsfullmäktige 1941. Drätselkammaren's förslag ang. stadens medverkan för uppförande av en industribyggnad [Drätselkammaren's Proposition on the Town's Participation for Establishing an Industrial Building] 17 February. No. 28. Stadsfullmäktige approval 18 March 1941. No. 62.

<sup>2</sup> Stadsfullmäktige Documents 1946. Drätselkammaren proposition ang. tomtförsäljning till AB Alpha. [The Borough Finance Department's Proposition of Selling a Building Site to AB Alpha] 18 October. No. 233.

<sup>3</sup> Stadsfullmäktige 1950 Documents. Utdrag ur protokoll fört vid Drätselkammarens sammanträde [Extract from Minutes at the Borough Finance Department] 12 June. No. 108.

<sup>4</sup> Stadsfullmäktige 1950 Documents. Drätselkammarens förnyade utlåtande i ärende angående förslag till avtal med Förenade Superfosfatfabriker om överlåtelse... [The Borough Finance Department's Reconsidered Opinion Regarding a Proposal for an Agreement with Förenade Superfosfatfabriker on transfer...] In Drätselkammaren Minutes, 9 October. No. 147.

<sup>5</sup> Stadsfullmäktige 1951. Minutes 15 December. No. 13.

<sup>6</sup> Stadsfullmäktige 1952. Minutes 13 December. No. 12.

town affairs remarkable, not least considering the town's compliance with the company requests.<sup>1</sup> The superphosphate factory closed down in the middle of the 1960s.

### **The Shipyard Establishment**

In 1945 ship owner Gustaf Thordén approached Drätselkammaren since he wanted to establish a shipyard in Uddevalla with three building berths, two for building ships up to 6,000 metric tons and the third with room for ships up to 16,000 metric tons. Drätselkammaren's representatives had in consultation with Gustaf Thordén, engineer Karl I Thordén and experts summoned by the former, analysed where in Uddevalla or in the town's immediate vicinity a shipyard establishment would be suitable. They came to the conclusion, that the most appropriate place would be the town-owned property Kasenabben. The ship owner demanded that Drätselkammaren bring the issue to a conclusion and requested that the town execute or pay for certain work needed to put the site in order. Drätselkammaren agreed to pay for the work. An expert engaged by the town was to carry out the work.<sup>2</sup>

The costs for investigations and supervisory work would be added during a construction period of approximately 2 years, estimated to 50,000 kronor. By this agreement, the town was to undertake expenses of a magnitude where one could fear a certain risk. But the town estimated that it would benefit from this establishment. For any town, and particularly a port, it was urgent to secure that new and suitable industries were able to conduct business. For Uddevalla in particular it was extremely urgent that the establishment came about since it, among other things, could be expected to have considerable effects on the harbour business. A shipyard establishment conferred as a rule an increased competitiveness for a harbour, since repairs could be carried out.

The vital importance of a heavy industry location was also emphasised. In this we find the previous gender division discourse. Uddevalla's main industries were the ready-made clothing and textile industries with a predominant female labour force. It was argued that the town had, for a long time, wished for a heavy industry employing male labour. It was particularly desirable that a balance was obtained between the light and heavy industry since 'the disharmony between male and female labour was injurious for the town's development'. It was not, however, specified what this 'injury' meant in reality. Drätselkammaren requested that Stadsfullmäktige approve of the agreement with Thordén on the selling of land; the expenses for the town should be covered by a 30-year-long amortisation loan.<sup>3</sup> The national newspa-

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<sup>1</sup> Stadsfullmäktige 1953. Minutes 19 December. No. 13.

<sup>2</sup> Stadsfullmäktige 1945. Documents 18 April. No. 90. Drätselkammarens framställning om anslag för vissa utredningsarbeten i samband med planerad industrianläggning å Kasennabben [Account on Grants for Certain Investigations in Connection with Planned Industrial Site at Kasennabben]. Stadsfullmäktige approval 24 April, 1945. No. 130.

<sup>3</sup> Stadsfullmäktige 1945. Documents 8 August. No. 164. Approval Stadsfullmäktige 14 August 1945. No. 239.

per *Dagens Nyheter* wrote: 'Large shipyard in Uddevalla remedies women surplus'.<sup>1</sup> The Göteborg paper reported: 'The new large shipyard costs Uddevalla 3 million'. It also referred to the 'women surplus'.<sup>2</sup> The editor of *Bohusläningen* argued that the risks the town took were insignificant compared to the advantages for the town.<sup>3</sup>

In 1946 the geographer William-Olsson characterised Uddevalla as a commercial centre with a distinctive industrial profile. He also called attention to the risks associated with the shipyard establishment due to the business cycle sensitivity for that line of business. But he also suggested that by developing the port and by pursuing an active land policy, Uddevalla had possibilities of attracting alternative industries. Good municipal social service and far-seeing town planning were important parts in making Uddevalla an attractive town for businessmen and others.<sup>4</sup> *Bohusläningen* referred to the geographer's lecture. Cities everywhere were now advertising their economic possibilities in order to attract industry and other business. The reason for this was the population crisis. The geographer argued that the future for Uddevalla was the port and thus the large shipyard establishment was a good thing.<sup>5</sup>

The progress discourse was found in the local newspaper; 'Uddevalla has developed with American speed'<sup>6</sup>, 'The city's labour market has got a new shape'<sup>7</sup> and 'Uddevalla on the march - local government optimistic'.<sup>8</sup> The gender division discourse was also present as *Bohusläningen* reported that after the carpentry shop and the match factory closed down, the local government considered it a problem that the female labour dominated. Although the town had engaged itself economically in other companies, a balance between male and female labour had not been obtained. Thus, the town had turned down all industries demanding female labour.<sup>9</sup> At the same time the newspaper argued that whether the great expansion in Uddevalla could be carried out at the estimated pace, was dependent on government decisions. The director of Drätselkammaren argued that the town would not turn into a big city, but the goal was to achieve a well-balanced and stable business structure. The establishment of the shipyard meant some risky moments, but they were aware of that.<sup>10</sup>

In January 1946 the shipyard elected its officers. The board consisted of only local representatives: politicians and business people from Uddevalla. The land agreement had to be changed since the shipyard management made some changes in the original proposition. These changes increased the costs more than expected.

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<sup>1</sup> *Dagens Nyheter* 14 August, 1945, p. 3.

<sup>2</sup> *Göteborgs-Posten* 14 August, 1945, p. 6.

<sup>3</sup> *Bohusläningen* 14 August, 1945. Editorial.

<sup>4</sup> Åberg (1997) pp. 229-230.

<sup>5</sup> *Bohusläningen* 22 March, 1946, p. 2.

<sup>6</sup> *Bohusläningen* 4 October, 1946, p. 1.

<sup>7</sup> *Bohusläningen* 9 November, 1946, p. 1.

<sup>8</sup> *Bohusläningen* 6 December, 1946, p. 1.

<sup>9</sup> *Bohusläningen* 6 December, 1946, p. 13.

<sup>10</sup> *Bohusläningen* 10 December, 1946, p. 2.



The shipyard board requested that the town placed further land, on the same conditions as before, at the shipyard's disposal. They also wanted the town to contribute, in some way, to the extended shipyard establishment. Drätselkammaren suggested that an agreement in line with the shipyard's request should be concluded. They also accepted to relieve the shipyard of the responsibilities connected to the sewage disposal on the shipyard premises.<sup>1</sup>

**Table 3.1 Estimated Costs for the Town at the Shipyard Establishment. In kronor.**

Undertakings	Costs
Slipway	129,000
Building berths	632,000
Filling up and planning of the area	542,000
Equipment quay	830,000
Quays	146,000
Streets and wires	85,000
Water pipes	30,000
<i>Total</i>	<i>2,394,000 kronor</i>

*Source: Stadsfullmäktige document 8 August 1945 no 164. In today's money value approximately 40,000,000 kronor.*

Thus, Stadsfullmäktige's Christmas speech of 1945 was very content. Not since Stadsfullmäktige's establishment had such important decisions been taken as this year. The 'good municipal spirit', which always existed in the town, had this year been tried but it had stood the test. All the large and important decisions had furthermore been taken unanimously and 'unity had been the order of the day'. The town was 'seething of life and work'. Optimism and a go-ahead spirit inspired everybody, which was a good omen for the future.<sup>2</sup>

Towards the end of the 1940s, a great lack of housing became a problem. Although many apartments had been built in the last few years there was a housing shortage and the most difficult problem for the new shipyard was to get housing for prospective new employees.<sup>3</sup> In 1947, in order to solve the housing problems, Uddevalla municipality and the shipyard created a foundation. 102 apartments were built, of which 90 per cent was for the shipyard's staff.<sup>4</sup> This was an entirely different approach than what was held in Karlskrona in these matters. It was, however, also a direct effect of the support discourse.

Another example of the magnitude of the shipyard involvement became apparent for example when Uddevalla gave security for the shipyard's foundation to the value of 1,200,000 kronor.<sup>5</sup> The chairman of the harbour board thought that the shipyard

<sup>1</sup> Drätselkammaren 1946. Förslag till tilläggsavtal ang. varvsanläggningen i Uddevalla [Proposition for an Additional Agreement on the Shipyard Construction] In *Stadsfullmäktige Minutes*. No. 172.

<sup>2</sup> Stadsfullmäktige Minutes 22 December, 1945. No. 11.

<sup>3</sup> Stadsfullmäktige Minutes 21 December, 1946. No. 12.

<sup>4</sup> Gay Thorsson and Gunnar Wockatz 1979. *Uddevalla och Uddevallavarvet*, pp. 7-13.

<sup>5</sup> Stadsfullmäktige Minutes 20 December, 1947. No. 13. Today's money value approximately 19,000,000 kronor.

and the town had mutual interests; if the shipyard delivered good ships, Uddevalla would earn money.<sup>1</sup>

In 1953 Uddevalla town gave security for a shipyard loan. Drätselkammaren argued that it was of vital interest that the shipyard could take part in the present extremely keen competitive situation. The town could not be negatively disposed to the loan, which was meant to guarantee the shipyard's need of working capital, and thus give the company more favourable conditions to meet the order supply and keep up normal production. The town's surety would be a social defence and a benefit not only for Uddevalla but also for the rest of the Bohus County.<sup>2</sup> The newspaper argued that 'The town stands up for Uddevalla shipyard'. The financial plan would solve the shipyard's problems for a long time. The company was, as everyone knew, the largest employer in Uddevalla. Its prosperity was a vital problem for Uddevalla town, its business and its economy. The town's security was a social defensive measure, which large parts of middle Bohuslän would benefit from. The risks were not particularly large.<sup>3</sup>

### **Discourses of Bohuslän and Uddevalla's Development**

In 1949 the County Governor Jacobsson argued that two things were important for business, roads and transports. He argued that without improved communications, there was no way one could get industries to the countryside. He also argued that ultimately it was individuals who built up businesses and cultural life. Whether the Bohus County could become a home for 'happier people' or not, depended on individual initiatives and the work of many people.<sup>4</sup>

In 1950, when Per Nyström became County Governor, the newspaper *Bohusläningen* concluded that the industry in the Bohus County was so complex and developed that it would demand great power of initiative to safe-guard the county's interests in relation to the government, whose outlook on things not always coincided with regional views.<sup>5</sup> The retiring County Governor Jacobson reminded people of the changes that had taken place since he first came to Uddevalla in 1936. At that time factory for wood tubes was a matter of great concern, today the town was a society with 'a seething life' and 'go-ahead spirit'. Today's municipal spirit was characterised by an 'understanding worthy of imitation', despite political opposition.<sup>6</sup>

When the Minister of Health and Social Affairs and the County Governor went on a sightseeing trip in Uddevalla, the theme was Bohuslän's rebuilding after the

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<sup>1</sup> *Bohusläningen* 26 May 1950, p. 4.

<sup>2</sup> Stadsfullmäktige Documents 1953. Drätselkammarens förslag om stadens tecknande av borgen för lån till Uddevallavarvet AB [The Borough Finance Department's Proposal on the Town's Issuing of Guarantees Regarding Loan to Uddevalla shipyard] No. 248.

<sup>3</sup> *Bohusläningen* 19 December, 1953. Editorial.

<sup>4</sup> Malte Jacobsson 1949. *Göteborgs och Bohusläns näringsliv och dess framtidsutsikter*, p. 22.

<sup>5</sup> *Bohusläningen* 20 May, 1950. Editorial.

<sup>6</sup> *Bohusläningen* 25 May, 1950. Editorial.

difficult unemployment crisis in the 1930s. The editor of *Bohusläningen* argued that the citizens in this part of the country knew that much could be done to strengthen the situation for local business, but much depended on the government's attitudes.<sup>1</sup>

A director at the employment office described the local work after the unemployment crisis in the 1930s. He argued that the government, the municipalities and individual people had taken advantage of the existing possibilities. Uddevalla had the privilege of getting a wooden house factory and a shipyard industry. A heavy industry such as the shipyard was precisely what Uddevalla needed as a counterbalance to the female industries. Thus, the shipyard contributed to compensating the effects of the unemployment in the stone industry in Bohuslän, since many stone workers got work at the shipyard. The co-operation with the public had also been the best. The Bohuslän people were described as 'honest, serious and decent'. The newspapers had also been 'supportive' and promoting the employment office.<sup>2</sup>

But in the wake of Uddevalla's great expansion, *Bohusläningen* reported that much had been neglected, for example housing and premises for schools. When it came to housing more land was needed, proper for housing accommodation. The town's harbour ought to be extended and government support was needed for this. On other occasions Uddevalla had received the County Administrative Board's understanding and support for the industrious business which now characterised this industrial, commercial and craft town. Uddevalla thus greeted the Bohus County's new county governor in full assurance of a continued support.<sup>3</sup>

The progress discourse and the political embeddedness were described in the newspaper, for example in 1953 as a Swedish American exclaimed: 'Well, I did not see anything like Uddevalla's development'.<sup>4</sup> In an advertisement, Uddevalla town was described as

a meeting place for fairways by sea and communications on shore. By fruitful co-operation between the government, private actors and the municipality Uddevalla is yet again on its way to become an important commercial and shipping town. That the citizens have shipping very much at heart is proved by the fact that the town has assumed responsibility for expenses connected to the improvement of the harbour.<sup>5</sup>

In 1956 a town monograph concluded: 'As seen from without, the town is a new town. There is no mellowness, no ruins. The new Uddevalla is a new settlement in seething development.'<sup>6</sup> The book continued to say: 'A time of expansion, a town of expansion. Where are we now in Time and Development? At the top, of course!'<sup>7</sup>

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<sup>1</sup> *Bohusläningen* 12 September, 1951. Editorial.

<sup>2</sup> *Bohusläningen* 26 September, 1951, p. 4.

<sup>3</sup> *Bohusläningen* 6 December, 1951. Editorial.

<sup>4</sup> *Bohusläningen* 20 May, 1953, p.1.

<sup>5</sup> *Bohusläningen* 28 October, 1953. Jubileumsnummer Bohusläningen 75 år. [Jubilee Edition]

<sup>6</sup> Preface by Sten Kristiansson in Gunnar Edman 1956. *Boken om Uddevalla*. Unnumbered.

<sup>7</sup> Edman (1956) p.134.

‘Speak out: Old times’ Uddevalla was nothing but poorness: Today’s Uddevalla-pure comfort, and a continuously growing living standard’.<sup>1</sup>

### Concluding Remarks

During the period we find four important discourses: *the support discourse*, *the progress discourse*, *the accident discourse* and *the gender division discourse*. The gender division discourse was seen in the discussions of the uneven distribution between male and female employment opportunities. It explains the strong political focus on the shipyard, and heavy industry in general. The unemployment in Uddevalla in specific was not seen as a problem during the time of the shipyard establishment. During this period it was mainly the female domination of the labour force that constituted a problem. The local government talked about that the ‘disharmony between male and female labour’ was ‘injurious’ for the town’s development. National newspapers reported on the ‘women surplus’.

We find the support discourse when Drättselkammaren argued that the conditions had become such, that it could not be wise local politics to adopt a negative attitude towards town participation in industry issues. The support practice became increasingly more important. When the local government had to support the shipyard financially, there were no objections. The shipyard’s existence was vital for the future of Uddevalla town and other parts of Bohuslän.

The progress discourse is exemplified by the argument that Uddevalla was trying to follow what the times demanded and there was a strong intention of progress. This reminds us about the previous progress discourse of ‘great upheavals’ and ‘the new times’ bustle and rush’. The local government also emphasised the accident discourse: ‘accidents had afflicted Uddevalla several times’ but the town had always ‘grown up from the ashes and ruins’. The local government also perceived itself as acting with ‘admirable promptness’ when there were closing-downs.

The shipyard establishment reinforced the progress discourse. The political view was that people in Uddevalla always had managed hard times. Thus, the objective was to bring about an expansion. The politics in practice was to support and facilitate the location of new industries. The newspaper reported that towns everywhere were advertising and that Uddevalla had developed with ‘American speed’. Uddevalla was also characterised as a town ‘on the march’. The political embeddedness was characterised by the local government’s report on the ‘good municipal spirit’, the local ‘unity’ and the ‘seething of life and work’. The newspaper followed the same discourse reporting on ‘seething life’, ‘a go-ahead spirit’ and ‘a municipal spirit worthy of imitation’. A town monograph described the town by the same discourse and also emphasised that there were ‘no mellowness and no ruins.’

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<sup>1</sup> Edman (1956) p.137.

In the following chapter we will see if the cognitive embeddedness changed when the shipyard experienced financial crises. But first let us turn to the developments on the central level concerning the government's location policy.



## IV

# Location Policy

IN THIS CHAPTER I describe and analyse first, the 1959 Riksdag debate on location policy, official investigations and other location policy discussions between 1959 and 1969. Second, I continue to follow the discourses and political practices in Karlskrona and Uddevalla.

### Riksdag Debate and Official Investigations of Location Policy

At the 1959 Riksdag, two motions from the Social Democrats and the Centre Party members claimed that society, through the abandonment of the building regulation, had lost the possibilities to affect the location of business. As a consequence there was a large migration to the cities. Therefore this issue had to be investigated further with a possible legislation in mind.<sup>1</sup>

In the Riksdag debate the Conservative Party argued that there had been a good co-operation between AMS, *Industriens produktionsråd* [the Industry's Production Council] and different company associations, and that it would be best to build further on this co-operation instead of legislating. One social democrat argued that the building regulation had been used for the purpose of location policy and that there was a danger that the strong municipalities would be able to attract industries by offering benefits, that the weak municipalities could not offer.<sup>2</sup>

AMS agreed to an investigation, as well as LO, the latter with the addition that such an investigation should be carried out unbiased. LO argued that the present migration from the rural parts was not altogether a bad thing. Sweden's Industry Association objected to the motions and argued that the industry population's part of the employed population had decreased in the larger cities. An unanimous Finance Committee recommended an investigation. The Social Democrats and the Centre Party were in favour of it.<sup>3</sup>

Thus, two investigations became important for the design of the industrial location policy: LO's *Samordnad näringspolitik* [Coordinated Business Policy] and the government's investigation *Aktiv näringspolitik* [Active Business Policy] led by Manfred Näslund, County Governor in the County of Norrbotten.

LO argued that not every locality in the country could have its desire to expand satisfied, and in the long run dispersion of business enterprise would seriously

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<sup>1</sup> Motion No. 302 and No. 303 in First Chamber 1959, No. 371 and No. 372 in Second Chamber 1959.

<sup>2</sup> Riksdag Debate 1959. No. 15. Ang. utredning om näringslivets lokalisering [Regarding the investigation of industry location].

<sup>3</sup> Bankoutskottets utlåtande 1959: No. 28 [Report from the Finance Committee].

hamper the efforts to bring about a rapid rise in the material standard of living. The location policy should aim at allocating enterprises to those places where they could be economically viable.<sup>1</sup> LO argued for a policy that encouraged the concentration of economic activity in the expanding areas of the country. The present policy tried to thwart the establishments and expansion of industrial enterprises in the largest population centres. Firms already established there were encouraged to move. This was not a policy based on rational economic considerations. The official contribution to the location policy could be limited to giving advice and information and conducting investigations.<sup>2</sup> We recognise the arguments from the previous years. Private, central and local government enterprises ought only to take account of the purely commercial factors in their calculations. If society wished to entice enterprises to particular places or regions, they had to ensure that those particular areas become so attractive from commercial point of view that firms would go there of their own volition.<sup>3</sup> LO also argued that the private enlistment activity which various local authorities conducted in order to attract new enterprise ought to be resisted. Local authorities were seen as unable to determine the overall consequences of a particular location project and inducements of subsidies and other advantages could distort the location of industry.<sup>4</sup>

The directive to *Aktiv näringspolitik* said: "The possibilities and the appropriateness in stimulating companies to establish in cities, where it is urgent from society's point of view, should be tried out. The question of, by legislation, affecting the business location should be investigated [...] The location work carried out so far has had the shape of experimental work."<sup>5</sup> The committee suggested:

To support a location of trade and industry so that the country's assets of production factors were exploited and distributed in different areas in such a way that *the national income became as large as possible* and that the *labour force was guaranteed full employment*.

To create a harmonic social environment, which, as far as it is possible, gives the people independently of where they live in order to fulfil their assignment *an equivalent standard* when it comes to social and cultural services.

To localise trade and industry in such a way that the defence of the country is facilitated.<sup>6</sup>

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<sup>1</sup> LO 1961. *Samordnad näringspolitik*, p. 154.

<sup>2</sup> LO (1961) p. 155.

<sup>3</sup> LO (1961) p. 158.

<sup>4</sup> LO (1961) pp.159-160.

<sup>5</sup> SOU 1963: No. 58. *Aktiv lokaliseringspolitik. Betänkande angivet av kommittén för näringslivets lokalisering* [Report from the Committee on Industry Location], p. 9.

<sup>6</sup> SOU (1963:58) p.440. Emphasis added.



The committee maintained that it was necessary that society pursued an active location policy; business and population should move from sparsely populated areas to population centres. Government support should comprise of investment grants, education grants, and moving grants for the skilled labour force, relaxed company taxation, and support to industrial business in agriculture and forestry areas as well as in cities with one-sided business. The investigators had strong doubts concerning municipal support.<sup>1</sup> Elander emphasises that the investigation did not frame any independent location political goal, but this goal derived from the overall goals of growth and full employment. Specific support measures were suggested in regions with especially large employment difficulties and/or a weakly developed industry as well as a low-income level.<sup>2</sup>

*Nationalekonomiska föreningen* [The Political Economy Association] argued that the location policy should be directed towards the expansive towns. The migration of people was not perceived as a great problem. An article in the social-democratic journal *Tiden* criticised the investigation most heavily. It was seen as a biased and hypocritical plea for keeping the northern parts alive through more or less covert government subsidies. The demand for people's equivalent standard wherever they lived was dismissed as obviously absurd.<sup>3</sup>

The government bill of 1964 established the basis for an active location policy in order to facilitate a fast economic progress. Government support could be given to businesses in places where a restructuring was necessary. The previous advisory business conducted by the labour market authorities and the Swedish Industry Association should be strengthened. Mobility grants would be given. Municipal subsidies were rejected.<sup>4</sup> In principle, the government bill and the committee of *Aktiv näringspolitik* coincided, except when it came to the statistical definition of regional development areas.<sup>5</sup>

The most important thing for LO was that the central regional policy would not interfere with the labour market policy, and thus disturb the rationalisation in industries. Elander points out that there was no particular interest in these issues at the LO congress in 1966.<sup>6</sup> In an article in *Tiden*, however, critique was put forward against the big city concentration and especially the goals in the government bill of 1964. The author argued that 'a majority of the population was against the current development'. The means for achieving 'economic development' were criticized. Society was not powerless, on the contrary society itself was the prompter of the development. An example of this was the housing politics, which was a signal to companies were to locate. The closing-down of railway lines was another example.<sup>7</sup>

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<sup>1</sup> SOU (1963:58) pp.446-452.

<sup>2</sup> Elander (1978) p.62.

<sup>3</sup> Tidens spegel. In *Tiden* No. 8, 1963, pp. 511-512.

<sup>4</sup> Government Bill 1964: No. 185.

<sup>5</sup> Bankoutskottets utlåtande 1964: No. 48, p. 14 [Report from the Finance Committee].

<sup>6</sup> Elander (1978) p. 95.

<sup>7</sup> Per Hedfors 1966. Storstadstillväxt och lokaliseringspolitik. In *Tiden* 10, pp. 616-622.

At the Social Democratic Congress in 1967 there were worries about the development in the sparsely populated areas and in cities with one-sided business. A way of solving this problem was state-owned companies. But the private companies still had to decide their location on business economic judgements. At the congress in 1968 there was not much debate on the issue but the Social Democratic party executive argued that the practised politics should be enlarged and refined.<sup>1</sup>

In the joint Social Democratic and LO business programme it was stated that resources limited the possibilities of achieving a satisfactory result in all cities. Therefore the efforts should be focused on a limited number of places, formed into effective units, which would be able to keep up with the international competition. The goal for the regional policy was the same as for other parts of the industrial policy: to support an effective use of capital and labour and thus a fast economic progress.<sup>2</sup> The director-general of AMS argued that the primary goal for the economic policy was to create preconditions for full employment and a fast progress. The location policy had to harmonize with this goal and if it should get in conflict with this goal it had to give way.<sup>3</sup>

In 1964 the main focus of the local planning concerning industry location was laid on the counties. In 1965 *Expertgruppen för studier i regional utveckling*, ERU [the Expert Group on Regional Development] was established to investigate the effects of the location support. In 1967 the county administrative boards were expected to carry out county plannings, which should form the basis for the regional policy.

### Concluding Remarks

In the end of the 1950s, some private motions from the social democrats and the Centre Party brought up the large cities' expansion as a problem. LO and the Industry Association did not regard the migration as a problem. The outcome was, however, two investigations, LO's *Samordnad näringspolitik* and an official investigation led by the County Governor Näslund in Norrland. LO argued that not every locality in the country could expand as they wished. Location policy should aim at allocating enterprises to where they could be economically viable. The Näslund investigation argued that the overall goals were growth and full employment and despite rather modest claims of 'equivalent standard of living independent of where people lived', Nationalekonomiska föreningen was critical. An article in *Tiden* described the investigation as 'a hypocritical plea for keeping the Northern parts alive'. But there was another discourse even in this journal, which emphasised the negative consequences of big city concentration. However, the director of AMS argued that location policy should not come in conflict with full employment and fast progress. The government bill of 1964 established the basis for an active location policy in

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<sup>1</sup> Elander (1978) pp. 97-98.

<sup>2</sup> Socialdemokraterna and LO 1968. *Program för aktiv näringspolitik*, p. 69.

<sup>3</sup> Bertil Olsson 1967. Lokaliseringspolitikens primära förutsättningar. In *Svenska stadsförbundets tidskrift* No.15, p. 565.

order to facilitate a fast economic progress. Government support could be given to businesses in places where a restructuring was necessary. The previous advisory business conducted by AMS and the Swedish Industry Association should be strengthened. During the late 1960s the Research Group on Regional Development was established and county plans were introduced. 1965 has later been characterised in the debate as the birth year of the regional policy. In the next sections we will see what governmental practices, central as well as local, were carried out in Karlskrona and Uddevalla.

## Discourse and Political Practice in Karlskrona 1958-69

### The Government's Responsibility

#### *The 1958 Riksdag Debate*

As we saw in the previous chapter on Karlskrona there were debates on local economic development in the Riksdag before the Riksdag debate in 1959 on the location of industry in general. In 1958 Mr. Johnsson (who had brought up the issue in 1949) argued in a motion that due to its position 'off the beaten tracks' the Blekinge County had had difficulties in asserting itself in the competition to attract companies. Bad communications had inhibited the development. The biggest problem was eastern Blekinge—the Karlskrona area. This part of Blekinge, comprising about 46 per cent of the population, was extremely badly off regarding industries. Lack of work was almost a permanent phenomenon. The situation had been particularly crucial for the construction workers. The shipyard was the largest workplace with over 3000 employees.<sup>1</sup>

The Financial Committee stated, based on the statements in the motion and statements from the County Administrative Board, that Blekinge faced more serious employment problems than the country as a whole. Since there already existed an investigation concerning this issue, however, there was no need for another one.<sup>2</sup> The present investigation had not been able to establish the reasons for the weak employment development in the eastern part. The Board objected to the motion's suggestion that it was due to a bad geographical position. But an important factor was the development at Karlskrona shipyard and the navy. The shipyard had not, due to its organisational form and the assignments given by the government, been able to expand after the war. When it came to the navy, there had been a decrease in military staff. Consequently, the stagnating employment in the Karlskrona area could be explained by *circumstances not depending on local decisions or measures* but as a consequence of central decisions. It was therefore argued that the state had *specific*

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<sup>1</sup> Motion No. 317, 1958 in the Second Chamber of the Riksdag. Angående åtgärder till avhjälpande av vissa svårigheter för näringslivet i Blekinge län [On measures to remove certain difficulties for business in Blekinge county].

<sup>2</sup> Bankoutskottet [The Finance Committee] 1958: Report No. 16.

*responsibilities* to support the city. The employment changes following the new defence plan would be subject to discussions between the military authorities and AMS.<sup>1</sup>

In addition, the County Administrative Board argued that Karlskrona town was founded, as everyone knew, by coercive measures against the civilian population in order to meet the navy's needs. When Karlskrona as a consequence of the government's decision was subjected to a heavy cutback of employment at the naval yard and in the military institutions, the government had specific obligations to support the town in the difficult situation.<sup>2</sup>

In the following Riksdag debate Johnsson emphasised his opinions in the motion. Nothing further was said in this matter but the Committee's opinion was granted.<sup>3</sup>

### **Promotion and Industrial Politics in the 1960s**

According to Industrial Statistics employment in industry increased between 1955 and 1965 with 16 per cent. Employment in the shipyard industry decreased while it increased in the electronics industry.<sup>4</sup> Thus, there were two images of the economic development.

In the beginning of the 1960s, the Metalworkers' Union concluded that the Karlskrona area was the most backward part regarding industry but things had improved during the last years.<sup>5</sup> Industrirådet stated that the employment situation in Blekinge was much better than some years ago. The situation was worst in the Karlskrona area where, however, there also was a shortage of labour. The lack of housing was great.<sup>6</sup> The situation was presented somewhat different in 1962 when Industrirådet drew up the following advertisement:

Karlskrona—a business obliging town, offers well-situated industrial premises, a good port, good communications, large possibilities for education, diversified recreational activities.<sup>7</sup>

The same year the social democrats in Karlskrona arranged a conference called 'From garrison town to industrial town'. Besides the local authorities, unions and companies, the Director-General from AMS came to the conference.<sup>8</sup> Industrirådet was abolished in 1963/64 and its work assignments were transferred to Drätselkammaren. No reason is given as to why this change took place, but it might be ex-

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<sup>1</sup> Länsstyrelsen [the County Administrative Board] cited in Bankoutskottet [The Finance Committee] 1958: Report No.1958. Emphasis added.

<sup>2</sup> Länsstyrelsen [the County Administrative Board] cited in Bankoutskottet 1958: Report No. 16 Report.

<sup>3</sup> The First Chamber of the Riksdag. Minutes No. 14 1958. Avhjälpan av svårigheter för näringslivet i Blekinge [On measures to remove certain difficulties for business in the Blekinge county].

<sup>4</sup> Statistics Sweden *SOS Industri* 1955, 1960 and 1965.

<sup>5</sup> The Local Metalworkers' Union Annual Report 1960. Annex to Minutes 14 February, 1961.

<sup>6</sup> Industrirådet 1961. Minutes 27 October.

<sup>7</sup> Industrirådet 1962. Letter to *Dagens Nyheter*. Letter Draft in Minutes 30 April.

<sup>8</sup> The Local Metalworkers' Union 1962. Minutes 20 February.

plained by the fact that the government centralised the location policy during this period. The historian Ward argues that the trend away from local initiatives accelerated in Britain already in the interwar years as a consequence of the new centrally directed regional industrial policy.<sup>1</sup> Swedish regional policy resembled international approaches although with some lagging behind. But, it could also be a sign of an improving labour market with no need for a specific council anymore. After the closedown of Industrirådet, Drätselkammaren, however, decided that commercial and contact issues were still of such importance that a specific body was established—the group for public relations.<sup>2</sup>

During the 1960s, Karlskrona began to co-operate with other municipalities. The background was that too narrow municipal borders and, as a direct consequence, shortage of land for housing and industries affected the economic development. As good as all available land for industrial purpose was exploited. As a consequence, the Karlskrona area's municipalities started to collaborate.<sup>3</sup>

In the 1960s there were developments of specific industrial estates. In 1964 plans of exploitation were presented for not only representatives at regional level, but AMS as well. AMS representative saw possibilities in developing Torskors (an industrial estate) into a larger workplace to transfer good labour from Norrland. Drätselkammaren called attention to the problems with sufficient housing; AMS representative explained that the board was prepared to build temporary housing.<sup>4</sup> Thus, in the mid 1960s there was a labour shortage.

In 1965 the local government commissioner pronounced his belief in the city's future. The opportunity to do something for 'a new lease of life' in Karlskrona came with the shipyard's reconstruction to a public company. He also thought that it was due to the shipyard's development that industrialisation had been carried through.<sup>5</sup> In another article it was said that the industry and the port's development 'goes hand-in-hand'.<sup>6</sup> But the county labour board director emphasised that eastern Blekinge's continuing development turned on the Torskors-project. If the focus on Torskors was a failure there was no return. The young people would move to western Blekinge or the rest of the country. In 1965 *Sydöstra Sveriges Dagblad* reported that the job opportunities in the public sector continued to decrease, primarily in the military sector.<sup>7</sup>

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<sup>1</sup> Ward (1998) p.156.

<sup>2</sup> Stadsfullmäktige 1964. Minutes. Från drätselkammaren ang. anslag för PR-verksamhet [From Drätselkammaren on Grants for Marketing], 29 October.

<sup>3</sup> Drätselkammaren 1964. PM ang. befolkningsutvecklingen, näringslivet, arbetsmarknad and vissa lokaliseringförhållanden inom Karlskronaområdet [Memo on the Population Development, Industry, Labour Market and Certain Location Conditions]. Annex 9 to Minutes 22 June.

<sup>4</sup> Stadsfullmäktige 1964. Minutes 26 November.

<sup>5</sup> *Blekinge Läns Tidning* 30 March, 1965, p. 2.

<sup>6</sup> *Blekinge Läns Tidning* 22 May, 1965, p. 10.

<sup>7</sup> *Sydöstra Sveriges Dagblad* 27 November, 1965. Editorial.

In the end of 1965 Blekinge Läns Tidning referred to a discussion in Stadsfullmäktige on Karlskrona being treated unfairly as a location city. This concerned the location of an upper secondary school for adults. One newspaper pointed out that this was not the first time that Karlskrona had been ignored, other occasions had been for example concerning the defence's regional management, the issue whether Karlskrona should become a regional development area or not, and of establishing branches to the university in Lund. The only gleam of hope in this matter was the proposal of moving the naval college to Karlskrona. But this proposal had aroused such resistance from the military that it would not come true.<sup>1</sup> However, later the same month the newspaper declared 1965 as a record year for the Blekinge's industry and 1966 was looked forward to with great confidence; 'Optimism with uncertain features 1966'.<sup>2</sup> The good job opportunities were reflected in that redundant workforce did not have to go unemployed for long.<sup>3</sup>

In 1965 two economists concluded that the continuing expansion in Blekinge was due to 'the far-seeing planning and improvement carried out by the county bodies and the municipalities during the 1950s'.<sup>4</sup> The economists wanted to emphasise the specific importance of the close and good contacts in Blekinge. The County Labour Board and the local business association showed good results, which could to a large extent be ascribed to the thorough knowledge of and personal contacts with the Blekinge County's present and presumptive businessmen and manufacturers.<sup>5</sup>

There was a striking community of interests in several areas due to, besides cultural traditions, the special development from stagnation to expansion. 'The spirit of Blekinge' had created an extremely good soil for Blekinge's continuing expansion.<sup>6</sup> The development was a positive example of how a consistent labour market, a local policy and a potential skilled worker population succeeded in turning a threatening contraction to an expansion that inspired confidence.<sup>7</sup>

After a few gloomy articles about Karlskrona's problems on the labour market, there seemed to be a more positive ring in 1966. The government had noticed the previous problems, Lumalampan had decided to locate a factory to Karlskrona and the Social Democratic politics had given results.<sup>8</sup> *Blekinge Läns Tidning* argued that Karlskrona was no longer perceived as 'a problem child'. The newspaper reported

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<sup>1</sup> *Blekinge Läns Tidning* 23 December, 1965. Editorial.

<sup>2</sup> *Blekinge Läns Tidning* 31 December, 1965, p.1.

<sup>3</sup> The Local Metalworkers' Union undated. *Annual Report 1966*.

<sup>4</sup> Lars Lundberg and Walter Stervander 1965. Blekinge län: Från stagnation till expansion (unpublished essay), p. 45.

<sup>5</sup> Lundberg and Stervander (1965) p. 112.

<sup>6</sup> Lundberg and Stervander (1965) p.113.

<sup>7</sup> Lundberg and Stervander (1965) p.116.

<sup>8</sup> Negative in *Sydöstra Sveriges Dagblad* 24 March, 1965 editorial, 27 November, 1965 editorial, 23 December, 1965 editorial. Positive: 2 May, 1966 editorial, 9 August, 1966 editorial, 8 September, 1966 editorial.

that AMS was involved in lending money to Lumalampan.<sup>1</sup> A month later there were speculations in the newspapers that the shipyard had been in focus when AMS granted the Luma loan. It was also argued that AMS had put large efforts into turning the development in the Karlskrona region around.<sup>2</sup> Accordingly, it seemed as if the prospects for 1969 were good. An interview with the county labour director indicated that the starting-point for 1969 was considerably more favourable than the previous year. LM Ericsson was perceived as a solid company. The largest news item was, however, the establishment of the Luma factory. There were also speculations that another middle-sized company was coming to Karlskrona.<sup>3</sup>

### **Concluding Remarks**

The geography discourse of Karlskrona ('off the beaten tracks') continued during the late 1950s and Karlskrona was also characterised as a town where 'lack of work is almost a permanent phenomenon'. The County Administrative Board denied that Karlskrona's problems had anything to do with a bad geographical position but with 'circumstances not depending on local decisions', that is the board used the government responsibility discourse. The board also referred to the 'coercive measures.' One of the newspapers also concluded that the shipyard always had constituted the basis in the town's existence over the years. During the 1960s the Metalworkers' Union concluded that Karlskrona was still 'a backward part regarding industry'. The local government commissioner argued that industrialisation as a whole was entirely due to the shipyard's development. According to one of the newspapers, Karlskrona had been treated unfairly concerning location policy. Thus, the shipyard and the military were continuously in focus as far as economic development was concerned.

There was, however, another discourse. The local government emphasised in an advertisement the 'well-situated industrial premises' and the good infrastructure. The social democrats held a conference called 'From garrison to industrial town'. The local government commissioner argued that there was a 'new lease of life' when the shipyard became a public company. Towards the end of the 1960s the newspapers contained both gloomy and positive images of Karlskrona's situation. The political practice at the time was characterised by co-operation with other municipalities, development of an industrial estate, and co-operation with AMS regarding location issues. Accordingly, this was an example of the increased central regional policy. The local Industrirådet was also abolished during this period.

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<sup>1</sup> *Blekinge Läns Tidning* 11 August, 1966.

<sup>2</sup> *Blekinge Läns Tidning* 15 September, 1966.

<sup>3</sup> *Blekinge Läns Tidning* 31 December, 1968.

## Discourse and Political Practice in Uddevalla 1958-1968

### The 1958 Shipyard Crisis

We have previously seen that the support discourse had implications in practice. But nowhere did it become so important as in the discussions about the shipyard's survival. In the following section we will see how the support argument was used during the numerous shipyard crises.

Already in February 1956 the shipyard's managing director received a letter from the board's secretary who was anxious about the economic situation. In November 1956 the concerns were repeated:

I must let you know the following things concerning the shipyard's very weak liquidity position, which is of great concern for the nearest future and which problems must be handled immediately by you and the board in order to bring about a satisfactory solution.<sup>1</sup>

The prelude or at least the announcement of the 1958 crisis coincided with the so-called Dalaberg affair, the second largest housing project launched within the cooperative framework between business and politics in Uddevalla. Stadsfullmäktige had decided that the municipality should participate in providing housing for the shipyard's employees.<sup>2</sup> Drätselkammaren had suggested measures from the town's part to meet the housing need for the shipyard employees. Drätselkammaren argued that Stadsfullmäktige should decide that the property Dalaberg was put at the shipyard's disposal during 15 years for construction of about 300 housing pavilions at a cost of 7,4 million kronor.<sup>3</sup>

The shipyard and the municipality began negotiating a loan of about ten million kronor. Drätselkammaren was ready to support a credit on condition that it was a loan, intended to cover the credit needed for a longer period. Drätselkammaren recognised that this was a significant economic responsibility, but that the far-reaching consequences for the town in case of a shipyard closing down justified the commitment.<sup>4</sup>

In January 1958 the national newspaper *Aftonbladet* reported on rumours of shipyard insolvency.<sup>5</sup> Another rumour was that Thordén had gone underground as a consequence of the crisis. But the local newspaper *Bobusläningen* explained that his

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<sup>1</sup> Brev till VD Helge Hagelin 16 November, 1956 [Letter to the Managing Director]. Annex to Board Minutes, Uddevalla Shipyard.

<sup>2</sup> *Bobusläningen* 8 February, 1958, p. 1.

<sup>3</sup> Stadsfullmäktige 1957. Documents No. 94, 12 August. In today's money value approximately 75 million kronor.

<sup>4</sup> Drätselkammaren 1958. Utlåtande över framställning från Uddevallavarvet AB om stadens tecknande av borgen för vissa krediter till bolaget [Report on Statement from Uddevalla Shipyard on the Town's Issuing of Guarantees to the Company], 12 March. In Stadsfullmäktige Documents no. 34. Approval in Stadsfullmäktige Minutes 13 March.

<sup>5</sup> *Aftonbladet* 19 January, 1958, p. 5.



absence was due to a complicated tooth surgery. The newspaper actually accused *Aftonbladet* for speculation.<sup>1</sup> Thordén himself says in his memoirs that it was when the first crisis statements appeared in the newspapers that the shipyard definitely slipped through the board's fingers.<sup>2</sup> Drättselkammaren declared in the newspaper that there was no need to panic. The capital requirements were 35 million. Two banks had considered lending the money.<sup>3</sup>

The Uddevalla-based newspaper *Kuriren* argued that it was truly sad to witness the campaign, which, if things turned out for the worst, could make thousands of people unemployed and cause a part of the country enormous damage, apart from the fact that people tried to deprive a man of his life-work. The local newspapers in Uddevalla had been well informed about the situation at the shipyard. People [in Uddevalla] had requested the newspapers to treat things with caution. *Kuriren* argued that it had followed that request because it served the district's interests. The newspaper was not usually accustomed to stand up for employers in particular, but in the name of justice, it had to object to the way in which Thordén had been treated, especially in Göteborg. If Gustaf Thordén had not returned to his native town, and made his great contribution, things had been far gloomier in Bohuslän than they were today.<sup>4</sup>

The conflict with Göteborg seemed to be a recurring theme. The newspaper continued to say that for centuries what was going on in Uddevalla had been a thorn in the flesh on influential people in Göteborg.<sup>5</sup> Unfortunately, Bohuslän had for a few years got an imprint of 'poor county' and 'unemployment desert'. This had been enormously harmful. The newspaper continued to say that one should not disregard the fact that they themselves, municipal men, as well as industrialists and trade unionists, were all guilty of these bad images. Everyone had complained. The change came when the large shipyard came to Uddevalla.<sup>6</sup> Despite all bad things that had been said [about Thordén] it was yet primarily he who had given the district 'new life and hope'.<sup>7</sup>

The national paper *Dagens Nyheter* commented:

It is truly not, as been alleged from Thordén and in the official statements from the government, only a 'liquidity crisis'. The shipyard is clearly on the verge of bankruptcy and things have come to this, not through a temporary liquidity shortage, but through an expansive and financial policy which, economically speaking had been totally reprehensible [...] The distrust that long has existed towards the Thordén com-

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<sup>1</sup> *Bohusläningen* 21 January, 1958, p. 4. *Aftonbladet* 19 January, 1958, p. 5.

<sup>2</sup> Gustaf B. Thordén 1962. *Alla mina skepp*, p. 199.

<sup>3</sup> *Bohusläningen* 26 February, 1958, p.1.

<sup>4</sup> *Kuriren* 27 February, 1958. Editorial.

<sup>5</sup> *Kuriren* 1 March, 1958. Editorial.

<sup>6</sup> *Kuriren* 11 March, 1958. Editorial.

