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## **New spatial strategies in the Danish periphery**

*Culture, leisure and experiences as levers of growth?*

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*Gateway: Experience economy and experience society. Culture, leisure and experiences in spatial strategies*

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**Title: New spatial strategies in the Danish periphery: Culture, leisure and experiences as levers of growth?**

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## **Introduction**

The aim of the paper is to discuss critically the new wave of culture and experience planning which can be observed in small cities and municipalities. While culture planning has been practised in the context of big cities for decades, today also small cities strive to find a way to turn culture, leisure and experience economy into a much needed 'growth machine'. The paper discusses the rationale behind this wave, the ways in which the strategic focus is integrated in municipal strategies, and the dilemmas and challenges connected to such a strategy in terms of priorities. The paper draws on research in 11 municipalities in the Danish periphery.

First part of the paper contextualises the study theoretically and develops a theoretical framework for the study. In this section the role of leisure, culture and experience economy in urban development is discussed, and it is argued that this role can be related to globalisation and urban competition as a condition which calls forward innovative approaches to urban development.

Second part of the paper analyses the plan strategies of 11 municipalities from the Danish periphery in terms of priorities and rationales. What are the strategies supposed to achieve, and what kind of resources are they supposed to draw? What are the differences and similarities of the strategies? Is this field characterised by 'one size fits all'? One of the municipalities, Frederikshavn, is then discussed in more detail due to its many innovative projects and initiatives.

The conclusion part of the paper discusses the possible shift of balance between welfare and market, which the new municipal strategies reflect, and the possible outcomes of this shift. While Danish municipalities for decades have served as providers of welfare, they increasingly focus on local growth and the local business environment. Where does leisure, culture and experience provision fit in relation to this balance? And to what extent can culture, leisure and experience offerings be seen as actual levers of local growth?

## **Theoretical framework**

Local development can be seen as formed by conditions related to the economic geographical structures on the one hand and the way local resources are mobilized, on the other hand. It has been shown how economic geographic structures undergo long term change in connection with the emergence, maturing and decline of techno-economic waves (Perez, 1985). The waves are characterised by particular innovations and key factors, related socio-institutional frameworks, and not least particular geographies. Places may lose or win with the change of techno-economic paradigm, and new places or actors may find windows of opportunity in phases of transition from one paradigm to the next. This evolutionary approach is useful as a point of departure for contextualising local development. It is thus not difficult to imagine how, over time, the economic geography has become increasingly centralised as a result of industrialisation, with its need for big labour markets and transportation nodes (Hayter, 1998). As production in the advanced countries became still more knowledge intensive, leading to the notion of the 'knowledge economy', access to knowledge sources such as research centres and institutions of higher learning became key to competitive advantage of industries (World Bank, 1999). This leads to an increasing role of large cities (van den Berg, Pol & van Winden, 2004) as providers of the key factor of knowledge, and creativity. In connection with the need for creativity the 'quality of place' has been suggested as a very important factor of location of creative labour, and of firms seeking this kind of labour (Florida, 2002). Following from this, local economic development in the knowledge economy not only requires infrastructure and labour, but also amenities (Clark, 2004a). Cities increasingly become loci of consumption, and Glaeser (Glaeser, 2001) has shown how consumption, more than jobs, can be identified as a driving force behind the growth of cities today.

With globalisation, competition between firms as well as territories as places of location has become intensified. Both Brenner (Brenner, 2004) and Healey (Healey, 2007) discuss what this means to local development. They discuss the nature and the spatiality of the new socio-institutional organisation of society, which is connected with globalisation. For the analysis of spatial strategies, their approach seems very useful. Focusing on the period 1960s till today Brenner identifies a change in spatial strategies since the 1970s. Before that date the form of spatial regulation is characterised by a Keynesian approach, developmental state projects within the national borders, with local states such as municipalities operating as agents of welfare services. Peripheral regions raise demands for central state subsidies, leading to a certain amount of territorial solidarity

