7. Becoming urban: the emergence of an urban policy in rural Norway

Gro Sandkjær Hanssen

1. INTRODUCTION

Norway does not have a coherent national urban policy and, as it is not a member state, has been less influenced than other European countries by the urban initiatives of the European Union (EU) and the implementation of EU cohesion policies. However, the Agreement on the European Economic Area (EEA) brings the 27 EU member states and the three EEA European Free Trade Association (EFTA) states (Norway, Iceland and Liechtenstein) together in the Internal Market, governed by the same basic rules,¹ meaning that Norway also takes part in the EU's Urban Agenda.

Norway is a small country when it comes to population (5.3 million), but is large in geographical terms. Thus, Norway has large rural areas with only a few regional cities of a certain size, and just one large city (the capital, Oslo). Norway's rural character has also influenced its political landscape. Its main political cleavage has followed a strong historical centre–periphery pattern, between the capital and the rural districts (Rokkan and Valen 1964). Among the historical roots of this cleavage is that Oslo was the centre of the Danish administration during the centuries Norway was a colony under Denmark. This centre–periphery cleavage also spurred other, more cultural and religious/secular cleavages, from which many of the political parties from the 1880s and onwards emerged. Today, this historical centre–periphery cleavage is still observed in the political landscape of contemporary political parties. The cleavage has also been visible as a traditional anti-urbanism (McNeill 2017), and not until the last decades has a generally more positive attitude towards city life emerged.

With the development of the welfare state from the 1950s and the emergence of the oil industry from the 1970s, urbanization has gradually taken place throughout Norway. Thus lately, Norway has become more urbanized, even though it only has one metropolitan area (the Oslo region) that can be compared with the large cities of Europe. The increased urbanization has

not necessarily been reflected in national policies and has not led to a coherent and strong urban policy. According to the Organisation for Economic Co-operation and Development (OECD), Norway does not have a national urban policy (OECD 2017). A national urban policy can be understood as a ‘coherent set of decisions derived through a deliberate government-led process of coordinating and rallying various actors for a common vision and goal that will promote more transformative, productive, inclusive and resilient urban development for the long term’ (UN-Habitat 2015). In this respect, Norway has not had a well-developed, coherent national urban policy. National government has, rather, responded to urban challenges with sectoral policies and measures. Thus, as we have seen in other chapters in this book, we need a definition that covers the rather *fragmented elements* of national urban policies that can be observed in the different countries – Norway included (d’Albergo 2010). A national urban policy should be understood as the sum of any national policies or programmes explicitly targeted at urban areas, like social housing policies, urban regeneration programmes, planning policies and urban mobility plans.² This chapter will describe these fragmented, sectoral policies and initiatives that in sum make up Norwegian national urban policy.

2. CURRENT LOCAL GOVERNMENT SYSTEM: STRONG LOCAL GOVERNMENT AND STRONG STATE – WEAK REGIONAL LEVEL

Norway is a unitary state with three governmental tiers: national level, regional level (county municipalities) and local level (municipalities). All three tiers have directly elected councils. As with other Scandinavian welfare states, municipalities and cities are the main welfare service providers. Thus, Norway has one of the most decentralized systems in Europe, in line with the subsidiarity principle. This means that cities have extensive local autonomy – and hence most of the responsibility for urban policy.

On the national level the Norwegian Ministry of Local Governments and Modernization (KMD) has overall responsibility for urban policy, but without having an explicit national urban policy (OECD 2017). The main instrument is the budget, where the national government has traditionally had a ‘district policy’, having distributed more to rural districts than the numbers of inhabitants on its own would justify. For many decades, the large cities have received a disproportionately lower share of funding, for example for infrastructure investments. However, the budget has for many years included additional ‘metropolitan funding’ for addressing social problems in the cities. Other instruments include planning instruments according to the Planning and Building Act, giving national political signals to regional and local planning. But most of the policies that are important for the cities are sectoral ones that

do not have a special focus on cities. Hence, in sum, the policies that are relevant for urban development are sectoral (silo) policies.

The regional level is much weaker than in many European states. The county municipalities have lost their responsibility for many of the welfare services, such as hospitals and vulnerable childcare, but still have responsibility for secondary schools, regional planning, public transport and for certain roads, as well as responsibility for stimulating regional and business development. Regional plans are the most important coordination instruments for city-regions. However, the plans are not legally binding and are often undermined by municipalities and national actors. The national government has implemented a regional reform whereby, from 1 January 2020, have been merged into larger regions (county municipalities). As part of the reform, the regions have been given some new tasks relating to public health, social and labour-welfare services, and transport and infrastructure.

Local government has extensive autonomy when it comes to local matters. In addition to having responsibility for certain tasks related to roads/infrastructure and the environment, it is responsible for important welfare services like kindergartens and schools (ages 0–15) and health and social services. Furthermore, it has extensive planning autonomy, in fact among the strongest in Europe when it comes to land use. Hence, municipalities (and cities) possess important planning instruments for urban development. In addition, they have a certain degree of fiscal authority (being able to raise a certain level of income tax as well as property tax). A comprehensive reform involving amalgamation was implemented in 2020 on the local level. In 2017, as part of the regional reform, the Parliament decided to reduce the number of regions from 19 to 11, while the number of municipalities, which had stood at 428, has been reduced to 356.