<sup>7</sup> *Kuriren* 17 March, 1958. Editorial.

panies has proven to be totally justified [...] It must be strongly emphasised that this [the rescue] is an isolated case.<sup>1</sup>

There was an argument between the local newspapers and *Göteborgs-Posten* on the treatment of Thordén. *Bohusläningen* had complained about the pursuit of Thordén. The editorial of *Göteborgs-Posten* replied that there was no chase. If thousands of people became unemployed this had nothing to do with any campaign, nothing to do with that the Thordén-tangle had been taken up for public discussion. It had to do with the fact that Thordén had built a huge group, which he could not govern, made 'wanton planning', and charged fantasy sums in advance. He was the Swedish inflation's 'great adventurer' who had great success as long as the shipping cycles had an upward trend. But people had probably in general counted on that he would get into trouble when the turn came. And that was what had happened. The newspaper continued to say:

Let us give the competent men [The Wallenbergs] a good advice. Don't handle the Thordén company until he himself, Uddevalla town and the government asks you to! There is much romanticism in this company and much politics and neither the company nor the opinion are yet mature for a stabilisation along Enskilda Banken's and Wallenberg's lines.<sup>2</sup>

The newspaper went on to argue that Thordén and Uddevalla town, the Bohus County, the government and the shipyard industry were so intertwined, that many people had an immediate interest in sending out a rescue expedition.<sup>3</sup> The Thordén affair was to largely a psychological phenomenon. Thordén was already in his lifetime a legend and he would live on in the company long after he was gone. He was a romantic figure. Why would Göteborg view Uddevalla differently than other communities? The newspaper willingly admitted that it from the very beginning had mistrusted Thordén. And it had all the time viewed the Thordén business as an adventure of inflation. The newspaper's democratic attitude and its attitude towards local self-government had at several occasions made it react to the way Thordén had behaved towards the local authorities in Uddevalla and Lysekil. This would never have worked in Göteborg that was for sure.<sup>4</sup>

#### *The Government Intervention*

Thordén and the municipality turned to the government for support. The government had, however, lost confidence in Thordén. During negotiations in Stockholm, Thordén's representative suggested that Thordén should retire from the shipyard management by giving his shares to a foundation. The outcome was an agreement,

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<sup>1</sup> *Dagens Nyheter* 20 March, 1958. Editorial.

<sup>2</sup> *Göteborgs-Posten* 28 February, 1958. Editorial.

<sup>3</sup> *Göteborgs-Posten* 1 March, 1958. Editorial.

<sup>4</sup> *Göteborgs-Posten* 4 March, 1958. Editorial.

which forced Thordén to sell the shipyard for 1 krona to a new foundation.<sup>1</sup> The foundation's assignments were, to manage the shares, elect a board for Uddevalla shipyard, scrutinise the management and try and sell the shipyard. According to Nyström no buyer was, however, interested.<sup>2</sup> Local politicians, the Minister of Finance, Gunnar Sträng, and the Metalworkers' Union deliberated on the possibilities to save the shipyard business. Nyström later argued that a bankruptcy would not have been good for employment in the Bohus County. It would also have affected foreign customers and consequently harmed the Swedish shipyard industry and perhaps also the Swedish credit institutions' international reputation.<sup>3</sup>

Finally, the government suggested that the shipyard would get a credit of 30 million kronor.<sup>4</sup> According to the government the purpose of the intervention was to secure the employment at the shipyard since a closing-down would lead to great repercussions on other businesses in the region. The economy in Uddevalla was seen as strongly dependent on the shipyard. The severity of the situation was underlined by the fact that the region in question for a long time had had 'significant unemployment problems'. The intervention was also to be seen in consideration of the Swedish shipyard industry and the whole industry's goodwill.<sup>5</sup>

Some of the members of *Statsutskottet* [the Standing Committee of Supply] did not approve of the government involvement. They wanted to declare in a Riksdag statement that the government's risk-taking was to be considered an isolated case.<sup>6</sup> In the following Riksdag debate the Riksdag member from Uddevalla argued that in a situation when thousands of jobs were at stake, society could not be passive, but had to intervene. He was glad that the government cherished the need for preventing unemployment and thus it was prepared to intervene to avoid it. He also wanted to express the gratitude of the population in that part of the country towards Thordén. The latter of course had his shortcomings but should be judged after his services and nobody could deprive from him of having been the pioneer of Bohuslän's industry.<sup>7</sup>

Another social democratic member argued that the company's and the public's most important viewpoints were that the company should be allowed to live on and give people a livelihood. He also argued that it was important both from a labour market, a commercial and a financial perspective that this kind of company could be

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<sup>1</sup> Åberg (1997) p. 264.

<sup>2</sup> Per Nyström 1984. *Thordénstiftelsen*, p. 17. Per Nyström was county governor in Göteborg and Bohuslän at the time and sat in the foundation's board.

<sup>3</sup> Nyström (1984) p. 15.

<sup>4</sup> Government Bill 1958: No. 118. *Garanti för krediter till Uddevallavarvet AB* [Credit Guarantees for Uddevalla Shipyard].

<sup>5</sup> Government Bill 1958:118. Riksdag Debate Second Chamber, 1958: No. 15, 18 April.

<sup>6</sup> Statsutskottet [The Standing Committee of Supply] 1958: Report No. 90.

<sup>7</sup> Social Democrat Mr. Gustafsson (Uddevalla) in Riksdag Debate 1958: No. 15, 18 April, Second Chamber. *Garanti för krediter till Uddevallavarvet AB* [On Guarantees for Credits to Uddevalla Shipyard], p. 54.

run also in the future.<sup>1</sup> One member argued that there had been a shift in how these kinds of problems were looked upon. Previously, the general opinion was that the labour force could mind its own business. But that opinion had changed and the almost unanimous opinion from Statsutskottet was a happy proof of this.<sup>2</sup> It reflected the new attitude of the Riksdag on government involvement in industry location. A member of the Liberal Party argued instead that one could expect the losses to be heavy, and probably within a close future. The Thordén family would do well for themselves, while the taxpayers would have to put their money in a shipping company, which could not escape the crisis for the whole shipping industry.<sup>3</sup> A conservative member could, however, not refrain from calling attention to what this man [Thordén] had accomplished for Bohuslän and what his intentions had been. He was a son of Bohuslän; his father had worked in Bohuslän's business. If more people had experienced unemployment and dependence on a single industry, and been interested in a more differentiated business, they would have understood why people in Bohuslän expected great things from this kind of company.<sup>4</sup>

At the last board-meeting in March 1958 manager Ryding thanked the members and delivered his sympathy and respect to the Thordén family and also thanked them for their good co-operation during his period as chairman of the board. Mrs Thordén, however, requested that the paragraph would not be included in the board minutes since Mr. Thordén refused any sympathy or esteem from that side.<sup>5</sup> Thordén was quite bitter. Before the shipyard plans became true he was to have bought an estate but that did not happen:

[...] and the authorities in Uddevalla should regret that. If I had bought Gullmarsberg the shipyard had probably never been built, at least not with my participation. Uddevalla had not had to, through its Drätsel director, write to Enskilda banken [a bank] and declare my incompetence.<sup>6</sup>

The annual report from the shop floor union at the shipyard says that there were great worries among the employees but with calm and assurance they decided to wait and see.<sup>7</sup> It is notable that the 1958 crisis was not mentioned in the annual concluding speech by the president of Stadsfullmäktige. He emphasised the importance of 'two men, who more than anyone else, during my time, have accomplished a permanent deed when it comes to maintain and develop business in Uddevalla. I am thinking of Marcus Schwartzmann and ship owner Gustaf B. Thordén'.<sup>8</sup>

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<sup>1</sup> Social Democrat Mr. Ericsson in Riksdag Debate Second Chamber No. 15, p. 57.

<sup>2</sup> Social Democrat Mr. Lassinantti in Riksdag Debate Second Chamber No. 15, p. 57.

<sup>3</sup> Liberal Mr. Ståhl in Riksdag Debate Second Chamber No. 15, p. 60.

<sup>4</sup> Conservative Mr. Staxäng in Riksdag Debate Second Chamber No. 15, p. 64.

<sup>5</sup> Uddevalla Shipyard 1958. Board Minutes, 19 March.

<sup>6</sup> Thordén (1962) p. 91.

<sup>7</sup> Uddevalla Shipyard Shop Floor Union undated. *Annual Report 1958*.

<sup>8</sup> Stadsfullmäktige Documents 1958. The president's concluding speech 20 December.

Åberg argues that, gradually, the municipality got jammed between various political groupings and not least Drätselkammaren's director was criticised for his co-operation with Thordén.<sup>1</sup> The establishment of the shipyard did not only bring economic consequences, but social as well. Everybody became engaged in the shipyard, which was reflected in the efforts to save it in periods of crisis. Thordén was even involved in supporting a football club of his own, Oddevold. The relationship is well described in the following letter to the shipyard:

The athletic club Oddevold venture hereby to appeal to the shipyard for economic support [...] The importance for the recruitment to the sports movement, in a region with a dominating industry, has on the part of Oddevold been so obviously connected to the Uddevalla shipyard, that the club generally can be perceived as the shipyard's own club. Not least are the team's players to a large extent employed by the shipyard [...] The club is also in great debt to the shipyard.<sup>2</sup>

### **Place Promotion**

In 1960 Uddevalla got a letter from Wilhelm Beckmans Propaganda AB containing an advertising brochure made for Karlskrona (!). The company argued that also Uddevalla should organize advertising in order to develop and promote the town's business. Just as individual companies to an increasing extent used modern commercial methods, the government and individual municipalities had realised the value of such methods and had begun to pursue a more or less systematic promotion for specific industries.

Drätselkammaren argued that it believed in both the significance and the value of a businesslike municipal promotion. The town had emphasised that the interest above all should be focused on the location of small companies since the local problems as a rule were smaller for them and did not affect negatively the development of the already existing industries. Drätselkammaren suggested that Stadsfullmäktige should grant 25,000 kronor for advertising.<sup>3</sup>

During 1960 Drätselkammaren published an advertising brochure presenting different facts and possibilities for interested parties to realize the setting up of new industries or expansive projects. Although the drive had not so far been crowned with success, contacts had nevertheless been taken and proposals been put forward and at least some of them had given occasion to a certain optimism. Drätselkammaren argued that it was necessary that also other vehicles of propaganda be used. In this respect, Drätselkammaren wanted to emphasise that it main-

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<sup>1</sup> Åberg (1997) p. 250.

<sup>2</sup> Brev från Oddevold till Uddevallavarvet [Letter from Athletic Club Oddevold to Uddevalla Shipyard] 2 February 1960. Annex to Uddevalla Shipyard Board Minutes.

<sup>3</sup> Stadsfullmäktige Documents 1960. Drätselkammarens framställning om anslag för utarbetande av en industribroschyr för Uddevalla stad [Petition on Grants for Developing an Industrial Leaflet on Uddevalla Town]. 29 February. Stadsfullmäktige bifall [Approval] 15 March. In today's money value 234,000 kronor.

tained continuous contacts with AMS and its county and local organisations. A proposal that had come up was that Drättselkammaren should engage a public relations man with task of 'selling' the town. Drättselkammaren requested a grant of 15,000 kronor for the advertising.<sup>1</sup>

Stadsfullmäktige argued that Uddevalla had attracted a national interest during the past years due to the immense expansion. There had been people who 'with malicious pleasure' had looked for weak points where there were none and created a sensation around trifles which did harm and caused worries. This had been the case in 1962 and 'it had been hard work arguing for the truth, moderation and sense in the conglomeration of ill will, flimsy assumptions and pure falsification, sensationalism and unwarranted insinuations, which had bubbled up from the dune'. The town had paid increasingly more attention to the need for a more differentiated industry to counterbalance the perhaps too dominating heavy industry. For this purpose Stadsfullmäktige had granted means for promotion.<sup>2</sup> Thus, the previous year's need for heavy industry had now changed.

In 1963 the county's labour market director answered a question posed in the Junior Chamber of Commerce, if the increasingly popular PR business had any practical significance when it came to attracting industries. He thought that this was the case. But he added that one couldn't just send out brochures with beautiful pictures, one also had to provide objective and correct information. The best PR was when the municipality's representatives personally contacted the industries they wanted to attract.<sup>3</sup>

## Support and Non-Support Discourses

### *Credit Support in 1963*

As mentioned in Chapter II the problems were not over after the 1958 crisis. The government argued in 1963 that the shipyard industry faced great difficulties. Several countries supported their own shipyards. The Minister of Finance argued that specific measures should be taken to facilitate for the Swedish shipyards to offer credits. Therefore, state credit guarantees should be given. This was seen as a way for the Swedish shipyards to keep up with competition. The Minister referred to the 1958 bill in which he had stated that 3000 people were employed at Uddevalla shipyard. Thus, the economic life in Uddevalla was strongly dependent on the shipyard. The gravity of the situation was also underlined by the fact that the area for many years had 'extensive unemployment problems'. The Minister suggested that the Thordén foundation sold the shares to the state. The state and the Eriksberg ship-

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<sup>1</sup> Stadsfullmäktige Documents 1962. No 56. Drättselkammarens framställning om anslag till kommunal reklam och propagandaverksamhet för främjande av stadens näringsliv [Petition on Grants for Municipal Advertisement for the Promotion of the Town's Business], 26 March. Bifall [Approval] Stadsfullmäktige Minutes 17 April, 1962.

<sup>2</sup> Stadsfullmäktige 1962. Minutes 18 December.

<sup>3</sup> *Bohusläningen* 2 April, 1963, p. 1.

yard in Göteborg should then subscribe for shares to an amount of 32 million kronor (the state 12 million and Eriksberg 20 million). The co-operation with Eriksberg was seen as a way of reducing production and administrative costs.<sup>1</sup>

In March 1963 members of Statsutskottet visited Uddevalla. The editor of *Bohusläningen* established that in many respects these two [the shipyard and the city] had become one. If the shipyard went well the city's future was bright, otherwise the opposite! The Riksdag members were informed that everybody was pleased with the latest shipyard agreement in Uddevalla and today's Uddevalla was more optimistic than last autumn's.<sup>2</sup> Statsutskottet's opinion regarding the credit guarantees to the shipyard was that the possibilities [for the exporting shipyard industry] to obtain orders yielding profit were almost non-existent. The contracts currently being signed were as a rule involving a loss for the shipyards. Due to this the shipyards often estimated that to obtain export credit guarantees was too costly. Therefore, specific measures had to be taken in order to facilitate the Swedish shipyards' chances of obtaining credits. In this way, the Swedish shipyards would get significant liquidity reinforcement and thereby increased competitive advantage in relation to foreign shipyards. The importance of the employment situation at Uddevalla shipyard was emphasised:

The shipyard employs around 3000 people who, along with their families, get their support and are immediately dependent on the continued operation at the shipyard.<sup>3</sup>

The surrounding area was also mentioned, following the same argument as at the time of the 1958 crisis and the same arguments as in the government's bill:

A closing-down of the shipyard would probably have extensive repercussions on other businesses in the nearby vicinity. Thus, the economic life in Uddevalla is extremely dependent on the shipyard. The gravity of the situation is also underlined by the fact that the area in question has for many years had extensive unemployment problems.<sup>4</sup>

In the following Riksdag debate on the credit guarantees a member of the Centre Party said that he saw the measure as a 'location policy measure'. He thought that people in the Chamber should greet with satisfaction the fact that the employment for thousands of workers had been saved for years ahead.<sup>5</sup> A member of the

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<sup>1</sup> KM:s proposition [His Majesty's Bill] 1963: No. 28 med förslag åt svensk varvsindustri m.m [His Majesty's Bill to the Riksdag with Proposals on the Swedish Shipyard Industry etc].

<sup>2</sup> *Bohusläningen* 7 March, 1963. Editorial.

<sup>3</sup> Statsutskottet [The Standing Committee of Supply] 1963: No. 40. Utlåtande i anledning av KM:s proposition med förslag till vissa kreditgarantier åt svensk varvsindustri [On His Majesty's Bill on Propositions for Certain Credit Guarantees for Swedish Shipyard Industry].

<sup>4</sup> Statsutskottet [The Standing Committee of Supply] 1963: No. 40.

<sup>5</sup> Mr. Sundin (the Centre Party) in Riksdag Debate 1963: No. 12, 27 March, First Chamber. Utlåtande i anledning av KM:s proposition med förslag till vissa kreditgarantier åt svensk varvsindustri [On His Majesty's bill on propositions for certain credit guarantees for Swedish shipyard industry]. First Chamber, p. 63.

Conservative Party argued on the other hand that it was unrealistic to assume that this new credit guarantee would solve any deeper problems. But he also maintained that he had seconded the opposition since credit guarantees were a cheaper method of maintaining employment than public relief work. Furthermore, nobody could say that the shipyard or the Swedish shipyard industry as a whole would not experience good business cycles and earn money again.<sup>1</sup>

A Social Democratic member argued that the 1958 action had been looked upon as an isolated case. But when a 'whole city's destiny is at stake' and the welfare of many people, not only in Uddevalla but also in the whole utterly exposed Bohuslän, they had to ask for help in remedying the situation. One could not hang on to what happened in the past. The present situation was also different from the situation in 1958. The member also wanted to repeat that the people in Uddevalla were grateful for the move taken by the Minister of Finance. It was a load off Uddevalla's mind when this government bill was put forward. The speaker's experience was that there were no possibilities of making profits on new orders. The situation worldwide was, however, such that where the shipyard industry had been built up the governments offered credit guarantees. Therefore, the Swedish government could not sit with its arms folded, when there was a need for credit guarantees to the shipyard, but it must act and do its share.<sup>2</sup>

A member of the Centre Party argued that a trip taken to Uddevalla had been extraordinarily interesting. He wanted to emphasise that what they had seen there was something entirely different from what one could read in the newspapers, where one was almost given the impression that the Uddevalla shipyard in particular had to be propped up.<sup>3</sup>

In 1963 *Bohusläningen* reported from the 100<sup>th</sup> launching concluding that time would tell if there would be any more 60,000 tonne ships. But the great delivery had given Uddevalla good publicity the world over. This would mean a great deal when the shipping market improved. Great expectations were tied to the co-operation with Eriksberg and the government. The shipyard's continued existence was secured and consequently employment.<sup>4</sup> 'New winds are blowing', the newspaper concluded emphasising local mobilisation and political embeddedness:

One must hope that the crises and poor times which [the county] has experienced are mere memories that won't come back. Nobody can deny that the social bodies both at local government and county level have had much to do to get things going. Without their initiatives and care today's development had probably not taken place as fast.<sup>5</sup>

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<sup>1</sup> Mr. Åkerlund (the Conservative Party) in Riksdag Debate 1963: No. 12, pp. 64-65.

<sup>2</sup> Mr. Dahl (the Social Democratic Party) in Riksdag Debate 1963: No. 12, p. 66.

<sup>3</sup> Mr. Carlsson (the Centre Party) in Riksdag Debate 1963: No. 12, p. 67.

<sup>4</sup> *Bohusläningen* 1 March, 1963, p. 1.

<sup>5</sup> *Bohusläningen* 2 March, 1963. Editorial.



But the newspaper also underlined that the political tasks from now on would have to be at another level, involving more 'flexibility' in view of a development, which by and large would take place due to private initiatives.<sup>1</sup> The newspaper *Bohusläningen* argued that the public's commitment characterised the employment part – the shipyard in Uddevalla was a firmly established part of middle Bohuslän's business and could not be ignored.<sup>2</sup>

In the end of 1963 Stadsfullmäktige argued that Uddevalla had enjoyed the blessings of full employment. One particular source of satisfaction was that Uddevalla in the beginning of the year due to the government's participation, Eriksberg's and the town's commitment had got a stable economic foundation for the shipyard's continued existence. The worries about employment at the shipyard were eliminated and the threatening clouds over the town had been dispersed.<sup>3</sup>

The following year it was concluded that 'We live in a society of change'. Stadsfullmäktige continued to say that 'Every year was filled to the brim, with news and changes in all areas. Developments had been rapid and that meant that what was old and what one was accustomed to disappeared, while new things came in its stead in pace with new demands posted by individuals and the community.'<sup>4</sup>

#### *Credit Support in 1965*

In 1965 it was time again. The government stated that the situation for the shipyard industry was the same as in 1963. Again other countries support to their shipyards was referred to, as well as the fact that the region for many years had had extensive unemployment problems. An infusion of capital to the shipyard of 40 million was needed.<sup>5</sup>

Statsutskottet argued that considering the shipyard's importance from an employment and export view it was urgent that the financial help already given could continue so that the industry could keep up with the international competition. The committee had been in contact with representatives for the management. The information received was summarised as follows: the agreement with Eriksberg aimed at a ten-year co-operation. The effort had been directed at keeping the business running so that employment within the city was not at risk and in forms, which in the long run could create new job opportunities. Thus, shrinkage of the actual shipyard industry in combination with a changeover to a broader product register had come in focus. An adaptation of the production was seen as an extremely complex and capital demanding procedure, and the management's possibilities of affecting further rationalisation were considered strongly limited. A delay of the

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<sup>1</sup> *Bohusläningen* 2 March, 1963. Editorial.

<sup>2</sup> *Bohusläningen* 24 April, 1963. Editorial.

<sup>3</sup> Stadsfullmäktige minutes 1963. 17 December.

<sup>4</sup> Stadsfullmäktige minutes 1964. 19 December.

<sup>5</sup> KM:s proposition [His Majesty's Bill] 1965: No. 46. Förslag till vissa kreditgarantier åt svensk varvsindustri [Regarding Propositions to Swedish Shipyard Industry]. In today's money value 314 million kronor.

government support should, apart from the ‘decisive damage from a psychological point of view’, overthrow the shipyard’s production programme and deprive it of the possibilities of accepting orders with the 1967 production in view. The committee had therefore been persuaded to accept the government’s proposition on the recommended financial measure. The measure was primarily viewed as an employment issue.<sup>1</sup>

In the following Riksdag debate a Conservative member argued that his party had no objections to credit guarantees to Swedish shipyards, but concerning the Uddevalla shipyard, the Conservative Party had proposed a motion and the Liberal Party had requested a speedy investigation of a production programme in order to create profitability and secure employment. Awaiting this investigation, the shipyard should not get the infusion of 40 million. However, employment situation was of course most important for everyone. As the situation was, at the moment, and since no other remunerative employment could be found, there was nothing to do but accept the proposed capital contribution to the shipyard.<sup>2</sup>

Another Conservative member thought that the competitiveness had to be increased at the shipyard if it should remain as a workplace. The labour force had to improve its performance, and had to be moderate in its claims of standard improvements. The Riksdag had done what it could do in contributing with new capital. But now it was up to the shipyard’s staff.<sup>3</sup>

A Social Democratic member argued that for two years the co-operation with Eriksberg had worked excellently and had contributed in all essentials to strengthen and cheapen the organisation of the shipyard. One could look at the shipyard’s future from the bright side if the foreign dumping ceased. If the infusion of capital was not realised, the consequences would be that a skilled labour force, willing to work, would be out of work in a district which previously was hit hard by unemployment and still constituted an area with employment concerns.<sup>4</sup>

In a special edition on the province, *Bobusläningen* concluded that the prospects were bright. Old images of the Bohus County as the home of fishing and stone industry had become more varied. The new epoch began with the Thordén shipyard. The company’s success depended on optimism, the will to invest, concentration on modern equipment and rationalisation. The newspaper also argued against

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<sup>1</sup> Statsutskottet [The Standing Committee on Supply] 1965: Report No. 74. Utlåtande i anledning av KMs proposition med förslag till vissa kreditgarantier åt svensk varvsindustri [On His Majesty’s Bill on Propositions for Certain Credit Guarantees to Swedish Shipyard Industry].

<sup>2</sup> Mr. Björkman (the Conservative Party) in Riksdag Debate 1965: No. 21 Second Chamber 5 May. Vissa kreditgarantier åt svensk varvsindustri [On His Majesty’s Bill on Certain Credit Guarantees to Swedish Shipyard Industry], pp. 156-157.

<sup>3</sup> Mr. Åkerlund (the Conservative Party) in Riksdag Debate 1965: No. 21. First Chamber 5 May. Ang. vissa kapitaltillskott till Uddevallavarvet aktieföretag [On Certain Capital Infusion to Uddevalla Shipyard], p. 129.

<sup>4</sup> Mr. Gustafsson (the Social Democratic Party) in Riksdag Debate 1965: No. 21 Second Chamber 5 May, pp. 157-158.

the need for trying every means of persuasion to get companies to Bohuslän.<sup>1</sup> County Governor Per Nyström argued that the development advanced in a desired way. He also said that the rumour regarding Bohus people as less fitted for industrial work was a fallacy and was by no means unlikely to have led to a delay of industrial location to the Bohus County.<sup>2</sup> He adhered to this outlook several years later when he argued that experts had doubted if it was possible to build ships with inexperienced people from the Bohuslän. The distrust among external people lingered on for a long time.<sup>3</sup>

The image of Bohuslän as an industrial province was also emphasised. In a 'points of fact' in the newspaper it was said that the Bohus County was known among most people as a tourist resort but it was also a province with a rich differentiated business and that this condition was less familiar.<sup>4</sup> Nyström, however, also continued to say that it was very urgent to get other industries to Uddevalla. Industry had many reasons to pay attention to the area since few places in the country had such a favourable age pyramid as Uddevalla.<sup>5</sup>

### *The Non-Support Discourse*

There were not many opposing views on the shipyard's future. However, in the discussions on the shipyard board we find different views of the crisis during the 1960s. In 1964 manager Häggqvist (from the Eriksberg yard in Göteborg) noted that the Swedish shipyards were in the same troublesome situation as in 1963. This was entirely due to the competition from the Japanese shipyards.<sup>6</sup> A year later the economic situation for the shipyard was again discussed in a board meeting. The chairman of the board, Söderström, (from Stockholm) argued (as he claimed to have done before) that the shipyard industry should be reduced successively. One member of the Riksdag, Gustafsson (from Uddevalla) argued on the other hand that a large improvement of the shipyard was currently carried through. Manager Häggqvist questioned the appropriateness of investing large sums of money in a business with such poor profitability.<sup>7</sup>

In 1966 manager Häggqvist accounted for a meeting with the Minister of Finance. The Minister had said that it was reasonable that the shipyard employed about 2000 employees. Mr. Häggqvist himself was also strongly questioning whether any further efforts on Uddevalla as a shipyard were reasonable. If it had been a temporary recession one might think differently but he perceived that this was a recession for the whole industry. Mr. Häggqvist argued that the Minister of Finance wanted to invest in the shipyard business, which was doomed to failure, at the same

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<sup>1</sup> *Bohusläningen* 30 October, 1965. Editorial.

<sup>2</sup> *Bohusläningen* 30 October, 1965, p. 4.

<sup>3</sup> Nyström (1984) p. 13.

<sup>4</sup> *Bohusläningen* 30 October, 1965, p. 4.

<sup>5</sup> *Bohusläningen* 30 October, 1965, p. 4.

<sup>6</sup> Uddevalla Shipyard Board 1964. Minutes 2 March.

<sup>7</sup> Uddevalla Shipyard Board 1965. Minutes 1 November.

time, as he demanded totally unacceptable conditions for credit support. The government should instead entice other industries to transfer to Uddevalla. Ship owner Boström (from Göteborg) also argued that there had to be other solutions to the employment problem in Uddevalla, which would cost less to the government than the support to the shipyard. County Governor Nyström thought that the Minister of Finance's information was reassuring and that it would be wrong to assume that there was no interest from the Minister of Finance to replace the shipyard with other industries. There had actually been discussions with Volvo. Riksdag member Gustafsson from Uddevalla also argued that quite large efforts had been made to locate other industries in Uddevalla.<sup>1</sup>

Thus, the discourses of the situation and the solutions diverged between different interests in the board. The different crises did not change the view of the shipyard's continued existence. Politicians put employment first and thus granted capital infusions. Only the board members from Göteborg and Stockholm put forward dissentient opinions regarding the support. The political response to the structural crisis was thus not a restructuring or a closing down of the production. Instead, politicians expected an improved business cycle. Anyhow, Stadsfullmäktige admitted that the year of 1966 had been characterised by concerns and insecurity. This was a consequence of the tougher national and international competition, of the restructuring in society and the credit squeeze. It also argued that Uddevalla had got off lightly compared to many other towns, but circumstances had demanded much of those in power in the town. They had had to mitigate the effects and manage the tough situation. In the same year a new industrial area had been established and this had shown to be a 'real hit' and a few smaller companies had been located in that area.<sup>2</sup>

In the government bill on capital infusion to the shipyard, there was a change in the previous support discourse. The Minister of Finance argued that it was 'in the nature of things' that the shipyard business in Uddevalla not could carry on in the present scale. The losses had increased more than anticipated in 1965. The Minister shared the board's opinion of a decreased production and a concentration of the business to the more effective part of the shipyard. This would of course lead to a reduction in the number of employees. The suggested capital infusion should cover the losses following signed and future contracts in 1967 and 1968. These contracts were needed in order to secure employment. The question of the shipyard's future should be tried in 1969 at the latest.<sup>3</sup>

Statsutskottet argued that the issue of financial support to the shipyard raised the question of whether the shipyard should be closed down. Statsutskottet could, however, not unequivocally reply to this question but had to leave the matter open. The suggested infusion of capital would secure the employment at the shipyard for

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<sup>1</sup> Uddevalla Shipyard Board 1966. Minutes 16 December.

<sup>2</sup> Stadsfullmäktige 1966. Minutes 20 December.

<sup>3</sup> Government Bill 1967: No. 30. Kapitaltillskott till Uddevallavarvet [Capital Infusion to Uddevalla Shipyard], pp. 5-7.

another two years. The question about the future for the shipyard should be submitted to the Riksdag at the latest in 1969. An estimate of the shipyard's future existence would therefore have to wait until then, and be dealt with in view of the future shipyard business situation and the result of the efforts to bring new work opportunities to the town. Statsutskottet argued that it was self-evident that a future investigation would be conducted in close co-operation with the different parties concerned, primarily the shipyard management, the labour market authorities and the municipalities concerned.<sup>1</sup>

Statsutskottet had been in contact with representatives for the shipyard industry, the shipyard management, Uddevalla town and AMS in order to get a 'reasonably all-round elucidation of the issue'. The shipyard had the possibilities of manufacturing ships but should concentrate on merchant vessels. There was plenty of land at hand for the shipyard's needs; the location in Byfjorden was from different points of view propitious for the location of a large shipyard. The shipyard also had a skilled staff with lots of experience. The business at the shipyard was of greatest importance for Uddevalla as well as the surrounding countryside. A downsizing of the business had to be compensated by another industry and there existed good prerequisites for locating companies in the Uddevalla area within the engineering industry.<sup>2</sup>

In the following Riksdag debate a Communist member argued that all available facts about the shipyard's development during the last years indicated the need for an investigation of the shipyard's management, especially as to how the co-operation with Eriksberg had worked.<sup>3</sup> The Minister of Finance explained that according to the agreement [with Eriksberg] the government had half of the board's seats – it appointed both the chairman and vice chairman – and above all the chairman was intimately informed about all that was happening at the shipyard. He continued to say that he did not reveal any secrets if he said that the workers' organisations, both the Metalworkers' Union's division and the white-collar worker's organisations at the shipyard, had during the past years had several possibilities of expressing their attitudes of the management and its future.<sup>4</sup>

The Communist member argued that the shop floor union had had to initiate the contacts. The shop floor union had in different issues expressed points of views to the shipyard management on how the shipyard should be run, but the shipyard management did not seem to have taken these opinions into consideration.<sup>5</sup> A Social Democratic member wanted to call attention to the fact that Statsutskottet in this significant issue had been unanimous in its opinion and that there was a large

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<sup>1</sup> Statsutskottet [the Standing Committee of Supply] 1967: Report No. 50.

<sup>2</sup> Statsutskottet [the Standing Committee of Supply] 1967: Report No. 50.

<sup>3</sup> Mr. Lorentzon (the Communist Party) in Riksdag Debate 1967: No. 19, Second Chamber 12 April. Kapitaltillskott till Uddevallavarvet aktieföretag [Capital Infusion to Uddevalla shipyard], p. 64.

<sup>4</sup> Mr. Sträng (the Social Democratic Party, Minister of Finance) in Riksdag Debate 1967: No 19, Second Chamber, p. 65.

<sup>5</sup> Mr. Lorentzon (the Communist Party) in Riksdag Debate 1967: No.19 Second Chamber, p. 66.

interest in solving these problems, which they had had to grapple with for many years.<sup>1</sup>

A Centre Party member argued that a location policy investigation had to be carried out in order to secure the region's employment opportunities, in case a close-down or reduction of the business should become necessary. The district should not have to face the same situation as several other cities in the country, namely that an industry was closed down and the settled population was brought face to face with an accomplished fact without any other employment possibilities.<sup>2</sup>

A local Social Democrat argued that the population in Uddevalla town and the surrounding district was grateful to the government and the Minister of Finance for the propositions made in the Bill and for the committee's positive attitude towards it. At the moment the shipyard was on top in terms of technology. The problem was perhaps that the development went too fast. The technology changed, and the size of the ships in demand increased at a pace that no one had previously foreseen. If you just looked at the Swedish shipyard industry, Uddevalla suffered the hardest, since it was the youngest company which, in contrast to the older Swedish companies, had not been able to consolidate and build up the reserves it needed to stand the hard times all larger shipyards at present were subjected to.<sup>3</sup>

The complicated relations with Göteborg were brought up. A Social Democrat argued that the shipyard already at the time of its establishment was undesired. The old shipyard interests in the Göteborg area regarded it as unwanted. They were of course not interested in getting a new competitor. The communists' interest for the shipyard was strange seen against the background that the communists were pursuing another line of policy in Göteborg. That line of policy was something totally different than what was presented in the Riksdag. In Göteborg the communists had stated that already when the shipyard was established there was over-production within the shipyard industry. The shipyard establishment should never have been carried through but Uddevalla should have concentrated on totally different industries. This opinion from the Communists was in accordance with the ship owners' opinions in Göteborg. The speaker did not recommend any investigation. Instead the task was to decide whether the shipyard would be given the opportunity to survive or not. The speaker referred to what other governments had done. Despite the tough international shipyard competition various governments and parliaments in other countries decided on state involvement in the development and modernisation of their shipyards. It was difficult to replace a shipyard. A shipyard had specialised in a specific production and had built up its technical, economic and personnel organisation during many years in order to manage certain work tasks.<sup>4</sup>

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<sup>1</sup> Mr. Lindholm (the Social Democratic Party) in Riksdag Debate 1967: No. 19 Second Chamber, p. 67.

<sup>2</sup> Mr. Persson (the Center Party) in Riksdag Debate 1967: No. 19 Second Chamber, p. 68.

<sup>3</sup> Mr. Gustafsson (the Social Democratic Party, Uddevalla) in Riksdag Debate 1967: No. 19, Second Chamber, pp. 72-73.

<sup>4</sup> Mr. Hagnell (the Social Democratic Party) in Riksdag Debate 1967: No. 19, Second Chamber, p. 77.

He continued to say that in several cases it had been shown to be easier to look for completely new solutions, separated from the old business, than to try and re-build on the old business and develop it into something new. Hagnell, as was the speaker's name, also argued that there were no reason to believe that the shipyard's deficits was due to in the company, i.e. due to its present management. They were rather to be found in the *circumstances* that were prevailing in the shipyard industry and under which the shipyard business cycle in the world had developed. This situation demanded that the shipyard industry not only focused on manufacturing ships but also worked as a bank for ship owners over the world and offered large credits. They could not count on any sudden transformation of the shipyard business cycle to the better. It was therefore wiser to decide on a certain development at Uddevalla shipyard and under this prerequisite bring up for discussion with the other shipyards a reorganisation of the entire Swedish shipyard industry. In this matter one should also discuss a cost coverage from society corresponding to the one other governments had brought about. In this matter, they could not wait for an investigation in 1969.<sup>1</sup>

The Minister of Finance argued that the problem concerned issues where actually 'only afterthought would tell what was the right thing to do'. He also wanted to emphasise that the ball was with the shipyard industry.<sup>2</sup> A local member expressed nostalgic feelings about the past. He told the auditorium that 'it was a pleasure to live in Uddevalla in the beginning and in the middle of the 1950s.' He also wanted to emphasise that the shipyard was 'a strongly positive element for business in the middle, not to say the whole of Bohuslän'.<sup>3</sup>

The newspaper *Göteborgs-Posten* had the same negative view as others from Göteborg on the shipyard's future. The newspaper reported that both Riksdag chambers had granted money after the principle: 'Throw good money after bad'. The newspaper continued to say that the Riksdag considered itself to be in an emergency situation. It was necessary to throw good money after bad. Many members did that aware of the fact that they would soon find themselves compelled to throw away further money. The newspaper argued that what was troublesome was above all that the government not only threw away the taxpayer's money but also seriously hurt the *successful* shipyards.<sup>4</sup> *Bohusläningen* argued that since the government's shipyard policy was not known, the insecurity remained. This was difficult for the company management, difficult for the location authorities, and difficult for the town's local government, but it was also a possibility for the shipyard to live on. As prospects looked at the moment, the location authorities should not let their activities be

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<sup>1</sup> Mr. Hagnell (the Social Democratic Party) in Riksdag Debate 1967: No. 19, Second Chamber, p.79. Emphasis added.

<sup>2</sup> Mr. Sträng (the Social Democratic Party, Minister of Finance) in Riksdag Debate 1967: No. 19, Second Chamber, p. 84 and p. 86.

<sup>3</sup> Mr. Carlshamre (the Conservative Party, Uddevalla) in Riksdag Debate Second Chamber 12 April 1967, No. 19, p. 89.

<sup>4</sup> *Göteborgs-Posten* 13 April 1967. Editorial. Emphasis added.

moderated because of eventual future hopes on the shipyard's account. On the contrary, the insecurity of the future called upon increased efforts.<sup>1</sup>

The president of Stadsfullmäktige concluded that when looking back on 1967 the most joyful thing was that employment in the town had been good. The town's authorities had as far as possible tried to support those who for different reasons had not been offered employment on the general labour market. This was done through arranging municipal public relief work, for which the labour market authorities had showed the greatest understanding. When it came to employment there were all reasons to remind about the initiatives taken by Drätselkammaren. This applied to for example industry location areas.<sup>2</sup> An interesting aspect is that nothing was mentioned about the shipyard crisis but the local mobilisation was put forward when the local government emphasised its own work.

At the same time we recognise the accident discourse in an official leaflet about Uddevalla. The president of Stadsfullmäktige said that the town was almost devoid of old ancient monuments, owing to plundering, burnings, wars and accidental fires. The stubbornness of the Bohuslän people had nevertheless characterised the town's inhabitants and despite all accidents they had refused to give up, even if it sometimes had looked hopeless. Today, they had other problems to deal with, well known due to the publicity around the shipyard crisis. Yet another time, they had the opportunity to show whether the 'tenacious Bohuslän stuff' was still there and that they would not yet surrender to the difficulties they had to meet.<sup>3</sup>

### **The 'Survival Strategy'**

A significant part of the political embeddedness was the 'survival strategy' in Uddevalla constituting of calls on important actors. The shop floor union reported that due to threats of lay offs, union's board had in descriptions of different kinds called attention to the shipyard workers' view of the situation. The union had been in contact with the Prime Minister, the Minister of Finance, the County Governor, the County Labour Market Board and the shipyard board. Cabinet minister Krister Wickman<sup>4</sup>, the chairman of the Metal Federation Åke Nilsson and Hans Hagnell<sup>5</sup> had visited the shipyard during the year. The editor in chief of the union magazine *Metallarbetaren* was invited by the Metal Union Board and wrote a positive article about the shipyard. The union board hoped and believed that the different calls would lead to a positive result for the members. The union was very grateful for the support it had received from contacts on top-level positions. This applied especially

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<sup>1</sup> *Bohusläningen* 13 April 1967. Editorial.

<sup>2</sup> Stadsfullmäktige 1967. Minutes 19 December.

<sup>3</sup> Uddevalla kommun 1967. *Välkommen till Uddevalla*.

<sup>4</sup> Involved in government work with state owned companies, became later Minister of Industry.

<sup>5</sup> Economist at the Swedish Metalworkers' Association 1946-71 and Riksdag member 1956-73.



to the help from the regional Social Democratic Party as well as from Drätselkammaren's chairman.<sup>1</sup>

In the Metalworker Union's magazine it was stated in an article: 'We want to survive'. People believed in Krister Wickman since he had promised that the shipyard would remain. But the insecurity was still going as 'a ghost through the city'.<sup>2</sup>

In a local interpellation about the future for the shipyard it was argued that there was no exaggeration to assert that the strong financial forces had always gone against a sound development of the shipyard. Perhaps the Minister of Finance aimed at these forces when he, in answering an interpellation during the so-called shipyard crisis 1958, said: 'the circumstances leading to the crisis, are partly of such a nature that they cannot be made public.' The development since 1963 showed that the [earlier] apprehensions had come true. Uddevalla shipyard experienced yet another crisis. Consequently there would be another two years of uncertainty for the employees and a feeling of insecurity for the future. This would certainly lead to additional moving out from Uddevalla, and involve consequences for the town as well as individual people. The proposition that the Minister of Finance submitted to the Riksdag seemed insufficient and a half measure, which would not solve the employment issue at the shipyard. But a definitive solution ought to be possible already and not eventually some time in the future. By then a totally different concentration from the society's part, however, was needed. Uddevalla had good technical equipment and a well-educated and relatively young body of workers. Despite these prerequisites the government bill's objective for the shipyard the coming years was that production should be downsized. The interpellant argued that measures should be taken leading to increased production at the company. Such a production increase could take place through a restructuring into a modern large shipyard. Another alternative was that a state-owned engineering industry within the shipyard area should be established. The interpellant argued for state ownership of Uddevalla shipyard.<sup>3</sup>

In 1968 the shop floor union argued 'there were still forces at work to close the shipyard'. The local union called on for example the Minister of Finance. Also other politicians visited the local union.<sup>4</sup>

### **Concluding Remarks**

During the 1958 crisis the *support discourse* was evident in local newspapers. One local newspaper complained about the 'campaign' against Thordén and emphasised that he had 'made a great contribution'. The newspaper objected to the previous descriptions of the Bohus County as a 'poor county' and 'unemployment desert'. All

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<sup>1</sup> Uddevalla Shipyard Shop Floor and White-collar Union 1978. Chronicle.

<sup>2</sup> *Metallarbetaren* 1967. No. 23, p. 10.

<sup>3</sup> Stadsfullmäktige 1967. Minutes 21 February (Drätselkammaren's president answered but there is no record of the answer).

<sup>4</sup> Uddevalla Shipyard Shop Floor Union undated. Annual Report 1968.

people were guilty of these ‘bad images’. These views had changed when the shipyard was established. Thordén had given the district ‘new life and hope’. The national newspapers pursued its *non-support discourse* and were critical against Thordén. The Göteborg newspaper complained about that Thordén, Uddevalla, the Bohus County, and the government had become intertwined. The government’s purpose with the credit support was to secure employment, because a closing-down would lead to great ‘repercussions on other business in the region’. The region had for a long period had ‘significant unemployment problems’. The support was based on the *unemployment discourse*. In the Riksdag, it was stated that the previous general opinion that the labour force could mind its own business had fortunately changed. Stadsfullmäktige in Uddevalla did not mention the crisis in its annual speech in 1958. It complained about the bad image Uddevalla had got and how hard work there had been ‘arguing for the truth’.

During the 1960s different kinds of promotion campaigns were carried through, however, not to the same extent as in Karlskrona. The shipyard experienced different kinds of problems from 1963 and onwards. The newspaper concluded in 1963 that the local government and the County Administrative Board stood for the development. Thus, the support discourse was very much based on local as well as central mobilisation. The local government supported the shipyard and the common understanding in Uddevalla at the time was that the shipyard should survive. The central government became involved in saving the shipyard, through different measures, for example by granting credit guarantees. Almost nobody opposed the support in the Riksdag or locally. An argument for support was that other governments supported their shipyards. The government also referred to the 1958 Bill and the fact that economic life in Uddevalla ‘strongly depended on the shipyard’ and the area had had ‘extensive unemployment problems for a long time’. Statsutskottet also talked about that a closing-down would lead to ‘extensive repercussions’ and also referred to the ‘extensive unemployment problems’ in the area. In 1965 everyone agreed in the Riksdag that it was necessary that the shipyard be saved. The newspaper *Bobuslänningen* argued that ‘prospects were bright’ and a points of fact in the newspaper emphasised the ‘rich differentiated business’. Thus, the progress discourse continued to be pursued during the 1960s.