(Brenner, 2004:479). As the Fordist way of organising became challenged by crises, the role of the state changes. In the phase of globalisation, the state promotes the economic capacities and advanced infrastructures in the most globally competitive cities. Local states promote local economic development and place marketing strategies. The focus of the state has changed from welfare to market, and development becomes increasingly uneven, leading to instability in the national economies (Brenner, 2004:480). Healy analysis the corresponding change in the form of governance of place. With globalisation a neo-liberal agenda has become influential, with the result that that the activity of formal government has been reduced and non-governmental agencies and individuals in the economy and civil society has taken on activities formerly done by the formal government (Healey, 2007:18). This is also related to the break up of the old industrial mode of accumulation. New entrepreneurial approaches to urban development emerge which can provide new kinds of production and consumption with appropriate spaces so that firms and clusters can more easilily compete on the global market. Other forces promoting the new form of governance are changes in lifestyles and cultural values (Healey, 2007:23). While the welfare state was characterised by hierarchy, sector policies and the provision of services, the entrepreneurial state is characterised by policy integration, decentralisation, place visions, local level initiative and new connections within the state and between the state, the private sector and the civil society. In sum new forms of accumulation and lifestyle are matched by new forms of governance in which local development opportunities are defined by global competition on the one hand and the mobilisation of local potentials on the other. In this intersection between global competition and local potentials culture has a particular role to play.

### **Culture in place development**

The use of culture in place development is not as new as it may seem. Bianchini shows how culture policy since the 1970s has served as an important component of urban regeneration strategies, not only in physical terms but also in economic terms (Bianchini, 1993). In Europe as a whole culture represents an increasing part of public service provision, where specialised bureaucracies and decision making bodies take care of the culture provision (Bianchini, 1993:1). The actors behind culture policy have changed from political elites in capital cities to second tier city governments, grass roots and social movements. This happened in many countries as a result of a general decentralisation of government during the 1970s. Accordingly culture provision was mostly regarded as a welfare provision, and costs as mere expenditure. General industrial decline in

combination with the rise of liberalism as economic development strategy implied a new approach to culture policy, which became inscribed as part of economic development strategies. Rather than welfare provision, culture should contribute to better the image of needy cities in order to attract investment and create jobs (Bianchini, 1993:2). Accordingly the content of the culture policy has been widening from highbrow culture to broader forms of expression and consumption.

From this perspective expenditure for culture could be regarded more as an investment, with future returns. The strategic perspective on culture did not outcompete the welfare arguments, and according to Bianchini, the tension exists between the two approaches to culture provision to this day (Bianchini, 1993:3).

While Bianchini's analysis stops around 1990, it can be seen how the movements which he describes have continued. There is a movement in space, by which culture policies have moved further down the urban hierarchy towards still smaller cities and even rural areas of the European periphery (Lorentzen, 2011; Nuur & Laestedius, 2009). There is also a change of content. This change involves a change of focus from high culture directed towards the urban elites towards a broader understanding of culture involving a variety of leisure activities and entertainment with appeal to broader segments of the population (Clark, 2004b). Only recently a particular segment, the creative class has come in focus of urban culture policies (Florida, 2002).

From a strategic perspective, what localities and cities do is to compete on a market, and today one asset is of particular importance in competition (Goldhaber, 1997).

Competition is by Goldhaber seen as equivalent to competition for attention. With the overflow of information which people meet today, attention is scarce. For producers having people's attention is very desirable. Once attention is established, a flow of attention flows towards the producer, while the producer gets the opportunity to make them perform, which in this context means to spend money. Further, attention is not a momentary thing. Obtaining attention is obtaining a kind of enduring wealth. Because attention is so scarce, and economy is about allocation of scarce resources, Goldhaber talks about 'an attention economy'. This idea of an intense competition for the attention of the audience is applicable to place competition. If a place obtains the attention of an audience consisting of citizens, investors, and tourists, then the producers of the place will be able to make this audience change their behaviour by buying, investing, visiting or locating differently from what they used to do. Löfgren visualises this competition for attention connected to place

when he talks about how places (in casu cities) perform on a 'global catwalk' (Löfgren, 2003). The positive expectations connected to a place may thus serve as point of departure for a virtuous circle of development in the sense of Gunnar Myrdal (Myrdal, 1957).