If the OECD's definition of functional urban areas is applied to the Nordic region, almost 55 per cent of the population live in the 30 largest functional urban areas. The population in these areas has increased dramatically between 1995 and 2015 (Nordregio 2016, p. 8). Norway has experienced a trend towards urbanization over the last 20 years, taking the form of regional centralization processes strengthening regional cities. Today, as much as 82 per cent of the country's 5 346 000 inhabitants live in dense areas (SSB 2019). However, these are not necessarily urbanized areas.

Due to strong centralization, the most urbanized areas are located in the eastern parts of Norway (Statistics Norway 2020). The main urban agglomeration is the capital, Oslo, with 693 494 inhabitants within its administrative borders. In the functional living and working area (Oslo region) there are 1 546 706 inhabitants. The area is growing, but the growth is larger in the surrounding municipalities of Oslo than in the capital itself. The Stavanger region on the west coast of Norway has two municipalities – Stavanger with

133 000 inhabitants and Sandnes with 76 500 – forming a continuous urban area. In the functional living and working area there are 340 500 inhabitants. In Trondheim region, in the middle of Norway, Trondheim is the largest municipality (193 500 inhabitants), followed by Stjørdal (24 000), with 282 500 inhabitants in the functional area. The fourth city-region is Bergen on the west coast, where the core-city has 284 208 inhabitants and there are 414 863 inhabitants in the city-region. The two last functional urban areas are smaller. The Kristiansand region in the south has a core-city of 111 634 inhabitants and a functional area of 166 830 inhabitants, while the Tromsø region in the north has 85 093 inhabitants, and a core-city population of 76 975.

3. CURRENT CHALLENGES OF URBAN AREAS

3.1 Municipal Structure

With a local level containing many small municipalities (the average is 5000 inhabitants), one of the main challenges of having a local government with heavy burden in relation to welfare services tasks is that many municipalities do not have adequate professional competence in their administration. To resolve this issue, from 2014–2019 the national government initiated a process of amalgamation in order to create larger cities and municipalities. This resulted in a reduction in the number of municipalities from 428 to 356 in 2020. Here, city-regions were also targets for the amalgamation process. The main challenge for the city-regions was the *lack of coherence* between the functional city-region (commuting region, area of economic interplay and so on) and the formal city borders, resulting in traffic problems, the increased need for upscaling public transport because of commuting, a lack of housing and so on. To resolve this, many of the core cities merged with some of their neighbouring municipalities in 2020.

In the discussion about municipal structure, the national government was criticized for lacking a comprehensive, multilevel perspective on the reform. Therefore, the Parliament instructed the government to implement a regional reform in addition to the municipal amalgamation reform. In 2017, in this regional reform, the Parliament decided to reduce the existing 19 regions to 11 regions, also giving them some new tasks (Meld. St. Nr. 5 2019–2020). The amalgamation of the regions (county municipalities) was implemented in 2020.

3.2 Urban Growth, Housing and Segregation Challenge

In the Nordic countries, 97 per cent of population growth during the last 20 years has occurred in 30 functional urban areas (Nordregio 2016). Norway

has experienced regional centralization processes, resulting in urban growth in regional cities, especially in the Greater Oslo region. As in other Nordic countries, accommodating this growing population with housing, infrastructure and services is a challenge. As most of the cities in Norway have an explicit compact city policy, a by-product of this policy is increased property prices and segregation in different parts of the city. Consequently, another challenge is social inequality in public health, which is strengthened by segregation. This has resulted in pressure for more affordable housing, as well as integration and segregation challenges. The Nordic Council of Ministers, worried about these trends, asked Nordregio (an international research centre for regional development and planning) to study the causes. In 2016 Nordregio found that the three main factors explaining Nordic urban segregation are housing policy, spatial planning and discrimination.

3.3 Tensions between Core-City and Neighbouring Municipalities

Due to the historical centre–periphery tension and the centralization processes leading to urban growth, there is often a tension between the core-city and neighbouring municipalities. This tension frequently results in inexpedient competition in relation to public services, business and dwellings, leading to urban sprawl. As a consequence, the possibilities for effective public transport can be undermined.

3.4 Climate Change

Other challenges of urban arenas relate to *climate change*. International commitments (such as the Paris Agreement) and national goals for reducing CO₂ emissions have led to ambitious policies in the cities. Some of the largest cities (e.g. Oslo and Bergen) have more ambitious goals for emissions reduction and have introduced many measures, quite a few of which are controversial. The measures first and foremost address the shift to green mobility, such as introducing different types of car restrictions and investing in infrastructure that encourages the use of bikes and improves walkability. The national climate goals have also led to new multilevel contractual management tools (described below). In addition, the international focus on climate change has spurred an intense discussion about the need for an industrial transition away from oil-based production and towards more green energy production. Norway is an oil-exporting country, and much of its industry and production is developed in and around the oil industry. For some of the cities on the west coast, this is a challenge for many of their businesses. The challenges of climate change have spurred greater attention on metropolitan cooperation and planning in order to reduce car dependence. Hence, the emission goals in

the Paris Agreement have stimulated the emergence of national urban policies targeting CO₂ emissions, such as funding for projects that reduce emissions (KLIMASATS), and new multilevel governance tools (the Urban Growth Agreements, see later in the chapter).