In the shipyard board, however, both the support and non-support discourses could be discerned: the manager (from Göteborg) and the chairman (from Stockholm) were critical as to how the shipyard’s situation was handled, while the local members were viewing the shipyard’s future positively. In the 1967 government bill there was a slight change in the discourse: the activities at the shipyard could not carry on in the present scale. However, the purpose was to wait and see. In the Riksdag the relationship with Göteborg was brought up and a member argued that the reasons for the problems were to be found in the circumstances in the shipyard industry. The Minister of Finance argued that ‘only afterthought would tell what was

the right thing to do'. A local member argued that it had been 'a pleasure to live in Uddevalla in the beginning and the middle of the 1950s.' Neither this time did Stadsfullmäktige comment on the shipyard crisis but the local government's work was emphasised. An official leaflet contained, however, the *accident discourse*: the town had experienced 'plundering, burnings, wars and fires'. Despite all accidents, however, they had refused to give up.

To summarise, the support discourse led to the creation and sustaining of a strong political relationship between the shipyard, politics, and society. The municipality provided housing for the shipyard's employees. The government supported the shipyard with capital. The government eventually took over the shipyard together with the Göteborg based shipyard, Eriksberg. Locally, the union worked hard to call on important actors (the Prime Minister, the Minister of Finance, the County Administrative Board and so on) to get attention for the shipyard's cause. In some cases Göteborg acted as an external 'enemy' because of its non-support discourse. That probably strengthened the local solidarity further.



## V

# Regional Policy

When you afterwards learn about the context, which was hidden when you were an actor yourself, you are reminded of that the present mostly is about groping in the dark.  
Per Nyström cited in Winberg 1990.<sup>1</sup>

THIS CHAPTER begins in 1969 when the previous discourse on the necessity of economic values governing the location policy began to change in character. The chapter ends in 1981 before the government launches the bill emphasising the decentralisation of the regional policy.

### From Location to Regional Policy

The instructions to the 1968 location investigation stated that certain significant issues for the design of the location policy had to be analysed. But it was also emphasised that the goals of the 1964 location policy should not be reconsidered.<sup>2</sup> However, at the 1969 social-democratic congress the negative effects of the location policy seemed to get more attention. According to Elander, several motions and contributions demanded a revaluation of the whole location policy. The Minister of the Interior, Eric Holmqvist, argued that ‘the burden of the large mobility could no longer be accepted’. The social values and not only economic values should be decisive when it came to location support. Similar concerns were expressed by the LO chairman Arne Geijer at the Metalworkers’ Union congress.<sup>3</sup>

Thus, the 1969 location investigation stated that there were weighty arguments for a replacement of the existing location policy with a national regional policy. In an international context the Swedish location policy was not especially radical. The official report put forward a proposition with foreign role models; that is establishments of state-funded industrial centres or industrial parks. These kinds of centres had in other countries proved to be a very effective means in regional policies.<sup>4</sup>

According to the investigation, the previous location policy had in many respects been successful and had had considerably favourable effects on employment. In

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<sup>1</sup> När man så här efteråt får reda på sammanhang, som var dolda då man en gång själv var medagerande, påminnes man om att nuet mest är ett famlande i mörker. Per Nyström was county governor in Göteborg and Bohus county 1950-71.

<sup>2</sup> Instructions 29 December 1967 in SOU 1969: No. 49. *Lokaliserings- och regionalpolitik. Delbetänkande angivet av 1968 års lokaliseringsutredning* [Location and Regional Policy].

<sup>3</sup> Elander (1978) p. 99.

<sup>4</sup> SOU 1969:49, p. 11.

parts of the support area the measures had, however, not been enough to neutralise the effects of the fast decrease in labour within agriculture and the forest industry.<sup>1</sup>

We can see the international influences in that the investigation referred to other countries and their regional policy, e.g. France, Great Britain and The Netherlands. Anders Nilsson and Göran Alsén argue that the change of name, from location to regional policy, signified not only the question of directing the location of private business, but that the resources of the public sector should also be distributed throughout the country. This meant that the regional policy should comprehend both the private and public sectors, thus involving a co-ordinated approach to the use of social resources.<sup>2</sup>

In 1970 an official report accounted for factors determining firms' choice of location. First, there was a mutual connection between the factors determining the firms', the households' and the public sector's choice of location, second, there was a higher productivity in regions with a large population, and third, there was a big city concentration of personal contacts within management, development and marketing.<sup>3</sup> In 1971 this official report was criticised in an article in *Tiden*. The authors argued that apart from some vaguely phrases on 'social and national' considerations, only economic thoughts on the transfer of labour and capital to regions, which could yield the largest profits, were left. The critics argued that no considerations had been taken concerning regional differences in for example age and education. The increased travel costs and housing costs in the big cities should also be accounted for. The authors argued for a more socialistic regional policy, which considered the individuals' wishes.<sup>4</sup>

At the turn of the decade the depopulation of Norrland was heavily debated. Several articles and books were published with titles such as *Sveket mot Norrland* [The Treachery to Norrland], *Angår det Sverige om Norrland finns?* [Does it Concern Sweden if Norrland Exists?]<sup>5</sup>

Prime Minister Olof Palme emphasised that society had to support the individuals and protect them against the technological development's social consequences. The technological development and market forces had to be completed with political actions.<sup>6</sup>

In connection with the government bill of 1972, the *ort* classification had its real breakthrough as a regional policy instrument. Apart from the three big city areas twenty-two primary centres were planned. An increasing part of the inevitable

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<sup>1</sup> SOU 1969:49, p. 9.

<sup>2</sup> Anders Nilsson and Göran Alsén 1984. Kommunal kompetens och kapacitet. In Leif Melin et al. *Kommunerna och näringslivet*, p. 65.

<sup>3</sup> SOU 1970: No. 3. *Balanserad regional utveckling* [Balanced Regional Development] pp. 225-226.

<sup>4</sup> Åke Dahlberg, K-G Löfgren, and Jörn Stage 1971. Ompröva regionalpolitiken [Reconsider the Regional Policy]. In *Tiden* 3, pp. 170-176

<sup>5</sup> Macke Nilsson 1969. *Sveket mot Norrland*. Gunnar Balgård 1970. *Angår det Sverige om Norrland finns?*

<sup>6</sup> cited in Elander (1978) p. 112.

population movements should go to these centres instead of to the large cities. A measure was to relocate government authorities from Stockholm.<sup>1</sup>

In 1974 the Commission on Regional Development Control Measures stated that the effect of the regional policy measures had been good. The Commission argued, however, that there was a need for increased regional political influence. There might be a need to prevent company transfers, implying closing-downs of a production unit in one region if this created local employment problems but did not give the community or the company extensive gains. There might also be grounds for influencing the location of manufacturing industries. The Commission argued that everything pointed at appointing a new, independent regional development organisation. The regional and local organisations should be given a stronger position in the regional development work.<sup>2</sup>

In 1976 the government bill on employment and regional policy was launched. The employment possibilities were to be made more equal over the whole country. It was important not only to get a job but also to increase the possibilities of choosing jobs. It was, however, also emphasised that there were limits for how much the state could accomplish. A more ambitious employment policy demanded an increased and better co-ordinated planning, conducted at all levels in society. Local governments, county councils and business should more than before be engaged in the employment planning.<sup>3</sup> The bill held on to the goals of the 1972 bill and stated that increased economic resources made possible material progress and increased social welfare. This could jeopardise the regional balance. It was unrealistic to aim at a society where all local labour markets were so big and differentiated that it would always be possible to transfer to a desired job without having to move.<sup>4</sup>

One example of regional policy measure was the 1977 university college reform. It led to that cities which previously had university education at branches to the larger universities got their own university colleges. This applied for Karlstad, Örebro, Växjö, and Jönköping. Karlskrona and Uddevalla had yet to wait for their turn.

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<sup>1</sup> Government Bill 1972: No. 111. *Angående regional utveckling* [Regarding Regional Development] p. 483. Examples of relocations: Lantbruksstyrelsen (now Jordbruksverket, the Swedish Board of Agriculture) to Jönköping in 1975, Värnpliktsverket (now Pliktverket, the National Service Administration) to Karlstad in 1975, Centrala studiestödsnämnden (the Swedish Board for Study Support) to Sundsvall in 1974, Vägverket (The Swedish National Road Administration) to Borlänge in 1978-79.

<sup>2</sup> SOU 1974: No. 82. *Samverkan för regional utveckling* [Co-operation for Regional Development] pp. 31-45.

<sup>3</sup> Government Bill 1975/76: No. 122 Om samordnad sysselsättnings- och regionalpolitik [On Co-ordinated Employment and Regional Policy] p. 45.

<sup>4</sup> Government Bill 1975/76: No. 122, p. 98.

## Industry Support

As a result of the structural crisis during the 1970s the business policy at the end of the 1970s became characterised by ad-hoc efforts. The industrial policy contained strong elements of regional and labour market policies. The industrial policy issues were placed in the background. There was no long-term goal. Pierre argues that companies looked for good contacts in the government while developing their own business.<sup>1</sup>

The Minister of Industry in the non-socialist government, Nils G. Åsling, emphasised the importance of a decentralised economic policy. Companies had to provide the employees with an opportunity to find new employment, especially those affected by cutbacks. In Åsling's view this was an alternative approach to both the liberal and socialist models. Consequently, the Åsling doctrine became 'help to self-help'. Nilsson and Alsén argue that it in practice had limited applications.<sup>2</sup> However, the decentralised economic policy was in part realised with the 'package for small business' presented in the autumn 1977. It was directed towards small- and medium-sized businesses and also included the creation of regional development funds. The forerunners of these funds were the trade associations and their purpose was to assist businesses with service and credit.<sup>3</sup>

However, due to the structural crisis, the government had to intervene and support industries in crisis. The Swedish producers who were threatened by cutbacks or closing-downs often dominated local or regional labour markets. Strong political demands on government actions were raised.<sup>4</sup> In an international perspective, the pattern of industrial support did not differ that much from other European countries. The increase in Sweden was, however, quite high. Hansson and Lundberg explain this with the large share of the crisis business in Swedish economy compared to other countries. Another reason is perhaps the high ambitions of maintaining full employment. The responsibility of the government was self-evident no matter which bloc was in power.<sup>5</sup>

Nilsson and Alsén argue that the government's support policy was heavily criticised not least from the municipalities. The government's measures were ineffective and the feeling that local problems needed local solutions was growing.<sup>6</sup>

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<sup>1</sup> Jon Pierre 1992. *Kommunerna, näringslivet och näringspolitiken*, pp. 40-41.

<sup>2</sup> Nilsson and Alsén (1984) p. 74.

<sup>3</sup> SOU 1982: No. 20. *Kommunerna och näringslivet* [Municipalities and Industries], p. 48.

<sup>4</sup> Pär Hansson and Lars Lundberg 1995. *Från basindustri till högteknologi? Svensk näringsstruktur och strukturpolitik*, p.164.

<sup>5</sup> Hansson and Lundberg (1995) p. 166.

<sup>6</sup> Nilsson and Alsén (1984) p. 75.



**Table 5.1: Swedish Government Support in Various Industries 1977/78-1981/82 (running prices).**

<i>Industry</i>	<i>Billion kronor</i>
Shipyards	14,3
Mining	4,4
Steel	4,2
Textile	1,5
Forest	0,3
Other	3,4
<i>Total</i>	<i>28,1</i>

*Source: Carlsson Bo 1983. Det svenska industristödet i internationell jämförelse. In Ekonomisk Debatt 11 (7) pp. 466-447.*

During the 1970s in total approximately 75 billion kronor were paid out for industry policy measures. In 1970 the industrial support was 1.3 per cent of GDP and in 1979 3.5 per cent. In an international context, Sweden had the highest per cent of GDP compared to Finland (3.1), Norway (2.0), Italy (2.6), Great Britain (1.0) and West Germany (1.6). Carlsson emphasises, however, that it is difficult to compare the numbers due to lack of certain information and differences in institutions (e.g. tax policies).<sup>1</sup>

In 1977 the first non-socialist government bill on the shipyard issue was launched. It contained a proposition of government guarantees of 4850 million kronor for financing the production of ships, and 2000 million kronor for financing ready ships. The government should also guarantee credit to Swedish ship buyers to an amount of 3100 million kronor. It was further proposed that the government should acquire Statsföretag's shares in AB Götaverken, Karlskrona shipyard and Uddevalla shipyard. These companies should be merged into a state-owned shipyard group. The bill was founded essentially on the results from a shipyard analysis group, and did not contain any decision on shipyard closures. Instead this was to be decided in 1978-79. The Minister of Industry argued that it was impossible to specify when a balance in different shipping markets could be obtained. The analysis group had previously suggested a continued reduction of employment, during 1977-1979 with approximately 1000 people, and the Minister of Industry agreed on that. This meant for Uddevalla, approximately 250 employees and for Karlskrona approximately 80 employees.<sup>2</sup> The government proposed in the later government bill guarantees to the industry of 17,000 million kronor and guarantees to buyers of 5725 million. Svenska Varv was to get 2200 million and in addition regional policy support should be given to the regions. In this government bill Uddevalla shipyard

<sup>1</sup> Bo Carlsson 1983. Det svenska industristödet i internationell jämförelse. In *Ekonomisk Debatt* 11 (7) p. 468, p. 471 and p. 474.

<sup>2</sup> Government Bill 1976/77: No. 139. Om vissa varvsfrågor [On Certain Shipyard Issues], pp. 1-13.

was to reduce its labour force with 700 employees. Karlskrona shipyard was not mentioned in this government bill.<sup>1</sup>

In a following motion to the Riksdag, the Communists argued that Sweden had up to now lacked a real shipyard policy. It was irresponsible that none wanted to talk about the future consequences of this ‘closing-down policy’. One could expect the recession to be followed by an upward trend in the 1980s.<sup>2</sup> The Social Democrats argued that the policy should be formed in the following way: parallel to securing that the shipyard industry could ‘pass the winter’ until a better balance was obtained in the market, it could also begin the work of a conversion of production. The great employment problems could only be avoided if the personnel surplus was gradually reduced during a longer period. Therefore all the employees at the shipyards in the four large shipyard cities should be guaranteed continued employment up to 1980.<sup>3</sup>

### **Concluding Remarks**

During the period the location policy changed names to regional policy. The previous discourse emphasising social aspects and questioning concentration tendencies was emphasised. Here we find statements such as ‘Norrland problems’, ‘decentralisation’ and ‘regional development’. During the period, relocations of state authorities and regional university establishments were carried out. AMS and the county administrative boards became increasingly responsible for industry location issues. The crisis in some manufacturing industries during the 1970s led, however, to government support to whole industries. This support in turn was criticized locally and demands on local solutions were put forward. We will in the next sections see if the emphasis on regional development and decentralization affected local politics and discourse in Karlskrona and Uddevalla.

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<sup>1</sup> Government Bill 1978/79: No. 49. Om vissa varvsfrågor [On Certain Shipyard Issues] p. 1 and p. 9.

<sup>2</sup> Motion 1978/79: No. 142.

<sup>3</sup> Motion 1978/79: No. 141.

## Discourse and Political Practice in Karlskrona 1969-1980

### The Government Responsibility Discourse

The government responsibility discourse was still vivid in the end of the 1960s for example when the president of Drätselkammaren argued that Karlskrona was not founded due to a concentration of trade and communications, but through a royal decree where military values were decisive. He also emphasised, however, that not only the historical element was characteristic for Karlskrona. During the past twenty years a strong restructuring of business had characterised Karlskrona and turned it into a modern city.<sup>1</sup> In 1971 the local government commissioner argued that Karlskrona, from being a significant military town, had developed into an industrial and administrative town. He also wanted to emphasise that they did not want the military to move from the town, but perceived the increased investments on the military as satisfying.<sup>2</sup>

Since *Blekinge Läns Tidning* is a liberal newspaper it was perhaps not surprising that it put its trust in the new government of 1976, consisting of the Centre Party, the Liberal Party and the Conservative Party. The newspaper concluded for example that it was childish and absurd to blame the shipyard crisis on the government. It had inherited the situation. Previous governments had mismanaged the shipyard after the war, in the end of the 1940s and in the beginning of the 1950s.<sup>3</sup> Thus, the shipyard bill was characterised as a risk-taking with a socio-political angle.<sup>4</sup> Later the same year the editorial was, however, pessimistic. It obviously did not make any difference which government was in office. Karlskrona was treated just as unfairly. The yard had not received much help from the government in modern times. Karlskrona's local government had to be given credit for the industrial development.<sup>5</sup> The government's historical responsibility for the industry was constantly referred to. Since no government had ever taken any notice of Blekinge and Karlskrona there was no surprise this happened again.<sup>6</sup>

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<sup>1</sup> Kjell Eliasson in *Välkommen till Karlskrona 1969. En bok till den nye Karlskronabon.*

<sup>2</sup> Gunnar Boström in *Välkommen till Karlskrona 1971. En bok till den nye Karlskronabon.*

<sup>3</sup> *Blekinge Läns Tidning* 22 February 1977. Editorial.

<sup>4</sup> *Blekinge Läns Tidning* 20 April 1977. Editorial.

<sup>5</sup> *Blekinge Läns Tidning* 1 July 1977, and *Blekinge Läns Tidning* 13 November 1978. Editorials.

<sup>6</sup> *Blekinge Läns Tidning* 22 February 1977. Editorial.

## Discussions Regarding Regional Policy Measures

As a consequence of the government's regional policy, the county administrative boards became increasingly more responsible for policy implementation. One duty was to perform county programmes on a regularly basis. In the Blekinge County Programme in 1970 the main objective was to stop migration. The means to obtain this was that the government should locate public authorities and enlarge the college education.<sup>1</sup> *Sydöstra Sveriges Dagblad* argued, as a contribution to the regional policy debate, that one should not aim at 'crowding too many people together in one place'. A continued relocation of companies and public institutions should therefore be greeted with satisfaction.<sup>2</sup>

In 1974 a Riksdag motion focused on the business efforts during the previous years. It was argued in the motion that at several occasions the government had emphasised the importance of a regional balance in the country. It was because of this that the people behind the motion wished for a location of a vocational college education to Blekinge and Karlskrona. There had been large efforts by business in Blekinge during the last years and large investments had been made. Through government participation a significant business had been located to Karlskrona: Uddcomb was one example as well as the large improvement of the shipyard.<sup>3</sup> *Sydöstran* concluded that the general opinion was that Karlskrona had an unusually solid industry.<sup>4</sup>

University college courses had been arranged in Blekinge since the middle of the 1960s. In the beginning different educational associations were responsible for the courses. Later on, Lund University arranged decentralised university courses. In 1975, the County Administrative Board decided to establish a specific county committee for university college education. It had the overall responsibility for university college education in Blekinge. In the county committee, appointed by the County Administrative Board, sat representatives for county authorities, municipalities, the County Council, education organisers as well as the labour market parties. From 1977/78 the regional board set apart a specific overall amount for university college education in Blekinge. A university college registrar's office was attached to the county committee from 1985.<sup>5</sup>

As mentioned earlier, relocation of public authorities became an important part of the regional policy measures. For Karlskrona a location of e.g. sheltered workshops was discussed. The local government commissioner Gunnar Broström and County Governor Camilla Odhnoff called on the Minister of Labour Rolf Wirtén. They argued that it was time for the government to take its responsibility as em-

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<sup>1</sup> Länsstyrelsen Blekinge 1972. *Länsprogram 1970*.

<sup>2</sup> *Sydöstra Sveriges Dagblad* 5 January 1972. Editorial.

<sup>3</sup> Motion 1974: No. 295.

<sup>4</sup> *Sydöstran* 5 June 1975, p. 6.

<sup>5</sup> Ds 1987: No. 11 *Utbyggd högskoleutbildning* [Expanded university education] p. 73.

ployer and locate the new workshop to Karlskrona.<sup>1</sup> Karlskrona was the only primary centre in the country with a negative population development.<sup>2</sup>

Blekinge was also part of the negative economic development discourse. In 1977 a member of the Riksdag called attention to the fact that the labour market situation in Blekinge County had deteriorated during 1976. Apart from the decrease in industrial employment the weak public sector had not expanded enough and the educational structure was badly developed. The main problems seemed to concern Olofström and its Volvo factory, L.M. Ericsson and Facit. Uddcomb was also in danger. The motion was mainly concerned with the uncertain employment situation. It seemed as if Olofström had the largest problems.<sup>3</sup>

These motion did not lead to any actions. *Blekinge Läns Tidning* argued that it was the elected representatives in the local government and the County Council together with civil servants and the County Administrative Board who had created the industrial development in Blekinge.<sup>4</sup> In 1978 an action group had been formed called Aktion Blekinge. The Social Democrats proposed this group in a motion to the County Council. The other parties supported the motion. The purpose with this group was to stimulate job creation ideas and help realising the ideas. According to *Blekinge Läns Tidning* it was a first start for a broad participation in the County: Co-operation between the inhabitants, companies and the authorities was asked for.<sup>5</sup>

### **'An Optimistic Spirit' and the Population Discourse**

In 1970, when Uddcomb located its factory to Karlskrona, *Blekinge Läns Tidning* reported that the local government commissioner had been given an ovation. The company was reported to be very positive to the way in which the city had fulfilled its promises.<sup>6</sup> The following year *Blekinge Läns Tidning* reported on the optimistic spirit that had characterised Karlskrona since the location decision was made. But at the same time there was anxiety about the company's future since rumours maintained that Uddcomb would stand or fall with an order from Asea-Atom. However, the deal went through and the optimistic spirit persisted in Karlskrona.<sup>7</sup>

*Sydöstra Sveriges Dagblad* complained about that the national newspaper *Aftonbladet* had a lot of negative articles about Uddcomb. The local newspaper emphasised that Uddcomb had decent future prospects. The company had skilled labour and skilled technicians. Nuclear power had become the only power source. Uddcomb's back-

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<sup>1</sup> *Blekinge Läns Tidning* 6 October 1978, p. 3.

<sup>2</sup> Motion 1977/78: No. 1657. Om regionalpolitiska insatser i Blekinge [Regional Policy Contributions in Blekinge].

<sup>3</sup> Motion 1976/77: No. 161 and 1976/77: No. 534. Om regionalpolitiskt stöd till Blekinge län [Regional Policy Support to Blekinge County].

<sup>4</sup> *Blekinge Läns Tidning* 3 November 1976. Editorial.

<sup>5</sup> *Blekinge Läns Tidning* 5 September 1978. Editorial.

<sup>6</sup> *Blekinge Läns Tidning* 19 December 1970, p. 18.

<sup>7</sup> *Blekinge Läns Tidning* 5 November 1971. Editorial.

biters had also aimed at a bad profitability result. The newspaper asked if one could really demand an immediate profitability from this new, heavy industry.<sup>1</sup>

A few years into the 1970s, one of the newspapers asked if Karlskrona should become a dead city at the end of the 1970s. One could talk about 'Norrländ problems' even in Karlskrona.<sup>2</sup> *Blekinge Läns Tidning* dealt with the same subject. The population had decreased and this trend was comparable to the decrease in the northern depopulation areas. Uddcomb was seen as a decisive factor in turning this negative development around. When Uddcomb was located in Karlskrona, the public feeling changed. Authorities, companies and others ventured with optimism for a future in Karlskrona.<sup>3</sup> The newspaper continued on the course entered upon and argued that the 1969 decision to locate Uddcomb in Karlskrona was a turning point in the city's history. During twenty years after the Second World War Karlskrona had lost 4500 jobs, primarily in the public sector. The pessimism was obvious during the 1960s. Every year the city, once the third in Sweden, had to register a decrease of population, which could be compared with the depopulation in the severely affected parts of Norrland.<sup>4</sup> Thus, during the 1970s, the population discourse changed in character. Certainly, the statements of the town's ranking were left, but the discourse was also supplemented with the central Norrland discourse.

### Discussions about the Shipyard

In December 1971 the commander of the navy was in Karlskrona and argued that a heavy reduction of the Swedish navy would imply a deathblow to Karlskrona shipyard. But the newspaper *Sydöstra Sveriges Dagblad* emphasised that his statements should be taken with a grain of salt. The shipyard had after all built up a new manufacturing in addition to the deliveries to the defence.<sup>5</sup> In 1972 *Sydöstra Sveriges Dagblad* argued that it was difficult to know how critical the situation was at the shipyard. Perhaps there was no crisis at all. Anyhow, the newspaper argued for an improvement in order to be competitive. The government could not flee from its responsibility.<sup>6</sup>

In 1976 the shipyard analysis group argued that Karlskrona shipyard differed in several ways from the other shipyards. Sixty per cent of the total capacity consisted of naval products under construction, restructuring and maintenance. Only the section manufacturing and the heavy iron constructions, and to a certain extent repairs, were in a similar market and competitive situation as other shipyards. The profitability results during the last few years had been good. The analysis group also suggested that in the future the shipyard should only have a production of naval char-

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<sup>1</sup> *Sydöstra Sveriges Dagblad* 4 January 1972. Editorial.

<sup>2</sup> *Sydöstra Sveriges Dagblad* 9 November 1972, p.1. Population decreased with less than 1 per cent between 1965 and 1975 ([www.scb.se](http://www.scb.se)).

<sup>3</sup> *Blekinge Läns Tidning* 4 January 1972. Editorial.

<sup>4</sup> *Blekinge Läns Tidning* 9 June 1972. Editorial.

<sup>5</sup> *Sydöstra Sveriges Dagblad* 2 December 1971. Editorial.

<sup>6</sup> *Sydöstra Sveriges Dagblad* 10 June 1972. Editorial.

acter. The group further suggested a decrease in the number of employees from 1642 at the end of 1976 to 1500 at the end of 1978. In Karlskrona the share of shipyard employees in relation to the total number employed in industry was 21 per cent (in comparison with Uddevalla 52 per cent). Åsling argued that the Riksdag should approve of the guidelines for guarantees to the shipyard industry and to bring together Karlskrona shipyard with AB Götaverken and Uddevalla shipyard.<sup>1</sup>

A private motion stated that the Karlskrona shipyard had of course a large significance for employment in the Karlskrona region, which had been struck by several hard setbacks during the last years. The recently started Gränges offshore production with production at the shipyard had come to nothing. Uddcomb seemed to have lost its market abroad. Thus, the regional political reasons for keeping a sound employment at the shipyard were strong.<sup>2</sup>

Concerning the coming shipyard investigation *Blekinge Läns Tidning* emphasised that Blekinge's shipyards were outstanding: 'Blekinge shipyards [...] have a balance between employment, production and profitability – unique in Swedish shipyard industry today.'<sup>3</sup>

In connections with the government's shipyard bill in 1978 *Blekinge Läns Tidning* established that this politics was an effort with a question mark.<sup>4</sup> The national newspaper *Svenska Dagbladet* noticed that the new bill faced the sensitive social situation. It was also said that it was impossible to waste billions on 'a costume a few numbers too big.'<sup>5</sup> *Dagens Nyheter* said that adjustment had to take place under socially acceptable forms.<sup>6</sup> *Arbetet* on the other hand thought that the bill was a large step forward and would provide the shipyards with the opportunity of peace and quiet while solving their problems.<sup>7</sup> *Blekinge Läns Tidning* commented that the shipyard and the district were connected in a way that was not the case in any other place.<sup>8</sup> It is interesting to see how the local newspaper reacted when the national paper *Svenska Dagbladet* commented on the current shipyard crisis. The answer was that there was no crisis at all.<sup>9</sup>

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<sup>1</sup> Government Bill 1976/77: No. 139. Om vissa varvsfrågor [Certain Shipyard Issues].

<sup>2</sup> Motion 1976/77: No. 161 med anledning av prop. 1976/77 om vissa varvsfrågor.

<sup>3</sup> *Blekinge Läns Tidning* 4 February 1978. Editorial.

<sup>4</sup> *Blekinge Läns Tidning* 2 November 1978. Editorial.

<sup>5</sup> *Svenska Dagbladet* 1 November 1978. Editorial.

<sup>6</sup> *Dagens Nyheter* 2 November 1978. Editorial.

<sup>7</sup> *Arbetet* 1 November 1978. Editorial.

<sup>8</sup> *Blekinge Läns Tidning* 2 January 1978. Editorial.

<sup>9</sup> *Svenska Dagbladet* 21 November 1979, *Blekinge Läns Tidning* 22 November 1979. Editorial.

## Concluding Remarks

In Chapter II I showed that the period 1969-1975 in Karlskrona was characterised by an industrial upheaval, but the discourses contained both positive and negative images. We find the old government responsibility discourse, the population discourse exemplified by statements such as ‘negative population development’ and ‘Norrland problems’, which was connected to the larger discourse in society of the depopulation in Norrland. The assertion ‘one should not crowd too many people in one place’ was also based on the larger discourse on the bad consequences of big city concentration. The city was also referred to as ‘once the third in Sweden’, which reminds us of the old population discourse ‘once the biggest but one’. A success discourse was also observed: ‘the optimistic spirit’ was connected to the location of specific industries. The political practice concerning location of industry decreased, probably due to, on the one hand, the increased responsibility for AMS and the County Administrative Board and, on the other hand, an improved labour market in terms of a large increase of employees in industry. This also supports Ward’s thesis that place promotion thrives in economic unstable times and decreases when central government increases its activities.<sup>1</sup>

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<sup>1</sup> Ward (1998) p. 236.



## Discourse and Political Practice in Uddevalla 1969-1982

### The Support Discourse

#### *The Government Bill of 1969*

In 1969 an investigation of the current economic situation at the shipyard showed continued significant losses. The efforts made to supply Uddevalla with other less sensitive business had not resulted in any palpable differentiation of the business structure. The Minister of Industry argued in the government bill that this could be ascribed to the serious general recession of the last two years. He argued, however, that there were reasons to assume that 'one could look bright on the future' and that 'everything would be done in order to investigate the possibilities of establishing the kind of engineering business which, in the long run, would open the door for possible employment and relief for the shipyard workers'. The job-creating role of Uddevalla shipyard could be maintained surely at a high price but it was, considering the problem the business in general had, hardly sensational. The Minister thought that already next year he would have to bring up the shipyard's conditions again. Therefore, he did not want to suggest further infusion of capital to the shipyard. He wanted, however, to emphasise that the expected future losses had to be covered by an additional government infusion of capital. He would therefore suggest capital infusion and the question should be submitted to the Riksdag. The essentially new in the agreement [with Eriksberg] was that both parties took responsibility for the business at the shipyard. The government's appointed chairman had the casting vote in the board. In addition, the agreement could be terminated in the end of 1972.<sup>1</sup>

Statsutskottet argued that it was extremely urgent in the current business cycle, which was characterised by a certain increase, to intensify the efforts of getting a more differentiated business in Uddevalla.<sup>2</sup>

The newspaper *Bobusläningen* reported of 'improvements' at the shipyard. Currently the shipyard had obtained orders, which guaranteed work for some years ahead. There was also that much left of the granted government money, that the shipyard could finance improvements at a peaceful pace. Certainly, the shipbuilding business would always notice fluctuation in ship orders, but nowadays it had to be emphasised that very few industries could say that business was secured two, three years ahead in time. The region, perhaps primarily the city, needed consolidation

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<sup>1</sup> KM:s Proposition [His Majesty's Bill] 1969: No. 74. Med förslag om kreditgarantier till svensk varvsindustri [Proposals of Credit Guarantees to Swedish Shipyard Industry].

<sup>2</sup> Statsutskottet [The Standing Committee on Supply] 1969: Report No. 90. Utlåtande i anledning av KM:s proposition med förslag om kreditgaranti åt svensk varvsindustri [Regarding the Majesty's Bill with Proposals of Credit Guarantees to Swedish Shipyard Industry].

and that was hard to obtain in a troubled situation. Today, people could plan at least some years ahead with calm confidence.<sup>1</sup>

### *The Shipyard Nationalization*

In March 1970 the shipyard board had a serious discussion, due to the bad result for the Uddevalla shipyard in 1969. The board discussed not only the future for Uddevalla shipyard but also the future for the whole shipyard industry. The loss was 29.5 million kronor compared to estimated 17 million kronor.<sup>2</sup>

In June 1970 Mr. Häggqvist argued that he did not want to deny that money could be saved in every shipyard by further rationalisation, but the difficulty of the decision to be taken by the Uddevalla shipyard board was whether it should advise the Swedish society to concentrate on shipyard manufacturing. Since the government took over the Uddevalla shipyard it had been and still was entirely an issue about an employment problem and according to Mr. Häggqvist Uddevalla town ought to diversify its business structure. The town should focus on more profitable businesses, not continue to rely on such a capital and labour demanding business as the shipyard industry. The chairman of the board reminded the board that the Uddevalla shipyard had deliberately decreased its business' scope. Mr. Nyström on his part reminded them about all the efforts to find alternative employment opportunities. Mr. Gustafsson sided with the chairman's and vice chairman's remarks and reminded about the government decision to concentrate on population centres. According to Mr. Gustafsson they had to concentrate both on the shipyard and on other jobs in order to follow the government's intentions. The board decided that concerning the shipyard's future in the long run it was not a matter for the board to decide or to propose anything but to submit material on which a decision by the government and the Riksdag could be reached.<sup>3</sup>

In September the situation had improved according to an internal investigation carried out by the accountant. The present business cycle could continue some time ahead. Earlier experiences had shown that if the shipyard waited with signing contracts the result could be further improved. During the Suez and Korea crisis the shipyards managing the best were those with plenty of contracts. Instead of signing new bad contracts they could also during recessions deliver contracts with sliding scales and to a higher price. Considering Uddevalla shipyard's present losses the shipyard should, however, take advantage of the present business cycle and obtain as many contracts as possible. The present improved business cycle did not seem to be long lasting. It was also seen as a possibility that with several extended contracts the Uddevalla issue would surely get in a more propitious situation at the Riksdag reading of the problems next spring.<sup>4</sup>

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<sup>1</sup> *Bohusläningen* 16 May 1969, p. 4.

<sup>2</sup> Uddevalla Shipyard Board 1970. Minutes 10 March.

<sup>3</sup> Uddevalla Shipyard Board 1970. Minutes 22 June.

<sup>4</sup> Uddevalla Shipyard Board 1970. Minutes. Memo 31 September 1970.

In September 1970 the government bought Eriksberg's shares in Uddevalla shipyard for 20 million. Thus, the shipyard became entirely state-owned. *Bohusläningen* argued that at the press conference it was said that there could be no complaints against Eriksberg. The newspaper argued that while this might be right, nobody could escape that the on-going conversation about Eriksberg taking advantage of the co-operation, had done nothing to improve the atmosphere in Uddevalla. Perhaps it had even created a feeling of 'battling against the odds' more than necessary. However, with the nationalization in mind, it was time to write off the discussion about Uddevalla shipyard's existence.<sup>1</sup>

*Bohusläningen* reported about a large order obtained by the shipyard. The managing director at the shipyard was interviewed. He expressed satisfaction over the contracts, taken at a time, when the shipyard business cycle had improved considerably. One of the shipyard's strengths was that it had been able to fulfil all deliveries in the agreed time, sometimes even earlier. This had been possible much owing to the 'positive spirit' among the staff.<sup>2</sup> The same month there was an advertisement from Uddevalla shipyard:

Shipyard work – a job with a secure future! All prognoses point to an increasing demand and a brighter future for the shipyard industry.<sup>3</sup>

#### *Shipyard Investigations and Government Bills*

In April 1975 *Bohusläningen* commented on Statsföretag's plans to take over Eriksberg and Arendal. The editorial headline read 'Leave Uddevalla Shipyard in Peace!' Since Uddevalla shipyard was on its way up from its deep crisis, and had financed future investments, it should be left in peace. Naturally, the government had an overall responsibility for business and employment but that did not mean that the government should step in as a charwoman as soon as something went wrong. It was important to give Uddevalla shipyard a new chance for the time being since it dominated in the region.<sup>4</sup> The managing director Schreil argued that the shipyard's position was strong due to the large development work that had taken place. He claimed that 'belief in the future made us continue with our plans and even if the situation sometimes was low-spirited, it could not affect our actions'. He also argued that the shipyard had always conducted long-term planning as Thordén did in his time.<sup>5</sup>

The same year the shipyard got a new managing director, the former accountant Ingvar Trogen. He reported that the company had in the difficult business situation no possibilities of getting new orders. The sales market was in total stagnation.<sup>6</sup> This

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<sup>1</sup> *Bohusläningen* 26 September, 1970, p. 4.

<sup>2</sup> *Bohusläningen* 2 September 1970. First page.

<sup>3</sup> *Bohusläningen* 7 September 1970. First page.

<sup>4</sup> *Bohusläningen* 11 April 1975, p. 4.

<sup>5</sup> *Bohusläningen* 12 April 1975. First page.

<sup>6</sup> Uddevalla Shipyard Board 1975. Minutes 14 April.

difficult situation continued during the year and in June the managing director said that the demand for tank and bulk tonnage was 'non-existent'. A diversification of the business was discussed. A member argued that Stålverk 80<sup>1</sup> could constitute a market for the shipyard. Another member argued that a diversification would lead to considerable difficulties for the company and estimated that the difficulties would increase considerably if this work would be carried on in co-operation with other partners. A member argued that they could look for new customers in certain cases. According to another member the measures for diversification would reduce the business cycle sensitivity and compensate for coming employment problems.<sup>2</sup> In October the managing director argued that the shipyard industry would have to count on a very weak market the following years. According to the managing director the most important factor for the shipyard's future was to keep a reasonable cost position. Most problems could be solved if there was a competitive cost profile.<sup>3</sup> *Bobusläningen* commented on possible future reductions:

We have to, in the foreseeable future, consider that the large city areas can more easily adapt than a smaller region. In the large city Göteborg there are a number of other companies and the possibilities of getting employment elsewhere are good, at least compared with a drastic reduction in Uddevalla, where the shipyard answer for a large part of the employment.<sup>4</sup>

As mentioned in the previous section, the government bill on certain shipyard issues was launched in 1977 as a first step towards the creation of Svenska Varv.<sup>5</sup> The local unions were convinced that a merger of the state-owned shipyards would cause great co-ordination problems.<sup>6</sup> Some proposers of a motion thought that an analysis of the employment situation for Uddevalla was missing.<sup>7</sup>

*Bobusläningen* pointed out that 'it hurts to say: lay off the shipyard employees in Göteborg but let the employees in Uddevalla keep their jobs.' An unemployed person would have difficulties whether living in Uddevalla or Göteborg. The same thing could be said about Landskrona versus Malmö and Karlskrona. And yet, the newspaper went on, was that not the way one had to reason? A large city had better opportunities of attracting new companies, and had a large number of companies that could expand. The painful solution should be that reduction first of all should

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<sup>1</sup> Stålverk 80 [Steelworks 80]- a planned state-owned firm connected to the ironworks in Norrbotten county. The decision to build the steelworks was taken in 1974 and it was planned to start in 1979. In 1978, however, the whole project was settled. See Roger Henning 1980. *Partierna och Stålverk 80*, pp.12-13.

<sup>2</sup> Uddevalla Shipyard Board 1975. Minutes 4 June.

<sup>3</sup> Uddevalla Shipyard Board 1975. Minutes 1 October.

<sup>4</sup> *Bobusläningen* 21 October 1975, p. 4.

<sup>5</sup> Government Bill 1976/77: No. 139. Om vissa varvsfrågor [Certain Shipyard Issues].

<sup>6</sup> Report on the Government Bill 1976/77 by Gustav Henningsson (The Local Metalworkers' Union). Appendix to the Government Bill.

<sup>7</sup> Motion 1976/77: No. 1633. Om vissa varvsfrågor.

affect Göteborg and Malmö, while Uddevalla, Landskrona, Karlskrona and Oskarshamn should be kept intact.<sup>1</sup> Later the newspaper argued that: ‘The Uddevalla shipyard is currently the best equipped shipyard and has furthermore the largest volume of orders.’<sup>2</sup>

In 1978 the chairman informed the board in detail about the present structural issues. He also mentioned the market investigation made by Svenska Varv indicating that the Swedish shipyards with their present direction and dimensions had small possibilities of coping alone. As a consequence, extensive resources in different forms would have to be applied in order to keep the business alive. Riksdag member Gustafsson argued that national economic points of views would play a significant role when they made up their mind about the future shipyard industry in Sweden.<sup>3</sup>

In august 1978, after Åsling had visited Uddevalla, there seemed to be positive familiar strains concerning the Uddevalla shipyard and alternative production. The shipyard bill, proposing that 6200 employees would leave prior to 1981, led *Bohusläningen* to characterise it as ‘an emergency plan’.<sup>4</sup> The shipyard manager Trogen, however, expressed optimistic views for the future. The newspaper, however, wondered: Whom can you believe in?<sup>5</sup> An interesting conflict arose among the Conservative members of the Riksdag from Uddevalla when voting on the bill. Should they be loyal to their party?<sup>6</sup> The editor said that there was no point in preserving a company structure to keep up employment. Therefore it would be no betrayal to vote for the bill.<sup>7</sup> This was an unusual statement from the newspaper since it had always defended the existing business structure in Uddevalla.

The union at the shipyard was bitter. It had previously called upon Åsling. The points of view expressed then had not been taken into consideration, despite the fact that Åsling was positive to a continued business at the shipyard.<sup>8</sup>

In 1978, when the liberal government came into office, Erik Huss became Minister of Industry. He had previously been county governor in the Göteborg and Bohus County. He mitigated the Åsling bill: 2850 employees would have to go prior to 1980.<sup>9</sup> This was appreciated in Bohuslän.<sup>10</sup> The newspaper was satisfied: False notions such as ‘the West Coast is attractive for new industries and employment’ would never go around again with Huss as Minister of Industry.<sup>11</sup> The white-collar union’s local chairman, however, considered that the bill was equal to Åsling’s. The

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<sup>1</sup> *Bohusläningen* 23 November 1977. Editorial.

<sup>2</sup> *Bohusläningen* 23 December 1977. Editorial.

<sup>3</sup> Uddevalla Shipyard Board 1978. Minutes 28 February.

<sup>4</sup> *Bohusläningen* 17 August 1978. Editorial.

<sup>5</sup> *Bohusläningen* 30 August 1978. Editorial.

<sup>6</sup> *Bohusläningen* 28 August 1978, p. 8.

<sup>7</sup> *Bohusläningen* 29 August 1978. Editorial.

<sup>8</sup> *Klubbnytt* 1978: No. 3, p.1.

<sup>9</sup> Government Bill 1978/79: No. 49. Om vissa varvsfrågor [Certain Shipyard Issues].

<sup>10</sup> *Bohusläningen* 1 November 1978. Editorial.

<sup>11</sup> *Bohusläningen* 28 November 1978. Editorial.

only difference was that the time had been shortened from three to two years.<sup>1</sup> Local politicians, no matter from which party opposed cutbacks at the shipyard.<sup>2</sup>

A Liberal Party member argued that the description of Uddevalla's labour market situation was full of shortcomings. Instead, the situation was that the shipyard reduction could not be solved by the labour markets in Trollhättan and Vänersborg.<sup>3</sup> Surrounding municipalities also conducted lobbying in order to maintain production or develop production at the shipyard, since they also had to face employment problems if there were cutbacks at the shipyard.<sup>4</sup>

In a comment to the 1978 shipyard bill, *Näringslivskontoret* [The Municipality's Economic Development Office] argued that the shipyard answered for an indispensable part of the employment in the Uddevalla region. This was the case more than in any other shipyard region. The Uddevalla region could not stand a continuing reduction of jobs without jeopardising the region's long-term development. The reason for this was not least the structural problems within other lines of business, which was more apparent in Uddevalla than in any other shipyard region. The profound turns in shipyard demand, prices and profitability motivated a state ownership and responsibility for employment in the business and the region. Uddevalla therefore strongly objected to the labour market committee about the account of the situation in the Uddevalla region.

The office's objections were on the one hand about the unclear and changing demarcations of the Uddevalla region and the judgements of possible cutbacks in Uddevalla and Lysekil, and on the other hand about the judgements of the cutbacks effects, and the judgements of regional development problems in general. The office therefore requested that the committee revised premises, on which the investigation was based, for example the estimation of the possible cutbacks in the shipyard business. The regional demarcation should be done on the basis of actual circumstances, for example commuting. The suggested cutbacks should not be carried through since this would lead to devastating consequences for the region's long-term development and should not be decided isolated from a long-term decision of the structural issue. The allotted money and efforts in the region should be put to use with specific justification, namely to work for a long-term differentiation of the region's trade and industry. Lastly, the Uddevalla shipyard and its daughter company Skandiaverken should as soon as possible receive a position as an independent unit under Statsföretag.<sup>5</sup>

Later the same year, the president of the union argued that it was difficult to say anything about the future for the shipyard industry. However, the union knew that a

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<sup>1</sup> *Bohusläningen* 1 November 1978, p. 9.

<sup>2</sup> Motion 1978/79: No. 129 (the Conservative Party), Motion 1978/79: No.132 (the Center Party)

<sup>3</sup> Motion 1978/79: No. 138.

<sup>4</sup> Motion 1976/77: No. 890, Motion 1976/77: No. 1633, Motion 1982/83: No. 2341.