In a recent article Kunzmann (Kunzmann, 2004) approaches the notion of culture in relation to urban development in a more complex way. While he understands culture in a very straight forward way as the arts, film and museums, architecture and design, as these are rooted in the history and identity of places (Kunzmann, 2004:385), he connects culture to various aspects of importance to urban and local development in a broad sense: First culture is of importance in city marketing, because an appealing image helps to attract the attention of investors, professionals, people and media, for instance by the help of cultural flagships such as the Guggenheim in Bilbao (Kunzmann, 2004:385). Second, culture strengthens the identity of cities of a world otherwise characterised by convergence (Kunzmann, 2004:387). Culture enhances the value of location and helps revitalising cities and towns (Kunzmann, 2004:388). Also, culture entertains citizens and educates them (Kunzmann, 2004:389-90). Further culture promotes creativity, which again is needed in innovation (Kunzmann, 2004:391). Finally culture is said to support the economy and create jobs, through sales and export of culture products. Culture can thus be used in many ways to develop a locality. In this way culture can be seen as a 'multiple resource' in urban development. However, the notion of culture applied by Kunzmann is unnecessarily narrow and a-historic. Evans (Evans, 2001) is much more nuanced in his approach to culture in an urban planning context. Apart from 'culture' in terms of museums, galleries, theatres and concert halls he includes historic museums and monuments, night life opportunities such as cafes and restaurants, night clubs, and shopping. By expanding the field of culture planning in this way Evans approaches what others have termed 'the experience economy' (Pine II & Gilmore, 1999), and in particular place bound or attendance based experience offerings (Lorentzen, 2009a; Smidt-Jensen, Skytt & Winther, 2009).

### **Experience economy**

In stead of regarding culture and leisure as a particular field of planning, they can be regarded more comprehensively as expressions of a new economic system, and even as a paradigm, which has evolved as a result of the affluence of the (mainly) Western societies. We face today what the futurist Alvin Tofler foresaw in 1970, a whole system which deal with a new level of human needs, which he called 'psychic gratification' (Tofler, 1970). This consumption is recreational rather than

basic, and it grows with rising incomes. The providers of this 'experiential production', as Tofler labelled it, are the 'experience industries' and the 'experience makers'. While Tofler probably thought of private sector companies as experience providers, it has been shown above how culture, leisure and experiences have grown as fields of public policy and planning, both in its own right and as a strategic asset in development

More recently Pine and Gilmore (Pine II & Gilmore, 1999) have developed these views from a strategic management point of view. They do not see the experience economy as consisting of a system of specialised experience makers. Instead they find that most companies will be able to add value by experience based product innovation. By involving the customer in innovative and entertaining ways the customer will be willing to pay more for the product and make him/her more loyal. By being active the customer even creates his/her own product. This view is also found in service marketing (Bateson, 2002; Grönroos, 2004).

There is a parallel between strategic management of experience based innovations to strategic planning of quality of place. People will be willing to pay higher rents and tourists will be willing to pay more for their hotel rooms if the place has got qualities. By their presence and activities citizens and tourists even contribute to create the experience of diverse urban life. While city governments may develop the quality of place to attract investors, citizens and tourists, firms make experience based innovations to add to the value and profitability of the products on the market. The role which experience economy may play for local development depends on which aspects of the experience economy are in focus. 1) Local producers may enhance their competitiveness by adding experiences to their products and services, and thus create new jobs 2) The development of creative branches as new fields of growth (arts, fashion), which creates new jobs as well as quality of place 3) the development of the place as experience, which entails facilities as well as activities. In the discussions about experience economy the distinction between these three is not always clear. In Denmark and in international organisations much focus has been on nr. 2 the development of creative branches (Aalborg Kommune, 2005; European Commission, 2008; Regeringen, 2003; UNCTAD, 2008). It is known that creative branches tend to cluster in big cities (Scott, 2006) For peripheral places aspect nr 1, adding experiences, and 3, the development of place as experience, therefore holds more potential. Experience based innovations are widespread in traditional branches like food (Arthur, 2008), and the development of experience facilities and activities takes