3.5 Lack of Multilevel Coordination and Cross-Sector Coordination

As in other European countries, research shows that urban areas in Norway suffer from a lack of national cross-sectoral coordination and multilevel coordination (Simeonova et al. 2017; Hanssen and Aarsæther 2018a, b; Hovik and Hanssen 2015). In 2016 Nordregio reviewed the relationship between green growth and spatial planning in urban policy in the Nordic region and found that explicit links between the two are quite weak because green growth policies are mainly framed at the national level and focused on regional development while spatial planning is primarily done at the local and regional levels. Other studies have highlighted the weaknesses of regional plans as coordinating instruments in a system where national sector authorities are allowed to disobey the plans (Hanssen and Aarsæther 2018a, b; Hanssen and Hofstad 2017).

4. EVOLVEMENT OF NATIONAL URBAN POLICIES – FROM THE 1970S TO TODAY

In the 1970s–1980s the social and economic challenges of the larger cities in Norway first received attention (Rasmussen 1984). On the initiative of the City of Oslo, in 1977 the government appointed a ‘city committee’ (storbyutvalget) with a mandate to discuss the structural problems of Norwegian cities. Here the cities of Oslo and Bergen were represented, together with the organization of Norwegian municipalities and representatives from three Ministries. They finalized a report on ‘urban politics’ in 1979 (NOU 1979, p. 5). In this Official Norwegian Report they stated that a national policy and a coordinated effort towards the cities were needed to address the challenges of declining industry and local environmental problems due to traffic and air pollution, as well as the general need for regeneration in inner districts. The report (NOU 1979, p. 5) also pointed to the challenges of a lack of affordable housing and the high costs of social and health welfare services and of elderly care. In addition, it stated that coordination problems between the core cities and their neighbouring municipalities were a major challenge. An example is commuting patterns, with the core-city losing the tax incomes from many of the workers living outside the city.

The report was followed up in 1980 by the first government White Paper concerning urban politics, presented to the Parliament by the Ministry of Local Government and Labour (Meld. St. Nr. 17 1979–1980). However, in

the 1980s, national urban politics was a field that received little attention (Rasmussen 1984).

In the 1990s and 2000s we witness increased attention on the challenges and role of the city – and thus an increased demand for a national urban policy. This was especially spurred by environmental and climate challenges. The first traces of national policy signals stimulating compact city development and densification around public transport hubs can already be found in the 1990s. The compact city ideal can be traced back to a 1987 report by the World Commission on Environment and Development entitled ‘Our Common Future’ (Falleth and Saglie 2011), and is reflected in important urban policy documents. One of the first documents on national urban policy was the *Governmental Planning Guidelines for Coordinated Land-Use and Transport Policy* from 1994, revised in 2014 (where ‘housing’ also was included) (also called SPR-BATP). Here, the national government states that the purpose of regional and local planning is to ensure a sufficient supply of housing/dwellings through densification in city centres and around public transport hubs. The main intentions are to reduce the need for car-based transport and achieve zero-growth in person-based car transport. The growth in mobility needs to be in the form of increased walking, cycling and use of public transport, in order to achieve Norway’s commitments in the Paris Agreement. As a result, *densification and compact city development* has become the most important goal for national urban policy.

In 2012 a professional committee for sustainable development was appointed by the Minister of Local and Regional Government to formulate a report containing advice on creating a national sustainable urban policy. The report *Professional Advice for Sustainable Urban Development* was finalized in 2013 (KRD 2013) and focused on three areas: urban growth, urban qualities and urban planning. The report states that Norway has never developed a national urban policy that has been used to strategically guide national investments in different sectors or has functioned as a list of objectives for local urban policies. It argues that the challenges created by increased city growth, namely pressure for dwellings, integration problems and segregation, show the urgent need for developing a national urban policy. It also argues that a national urban policy stimulating urban growth is important to ensure the achievement of national goals in areas such as climate, the environment and welfare services. One of the most important functions of a national urban policy is to coordinate the many national sector interests and authorities in order to enable the cities to better adjust their planning and services to the urban growth.

Even though Norway lacks an explicit national urban policy, on various occasions when making public speeches the national government has proclaimed that it has an urban policy. The former Minister Jan Tore Sanner³ made a speech in 2014 in which he claimed that the government had a national

urban policy covering housing policy, where the national level contributes by helping to house groups in need. In addition, he talked about the distribution of funding from the state to local level, with a special grant for metropolitan areas ('storbytillegg'). He also mentioned the national regeneration programmes in Oslo, Bergen, Trondheim and Drammen, and the contractual management tool (Urban Growth Agreements⁴ and grants to projects) the government were developing to stimulate more green mobility and compact city development in nine city-regions.