<sup>5</sup> Kommunstyrelsen [the Municipal Executive Board] 1978. *Näringslivskontoret*. Brev till Arbetsmarknadskommittén ang. varvspropositionen, 28 November [Letter to the Labour Market Committee on the Shipyard Bill].

boom would affect most branches to a bigger or lesser extent. If the boom would come, which there were new signs of, there seemed to be good possibilities of keeping up with the competition. But they had to get a government, which saw to their interests.<sup>1</sup>

The newspaper argued that one problem when it came to crises was the actual scope of action. Should different authorities gather in a real effort to support Uddevalla and the region's business considering the risks for the shipyard? Or should they trust that the shipyard managed to take itself and the region out of the problems?<sup>2</sup> When discussing solutions or actions the editor in *Bohusläningen* argued that Bohuslän's industrial future did not lie in grandiose projects with a lot of job opportunities. Instead the model should be similar to the business structure in the province of Småland, with small and middle-sized companies, in which the personal commitment mattered.<sup>3</sup>

The shipyard board commented on the 1978 Bill and argued that the determination, which had been there from the beginning, to achieve a structure based on sound business economic judgements, had now changed in such a way that political judgements had come to the forefront.<sup>4</sup> The chairman pointed out that it was the management and the board's responsibility to secure new products if the present products were not profitable. A union representative argued that they simply could not lay off so many people in a recession; they had to consider the social responsibility. Another member agreed, but he also emphasised that Sweden could not have all their industries sell at a loss. The company had to do something itself and not only put its trust in the government.<sup>5</sup>

The government bill was seen as affecting Uddevalla shipyard in particular in a very unfortunate way. Certain changes therefore had to be done in the bill. In general a more long-term judgement of the shipyard problems and the shipyard structure would have been desired from several aspects.<sup>6</sup> The union established in their magazine that 'the only guarantee for a continued shipyard industry in this country is a social democratic government in 1982'.<sup>7</sup>

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<sup>1</sup> *Klubbnytt* 1978: No. 4, p.1.

<sup>2</sup> *Bohusläningen* 30 August 1978. Editorial.

<sup>3</sup> *Bohusläningen* 15 November 1978. Editorial.

<sup>4</sup> Uddevalla Shipyard Board 1978. Minutes 2 June.

<sup>5</sup> Uddevalla Shipyard Board 1978. Minutes 16 August.

<sup>6</sup> Uddevalla Shipyard Board Minutes 1978. 17 November. PM angående regeringens varvsproposition [Memo on the Government's Shipyard Bill] 1978/79: No 49. Appendix to Board Minutes 24 November.

<sup>7</sup> *Klubbnytt* 1980: No. 2, p. 3.

## Political Practices

In 1969, Stadsfullmäktige stated that in the present situation society must be prepared to make substantially larger efforts than previously made on location and employment politics. This was due to ‘the inevitable structural rationalization’, taking place in all the country’s industries. The ready-made clothing industry was particularly vulnerable owing to low price import. Uddevalla’s local government had felt a responsibility for the town’s business and the previously important company, Schwartzman & Nordström, and had bought its real estate building for 7,5 million in order to secure and support continued business developments.<sup>1</sup>

The municipality presented Uddevalla in an advertisement in the newspaper:

The city is an unusual combination of a fast developing industrial city and a pleasant idyllic spot [...] The future can be bright. Uddevalla town has bought 2 million square kilometres of land. There are possibilities of building a deep port. The land is intended for large industries [...] The town is well provided for the future when it comes to land. Uddevalla on the alert. Planning measures are in progress for industrial building in and outside of Uddevalla. Well-planned land areas for housing. Good supply of young labour. All year around port. Good communications. Company obliging local government policy. Uddevalla-future city with a long history.<sup>2</sup>

The Economic Democracy Report emphasised that the Metalworkers’ Union had a strong position in the city’s political life. The chairman was a member of Stadsfullmäktige between 1959 and 1971. The social democratic chairman of the local branch was also vice chairman in the union at the shipyard and became later also chairman.<sup>3</sup> The crises over the years forced different groups of employees to cooperate in order to save the company. This led to a strong sense of solidarity, founded on the mutual goal of keeping the company alive as a workplace. The alternative employment possibilities in the city for the major part of the employees were small.<sup>4</sup>

A local committee had made a journey to Borås and Jönköping to study how those cities managed their business issues. The committee had moreover had discussions with representatives for business in Uddevalla. The largest moving out of people had gone to Göteborg and other industrial towns. The explanation for this seemed to be labour market reasons. The committee had therefore focused on the municipality’s possibilities of widening its labour market. The leading industry in Uddevalla demanded labour. Uddevalla was well prepared for a business expansion.

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<sup>1</sup> Stadsfullmäktige 1969. Minutes 16 December.

<sup>2</sup> *Bohusläningen* 28 May 1969. Special edition, p. 6.

<sup>3</sup> Företagsdemokratidelegationen [The Economic Democracy Group] and Utvecklingsgruppen [The Development Group] vid Uddevallavarvet AB 1971. *Uddevallarapporten*, p. 70.

<sup>4</sup> Företagsdemokratidelegationen and Utvecklingsgruppen vid Uddevallavarvet AB (1971) p. 238.



The real-estate office had constant contacts with companies and institutions on issues about establishments in Uddevalla. Business contacts were taken place also in the port office as a consequence of the port business. Business representatives had wished for forms of consultation with the municipality and for channels for the handling of specific business issues within the municipality. Kommunfullmäktige had decided to appoint an information secretary. To establish business contacts it was necessary to spread information about the municipality.<sup>1</sup>

In 1975 the municipality had set up Näringslivskontoret [The Economic Development Office] to work with business related issues. In 1976, during a visit to AMS in Stockholm, Näringslivskontoret reported on a deteriorated situation for Uddevalla. During the last ten years, the post-war expansion had changed into stagnation. A few businesses dominated and problems within the basic industry in the municipality and region had repercussions on purchasing power and also on the locally and regionally based businesses, for example trade. A decreasing mobility of people to Uddevalla also gave rise to long-term affects on building and construction for the municipality. Trade and industry were badly differentiated. The regional policy had led to Uddevalla, Vänersborg and Trollhättan becoming primary centres. These primary centres had, however, not got any relocation of government authorities and not any university education. Against this background an active government support was justified.<sup>2</sup>

In the end of 1976 Kommunfullmäktige reported that a comparatively large number of industrial sites had been sold in industrial areas. The municipality's production of industrial premises for letting out to smaller companies had continued and further production was planned. Business' interests in establishments and further development was of course very positive for the municipality, especially considering the recession they were still in.<sup>3</sup>

When the ready made clothing company Magna was threatened by a close-down in the autumn 1977, a local politician argued in the Riksdag that Uddevalla had always been a textile town and if the government had helped the company a little sooner it would have been in an entirely different situation.<sup>4</sup> The newspaper *Bohusläningen* concluded that the government had a specific responsibility for the employment in northern Bohuslän. And the government had to use a new grip. The responsibility was based on protection interests in the coastal area. The Bohuslän

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<sup>1</sup> Kommunfullmäktige [Local Council] Documents 1972. Utredning med anledning av motion om uppdrag åt kommunstyrelsen att föreslå åtgärder för en sysselsättningsutveckling motsvarande blockplanens målsättning [Investigation Regarding a Motion Missioning the Municipal Executive Board to Suggest Efforts on Employment Development Corresponding the Bloc Plan's Objectives], 23 November.

<sup>2</sup> Kommunstyrelsen 1976. Näringslivskontoret [The Economic Development Office] Memo 15 September.

<sup>3</sup> Kommunfullmäktige 1976. Minutes 14 December.

<sup>4</sup> Riksdag Debate 1977: No. 17, 27 October. Om åtgärder för att trygga sysselsättningen vid Magna Konfektion i Uddevalla [Regarding Measures to Secure Employment at Magna Ready-made Clothing Company in Uddevalla], pp. 17-19.

crisis was not of yesterday. First, it was the stone industry, second fishing, third, the shipyard and fourth the textile and clothing industry.<sup>1</sup>

In 1977 the municipality argued in its promotion that:

Uddevalla's distinctiveness is the closeness to the coast with possibilities for swimming and boat sports. The unique thing with Uddevalla is also that the municipality through the archipelago lies a bit inland and in the outskirts of a large wild region [...] Uddevalla also has excellent communications with the motorway E4 and railway connections. People in Uddevalla have been used to dramatic business cycles and employment fluctuation during the whole 'Swedish period'. Much of the work in the municipality and its predecessor has started with needs for stabilising employment and that is also the case today [...] The employment problems in northern Bohuslän and on the west coast have led to a changed attitude from AMS. Applications for location loans, contributions, education etc. will be, according to talks with AMS, tried in a positive spirit due to the new situation on the west Swedish labour market. Uddevalla is a city, which the government will support owing to regional and labour market reasons.<sup>2</sup>

An advertisement emphasised the following things Uddevalla offered: an active business policy, a good supply of labour, all-round company service, shipyard town, the all round year port, service centre. The office also put forward different companies such as the shipyard, Nordverk, the textile company Tiger, the Mattson companies, the Juno company, and companies within the food industry.<sup>3</sup>

Similar to the actions in Blekinge, a crisis delegation for the Uddevalla-Lysekil region was appointed to analyse future efforts. The County Administrative Board was interested in developing the region into a transport centre. This vulnerable region was seen as being in a unique position, having the means at hand and straightforward possibilities of establishing new job opportunities. Very few regions in the country had found themselves in such 'a fortunate position'. But in order to do that it was time for co-operation and forward-looking efforts.<sup>4</sup>

In the beginning of the decade Kommunfullmäktige had decided on several large real estate and land barter, which formed part of the municipality's long-term planning for business and employment. The purpose was also to create good prerequisites for established and new companies, for example an agreement with Etri fönster (the former Junohus). During the year there had been an increased interest in

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<sup>1</sup> *Bohusläningen* 3 December 1977. Editorial.

<sup>2</sup> Kommunstyrelsen. Näringslivskontoret 1976. Något om Uddevalla [Something about Uddevalla] Information material. Undated.

<sup>3</sup> Kommunstyrelsen. Näringslivskontoret 1977. Reklamansökan för Uddevalla [Advertisement for Uddevalla] Undated.

<sup>4</sup> *Bohusläningen* 18 November 1978. Editorial.

new establishments from small and medium sized companies. The industrial areas Fröland and Dyrsten had attracted the companies' interest.<sup>1</sup>

In 1981 Kommunfullmäktige reported that information on company crises with closing-downs or reductions in business had been pouring closely. The companies in the municipality coped relatively well. The shipyard had, happily, in hard competition managed to supply its order portfolio of new ship orders, which would secure employment into 1983.<sup>2</sup>

### **Concluding Remarks**

We recognise the support and non-support discourses in the shipyard board: should the shipyard carry on its activities or not? The discourses again reflected the relationship between Göteborg and Uddevalla. The government postponed a decision on the shipyard's future and made up the capital deficiency, assuming that the industry would recover. In connection with the nationalisation of the shipyard the local newspaper argued that none could question the shipyard's existence any longer. The progress discourse still emphasised that 'one could look bright on the future', people had a 'calm confidence' and there was a 'positive spirit among the shipyard's staff'. The managing director also had 'belief in the future'. In the promotion Uddevalla was described as a town 'well provided for', and 'on the alert'. The city had 'excellent communications'. The city was actually promoting the fact that AMS had promised that applications for location loans would be 'tried in a positive spirit'. This reflects the significance of AMS in the regional policy at the time. A faith in social-democratic governments was also reflected in the statement 'the only guarantee for a continued shipyard industry in this country is a social democratic government in 1982'.

It is notable that politicians after the first discussion in the 1930s finally decided to establish an economic development office. The municipality continued its previous support policy for example when buying some premises in order to save a company in financial trouble. Industrial sites were also exploited.

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<sup>1</sup> Kommunfullmäktige 1980. Minutes 16 December.

<sup>2</sup> Kommunfullmäktige 1981. Minutes 15 December.



## VI

# Local Mobilisation

Urban governance arrangements are not solely about the emergence of coalitions with power to achieve certain ends. They also reflect the power that central government continues to exercise over local arrangements (Healey et al. 1998, cited in Kearns and Turok 2000, p. 178).

THIS CHAPTER begins in 1982 when the government launched its bill emphasising decentralisation of the regional policy. The chapter ends in 1990 before the large economic recession. During the 1980s, the decentralisation discourse in regional policy issues was accentuated. This can be explained first, by the industry's structural crisis and a changing attitude within the Ministry of Industry towards these issues. Second, the national budget crisis put a stop to extensive government support. Local solutions and local mobilisation became the new industrial political strategy. The decentralisation of regional policy measures was discerned in many Western countries during the 1980s.<sup>1</sup>

### Official Reports and Riksdag Debates

In the government bill of 1982, the Minister of Industry Åsling, argued that the growth in the Swedish economy was considerably lower than during the 1960s and the beginning of the 1970s. Regional policy could not to the same extent be about a redistribution of the activities between the country's different parts. The regional policy work had to be focused on initiating and supporting re-creating of new ideas and new firms as well as *developing the already existing business in the regions*. The regional influence and responsibility for the regional policy support should be strengthened.<sup>2</sup> The city planning should be abolished as instrument in the regional policy. Pierre argues that a problem in this context was that the regulations covering the municipalities' competence did not change. The government did not give the municipalities increased legal resources for the local mobilisation.<sup>3</sup>

The decentralisation issue was debated in the following Riksdag debate on the regional policy. A social democrat argued that the government still had to take full responsibility for the regional development and planning. Another social democrat argued that if the regional policy should be successful the employment policy as a

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<sup>1</sup> Oinas (1991) p. 10.

<sup>2</sup> Government Bill 1981/82: No. 113. Om program för regional utveckling och resurshållning [On a Programme for Regional Development and Resource Management] pp. 8-9 and p.128. My emphasis.

<sup>3</sup> Jon Pierre 1991. Kommunernas näringspolitik. In Jon Pierre (ed.) *Självstyrelse och omvärldsberoende*, p. 125.

whole had to be successful. The lack of resources on the local level was also criticised.<sup>1</sup>

At this point in time there were some forty different bodies providing services or financial support to companies. The most important were: *Statens industridepartement (SIND)* [the Government's Industrial Department], *Styrelsen för teknisk utveckling (STU)* [the Board for Technical Development], *Sveriges exportråd* [Sweden's export council], *Sveriges investeringsbank* [Sweden's investment bank], AMS, and the regional development funds.<sup>2</sup> SIND carried out an investigation in the beginning of the 1980s, which clearly demonstrated the confusion around the new policies: 'This book is about decentralised industry policy built on local initiatives. The meaning of this is unclear, as well as what actually can be said to be part of the industry policy as a whole'.<sup>3</sup>

In connection with the improved business cycle after 1982 there was a quick de-escalation of the industry support, primarily due to shipyard closing-downs. An important reason for this was the combination of financial problems for the state together with a growing budget deficit and a decreasing need for support.<sup>4</sup> But support in some form was still on the agenda. There was a shift from giving support to crisis companies, to crisis regions, mainly in the form of venture capital. The Uddevalla support package became the first example.

Part of the strategy was that companies showing red numbers should not get government support. The government's role was to develop infrastructure, support R&D, and facilitate restructuring by different types of labour market political measures and work for a regional balance. This new government industrial policy presupposed to a great extent an active municipal business policy.<sup>5</sup> The business policy was also characterised by a large number of social experiments such as local investment companies.<sup>6</sup> The concept local mobilisation increased in popularity. It included activities such as 'start-your-own-business', the pursuit for new ideas, information campaigns, local exhibitions, study circles, and cultural activities.<sup>7</sup>

Regional authorities, county councils and municipalities were expected to take a larger responsibility for the development of business and employment. The contact net between the business policy actors became more fine-meshed. At the same time, these actors seemed to be much more active than before.<sup>8</sup> Henning describes some

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<sup>1</sup> Mr. Nilsson, Ms. Leijon and Ms. Ståhlberg (Social Democrats) in Riksdag Debate 1982: No. 170, 8 June. Regionalpolitik [Regional Policy], pp.40-81.

<sup>2</sup> Statens industriverk (Sind)1982: No. 7. *Lokal samverkan-fördelar för näringsliv och kommun? Erfarenheter från en decentraliserad industripolitik byggd på lokala initiativ [Local collaboration-advantages for business and municipalities.Experiences from a decentralised industrial policy based on local initiatives]*

<sup>3</sup> Sind (1982) p. 8.

<sup>4</sup> Hansson and Lundberg (1995) p. 167.

<sup>5</sup> Jon Pierre (1992) pp.41-46, and Henning (1987) p. 51.

<sup>6</sup> Henning (1987) p. 53.

<sup>7</sup> Henning (1987) p. 20.

<sup>8</sup> Henning (1987) p. 68.

of the strategies pursued by local and regional actors, for example local buying, and efforts at establishing technical centres.<sup>1</sup> Decentralisation became an issue for all parties. The government often welcomed local initiatives but could more seldom give material support to turn the development in the crisis-affected municipalities around.<sup>2</sup> Thus, the government policy led to a larger scope for local politics, at least in theory, and enhanced promotional activities. However, the government granted support packages to both Karlskrona and Uddevalla. These packages contained support to individual companies.

In the middle of the 1980s a regional committee was set up to investigate the regional political support for business. The directive emphasised that the general prerequisites for the regional policy had changed considerably during the 1970s. This was the same policy as the Minister of Industry advocated. The growth in the economy had decreased and the industry's investments had changed character. A considerable weight was put on education and research as resources of improving infrastructure in different regions. Other issues for the committee were to investigate the possibilities to remove the differences between the industry and regional policy. The committee was also to account for how the activities could be carried out to a 20 per cent lower cost.<sup>3</sup> The primary purpose with the regional policy was to ensure in broad terms the current geographical distribution of the country's population. However, there was no aim for the full maintenance of the current population pattern.<sup>4</sup>

In the government bill of 1985 the Minister of Industry, Thage G. Peterson, agreed with the committee's opinions. The goal of the regional policy was to give people in the country access to work, services and a good environment. A regional equalization of employment possibilities was also seen as important for equality. The existing social capital could be used effectively if there were no fast and comprehensive population redistributions. Such a development was seen as positive, since it promoted the *stability* in social relations and decreased the risk for *involuntary* transfers. The means for achieving this were: regional policy planning in general, location support, employment support, reduced social charges, support to sparsely-populated areas, and transport support. It was also emphasised that the counties should be given increased means for regional development.<sup>5</sup>

In the following Riksdag debate a member of the Conservative Party argued that a consistent economic policy was the basis for the development of different parts of

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<sup>1</sup> Henning (1987) pp. 73-74.

<sup>2</sup> For these tendencies, see for example Sune Berger and Leif Melin 1982. *Lokala strategier för att möta strukturförändringar*, Nils Brunsson and Bengt Johannisson 1983. *Lokal mobilisering. Om industriens kommunalpolitik och kommuners industripolitik*, Ingemar Elander, Stig-Arne Nohrstedt and Björn Söderfeldt 1985. *Erfarenheter, medvetande och handlande. Alternativrörelser och praktiker i 80-talets Sverige*.

<sup>3</sup> SOU 1984: No. 74. *Regional utveckling och mellanregional utjämning* [Regional Development and Equalization between Regions] pp. 13-14.

<sup>4</sup> SOU 1984:74. p. 15.

<sup>5</sup> Government Bill 1984/85: No. 115. Om regionalpolitiken [On the Regional Policy] p. 15. Emphasis added.

the country. But decentralisation was basically the most important issue. A member of the Centre Party argued for a radical decentralisation policy. A social democrat argued that a successful regional policy could not be built only on central financial systems. The regions' *natural prerequisites* had to be developed through local and regional initiatives.<sup>1</sup>

In research, the economic and geographical perspectives were extended and researchers from business administration, sociology and political science began to take an interest in local economic development issues. Elander argued in 1985 that many researchers choose to ally with municipalities, unions and other local interested parties to develop local strategies. During this time Silicon Valley and the Swedish Gnosjö region were put forward as role models of local economic development. The government was to bring about a 'local creativity' through various technology and R&D policies.<sup>2</sup> During the 1980s, technology diffusion on a regional level and the establishment of regional university colleges became two important parts of the regional policy. Regional technology parks were established and the decentralisation of the university education continued.

Elander has discerned two social democratic strategies at the time: 1. Economic policy should bridge over the [structural] crisis. 2. Local politicians should create local mobilisation. He characterizes this local mobilisation as 'a decentralised Swedish model'.<sup>3</sup> However, as we have seen before local co-operation in these kinds of issues was not a particular 'new' feature.

In the government bill of 1990 on the regional policy, the Minister of Industry, Rune Molin, argued that regions' *distinctive characters and specialities* had to be taken care of to make the interplay work between different regions. We recognise this emphasis on the regional prerequisites from the middle of the 1980s. The regional policy should be built on local mobilisation and a decentralised decision-making structure. The regional policy should be focused on measures to facilitate the situation in the worst affected regions. The Minister was referring to what was going on in other European countries:

The shift in the regional policy from industrial support to infrastructure and decentralisation is in line with the development [...] in the Nordic and most of the West European countries in general.<sup>4</sup>

The regional policy debate in the Riksdag was characterised by this decentralisation discourse. A member of the Conservative Party argued that regional policy in the old sense of the word, that is industry support, was less important. A member of the

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<sup>1</sup> Mr. Högmark (the Conservative Party), Mr. Eriksson (the Center Party), Ms. Stålberg (the Social Democratic Party) in Riksdag debate 1985: No. 155, 10 May. Om regionalpolitiken [On the Regional Policy], pp. 22-76. Emphasis added.

<sup>2</sup> Ingemar Elander 1985. Decentralisering på gott och ont. In *Tiden 2*, pp. 106-107.

<sup>3</sup> Elander (1985) pp. 109-111.

<sup>4</sup> Government Bill 1989/90: No.76. Om regionalpolitik för 90-talet [Regional policy for the 1990s] pp. 20-44.



Liberal Party argued that regional policy should build on people's power of initiatives and creative forces.<sup>1</sup>

### **Concluding Remarks**

During the 1980s the local mobilisation discourse emphasising already existing business and regional prerequisites proceeded. The government began to welcome local initiatives, which previously had been rejected. It is difficult to assess how much real competence the government delegated. The breakthrough for the decentralisation policy could be seen as a way of giving the municipalities the responsibility for parts of the business development, however, to a limited extent. The financial situation for the state should be seen as a reason for the change of discourse. Thus, the government was disclaiming responsibility for the local economic development by emphasising the importance of socially positive features in the local milieu in generating development. The discourse dealt with concepts such as local mobilisation and municipal business policy. If business development was perceived as a matter of 'local skills', then the government could keep away from the local arena. However, in practice, government support was still granted to for example Uddevalla and Blekinge, as we will see in the next sections.

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<sup>1</sup> M. Högmark (the Conservative Party) and Ms. Branting (the Liberal Party) in Riksdag Debate 1989/90: No. 138, 11 June 1990. Regionalpolitik för 90-talet [Regional Policy for the 1990s], p. 9.

## Discourse and Political Practice in Karlskrona 1982-1989

### Debates on the Shipyard

As we have seen earlier the government's responsibility in the discussions around Karlskrona shipyard is a recurring theme. In the 1983 government bill it was emphasised as important that the government ensured the shipyard a reasonable capacity.<sup>1</sup>

In September 1987 Kommunstyrelsen called on the Minister of Industry, Thage G. Petersson. The shipyard management gathered information for the Committee of Defence.<sup>2</sup> The Riksdag debates on the Karlskrona shipyard evolved around statements such as: 'a district long struck by unemployment'.<sup>3</sup> The government had 'a large responsibility' for the shipyard and for the employment situation, not least in view of the fact that the shipyard was situated in a neighbourhood with employment problems, signifying Blekinge.<sup>4</sup> All interested in politics had a responsibility for Karlskrona and the shipyard. Karlskrona was perceived as the most vulnerable city in Sweden at the time.<sup>5</sup> The Minister of Industry argued that the defence authorities and the shipyard's management had a common responsibility for that the negative effects of a downswing in production were kept down.<sup>6</sup> The Minister of Defence argued that it was the board of the shipyard and Svenska Varv that had a responsibility in this question.<sup>7</sup>

In the subsequent debate the Minister of Industry argued that it was important, both from a defence policy and regional policy view that the future for Karlskrona shipyard was secured. However, he wanted to emphasise that this was not an easy task.<sup>8</sup> A member of the Conservative Party argued that it was important from a security policy view to keep this naval shipyard. This was especially true since there had been, for a long time, as everyone knew, submarine violations against the country.<sup>9</sup> Another member of the same party also argued that the government had an obligation to direct new jobs to Karlskrona.<sup>10</sup> The reasoning was somewhat contradictory: 250 employees were to leave the company and another 350 risked dismissal

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<sup>1</sup> Riksdag Debate 1986/87: No. 105, 9 April 1987. Om verksamheten vid Karlskronavarvet [The Karlskrona Shipyard's Activities], p. 35.

<sup>2</sup> Norberg (1993) p.178.

<sup>3</sup> Riksdag Minutes 1986/87: No. 130, 25 May 1987. Svar på fråga om Karlskronavarvet [Answer to Question at the Karlskrona Shipyard], p. 34.

<sup>4</sup> Riksdag Minutes 1986/87:130. p. 35.

<sup>5</sup> Riksdag Debate 1986/87: No.105, 9 April 1987. Svar på fråga om verksamheten vid Karlskronavarvet [Answer to Question on the Activities at Karlskrona Shipyard] p. 35.

<sup>6</sup> Riksdag Debate 1986/87:105. p.36.

<sup>7</sup> Riksdag Minutes 1986/87:130. p. 37.

<sup>8</sup> Riksdag Debate 1987/88: No. 10, 20 October 1987. Om verksamheten vid Karlskronavarvet [The Karlskrona Shipyard's Activities], p. 81.

<sup>9</sup> Riksdag Debate 1987/88:10. p. 82.

<sup>10</sup> Riksdag Debate 1987/88: No. 38, 4 December 1987. Om lokaliseringen av den nya kustbevakningen [Location of the New Coast Guard], p. 52.

if the shipyard did not get new orders. This insecurity had led to the employees *quitting* their jobs and therefore the competence level was at risk.<sup>1</sup>

### Local and Regional Political Practices

In January 1982, as part of the decentralisation wave, the County Administrative Board, the County Council and the five municipalities of the county created *Länsnäringslivsdelegation* [the County Business Delegation]. It focused on economic policy and structural issues, co-operation between industry and university education, business development, marketing, and specific efforts in the industries.<sup>2</sup> In March *Sydöstran* reported on a ‘charged’ conference in Blekinge. The future for Blekinge was in the melting pot due to the automatisisation of large business, the restructuring of the defence, and the business cycle recession.<sup>3</sup> The previous population discourse got another theme: *Blekinge Läns Tidning* argued that Blekinge was ‘bleeding to death’.<sup>4</sup>

In the middle of the 1980s, several members of the Riksdag proposed motions aiming at solving Blekinge’s problems. Some argued that the government together with the municipalities and trade and business should establish a Blekinge support package to stimulate trade and business, stop migration and give back to the Blekinge County the possibilities to develop.<sup>5</sup> Others argued that an experiment should be done in Blekinge with apprentice salaries in order to solve youth unemployment.<sup>6</sup> A motion proposed an employment delegation for Blekinge and a statement from the Riksdag that regional political means should be given in order to locate university education in Blekinge.<sup>7</sup> All these motions were, however, rejected.<sup>8</sup>

#### *Place Promotion*

In connection with the 300 year jubilee the municipality coined a new slogan: *Karlskrona med vind i seglen* [Karlskrona with a fair wind]. A network focusing on promotion and Karlskrona’s interests was established. It all came down to lobbying on the central level.<sup>9</sup> Despite receding population and the difficulties caused by the government, Karlskrona had been able to live up to its motto ‘with a fair wind’.<sup>10</sup> This slogan was referred to when the year 1983 was summarised in *Sydöstran*. 1983

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<sup>1</sup> Riksdag Debate 1987/88: No. 62, 4 February 1988. Om verksamheten vid Karlskronavarvet [The Karlskrona Shipyard’s Activities], p. 76. Emphasis added.

<sup>2</sup> Länsstyrelsen [the County Administrative Board] 1985. *Länsrapport*, p. 39.

<sup>3</sup> *Sydöstran* 27 March 1982. Editorial.

<sup>4</sup> *Blekinge Läns Tidning* 8 September 1982, p. 2.

<sup>5</sup> Motion 1985/86 A 453, Motion 1985/86 A413.

<sup>6</sup> Motion 1985/86 A 419.

<sup>7</sup> Motion 1985/86 A 469.

<sup>8</sup> Arbetsmarknadsutskottet [The Labour Market Committee] 1985/86: No. 13, p. 91.

<sup>9</sup> *Sydöstran* 23 September 1982. Spindelnätet som säljer Karlskrona [The spider web that markets Karlskrona], p.6.

<sup>10</sup> *Sydöstran* 15 September 1982, Editorial. Med vind i seglen [With a fair wind].

had been a successful year: In practically all situations the motto ‘with a fair wind’ had been a success.<sup>1</sup>

In January 1986 trade and business in Blekinge conducted a national media campaign to attract attention to the structural problems. The campaign was also directed towards the Blekinge inhabitants to give them a better collective confidence.<sup>2</sup> One of the newspapers started a conference called ‘Blekinge and the future’, at which people said they had to manage on their own.<sup>3</sup> In September, the Social Democrats and the Workers’ Educational Association (ABF) started a study circle, ‘Blekinge in our hearts’, dealing with the problems and starting in: the crisis can be solved from within. The course was not only aiming to increase the understanding of the crisis but also to open everybody’s eyes for the extensive and many-sided work conducted in order to turn the development.<sup>4</sup>

According to the County Administrative Board, Blekinge had come out of a crisis in 1984.<sup>5</sup> In 1984 and 1986 the employment office advertised in the business magazine *Dagens Industri*, asking ‘När blir Du en av oss i Blekinge?’ [When will you become one of us in Blekinge?]. The advertisement continued to say that Blekinge had the right environment and urged the reader:

Live better. Live cheaper. Near work. By the sea. In the woods. In a larger city. In a smaller city. In the countryside. Shorter day-care queues. Closer to the continent. Better environment. More air. Better spare time. More golfing. Funnier fishing. More beautiful archipelago. Kinder people.<sup>6</sup>

## Central Political Practice

### *The Blekinge Support Package*

During the 1980s the local debate mostly evolved around Blekinge’s economic problems. The previous population and government responsibility discourses were still maintained: The labour market in Blekinge could only be compared to the situation in Norrland and Karlskrona had been maltreated for about thirty years by the government authorities.<sup>7</sup> In *Blekinge Läns Tidning’s* stock-taking of the situation in 1984, the image was mainly gloomy. It did not matter which political affiliation was in office since Blekinge had been treated badly by everyone ever since the 1950s. Sometimes one hoped that someone would come and touch the province with a magic wand to make it bloom again.<sup>8</sup>

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<sup>1</sup> *Sydöstran* 2 January 1984. Editorial. Vind i seglen [A fair wind].

<sup>2</sup> *Blekinge Läns Tidning* 31 January 1986.

<sup>3</sup> *Blekinge Läns Tidning* 11 March 1986.

<sup>4</sup> Erik Persson 1986. *Blekinge i våra hjärtan*, p. 6.

<sup>5</sup> Länsstyrelsen 1984. *Industriprogram*, p. 3.

<sup>6</sup> Advertisement in *Dagens Industri* 5 December 1984, p. 3.

<sup>7</sup> *Blekinge Läns Tidning* 13 November 1982. Editorial.

<sup>8</sup> *Blekinge Läns Tidning* 13 January 1984. Editorial: Dystert i Blekinge [Gloomy in Blekinge], *Blekinge Läns Tidning* 17 January 1984: Det glömda Blekinge [The Forgotten Blekinge].

In 1986 the newspapers continued to discuss the awkward situation for some of the region's cities. Karlskrona and Ronneby ought to become special areas due to depopulation and difficulties for business.<sup>1</sup> Local politicians proposed a motion including a stimulation package for economic development.<sup>2</sup> *Sydöstran* reported that unemployment was as high as in Norrland. Naturally, municipalities and business in Blekinge had to stand on their own feet, but the situation demanded government help in order to turn the development around. Justice demanded that the government did a regional policy effort in Blekinge, to compensate for the 1700 public jobs that had disappeared during the last ten years.<sup>3</sup> The social-democratic newspaper went on with these negative articles, on for example the population decrease. It argued that the trend had to be broken, and asked: what does the government do?<sup>4</sup> A local social-democrat also emphasised that 'a forceful government commitment' was needed to be able to cure the regional imbalance.<sup>5</sup>

*Blekinge Läns Tidning* argued, however, that now they had to put trust in themselves and by united efforts develop Blekinge.<sup>6</sup> The newspaper blamed the different Social Democratic governments over the years for the bad development.<sup>7</sup> The newspaper concluded that the government continued to portion out money to crisis-affected regions: Uddevalla, Bergslagen and Malmö had got their packages.<sup>8</sup> And yet the government had stated that there would be no package, just as it had said about Uddevalla. Malmö got the car factory that Karlskrona wanted.<sup>9</sup> The statement from 1982 recurred in 1986 when the County Labour Board Director, Börje Jönsson, declared that: 'Blekinge is bleeding to death'.<sup>10</sup>

Finally, the Minister of Industry, Thage G. Petersson, came to Blekinge. First he gave Blekinge a good talking-to and said that it was dangerous to pursue the crisis argument too far. Then he presented a package, which contained: Location support to three future projects and the creation of a regional investment company of 20 million kronor, which would increase with 15 million if trade and business in Blekinge contributed with the same amount.<sup>11</sup>

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<sup>1</sup> *Blekinge Läns Tidning* 4 January 1986.

<sup>2</sup> *Blekinge Läns Tidning* 25 January 1986.

<sup>3</sup> *Sydöstran* 2 January, 1986. Editorial.

<sup>4</sup> *Sydöstran* 23 January 1986, p.15, 27 January 1986, p. 1: Flykten fortsätter [The flight continues] 3 February 1986, p. 2: När ska TV göra ett Blekingeprogram? [When will the television do a programme about Blekinge?], 7 February, p. 2: Kraftinsats i Malmö – vad får Blekinge? [Powerful measures in Malmö – what does Blekinge get?], 11 February 11, p. 2: Nu måste trenden i Blekinge brytas [The trend in Blekinge must be broken], 14 February, p. 2: Vad vill regeringen göra för Blekinge? [What does the Government intend to do for Blekinge?]

<sup>5</sup> Persson (1986) p. 24.

<sup>6</sup> *Blekinge Läns Tidning* 6 February 1986. Editorial.

<sup>7</sup> *Blekinge Läns Tidning* 18 February 1986. Editorial.

<sup>8</sup> *Blekinge Läns Tidning* 15 February 1986. Editorial.

<sup>9</sup> *Blekinge Läns Tidning* 18 February 1986. Editorial.

<sup>10</sup> *Blekinge Läns Tidning* 22 February 1986. Population decreased between 1980 and 1985 with 2 per cent. In Karlskrona the decrease was 1 per cent (www.scb.se). Between 1985 and 1990 the decrease in Karlskrona was less than 1 per cent.

<sup>11</sup> Länsstyrelsen 1986. *Länsrapport*, p. 6.

In a Riksdag debate it was argued that the reason for Karlskrona's bad situation was that firms did not think in terms of regional policy. The other large culprit was the government. It had during the whole post-war period cut down the state-owned business in Karlskrona, not only in the military area but also in all conceivable areas.<sup>1</sup> It was argued that Blekinge was 'bleeding to death'. Here the old demand that the government had to take its responsibility was brought up again.<sup>2</sup> However, the Blekinge package aroused expectations for the future. The optimism had returned.<sup>3</sup>

*Blekinge Läns Tidning* argued that it should not be called a support package but 'important stimulants'. Many people thought that the support was a disappointment. But the newspaper argued that the Minister of Industry was right. It was the people in Blekinge who themselves had the main responsibility for the County and its future.<sup>4</sup> The non-socialist politicians in Blekinge argued that they had expected 'acute help'.<sup>5</sup> *Sydöstran* emphasised that 'without doubt this was a good programme'. It showed that the government cared about Blekinge, which indeed the non-socialist government did not do.<sup>6</sup>

A year later *Blekinge Läns Tidning* concluded that the package had paid off. It had resulted in perhaps 100 new jobs, money for university positions, roads, new premises for industries, new technology centres.<sup>7</sup> The editorial said that the Blekinge package was probably better than its reputation. It seemed as if the package had paved the way for a change of attitude in the regional policy and in the local efforts. Thage G. Petersson had begun to plead for something that might be called local mobilisation.<sup>8</sup>

In 1987 the municipality's business director concluded that the labour market situation was the best during the whole 1980s.<sup>9</sup> The union also argued that the situation had improved. The year had been characterised by certain optimism. The companies had also begun to employ young people.<sup>10</sup> This development continued during 1988. A threatening cloud occurred when Ericsson wanted to transfer the manufacturing of phones abroad, thereby affecting 500 employees.<sup>11</sup> The government was called upon and a torchlight procession took place as well as sit-down strikes at the workplace.<sup>12</sup>

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<sup>1</sup> Riksdag Debate 1986/87: No. 128. Regionalpolitiken, p. 8 [The Regional Policy].

<sup>2</sup> Conservative member in Riksdag debate 1986/87:128, pp. 5-6.

<sup>3</sup> Conservative member in Riksdag debate 1986/87:128, p. 7.

<sup>4</sup> *Blekinge Läns Tidning* 12 September 1986, p. 2.

<sup>5</sup> *Blekinge Läns Tidning* 12 September 1986, p. 4.

<sup>6</sup> *Sydöstran* 12 September 1986. Editorial.

<sup>7</sup> *Blekinge Läns Tidning* 3 September 1987, p.1.

<sup>8</sup> *Blekinge Läns Tidning* 4 September 1987, p. 2.

<sup>9</sup> Kommunstyrelsen 1987. Minutes. Näringslivsfrågor [Economic Development Issues], 13 November.

<sup>10</sup> The Local Metalworkers' Union 1987. *Annual Report 1987*.

<sup>11</sup> The Local Metalworkers' Union 1988. *Annual Report 1988*.

<sup>12</sup> The Local Metalworkers' Union 1988. Minutes 11 November.

### *Decentralisation of University Education*

An important part of the 1970s decentralisation was the establishment of several regional university colleges. This continued in the 1980s. In the academic year 1985/86 a local course was arranged: electronics with computer specialisation. Since 1977/78 (the university college reform) approximately 80 individual courses had been given in Blekinge. In the middle of the 1980s the issue of a permanent university education in Blekinge was treated in the Educational Committee. A motion called for a government decision on a university college in Blekinge. But the Educational Committee responded that since a local electronics education would begin in Blekinge in the autumn of 1985, as part of a state and industrial strategy to provide Blekinge with qualified knowledge in the electronics area, the motion was rejected.<sup>1</sup> Another motion declared that the lack of a university college was a serious threat to a balanced regional development and special measures had to be taken.<sup>2</sup> The Committee, however, argued that it was up to the local and regional university authorities to decide upon the location of education. It was also up to the regional board to work for an allocation of university education in order to satisfy parts of the region. The Riksdag should not express itself on the efforts presented in the motion. The motion was therefore rejected.<sup>3</sup>

The government bill of 1986/87, however, proposed a continued decentralisation of the university system. The bill stated that an investigation should be carried out on the possibilities of a university education in Blekinge from 1988/89.<sup>4</sup> The Educational Committee argued that an unbiased investigation should be carried out on future university education in Gotland, Blekinge, in the Uddevalla region and in the south of Stockholm.<sup>5</sup>

In the following investigation it was stated that due to the disadvantageous business structure, the lack of a University College and in order to facilitate technology and knowledge diffusion, a number of technology and resource centres had been established. These measures were characterised by the County Administrative Board as 'local mobilisation'.<sup>6</sup>

In the middle of the 1980s there was a debate both on the government level and at local level on the design and adaptation of an engineering centre. The Conservative Party was very sceptical but the Social Democratic majority decided to go through with the project despite the difference of meaning in *Kommunfullmäktige*.<sup>7</sup>

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<sup>1</sup> Utbildningsutskottet [The Education Committee] 1984/85: No. 24.

<sup>2</sup> Motion 1985/86 Ub 611.

<sup>3</sup> Utbildningsutskottet 1985/86: No. 26. Frågan om högskoleutbildning i Blekinge län [The Issue of University Education in Blekinge County].

<sup>4</sup> Government Bill 1986/87: No. 127.

<sup>5</sup> Utbildningsutskottet 1987: No. 31 Om organisation av viss högskoleutbildning [The Organisation of Certain University Education].

<sup>6</sup> Ds 1987: No. 11. *Utredning om utbyggd högskoleutbildning i Gotlands och Blekinge län samt i Fyrstadsområdet och södra delen av Stockholms län. Delbetänkande*, p. 66.

<sup>7</sup> Eric Giertz and Göran Reitberger 1989. *Uppföljning och utvärdering av teknikcentra*, pp. 66-70.

Giertz and Reitberger argue that when it became apparent that there was a possibility of government location support for technological centres there was a race between different municipalities. Karlskrona was the first and in February 1985 *Verkstadstekniskt centrum, VTC-SYD* [the Mechanical Engineering Centre] was created. The centre was eventually localised in Verkö in immediate connection to Uddcomb. VTC-SYD got a computer-controlled five-bladed multi-operated machine, a computerised co-ordinated measuring instrument and a few workstations for CAD-construction.<sup>1</sup> When the activities started there was good reason to believe in significant demand from the business in the region. But as was the case at several other similar technological centres reality did not fulfil the expectations. The markets real demand turned out to be much lower than expected.<sup>2</sup> During the projecting of the engineering school at Verkö (university college or five-year high school), VTC-SYD had to be wound up. Despite the municipality's economic support it did not pay its way.<sup>3</sup>

In 1989 the evaluators concluded that the advanced machine park had, together with the demands for self-financing, turned out to be something of a millstone for VTC and its management. Despite the large location contribution granted the activities ran at a loss. The economic demands affected the activities to a large extent. But a 'hidden' agenda behind the creation of the technological centre was realised; an establishment of a regional university college.<sup>4</sup>

The local government commissioner argued that the reasons for the failure of VTC Syd was that the money applied for turnover assets, marketing and product development was not granted. This meant that the centre did not get any operation support. In addition, less than half of the demanded support for acquisition of machines was granted. The production machines became too cost demanding when the expected purchases by commissioned education, consulting, and production did not occur. Technological diffusion through education, subcontracting and own production worked very well but had a bad economic outcome. The local councillor also stated that technological diffusion of high technological products based on expensive equipment always implied an economic sacrifice. It was also understood that the centre as a diffuser of technological knowledge and experience had been successful. The establishment of the University College was one example.<sup>5</sup> And the centre was also mentioned in the government motion on the establishment.<sup>6</sup> Apart from VTC Syd and the electronics centre in Svängsta, several other centres were established in Blekinge, for example the Technology Centre in Olofström and the Soft Center in Ronneby. The County Administrative Board stated that the gathered experience from the projects was that these centres were of strategic importance for

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<sup>1</sup> Hansson (1993) p. 38.

<sup>2</sup> Giertz and Reitberger (1989) p. 71.

<sup>3</sup> Hansson (1993) p. 42.

<sup>4</sup> Giertz and Reitberger (1989) p. 73.

<sup>5</sup> Kommunfullmäktige 1989. Minutes 19 May.

<sup>6</sup> Government Bill 1987/88: No. 166. Om inrättandet av högskola i Blekinge [Establishment of a University College in Blekinge].



the regional development work in Blekinge. They constituted essential elements in the County's efforts on technology and knowledge diffusion.<sup>1</sup>

Following the decentralisation within the university system, the Riksdag decided that the means for local and individual programmed should be allotted directly to the university college units and the regional boards would be terminated. A problem was that Blekinge did not have a unit of its own. The former university college education in Blekinge was very scattered. One university and three university colleges were responsible for the education.

Since every university college had its own profile Blekinge had to find its own special approach. This could be found in the area of developing software to the quickly expanding computerisation in all parts of trade and business. The University College of Blekinge was not, however, to become a reduced variant of the technical colleges or of the universities technical faculties. Research villages had developed around universities and university colleges in Sweden. What was unique for Blekinge was that these development centres, for example Soft Center in Ronneby, VTC in Karlskrona and the Technical Centre in Olofström, had preceded the establishment of a university college unit.<sup>2</sup>

The principal Per Ericsson came to strongly emphasise the interplay between education, research and the development of business and society. He had previously worked at Lund's university and was familiar with networking with companies.<sup>3</sup> An industrial science council was established in September 1988. University chancellor Stig Hagström was chairman; other persons were Rune Andersson, Trelleborg, Ulf G. Lindén and Göran Johnsson, the Metal Federation. Later on also Ulf J. Johansson, founder of Europolitan joined the council.<sup>4</sup> Today the university college is called Blekinge Tekniska Högskola.