place, on different scales, in core regions as well as in the periphery and small cities (Lorentzen, 2009a).

### **Municipal experience based strategies of development**

In Denmark local governments have taken on the task to promote local development and to find creative ways of marketing their territory. This has been evolving for some years, but a recent territorial reform institutionalised these tasks. In 2007 Danish municipalities were merged into larger units, and the number of municipalities decreased from 275 to 98. In connection with this change the obligations of the municipalities were widened to include business development and culture (Kommunernes landsforening, 2006). The change implies a simultaneous decentralisation of formerly regional and central responsibilities and a territorial centralisation by the merger of municipalities. More than earlier the Danish municipalities are now in charge of their own destiny, as the former territorial solidarity of the Keynesian welfare state has been reduced. In stead a considerable metropolitan focus at the national level has been developed (Miljøministeriet, 2006; Miljøministeriet, 2009) with the unhappy result that the Danish periphery is growing.

On this background urban and municipal competition has become a condition for the Danish municipalities. An analysis of the recent municipal plan strategies illustrates this. The figures in parenthesis refer to the number of municipalities which mention the topic in their plan strategy. The survey of the strategies shows that business development (67) is the most important theme, followed by urban expansion (47) and infrastructure (45). The topic of culture (34) leisure (30) and experience economy (28) are considered very important strategic fields as well. Some municipalities also work with cultural heritage (11) (Caspersen, 2009).

One Danish region, which in particular has had to face globalisation and industrial restructuring, is Northern Jutland. The region is situated in the northern part of Denmark. It consists of 11 municipalities. Its capital city is the fourth largest city of Denmark, but most cities of the region are quite small. The region is known for its attractive coastline, which is suitable for tourism in summer. The region is characterised by a high share of employment in traditional industries and the primary sector, and a low share of employment in the knowledge based branches such as business services. Tourism related services employ a comparatively high share of the labour force. The

general level of education is quite low, with the capital city as the only exception. Knowledge based services and industries, as well as culture offerings therefore concentrate in the capital. Half of the municipalities are characterised by demographic decrease and generally unemployment is a permanent issue (Lorentzen & Krogh, 2009). In general the region is characterised by problems of peripherality (Lorentzen, 2009b).

An analysis of the recent plan strategies of the 11 municipalities shows that literally all of them have approached the topic of the experience economy in their plan strategies in one way or the other. The interest for this topic is thus higher in this region than it is in the rest of Denmark, and this can be seen in relation to the long tradition for costal tourism on the one hand in combination with the pressure arising from industrial restructuring and population decrease. The analysis of these municipalities is based on document analysis as well as on interviews with key actors in the municipalities in 2009.

A common characteristic is that all municipalities regard the issue of experience economy strategically as a way to solve problems of peripherality in terms of high unemployment rates and demographic decrease.

Three strategic perspectives can be found in the strategies: 1) Settlement or the attraction of new citizens, 2) increased employment through an expansion of tourism, and 3) finally a broader industrial development. The municipalities differ with respect to their focus on these three strategies.