More recently, the most important White Paper has been *The White Paper on Sustainable Cities and Strong Districts* (Meld. St. Nr. 18, 2016–2017). This states that the national government now wants to introduce 'a more active policy for large cities'. Nevertheless, the government also has a strong focus on rural areas and wants to balance urban growth with stimulating growth in rural areas. In the White Paper the government states that in order to stimulate growth in all parts of Norway, it is its aim to move national institutions with high competence out of Oslo to areas outside other large cities in Norway. This is considered to be an important part of the government's rural district policy and could undermine the role of the cities as important competence clusters. However, the government also states that it wants to stimulate better cooperation between core cities and their neighbouring municipalities, which often have a competitive relationship (especially in land-use development).

The Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 are reflected in the White Paper. They include the aim to make cities and human settlements inclusive, safe, resilient and sustainable, and have become universal and focused on integrated responsibilities. The White Paper has a strong focus on the need to develop better coordinated policies in city-regions, especially in relation to integrated environmental and climate friendly land-use and transport policies. To ensure such a development, the government states that it is going to be an active partner in the planning processes. Here, 'Urban Growth Agreements' are emphasized (see the description later in the chapter), and the need for harmonizing the localization of national institutions in dense, urban areas. The government also emphasizes urban regeneration programmes in deprived areas.

In *National Expectations for Regional and Local Planning in 2019* (a national planning instrument in the Norwegian Planning and Building Act from 2008), the government states that the 17 UN SDGs are to be the *main political focus* for addressing the challenges ahead in urban and regional planning. This national steering document addresses local government in general, giving little attention to the special challenges often found in cities (segregation, public transport and so on). It does however put much emphasis on the need for densification around public transport hubs, in order to prevent urban sprawl and reduce car-based mobility. Here, the government states that most new business

establishments, including retail and office space, and private dwellings are to be localized within already dense areas – in line with compact city principles. This is expected to contribute to developing economically dynamic and sustainable cities (urban life) and villages, as well as to contribute to strengthening the public transport axes. The steering document recognizes the challenges related to urban growth, specifically the need for cities to ensure that there are suitable living areas where the inhabitants are provided with a high quality of life and place identity. Thus, there is a need to recognize that densification must allow social sustainable urban societies.

5. ACTORS AND INSTITUTIONS: WHO IS DRIVING THE CHANGE?

There has been an increased focus on cities and urban politics in Norway, which is indirectly being influenced by the EU's discourse on the EU Urban Agenda. The EEA Agreement ensures that there are important linkages between Norway and the EU discourse, even though Norway is not a member state. However, this lack of membership hinders the country from being equally involved in the EU's work on the Urban Agenda.

As a consequence of these linkages, the national discourse on climate change policy and urban policy is not driven by the national government. Despite the fact that several White Papers have been produced in an effort to describe national urban policy, the national level remains reluctant to actually formulate a strategic and comprehensive urban policy.

The formulation of a more ambitious urban policy bringing forward the need for coordination in order to address urgent challenges (especially those relating to climate) is, rather, being driven by the large cities in Norway, primarily Oslo and Bergen. These cities are being the most progressive when it comes to achieving ambitious climate goals (more ambitious than the Paris Agreement). Oslo had an aim of a 36 per cent reduction in greenhouse gas (GHG) emissions (in all sectors) and a 20 per cent reduction in car traffic by 2020 (Tønnesen et al. 2019, p. 38), but the numbers indicating if it had achieved these aims were not available at the time of writing.

Here, the largest cities are members of European and international networks of cities, such as EUROCITIES and C40. The activities within these networks clearly mobilize greater attention on the urban agenda and the potential of urban politics, especially in relation to climate challenge.

The largest cities now act as front-runners in the green shift. In Oslo, the new innovation of a climate budget has been introduced, which acts like an ordinary budget but for CO₂. This budget function is an important coordination tool, mainstreaming the climate goals of Oslo by incorporating them into the objectives of different sector departments in the city administration.

6. SPECIFIC POLICIES

6.1 Climate Policy

The increasing emphasis on urban policies has been spurred by the development of international policies on climate change mitigation. Norway is committed to implementing the Paris Agreement, with the aim of eliminating 30 per cent of CO₂ emissions by 2030, and 95 per cent by 2050. However, the first significant operationalizations of the commitments of the Kyoto protocol happened through the ‘climate compromises’⁵ reached between political parties (except the right-wing Progressive Party) in the Norwegian Parliament in 2008 and 2012. These agreements/compromises were the result of a broad political consensus that Norway should take responsibility for reducing GHG emissions through an active national policy.

The broad political ‘climate compromises’ that were reached in the Parliament in 2008 and 2012 were based upon the White Papers of Meld. St. Nr. 24 (2006–2007) Norwegian climate policy from 2007 and Meld. St. Nr. 21 (2011–2012) Norwegian Climate Policy from 2012. In addition to the overall targets for emission reduction set out in the Kyoto protocol, the ‘climate compromises’/agreements contained a number of measures to be implemented specifically in Norway. These included:

- Implement climate and technology investment financed through the return from a new fund for climate, renewable energy and energy conversion.
- Phasing out of burning with fossil oil.
- Tighter energy requirements in the construction sector.
- Continue to step up climate research.
- Maintain or increase carbon storage in the forest.
- Contribute to the development of biogas in Norway.
- Growth in passenger transport in metropolitan areas is to take the form of increased use of public transport, cycling and walking.
- Car taxes to be used to help create a more environmentally friendly and climate-friendly car park.
- Strengthen the role of railways in the transport system.

