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Local Development and Social Capital: The Case of Sotkamo

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Local Development and Social Capital: The Case of Sotkamo

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Abstract

The paper discusses the role of social capital in the dramatic structural change that has taken place in the rural municipality of Sotkamo in north-eastern Finland. The main approach of this study is to observe the formation and use of social capital in important local events. Earlier definitions of local development have been based on factors such as natural resources, labour force, machines and tools, technology, knowledge and skills. The explanation based on social capital focuses on factors which increase and improve co-operation. Important issues of social capital are the existing rules of behaviour, the networks mediating these rules, and the trust amongst members of society that these rules are respected.

In the case of Sotkamo the change has been the rise of tourism. Simultaneously this has meant the rise of Vuokatti as the central place in regional and local development. The paper is based on a questionnaire study and key-person interviews in Sotkamo. The paper discusses the following themes: What kind of actors and networks are participating in local development? Which actors are regarded as trustworthy in local development? What kinds of changes have occurred in the local identity and image? What kinds of struggles and coalitions of local power can be recognised?

Results are analysed in the framework of social capital and local development. The study concludes that 'balanced' local development may take place, if the locality has the capacity of building networks that can meet the challenges of the future. Such networks should unite actors using both traditional local resources and new resources from outside of the locality. An important challenge is to balance the demands of economic restructuring and those of local community cohesion. This paper is based on the Finnish national study RESTRIM (Restructuring in Marginal Rural Areas: the role of social capital in rural development), a project that is funded by the European Union (for more, see <http://www.abdn.ac.uk/arkleton/RESTRIM/>).

Introduction

This paper is based on a report of the local development in Sotkamo, Finland, which is one part of the European Commission funded comparative research of restructuring in rural marginal areas (RESTRIM). Similar case studies are taking place in peripheral regions of six European countries: Finland, Ireland, Italy, Norway, Scotland and Sweden. The objective of this comparative effort is to investigate the role of social capital and networks in rural development. All the local case studies focus on places that have been in some respect more successful than their neighbouring areas. By investigating their experience, the researchers hope to find answers to such questions as, how can marginal rural areas improve their competitiveness in the conditions of globalisation? What can they do to attract residents and economic activities?

By studying the networks and fields of local interaction we hope to reach to those social mechanism where the social capital is constructed. For example Falk and Kilpatrick (2000) claim that social capital is produced and reproduced only on real interactions of persons. According to Falk and Kilpatrick (op. cit) all the higher levels of social capital, such as institutions, cultural symbols of trust, political systems of stability, are built upon systems of local interactions.

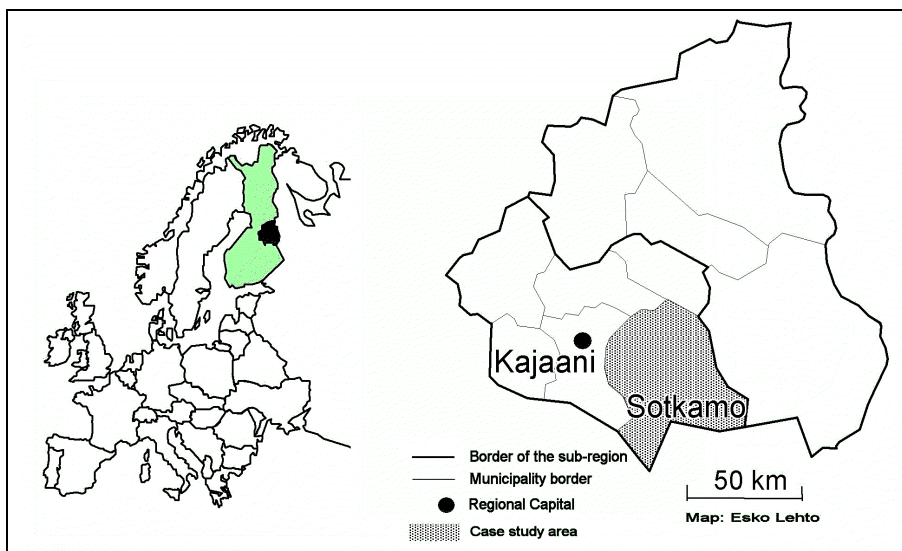


Figure 1: Location of Sotkamo and Kainuu Region

This report discusses the networks and social capital in the dramatic structural change

that has taken place in the rural municipality of Sotkamo in north-eastern Finland. Administratively Sotkamo belongs to the Kainuu Region, which is nationally known as an area of hard living conditions, which is reflected in its reputation of a hunger-land. The Kainuu Region has experienced dramatic changes in population during the last 50 years. In 1950's the population was growing with the help of the after-war resettlement policies. However, during the 1960s and 1970s, which was the period of the great rural exodus to southern Finland and Sweden, Kainuu population figures came from the peak of 108,923 (in 1965) down to 89,777 inhabitants (in 2000). The population loss of the whole region was 21 % and that of rural municipalities 33 %.