### *The Second Blekinge Support Package*

In 1989 the municipality discussed strategic issues. The forced relationship with the government was exemplified in statements such as: 'All things that are bad in Stockholm will be better in Karlskrona'. The manager of the naval base argued that Karlskrona's positive features were: closeness to everything, good service, housing, quality of life. The negative features were education opportunities and work for wives (!). He also added that the shipyard was the basis for all naval development in Karlskrona.<sup>5</sup> In the autumn the municipal business director gave a general account of the current employment situation. According to a prognosis the number of jobs would increase with 1300 until 1995. The pressure concerning company establish-

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<sup>1</sup> Länsstyrelsen 1988. *Länsrapport*, p. 44.

<sup>2</sup> Government Bill 1987/88: No. 166.

<sup>3</sup> Interview with Per Ericsson, principal at university college Karlskrona/Ronneby, 9 November 1999.

<sup>4</sup> Inga Hamngren and Jan Odhnoff 1999. *Software on the Rocks*, p. 19.

<sup>5</sup> Kommunstyrelsen 1989. Arbetsutskottet för näringslivsfrågor [The Working Committee for Economic Development Issues], Minnesanteckningar från möte om näringslivsfrågor [Memo from Meeting on Economic Development Issues], 26 May.

ments was great and Kommunstyrelsen emphasised the importance of improving land both for industrial estates and housing.<sup>1</sup>

In 1989 there were many discussions about the future for the shipyard and Ericsson due to possible reductions.<sup>2</sup> The Industrial Statistics show, however, that the number of employees in industry increased from 4856 in 1987 to 4985 in 1989.<sup>3</sup> Nevertheless, in 1989 the government decided to provide additional measures in order to facilitate structural changes in Blekinge. 35 million kronor were given to two regional investment companies in order to increase the supply of venture capital for the development of primarily small and middle-sized companies. 112,5 millions were granted as a regional political support, primarily for the establishment of business within Saab-Scania in Karlskrona.<sup>4</sup> The agreement between the government and Saab-Scania contained several things. First 1,2 billion kronor in venture capital for Saab and the new plane, Saab 2000. Second a car factory should be established in Karlskrona employing 500 people. In the agreement there was, just in case, a passage stating that Saab guaranteed another factory if the motor factory would not come true.<sup>5</sup> Third, a new investment company was also established, Ankaret, which would own companies and help financing business. Fourth, the Soft Center and Novacast in Ronneby got regional support and the administration of the cash unemployment allowance was located to Blekinge. The University College also got 20 million kronor. The Minister of Labour, Ingela Thalén, stated that Blekinge had to manage on its own from now on. The government would be very restrictive with further support to the County. The preconditions had now been created for the people to take control of the development themselves.<sup>6</sup>

Näringslivskontoret (established in 1987) [the Economic Development Office] concluded that there was a positive development for service companies. Several companies had received employment support, for example Maxcimator (in software) got 2 million for new recruitment (the company was later bought by Cap Enator, later Cap Gemini) and EP data got 3,5 million for recruitment of 25 employees within telecom (the company became later Ericsson Software Technology). When it came to the Saab establishment the office considered a workplace with 500 employees a good complement to the small and middle-sized companies. A foundation was created to renew R&D at the University College. Following an agreement

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<sup>1</sup> Kommunstyrelsen 1989. Arbetsutskottet for näringslivsfrågor [The Working Committee for Economic Development Issues], Minnesanteckningar från möte om näringslivsfrågor [Economic Development Issues], 25 August.

<sup>2</sup> TT [The Swedish Central News Agency] Nyhetsbanken 19 May 1989, TT Nyhetsbanken 25 April 1989.

<sup>3</sup> Industrial Statistics specially calculated by Statistics Sweden. The telecom industry increased from 1368 to 1385 in 1988 and to 1413 in 1989 while the shipyard industry decreased from 1142 to 999 in 1988 and 928 in 1989. Statistics Sweden. *Industrial Statistics SM 8901, SM 9001 and SM 9101*.

<sup>4</sup> Government Bill 1989/90: No. 66. Om särskilda regionalpolitiska insatser i Blekinge län m.m [Specific Regional Policy Contributions in Blekinge County].

<sup>5</sup> *Dagens Industri* 10 November 1989.

<sup>6</sup> TT Nyhetsbanken 10 November 1989.

with the Labour Market Ministry Ericsson gave the foundation 5 million kronor and the Investment Company Blekingen provided the same amount.<sup>1</sup>

The regional measures in Blekinge were discussed in the Riksdag. A member of the Centre Party referred to the population figures and argued that since the middle of the 1970s Blekinge had had a larger relative population decrease than any other country.<sup>2</sup> A social democrat argued that a reason for Blekinge's problems was that the region had a large number of industrial employees, while both the public and the private service sector was smaller than the country average.<sup>3</sup> The industry in Blekinge was described as consisting of: 'a few dominating companies'<sup>4</sup>, and 'the companies are large, few and dominating'.<sup>5</sup>

The Conservatives' basic opinion was that business was best conducted by those best suited for such activities, namely private businessmen and entrepreneurs. Small and middle-sized companies, as well as the larger ones, were best developed and expanded without the government as partner. The supply of venture capital would not increase either as had been argued. A good project and a good company idea would always find money. A bad idea or a risky project would get nothing. Therefore Blekinge's development would stand and fall with how the small firms could be developed.<sup>6</sup>

The Liberals accused the Social Democrats of stepping into the usual trap: thinking that government management and government intervention in business could promote development. According to the Liberals the creative people should be stimulated by increased efforts on development and communications.<sup>7</sup> A member of the Centre Party member argued that what was demanded now was reasonable help to self-help.<sup>8</sup>

In 1989 there existed a positive spirit exemplified by the local councillor's Christmas speech. The 1980s had been a good decade (compare the earlier discourses of Blekinge) and the Karlskrona jubilee (300 years) had resulted in a continued effort on part of the municipality.<sup>9</sup> In 1989 the continuing negotiations at Ericsson broke down. According to the union, there was still a time of prosperity.<sup>10</sup>

Thus, there were different discourses of the economic development just as it had been during previous years.

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<sup>1</sup> Kommunstyrelsen. Näringslivskontoret [The Economic Development Office] 1989. Memo 17 November.

<sup>2</sup> Centre Party member in Riksdag Debate 1989/90: No. 90, 21 March 1990. Särskilda regionalpolitiska insatser i Blekinge län [Certain regional policy contributions in Blekinge county] p. 49.

<sup>3</sup> Social Democrat in Riksdag Debate 1989/90: 90, p. 52.

<sup>4</sup> Communist in Riksdag Debate 1989/90: 90, p. 50.

<sup>5</sup> Green Party member in Riksdag Debate 1989/90: 90, p. 52.

<sup>6</sup> Conservative Party member in Riksdag Debate 1989/90: 90, pp.45-46.

<sup>7</sup> Liberal Party member in Riksdag Debate 1989/90: 90, p. 47.

<sup>8</sup> Centre Party member Riksdag Debate 1989/90: 90, p. 49.

<sup>9</sup> Kommunfullmäktige 1989. Minutes 21 December.

<sup>10</sup> The Local Metalworkers' Union undated. *Annual Report 1989*.

## **Concluding Remarks**

The period 1975 to 1987 was characterised by a restructuring in the local manufacturing industry. During this period, the government responsibility discourse can be recognised, as was the case in the previous periods. A new element in the population discourse was that Blekinge was 'bleeding to death', referring to depopulation. The region's demands for state support resulted in two support packages, one for Karlskrona and one for Blekinge. At the same time there was also, however, a discourse of local mobilisation. Several regional conferences were started called 'Blekinge and the Future', and 'Blekinge in our hearts'. Promotion was carried out in order to attract companies and people to the region. Karlskrona was promoted as a city with 'a fair wind'.

Thus, the period can be characterised as somewhat contradictory. On the one hand, there was a discourse of local mobilisation and on the other hand, the government was still expected to help out (and did!). After 1987 the employment situation improved and towards the end of the 1980s the local government held an optimistic view emphasising that 'the labour market situation was the best during the whole 1980s', and that 'the 1980s was a good decade'. The local Metalworkers' Union declared that there was a 'time of prosperity', thus signifying a success discourse.

## Discourse and Political Practice in Uddevalla 1983-1990

### The Shipyard Closing-Down

In the beginning of 1983 there was turbulence around the shipyard due to some affairs. A Riksdag member asked the Minister of Industry if the government would support Uddevalla shipyard's financial undertakings with, on the one hand, a Norwegian shipping company, and on the other in connection with a sale to a Philippine shipping company. A local politician was very upset that these businesses were questioned and argued that 'a lot of people were disappointed when these businesses were questioned.' It had created worries among people in Uddevalla. Uddevalla shipyard was in reality the only large company in the whole Bohus County and Uddevalla had experienced problems before and always got support by the Social Democratic government and thus, the expectations on the government were great.<sup>1</sup>

However, it was the social-democratic newspaper *Arbetet* that brought up the issue of non-support regarding the shipyard's future. It argued that the shipyards had to manage on their own. Sweden should not run shipyards if it could not sell ships.<sup>2</sup> In February the newspaper argued for a closing-down of Uddevalla shipyard, which gave rise to a letter of complaint from the chairman in the Bohus County's Social Democratic district about 'a stab in the back' and 'an act of treachery to the solidarity thought'.<sup>3</sup> The Metalworkers' Union's chairman argued against LO's traditional view on unprofitable businesses when he declared that the Swedish shipyards should have the same conditions as their competitors. Only then cutbacks could be accepted.<sup>4</sup> Two workers at the shipyard put their faith in the managing director and the Social Democratic Party. One man argued that since the shipyard had managed so many crises it would be strange if it did not make it through this one as well.<sup>5</sup>

The managing director commented on the, as he put it, to a certain extent negative press campaign, which had occurred lately against the shipyard. A board member, however, argued that these articles had no large significance since the government bill would see to the future business.<sup>6</sup> But the managing director continued to claim that the shipyard had been particularly exposed and focused on in connection with the heavy losses in the Svenska Varv group, which had been treated in mass media in connection with Svenska Varv's requests. The managing director concluded that the focus on Uddevalla Shipyard and the shipyard industry in general had harmed the shipyard and weakened it in negotiations. The politician Gustafsson

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<sup>1</sup> Riksdag debate 1983 No. 15. Om vissa affärer av Uddevallavarvet [Certain Business Carried out by Uddevalla Shipyard] 21 January, p. 15.

<sup>2</sup> *Arbetet Väst* 15 January 1983.

<sup>3</sup> *Arbetet Väst* 8 February 1983.

<sup>4</sup> *Arbetet Väst* 29 January 1983.

<sup>5</sup> *Arbetet Väst* 20 January 1983.

<sup>6</sup> Uddevalla Shipyard Board 1983. Minutes 31 March.

thought that one should in all possible ways facilitate for the shipyard to continue its business. It was of the greatest importance to keep employment in this part of the country and it would imply a catastrophe if the shipyard was closed.<sup>1</sup>

A motion dealt with measures with a view to promote employment in the city.<sup>2</sup> Näringslivskontoret accounted for present and/or realized measures: The municipality had during the year, following suggestions from the real-estate and economic development offices, made two important policy decisions concerning on the hand, price-setting on land, on the other hand a co-ordinated rent setting of older and recently built premises. Planning of an industrial area and preparations for building industrial hotels were in progress. The People's Park-area would be established during the Uddevalla fair in 1984 as the municipality's fair area and co-operation with business magazines such as *Affärsvärlden* and *Månadens affärer* constituted examples of the office's measures for business information. The economic development office prepared a few other things with Styrelsen för Teknisk Utveckling [The Board for Technology Development] and Utvecklingsfonden [The Development Fund] such as Invention Day, Start-your-own-business etc. Näringslivskontoret liked to call attention to further action possibilities available for the municipality but the shortage of administrative resources at present constituted a difficult restriction and in many cases a direct development obstacle.<sup>3</sup>

Kommunstyrelsen argued that petitions regarding the Uddevalla region as a temporary support area earlier had not gained a hearing. The Ministry of Industry's caution in releasing the remaining funds from the so-called shipyard pot seemed clearly to indicate that the conditions up to present had been unaltered. A changed position on part of the Ministry would even now be possible in the light of already decided cutbacks at the shipyard, Scan Väst (299 employees), and Etri (240 employees). Company development was seen as more important than so-called company hunting; a reason being that the government viewed company-hunting negatively. Uddevalla's problem had to be solved in Uddevalla, in co-operation with the government and with support from the regional bodies concerned.<sup>4</sup>

The local newspaper *Bohusläningen* emphasised that the shipyard subsidies had to be withdrawn but that the timing was bad.<sup>5</sup> The editor also referred to that it was time for a Landskrona support package but the government said no to further subsidies to the shipyard. Uddevalla was in a vacuum that caused insecurity.<sup>6</sup> Kommunfullmäktige's president brought up the decision to close down Uddevalla shipyard, 'which would entail problems for individuals as well as the municipality of proportions that for the day cannot be foreseen.' The president expressed his wishes for

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<sup>1</sup> Uddevalla Shipyard Board 1983. Minutes 28 April.

<sup>2</sup> Kommunfullmäktige Documents 1984. Motion No. 238.

<sup>3</sup> Kommunstyrelsen 1984. Answer to motion, 7 October (unnumbered).

<sup>4</sup> Kommunstyrelsen 1984. Answer to motion, 7 October (unnumbered).

<sup>5</sup> *Bohusläningen* 8 December 1984.

<sup>6</sup> *Bohusläningen* 4 December 1984.

joint efforts from public authorities as well as individual companies and unanimous collaboration between the municipality's politicians.<sup>1</sup>

Just before the closing-down, Uddevalla was labelled: 'The city fighting for its life'.<sup>2</sup> The local newspaper requested: 'Stand by Uddevalla!' Torchlight processions and debates were arranged and the local shops closed for an hour on a Saturday.<sup>3</sup> Employees at the shipyard even advertised a letter to the government in the national newspaper arguing that it was a political decision to close the shipyard, despite what had been said, and that the government certainly could influence Svenska Varv's board. The shipyard was the foundation for other business in the Bohus County. The government was responsible for the regional policy not Svenska Varv. Thus, the closing-down of the shipyard was a political suicide.<sup>4</sup> *Bohusläningen* again argued that the shipyard support had to be withdrawn but that the timing was completely wrong.<sup>5</sup> The Center Party newspaper *Uddevalla-Posten* argued that the government's passivity was surprising. It should be inspired by the USA where the government was expected to look favourably on the steel industry's wishes for measures against the steel import from Europe.<sup>6</sup> It was later said that the government had 'without cause' dropped the shipyard.<sup>7</sup>

According to the new managing director at the shipyard, responsible for the termination, the negotiations (under the Co-determination Act) at the shipyard were conducted in a harsh atmosphere. There was great disappointment due to the closing-down decision among the shipyard employees as well as among other municipal inhabitants. Everybody had, to the very last, hoped for a solution this time as well.<sup>8</sup>

After the decision on the closing-down it was argued in the Riksdag that the decision had been received with great dismay, especially since the Social Democrats in the election 1982 had presented themselves as a guarantee for employment and the Social Democrats locally had argued that they could never contribute to decisions, which implied job losses at the shipyard.<sup>9</sup> A local politician from the Centre Party argued that there were several reasons for letting the shipyard go on, and to be in business when the business cycle turned. Uddevalla could not accept to become a dormitory suburb, where people just lived and not worked.<sup>10</sup> A local Social Democratic politician defended himself and argued that before 1983 the shipyard and its employees had argued that there was no possibility of cutting down the capacity. The business and the shipyard demanded a certain amount of people to handle the

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<sup>1</sup> Kommunfullmäktige 1984. Minutes 11 December.

<sup>2</sup> *Veckans affärer* 8 November 1984.

<sup>3</sup> *Bohusläningen* 4 and 5 December 1984.

<sup>4</sup> 'Till den svenska regeringen' [To the Swedish government]. Letter in *Aftonbladet* 7 December 1984.

<sup>5</sup> *Bohusläningen* 8 December 1984.

<sup>6</sup> *Uddevalla-Posten* 22 November 1984. Editorial.

<sup>7</sup> *Uddevalla-Posten* 13 December 1984. Editorial.

<sup>8</sup> Leif Molinder 1989. *Avveckling-utveckling hand i hand*, p. 39.

<sup>9</sup> Riksdag debate 1984: No. 53, 14 December. Om varvsnäringen [Regarding the Shipyard Business], p. 89.

<sup>10</sup> Riksdag debate 1984: 53, pp. 90-91.

situation. It was obvious that politicians from Uddevalla had to maintain this opinion.<sup>1</sup> The Minister of Industry, Roine Carlsson, argued that it was in fact the boards of Svenska Varv and Uddevalla shipyard, which had estimated the market situation and decided on a closing-down.<sup>2</sup>

The local union leader said that there had not existed any real will to save the shipyard and the local government commissioner said that it 'felt like hell'.<sup>3</sup> One worker said: 'I did not expect this from a working class government'.<sup>4</sup> The local newspaper asked why the government was in such a hurry? It seemed quite strange in view of the fact that there had been numerous crises at the shipyard over the years.<sup>5</sup> The national newspaper *Aftonbladet* described it as the 'death sentence for Uddevalla'.<sup>6</sup> In December 1984 the two major unions at the shipyard presented a report, which described the probable negative consequences of the closure on the regional labour market. The report argued for a continuation of government support for the shipyard. According to Storrie they had, however, changed their minds when the Uddevalla package was presented.<sup>7</sup>

Thage G. Petersson, Minister of Industry, said in a letter to one of the shipyard's shop floor unions, that the transformation Uddevalla was going through was a painful period, but nevertheless necessary. An industry, which could not sell its products, could not provide any real security and belief was to be found in the future, not in guarding the old but in purposefully putting efforts into development and renewal. The government's comprehensive and unique efforts were directed at development and renewal.<sup>8</sup>

When the Minister of Labour, Anna-Greta Leijon, visited Uddevalla she emphasised that the government did not have any ready package for Uddevalla in case of a closedown. Before that, a local politician had maintained that the government had a package ready. A local government commissioner made it clear that the primary demand from Uddevalla was to maintain employment. In case of a closedown, Uddevalla wanted new jobs, not only money, but also job opportunities in the form of companies or public authorities.<sup>9</sup>

Åberg argues that when the local government found itself in difficulties in connection with the shipyard closing-down, the existing hierarchical structures, which had grown in Uddevalla parallel to the building of the Swedish welfare state and the growth of the class-less society, played a role. The threat against the shipyard re-

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<sup>1</sup> Riksdag debate 1984: 53. p. 92

<sup>2</sup> Riksdag debate 1984: 53 p. 94.

<sup>3</sup> *Arbetet* 12 December 1984.

<sup>4</sup> *Bohusläningen* 12 December 1984.

<sup>5</sup> *Bohusläningen* 12 December 1984.

<sup>6</sup> *Aftonbladet* 14 December 1984.

<sup>7</sup> Storrie (1993) p. 17.

<sup>8</sup> Thage G. Petersson. Brev till Grovplåtslagaregruppen [Letter to the Tinsmith Group] 20 March 1985. Uddevalla Grovplåtslagaregrupp. Bohusläns föreningsarkiv [In Bohuslän's Association Archive].

<sup>9</sup> *Bohusläningen* 6 December 1984.



sulted in extensive demonstrations, but parallel to this the union organisations were excluded from the talks prior to the closing-down. The ‘Secret Army’ of local government commissioners in the region and representatives of the country administrative board endeavoured to keep their negotiations secret also for the union clubs at the shipyard.<sup>1</sup>

Schale argues that Uddevalla after the closing-down was characterised by a weak Social Democratic Party and a strong Metalworkers’ Union. There was a strong corporative power and the municipality was characterised by an underdog mentality.<sup>2</sup> There seemed to be a lot of turbulence at the time as exemplified by the content of a leaflet distributed by unionists at the shipyard. In the leaflet it was argued that politicians and the media had forced through a false and misleading picture of the situation for the shipyard industry. The Uddevalla package’s solutions were perceived as a planned occupation of the workplace.<sup>3</sup>

One of the civil servants describes the situation at that time as follows:

And then suddenly the shipyard disappears and a giant void appears here in the city, [...] there was no new structure, but it [the old structure] sort of disappeared.<sup>4</sup>

Today, when asked about the municipality’s strategies at the time one civil servant tells us:

First, to get an industrial area quickly, land to build on, and second, to secure that there were vacant industrial premises so that no one would go home and say that there were no premises, third, we said that there would be so many things going on in Uddevalla that people would not go around and think, well now the shipyard has closed, [...] it should be a party, I mean to say, with activities so they could have something else to think about than the closed shipyard.<sup>5</sup>

What was the political goal? The local government commissioner at the time says:

So to sum up, one can say that when the decision came there was no longer any hope and then it was up to us leading politicians to inspire courage, belief in the future, because that’s really the only thing you can do as a politician.<sup>6</sup>

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<sup>1</sup> Åberg (1997) p. 253.

<sup>2</sup> Casten Schale 1990. *Trestad*, p. 54.

<sup>3</sup> Medlemsbladet för Stridsfondens stödförening 1985: No.1. Uddevallavarvets grovplåtslagaregrupp. Bohusläns föreningsarkiv [Member paper. The fighting fund’s support association. In Bohuslän’s Association Archive].

<sup>4</sup> Interview with civil servant, Näringslivenheten [the Municipality’s Economic Development Office], 5 October 1999.

<sup>5</sup> Interview with civil servant, Näringslivenheten [the Municipality’s Economic Development Office], 5 October 1999.

<sup>6</sup> Interview with former local government commissioner 10 April 2000.

Näringslivskontoret emphasized the importance of a speedy strengthening of its resources. The current resources were completely insufficient, for example less than half of Näringslivskontoret's actual resources in the nearby city of Trollhättan. And this in a situation when the number of inquiries about establishments was so large that the main part of the office's services to the established companies could not be maintained. The purpose of the municipality's business promoting measures was summarized in the key words: maintain, develop and differentiate the business in Uddevalla. The location elements were partly natural development prerequisites (coast and port location, the good transport and market geographical location, the central location in Fyrstad etc.), partly developed competitive advantages (good supply of stable and industrially experienced labour, industrial land, municipal and privately owned premises, many-sided engineering environment, good development prerequisites for e.g. the food industry, the printing industry, trade and tourism). Location support and regional investment companies constituted important new development instruments. Näringslivskontoret had at several occasions and especially in the last two years' budget letters stressed that Uddevalla probably faced the most difficult restructuring since the 1930s. The office thus demanded a strengthening of its resources.<sup>1</sup>

In December, however, the president concluded that the substantial efforts put into a business renewal supported by the government as well as the local government gave occasion to optimism. The local government's large efforts on new industrial areas had created the necessary conditions for bringing down unemployment.<sup>2</sup>

### **The Package and Economic Development Policies**

In December 1984 the government appointed a regional co-ordination group; the Uddevalla Commission, under supervision by the County Governor in Göteborg and Bohuslän.<sup>3</sup> One month after the decision to close down the shipyard, no less than four ministers came to Uddevalla to present the package for economic development and unemployment relief in the area.<sup>4</sup>

The Uddevalla support package contained the inclusion of Uddevalla municipality and the two neighbouring districts of Lysekil and Munkedal in a temporarily designated area for regional assistance.<sup>5</sup> The motorway to Stenungsund was prolonged to Uddevalla, an investment company was established and a programme for technological transfer of research to production was started. The main thing, how-

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<sup>1</sup> Kommunstyrelsen, Näringslivskontoret 1985. Förslag om utökning av handläggaresurserna vid näringslivskontoret [Proposal of Increasing the Administrative Resources at the Economic Development Office]. Kommunfullmäktige 1985. Documents. No. 84, 11 March, Annex.

<sup>2</sup> Kommunfullmäktige 1985. Minutes. 10 December.

<sup>3</sup> Nordström (1988) p. 12.

<sup>4</sup> Hallin (1995) p. 50.

<sup>5</sup> Hallin (1995) p. 50. Government Bill 1984/85: No. 101, 1984/85: No. 125.

ever, was that Volvo was building a factory.<sup>1</sup> The total costs of the programme were amounted to 1 billion kronor.<sup>2</sup>

Uddevalla Investment Company planned to establish a diversified concern with advanced technical competence. Quite a few small companies were bought and others were started and for several years the prospects looked fine. As the business cycle turned down it, however, turned out that the large efforts put into for example wind power had failed. Several companies went bankrupt. In the end also Uddevalla Invest went bankrupt. According to Eriksson the result of the employment efforts was poor.<sup>3</sup>

In connection to the package, the image of Uddevalla as the 'loser' was shifted. Instead the familiar strains were mainly positive. At least from the established image creators, newspapers, organisations and politicians. This was probably also due to the fact that the Uddevalla commission put in extensive marketing resources in order to: raise the self-esteem, create a local mobilisation, inform companies on possible expansion possibilities, promote the region and Uddevalla's resources especially in engineering companies in overheated regions, and promote Uddevalla to service companies, and promote Uddevalla internationally, to suppliers.<sup>4</sup>

When asked about attracting companies the local government commissioner at the time continues to say that they did the traditional thing, they employed a number of people, three business secretaries who were given free hands.<sup>5</sup> The majority of those getting support was the already established companies, which wanted to expand:

You can learn from that that there is a lot of talk about new establishments, but we put too much effort on that, new establishments are a relatively rare phenomenon, while if you can stimulate already existing companies there are a lot of advantages with that, you know what they are like, you know they are serious people, because many flippant people show up in this context.<sup>6</sup>

The strategy was to work vigorously and rapidly during the two years they had the package:

And that led to quite a lot of effects even if there are those who have criticised us afterwards, Volvo came and was closed, some other businesses have gone the same way, but then I say that if not Volvo had come, we hadn't had Autonova now [...] It is up and down all the time.<sup>7</sup>

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<sup>1</sup> Eriksson (1995) p. 184.

<sup>2</sup> Nordström (1988) p. 10.

<sup>3</sup> Eriksson (1995) pp. 184-185.

<sup>4</sup> Uddevallakommissionen 1987. *En ny framtid för Uddevallaregionen*, p. 62.

<sup>5</sup> Interview with former local government commissioner 10 April 2000.

<sup>6</sup> Interview with former local government commissioner 10 April 2000.

<sup>7</sup> Interview with former local government commissioner 10 April 2000.

### *The Promotion*

The promotion was focused on local mobilisation the first half of 1985. In advertisements looking for employees to Näringslivskontoret Uddevalla was described as ‘one of the most exciting municipalities in the country’.<sup>1</sup> Also the neighbouring municipality Lysekil had an advertisement for expanding industries.<sup>2</sup> ‘Bohuslän full of enterprise’ was another campaign that emphasised that nothing was impossible for a person from the Bohuslän. Bohuslän was distinguished by ‘just-in-time delivery’. The women were important for Bohuslän and they were not ‘afraid to go at it’.<sup>3</sup>

Another advertisement was called ‘Ingenting är omöjligt’ [Nothing is impossible] and in it was argued that the entrepreneurs in Bohuslän did not accept to get stuck. They always gave their best. It would take a lot to stop people from Bohuslän to manage the mission they undertook.<sup>4</sup> This resembles Ward’s study of the special place qualities of Newcastle in 1990. That image campaign contained phrases such as ‘A people made of stronger stuff’.<sup>5</sup>

During the autumn 1985 the County Administrative Board engaged a consultant company and created the campaign ‘Stor-Uddevalla’ in co-operation with Uddevalla Invest, which started in January 1986.<sup>6</sup> The campaign began with an ‘attention phase’ – large advertisements in newspapers and business magazines. In the business magazine *Dagens Industri* Uddevalla Invest published advertisements with titles such as: ‘Silicon Uddevalley’, ‘Svarar du “ja” på 6 av dessa 10 frågor, bör du sända efter mannen från Uddevalla’ [If you answer “yes” on 6 out of 10 questions, you should send for the man from Uddevalla], and ‘Vad skulle styrelsen säga om du föreslog “Uddevalla”?’ [What would the board say if you suggested “Uddevalla”?]<sup>7</sup> In one of the advertisements for ‘Silicon Uddevalley’:

Does your company need space of expansion? Thinking about starting something new? Then we have a simple and straightforward message: Locate your business in Stor-Uddevalla!<sup>8</sup>

The comparative advantages were: educated labour, excellent communications, nearness to the other Nordic countries, to Europe, to R&D and culture, available land, venture capital, an established industrial structure, the world’s most modern car factory and professional establishment services.<sup>9</sup>

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<sup>1</sup> *Dagens Industri* 31 May 1985.

<sup>2</sup> *Dagens Industri* 3 June 1985.

<sup>3</sup> *Dagens Industri* November 1985 (Several ads signed by banks and post offices and also one by the municipalities. My citation marks).

<sup>4</sup> *Dagens Industri* 25 November 1985, p. 3.

<sup>5</sup> Ward (1998) p. 210.

<sup>6</sup> Uddevallakommissionen (1987) p. 63.

<sup>7</sup> *Dagens Industri* 21 and 28 January, 4 February 1986.

<sup>8</sup> Advertisement ‘Silicon Uddevalley’ in *Dagens Industri* 21 January 1986, p. 3. The concept ‘Stor-Uddevalla’ [Great Uddevalla] signified the cooperation between Uddevalla and five other municipalities in the area. Original in Swedish.

<sup>9</sup> Advertisement ‘Silicon Uddevalley’ in *Dagens Industri* 21 January 1986, p. 3.

In the advertisement ‘What would the board say if you suggested Uddevalla?’, it was emphasised that an opportunity for Uddevalla had been born out of the crisis. Stor-Uddevalla seemed to be one of the most interesting industrial areas in the Nordic countries.<sup>1</sup>

Direct advertising was sent to approximately 20,000 industrial companies, banks, investment companies, patent agencies, companies of accountants, lawyers etc. The Minister of Industry had to answer questions in the Riksdag on Uddevalla Invest’s company hunting.<sup>2</sup> Several local commissioners in another county complained about the company hunt that was going on. ‘Unsound campaigns’ were mentioned.<sup>3</sup>

In a questionnaire sent to the research institution the FA-council on ‘local mobilisation’ the message was that Uddevalla was really something to concentrate on. After the closing-down of the shipyard, the municipality’s representatives put large efforts into producing a positive message. Uddevalla was definitely not in any crisis situation but in connection with the Volvo establishment business would get an extra shove. The new Uddevalla was formed and optimism was widespread. The slogan was: Uddevalla satsar för fullt [Uddevalla goes for it].<sup>4</sup>

#### *The Media Reports*

Thus, the progress discourse and the promotion practice changed the loser image to that of a winner. The business magazine *Veckans Affärer* stated that ‘The death-blow has changed into optimism’. The promotion activities were mentioned and as proof of the change the many years’ depopulation trend had turned around. The image had changed from loser to winner.<sup>5</sup> The official statement from the Metalworkers’ Union was that this large industry effort would contribute to creating a differentiated business at the same time as it put new demands on people.<sup>6</sup> The local union leader was cited in the newspaper: ‘This may lead to Uddevalla becoming a flourishing municipality’.<sup>7</sup> The local commissioner: ‘Uddevalla becomes an immigrant municipality’.<sup>8</sup> And *Arbetet*’s editor concluded: ‘It actually looks quite promising’.<sup>9</sup> It also said that the message to the employees was that a restructuring could be relatively painless if business in the region as a whole is dynamic. And that was the case. The Trestad region Vänersborg, Uddevalla and Trollhättan was perceived as a ‘hot

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<sup>1</sup> Advertisement ‘Vad skulle styrelsen säga om du föreslog “Uddevalla”?’ in *Dagens Industri* 4 February 1986, p. 3.

<sup>2</sup> Riksdag Minutes 1985/86: No. 107, 3 April 1986. Svar på fråga 1985/86: No. 418 om de industriella satsningarna i Uddevallaregionen [Regarding the Industrial Efforts in the Uddevalla Region], p. 70.

<sup>3</sup> TT 21 May 1986, *Dagens Industri* 30 May 1986.

<sup>4</sup> Kommunstyrelsen. Näringslivsenheten 1986. Enkät till FA-rådet om lokal mobilisering (undated) [Questionnaire to the FA-council on local mobilisation].

<sup>5</sup> *Veckans affärer* 24 January 1985.

<sup>6</sup> *Arbetet Väst* 24 January 1985.

<sup>7</sup> *Arbetet Väst* 24 January 1985.

<sup>8</sup> *Arbetet Väst* 24 January 1985.

<sup>9</sup> *Arbetet Väst* 25 January 1985.

region'.<sup>1</sup> The Uddevalla case was a textbook case on how a sick industrial structure should be treated.<sup>2</sup> The Stockholm paper *Dagens Nyheter* commented: 'It must be more bearable in Sweden than in any other country to become an unemployed shipyard worker'.<sup>3</sup> But it was also perceived that the region had 'good prerequisites for business' and 'other regions with high unemployment had reason to be envious'.<sup>4</sup>

The Göteborg based paper argued that the government had taken unusually long before the package was presented and Volvo was perceived as the salvation.<sup>5</sup> The Social Democratic paper *Aftonbladet* commented: 'an exciting experiment', 'a bold effort', 'new thinking', 'future optimism', 'trust' and 'long-term renewal'.<sup>6</sup> The editor of *Bohusläningen* was satisfied. Now was the opportunity for the region to obtain a diversified business. There would of course be an adjustment period, but it was much harder to have troubles in a region withering away than in a region where a new beginning could be seen. Now it was time again to keep the chin up and stretch the muscles and conquer the future. The region was not stronger than the total power and initiative skills of its inhabitants.<sup>7</sup> However, when the workers expressed themselves there was a different attitude: 'A lot of talk of numbers, nothing especially tangible', 'I don't like this package at all', and 'It had been better if the shipyard had survived'.<sup>8</sup>

In 1986 a business magazine argued that small workshops and service companies came to the region 'in a swift stream'. Today, however, all the new companies mentioned in the previous article are liquidated. According to a business magazine a common comment in Uddevalla during these days was that people had been mentally prepared for a closing-down and had played with the idea to continue on their own.<sup>9</sup>

On the other hand one civil servant argues in retrospect:

The most difficult thing was to persuade people that now it was time to forget this thing with the shipyard, now we should do something else; all families had, if not someone working there, a neighbour, or a relative or someone else who did, it went so deep, that was the hardest thing.<sup>10</sup>

And a former local government commissioner says that:

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<sup>1</sup> *Dagens Industri* 24 January 1985.

<sup>2</sup> *Dagens Industri* 24 January 1985.

<sup>3</sup> *Dagens Nyheter* 24 January 1985.

<sup>4</sup> *Dagens Nyheter* 24 January 1985.

<sup>5</sup> *Göteborgs-Posten* 24 January 1985.

<sup>6</sup> *Aftonbladet* 24 January 1985.

<sup>7</sup> *Bohusläningen* 24 January 1985.

<sup>8</sup> *Arbetet Väst* 24 January 1985.

<sup>9</sup> *Veckans affärer* 6 March 1986.

<sup>10</sup> Interview with civil servant, Näringslivsenheten [the Municipality's Economic Development Office], 5 October 1999.

It came down to creating an atmosphere, it didn't work with all people because that's not what people are like, but we still managed to get a spirit, we could sell ourselves, we were open-minded.<sup>1</sup>

In June 1986 *Dagens Industri* argued that 'Regional support has given 900 jobs'.<sup>2</sup> In September 1986 *Dagens Industri* cited a research report stating 'Uddevalla manages without the shipyard'.<sup>3</sup> A telegram announced that 854 new jobs had been created in the Uddevalla region. Everybody agreed that the town had managed the closing-down very well.<sup>4</sup> The Uddevalla Commission referred to a research group at Göteborg University, who had claimed that the restructuring had turned out 'exceptionally well' both concerning the ambition to create a new labour market and to secure the future. There were according to the research group few, if any, examples of such a painless restructuring process.<sup>5</sup> According to Nordström, the closedown of the shipyard had proceeded in a satisfactory manner and better than anticipated.<sup>6</sup>

Storrie, however, argues that Nordström places too much emphasis on population and migration figures as a general judgement of a favourable labour market development since the yard closing-down.<sup>7</sup> Storrie considers it inappropriate to draw such conclusions from this data. For example, we cannot reasonably expect a demographic reaction to economic factors in the short term. The consequences for the municipality after the yard had closed down in the short term should rather be expected to be found in for example unemployment, labour force participation rates, employment and commuting.<sup>8</sup> In 1990 the municipality's information paper argued that of the shipyard's 3000 employees, 500 became retired, 2000 got a new job.<sup>9</sup>

### *The University College*

University college courses had been arranged in Fyrstad for a long time, from the beginning by the study associations. When the university college reform took place different university colleges came to answer for the supply of shorter courses.<sup>10</sup> The university college education in Fyrstad had during the late 1980s an extensive reach. Education was arranged in several different municipalities in the region and the participants were, apart from several university college units in the Göteborg university region, the County Council in Göteborg, Bohus County and Älvsborg County, local

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<sup>1</sup> Interview with former local government commissioner 10 April 2000.

<sup>2</sup> *Dagens Industri* 17 June 1986.

<sup>3</sup> *Dagens Industri* 12 September 1986.

<sup>4</sup> TT 15 October 1986.

<sup>5</sup> Uddevallakommissionen (1987) p. 73.

<sup>6</sup> Nordström (1988) p. 83.

<sup>7</sup> Donald W. Storrie 1990. *Structural Change and Labour Market Adjustment in the Uddevalla Region*, p. 136.

<sup>8</sup> Storrie (1990) p. 137.

<sup>9</sup> *Näringslivet i Uddevalla* 1990: No. 2, p.14.

<sup>10</sup> Ds 1988: No. 42 *Utredning om utbyggd högskoleutbildning*, p. 32.

governments, companies, high schools.<sup>1</sup> This was much due to the Uddevalla support package.<sup>2</sup>

Two courses were an immediate consequence of the Uddevalla package: one connected to the Volvo establishment (by the university college of Skövde in Uddevalla), and a small-firm engineering course (arranged by Chalmers in Göteborg).<sup>3</sup> About three quarters of the total number of courses taught technology or natural sciences and three quarters of the courses were arranged in Uddevalla or Trollhättan.<sup>4</sup> The company management in four of the largest companies in Fyrstad: Saab Scania, Volvo Flygmotor, Svenska Teli, and Volvo Uddevalla had in connection with a call on the Ministry of Education in April 1987 handed over a report where the need for a good supply of well-educated labour was emphasised as well as the significant expansion within manufacturing.<sup>5</sup> The educational committee argued that when the new engineering education would begin the total university college education within the Fyrstad area had reached such an extent that the establishment of a university college was motivated. The committee therefore suggested that a new university college unit was to be established from July 1 1990. It was to be called the University College in Trollhättan-Uddevalla.<sup>6</sup>

#### *The Progress Discourse in the Municipality's Information Paper*

In 1987 the municipality started an information paper for business people in Uddevalla. The background for the paper was that Uddevalla was doing well, better than most of them dared to think when the decision on the shipyard closure came. During the past three years many people had to do a bit of rethinking, realizing that to succeed people acting in the region really had to go for it. Surely there were still problems but the foundation was laid for what seemed to be one of Sweden's most economically expansive regions. The paper was distributed to decision-makers both in business and the public sector in the region and also to a number of business managers in the country, and to selected people in public management. The reason for this was that the paper would not only be a means to reach companies and authorities in Uddevalla but a way for people in the region to tell the rest of Sweden about the progress.<sup>7</sup>

Näringslivsenheten's three dictates were 'renewal, change and development'. Its task was to contribute to giving the future city Uddevalla a new business structure. The municipality was fighting 'a winning battle' and the work of the unit had progressed very well. The first goal, to create 1000 new jobs besides employment at Volvo, had been reached with full measure. The task in general was to promote

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<sup>1</sup> Ds 1988:42, p. 13.

<sup>2</sup> Ds 1988:42, p. 32.

<sup>3</sup> Ingvar Johnsson 1993. *Tillkomsten av högskolan i Trollhättan/Uddevalla: ett arbete i samverkan*, p. 17.

<sup>4</sup> Ds 1988:42, p. 34.

<sup>5</sup> Ds 1988:42, p. 22.

<sup>6</sup> Utbildningsutskottet [The Education Committee] 1988/89: No. 18.

<sup>7</sup> *Näringslivet i Uddevalla* 1987: No. 1.



business and ‘slapping people on the back’ was to do that. The work was to a great extent psychological in character and it was important to get both old and new business people in the municipality to feel that they were part of the development.<sup>1</sup>

A recurring theme was that there was no crisis after the shipyard closedown. During the last years Uddevalla had on the contrary showed that the Bohuslän people’s reputation as ‘being tough’ also fitted the modern city people. Surely there were some problems left but they should be managed without location policy.<sup>2</sup> The local commissioner declared that they had 283 other municipalities to compete with.<sup>3</sup> In an article it was emphasised that every second century there was upheaval, every second a downturn. But the Bohuslän people were of a ‘tough breed’ and history was a proof of that. When the match factory closed down the rescuer was Thordén.<sup>4</sup>

Five years after the closure of the shipyard delegations from Eastern Europe as well as Japan came to Bohuslän to study the Uddevalla package. The Uddevalla package had become a model for how regional crises should be attacked and how new possibilities and new jobs could be created.<sup>5</sup> The lesson from the Uddevalla package was to focus on long-term change. Another lesson was that when all good forces, government, municipality and business worked for the same goal, good results could be achieved. It was important that everybody within the municipality fulfilled their obligations and continued to act professionally and in a positive manner to make Uddevalla an attractive city for inhabitants and business. All Uddevalla inhabitants should be positive ambassadors for their municipality and the region.<sup>6</sup>

An editorial emphasised the importance of telling people about the good things going on. These good things were rarely mentioned in newspapers. They should talk about the successful companies instead of problems involved with closing-downs.<sup>7</sup>

### **Concluding Remarks**

Just before the closing-down of the shipyard the expectations on the government to support the shipyard were still high. When the social democratic newspaper argued for a closing-down of Uddevalla shipyard, the chairman in the local social-democratic district reacted strongly. The non-support discourse was quite contrary to the previous years’ discourses and political practices. The Metalworkers’ Union’s chairman also argued against this, referring to the ‘international government support’, which we recognise as the government’s argument during the 1960s crises. A local politician still argued that it was very important to keep employment in the area and that a closing-down would imply a catastrophe. The government’s obligation in this

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<sup>1</sup> *Näringslivet i Uddevalla* 1987: No. 1.

<sup>2</sup> *Näringslivet i Uddevalla* 1988: No. 2. Editorial.

<sup>3</sup> *Näringslivet i Uddevalla* 1988: No. 2, p. 4.

<sup>4</sup> *Näringslivet i Uddevalla* 1988: No. 3, p. 23.

<sup>5</sup> *Näringslivet i Uddevalla* 1990: No. 2, p. 12.

<sup>6</sup> *Näringslivet i Uddevalla* 1990: No. 2, p. 14.

<sup>7</sup> *Näringslivet i Uddevalla* 1990: No. 3. Editorial.

matter was emphasised by several actors. The social-democrats and the government was blamed for the closing-down, but the Minister of Industry argued that it was the boards of Svenska Varv and Uddevalla shipyard which had decided on the closing-down. The non-support discourse did eventually result in a closing-down of the shipyard. Government support was, however, still practiced.

In connection with the closing-down, the Uddevalla package was launched. In connection to this, the image of Uddevalla as a loser was shifted. The Uddevalla commission carried out large promotion campaigns to change the bad image and the business magazines caught on to this. Suddenly the municipality was characterised as flourishing, and the region was 'hot'. The Uddevalla case was a 'textbook case on how a sick industrial structure should be treated'. Thus, yet again we can see how a difficult economic situation led to a political idea of changing the image (place promotion). Place promotion was perceived as the tool to attract companies. The previous political strong relationship was manifested in the government intervention (again) and co-operation with regional actors as well as business (Volvo's new factory). However, it seemed as if not all actors were allowed to take part. Locally it was argued that the closing-down of the shipyard created a void, signifying that the previous political embeddedness had disappeared. New institutions and relations had to be created. The progress and local mobilisation discourses were present in the municipality's information paper, but also the previous dependence relation on the government and a strong company.

## VII

# Partnerships

That local marketing exists at all is in many ways a comment on the policies of higher government.  
(Stephen V. Ward 1998, p. 238)

THIS CHAPTER begins with official reports on Sweden's regional organisation and ends in 2001 when Nutek publishes its report on cluster policy. Moreover, I show the circumstances behind the project Telecom City in Karlskrona, as well as place promotion activities in both cities.