The last three points are especially relevant for urban policies, as they contributed to form new and stricter national urban policy ‘packages’ for transport and land-use in city-regions. In 2012 the goal of ‘growth in passenger transport in metropolitan areas is to take the form of increased use of public transport, cycling and walking’ was formulated as the ‘Zero-Growth Goal’. This goal proclaims that all growth in passenger transport in the larger urban areas is to be absorbed by public transport, bicycling and walking (Tønnesen et al.

2019). Thus, the urban regions must avoid increases in the total distances travelled by individuals when driving cars. However, the goal does not include road-freight transport, and the cities might end up with increased freight transport even if they achieve the Zero-Growth Goal for passenger transport. Thus, the Zero-Growth Goal can be characterized as a political compromise, and was embodied in the National Transport Plan through which the Parliament distributes large infrastructure investments to both road and rail. Later, the Zero-Growth Goal proved to be an important trigger for the transformation of ‘urban packages’ of national investments in urban transport systems into more comprehensive ‘Urban Growth Agreements’ (see description below).

The need for these multilevel arrangements can be explained by the decentralized character of transport and land-use management. Due to extensive local (and regional) autonomy, the national climate and environmental ambitions are closely connected to municipal- and county-level land-use and transport policies. However, the national Planning and Building Act contains requirements for consistency between local activity and state policy, including the demand for municipal planning to follow nationally defined goals (Tønnesen et al. 2019). The Paris Agreement has now been implemented in the Norwegian governance system via the Climate Act of 2018.

6.2 Transport and Land-Use Planning in Metropolitan Areas

6.2.1 Framework

The coordination and integration of transport, land-use and housing planning has emerged as an important policy direction to promote sustainable development in all the Nordic countries (Nordregio 2017). Land use is a decentralized policy area in Norway, the country having one of the most decentralized land-use planning systems in Europe. The authorization of land use is regulated by the Norwegian Planning and Building Act 2008, which gives cities important planning and steering tools. While cities are the primary authorizers of land use within their jurisdiction, they rely upon a metropolitan planning approach to curb the tendencies of urban sprawl and increased car use and to meet the need for more public transport. Hence, regional plans are more appropriate for the functional city-region, and regional land-use and transport plans are developed in almost every region (county municipality). However, these plans are often not restrictive enough when it comes to compact city development and reduction of urban sprawl. Nor are they legally binding (which the local plans are), and so they are often undermined by national actors or municipalities. Signals from national governmental are often contradictory, leading to ambiguity. Officially, the national government holds the principle of densification and compact city in high esteem, but in practice it allows (neighbouring) municipalities to grow so that urban sprawl continues.

The policy field of mobility (transport infrastructure, public transport) is divided between all three tiers of government. Long-term infrastructure investment, and how this is to be shared between roads, railways, cycle paths and footpaths and where, is decided by the National Parliament (the Storting) during the process of deciding the National Transport Plan. The regions (county municipalities) have now strengthened their role when it comes to mobility through having responsibility for regional public transport and regional roads. Local government is responsible for local roads.

Traditionally, investments in road and railway infrastructure have been distributed rather disproportionally compared to the number of inhabitants, not prioritizing the densely populated areas in and around Oslo. In the last decade, the regional transport and land-use plan for Oslo and surrounding Akershus has given important guidance on where to prioritize large investments in public transport. Consequently, these regional political signals have influenced the prioritizing in the National Transport Plan and by the transport authorities, the latter having taken important decisions for further development of rail transport (subway, trains) in urban areas in response to these regional signals.

6.2.2 Contractual management for transport and land-use in metropolitan areas: from ‘urban packages’ to ‘Urban Growth Agreements’

The need for metropolitan coordination has led to an interesting development in many of the Nordic countries. In Norway, Sweden and Finland we see a combination of cross-sectoral and multilevel governance, along with the adoption of different types of contractual or agreement-based policies among various public authorities (Nordregio 2016 and 2017). They have been established especially to promote sustainability. These different ‘agreement-based urban policies’ or ‘contractual urban policies’ that are emerging are becoming more and more institutionalized. The aim of these has been to create integrated, efficient and competitive urban city-regions via cooperation between the state and municipalities in the city-regions (Nordregio 2017; Tønnesen et al. 2019).

In Norway, it was the need for coordinating the efforts and investments in metropolitan areas that spurred the emergence of a new multilevel-governance contractual management tool. These are called ‘Urban Growth Agreements’, and they coordinate the land-use measures of the local government with the large transport investments of regional and national authorities. These contracts/agreements are now one of the main incentive arrangements for multilevel coordination between national, county and municipal authorities on transport and land-use policies for the larger urban regions (Nordregio 2016; Tønnesen et al. 2019; Amundsen et al. 2019).