The regional capital (Aalborg) integrates all three perspectives, but also two of the small municipalities (Rebild, Thisted) apply this broad vision of attracting citizens, developing tourism and develop a broader industrial profile based on experience economy. Two municipalities focus on settlement and a broadening of the industrial development (Frederikshavn, Hjørring). Three municipalities want to combine the development of all year tourism with the attraction of new citizens (or retaining of population) (Jammerbugt, Vesthimmerland, Morsø). By a development of the new amenities they hope to meet the wishes of both local population and create an interest for all-year tourism. Two municipalities see themselves as suburbs to the regional capital and focus mainly on settlement, or the attraction of families from Aalborg by the development of leisure activities (Brønderslev, Mariagerfjord). Finally, the smallest municipality, the island of Læsø, only focus on the development of new amenities to stimulate tourism. The strategic goals reflect the

geographic characteristics of the municipalities (urban, suburban, coastal and remote), and the demographic focus is shared by all of them.

Most of the municipalities seek to develop particular profiles within the field of leisure, culture and experiences. *Urban culture* has an astonishing strong focus, considering the small size of the cities. Three municipalities focus on this, including the capital of Aalborg, a second tier town, Hjørring and a rural municipality, Morsø. Two municipalities see their strength as the *combination* of urban culture with attractive natural environments (Jammerbugt, Vesthimmerland). Three municipalities wish to profile themselves based on experiences related to the *natural environment* (Thisted, Rebild, Læsø). Frederikshavn municipality is different. Here the profile is seen as related to exiting *activities and events*. Finally the two suburban or commuter municipalities, Mariagerfjord and Brønderslev do not define any particular profile. It is a question whether the approach to municipal profiles is sufficiently rooted in reality. With a few exceptions the cities are too small to develop urban profiles with appeal outside of the local area. And attractive natural environment is a common asset in all 11 municipalities, and thus not a specialty of any of them.

The work with leisure, culture and experience economy in the 11 municipalities of Northern Jutland involve traditional as well as new approaches to planning. The field is partly regarded as a traditional sector of public service including public libraries, continuation schools or local museums. The new focus appears institutionally not only in the text of the plan strategies, but also as the establishment of new departments and positions. The field of leisure, culture and experience economy is institutionally divided between the departments of children and youth (leisure and culture) as a welfare service, while experience economy mostly is connected with tourism and business development sections within the municipal organisation.

New forms of planning develop in the field of leisure, culture and experiences. Projects, subsidies and partnerships characterise the field and involves business partners as well as representatives of the civil society. Voluntary work should generate innovative ideas for projects and provide labour for the realisation of them. The private sector is in particular invited to contribute to the development of expensive flag ship projects. Project groups are to be formed to search for funding at municipal, regional, national or European level.

Institutionally culture and leisure as a whole has gained importance in the municipal system (strategy and organisation) after the merger of municipalities in 2007. At the same time a new market oriented and flexible approach has been developed, which involves different levels of governance as well as different types of actors.

In sum the analysis shows how experience economy has become a strategic focal point among the municipalities of Northern Jutland. The municipalities interpret this mainly as a matter of urban amenities and natural environment in various combinations, the aim is settlement, tourism, and to a minor degree industrial diversification. Quality of place as a factor of development is the dominant idea. The municipal focus on experience economy materialises in new institutions like partnerships, project groups, which are characteristic of the 'entrepreneurial state'.

### **Constructing the experience economy in Frederikshavn**

A more qualitative analysis of the work of the local governments with the experience economy can be provided based on the case of Frederikshavn. The municipality of Frederikshavn has for more than a decade been experimenting with new approaches to local development. Frederikshavn is the northernmost municipality in Denmark. Today the municipality has got 62,000 inhabitants, while the municipal capital has got 32,000 inhabitants. The municipality represents an unhappy combination of industrial decline of traditional industries, demographic decline, very low level of education and geographic peripherality. 1998 represented a particular low point with closure of shipyards, limitation of fisheries, and a steep drop in shopping tourism due to abolition of tax free sales on ferry boats, among other things. Mainly based on interviews with key actors since 2007 the construction of the experience economy in Frederikshavn can be described.