### Official Reports and Riksdag Debates

In the spring of 1991 a decision was made to investigate Sweden's regional organisation. In June 1992 the reports *Regionala roller* [Regional roles] and *Västsvrige - en region i utveckling* [West Sweden - a region in development] were launched. In 1992 a regional drafting committee was summoned. Its task was to work out suggestions on the public authorities' organisation and classification on a regional level.<sup>1</sup> In February 1993 the regional drafting committee weighed the West Sweden report. In November 1993 the interim report *Västsvrige and Skåne regionen i förändring* [The West Sweden and Skåne Region in Transition] was published. In the report the drafting committee presented a proposal for the public organisation restructuring on regional level. The guiding principles were: increased democracy and improved efficiency. The county classification had been debated before. During the 1950s and 1960s a revision of the county classification was demanded due to the overwhelming transformation of society's social, economic and technological conditions. In the 1990s a new argument was put forward: the development in Europe had led to the regional level increasing in importance from an economic as well as a political point of view.<sup>2</sup>

In 1993 politicians were overwhelmed by the high unemployment and consequently no dramatic measures in the regional policy were taken in the conservative government's financial bill. In the Riksdag debate a Social Democrat emphasised the importance of local initiatives. The citizens' *power of initiative* was a prerequisite for the regions' development. A member of the Conservative Party referred to a researcher in regional development who had said that it was important to focus on

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<sup>1</sup> SOU 1995: No. 27. *Regional framtid* [Regional future] p. 53.

<sup>2</sup> SOU 1995:27, p. 14.

growth and less on the policy of fairer distribution.<sup>1</sup> In the regional policy debate in 1995 the Left Party argued for the importance of local mobilisation and the strengthening of the regional identity. The Green Party argued that the country had little use of that the population left the sparsely populated areas and was gathered in a lump in the larger cities. There seemed to be a consensus around this local perspective among principally all parties, since the Christian democrats and the social democrats were also talking about increased responsibility for the municipalities and local mobilisation.<sup>2</sup>

The government's employment bill of 1996 launched the concept regional economic development policy. The government's ambition was to alter the main focus in the regional and business policy from a distribution of national resources between the regions to developing national resources starting in the different conditions in each region.<sup>3</sup> The government's purpose was to create conditions for economic and decision-making skills of a good development in all the country's regions. The main part of the actual regional development work should take place locally and regionally.<sup>4</sup> The regional policy would promote sustainable economic growth by taking care of existing resources and building on the varying regional prerequisites for production. In this respect the regional policy had the same goal as the business policy.<sup>5</sup>

Economic equalisation between regions was to take place through the so-called small regional policy and through the large regional policy, constituting of the net profit of the government's income and expenditures in a region. The small regional policy should aim at, through financial support to companies and regional development efforts, promoting business development in particularly exposed regions.<sup>6</sup> The large regional policy should consist of redistribution via the government budget and the social insurance sector, for example municipal cost and income equalisation, labour market policy, business policy and communication policy.<sup>7</sup>

In 1997 an official report on regional policy concluded that due to the increasing international competition and the government's harsh budget restrictions the Swedish regional policy faced new challenges. It had to harmonise with the business policy. The regions themselves should to a larger extent be responsible for the problem formulation, for local and regional mobilisation as well as for carrying out regional development projects.<sup>8</sup>

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<sup>1</sup> Riksdag Debate 1992/93: No. 105, 5 May 1993. Regionalpolitiken [Regional policy], p.6 and p. 38. My emphasis.

<sup>2</sup> Riksdag Debate 1994/95: No. 118, 18 June 1995. Regionalpolitik [Regional policy], p.12, p. 15, p. 19.

<sup>3</sup> Nutek 1997. *Teknikpolitik och regional utveckling* [Technology policy and regional development], p. 6.

<sup>4</sup> Nutek 1996. *Regional utveckling: Konkurrenskraftiga regioner ger nationell tillväxt* [Regional Development: Competitive Regions Yield National Growth], p. 1.

<sup>5</sup> Nutek (1996) p. 1.

<sup>6</sup> Nutek (1996) p. 11. Includes EU funding approximately 3 billion kronor.

<sup>7</sup> Nutek (1996) p. 12.

<sup>8</sup> SOU 1997: No. 13 *Regionalpolitik för hela Sverige* [Regional Policy for the whole of Sweden], p. 10.

In 1997 *Närings- och Teknikutvecklingsverket, Nutek* [the Swedish Business Development Agency] stated that the starting-point for an effective regional policy was to place the largest responsibility with the local and regional actors. There were of course national considerations, which regional and local representatives had difficulties in understanding. Decentralised decision-making could be bad for the nation. This is a reminder of the discussions during the 1950s. It was also concluded that the government must provide the basis for a comprehensive view on the country's regional development. Nutek continued to emphasise that a decentralised decision-making system also demanded a strong central level. All regions should pursue their own regional growth policy, within a national framework. The telecommunications development in the Karlskrona/Ronneby region was put forward as a good local example of the right people doing the right things at the right time. There was, however, a reservation: the government's demand on Nordic Tel to establish in the region was a decisive point of departure leading to this development.<sup>1</sup>

Furthermore, Nutek argued that since the prerequisites for the development of industry were very different in different regions it was important that responsibility for the policy was moved closer to those who could best assess what needs to be done – i.e. local companies, organisations and authorities. A broad system of collaboration had therefore been initiated at county level.<sup>2</sup>

In 1998 a government bill proposed that agreements for regional growth should be drawn up, for the purpose of improving co-ordination between the local and regional agents responsible for growth and employment programmes. The country administrative boards and regional self-governing bodies would be invited to prepare the agreements in close collaboration with other partners, such as representatives of business, chambers of commerce, municipalities and county councils.<sup>3</sup> Hallin and Lindström argue that the government bill of 1998 was 'an interesting mixture' of EU inspired politics and traditional Swedish regional policy.<sup>4</sup> Hence, let us turn to the Union's policy to see which concepts are used.

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<sup>1</sup> Nutek 1997:19 p. 10.

<sup>2</sup> Nutek 1997. *Swedish Industry and Industrial Policy*, p. 5.

<sup>3</sup> Government Bill 1997/98: No. 62. *Regional tillväxt* [Regional Growth], p. 20.

<sup>4</sup> Göran Hallin and Bjarne Lindström 1998. *Det ouppklarade partnerskapet*, p. 40.

## EU's Structural Funds and the Concept of Partnerships

In the 1988 reform a number of key principles were emphasised, for example a concentration of the resources on regions and groups most in need of assistance, the implementation through partnerships including the European Commission, national governments, local and regional authorities. Regional development within the European Union's policy is to be obtained through four structural funds: the Regional Development Fund, the Social Fund, the Agricultural Guidance and Guarantee Fund, and the Fisheries Guidance. European funding should supplement already allocated national resources and funds should be managed at the lowest appropriate level - according to the subsidiary principle.<sup>1</sup> In the 1993 reform the budget increased from approximately 43,8 becu over 1988-1993 to over 141 becu for 1994-1999.<sup>2</sup>

The funds are divided into seven objectives: Objective 1-structural adjustment and development of less-developed regions, Objective 2-conversion of regions severely affected by industrial decline, Objective 3-combatting long-term unemployment and facilitating the occupational integration of young people and persons excluded from the labour market, Objective 4-assistance for workers in employment to adapt to industrial change and new production systems through retraining, Objective 5a-speeding up the adjustment of agricultural and fisheries structures, Objective 5b-facilitating development of rural areas, Objective 6- promotion of development in regions with exceptionally low population density.<sup>3</sup>

What effect has European regional policy then had in our cases? Uddevalla (Fyrstad) is included in Objective 2, whereas Karlskrona is not part of the structural funds. When asked about the significance of the structural funds, a civil servant in the Uddevalla municipality concluded that it was the most important thing for Uddevalla at that time.<sup>4</sup> On the other hand, a former local government commissioner in Karlskrona said that it was positive that Karlskrona was not an objective for the Structural Funds.<sup>5</sup>

Hallin and Lindström argue that Sweden's regional policy definitely changed with the Swedish EU membership. New influences and actors entered the regional political arena. When the structural funds were introduced the prerequisites for a regional development policy changed in Sweden.<sup>6</sup> The inauguration of the Regional Growth Agreements in Sweden was a consequence of the Union policy.

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<sup>1</sup> Hallgeir Aalbu, Göran Hallin, and Åge Mariussen 1999. *When Policy Regimes Meet: Structural Funds in the Nordic Countries 1994-99*, pp. 54-55.

<sup>2</sup> Rona Michie and Rona Fitzgerald 1997. The Evolution of the Structural Funds. In Ivan Turok and John Bachtler (eds) *The Coherence of EU Regional Policy: Contrasting Perspectives on the Structural Funds*. p. 20.

<sup>3</sup> Aalbu, Hallin, Mariussen (1999) p. 55.

<sup>4</sup> Interview with civil servant at Näringslivsenheten [the Municipality's Economic Development Office], 5 October 1999.

<sup>5</sup> Interview with former local government commissioner in Karlskrona, 21 June 1999.

<sup>6</sup> Hallin and Lindström (1998) pp. 10-12.

## Regional Growth Agreements

As we saw earlier the government bill in 1998 stated that the regional business policy should stimulate a sustainable economic growth, founded on the prerequisites of each region.<sup>1</sup> In order to obtain these objectives regional growth agreements were to be established. The purpose was to create a better co-ordination and a more holistic view on the bodies working with growth and employment on local, regional and central level. Region in this context meant a 'geographical area within which actors in business and society are prepared to develop a common programme for growth'. This signified, with some exceptions, counties. In November 1999 the agreements should have been concluded. *Regional partnership* was the key concept for the design of the regional programmes (in Swedish *partnerskap*). Partnership was perceived as a network for co-operation involving different sectors.<sup>2</sup>

In Blekinge's agreement, the County Administrative Board emphasised the following areas: The Baltic Sea, An Enterprising Spirit, Driving Forces and Infrastructure, Knowledge, Competence, Information Technology, An Ecologically Sustainable Society.<sup>3</sup>

If we focus on the second item, how was this specified and what was to be done in particular?<sup>4</sup> According to the agreement *entrepreneurship* should be rewarded. The economic structure was to be used effectively. The educational system was to work for increased enterprising. Different areas within the social economy were also encouraged.<sup>4</sup> There seems to be a contradiction here. On the one hand, entrepreneurship and enterprising should be encouraged, which is a form of a capitalistic spirit, but on the other hand, the social economy should also be encouraged, which is a sector for non profit-oriented activities. It does not say in specific how entrepreneurship should be rewarded or how economic conditions should be created. *Networks* are mentioned as important and will be aimed at. There is, however, no analysis as to why they are important.

In West Sweden, the work with the agreements took place locally, in seven places, of which Fyrstad was one. The overall goal for Fyrstad was that the region should be 'a leading technology and industrial region in Europe in 2012'. Five areas were emphasised: Competence, Technology, Company Environment, Individual Environment, and Communications.<sup>5</sup> It did not say anything else in detail. At the web site we could read that competence means competence for a stronger business life, that is, the University College should here play an important role. When it

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<sup>1</sup> Government Bill 1997/98: No. 62. *Regional tillväxt* [Regional growth].

<sup>2</sup> Näringsdepartementet 1998. PM. Regionala tillväxtavtal [Memo on Regional Growth Agreements] p. 1.

<sup>3</sup> Länsstyrelsen i Blekinge 1999. Regionalt tillväxtavtal Blekinge, pp. 19-20 unpublished. The agreement was worked out through a SWOT-analysis: Strengths, Weaknesses, Opportunities, Threats. The SWOT-analysis became popular in the beginning of the 1990s.

<sup>4</sup> Social economy is a label on the 'third sector', activities which are not part of the private or the public sector, for example co-operatives, cultural associations.

<sup>5</sup> Fyrstadskansliet 1999. Lägesrapport över arbetet med det regionala tillväxtavtalet. Unpublished. Also in this case the agreement is built on a SWOT-analysis.

comes to company environment the aim was to develop an environment that attracts firms. Business' work with technology innovations and research needs encouragement. The individual environment should be made attractive for people.<sup>1</sup>

The implementation problem seems to be the same here as in Blekinge. It seems as if it has been easy to set up goals but the ways to attain them seem difficult to articulate. *Bohuslänningen* argued that it was good that Fyrstad sought for an overall view on the development in the region. Fyrstad had been unfairly treated during the last decades and it was due time that efforts were focused on the region.<sup>2</sup>

In 2001 the government yet again emphasised the importance of the regional growth agreements. The government argued in the regional policy bill that mutual partnerships contribute to local mobilisation, which in turn is necessary and fundamental for local dynamics. The bill also emphasised cluster policy, based on Nutek's report *Innovative Clusters in Sweden*. Surprisingly, despite a certain insight that social relations and social capital can be inhibiting, the focus is nevertheless on supporting existing specialized clusters.<sup>3</sup>

### **Concluding Remarks**

During the 1990s the local mobilisation discourse was supplemented with the concept of partnerships. First, there was the construction of a Europe of regions. Second, there was a reconstruction of the Swedish regions, both in terms of bringing them up on the agenda in connection with the regional growth agreements and in the creation of the new Skåne and West Sweden regions. During this period the previous decade's emphasis on local and regional prerequisites was continuously put forward as a way to bring about local or regional economic development. The responsibility for economic development was thus continuously focused on local mobilisation. In addition, the government brought up specialization and cluster policy on the agenda. Let us see how this policy was reflected in Karlskrona and Uddevalla and which political actions were taken accordingly.

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<sup>1</sup> [www.uddevalla.se](http://www.uddevalla.se).

<sup>2</sup> *Bohuslänningen* 16 June 1999. Editorial.

<sup>3</sup> Government Bill 2001/02: No. 4. En politik för tillväxt och livskraft i hela landet [Politics for Growth and Vitality in the Whole Country], p. 7, pp. 67-69 and p.163.



## Discourses and Political Practice in Karlskrona 1991-2000

### Images of Economic Development

In this section we will see how the promotion of Telecom City was planned. We will also meet some interviewees and their views of the economic development in the 1990s. In this context the construction of the 'old' and the 'new' is analysed. The concepts of entrepreneurship and partnership are also explored and analysed.

In the beginning of the 1990s the local government worried about competition from science parks established in the rest of the country, not least the Soft Center in Ronneby.<sup>1</sup> Soft Center was part of the 1980s proliferation of science or technology parks in Sweden. The local authorities in Ronneby had proposed a Soft Center based on education, research and development in software and data communication. The project was influenced by similar centres in Japan, which had been placed outside of larger cities close to the countryside. The purpose was to combine university education, R&D and decision-making in private and public affairs to create renewal in the municipal's business structure. Soft Center was to have three fundamentals: local resources in the form of firms working with development and sale of software, educational resources in the form of university courses and vocational courses plus development projects. Today Soft Center is privately owned and can be found in several places in the country.

*Näringslivskommittén* [The Committee for Economic Development Issues] analysed the situation which had followed upon the recession, the decreasing public sector, the decreasing defence business, the rationalisation in manufacturing, the new government policy and the EEC. It was argued that Karlskrona's positive features were its nearness to EEC, its nearness to eastern Europe, the ferry business, the quality of life, a good entrepreneurial service, a good labour force, access to industrial land with a quayside, good competence within telecom, good competence within building and planning, good competence within industrial technology as well as naval competence. The negative features were: few entrepreneurs, the geographical position (despite its nearness to EEC!), many manufacturing companies, high living costs, high costs for land and premises, and a bad environment for head offices.<sup>2</sup>

In 1992, however, the committee described 1991 as a wonderful year, with among other things, the establishment of ABB High Voltage Cables.<sup>3</sup> The newspaper *Sydöstran* emphasised also in this case that the location in Karlskrona had

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<sup>1</sup> Kommunstyrelsen. Näringslivskommittén [The Committee for Economic Development Issues] 1991. Memo 10 December.

<sup>2</sup> Kommunstyrelsen. Näringslivskommittén [The Committee for Economic Development Issues] 1991. PM 10 December.

<sup>3</sup> Kommunstyrelsen 1992. 10 April. Annual Report 1991.

taken place totally without government support. ABB had chosen Karlskrona on its own merits.<sup>1</sup>

In this year Karlskrona was actually promoted as 'the meeting place of the Baltic Sea':

Karlskrona stands for quality of life. There is life in the ever moving sea, the waving fields of corn, the rustling deciduous forests. The town is full of life, as are the residential districts, the archipelago and the edge of the wood. There are sounds of hooting cars and barking dogs. The town is a meeting place for young and old. It is the quality of life we want to portray in our book about Karlskrona municipality [...] enjoy the archipelago. Drop in on skilful craftsmen and visit high-technological industries.<sup>2</sup>

Following the strategy from 1989, Stockholm was put forward as an antithesis:

Compared to Stockholm, Karlskrona is warm and dry with a higher average annual temperature and less rain and snow.<sup>3</sup>

In 1991 *Blekinge Läns Tidning* asked how Karlskrona was really doing. There were at least two messages: One local government commissioner argued that Karlskrona had a fair wind. Yet the Social Democratic Party in Karlskrona had sent letters to the Prime Minister demanding support to Karlskrona. The party wanted companies that would contribute to a differentiation of the business structure and which had connections to the University College. The party requested that the government gave the municipality the so-called Saab-money. It was also disappointed that the investment company *Ankaret* had not developed the business structure in Karlskrona. The newspaper argued that the party's view was closer to the truth than the local government's. The government had lost control over the development, thereby causing much of the misery now affecting Blekinge.<sup>4</sup>

In 1992 *Boverket* [the National Housing Board] in Karlskrona discussed local government strategies in for example a leaflet called 'business development and municipal planning'. It was emphasised that 'local cultures in networks provide a solid foundation.' There were also references to publications on local mobilisation. It was also said in the leaflet:

For the municipal planner it may seem to be a clash of interests between regional co-ordination and the emphasis of the municipality's own image. Labour and capital in the new so-called knowledge companies are more mobile between cities and regions than in the industrial society. A city

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<sup>1</sup> *Sydöstran* 3 August 1991. Editorial.

<sup>2</sup> Lars-Erik Larsson and Jörgen Jonsson 1991. *Karlskrona: Östersjöns mötesplats*. Published by the Municipality, *Industrigruppen* and the Trade and Business Association. Quotation both in Swedish and English, p. 1.

<sup>3</sup> Larsson and Jonsson (1991) p. 9.

<sup>4</sup> *Blekinge Läns Tidning* 14 March 1991. Editorial.

that wants to attract well-educated people and expanding companies must have an attractive, well-known image.<sup>1</sup>

In 1993 *Blekinge Läns Tidning* referred to an investigation of Karlskrona that showed that the city had no attraction force. Marketing people would say that Karlskrona had ‘an image problem’. The question was, according to the newspaper, how one could persuade people outside Blekinge that it was not ‘black as night’.<sup>2</sup>

In Chapter II we could read that Nordic Tel (later Europolitan, now Vodafone) located an office to Karlskrona. One of the prerequisites for the location was that the firm was granted the third admission for GSM. Why did the government decide on the third admission? In February 1990 Nordic Tel’s application was turned down.<sup>3</sup> In June the Saab board postponed the Karlskrona decision. Nordic Tel argued in an appeal to the government that: ‘the Karlskrona region would benefit from a successful business for Nordic Tel. If the company may develop according to its plans the employment in Karlskrona will increase’.<sup>4</sup> In August there was still no decision on the Saab location. In September Nordic Tel brought up its application in a letter to the government and mentioned Karlskrona again.<sup>5</sup> In October it was obvious that there would be no Saab factory. A local government commissioner hoped that his close friendship with the Minister of Industry would prove to be an extra resource. In an interview in the newspaper he said that: ‘due to the fact that we are old, near and dear friends, I would be very surprised if he let us down’.<sup>6</sup> In December the admission was granted.<sup>7</sup> One argument was that the company had established education within teletransmission at the University College.

The municipality’s development project in the old military area Gräsvik was also a reason. Later, the newspaper *Dagens Nyheter* claimed that one of the government’s demands for granting the license was that the third operator was located outside Stockholm. Karlskrona was chosen because some of the initiators came from the region.<sup>8</sup> The managing director at the time, Flemming Örneholt, previously man-

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<sup>1</sup> Boverket 1992. *Näringslivsutveckling and kommunal planering: En idéskrift och ett kunskapsunderlag*. pp. 85-86 [Business Development and Local Government Planning. A Brochure of Ideas and Knowledge Foundation]. With reference to for example Åsel Floderus (ed.) 1990. *Att ta saken i egna händer. Lokal mobilisering som svar på välfärdsstatens kris* [To Take the Matter in One’s Own Hands. Local Mobilisation as a Response to the Crisis of the Welfare State]. Boverket [The National Board of Housing] was located to Karlskrona in 1988.

<sup>2</sup> *Blekinge Läns Tidning* 2 february 1993. Editorial.

<sup>3</sup> Televerket decision 27 February 1990, due to lack of frequency space. Letter from Televerket to Nordic Tel 27 February 1990. In the Government Central Archive. Ministry of Communications, dnr. II 1104/90.

<sup>4</sup> Petition from NordicTel to the Government 29 June 1990. In the Government Central Archive. Ministry of Communications. dnr II 1104/90.

<sup>5</sup> Letter from NordicTel to Department of Communications. In the Government Central Archive. Ministry of Communications. dnr II 1104/90.

<sup>6</sup> *Blekinge Läns Tidning* 17 October 1990.

<sup>7</sup> The Government decision argues that it may be concluded, after an investigation by a professor in Lund, that there is frequency space for another operator. Government decision 13 December 1990. dnr II 1104/90 the Government Central Archive Ministry of Communications.

<sup>8</sup> *Dagens Nyheter* 13 January 1995.

ager for Ericsson's mobile phone division at the science park Ideon in Lund, claimed that the company had first planned to locate the main office in Lund and customer service and technology only in Karlskrona but after a while the decision was to locate the main office to Karlskrona.<sup>1</sup> One reason was said to be access to a stable labour market.<sup>2</sup>

Kommunfullmäktige decided to arrange provisional offices for the company in Gräsvik. The expenses for this were to be covered by loans. The exploitation costs involved in the establishment of Nordic Tel became 7,95 million kronor.<sup>3</sup>

It seems as if the government also did contribute financially with regional support, probably as a consequence of the failed Saab project. In a press communiqué it was said that the government decided to give 48,8 million kronor to three companies (the opinion poll institute Sifo, Nordic Tel and the insurance company Folksam) establishing in Karlskrona and Ronneby. The Minister of Industry said that through this decision the government had fulfilled the ambition of creating 500 new jobs in Karlskrona, which had been part of the second Blekinge Support package. The government thus considered that it had carried through its intentions in the Karlskrona region.<sup>4</sup> Locally it was said, however, that no strings were attached to the establishment.<sup>5</sup> The editor of *Sydöstran* also emphasised:

What is most joyful is perhaps that Karlskrona got the firm establishment due to its own qualifications. Nordic Tel does not get a *krona* in state support for establishing in Blekinge [...] It should also be emphasised that Nordic Tel's establishment has nothing to do with the Saab factory that failed to appear.<sup>6</sup>

In 1999 the former local government commissioner, however, said:

Europolitan was new, well the government [...] offered them such resources that they had difficulties saying no.<sup>7</sup>

And the present local commissioner says:

My predecessor [...] and I, we were at the Social Democratic party congress [...] had a conversation with [the Minister of Industry] one late evening and he told us there will be no Saab factory, forget that, but we are working hard and everything points in the direction of that it will be something called Nordic Tel establishing its main office.<sup>8</sup>

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<sup>1</sup> *Svenska Dagbladet* 31 August 1992.

<sup>2</sup> *Dagens Industri* 2 September 1992.

<sup>3</sup> Kommunfullmäktige 1991. Minutes 24 October.

<sup>4</sup> Ministry of Industry 1991. Press Communiqué 12 September.

<sup>5</sup> Interview with managing director in investment company Blekingen AB in *Blekinge Läns Tidning* 15 December 1990.

<sup>6</sup> *Sydöstran* 15 December 1990. Editorial.

<sup>7</sup> Interview with former local government commissioner, 21 June 1999.

<sup>8</sup> Interview with local government commissioner, 17 June 1999.

## The Marketing of Telecom City

In 1993 the main goal of the municipality was to establish a positive image of Telecom City. During the year the newsletter *Telecom City News* was published as well as *Telecom City Magazine*, a supplement to the national business magazine *Veckans affärer*. Telecom City participated at fairs, arranged Telecom City days and Telecom City lunches.<sup>1</sup> The promotion was not limited to new companies. The local newspaper *Sydöstran* declared that the bad image should be improved. Positive television features, a presentation of future industry and the new malls, the public swimming baths and the new naval museum ought to do this.<sup>2</sup> *Blekinge Läns Tidning* concluded that a peaceful but yet inexorable revolution was taking place in the city. The development in Karlskrona could serve as a role model for the rest of Sweden.<sup>3</sup> Ward shows a similar pattern in Manchester where the local media prepared the community for a promotion campaign. The newspaper *Manchester Evening News* 'proved a medium through which certain actors were able to put across their views as normal and common-sense'.<sup>4</sup>

In 1995 the municipality called on five ministers and the promotion resulted in a large number of articles in the national and local press.<sup>5</sup> Kommunstyrelsen established that they could not depend on any strong external power. The people living and working in Karlskrona should create their own future. The good prerequisites should be successfully promoted and useful networks should be created. To attract new competence in the form of companies, labour, students and researchers, forceful promotion should be carried out.<sup>6</sup>

The municipality's strategy was to promote the good prerequisites and create useful networks. The municipality emphasised that media were playing an important role in this respect.<sup>7</sup>

But not only media were important in this campaign. In 1996 the consultant company EuroFutures argued that 'the active promotion of Telecom City plays a very large role to explain why the image of Karlskrona is more positive today than the image of for example Bergslagen'.<sup>8</sup>

In 1998 the Telecom City promotion argued that Karlskrona has had the largest growth in the 1990s (over 300 per cent) in the IT-business.<sup>9</sup> Based on the IT-industry's total salary payments, Karlskrona had the country's largest growth, 405,7 per

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<sup>1</sup> Kommunstyrelsen 1996. The accountants' report on Telecom city 19 August.

<sup>2</sup> *Sydöstran* 22 May 1993.

<sup>3</sup> *Blekinge Läns Tidning* 23 September 1993.

<sup>4</sup> Ward (2000) p. 1101.

<sup>5</sup> Kommunstyrelsen 1996. Revisorernas rapport om Telecom City [The Accountants' Report on Telecom City], 19 August.

<sup>6</sup> Kommunstyrelsen 1995. Minutes 6 June.

<sup>7</sup> Kommunstyrelsen 1995. Utvecklingsplan [Development Plan] 6 June.

<sup>8</sup> Dan Hjalmarsson 1996. *Telecom City: en framtid för Karlskrona*, p. 4. Bergslagen is an area in the middle of Sweden which has had severe economic problems due to its historical dependence on mining.

<sup>9</sup> *Telecom City News* May 1998.

cent during the 1990s. Karlskrona had together with Stockholm, the largest number of people employed in the infocom sector, 11 per cent, compared to the national average of 5,1.<sup>1</sup> The growth of the companies in Telecom City was 400-500 people every year.<sup>2</sup>

Another important part in the promotion is the emphasis that the small city is better than the big city. Thus, infrastructure, housing and recreation were put forward as good. The surrounding countryside was also put forward as a competitive advantage.<sup>3</sup> People were interviewed in advertisements, testifying that access to everything was so easy - the countryside, the spare time and the workplace.<sup>4</sup> In 1999 the head of economic development explained that the work consisted of two things; to create a unique product with a market and to promote that product. He argued that they did not care about if it was a city, soap or a car.<sup>5</sup>

Ward argues that a common feature in this kind of promotion is an impressive list of companies that have decided to locate in the town.<sup>6</sup> And this was certainly the case here, Sun and Motorola were listed to name but a few. Furthermore, researchers were used as a way of legitimising the dignity of the development.<sup>7</sup>

The leading theme in the promotion is that something new has happened. There has been a remarkable upheaval, from nothing to a storming success. The city is described as a former 'Crisis City' and today it is a success municipality. Something of a miracle has happened. An interesting aspect is that there is a lot of emphasis on this as something totally unforeseen. A professor in regional economics actually emphasises that ten years ago there was no ground for this development.<sup>8</sup>

An extensive marketing campaign took place in Arlanda airport where representatives from Telecom City tried to attract people with the right qualifications to move to the expansive Blekinge. With the help of an advertising agency, Telecom City converted the escalators in terminal four into so called adventure tunnels. Screens showed what a day in Blekinge could look like, and the pictures flickering by were combined with fragrance and sound. At the end of the escalators the representatives of Telecom City stood, prepared to promote Karlskrona and Ronneby.<sup>9</sup>

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<sup>1</sup> *Telecom City News* September 1998.

<sup>2</sup> *Telecom City News* December 1998.

<sup>3</sup> See *Telecom City News* 1998: No. 2. 'Come closer to the edge of the bridge', 1998: No. 5 'We offer an environment without winding queue of cars'. In English.

<sup>4</sup> '400 % it-tillväxt', ['400% it-growth'] advertisement in *Dagens Industri* 15 November 1999.

<sup>5</sup> Interview with civil servant, Näringslivsenheten [the Municipality's Economic Development Office], 10 November 1999.

<sup>6</sup> Ward (1998) p. 182.

<sup>7</sup> see for example *Telecom City News* 1998: No. 12. See also Introduction.

<sup>8</sup> Advertisement '400 % it-tillväxt' [400% it growth] in *Dagens Industri* 15 November 1999. Supplement.

<sup>9</sup> *Dagens Industri* 12 September 2000.

## The Construction of the Miracle in the Media

Barke and Harrop argue that media play the most prominent role in reconstructing a place and creating new identities.<sup>1</sup> The national media have really done their job in this respect.

In 1993 the business magazine *Veckans affärer* reported that Karlskrona had never experienced any boom. Ericsson's location in 1947 was, however, emphasised as well as the importance of the municipality's lobbying to change the image of 'crisis municipality'.<sup>2</sup>

The union journal *Akademiker* continued with the focus on 'the new': 'A collapse seems to generate a remarkable power within people, and from the ruins, new thinking can originate'.<sup>3</sup> The journal announced 'Welcome to Sweden's Silicon Valley'. The story was summarised as follows: 'In 1989 Blekinge lay fallow. In 1999 Telecom City in Karlskrona is a hotbed where it grows most in the whole country. In five years the Blekinge region got 3000 new IT jobs. 11 per cent of the people in Karlskrona work with IT, which is equivalent to Stockholm. 1989 was 'black as a night' with an industry 'in ruins'. Blekinge started from 'scratch' and this is 'unique'.<sup>4</sup>

In the spring 2000 *Aftonbladet* presented Karlskrona as 'the regiment city as hot as Kista'.<sup>5</sup> *Veckans affärer* announced the 'Miracle in Blekinge' in May 2000. The house prices were equivalent to Stockholm; expensive BMW's were crowded together in the parking spaces. The Swedish IT wonder was to be found in Karlskrona. The old shipyard city Karlskrona, a city that 'crouched in collective depression' ten years ago with growing unemployment and young people's flight, could not be recognised.<sup>6</sup> The same kind of article was found in *Dagens Nyheter* the same day: 'Karlskrona did the right thing'. A miracle had occurred in Karlskrona. Ten years ago this was a depopulated area with closed factories, and extreme unemployment. Karlskrona was now characterised as 'a metropolis' in IT, world renowned in the telecom business and among venture capitalists.<sup>7</sup>

Another characterisation of how bad it was in the late 1980s was the assertion that the unemployment was the same as in inner Norrland.<sup>8</sup> How is one to take that? That the unemployment was sky high? As we have seen, however, the unemployment was not sky high in the end of the 1980s, since this was just before the crisis in the country as a whole. But we have also seen that the discourse of inner Norrland began already in the early 1970s. Population figures have also been used carelessly. *Dagens Industri* reported in 1997 that population in Karlskrona had risen

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<sup>1</sup> Barke and Harrop (1994) p. 93.

<sup>2</sup> *Veckans Affärer* 17 November 1993.

<sup>3</sup> *Akademiker* 1999: No. 4.

<sup>4</sup> *Akademiker* 1999: No. 4.

<sup>5</sup> *Aftonbladet* 5 March 2000: IT-skolan lyfte stan ur krisen [IT-school got the City out of the Crisis].

<sup>6</sup> *Veckans affärer* 29 May 2000.

<sup>7</sup> *Dagens Nyheter* 29 May 2000.

<sup>8</sup> *Aftonbladet* 5 March 2000. *Dagens Nyheter* 29 May 2000.

from 'an extremely low level of 58,000 in 1990 to 62,000 in 1997'.<sup>1</sup> According to Statistics Sweden, Karlskrona had in 1990 59,054 inhabitants and in 1997 60,302.<sup>2</sup>

The belief in the single individual's ability to change things, to actually make a difference, is used as an explanatory factor. Sometimes it is the local government commissioner who created the success.<sup>3</sup> In another article it is the 'three wise men', that is the former managing director for EP-data, the municipality's economic development director and the principal at the university college.<sup>4</sup> Another explanation is the close co-operation between the municipality, the university college and the companies.<sup>5</sup> *Affärsvärlden* concludes that 'the right kind of people' is needed for such a transformation.<sup>6</sup> At least this newspaper seems to have noticed that the region had an embryo for this development in Ericsson. However, it is argued that the real turning point was the location of Europolitan.<sup>7</sup> In *Dagens Nyheter's* article in May 2000 Ericsson has disappeared as explanatory factor, instead it all started with Europolitan.<sup>8</sup>

There has also been a focus on the local society or the region as a prime mover in the development, which in turn is part of a larger discourse on the state's diminishing role. Also, there seems to be a wish to emphasise that things that come from above are bad, e.g. regional development projects initiated from above are compared to the founding of Karlskrona by the king Karl XI. Today it is emphasised that the government support packages have misfired.<sup>9</sup> This view is similar to the previous discourse of the government's maltreatment of Karlskrona.

### *New Jobs and Lost Jobs*

The newspapers seem to treat job figures as lightly as the municipality does in its promotion. The main focus in the newspapers' reports on the development is that the number of jobs has increased. In 1997, the business magazine *Dagens Industri* reported about the job increase. About ten telecom companies with Ericsson and Europolitan at the head of the development had since the beginning of the network doubled the number of employees from 1000 to 2000 people.<sup>10</sup> In 1998 the daily national paper *Dagens Nyheter* reported that the information technology business was growing but that the shipyard was still important. Several jobs had disappeared but 2000 other jobs had been added, primarily within the IT-business.<sup>11</sup>

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<sup>1</sup> *Dagens Industri* 2 January 1997.

<sup>2</sup> Statistics Sweden. Årlig befolkningsstatistik [Annual population statistics] [www.scb.se](http://www.scb.se).

<sup>3</sup> *Dagens Industri* 2 January 1997.

<sup>4</sup> *Akademiker* 1999: No. 4.

<sup>5</sup> *Computer Sweden* 10 February 1999.

<sup>6</sup> *Affärsvärlden* 13 January 1999.

<sup>7</sup> *Affärsvärlden* 13 January 1999.

<sup>8</sup> *Dagens Nyheter* 29 May 2000.

<sup>9</sup> *Akademiker* 1999: No. 4.

<sup>10</sup> *Dagens Industri* 2 January 1997.

<sup>11</sup> *Dagens Nyheter* 27 November 1998.



In 1999 *Affärsvärlden* referred to Karlskrona municipality who argued that the number of employees within IT and telecom had increased with 400 per cent to 5000 during the last ten years.<sup>1</sup> *Computer Sweden* reported that 3000 new jobs within IT and telecom had been created in five years.<sup>2</sup> In the year 2000, *Dagens Industri* referred to that the municipality pushes the IT-companies to double the numbers of jobs from today's 4000 to 8000 in five years.<sup>3</sup> In May *Dagens Nyheter* argued that there were now 200 IT- and telecom companies with 5000 employees in the region.<sup>4</sup> The number of jobs disappearing varies a lot. Sometimes the numbers employed by the navy is claimed to have decreased from 5000 to 1000.<sup>5</sup> A strange assertion is: '[...] both Ericsson and Karlskrona shipyard disappeared in a few months'.<sup>6</sup> In another article it said that Ericsson and the navy each downsized with 1000 people during the 1980s.<sup>7</sup> The number 5000 seems to be an accurate number, since also *Akademiker* says that 5000 people worked at the shipyard in 1960, which we have previously seen is not correct, at least according to official statistics.<sup>8</sup>

Also Nutek states in 2001 that the Karlskrona-region has 'created over 3000 new IT-jobs'.<sup>9</sup> Nutek also claims that 20 per cent of the labour force in the Karlskrona region is employed in IT-firms.<sup>10</sup>

It is very difficult to estimate how these figures have come about, especially for the period 1989-1999 ('during the last ten years'). First, Statistics Sweden do not have any detailed official statistics for 1989, except for the industry. Furthermore, changes in these statistics make it even more difficult to compare, on a detailed level, the figures for 1989 and 1999. If we compare the figures in the sector 'credit institutions, real estate, and company services' between 1990 and 1999, (where we can expect to find IT-consultants), we find that this category represents 757 jobs between 1990 and 1999. Between 1997 and 2000 there was, however, a decrease in this sector. Industrial employment (where we can expect to find employees in the telecom sector), fell from 1990 to 1999 with 799 people.

Second, the 'Karlskrona region' is mentioned. Since this is not further specified I assume that they mean labour market region, which signifies Karlskrona and Ronneby. This labour market region has increased employment in 'industry', 'credit institutions, and real estate', and 'R&D and education', with approximately 2300 between 1994 and 1999.<sup>11</sup> Some remarks are, however, appropriate. First, it is doubtful

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<sup>1</sup> *Affärsvärlden* 13 January 1999.

<sup>2</sup> *Computer Sweden* 10 February 1999.

<sup>3</sup> *Dagens Industri* 4 April 2000.

<sup>4</sup> *Dagens Nyheter* 29 May 2000.

<sup>5</sup> *Dagens Industri* 2 January 1997.

<sup>6</sup> *Dagens Industri* 22 May 2000.

<sup>7</sup> *Akademiker* 1999: No. 4.

<sup>8</sup> *Akademiker* 1999: No. 4.

<sup>9</sup> Nutek 2001. *Innovative Clusters in Sweden*, p. 34.

<sup>10</sup> Nutek (2001) p.34.

<sup>11</sup> The numbers can be found in Appendix 2.

if all these jobs fall under the category 'IT and telecom jobs'. Second, it is important to pay attention to the fact that between 1990 and 1999, the labour market region has lost 3089 jobs. Perhaps it is justified to say that the actual employment development during the 1990s is equal to nil.

Third, the question of 'new' jobs can be raised. For example, should the jobs at Flextronics taken over from Ericsson be counted as 'new jobs'?

Fourth, we may question if the establishment of Telecom City 'created' new jobs. Appendix 2 shows that the 'old' industries, the shipyard, and Ericsson (and Flextronics-the former Ericsson factory) account for 3100 jobs. And Vodafone (which more or less was located to Karlskrona as part of a support package) account for 1400 jobs. The other companies account for about 700 jobs.<sup>1</sup>

To summarise, the purpose of this discussion on statistics is to emphasise the difficulty of establishing increase or creation of new jobs, and the importance of scrutinising promotion material and newspapers' reports of economic development. It also shows the importance of the historical industrial structure. The promotion of Telecom City has developed due to a changed view of the central government's role. This is further analysed in the following sections.

## **Partnerships and Entrepreneurship**

We have noticed several pressures on the nation state during the last twenty years. As we saw in the Introduction, the globalisation discourse has contributed to this, as well as the creation of the European union. The gradual change in focus on local and regional responsibilities and partnerships has left imprints on the local level. In this section we will see how some of the local actors have perceived the last years' economic and political changes.

In 1999 a local government commissioner argued that today people in Karlskrona should take care of things themselves and not rely on the government or the County Administrative Board to be some kind of engines in the development.<sup>2</sup> As we have seen the relationship with the government has been very dependent on the situation at the shipyard. The local government commissioner sums up that from 1945 and onwards the navy lost equivalent to one unit every fifth year. The government remained very passive in this matter as far as up to the 1980s and the beginning of the 1990s.<sup>3</sup>

One might argue that those governing Karlskrona are walking a tightrope considering the relation to the government. On the one hand they have to take a firm position and as independent create a distinctive image, on the second hand, why would

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<sup>1</sup> I have not managed to get information on the number of employees in four of the member companies so the figure might be slightly higher. According to recent figures from Statistics Sweden the total number employed in the IT-industry is 3423 (E-mail from Statistics Sweden to the author 20 December 2002). This suggests that the official definition of an IT-job differs from the local definition, since the number of employees in the Telecom City companies is higher.

<sup>2</sup> Interview with local government commissioner 17 June 1999.

<sup>3</sup> Interview with local government commissioner 17 June 1999.

they say no to a possible good relationship? After all, the navy and the university college are still important and government decisions affect them.

The new relationship with the government or the changed role of the state in turn demands increasing collaboration between private and public actors at local and regional level. An interesting aspect in the development of Telecom City is the focus on partnerships. Ward describes the development of partnerships in Britain and US during the whole 20th century.<sup>1</sup> We have also seen that local partnerships in Karlskrona existed already in the 1930s. AMS was involved in various partnerships concerning industrial locations. Today's situation resembles the situation before the intensified central location and regional policy. Another similarity is that today the municipality again provides capital for company establishments. However, despite similarities with previous periods, today's discourse is seen as something new. It is the same co-operation but with a different label.

Who is in and who is out in these partnerships? When asked about the significance of popular movements, the local government commissioner said that they have a great significance but it is a pity that they have understood so little of the changes taking place.<sup>2</sup> The head of economic development said that they have refrained from dealing with the County Administrative Board, ALMI<sup>3</sup> and others since to pursue the issues it was not important to have their support. To get it, the municipality would have had to compromise.<sup>4</sup>

Even if the discussions on the need for a more differentiated business structure have been going on for a while, an increased interest was noticeable in the end of the 1970s. Small and medium-sized businesses became the buzzwords. In the 1980s, Silicon Valley was brought forward as a role model, as well as Swedish Gnosjö. In *Sydöstran* we could read that Telecom City was Karlskrona's answer to Silicon Valley.<sup>5</sup> Towards the end of the century it seems as if northern Italy (Emilia-Romagna) is another popular region to compare with. The local government commissioner said:

I think we can find a great deal of experience of co-operation, for example from northern Italy, as a complement to this quick growth, also create some form of social economy.<sup>6</sup>

Social economy is another popular concept, a label on the 'third sector', activities which are neither part of the private nor the public sector, for example co-opera-

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<sup>1</sup> Ward (1998) p. 194.

<sup>2</sup> Interview with local government commissioner 17 June 1999.

<sup>3</sup> ALMI was founded in 1994 through a Riksdag decision on a new organisation to support the development of small firms. The earlier county based development funds were recreated from foundations to stock companies and became regional development firms in a group with a state-owned parent company.

<sup>4</sup> Interview with civil servant, Näringslivsenheten [the Municipality's Economic Development Office] 10 November 1999.

<sup>5</sup> *Sydöstran* 11 May 1993, pp. 10-11.

<sup>6</sup> Interview with local government commissioner 17 June 1999.

tives and cultural associations. In the union magazine *Akademiker*, the recipe for the success in Karlskrona contains ‘impulses from Silicon Valley, some Gnosjö spirit and Blekinge sulkiness’.<sup>1</sup>

### Construction of the Old and the New

One quite striking thing is the distinction between the ‘old’ and the ‘new’. It is used as a way of rationalising what is going on today. Webb and Collis argue that the explanation of the reemergence of the region is often coupled to pairings of bad/then and good/now practises.<sup>2</sup>

The past is perceived as outdated and the old society as ‘patriarchal’. The local government commissioner argues that Karlskrona used to be a *bruksort* but their *bruk* was the navy.<sup>3</sup> Karlskrona had all the classical distinctive features of a *bruksort*. Governed from afar, a traditional male culture, few meeting places over the traditional class boundaries.<sup>4</sup> Karlskrona was also characterised by a widespread conservatism. The large military establishment was huge and dominating.<sup>5</sup> Concerning the popular movements’ roles a local commissioner has said: ‘Popular movements are running the risk of becoming advocates of the old.’<sup>6</sup>

The old, negative image is supposedly changing in today’s ‘post-industrial’ era. However, the notion ‘governed from afar’ is questionable; this has to do with the earlier relationship with the government. We might ask though if the new telecommunication and IT-companies are really different in this respect. There are often no headquarters present and large multinational firms are the owners of for example Europolitan and Flextronics. The navy and the shipyard jobs got a lot of attention, being part of the public sector, and therefore there were specific demands on the government to act since it actually could affect the situation. We should also note that many women worked in the manufacturing industry.<sup>7</sup> The Metalworkers’ Union had many female members.<sup>8</sup>

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<sup>1</sup> *Akademiker* No. 4, 1999.

<sup>2</sup> Webb and Collis (2000) p. 861.

<sup>3</sup> The Swedish *bruksort* is in English called a patriarchal society. In a Swedish context it means a society dominated by a firm (*bruk*) often originating in the iron industry. The *bruk* appeared during the 17<sup>th</sup> and 18<sup>th</sup> centuries and was dominated by a specific spirit where the *brukspatron* (the owner) governed the society both mentally as well as in terms of material assets.

<sup>4</sup> Interview with local government commissioner 17 June 1999.

<sup>5</sup> Interview with former county councillor 9 November 1999.

<sup>6</sup> Interview with local government commissioner 17 June 1999.