The Urban Growth Agreements have their roots in the system of ‘urban packages’ that have existed for over 30 years (Tønnesen et al. 2019). The first

urban packages came about in Bergen in 1986 (poll road), then in Oslo in 1990 and in Trondheim in 1991. Some of the early generation of packages still exist, for example 'Oslopakke 3'. However, they are now 'framed' in a much more ambitious urban policy, under the name 'Urban Growth Agreements'. The Urban Growth Agreements constitute a new, innovative coordination tool that have been developed to achieve one of the aims of the Paris Agreement through operationalizing the Zero-Growth Goal decided in the National Transport Plan. The agreements are also presented as implementation tools of the national steering instrument SPR-BATP (SPR-BATP 2014) and of the regional plans for the metropolitan areas. Furthermore, the agreements are presented as tools for coordinating the funding, measures and local land-use policies (restrictions) needed to reach the aims of the National Transport Plan. They are also multilevel policy packages of national, regional and local funding of infrastructure – as well as car-restriction tools. Today, the four largest city-regions in Norway (the Oslo, Bergen, Trondheim and Stavanger regions) have all signed 'Urban Growth Agreements', and more are to follow.

Through the 'Urban Growth Agreements', all three levels of government implement measures and policies that in sum should achieve the Zero-Growth Goal for the relevant city-regions. The goal not only addresses climate change, but, in a mobility perspective, also addresses traffic-flow issues (Tønnesen et al. 2019). Hence, it is only 'in part a goal for reducing climate gas emissions' (Ministry of Transport 2017).

The national government provides grants covering 50 per cent of the investment costs for large infrastructure projects. For the period 2018–2029, national authorities have allocated almost €7 billion to municipalities and counties. The 50 per cent county and municipal contribution is mainly covered by toll-road payments (Tønnesen et al. 2019). The introduction of, or changes to, local toll-road payment schemes must, however, be authorized by Parliament. Thus, there is an intricate interdependency between the different tiers of government that is coordinated through these agreements. In the signed agreements, only some of the larger projects are specified in the documents, while other priorities are determined through portfolio management; the sequence in which measures are to be applied is flexible based on financing or ability to reach the goal (Tønnesen et al. 2019, p. 37). Goal achievement is monitored with indicators, including travel surveys, traffic indexes and land-use indicators.

Being a fragmented policy field, many actors sit around the table to reach an agreement regarding the right mix of measures, incentives and restrictions needed to reach the goal. The agreements are formulated in negotiation with the national government (the Ministry of Local Governments and Modernization and the Ministry of Transport, with their regional representatives in the transport agency and the county governor), the region/county municipality and the core-city and some of its neighbouring municipalities. How many and which

of the municipalities varies. The delimitation of the metropolitan areas in these 'Urban Growth Agreements' has not been consistent, but has varied between the urban areas and also over the years. For example, the first-generation agreements⁶ in the Oslo region were negotiated by the City of Oslo and the County Municipality of Akershus, representing the city-region. In the second generation, the municipalities of Skedsmo, Oppegård and Bærum have also been included in the negotiations. They are municipalities in the core agglomeration ('bybåndskommuner'). The definition, or delimitation, of the city-region is an important (and political) question, since the goal of 'zero-sum growth' is to be achieved in the defined city-region (not solely in the core-city).

However, the early-generation package 'Oslopakke 3' still exists, and is revised every third year, while its 'action programme' is revised annually. It runs to 2036. The action programme has a four-year perspective, in order to be able to feed the agreements into the budgets at national and regional levels. Oslopakke 3 is run by a formal steering group, consisting of the City Governor of Environment and Transport in Oslo, the National Road Authority (Statens Vegvesen), the National Railway Authority (Jernbanedirektoratet) and the County Municipality of Akershus (the County Mayor). In these multilevel arrangements, the important delineation is the city-region. Oslo has an important role as the core-city. The division of the funding is 60 per cent to Oslo and 40 per cent to Akershus. Even though projects are principally run on the basis of portfolio management, each project can be the subject of political negotiations in the negotiations on the Urban Growth Agreements.

In the local election campaign of 2019, these Urban Growth Agreements became heavily politicized, having previously been a policy-package tool that had existed under the 'political radar' for years. The reason for this politicization was the inclusion of more toll roads in the packages, triggering protests from right-wing parties, and also prompting the formation of a new party called 'The People's Action against Toll Roads Party'. Here, the political cleavages to a great extent followed the divide between the core-city and its surrounding cities, but they also followed social cleavages (income, education). The anti-toll-road party received many votes, ending up with 17 per cent of the votes in Bergen, 9 per cent in Stavanger and 6 per cent in Oslo. Thus, the national aim of 'zero growth in passenger car use' has resulted in a mix of policy measures that have increased tensions within the city-regions (core-city against surrounding municipalities).

6.2.3 Localization of sectoral state authorities

One of the main challenges of an integrated land-use and transport policy is that the primary coordination instruments – the regional plans – are not respected by sectoral state authorities. Therefore, a large proportion of the localization of national institutions/authorities is not in alignment with the

official policy for compact city/transport-hub development (Tennøy et al. 2017; Millstein et al. 2016). One example is the hospital in Stavanger, which despite the new ‘Urban Growth Agreement’ in the city-region was able to get the support of the Minister of Health Services to locate itself on the outskirts of the city – beyond the main public transport axes (Amundsen et al. 2019). With an estimated 7670 workers and 966 420 visitors per year (Tennøy et al. 2017), this decision has large transport consequences (Tønnesen et al. 2019).