The deeply rooted industrial identity of the city was challenged, and in this state of crisis different actors started to think in innovative ways about the future of the city. The planners to some extent set aside the usual procedures of planning to give room for experiments. Intuitively they saw the hierarchy of the welfare state as unsuited to the new situation of emergency. The city council soon opted for an offensive approach to the crisis: We want to invest our way out of the crisis! In this atmosphere it was possible to launch three big projects, namely a substantial expansion and renovation of the local sports stadium, a new ice stadium (both 2005) and a House of Arts (2004). With these projects the city of Fredrikshavn took a 'quantum leap into the economy of the big events', as the technical director said. The municipality also focused on the quality of the city and

gradually developed the down town into an experience area with maritime decoration, attractive squares, illumination, out door cafes, and music performances in summer. Within a few years the municipality managed to change the city into an attractive stage for urban living and entertainment. In a second round the surrounding landscapes were made better accessible for sports and recreation. One of these projects was quite cheap, but very important: the erection of a Palm Beach north of the city in summer 2004. The Palm Beach soon became iconic status as brand and symbol of the new development.

The decade following 1998 was characterised by many initiatives related to culture, leisure and entertainment. A long list of festivals saw the light of the day, and they continue to be held on an annual basis. Today the city thus hosts a historic festival, a rock festival, a festival of light, a film festival, and as the newest idea, a festival of Icelandic horses. All of the festivals were initiated by civic initiative and have been able to attract an increasing number of guests. Through combined efforts of many actors the city managed to attract Bill Clinton as well as Bryan Adams in 2006 to perform in the big stadium, while the House of Arts developed a rather ambitious programme for a small city. As a whole a lot happened which influenced the quality of place in a positive direction. This had an impact on the reputation of the city as well as on the quality of life of the citizens (Lorentzen, 2007).

The private sector was less inclined to develop experience based innovation. The scope may not have been so large for the mainly traditional industries. However some tourist service providers developed special experiences such as theme hotel stays, theme menus or theme restaurants. Food providers developed local food brands, and light equipment producers managed to find a world market niche in light design, thus adding an important creative dimension to traditional industry. The major private sector initiative during this period was a project to develop a huge holiday resort north of the city. The local government was quite supportive, but the project has been caught between the financial crisis and the crisis of the Danish real estate market, and its future is unclear.

### **Institutionalisation of the experience economy in Frederikshavn**

After more than a decade of experiments experience economy has found its way into more formally policy and planning of the city. The obligatory plan strategies have been the occasion to look at urban development from a more integrative perspective. Documents from 2008 introduces the

experience economy concept in many parts of the municipal strategy (Frederikshavn kommune, 2008a; Frederikshavn kommune, 2008b). A recent policy document (Frederikshavn kommune, 2009a) develops and systematizes the more scattered ideas and policies of the earlier documents. The new document does also not represent a coherent approach to the experience economy in Frederikshavn. Thus experience economy is seen in relation to a broad range of fields, namely culture, events, leisure, industrial growth, and as driver of innovation (Frederikshavn kommune, 2009b:8). The document gives an overview of how the idea of experience economy has been applied as a potential 'multiple resource' for local development.

As a kind of analytical point of departure the report identifies 7 areas of importance for local development, where the experience economy has the potential to play a strategic role. These areas are 1) identity, profile and branding 2) economic growth and employment 3) development and creativity, 4) to attract and retain citizens, firms and investment 5) to appear attractive to tourists, guests and citizens 6) as basis for private and public entrepreneurship, new educations 7) Welfare, quality of life and optimism. In connection with the development of these seven areas the role of a local government can be as investor in facilities such as concert halls or sports stadiums, the establishment of funds for cultural purposes, or as organizer or prime driver of events and cultural flagships. Further it is understood in the report that development in the field of experience economy calls for new forms of local leadership, involving strategic thinking, cooperation and creativity. The strategic document thus give a nice wrap up of the state of the art within the field of experience economy and culture in development.