<sup>7</sup> Women in the manufacturing industry in Karlskrona: In 1950; 996 (men 2006 ), in 1960; 1485 (men 3597), in 1965; 1489 (men 3310), in 1970; 1575 (men 3311). Source: *Census* 1950:IV:table 4, 1960:VI:table 2, 1965:IV:table 2, 1970:V:Table 3.

<sup>8</sup> Proportion men/women: 1956: 655/430, 1960:844/467, 1965:1553/867, 1970:1793/1022, 1985:2357/964, 1990:2490/1067, 1998:2533/982. Source: The Metalworkers’ Union in Karlskrona. Annual Reports. The differences between the ratio in employed in industry and the members in Metall can probably be explained by the fact that the shipyard employees are calculated in industry statistics, but are organised by a different union.

The construction of the past in terms of good and bad is also interesting. The media's construction of a city 'lying fallow', being 'black as night' and 'starting from scratch', was efficiently used to improve the image. Who cares about a city that has always been well off? As one of the informants says: 'a poor little thing trying to get on, in some ways people like that.'<sup>1</sup> The past is often looked upon as bad. One interviewee argued that to live in Blekinge had been worthless most of the years he could remember.<sup>2</sup> A former local government commissioner says that as soon as someone had an idea, everyone said that it wouldn't work. Today people say it is possible. He thinks that is what's new.<sup>3</sup> The fact that previous years' 'positive' discourses are ignored has been a prerequisite for today's construction of good-now, bad-then.

The restructuring process going on since the 1960s has among other things resulted in a discourse on the 'new economy'. Thus, the focus is more than ever on technologically advanced industry. In order to adjust to this new economy, people's identity changes. There is of course a coupling between this necessary change of identity and the image. You cannot sell a city based on the new economy still carrying the old values or identities. The local government's plan in this respect was to change the attitudes in schools and thus create a basis for a positive attitude towards entrepreneurship. Campaigns should be carried out to increase the understanding of and the interest for entrepreneurship. A forceful concentration on information should be undertaken so that as many people as possible could see the usefulness of the changes.<sup>4</sup>

When the interviewees were asked on what happened in the transition from the 'old' to the 'new', the answers evolve around the identity. One interviewee describes the changes as 'Well, we began to believe in ourselves'.<sup>5</sup> One way of describing the changes in identity is to talk about 'mentality'. One civil servant at the university college says that 'you talk a lot about mentality these days'. He continues to say that he thinks that 'few people realised the significance of mentality'.<sup>6</sup> The former county councillor says that 'it is so much about mentality, cultural tradition and how one turns this around or how one changes it'.<sup>7</sup>

In 1993 *Sydöstran* argued that Sweden's garden was 'not a remote spot anymore'. For the first time since the days of King Karl XI Blekinge lied 'at the centre of the map'.<sup>8</sup> This signifies a change in the previous views of Blekinge as lying far from the

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<sup>1</sup> Interview with former county councillor 9 November 1999.

<sup>2</sup> Interview with civil servant at the university college 21 June 1999.

<sup>3</sup> Interview with former local government commissioner 21 June 1999.

<sup>4</sup> Kommunstyrelsen 1995. *Utvecklingsplan: Karlskrona, jobben och framtiden* [Development plan: Karlskrona, the Jobs and the Future] 6 June.

<sup>5</sup> Interview with civil servant at the university college 21 June 1999.

<sup>6</sup> Interview with civil servant at the university college 21 June 1999.

<sup>7</sup> Interview with former county councillor 9 November 1999.

<sup>8</sup> *Sydöstran* 11 May 1993. Supplement Affärsliv [Business Life] p.4. The concept 'Sweden's garden' signifies Blekinge.

beaten tracks. There is, however, an interesting discrepancy in the relationship with the old. The historical relics are cherished and it is perhaps no surprise that Karlskrona (the Naval Port) is on the World Heritage list. Thus, in a certain context the past can actually play an important role in today's marketing. The local government commissioner also wanted to emphasise that it is extremely important that the old structures are developed.<sup>1</sup> Eriksen has called this 'a double-bind'. On the one hand, innovations and continuous change is the price we have to pay in modern society. On the other hand, the present is legitimated by assertions about continuity with the past.<sup>2</sup>

But Henning argues that in his interviews, the traditional firms stated that they got no attention from Karlskrona municipality. These firms, which are not rallying round the IT 'revival', were looked down upon. The only thing the municipality was after were new establishments.<sup>3</sup> However, in my interview with a human resource manager in a large engineering company, Telecom City was seen as 'generating positive effects for the company'. It is difficult to know if this was the real opinion or an act of loyalty to the local authorities and business.

### **Concluding Remarks**

The central policy after the second support package began to change in character. The Minister of Labour argued that the government had done its part. During the 1990s the local mobilisation discourse continued. In Karlskrona this was reflected in the political strategy that something should be done to be competitive. They could not count on any help from the government. The strategy was to create an image based on that the municipality could manage 'on its own'. This local mobilization discourse was in practice manifested in the establishment of the Telecom City network. The strategy was to improve the image of the city. The promotion discourse included concepts such as 'Quality of life', 'Partnerships' and 'Entrepreneurship'. There was a need to transform the old image of the city to a new image that would better fit in the larger overall discourse of 'the new economy'. Thus, the purpose was to construct an image of that the old times were bad and the new times were good. This discourse was eventually used in the media.

The previous geography discourse was still used in the 1990s when the local government discussed the nearness to EEC as an advantage while it also perceived the geographical location as disadvantageous. The surrounding countryside was also put forward as a competitive advantage. In *Sydöstran* we could read that Sweden's garden was 'not a remote spot anymore'. For the first time since the days of king Karl XI Blekinge lied 'at the centre of the map'.

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<sup>1</sup> Interview with local government commissioner 17 June 1999.

<sup>2</sup> Eriksen (1996) p. 81.

<sup>3</sup> Henning (1997) pp. 14-15.

In this construction of success it is difficult to find any opposite opinions. Everybody is in; politics and business unite in this partnership. The local mobilisation discourse led to a change in the overall image. The city's image was improved both locally and in the country, and thus contributed to that small IT companies were located in the city. A new element in the discourse in the 1990s was that the development was seen as favourable to the city. The particular local relations evolved around the network. On the surface, the relations with the government were slowly diminishing in importance. The changed politics from the central level got its perfect role model in Karlskrona. As we have seen in this chapter we may have strong doubts about the actual 'miracle'. Nevertheless, an important aspect of the promotion was that the municipality became a cluster role model based on the municipality's promotion.

## Discourses and Political Practice in Uddevalla 1991-2000

### Images of Economic Development

In 1991 an internal memo stated that the municipality had to pay regard to the negative publicity that had affected the municipality.<sup>1</sup> There seemed to be, just as in Karlskrona, a need for improving what was perceived as a bad image. The municipality's economic development unit discussed issues such as the port's demands, who was informed about what was going on at the University College, and what Uddevalla would have to do in order to *create a distinctive image*.<sup>2</sup>

In Table 7.1 we can see that the municipality presented the distribution between the different labour market sectors and the goals to attain (not specified when). Note the changes in public sector and manufacturing.

**Table 7.1: The 1991 Distribution between Economic Sectors and Estimated Future Distribution**

Distribution (%)	1991	Goal
Public sector	43	30
Manufacturing	15	25
Trade	15	15
Service companies	15	20
Building	9	8
Agriculture and Forest	3	2

*Source: Kommunstyrelsen 1991. Basic data for budget discussion for Näringslivsenheten. undated.*

In 1992 an interpellant argued in Kommunfullmäktige that the governing parties did not want to pursue issues connected to labour market and employment. Uddevalla municipality was at the moment in the same precarious situation as at the time of the shipyard closure. The Liberal Party representative argued that negotiations were going on regarding the regiment I 17 and the continuation of the motorway had been brought up in motions to the Riksdag. Calls were prepared. Of course one had to take financial considerations.<sup>3</sup>

In 1992 it was stated in the business policy programme that in the short run the municipality had to establish that the situation for business in Uddevalla was worse than at the time of the shipyard closedown. The recession, the restructuring of business and the lack of help from the government had led to an extremely serious situation. The business political programme had therefore been worked out to indi-

<sup>1</sup> Kommunstyrelsen 1991. Internt PM. Näringslivs och informationsenheten [Internal Memo. The Economic Development and Information Office], 16 April.

<sup>2</sup> Kommunstyrelsen 1991. Minnesanteckningar. Näringslivs och informationsenheten [Memo. The Economic Development and Information Office], 24 July.

<sup>3</sup> Kommunfullmäktige 1992. Besvarande av interpellation från Lennart Johansson ang. närings och arbetsmarknadsfrågor [Answer to Question from Lennart Johansson Regarding Business and Labour Market Issues] 11 February.



cate the aim and direction of the economic development and the consequences had been discussed with Näringslivsenheten's secretaries and representatives for other administrative units. Since the municipality could not give any economic support, Näringslivsenheten's efforts mostly amounted to facilitating for the employers to establish contacts within the municipal organisation and with other firms. The municipality experienced the toughest economic situation since the Second World War. Even if Uddevalla's inhabitants in a questionnaire had showed great satisfaction with Uddevalla, the municipality had unfortunately a negative profile in the country.<sup>1</sup>

A civil servant at Näringslivskontoret concluded that the only thing one could be sure of was that everything changes:

Some people take the lead and pursue a process of change; others feel affected and offer resistance. Everyone has to realize that the changes go faster and faster whether people want it or not.<sup>2</sup>

In 1999 one of the secretaries at Näringslivsenheten reflected upon whether there was an intrinsic value in trying to make Uddevalla known in a global perspective. He did not believe in that. Uddevalla had no heavy qualities or great things worth seeing. Perhaps Uddevalla had to submit to a more subordinate existence in a global perspective.<sup>3</sup>

#### *Deindustrialisation and Business Relations*

In 1999 one civil servant commented on the change from an industrial to a service economy:

If you ask people, they still think Uddevalla is an industrial city, well, then you say there are just 8% employed in industry and they say, is that all? [...] The head of the job centre says, well, we have got so and so many jobs, but not a single industrial job [...] So therefore it has stuck with so many people, forty years of shipyard don't disappear, we are not that old, and in addition other industries have closed down, Abba, the provision dealer, Etri, a couple of ready-made clothing firms, those were the only ones that the shipyard allowed to establish, the shipyard was going to take care of all the men, the other industry the women.<sup>4</sup>

The deindustrialisation or decrease in manufacturing employment has created a void that will probably take a long time to fill. When asked about the role of the shipyard one civil servant in the municipality says:

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<sup>1</sup> Kommunstyrelsen 1992. Näringslivsenheten [The Economic Development Office]. PM Näringslivspolitiskt program [Economic Development Programme], 21 April.

<sup>2</sup> *Näringslivet i Uddevalla* 1993: No. 5. Editorial. p. 2.

<sup>3</sup> Editorial in *Näringsliv i Uddevalla* November 1999.

<sup>4</sup> Interview with civil servant, Näringslivsenheten [the Municipality's Economic Development Office] 5 October 1999.

The shipyard office was situated here where we are and here you sit and look down on the city, here you sit and decide, here they sat and checked up on everything, nothing happened in Uddevalla municipality that the shipyard hadn't checked on, either it was the Metalworkers Union's chairmen who were very strong or it was the director of the shipyard who was strong.<sup>1</sup>

He contrasted it with the presence of Autonova today:

Even if TWR is big now, they employ 12-1300 people, they are not engaged in society in the same way as the shipyard was during all those years; there was a lot of people from the shipyard who were engaged politically and was joining the parties, and if that didn't work out, the director could jump in and be master of the house. Everybody had a common interest independently of where they sat, the union or the management, they wanted to develop the shipyard.<sup>2</sup>

Another similarity with Karlskrona is the characterisation of the cities as *bruksorter*. In 2000 a former local government commissioner argued that the shipyard characterised Uddevalla a lot. He also uses the concept of *bruksort*: '[...] dependent on one industry and the managing director was the *brukspatron*, all other business was dependent on what happened in the shipyard'.<sup>3</sup> He also characterises the politics at the time:

Well, it [politics] was characterised by the shipyard, the shop floor union was strong and the social democrats were not in majority for very long but ruled anyway and there was of course pressure from the shop floor union as to how things should be.<sup>4</sup>

When asked about the understanding of a coming crisis in the 1980s he says that people were confident that everything was going to be all right. Consequently, there were no great worries until in recent years.<sup>5</sup> He also comments on the problems of getting a differentiated business: 'They [the shipyard] didn't want any other industry to Uddevalla because then it would be a competition about the labour force'.<sup>6</sup>

The former president in the local Metalworkers' Union concludes:

[...] Through the years we argued that Uddevalla and Bohuslän have nothing but this shipyard, what are you gonna do if you close it down, then we will have nothing, so [accordingly] we pulled through.<sup>7</sup>

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<sup>1</sup> Interview with civil servant, Näringslivsenheten [the Municipality's Economic Development Office] 5 October 1999.

<sup>2</sup> Interview with civil servant, Näringslivsenheten [the Municipality's Economic Development Office] 5 October 1999.

<sup>3</sup> Interview with former local government commissioner 10 April 2000.

<sup>4</sup> Interview with former local government commissioner 10 April 2000.

<sup>5</sup> Interview with former local government commissioner 10 April 2000. A former president in the local Metalworkers' Union also talks about Uddevalla as a *bruksort* (Interview 14 June 2000).

<sup>6</sup> Interview with former local government commissioner 10 April 2000.

<sup>7</sup> Interview with former president in the local Metalworkers' Union 14 June 2000.

### *Relations with the Government*

We have seen in Karlskrona that the relations to the government have played a large role, both de facto and psychologically. This was of course the case in Uddevalla as well. In 1993 a motion to the Riksdag said that the situation was gloomy but that they still believed in a development of Uddevalla and Bohuslän. The prerequisite for this was that they got help from the Riksdag and the government. Their appeal was: 'Give Uddevalla and Bohuslän the tools so that we locally and regionally can build the future'.<sup>1</sup> The old support discourse was thus still vivid.

In 1999 the managing director in the Mattson Group complained about the government's indifference when it came to government subsidies to a Swedish shipyard business languishing away. 'Our European competitors have been favoured by shipyard support'.<sup>2</sup> This was similar to the critique brought forward in 1995 by Trogen. He argued that 'ignorant politicians frittered away the shipyard industry'.<sup>3</sup> He maintained this view in 2000.<sup>4</sup>

During the last few years the relations with the government changed. In 1999 one civil servant argued that:

Before it was great then things went from bad to worse. Above all we are not in agreement about roads, the *Riksdag* has actually decided on an extension of the E6 in 2007.<sup>5</sup>

and

Previously, the local government councillor worked very hard and he was an old SSU-mate [young social democrats] with Thage G. Peterson. Today the situation had changed. Today the councillors cannot call ministers; they have to work hard in order to get hold of someone.<sup>6</sup>

The relations with the new Ministry for Industry, Employment and Communications have gone up and down:

Because it's a too big ministry [...] they haven't got time to listen and keep in touch with reality [...] with municipalities, they don't have time to listen to our problems but instead it turns into something [...] and [...] then the consequences are not clear.<sup>7</sup>

The previous personal contacts have vanished. The government's connections with the County Administrative Board have also changed due to the creation of the new large region, the West Sweden County. Thus, previous ways of contacts have been

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<sup>1</sup> Socialdemocratic Motion 1992/93:N291.

<sup>2</sup> *Bohusläningen* 13 April 1999.

<sup>3</sup> TT Nyhetsbanken 19 October 1995.

<sup>4</sup> Interview with Ingvar Trogen 22 May 2000.

<sup>5</sup> Interview with civil servant, Näringslivsenheten [the Municipality's Economic Development Office] 15 October 1999.

<sup>6</sup> Interview with civil servant, Näringslivsenheten [the Municipality's Economic Development Office] 15 October 1999.

<sup>7</sup> Interview with local government commissioner 7 October 1999.

broken and new people have come in. The old ones had better relations with the old County Administrative Board.<sup>1</sup>

In 2000 the former local government councillor described the situation during the 1980s:

There are other kinds of calls; well, they don't take place at the Ministry, they take place in silence where you create relations, networks, and where you can get something done and that's what we were doing. [...] Thage Petersson [former Minister of Industry] was in SSU when I was in SSU and Roine Carlsson [former Minister of Industry] and I have also met quite a lot in that way, which was an advantage, that network was there so there were many things that we didn't have to talk about [...] it was just down to the spot, so to speak, and naturally it helped that we belonged to the same party, otherwise we hadn't had that kind of network.<sup>2</sup>

### *Views of Volvo's Closure and Return*

In 1992 *Dagens Industri* announced that the government's Uddevalla Package was a fiasco. The newspaper referred to the creation of the investment company Uddevalla Invest, which in 1991 had run at a loss of 250 million kronor. The purpose of the investment company was that it would work as a development company within high technology, similar to other companies of this kind, for example in Blekinge. According to the newspaper, Uddevalla Invest had, however, focused on all kinds of business, from high technology to food, clothing and real estate. *Bohusläningen* also declared that the Uddevalla package had been a fiasco. One-third of the firms that had received support went bankrupt, closed down or employed fewer people than planned.<sup>3</sup>

In 1993, Storrie argued that there hardly appears to be grounds for concluding that the industrial policies of the Uddevalla Package were a success, mainly due to the Volvo closure.<sup>4</sup> But the employment effects cannot be said to be that bad. Storrie suggests that the widespread marketing of the region and the high profile national and international publicity that followed the package may have helped to generate positive expectations leading to other employment.<sup>5</sup>

In the beginning of October, 1992, there was a rumour of possible rationalisations at Volvo.<sup>6</sup> Later Volvo confirmed that an investigation on the manufacturing capacity was in progress.<sup>7</sup> *Bohusläningen* stated that a closure of the model factory would be a crushing defeat for new thinking in car manufacturing. The Uddevalla

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<sup>1</sup> Interview with local government commissioner 7 October 1999.

<sup>2</sup> Interview with former local government commissioner 10 April 2000.

<sup>3</sup> *Dagens Industri* 27 March 1992 and *Bohusläningen* 4 July 1992.

<sup>4</sup> Storrie (1993) p. 162.

<sup>5</sup> Storrie (1993) p. 155.

<sup>6</sup> *Bohusläningen* 7 October 1992.

<sup>7</sup> *Bohusläningen* 8 October 1992.

package was also emptied if Volvo closed down the factory considering that the other efforts had not been any success.<sup>1</sup> The municipality had to do something, first of all try to stop a closing-down. It had to make clear to Volvo that a closure would cost the company money as well as prestige. If it came to a closure the municipality had to fight for the 115 million Volvo got in location support and that the government ought to demand back.<sup>2</sup> *Bohuslänningen* argued that it was time to put efforts into creating a differentiated business. It also criticised the former government for a large risk-taking in stimulating the Swedish car industry. Despite this the newspaper recommended that Volvo let this factory ‘pass the winter’.<sup>3</sup> We recognise the same line of argument as the Social Democrats used in the end of the 1970s concerning the shipyard. *Göteborgs-Posten* said that Uddevalla was more dependent on the car industry than it ever was of shipbuilding.<sup>4</sup> *Dagens Industri*’s headline was ‘shipyard crisis turns into car crisis’.<sup>5</sup>

Researchers, both in Sweden and abroad, warned Volvo that its good reputation would be lost if the Uddevalla factory was closed down.<sup>6</sup> National paper *Aftonbladet* argued that there were two strong arguments for keeping the factory in Uddevalla. First, employment in Uddevalla and its surroundings would be affected hard by a closure, especially as unemployment already was high and Uddevalla had lost a large number of jobs in connection with the regiment’s closure. Second, the work organisation at the factory was special.<sup>7</sup> Berggren argues that Sweden’s contribution to the renewal of work organisation and job design occurred in areas, which Japanese management never had focused on.<sup>8</sup> This was a vertical culture, deeply embedded in democratic and egalitarian values. The Uddevalla plant was the embodiment of flexible specialisation. Despite this the Uddevalla factory was closed. Between 1989 and 1992 sales of large cars decreased by more than 30 per cent and Volvo was faced with a problem of excess capacity. The question was: Did Volvo choose to close the Kalmar and Uddevalla plants for productivity reasons? Sandberg argues that this was not the case but that the management of Volvo cars estimated both factories to be equal to Torslanda in Göteborg.<sup>9</sup> Volvo, however, put forward estimations of saving 350 million kronor per annum if production was concentrated to the Göteborg plant, in terms of decreased transportation costs, management and administrative costs and cancellation of planned investments.<sup>10</sup> Sandberg argues that the reasons why Volvo never answered the critique from for example researchers

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<sup>1</sup> *Bohuslänningen* 13 October 1992.

<sup>2</sup> *Bohuslänningen* 15 October 1992.

<sup>3</sup> *Bohuslänningen* 15 October 1992.

<sup>4</sup> *Göteborgs-Posten* 8 October 1992.

<sup>5</sup> *Dagens Industri* 13 October 1992.

<sup>6</sup> *Göteborgs-Posten* 3 November 1992.

<sup>7</sup> *Aftonbladet* 4 November 1992.

<sup>8</sup> Christian Berggren 1992. *The Volvo Experience: Alternatives to Lean Production in the Swedish Auto Industry*, p. 253.

<sup>9</sup> Åke Sandberg 1994. “Volvoism” at the end of the road?, p. 172.

<sup>10</sup> Sandberg (1994) p.174.

were other than those stated. The union in Göteborg and at central level remained silent.<sup>1</sup>

*Arbetet* argued that the information on the closure did not come unexpectedly but it felt harder than just the affected 4,000 jobs (in total). Volvo was perceived as the 'symbol' for Swedish industry. People used to say 'what is good for Volvo is good for Sweden'.<sup>2</sup> *Dagens Nyheter* established that the cost problems from the 1980s had aggravated the business cycle problem. During the 1980s the management for Volvo and Saab had made several serious mistakes that aggravated the Swedish car industry's crisis.<sup>3</sup> *Göteborgs-Posten* argued that this was a deathblow against Uddevalla. But the newspaper asked if there were any alternatives. The government had to do all it could to support new business in Uddevalla.<sup>4</sup>

But the local newspaper also argued that it was obvious that the large packages' time had passed. Volvo could not be blamed since this was basically a large industrial political failure. It was questionable to replace the shipyard with such a vulnerable business as a car factory. Nevertheless, the editorial concluded that the factory should be given a respite in case the business cycle turned around and it became possible to sell cars again.<sup>5</sup> The Minister of Industry, Employment and Communications<sup>6</sup> in the non-socialist government, did not believe in industrial support, but in creating a 'business friendly climate'.<sup>7</sup> The local government commissioner attacked Prime Minister Carl Bildt and Minister of Industry, Employment and Communications Per Westerberg for speaking disparagingly about the factory. The local Liberal Party's representative argued that the politicians had made strange remarks, which had 'spread like wildfire in the business magazines'. He was sure that that had contributed to Volvo's decision. The local union said that Volvo threw a spanner in the works just before the finishing line.<sup>8</sup> The chairman in the local Metalworkers' Union said that the decision was a catastrophe for the whole province.<sup>9</sup>

The labour market minister argued that there were crises everywhere at the moment. He referred to the state's budget deficit of 160 billion kronor.<sup>10</sup>

Nutek decided that Volvo should pay back the location contribution. In January 1994 the government refused Volvo's appeal of Nutek's decision. The decision meant that Volvo at the latest December 31 1995 should pay back approximately 115 million kronor including interest from 1993.<sup>11</sup>

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<sup>1</sup> Sandberg (1994) pp. 175-178.

<sup>2</sup> *Arbetet* 5 November 1992.

<sup>3</sup> *Dagens Nyheter* 5 November 1992, p. 2.

<sup>4</sup> *Göteborgs-Posten* 5 November 1992, p. 2.

<sup>5</sup> *Bohusläningen* 5 November 1992.

<sup>6</sup> In 1991 the Ministry of Industry changed names to Ministry of Industry, Employment and Communications.

<sup>7</sup> *Bohusläningen* 5 November 1992.

<sup>8</sup> *Bohusläningen* 5 November 1992.

<sup>9</sup> *Bohusläningen* 5 November 1992.

<sup>10</sup> *Bohusläningen* 5 November 1992.

<sup>11</sup> Riksdag Minutes 1993/94: No. 60, p.10.

In January, 1995, the newspapers were full of speculations on a new full-scale factory in Uddevalla, manufacturing cabriolets. The economic situation seemed to have improved considerably since the closure of the former factory. *Svenska Dagbladet* exclaimed: 'En repris i glädjens tecken' [A repeat signifying joy] and 'Facklig fröjd över framtiden' [Union joy over the future].<sup>1</sup> The local government commissioner wanted to see Volvo's new decision as a 'psychological and mental turning-point'.<sup>2</sup> The critique on the former decision to close the factory could not take away the joy over the investment decision. The union was described as if it did not do any resistance at the time.<sup>3</sup>

One paper described the situation as if those who previously worked at Volvo wanted to 'come home again'. They had strong bonds between them.<sup>4</sup> This can be compared with the view of the shipyard and the city in the 1960s. *Bohusläningen* wrote: 'Bohuslän has to launch an offensive!' For ten years, Uddevalla had been affected very hard, so hard that they could talk about deindustrialisation. During Uddevalla's palmy days as shipyard city, the industrial employment was 40 per cent, but now it was 8 percent. There were, however, positive signs for Uddevalla for example Volvo and support funding from the European Union. It was seen as very important that Uddevalla now really took care of the chances offered by the Swedish EU membership.<sup>5</sup> Uddevalla municipality had to see to it that Volvo got the necessary permissions as 'quickly and smoothly' as possible. If it (the planned paint shop) had been built, perhaps Volvo had not closed the factory in 1993.<sup>6</sup>

In the beginning of 1999 there was a rumour that Volvo was selling its car manufacturing, which would affect Autonova. *Bohusläningen* argued that the government should see to it that the conditions for business were improved. This was necessary if Uddevalla was to keep the industrial jobs.<sup>7</sup>

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<sup>1</sup> *Svenska Dagbladet Ekonomi* 19 January 1995.

<sup>2</sup> *Svenska Dagbladet Ekonomi* 19 January 1995.

<sup>3</sup> *Svenska Dagbladet Ekonomi* 19 January 1995.

<sup>4</sup> *Du och Jobbet* 14 August 1995.

<sup>5</sup> *Bohusläningen* 7 January 1995, p. 2.

<sup>6</sup> *Bohusläningen* 17 January 1995, p. 2.

<sup>7</sup> *Bohusläningen* 14 January 1999, p. 2.

## Political Practice

### *General Economic Politics*

The goal for Näringslivsenheten was to work for a *differentiated* and future oriented business structure. Important aspects in this development work were: good communications, access to education, good supply of labour, developed networks, good access to industrial land and premises, access to an attractive environment. Näringslivsenheten should also work for a co-operation with the neighbouring municipalities so that the whole region could develop. By a differentiated business structure one meant to focus on manufacturing and service companies. The municipality should also focus on *trading centres* because of the city's tradition in trade, the *geographical position* and expectations about future development for this kind of business. When it came to labour, specific attention should be paid to *entrepreneurs* ('We should within three years create an environment that attracts true entrepreneurs').<sup>1</sup>

In 1991 the information paper went through a change. They wanted to stand up for the already established companies in Uddevalla and mirror the development in the municipality. The distribution of the paper would in the future be focused on companies, interest groups and moulders of the public opinion in Uddevalla but not be sent out in the country.<sup>2</sup>

The policy should contribute to that companies: a) got a quick and good service on premises and land inquiry, b) got professional handling at price-setting of, for example, charges, c) could take precedence in housing and land queues, d) could take precedence in child care queues.<sup>3</sup>

Kommunstyrelsen claimed that business in Bohuslän had a sceptical view towards co-operation. It was seen as important to identify and build networks, create opportunities of contact between those networks and to create a business council. The Uddevalla package had created a forceful and positive mobilisation from many good forces but unfortunately the offensive image had flaked off in pace with company closedowns. The through route, which was dominated by industrial areas, the hospital and the shunting yard were also creating a negative experience. Therefore the municipality should focus on the three important qualities the town had: its good geographical position ('the city by the fjord'), that it was an educational city and a trade centre.<sup>4</sup>

In 1993 the goal seemed to be, just as a former local government commissioner reasoned, to safeguard and develop the existing companies. Therefore the goals

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<sup>1</sup> Kommunstyrelsen 1991. Underlag för budgetdiskussion för Näringslivsenheten [Basic Data for Budget Discussion for the Economic Development Office] undated.

<sup>2</sup> *Näringslivet i Uddevalla* December 1991. Editorial.

<sup>3</sup> Kommunstyrelsen 1992. Näringslivsenheten [The Economic Development Unit]. PM Näringslivsprogram [Economic Development Programme], 21 April.

<sup>4</sup> Kommunstyrelsen 1992. Näringslivsenheten [The Economic Development Unit]. Näringslivsprogram [Economic Development Programme], 21 April.



were to help companies during crises, increase the co-operation between companies, and increase the exchange with other countries.<sup>1</sup>

The industry has still been in focus despite that its share has diminished in recent years: 'We have to keep our industrial competence!'<sup>2</sup> Actually there were plans to start up a new large shipyard in Uddevalla. A motion in the Riksdag emphasised that the planning work should get support from the government.<sup>3</sup> It seemed, however, difficult to gain a hearing for the shipyard plans. *Bohusläningen* exhorted: Continue with the shipyard plans! The newspaper suspected that the possibilities for a shipyard to rise again would have been larger if 'they hadn't swept away all traces of the shipyard business in connection with the Volvo establishment'. For employment and for people in Uddevalla it was of great importance that Uddevalla municipality did not let any chance be wasted, concerning knowledge and resources left in Uddevalla after the shipyard epoch.<sup>4</sup> When a local Kommunfullmäktige member asked if the president was positive towards the shipyard industry using the shipyard dock, the president answered that they would welcome any jobs that could be located in the area and in Uddevalla.<sup>5</sup>

In 1999 this policy returned as one of the secretaries at Näringslivsenheten argued that the best thing a municipality could do was to develop the already existing companies in the municipality. He added of course that they should attract new companies and entrepreneurs as well since research had pointed to this as an important part of becoming a prosperous region.<sup>6</sup>

In Näringslivsenheten's action programme for 2000 it was said that an increasing part of Näringslivsenheten's work consists of running or cooperating with different projects. Examples of own projects are: *Centrum för industriell återvinning* [Centre for Industrial Reclamation], Information Technology House Sinclair, Microbind, and *Miljöanpassat näringsliv i Fyrstad* [An Environmental Business in Fyrstad]. Examples of joint projects are: *Etablera Fyrstad* [Bring about Fyrstad], *Företagens hus* [The companies' house], *Företagsstart Fyrstad* [Firm Start-up Fyrstad], *Företagsutveckling Fyrstad* [Firm Development Fyrstad], and Innovation Center.<sup>7</sup>

The five strategies can be summarised as follows: 1. To work on the business climate (speedy handling of the companies' needs for development, work for com-

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<sup>1</sup> *Näringslivet i Uddevalla* 1993: No. 1. Editorial.

<sup>2</sup> Social Democratic Motion 1992/93: N291.

<sup>3</sup> Left Party Motion 1993/94:N276, N228 (the Social Democratic Party), N 267 (the Social Democratic Party), N 236 (the Liberal Party), N 292 (the New Democratic Party). Comment in NU 1993/94:15 p. 52, and 1992/93 NU: 25.

<sup>4</sup> *Bohusläningen* 31 May 1995, p. 2. Editorial.

<sup>5</sup> Kommunfullmäktige 1996. Svar på interpellation ang. huruvida kommunen hindrar skapandet av nya varvsjobb [Answer to question if the municipality prevents the creation of new shipyard jobs], Minutes 9 January Annex.

<sup>6</sup> Editorial in *Näringslivet i Uddevalla* May 1999. Cf. Jan-Evert Nilsson 1998. *Blomstrande näringsliv* [Prospering Trade and Industry].

<sup>7</sup> Uddevalla Municipality. Näringsliv och arbetsmarknad. Handlingsplan 2000 [Industry and labour market. Action programme for 2000].

pany networks, good long-term planning of land and premises), 2. Support of a positive development in the existing companies (in Objective 2 Fyrstad, *Företagsutveckling Fyrstad* supports companies' development work in areas concerning new products, new markets, environment profiles, competence and business development. The role of Näringslivsenheten is to inform the companies about existing possibilities and to get development work going), 3. To encourage start-ups, 4. To develop new competence areas for widening the business structure. Employment in traditional occupations had a steady downward trend. A diversification of business and competence was seen as decisive for Uddevalla's future. One example was Microbind, a project run by Chalmers University of Technology, the Country Administrative Board, and Uddevalla municipality. The purpose was to strengthen the basis for education, R&D and manufacturing in microelectronics in the region. 5. To promote Uddevalla's many good sides. It was concluded that to make Uddevalla interesting for companies, it was necessary to make Uddevalla interesting for people to live in.<sup>1</sup>

In 2000, one of the secretaries at Näringslivsenheten argued that a good business climate was not very hard to define. If the overall 'simple' questions concerning good housing and good education were solved, much had already been gained. When Uddevalla could offer that, it would also expand with help from growing companies and new companies locating its business in the city.<sup>2</sup>

### *Place Promotion*

In 1992 a local government commissioner argued that a main rule in marketing is that a product has to be distinct and preferably unique to stand out as an alternative on the market. That rule was of course also applicable to a municipality.<sup>3</sup> In a recession it was important to look to the future and promote oneself. The one who concentrate today could be tomorrow's winner.<sup>4</sup> An important goal was that Uddevalla would get attention as a city where offensive and exciting things constantly happened. This was the same strategy as in the mid 1980s. The local fairs had always spearheaded seminars with famous names noticed outside the municipality's borders. An element in the promotion of Uddevalla was that it was a city to locate to.<sup>5</sup> Uddevalla created a distinctive image as 'the Coastal City' during the West Sweden Fair. Other features in the promotion were: Good communications, offensive business climate in the municipalities' administration, co-operation between companies and the municipal organisation, positive image-creation of Uddevalla as a city to locate in, the education city with good supply of educated labour, good supply of

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<sup>1</sup> Uddevalla Municipality. Näringsliv och arbetsmarknad. Handlingsplan 2000.

<sup>2</sup> Editorial in *Näringslivet i Uddevalla* February 2000.

<sup>3</sup> *Näringslivet i Uddevalla* 1992: No. 2, p. 2. Editorial.

<sup>4</sup> *Näringslivet i Uddevalla* 1992: No. 3, p. 2. Editorial.

<sup>5</sup> *Näringslivet i Uddevalla* 1992: No. 5, p. 2. Editorial.

premises and industrial land.<sup>1</sup> These features can be recognised from previous promotion over the years.

In 1993 Uddevalla had a whole supplement to the journal *Headhunter* where 'Uddevalla - kuststaden' [the Coastal City] was promoted. Percy Barnevik, president of the ABB board, testified that Uddevalla 'was on the right track'. Three features were put forward: education, nature and politics. The Minister of Industry also expressed positive remarks. It was furthermore emphasised that 'external accidents had happened to Uddevalla, which they had not been able to control'. But it was emphasised that the Bohuslän people was 'a tough breed'. Uddevalla also had the most expansive university college. Five reasons for locating in Uddevalla were therefore the geographical position, the company climate, the political will, competence and living environment.<sup>2</sup> In 1994 Fyrstad had a similar supplement where the region presented itself as 'Sweden's fifth largest city'.<sup>3</sup>

In 1996 three slogans were used: the City of Education, the Coastal City and the City of Trade. It was emphasised that good schools made it easy to recruit a competent workforce. Quality of life and good connections by land or by sea were also put forward. Different companies testified about the good qualities: 'Wonderful city in which to work and live', 'A large workforce and an attractive milieu', 'Suitable premises and positive attitudes drew Autonova to Uddevalla', 'Strategic location brings companies to the city'.<sup>4</sup>

In 1998 Uddevalla celebrated its 500<sup>th</sup> anniversary. In the promotion pamphlet it was argued by the local government commissioner that all ups and downs during the years had made Uddevalla strong and self-sufficient. All problems, even the ones that initially looked unsolvable, had been overcome.<sup>5</sup> A former shipyard employee, now white-collar worker in an engineering company, also held this image. In 2000 he argued that Uddevalla had managed surprisingly well.<sup>6</sup> This resembles the strategies Ward discusses in the marketing of the post-industrial city. A 'positive' approach is held. He exemplifies with Glasgow which was presented as 'Glasgow's Arising on its Own' and 'The City that Refused to Die'.<sup>7</sup>

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<sup>1</sup> *Näringslivet i Uddevalla* 1992: No. 6, p. 5.

<sup>2</sup> *Headhunter* 1993: No. 35. Supplement.

<sup>3</sup> *Headhunter* 1994: No. 25. Supplement.

<sup>4</sup> Rybergs Charkuteri, Chairman of the engineering union, Autonova, Mattson Group. In *Business Life* 1996 undated. English version.

<sup>5</sup> Uddevalla municipality 1998. *500 dramatic years have prepared Uddevalla for the 21<sup>st</sup> century* (In English).

<sup>6</sup> Interview with human resource manager 23 November 2000.

<sup>7</sup> Ward (1998) pp. 192-193.

In anniversary pamphlet there was also a poem emphasising the importance of environment and history:

Close to the ocean with mountains high  
lies the city of water as blue as the sky  
Its history long  
Its granite so strong  
This is where the flags of the Vikings could fly<sup>1</sup>

The main themes in this promotion were location, a diversified business structure, research and education, communications, recreational activities, and inspiring culture. According to Ward the elements of recreation, and culture are common elements in the marketing of the post-industrial city.<sup>2</sup>

### *Networks*

A similarity with Karlskrona is the focus on networks. In 1991 Näringslivsenheten worked for developing networks with itself as a node connected to different companies and different types of consultants.<sup>3</sup> In 1996 it was emphasised in *Näringslivet i Uddevalla* that the networks were gaining ground.<sup>4</sup> Today the city is presenting itself as a small firm municipality with lots of networks.<sup>5</sup> The local councillor says:

[We] have worked with networks a lot, you should help each other and such things. We started something called the engineering union, engineering firms trying to build a network, small firms[...]<sup>6</sup>

Another similarity with Karlskrona is the discussion about mentality. One civil servant says: 'The greatest problem is the mentality, no one is in favour of change'.<sup>7</sup> And the former local government commissioner argues: 'So, I think that very many of these processes are mental processes much more than economic but the mental processes have economic consequences'.<sup>8</sup>

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<sup>1</sup> Uddevalla municipality 1998. *500 dramatic years have prepared Uddevalla for the 21<sup>st</sup> century*. In English.

<sup>2</sup> Ward (1998) p. 189.

<sup>3</sup> *Näringslivet i Uddevalla* 1991: December, pp. 4-5.

<sup>4</sup> *Näringslivet i Uddevalla* 1996: April, p. 2. Editorial.

<sup>5</sup> www.uddevalla.se

<sup>6</sup> Interview with local government commissioner 7 October 1999.

<sup>7</sup> Interview with civil servant, Näringslivsenheten [the Municipality's Economic Development Office] 5 October 1999.

<sup>8</sup> Interview with former local government commissioner 10 April 2000.

### *The Reconstruction of Fyrstad*

Even if the Fyrstad concept was brought to the fore as early as in the beginning of the 1970s, it had its breakthrough in the 1990s, probably as an effect of the construction of regions taking place. The Fyrstad concept is used by researchers, and by policy-makers as a coherent region. 'Fyrstad needs a sustained and stable industrial basis. Fyrstad needs several small and middle-sized industrial firms'.<sup>1</sup>

*Bohuslänningen* argued in 1995 that all jobs that could be found were to be found in private small and middle-sized companies. That was why the municipality should mount an offensive in that area. Every municipality must of course assume its own responsibility for developing business. But the Fyrstad municipalities must also create a common front for the whole region's future and good. That serves everyone in the long run.<sup>2</sup>

Since Fyrstad is part of the European Union Objective 2, several networks have been started aiming at promoting firm start-ups: *Företagsutveckling Fyrstad* (Firm Development), *Företagsstart Fyrstad* (Firm Start-up). Hallin and Larsson conclude that a programme such as *Företagsstart*, despite an increase in firm start-ups, has not led to a reversal of the region's one-sided business structure.<sup>3</sup> Most firms have emerged in services, similarly to the country as a whole, but the difference between the region and the country was that the firms were more connected to wholesale, retail, tourism, hotels and restaurants. Hallin and Larsson also point to the problems marred by the existing business structure such as limitations concerning investment, resources and relations.<sup>4</sup>

One civil servant argues that the Fyrstad co-operation has been very fumbling; they have succeeded in establishing a joint dump, and since it ought not be far away, it is in the middle. They also own an airport together. They were to build a new airport and put very much effort in it, and then Trollhättan shirked and the Fyrstad collaboration almost ran out of steam.<sup>5</sup>

Naturally, the focus in Uddevalla's business policy is connected to the same goal as Fyrstad's. Fyrstad is, besides the above-mentioned goals, marketing itself as the area with 'quality of life'. As contrasted to the big city's traffic jams.<sup>6</sup> This resembles the promotion in Karlskrona.

### **Concluding Remarks**

The business magazine *Dagens Industri* and the local newspaper *Bohuslänningen* called the Uddevalla package 'a fiasco'. We can compare these conceptions with the

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<sup>1</sup> Left party(!) in Motion 1993/94: N282.

<sup>2</sup> *Bohuslänningen* 28 February 1995 Supplement: Blick på Fyrstad [Take a look at Fyrstad].

<sup>3</sup> Göran Hallin and Staffan Larsson 1998. *Företagsutveckling Fyrstad och företagsstart Fyrstad*, p. 59.

<sup>4</sup> Hallin and Larsson (1998) p. 14.

<sup>5</sup> Interview with civil servant, Näringslivsenheten [the Municipality's Economic Development Office], 5 October 1999.

<sup>6</sup> Fyrstadskansliet 1997. *Fyrstad: Four towns on the same wavelength*. Promotion leaflet in English.

situation in Karlskrona, where there were more positive strains after the Blekinge package. And the Volvo closing-down was called a catastrophe; the public opinion was that the factory should remain intact. However, Volvo as a company was not perceived as responsible, this was instead 'an industrial policy fiasco'. Thus, the previous so positive *support discourse* had changed in character. When Volvo returned a few years later, however, the newspapers exclaimed: 'A repeat signifying joy', 'union joy over the future'. In a motion to the Riksdag some local members argued for further government support to the Uddevalla region.

It is no exaggeration to say that the relationship with the central level has changed. In connection with the Volvo closing-down it became evident that the government was not interested in any packages anymore. In the interviews it came out that some actors were disappointed with the recent years' changes in the relationship with the government. Previously there were good networks; then it was difficult to get in contact with people in the government. On the surface, there seemed to be a lot going on in Uddevalla and the region. But it seemed different from the former embedded structure between business and politics. One interviewee said that Autonova was not engaged in society as the shipyard was.

In connection with the closer association to EEC and later EU the Europe of regions concept got a hold in Uddevalla and the surrounding region. The concept of Fyrstad, which we saw was constructed already in the beginning of the 1970s, could be used again. There were different opinions about the merits of the co-operation, the local newspaper argued in favour of it, and the local government also promoted the concept.

In politics there was, just as in Karlskrona, a promotion discourse: they had to create a distinctive image and work for a differentiated business. Karlskrona and Uddevalla were both been influenced by the last years' research and political concepts of 'Entrepreneurs' and 'Networks'. These concepts were put forward as important as well as the concept 'Quality of life'. In Uddevalla the aim was to promote its geographical position ('The City by the Fjord'), other slogans were 'the Educational City' and 'a Trade Centre'. The accident discourse of 'all ups and downs have made Uddevalla strong and self-sufficient' continued into the 1990s. In comparison to Karlskrona Uddevalla was, however, much more modest. A civil servant in the municipality concluded that Uddevalla had to 'submit to a more subordinate existence in a global perspective'. This reminds us of the discourse in the local newspaper in 1938: 'in these times, one has to submit to the great upheavals taking place and try to accommodate oneself to them'.

Karlskrona has the newsletter *Telecom City News* and Uddevalla has *Näringslivet i Uddevalla* [Business in Uddevalla] (Note the difference in language!). The purpose of this magazine has changed over the years. In 1987 the target audience was both the region and the country but in 1991 this changed to only Uddevalla. The reason for this was that 'they wanted to stand up for the already established companies in Ud-

devalla and mirror the development in the municipality.’ The politics evolved around the Fyrstad co-operation and different projects for industrial reclamation, information technology, environmentally sustainable business, and start-ups. Often there has been funding from the European Union involved. The strategies have been to offer a good business climate, to support a positive development in existing companies, to encourage start-ups, to develop new competence areas, and to promote Uddevalla.