6.3 Integration of Metropolitan Areas/City-Regions: The Development Programme for City-Regions (ByR)

The Norwegian Ministry of Local Governments and Modernization (KMD) was responsible for the Development Programme for City-Regions (ByR) in the period 2014–2018. This programme aimed at strengthening the economic growth potential of city-regions (Leknes et al. 2018), but even though the main focus was on economic/business cooperation, it also had a wider function of increasing knowledge about the general interplay between cities and districts (in relation to planning, land use, transport and so on). In total, the Ministry granted NOK 110 million to the programme. The agency ‘Centre of Competence on Rural Development’ (KDU) was responsible for implementing the programme by means of network activities, knowledge dissemination and grants (Leknes et al. 2018). The programme not only supported the large city-regions, but also the medium-sized ones, altogether 37 city-regions covering 213 municipalities.

An evaluation of the programme (Leknes et al. 2018) found that most of the projects have contributed to strengthening part of the soft infrastructure in the city-regions, which could have significance for the ability to conduct coordinated preparation for industry development and economic growth. This includes more and better meeting places, information and knowledge networks, better cooperation between the core-city and its surrounding municipalities (including a binding agreement about future cooperation), an improved culture for sharing, increased confidence and trust between the participants and increased ability and willingness to cooperate on strategic industry and societal development. Many of the projects have also contributed to developing and professionalizing the municipal organization for industry development (Leknes et al. 2018, p. 21). Many projects have strengthened parts of the innovation system by creating a tighter and better collaboration between knowledge institutions and industry and establishing innovation centres. Sixty per cent of the projects have contributed to improving the marketing of the city-region and the project leader reports about development of a stronger city-regional identity. This is closely connected to town and city development and different measures for increasing the attractiveness of the city-region

(Leknes et al. 2018, p. 21). Leknes et al. (2018) also find that three-quarters of the city-regions have strengthened their capacity for industry development.

6.4 Establishing the Urban Network ‘Cities of the Future’ (Fremtidens Byer)

The state-initiated ‘Cities for the Future’ network (2008–2014), created by the Department of Environment, consisted of 13 of the largest cities in Norway, which joined together to think about the future. During the six years of its existence, climate change adaptation was one of several topics addressed. Assessments show that from inception until the network ended, cities had gone from almost never considering climate change to giving it an important place in municipal plans and procedures. It is reported that one of the greatest benefits of the initiative for the cities had been the network itself, described as a dialogue forum where city and state meet informally. In addition, the networks enabled learning to occur across disciplines. It is also mentioned that the network provided political support for local priorities and made it easier to get funding for projects or plans related to climate change adaptation at the local level. One of the main outcomes from the ‘future cities’ network was increased knowledge. For example, from the ‘Climate Adaptation Troms’ network, being a multilevel network, came an increased awareness among the municipal actors of what the other public authorities could offer them (knowledge, competence, support) (Hauge et al. 2018; Hanssen et al. 2015).

6.5 Housing Policy

The fragments of national urban policy that exist also include elements of housing policy. In Norway, local government is the main land-use planning authority, but it is market actors that implement the plan, producing the houses and dwellings. Over the last 30 years, Norway has not had a strong tradition of building affordable housing. The cities provide houses only for disadvantaged groups, but these are only small in number. For other inhabitants, private market actors supply houses, and as much as 80 per cent of Norwegian residents own their own dwelling. The tax system rewards those with huge mortgages, and property prices have increased steadily, making it lucrative to own houses/dwellings. Thus, the main task for cities is to regulate planning so that market actors are allowed to build sufficient dwellings. In the national planning instruments referred to above (*National Expectations for Regional and Local Planning in 2019* and *Governmental Planning Guidelines for Coordinated Housing, Land-Use and Transport Policy*) the responsibility of cities (and municipalities) for regulating the building of sufficient dwellings is

emphasized, as well as the responsibility for locating new dwellings in accordance with the compact city ideal, thus avoiding urban sprawl.

In addition to national planning instruments sending steering signals to local government, national government also has financial tools to fund/stimulate urban housing projects for disadvantaged groups. The main financial instrument is the National Housing Bank, which is a national agency that co-funds municipal projects and market projects. The Bank is governed by the National Strategy for Social Housing (2014–2020) and the Strategy for the Housing Market.⁷

In the last decade, housing prices have increased in the city, largely due to densification around centrally located public transport hubs. As a result, low-income families are being pushed out of the city centre, often moving to suburbia in the surrounding municipalities and becoming car users in order to commute. The nurse index from London has been actively used in the media debate about affordable housing. The nurse index shows that a single nurse could only afford to buy 5 per cent of the dwellings in the city of Oslo in 2019, while in other cities in Norway they could afford over 30 per cent of the dwellings (e.g. Kristiansand). This has spurred a much more politicized debate about affordable housing for ordinary people, resulting in a new affordable housing policy for Oslo in 2019.