In the business development strategy of Frederikshavn from 2008 the experience economy is an important pillar. In particular, the city council wishes to develop all year tourism. This is an important point, because the tourist season in Denmark is limited due to costal temperate climate, and this again causes fluctuations in employment and income. The ambition to develop all year tourism is, for the same reasons, shared by several other municipalities of the region. Ways to achieve this is through networks and clustering as well as branding. Accordingly in the business strategy it is understood that local experience economy is produced in a co-operation across different industrial branches and organisations, such as retail, food, art, music, sports, events, culture, and tourism services.

In the strategies the global, or international, dimension has achieved a high status. The local government should, according to the strategy papers, support the attraction of international experiences of different kinds. Also guests and tourists from outside the municipality should have the opportunity to participate in the events. This is also supposed to support the development of all year tourism. International cooperation with sister cities in other countries should be used to produce new experiences for the citizens. Local associations aiming to work with sister organisations abroad should also find support from the local government. Finally the local government intends to support cultural events of every kind and size, which can be assessed as having a positive impact on the local community (Frederikshavn kommune, 2009b:7). In a rather tangible way the formulations reflect an understanding of the experience economy as being closely connected with globalisation (Lorentzen, 2009a).

The municipal strategy acknowledges new forms of cooperation and new actors as an important ingredient in the strategy. In the strategy these are said to include experience producers, other public actors e.g. sponsors, on higher levels of government, knowledge centres, tourist offices and business councils, educations and civic associations. Also within the municipal organisations new lines of cooperation are envisaged across the technical department, in charge of town planning, the business department in charge of tourism among other things, the children and youth department in charge of sports and leisure, and local municipal experience producers. As many as six different municipal political committees are in charge of budgets from where experience activities can be supported. Money is granted to voluntary projects as well as to municipal projects.

Of particular importance are private businesses and civic organisations. Private businesses may contribute with funding, facilities, know-how and networks. They contribute on special occasions of particular interest for them. Volunteers and voluntary organisations represent ideas, involvement, and labour force to produce experiences and events.

How are the new priorities reflected in the municipal budgets? An estimation of the expenditures for experience economy related activities in 2009 says 129.7 mio. Dkr. (Frederikshavn kommune, 2009b), which is equal to 4,3 percent of the total budget for running costs in 2009. In terms of investment experience related investment cover 5.7 per cent of the municipal investment budget in 2009 of which 3.5 percent is related to recreation and accessibility to nature, and 2.2 percent are

related to experiences in the urban cores of the two main cities of Frederikshavn and Sæby (Frederikshavns Kommune, 2008).

Among the running costs for experience related activities usual welfare facilities as public libraries, music schools, and general education activities (leisure time education in different topics is a tradition in DK) cover as much as 43.3 percent of the expenditures. Second comes the operation of stadiums and music houses (now called experience centres in the budget language). These host both welfare activities such as youth sports clubs, but they also serve as stages for commercial events. This covers (31.5 per cent) of the experience related expenditures. The third large budget item is tourism and industrial development with 14 percent of the expenditures for experience economy development. An assessment of the significance of these figures would require a longitudinal study. However from the information of this first budget made after the approval of the new experience economy based strategy of Frederikshavn in 2008 it is evident how experience economy mostly is interpreted as a matter of welfare provision for the local population. In the budget traditional municipal budget items have simply been subject to new interpretations. The sketchy budget analysis may not do the implementation of the new strategy justice. The relatively small amounts for non-municipal experience projects, the so-called 'free money' are likely to have wider impact as catalyst than the small figures let know, because much of the labour is voluntary. Further the welfare activities are also likely to have been influence by quality of place concerns, resulting in experience based innovation of e.g. library services.