The politics was characterised by divided strategies where as much as possible should fit in, environment, IT, networks, etc. The promotion was more of an average kind, drawing on familiar types such as nature, education, and good labour. There was a similarity with the promotion starting-points in Uddevalla and in Karlskrona, the cities had bad images that needed improvement. In Uddevalla this was emphasised despite the fact that the Uddevalla inhabitants had showed great satisfaction with the municipality in a questionnaire. There is an important difference, however; the overall discourse of the new economy probably reinforced the success discourse of Karlskrona’s development. Moreover, in Uddevalla the internal discourse was much more difficult to change since the economic prerequisites were missing. Uddevalla had to ‘start from scratch’, not Karlskrona. This was also a reflection of the lost political embeddedness: the relations with the government and a large company. Otherwise the political embeddedness resembled that of Karlskrona, in so far as promotion activities were concerned. But the outcome of these activities was quite different due to the different economic prerequisites.





# VIII

## Conclusion

Men make their own history, but they do not make it just as they please  
in circumstances they choose for themselves;  
rather they make it in present circumstances, given and inherited.  
Karl Marx cited in John Warren (1998, p. 133)

I BEGAN THIS BOOK arguing that the political outlook and the current research agenda disregard ‘the big picture’, for example the historical context. Another problem is that social relations often are imbued with too many positive connotations. Social relations, or embeddedness, are time-specific. Thus, they can be a precondition for a prosperous development but they can also be an obstacle at another point in time. A third problem in this context is the discourses or the perceptions of ‘reality’, in this case the economic development. Discourses can set limits to our thinking and thus prevent divergent opinions and discussions. As I have shown in this thesis it is important to understand the underlying causes behind place promotion by studying the history of economic development discourses.

In the first Chapter I raised three questions. The first question was: How did the economic structures change in Karlskrona and Uddevalla between 1930 and 2000? The second was concerned with how discourses of economic development are constructed during different periods. The third question directed our interest to how political actions are affected by economic conditions and discourses. In this closing Chapter I summarise in two sections my main theoretical and empirical findings. In the final section, I discuss the implications of my thesis in the context of industrial and regional policy.

### Path-Dependence in Industry

In Chapter II, I described the historical background to the present economic situation. Today, employment in Karlskrona as a whole is characterised by a large service sector (about 60 per cent) and an industrial sector covering about 20 per cent of total employment. The service sector has, however, always had a large share of the total employment in Karlskrona. For example in 1945 the share was 37 percent. This can be explained by the military presence. The last years’ development can be ascribed to an increase in public services such as education and health care.

In 1999 the telephone industry employed 34 per cent, the shipyard 18 per cent, and other industries 33 per cent of the totally industrially employed. The shipyard in Karlskrona had a dominant share of industry employment from 1930 to 1960. In 1965 the shipyard and the electronics industry employed about 30 per cent each of the industrially employed. Ericsson located a factory to Karlskrona in 1947. At first Ericsson was not interested in locating a factory due to the geographical location of the city. But since the government's building regulation prevented the company from locating in the big cities, and since the company wanted an available, inexpensive labour force, the location to Karlskrona was carried out.

The manufacturing industry encountered problems of profitability during the late 1970s and 1980s, which led to rationalisation of labour costs and job reductions. The textile industry had for some time been subjected to heavy competition from new textile industries in West Europe. During the 1970s the competition from newly industrialised countries increased the pressure. In Karlskrona the textile industry disappeared altogether. The mid 1970s was trying times for LM Ericsson. After the oil crisis customers cut down purchases of the old system and the new AXE system. During the 1980s the Information Systems division was unprofitable and Ericsson had to downsize. In Karlskrona the telephone industry decreased its employment with 42 per cent between 1975 and 1987. But at the same time as Ericsson had problems with some of its divisions, the company EP-data (founded in 1982 with Programmator) expanded. In 1989 the government granted EP-data employment support and in 1992 the company was turned into Ericsson Software Technology (today Ericsson). Furthermore, during the 1990s, the company settled upon a new path and discontinued manufacturing mobile phones. Ericsson sold the manufacturing to the international contract manufacturer, Flextronics.

The telecommunication industry continued to develop also through political decisions within the telecommunication market, for example when the government granted Nordic Tel (later Europolitan, today a part of Vodafone) the third Swedish GSM license if the company located its headquarters in Karlskrona.

The shipyard industry was also affected by the international competition. In Karlskrona employment in the shipyard industry decreased with 29 per cent between 1975 and 1987. The serious situation for the whole shipyard industry in the beginning of the 1980s led to a heavy consolidation of the business. Fortunately, Karlskrona shipyard (part of Svenska Varv at the time) turned out to have the main responsibility for all manufacturing of naval ships except submarines. Karlskrona shipyard became the dominating naval shipyard. Despite this, the navy's orders were expected to decrease in numbers, as well as exports. A plan to merge Kockums and Karlskrona shipyard was launched. This was not so far-fetched since the two companies had co-operated for twenty years. Kockums became state-owned in 1979 (first in Svenska Varv, later Celsius). Thus, in 1989 the Karlskrona shipyard became a daughter company to Kockums under the name of Kockums naval systems. In

1999 Celsius sold Kockums to Howaldtswerke-Deutsche Werft (HDW). To conclude, new paths were taken through the entrance of three large transnational companies on the labour market in Karlskrona: Flextronics, Vodafone, and HDW.

In Uddevalla, industry employs 14 per cent of the total labour force while services employ about the same share as in Karlskrona. In 1999 the automobile sector employed about half of the industrially employed. The other industries were machine tool, furniture, printing, and metal goods. A main difference between Karlskrona and Uddevalla is that the share in industrial employment is lower in Uddevalla. Another difference is that industry in Uddevalla is more dependent on one company just as it was during the shipyard era. On the first hand there is path-dependence since a single large company dominates the labour market, but on the other hand it is not path-dependence in terms of the same industry.

The textile industry had a dominant share of industry employment from 1930 to 1955, when the shipyard industry became the dominant employer. After the shipyard closure its position was taken over by the automobile industry (Volvo, later Autonova, now Volvo again). The thesis shows that the shipyard had problems from the end of the 1950s all the way to its closing-down in 1986. No measures to change the unbalanced industrial structure were taken.

The Volvo location was a way of escaping the past, for example by introducing a new work organization. Furthermore, the Uddevalla package included an investment company with objective to accomplish a diversified industrial structure. In terms of employment the objective was, however, not fulfilled.

I also show in Chapter II that when we talk about increase in employment it is important to specify what years we use when comparing. It is also important to pay attention to total employment if we are interested in growth in general. Thus, total employment between 1990 and 2000 decreased with 3 per cent in Karlskrona, and increased with 3 per cent between 1992 and 2000. In Uddevalla employment decreased with 14 per cent between 1990 and 2000, and 5 per cent between 1992 and 2000. The decrease between 1990 and 2000 can primarily be explained by the decrease in industry (20 per cent). In 2000 unemployment figures in the two cities were about the same, 6,7 per cent in Karlskrona and 7,6 per cent in Uddevalla.<sup>1</sup>

## From 'Consultation' to 'Partnerships'

As I mentioned in the previous section path-dependence is not only evident in economics but in discourses, and political practice as well. In Chapter III-VII I show how the local discourses and political practices are related to central government's policies. As I show in Chapter VII, the idea of *partnership* evolved during the 1990s. The government perceived partnership as a network involving different sectors both locally and centrally. The partnership idea originated from the 1980s discourse of

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<sup>1</sup> Including labour market measures.

*local mobilisation*, which I describe in Chapter VI. In the early 1980s the liberal government argued that the regional influence and responsibility should be strengthened, a line of thought that was taken over by the social democrats after the election in 1982. The 1980s was, however, a decade with both a local mobilisation/government support discourse, and a local mobilisation/government support practice. This section deals first, with the promotion of Telecom City in Karlskrona, the media's role and continuities with the past regarding discourses of economic development and political practice. Second, I describe the promotion of the 'post-industrial' city of Uddevalla and the historical tradition of industry support.

### **Telecom City in Karlskrona**

In 1995 Kommunstyrelsen [The Municipal Executive Board] in Karlskrona settled that 'they could not depend on any strong external power'. The people living and working in Karlskrona should create their own future. During the 1990s this *local mobilisation discourse* was accentuated both on the central and the local levels. This led to the establishment of Telecom City in Karlskrona and forceful place promotion. The establishment of Nordic Tel (Europolitan-Vodafone) resembled the circumstances concerning the Ericsson location. Both companies were affected by government policy, first, the building regulation and second the regional policy. In the government's support package of 1989 Saab was to locate a factory in Karlskrona. In February 1990 Nordic Tel's application was turned down.

In June 1990 the Saab board postponed the decision to locate. Nordic Tel argued in an appeal to the government that: 'the Karlskrona region would benefit from a successful business for Nordic Tel. If the company may develop according to its plans the employment in Karlskrona will increase'. In August there was still no decision on the Saab location. In September Nordic Tel brought up its application in a letter to the government and mentioned Karlskrona again. In October it was obvious that there would be no Saab factory. A local government commissioner hoped that his close friendship with the Minister of Industry would prove to be an extra resource. In December the admission was granted. These turnabouts were not, however, accounted for when the story behind the Europolitan location was reported in the media.

The local mobilisation discourse should be seen in the light of the central government's regional policy or decentralised policy. In Chapter III I show that in the 1930s there was no explicit regional policy. At this time we find statements locally such as 'Karlskrona was founded by coercive means', and through 'a royal decree'. Here we find the opinion that the government had a specific responsibility towards the city-*the government responsibility discourse*. But at the same time the local mobilisation discourse was present long before the breakthrough for local mobilisation in government discourse and in research. For example, in the 1930s Drättselkammaren [The Borough Finance Department] argued that the future for Karlskrona was more

‘indefinite’ than for most other towns and therefore it was especially urgent to ‘set one’s house in order’ before other societies came before Karlskrona.

The local economic development politics in the 1990s had historical roots. In the 1930s there was a ‘need for competitiveness’, which led to the foundation of Kommunala byrån för näringslivets främjande [The Local Office for the Promotion of Business]. Kommunala byrån worked with industry issues and place promotion from 1935 to 1950. In 1950 Industrirådet [the Industrial Council] took over the responsibilities for these issues. During the mid 1940s promotion took off in Karlskrona. Industrial sites were prepared. As far as locations are concerned, the building regulation rendered it more difficult to obtain building licences for industrial premises, especially in Stockholm. The consequence was thus that Ericsson located a factory to Karlskrona, since building license would be easier to obtain where there was a labour surplus. The company was also interested in a female labour force that was less expensive and less mobile. The company demanded that no other industries should be located. Thus, during the 1950s several possible locations (for example Saab, Scania Vabis, de Laval) came to nothing. Vibroverken was an exception, since it did not compete on the female labour. Ericsson also demanded that the town should let land to a reduced price and pay for the construction of water, drain, and electricity. A director from the company emphasised at a meeting in Industrirådet that the establishment of further ready-made clothing industry could cause troubles. The *gender division discourse* and its practice was thus present in Karlskrona, the focus was on industry employing inexpensive female labour. The effect was a segregated labour market and a restriction of other industrial locations.

During the 1960s Drätselkammaren took over the responsibilities for industry issues in Karlskrona. The central government had increased its influence over the location policy through Arbetsmarknadstyrelsen, AMS [The Labour Market Board]. Thus, the local government was mostly concerned with co-operation with other municipalities and development of industrial estates. AMS’s policy resulted in the locations of Luma<sup>1</sup> and Uddcomb. This central policy seemed to affect the local discourse in such a way that several more positive images of the development were noted, for example in the local newspapers. This in turn, had a reducing effect on the local industrial policy. During the 1970s industry employment continued its increase and both positive and negative images of the development were expressed. The latter mostly concerned the shipyard industry, which is not surprising since the shipyard always had been in focus concerning employment issues. It is, however, perhaps more surprising that the expansion in for example the electronics industry was not paid the same attention.

During the 1980s the local mobilisation and the government responsibility discourses co-existed, on the one hand, local actors demanded help in forms of government support packages and, on the other hand, local actors dealt with economic

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<sup>1</sup> Changed names in 1995 to Auralight.

problems with the assumption that the crisis could be solved ‘from within’. An important aspect is that when the government in the 1950s began to pay attention to the local governments’ industrial policy, it perceived the local initiatives as ‘unfair’ since not all municipalities had the same resources to attract and support industries. This assumption marked the beginning of a more centralised regional policy. Today, on the other hand, the government does not perceive these local differences as problems but as prerequisites. Table 8.1 provides an overview of the discourses and political practices between 1930 and 2000.

### **Promotion in Karlskrona**

A result of the local mobilisation discourse is place promotion. In the 1990s, promotion was based on improving the image of the city. The head of the economic development office explained that the work consisted of two things, to create a unique product with a market and to promote that product. Impressive lists of successful locations were also common (‘Motorola comes to Karlskrona!’). Furthermore, researchers were used as a way of legitimising the dignity of the development. The University College was promoted as ‘Sweden’s most IT-intensive university’. The small city was better than the big city. People testified on the benefits of the environment: ‘Combining children and work would be impossible in Stockholm’s hardened working atmosphere’, as one of the new inhabitants put it. But as the historian Ward argues, there are continuities with the past. The underlying attempt now, as well as before, is to build a mythic vision of a happy and productive land.<sup>1</sup> I show this in Karlskrona’s promotion already in the 1940s when the town was promoted as a ‘haven for the navy’, it was ‘admirably situated’, a ‘rising industrial town’, and had a ‘particular lively industrial business’. During the 1960s Karlskrona’s ‘well-situated industrial premises’ and the good infrastructure were put forward. During the 1950s the promotion of Blekinge was basically putting forward the beautiful environment, the busy industry and the importance of history. In the beginning of the 1980s Karlskrona was promoted as a city with ‘a fair wind’. During this decade Blekinge was yet again promoted with emphasis on the environment.

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<sup>1</sup> Ward (1998) p. 182.

**Table 8.1: The Relationship Between Economic/Institutional Conditions, Discourse, and Political Practices in Karlskrona 1930-2000.**

<i>Period</i>	<i>Economic/Institutional conditions</i>	<i>Discourse</i>	<i>Political practice</i>
1930-40	Military dependence No explicit regional policy	The government responsibility discourse The local mobilisation discourse The geography discourse The population discourse	Kommunala byrån (1935)
1941-56	'Available' female labour Building regulation	The gender division discourse  The promotion discourse The government responsibility discourse The geography discourse	Ericsson location (1947) Promotion Support to Ericsson Industrirådet replaces Kommunala byrån
1958-69	Employment in the electronics industry increases Employment in the shipyard industry decreases AMS increased responsibility	The geography discourse The promotion discourse The government responsibility discourse	Promotion Industrirådet discontinued
1969-80	Employment in industry increases 1969-75 Uddcomb Location Luma Location Employment in industry decreases 1975-80	The population discourse The government responsibility discourse The success discourse	Industry support
1982-89	Employment in industry decreases 1982-87 Employment in industry increases 1987-89 Government emphasises local responsibility	The local mobilisation discourse The government responsibility discourse The population discourse The success discourse	Support package I Support package II University College establishment Boverket location
1991-2000	Crisis Government emphasises local responsibility IT-boom Europolitan location ABB location Location of IT-firms	The local mobilisation discourse The promotion discourse The success discourse The geography discourse The success discourse	Europolitan third GSM license Telecom City (TC) Promotion Nutek puts forwards TC as a role model

## The Media's Reports on the Economic Development in Karlskrona

Newspapers play an important part in the promotion discourse. In the 1990 the external newspapers were the prime prompters of the *success discourse*. They talked about 'the recipe for success', 'from nothing to a storming success', and about the men 'who created the success'. The success discourse builds on the promotion discourse and the local mobilisation discourse. Newspapers and journals put forward local initiatives. But also the local government did what it could to get credit for the development. The media used opposites to create a story: First there was nothing, then success. From good to bad, from scratch to success.

This success discourse in the 1990s should be seen in relation to the fact that mainly 'negative' images are connected to Karlskrona's economic development. If there had not been negative images of the development, the success story could not have been created. In the interviews, I noted discourses of bad-then, good-now practices. These discourses can be explained by the historical tradition of negative images. Already in the 1930s, however, there was also a counter-discourse of success. The newspapers have also described that the local government successfully wrestled with the difficulties connected to industry locations. The idea of a successful development was also present in the end of the 1960s up to the middle of the 1970s, when AMS supported locations to the city.

In the beginning of the 1980s the motto 'Karlskrona with a fair wind' was also perceived as a success both by local government and newspapers. The local government saw the local engineering centre as a successful diffuser of technological knowledge. In the 1990s, however, these previous success discourses were not put forward as they did not serve the purpose of bad-then, good-now practices. As I showed in Chapter VII the employment figures behind the success story can be questioned from several points of view. The supposed employment increase in newspapers is very difficult to support in official statistics. For example, newspapers have mentioned that 3000 new IT-jobs were created during the 1990s. Another aspect in this context is what defines an IT-job and what jobs are 'new' and 'old'. It seems as if it has been more important to emphasise new IT-jobs, than focusing on employment increase in general. Chapter VII also showed that it seems as if the definition of an IT-job differs between official statistics and the local view. In Chapter VII I also discussed the issue of 'new' jobs and emphasised the importance of a previous favourable industrial structure.

Moreover, the newspapers use population figures carelessly. In 1997 *Dagens Industri* reported that population in Karlskrona had risen from 'an extremely low level of 58,000 in 1990 to 62,000 in 1997'. According to Statistics Sweden, Karlskrona had in 1990 59,054 inhabitants and in 1997 60,302. In the 1990s the business magazine *Veckans affärer* characterised Karlskrona as a city that 'crouched in collective depression ten years ago with growing unemployment and young people's flight.'



The same kind of article was found in *Dagens Nyheter* the same day: 'Ten years ago this was a depopulated area with closed factories, and extreme unemployment.'

This negative image of a bad population development originated from a previous *population discourse* in the 1970s. Karlskrona was compared to the northern region, Norrland, which was a direct reflection of the central discourse of the negative aspects of Norrland's depopulation. Before this period statements had characterised Karlskrona as 'the third largest city, now the fourteenth largest', 'the biggest but one', and 'once the third in Sweden'. These conceptions referred to the foundation and the city's great history and are quite different from other statements in which the foundation of Karlskrona was viewed in terms of 'coercive means'.

During the 1980s the population discourse primarily focused on the Blekinge County. The central government's new emphasis on local mobilisation became generally accepted on the local level. Thus, several conferences and delegations were established. The population discourse and the government support discourse eventually resulted in two support packages. The government also decided on a regional university college, and an engineering centre in Karlskrona. During this period the local government in Karlskrona also established *Näringslivskontoret* [The Economic Development Office].

The *geography discourse* is a way to explain why the labour market in Karlskrona was unfavourable. In the 1990s it was present when the local government discussed the nearness to EEC as an advantage while it also perceived the geographical location as disadvantageous. The surrounding countryside was also put forward as a competitive advantage. In the local newspaper *Sydöstran* we could read that Sweden's garden 'is not a remote spot anymore'. For the first time since the days of king Karl XI Blekinge lied 'at the centre of the map'. In the 1940s and 1950s this discourse basically contained negative images of the geographical situation, for example in descriptions of Karlskrona (and Blekinge) in the Riksdag as 'lying far from the beaten tracks'. In complaints to the government the geographical position was often characterised as disadvantageous while in promotion it was the other way around. For example in the promotion of 1946 Karlskrona was promoted as 'the Swedish navy's main location, in direct connection with the standard railway net', 'Sweden's largest fishing harbour on the east coast with an excellent harbour' and 'Situated in one of Sweden's most beautiful spots'. During the 1990s the content of the discourse contained basically positive views of the geographical position. This can probably be ascribed to the fact that several important locations took place from the 1970s and the labour market situation was thus improved. The emphasis on the 'local' in the public debate as the prompter of local economic development is also an explanatory factor.

## Promoting the Post-Industrial City of Uddevalla

How does a city that has lost so many of its industrial jobs promote itself? Deindustrialisation has been accepted. Instead the *promotion discourse* in Uddevalla during the 1990s contained several themes that both signified contemporary larger discourses of the importance of entrepreneurs, networks, and quality of life as well as historical references. The anniversary pamphlet from 1998 declared that ‘500 dramatic years have prepared Uddevalla for the 21st century.’

The geographical position was also promoted, for example ‘the City by the Fjord’. Other slogans were the Educational City and the Trade Centre. The promotion was not that different from the promotion campaign in the middle of the 1980s. That campaign was, however, more focused on the Bohus County in general and people’s characteristics: ‘The people in Bohuslän always gave their best’, ‘It would take a lot to stop people from Bohuslän to manage the mission they undertook’, ‘Nothing was impossible for a person from Bohuslän’. This can be compared with the County Governor’s argument in 1939 that the Bohuslän people were a ‘serious-minded generation’. Other key elements in the 1980s promotion were an educated labour, communications, R&D and culture. In connection with the promotion campaigns in the 1980s, the newspapers changed their image of Uddevalla from a ‘loser’ to a ‘winner’. This resembles the newspapers’ reports of Karlskrona’s development.

During the 1990s, the local information paper changed its geographical target audience, from the country to the municipality. In the 1990s the old Fyrstad co-operation (‘Four towns on the same wavelength’) was brought to the fore again instead of the Bohus County. This can be seen as a reflection of the larger discourse of regional development and the importance of regions. Compared to Karlskrona, promotion activities in Uddevalla were scarce during previous periods. The contacts with AMS were perceived as more important, as well as personal contacts with firms, ‘instead of brochures with beautiful pictures’. However, as times got rougher the political actions for promoting industries increased. Thus, in 1975 Näringslivskontoret [The Economic Development Office] was established. In the promotion of the 1970s, recreation, environment, communications, people used to dramatic business cycles, and an active business policy were key elements. The *accident discourse* in the 1998 anniversary pamphlet was emphasised: ‘all ups and downs have made our city at the Byfjord strong and self-sufficient’. In 1948 Stadsfullmäktige [The Town Council] argued that ‘fires and accidents had afflicted Uddevalla during the times’ and ‘Uddevalla had grown up from ashes and ruins’.

Table 8.2 shows change and continuity in discourses and political practice in Uddevalla.

**Table 8.2: The Relationship Between Economic/Institutional Conditions, Discourse, and Political Practices in Uddevalla 1930-2000.**

<i>Period</i>	<i>Economic/Institutional conditions</i>	<i>Discourse</i>	<i>Political practice</i>
1930-40	Unemployment  Government support Crisis for the stone industry	The gender division discourse The support discourse The progress discourse	Promotion Industry support
1942-56	No unemployment High female labour participation Shipyards crisis	The support discourse The accident discourse The progress discourse	Support heavy industry, e.g. the shipyard foundation Support
1958-68	Shipyards crises	The unemployment discourse The support discourse The non-support discourse The progress discourse The accident discourse	Shipyards support
1969-1982	Shipyards crises	The support discourse The progress discourse	Shipyards support Shipyards nationalization Promotion Economic Development Office
1983-1990	Shipyards crisis Government emphasis on local mobilisation	The non-support discourse The support discourse	Closing-down  Uddevalla package Promotion
1991-2000	Deindustrialisation Government emphasis on local mobilisation	The local mobilisation discourse The promotion discourse	Promotion and EU-support

## Industry Support

In 1993 a social-democratic motion to the Riksdag said that the situation was gloomy but that they still believed in a development of Uddevalla and Bohuslän. The prerequisite for this was that they got help from the Riksdag and the government. Their appeal was: 'Give Uddevalla and Bohuslän the tools so that we locally and regionally can build the future'. This was an exception considering demands of government support during the 1990s. In 2000 the political work consisted of local support of a positive development in the existing companies through for example the support from the European Union.

I have shown that this local support discourse and practice was evident in Uddevalla already in the 1930s. However, a difference was that the local government perceived that both local and central governments had to support industries. Drätselkammaren [The Borough Finance Department] argued that 'developments had come to this'. The argument for the central government's support to the wooden house factory in 1938 was that the business structure had to be more differentiated. The local newspaper argued that the local government had to offer free sites to attract industry. The County Governor argued that the Bohus County had to count on the government for support.

In Uddevalla there was never a specific office for industrial issues. The local government was, however, deeply involved with industry support and was especially interested in industries employing male labour, since the female labour was employed by the textile industry. The local government perceived that place promotion could attract companies. It was also important to open free industrial sites. The government supported the road and port buildings. The local government offered the Bakelit company premises if they moved to Uddevalla. But the company also demanded that the town should shoulder the responsibility for an infusion of capital, and should pay for the moving costs. The local government agreed on the latter, and offered a loan. Eventually it had to write off the loan when the Bakelite company got financial problems. The local government also allotted a building site to a slaughter-house, and opened a factory for producing wood tubes. When the match factory closed down the central government decided to subsidize a wooden house factory.

The female labour force worked in the textile industry and had not been affected by unemployment to the same degree as the male labour force. At the time of the shipyard's foundation politicians thought that this was a problem that caused disharmony between male and female labour force—the *gender division discourse*. When the government granted shipyard support in 1963 and 1965, however, it referred to the unemployment in the region (*the unemployment discourse*) not that female labour participation had been perceived as 'problematic' when the shipyard was founded. The gender division discourse did not recur during the following years, which probably can be ascribed to the fact that the public service sector employed women to a high

degree. Thus, the ‘competition’ of the industrial labour force was no longer an issue of male or female labour force.

During the 1950s Drätselkammaren yet again argued that ‘the conditions had become such’ that the town had to participate in industrial location issues. In connection with the 1958 crisis the reason for the government support was to secure the employment at the shipyard since a closing-down would lead to great repercussions on other businesses in the region. The economy in Uddevalla was seen as strongly dependent on the shipyard. The gravity of the situation was underlined by the fact that the region in question for a long time had had ‘significant unemployment problems’.

In the 1940s Uddevalla was described as ‘trying to follow what the times demanded’ and that there was ‘a strong intention of progress’. If we compare the local newspaper’s reports over time following the shipyard foundation, we find a striking similarity over time. Uddevalla was described as developing with ‘American speed’. It was ‘a town on the march’. The fruitful co-operation between the government, private actors and the municipality was emphasised in advertisements. When the shipyard was in financial crises during the 1960s, the newspaper supported a continuation of the business. The editor of the local newspaper established that in many respects the shipyard and the city had become one. If the shipyard prospered the city’s future was bright, otherwise the opposite. This support discourse characterised the discussions on the shipyard’s future. It was also based on a larger discourse of industry support.

During the 1960s the Uddevalla shipyard board and the national newspaper argued for a downsizing of the shipyard or against shipyard support (*the non-support discourse*). Not until the 1980s did this non-support discourse reach the government. When the new non-support discourse became evident, it was a shock to local social democrats, the union and workers at the shipyard. The Metalworker’s Union referred to that other governments supported their shipyards. The non-support discourse ‘survived’ in the case of Uddevalla and the shipyard was closed down. The government tried to bring about a ‘lock-out’—a change of the labour market structure—with the Uddevalla support package. This included among other things the Volvo factory.

The views of the Uddevalla support package were, however, mainly positive. In the 1990s the previous positive connotations in the support discourse had changed. During the 1990s the local newspaper perceived the Uddevalla package as a fiasco. When there were rumours on a Volvo closure, the newspaper argued that the municipality had to stop a closure. It should also focus on creating a differentiated business structure. Researchers argued in favour for Volvo’s new work organization. A national newspaper argued that ‘Volvo is the symbol for Sweden’s industry’ and that people used to say ‘What is good for Volvo is good for Sweden’. The local

newspaper continued to say that the large packages' time had passed and called the Volvo location 'an industrial political failure'.

The image of Uddevalla changed from bad to good and back to bad during the 1980s and 1990s. Thus, a change of image was yet again the local government's objective in the 1990s. However, the economic structure played into Karlskrona's rather than Uddevalla's hands.

## The Importance of Discourse and Practice in a Historical Perspective

### Path-dependence

The statement 'history matters' is hardly new to anyone. History is often used as a way of creating identities and self-esteem among groups. Often in nostalgic views: It was better in the past. Nutek argues in its report *Innovative Clusters in Sweden* that clusters 'have a history'. But when Nutek describes the 'cluster project' Telecom City it omits historical factors, implying that it all began in the 1990s. The newspapers emphasised first a few historical elements, but after a while history became a negative factor. Finally, it disappeared as explanatory factor.

History is about *path-dependence*, about how localities are dependent on their economic history for good or bad. Thus, to learn from history is also to learn how to escape some of its downsides: to bring about a 'lock-out', for example a change of the industrial structure. However, these changes can also cause unexpected consequences. The Ericsson location in Karlskrona is one example of a change of the labour market structure, but it was also unfavourable for the municipality, since the company demanded that no other companies competing for the labour were located to Karlskrona. In Uddevalla the shipyard foundation was perceived locally as a change of the existing labour market structure, because the high female participation was seen as 'injurious'. Also this foundation can be analysed from different perspectives. The shipyard foundation led to a strong political embeddedness and created a cognitive 'lock-in'—during the different crises there was no alternative to shipyard support. An attempt to accomplish a 'lock-out' appeared in the middle of the 1980s, when the shipyard was closed down and Volvo appeared. In terms of industrial employment, however, this 'lock-out' was not sufficient enough. The electronics industry proved to be more adaptive to restructuring.

## Industrial and Regional Policy

I have shown that regional policy has played an important part in both regions, yet with different outcomes and sometimes with unintended result. Today, however, government support is not put forward as a contributing factor for local economic development in Karlskrona. It is, however, important to emphasise the difficulty of 'picking the winners'. If the Saab factory had been located to Karlskrona instead of Europolitan, the situation might have been another, considering the situation for the automobile industry in Sweden today.

The focus on local mobilisation and partnership ignores the importance of government support. Cluster policy can be a 'lock-in' policy since *diversity* seems to be crucial for adaptation. Karlskrona is not only dependent on telecommunications, but has a diversified industrial structure. Telecom city is not an *employment success* but a *promotion success*. Uddevalla has had a less favourable industrial development than Karlskrona because of its historical structures. The objective of diversity is of course easier said than done since what is good for employees does not have to be optimal or wishful for business or politics. As I have shown in this thesis, companies can actively prevent other companies from locating since they do not want to compete on the labour force. It is apparent that some clusters can promote short-term economic growth, but it is an entirely other question if they can promote long-run innovation.<sup>1</sup> Considering the crisis for the telecom and IT-industries during the first years of the 21st century, my argument of not only supporting local specialized clusters is even more relevant.<sup>2</sup>

The government's focus on the local and regional levels includes the emphasis on *social aspects* when industrial policy issues are concerned. The economic aspects have become less pronounced on the surface, and it has become legitimate for the government to bring forward the social aspect and withdraw from the local arena. Implicitly, social capital, network building and partnerships cannot be governed from above. The new policy is, however, in effect governed from above since it is setting the agenda for local politics.

The thesis shows that social relations are influenced by and influence the economic structure and they are particular in time and place. Social practices can be as inhibiting as economic structures. As we have seen, dominant discourses can lead to a lock-in of possible new paths. We must acknowledge the economic structures, and the importance they have for the social structure and the accompanying institutions. But we must also pay attention to the power of discourses and their effect on political practice.

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<sup>1</sup> Harrison (1997) p. 35.

<sup>2</sup> In November 2001 and in August 2002 350 and 315 employees respectively were given notice to quit at Flextronics. Since 2000 the number of employees has decreased with 50 per cent. The general recession in the telecom and IT-industries has also affected the highly specialised University College which has had to face a decrease in student applications.

## Place Promotion

A result of the government policy on local mobilisation is competition between municipalities. But as Peck and Tickell argue, under these circumstances, most cities will be losers and only a handful of privileged localities will achieve temporary economic success. For most cities it will be a question of an endless series of partnership initiatives and local experiments, largely doomed to failure.<sup>1</sup>

As I have demonstrated in this thesis, media and government institutions have put forward Telecom City as a role model for other municipalities. But I have also shown that the story behind local economic development is far more complex. Therefore it is dangerous to rely on promotion material as a source for policy decisions, as in the case of Telecom City. Above all it is not fair to regions that cannot derive advantage from the roads once taken.

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<sup>1</sup> J. Peck and A. Tickell (1994) cited in Keith Bassett 1996. Partnerships, Business Elites and Urban Politics: New Forms of Governance in an English City? In *Urban Studies* 33 (3).



## Appendix 1. Employees per sectors in Karlskrona, Uddevalla and Ronneby

**Table 1: Employees per Sector in Karlskrona 1930-1985.**

<i>Years</i>	<i>Industry</i>	<i>Building</i>	<i>Trade and Communications</i>	<i>Services</i>	<i>Total</i>
1930	1710	554	2781	5709	10,754
1940	4359	740	3210	5727	14,036
1945	4275	941	3188	4959	13,363
1950	5025	1213	3773	4467	14,478
1960 <sup>a</sup>	5232	822	2953	4838	13,845
1965	4898	859	2830	5739	14,326
1970	4940	1223	2726	6988	15,877
1975	7772	1981	3566	10,486	23,805
1980	6557	1659	3541	12,948	24,705
1985	5860	1339	3862	15,240	26,301

*Source: Statistics Sweden Census 1930:III:table 7, 1940:x:table 8, 1945:V:table 4, 1950:IV:table 5, 1960:VI:table1, 1965:IV:table 1, 1970:table 2, 1975:7:1:table 4, 1980:6:2:table 10, 1985:6:table 7. Agriculture, fishing, and forestry, electricity, garbage, and water, domestic work and unspecified activities omitted.<sup>a</sup> electricity etc. not specified, unspecified activities part of services (not specified).*

**Table 2: Employees per sector in Karlskrona 1990-2000.**

<i>Sector</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>
Industry	6138	5293	4917	4765	4932	4949	4912	4076	5242	5339	5428
Building	1535	1665	1430	1225	1177	1084	971	993	1138	1209	1303
Trade and Communications	3766	3558	3501	3263	3340	3412	3425	3431	3631	3729	4173
Personal and cultural services	1503	1492	1412	1347	1397	1427	1387	1431	1395	1470	1499
Credit institutions, real estate, company services	2236	2034	1894	2188	2205	2278	2736	3054	2890	2993	3021
Civilian authorities, defence, international organizations	3524	3638	3420	3272	3187	3063	2988	3233	3300	2964	2877
Education, R&D	1629	1687	1697	1793	1565	1513	1513	1663	1941	1894	1974
Health care, social services	7058	7681	7459	6976	7456	7184	6682	6282	6262	6248	6162
<b>Total</b>	<b>27389</b>	<b>27048</b>	<b>25730</b>	<b>24829</b>	<b>25259</b>	<b>24910</b>	<b>24614</b>	<b>24163</b>	<b>25799</b>	<b>25846</b>	<b>26437</b>

*Source: Statistics Sweden Rams 1991-2000 (www.scb.se). Agriculture, fishing, forestry, energy, water, garbage, unspecified activities omitted.*

**Table 3: Employees in Industry in Karlskrona 1930-1999.**

<i>Years</i>	<i>Shipyard</i>	<i>Electronics<sup>a</sup></i>	<i>Telephones<sup>aa</sup></i>	<i>China &amp; Pottery</i>	<i>Textile</i>	<i>Food</i>	<i>Printing</i>	<i>Other</i>	<i>Total</i>
1930	1198	-	-	286	285	224	90	342	2425
1935	1272	-	-	369	252	213	90	385	2581
1940	2091	-	-	290	376	297	84	450	3588
1945	2089	-	-	460	310	344	95	595	3893
1950	1853	340	-	421	403	278	112	536	3943
1955	2207	708	-	446	535	323	203	771	5193
1960	1828	1202	-	419	623	463	260	565	5360
1965	1699	1727	-	349	593	441	309	892	6010
1975	1617	-	2363	-	243	558	368	2030	7179
1980	1489	-	1874	-	71	585	355	1862	6236
1985	1128	-	1507	-	-	605	410	1601	5251
1990	902	-	2190	-	-	708	473	2044	6317
1991	855	-	2136	-	-	633	696	1855	6175
1992	908	-	2121	-	-	616	412	1677	5734
1995	894	-	1762	-	-	491	400	1469	5016
1999	873	-	1650	-	-	357	339	1570	4789

*Sources: Statistics Sweden Industrial Statistics SOS 1930-1965. No detailed local statistics for 1970, 1975; 1980:SMI 1982:7, 1990:SM 9301, 1991: I20SM9302, 1995:SM 9701, 1999: Structural Business Statistics specially calculated by Statistics Sweden. <sup>a</sup>From 1975 part of the category 'other'. <sup>aa</sup>New category in 1975, previously part of 'electronics'.*

**Table 4: Employees per Sector in Uddevalla 1930-1985.**

<i>Years</i>	<i>Industry</i>	<i>Building</i>	<i>Trade and Communications</i>	<i>Services</i>	<i>Total</i>
1930	3223	589	1991	839	6642
1940	3237	768	2508	1318	7825
1945	3500	971	2898	1506	8875
1950	4567	1043	3390	1591	10591
1960 <sup>a</sup>	6795	1483	3479	3147	14904
1965	6575	1590	3976	3846	15987
1970	6222	2244	4762	5943	19171
1975	6613	2240	4874	7341	21068
1980	5712	1489	4774	9365	21340
1985	4433	1807	5238	11706	23184

*Source: Statistics Sweden Census 1930:III:table 7, 1940:x:table 8, 1945:V:table 4, 1950:IV:table 5, 1960:VI:table 1, 1965:IV:table 1, 1970:table 2, 1975:7:1:table 4, 1980:6:2:table 10, 1985:6:table 7. Agriculture, fishing, and forestry, electricity, garbage, and water, domestic work and unspecified activities omitted.<sup>a</sup> electricity etc. not specified, unspecified activities part of services (not specified).*

**Table 5: Employees per sector in Uddevalla 1990-2000.**

<i>Sector</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>
Industry	3763	3389	2592	2314	1770	1870	2071	2456	3003	2860	3011
Building	2218	2215	1893	1438	1442	1521	1308	1231	1278	1292	1451
Trade and Communications	5073	4906	4561	4204	4337	4198	4032	3750	3862	3997	3773
Personal and cultural services	1494	1500	1358	1357	1379	1362	1426	1429	1442	1350	1394
Credit institutions, real estate, company services	2081	2031	2049	1957	1854	1955	2094	2138	2149	2146	2021
Civilian authorities, defence, international organizations	1143	1113	1054	776	810	817	921	860	810	921	865
Education, R&D	1897	1817	1880	1813	1828	1881	1899	1713	1805	2041	2034
Health care, social services	6562	6838	6585	6323	6507	6345	6081	5818	5893	6320	6265
Total	24231	23809	21972	20182	19927	19949	19832	19395	20242	20927	20814

*Source: Statistics Sweden Rams 1991-2000 (www.scb.se). Agriculture, fishing, forestry, energy, water, garbage, unspecified activities omitted.*

**Table 6: Employees in Industry in Uddevalla 1930-1999.**

<i>Years</i>	<i>Shipyard</i>	<i>Textile</i>	<i>Automobile</i>	<i>Matches</i>	<i>Wood</i>	<i>Food</i>	<i>Printing</i>	<i>Other</i>	<i>Total</i>
1930	-	1022	-	545	38	103	57	228	1993
1935	-	1097	-	220	54	154	48	185	1758
1940	-	1415	-	-	423	189	96	258	2381
1945	-	1288	-	-	466	248	134	436	2572
1950	899	1238	-	-	452	245	148	552	3534
1955	1990	1290	-	-	571	346	315	969	5481
1960	3446	1161	-	-	272	367	316	1064	6626
1965	3444	1008	-	-	396	472	288	940	6548
1975	3052	608	-	-	298	592	259	1012	5821
1980	2736	411	-	-	239	717	322	741	5166
1985	1663	376	-	-	232	579	347	703	3900
1990	133	213	949	-	396	173	378	873	3115
1991	-	-	896	-	323	173	352	841	2585
1992	-	19	840	-	276	202	317	561	2215
1995	-	-	122	-	18	125	246	685	1196
1999	-	-	1221	-	297	no data	174	798	2490

*Source: Statistics Sweden SOS Industry 1930-65. No detailed local statistics for 1970. 1975: SMI 1977:7, 1980: SM I 1982:7, 1985:IB 20SM8701, 1990:I20SM9301, 1991:I 20 SM9302, 1992:I20 SM 9401, 1995:I20SM9701, 1999: Structural Business Statistics, specially calculated by Statistics Sweden.*

**Table 7: Employees per Sector in Ronneby 1990, 1994, 1999, and 2000.**

<i>Sector</i>	<i>1990</i>	<i>1994</i>	<i>1999</i>	<i>2000</i>
Industry	4029	2339	2660	2870
Building	772	534	562	598
Trade and communications	1654	1467	1443	1453
Personal and cultural services	667	546	571	604
Credit institutions, real estate, company services	805	1042	1356	1357
Civilian authorities, defence, international organizations	1381	1448	1139	1294
R&D, education	843	830	958	1044
Health Care	1910	1945	1826	1839
<i>Total</i>	<i>12061</i>	<i>10151</i>	<i>10515</i>	<i>11059</i>

*Source: Statistics Sweden Rams: [www.scb.se](http://www.scb.se).*

## Appendix 2. Companies in Telecom City

**Table 1. Companies in Telecom City 1999, 2000, 2002 and Number of Employees**

<i>Company</i>	<i>1999</i>	<i>2000</i>	<i>2002</i>	<i>Number of employees</i>
Aspiro	x	x		-
Cap gemini	x	x	x	25
Caran	x			-
Cell Telecom			x	17
Combitech systems	x	x	x	no data
Computer Sciences Corporation		x	x	no data
Consafe infotech	x	x		-
Decam	x	x		-
Dimension Sweden	x	x	x	25
Doberman Digital Agency	x	x		-
EC-gruppen	x	x	x	58
eFrog			x	13
Engia	x	x		
Enovation			x	7
Equant			x	no data
Ericsson Business Networks	x	x	x	100
Ericsson Software Techn.	x	x	x	800
Eterra			x	no data
Europolitan	x	x	x	1400
Flextronics	x	x	x	1350
Global One	x	x		
Hewlett Packard			x	no data
Hyper Island School	x	x	x	6
ILT			x	4
Informations Qvalitet	x	x		
Kipling IT	x	x		
Kockums	x	x	x	850
Kordab			x	40
Mandator	x	x		
Merkantidata Kommunik.		x		
Micronet AB		x		
moveAround.com		x		
Netch Technologies		x		
Nokia Telecommunications	x	x		
NS Group	x	x		

**Table 1. Continuation**

<i>Company</i>	<i>1999</i>	<i>2000</i>	<i>2002</i>	<i>Number of employees</i>
Proserva			x	5
Radius Sweden	x	x	x	29
SchlumbergerSema			x	70
Sema Group	x	x		
Sigma Exallon Systems		x		
Sonera Sverige	x	x		
Starthouse	x	x		
Sun microsystems	x	x	x	6
Telia Publicom	x	x	x	150
UIQ Technology			x	77
Wireless Maingate	x	x	x	62
Wireless Opinion			x	25
WM-data Konsult		x	x	55
WIP			x	22

*Source: [www.ad.se](http://www.ad.se), [www.foretagsfakta.se](http://www.foretagsfakta.se). Note Dimension Sweden has changed name to Dimension Telecom. EC-gruppen to EC-konsult, Equant is the former Global One, Ericsson Business Netowrks is now called Ericsson Enterprise, Ericsson Software Technology is now called Ericsson AB, Europolitan is now called Vodafone, Eterra consists of the former company Merkantidata, Telia Publicom is called Telia Nära, and UIQ is also known as Symbian.*

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## Word List

Arbetsmarknadsstyrelsen, AMS	the Swedish Labour Market Board
Blekinge	the county where Karlskrona is situated
Bohuslän	the county where Uddevalla is situated
Drätselkammaren	the Borough Finance Department (1862-1971)
Ds	Appendices to SOU, or smaller official investigations
Eriksberg	Shipyard in Göteborg, closed in 1978-79
Fyrstad	Co-operation comprising Trollhättan, Uddevalla, Lysekil, and Vänersborg
Industrirådet	the local government's Industrial Council in Karlskrona, working with promotion and industry support 1951-1963
Kommunala byrån för näringslivets främjande	the local government's Local Office for the Promotion of Business 1935-1950
Kommunfullmäktige	the Local Council
Kommunstyrelsen	the Municipal Executive Board
Landsorganisationen, LO	the Swedish Trade Union Confederation
Nutek	the Swedish Business Development Agency
Näringslivskommitté	the Local Economic Development Committee
Näringslivskontor	the Local Economic Development Office
Riksdag	the Swedish Parliament
SOU	the government's official reports
Stadsfullmäktige	the Town Council 1863-1970
Statens arbetsmarknadskommssion	the government's Labour Market Commission, forerunner to AMS
Statens industriverk	State department founded in 1973 to work with industry support and regional development issues
Statsföretag	Holding company founded in 1970 for all the state-owned companies
Svenska Varv	State-owned company founded in 1977 mainly comprising of the shipyards, today Celsius



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A Local Government Commissioner, 17 June 1999.

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