6.6 National (Local) Urban Regeneration Programmes

In order to address some of the social challenges the large cities experience, for decades there has been a partnership between the national and local level for investing in deprived areas. From the 1980s–1990s to the present day, the national government and the City of Oslo have funded urban regeneration programmes on a 50:50 basis – first in the inner districts (Byfornyelsen and Handlingsplan Oslo indre øst), then in the eastern part of Oslo, Grorud Valley (Groruddalssatsingen), and now also in the south (Søndre Nordstrand).

The Grorud Valley Initiative is directed at improving living conditions in the Grorud Valley (in the Oslo area), which is characterized by high levels of deprivation. The programme focuses on improving the quality of life of residents and is being jointly implemented by the national government and the City of Oslo (UN-Habitat 2015; OECD 2017). The Ministry has called for a differentiated regional policy and the marketing of Oslo as an attractive city internationally. The programme also had an integrated approach, encompassing economy and business, living conditions, environment, welfare, research and education facilities, diversity and tolerance, childcare and schools, safety, culture and innovation (Norwegian Ministry of Local Government and Regional Development 2007).

7. EUROPEANIZATION

As mentioned in the introduction, Norway is not a member state in the EU. However, the Agreement on the European Economic Area (EEA) brings together the 27 EU member states and the three EEA EFTA states (Norway, Iceland and Liechtenstein) together in the Internal Market governed by the same basic rules.⁸ Norway is therefore also taking part in the EU's Urban Agenda (Meld. St. Nr. 18 2016–2017).

The Nordic countries also have a joint programme on sustainable development called 'Attractive Cities: Green Transition and Growth in Nordic City-Regions'. Here, the intention is to develop a tool to measure how attractive the Nordic cities are, and how urban qualities can contribute to creating a better urban environment and attractive workplaces as well as to promoting health. From Norway, three Ministries cooperate together in the programme: the Ministry of Local Government and Modernization, the Ministry of Climate and Environment and the Ministry of Health and Care Services.

The Norwegian Ministry of Local Government and Modernization has been recommending the use of the EU (and OECD) 'Smart Specialization Model' to allow all regions to explore and exploit the distinctive opportunities for business development. Today, many of the Norwegian regions are using smart specialization to build on those competences, businesses and resources already present in the region, in order to develop new niches and business areas (Meld. St. Nr. 5 2019–2020). Norwegian municipalities participate in different European projects (e.g. Interreg project REGINA) in order to develop models for Local Smart Specialization (LS3). Here, the county municipalities report that Interreg is an integrated part of the county municipalities' overall policy portfolio and central to the establishment of strategic regional partnerships between different sectors and European players (Meld. St. Nr. 5, 2019–2020).

8. CONCLUDING DISCUSSION

What kind of national urban policy can be observed in Norway (d'Albergo 2010)? As this chapter has shown, Norway does not have a comprehensive and coherent national urban policy.

The national government to a small degree ensures coordination of sector policies to address urban problems and challenges. These problems and challenges, however, are addressed through sectoral policies and tools. Thus Norway *lacks a coherent national urban policy*, even if there are some traces of a political strategy behind the fragmented range of initiatives related to cities and metropolitan areas. In addition, Norwegian national authorities use *indirect tools* to enable other actors (cities and county municipalities) to better

address urban challenges. Even though the national government has produced a couple of White Papers, and developed several initiatives, addressing the challenging situation in the cities, the policies and measures recommended are rather fragmented and weak. Hence, one of the solutions that has been proposed is amalgamation to strengthen the positions of the (regional) cities.

Why did Norwegian national urban policy develop in the way it did? Firstly, one of the explanations is the historical tension between centre and periphery, that is, between the cities and their surroundings. The tension is still the source of an important cleavage in the Norwegian political landscape. Many of the existing political parties were founded on this cleavage. Rural areas still act in opposition to the capital and regional cities, often competing rather than cooperating. Secondly, national sectoral (silo) authorities are very strong in Norway, undermining many attempts to systematically coordinate them. Last, but not least, Norway is not a member of the EU, only associated to it through the EEA. Being outside the EU, Norway has not internalized EU discussions on urban and metropolitan policies, like those on the EU's Urban Agenda, in national political debates and policy making. However, some of Norway's initiatives have been inspired by EU policies.

One area that has been influenced by EU policies is policies concerning research on, for example, metropolitan areas. Here the Interreg and Horizon 2020 programmes have resulted in broad cooperation between Norwegian and European research institutions, cities and regions (Moen and Skålnes 2005; Fitjar et al. 2013). This has resulted in calls from the Norwegian Research Council for broad 'urban research', in an attempt to stimulate interdisciplinary urban studies.

NOTES

1. <https://www.regjeringen.no/en/topics/european-policy/eos/id115261/> (accessed 9.11.2019).
2. This includes funding mechanisms, but also strategic or programmatic documents that give guidance on what is understood as good urban policy.
3. <https://www.regjeringen.no/no/aktuelt/Bypolitikk-pa-norsk/id753802/> (accessed 9.11.2019).
4. Byvekstavtaler.
5. 'Klimaforliket' between the political parties in the Norwegian Parliament.
6. Bymiljøavtale + byutviklingsavtale.
7. Bolig for velferd (2014–2020) and Strategi for boligmarkedet.
8. <https://www.regjeringen.no/en/topics/european-policy/eos/id115261/> (accessed 9.11.2019).

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