Summing up the analysis of Frederikshavn it has been shown how experience economy has gradually been constructed as a major approach to local development. New as well as old, institutional actors contributed to this. No doubt the qualities of the city have been enhanced considerably for the benefit of the local population. Also the reputation of the city has changed positively. After 10 years of creative experimenting the experience economy became institutionalised in strategies and budgets. A closer look at both policy documents and budgets let know that much of this can be characterised as old wine in new bottles, since traditional responsibilities of the municipality are merely renamed. Never the less experience economy and in particular quality of place concerns characterise most fields of municipal activity. It is a question, however, whether the institutionalisation of experience economy in the plan strategies and budgets of Frederikshavn will stimulate the development of the local experience economy, or whether the much needed creativity and innovation will rather be choked in the municipal hierarchy.

## **Conclusion and discussion**

This paper has discussed the rationale behind the emerging interest in culture and experience planning in small cities and municipalities in Denmark based on empirical evidence from a peripheral region of Denmark. It is argued how economic geography has been characterised by concentration around still bigger cities as the knowledge economy out-competed traditional industrial paradigms. Globalisation has reinforced the concentration in cities, which compete globally for investors and highly qualified labour, tourists and citizens. In this context the role of the state can be seen to become increasingly business oriented and entrepreneurial, and competition increasingly territorial. Accordingly territorial strategies become developed in networks and public private partnerships. Investment in culture, leisure and experiences has become an aim as well as a means in territorial development policies. Culture provision today is therefore caught between welfare and market concerns and between popular and more elitist or commercial demands. Still smaller cities have discovered the strategic importance of culture and leisure in local development and struggle to make themselves known for their amenities or experience offerings. Small and big cities have different potentials of developing experience offerings and experience economy.

In Denmark even very small cities and municipalities have defined experience economy as an important driver of local development and have started to work strategically with that notion. This happens in the context of territorial administrative reforms which defines new entrepreneurial roles for the Danish municipalities. The involvement with experience economy is particularly outspoken in Northern Jutland, which shows varying signs of peripherality and problems of industrial restructuring. The region has a long tradition our tourism, which is also the point of departure for the recent municipal strategies. An analysis of the plan strategies reveal how these approach experience economy strategically as a way to 1) attract or retain citizens, 2) expand employment in tourism, and 3) generate broader industrial development. Coastal and remote municipalities can be seen to focus more on tourism, while more urbanised municipalities focus broader. A typical way to brand a municipality in Northern Jutland is to say that it is possible to enjoy urban life and still be close to nature. Branding is difficult, since natural environment is a common resource for all of the municipalities, and urban amenities only are significant in the capital city.

In the work with experience economy and quality of place more flexible, inclusive and complex forms of organisation emerge, characteristic of the 'entrepreneurial state'.

Frederikshavn has witnessed the construction of a place bound experience economy over the last 12 years. By the means of entrepreneurial and flexible forms of planning, an extraordinarily big number of projects have been born in the city. Big investments in facilities and renovation in combination with support to various activities and events have made the city lively and attractive compared to earlier. The main driver has been municipal leadership. Only to some extent the private sector has followed and invested in experiences, and the biggest private development project has run into problems. However, only recently the new direction has been reflected in the official plan strategies. The role of the experience economy in the strategy can be boiled down to all-year tourism, better local culture provision, new lines of cooperation inside the municipality as well as with civic, businesses and international actors. A closer look at the municipal budget let know that the 'revolution' is relatively limited. The budget for experience economy related activities is small, and scattered over a great many activities. Welfare concerns seem to dominate. Still, the new strategy is innovative in that it interprets traditional municipal obligations from a new perspective and understands the role of the municipality more than as mere service provider, namely as catalyst.

From the example of Frederikshavn we can learn how small cities interpret the notion of experience economy in their own way. They may temporarily reach the 'global catwalk', based on successful cooperation among many actors, but the system is geared towards the local population and the quality of place, and private entrepreneurship has not played any significant role. The balance between market and welfare is note seriously challenged by the new strategic focus, and local growth will probably need to arise from another 'machine'. One option for cities like Frederikshavn could be to develop a role as suburb for knowledge workers in the regional capital, retired people from big cities, and creative workers in search of cheap housing. The fact that the city has become as lively as it is could be an important factor of attraction.

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