The development of Sotkamo is interesting for the RESTRIM project and its research questions, because against this gloomy background of the Kainuu Region, the development of Sotkamo has been relatively successful. It has been able to attract manufacturing and service sector enterprises. Already in the 1960s it became an important centre of region's dairy manufacturing, and in the early 1980s all the dairy manufacturing of Kainuu was concentrated there. Tourism sector and IT-based industries have grown rapidly since early 1990's. Sotkamo's population numbers have remained relatively stabilised around 11,000 since the mid-1970s. Also the unemployment rate has been clearly lower than in other similar localities. In addition to the favourable economic indicators, Sotkamo is characterised by favourable public image and there are many innovative actors, volunteer groups and networks which have supported the development of sport and tourism activities.

1.1 Methods and materials of the field work

The materials of this study consist of multiple kinds of data. Official statistics, official local and regional documents, local newspaper, as well as earlier research reports of Sotkamo and Kainuu were used to create a context. The second set of data consists of the questionnaire material of 70 respondents (see Lehto & Oksa 2002). In addition, personal interviews of 21 local key-persons were conducted with either experts or persons in positions of influence in decision-making or local organisations or unofficial groups.

The development of Sotkamo has been described by looking for important turning points or milestones of the local development. They are important processes that can be called important single fibres which together make up a thicker line of development. These processes are: (1) rise and fall of milk manufacturing, (2) changing role of Vuokatti Sport College, (3) development of winter-time tourism in Vuokatti, (4) summer-time tourism and founding of Spa Hotel Katinkulta, and (5) the rise of Sotkamo baseball to the top league in Finland. Each one of these processes has been a result of networking and co-operation of various actors, and each of these processes has in turn produced some resources and structures for future networks, such as mutual trust, experiences of shared successes or failures, and contacts to outside resources. (6) Finally Vuokatti landscape is turned into a common brand name and a symbol of Sotkamo's future.

2 Sotkamo Story: Transforming Networks of Development

The attraction of Vuokatti as a winter sport centre is based on the combination of many kinds of winter sports. In addition to the slalom slopes and ski lifts, there are over one hundred kilometres of well maintained cross-country skiing tracks (with possibility of artificial snow-making), ski jumping hills of several sizes, facilities for biathlon training and competitions, and ice-hockey hall. The newest attraction of winter-time Vuokatti is the mass-scale cross-country skiing event "Vuokatti hiihto".

2.1 Spa Hotel Katinkulta, turn to year around tourism

“Our local leadership is good... and we had the hard core in skiing, and it has been taken forwards by innovative solutions, such as tunnels. Also the baseball club Jymy is important. However, I think that the most crucial thing has been the Katinkulta Hotel and especially its new owners, who brought the development to a new level. For such a long time Sotkamo was depending on winter sports. One may say that yesterday was the time of Sport College and today we are living the time of Katinkulta.” (Pekka, male, 37 years.)

Building of the Katinkulta Holiday Centre has been a major turning point in the development of tourism in Sotkamo. Tourism has become an important part of the regional economy of the whole region of Kainuu. In 1995 tourism sector employed directly 1038 and indirectly 160 persons. (Kainuun liitto 2001, 63) The biggest private

company in the tourism sector, the Spa and Holiday Centre Katinkulta in Vuokatti village of Sotkamo, employs over 110 persons (80 permanently and 30 - 40 on more temporary bases). One third of those earning their living in tourism sector, did it with the help of Katinkulta (Wilmi 1997, 424).

Katinkulta has changed the workings of local networks of tourism and the earlier municipality-driven co-operation of the tourism sector has been reorganised. The marketing and booking services were separated from each other. In the marketing the municipal political negotiation culture of "one man - one vote" was replaced with business-like approach of "one mark - one vote". Municipality became a silent partner, while the most prominent ones were Katinkulta, Vuokatti Slope Enterprise, and the Sport College. Smaller tourist enterprises could buy themselves into the marketing circle by contributing to the costs. The tourist marketing was bought from the local baseball team (see next chapter).

Because the core of the new marketing circle was located in Vuokatti, Vuokatti Hill and its visual representations became central images used in the joint marketing. The tourism was attracted to Vuokatti and not to Sotkamo.

The new networks of Vuokatti marketing have brought about new level of foresight and planning in the tourism marketing. Together, the key partners sell both winter and summer experiences to the travellers. Jointly they can boast to offer both Summer (Tropical Spa Hotel) and Winter (Vuokatti and ski tube¹) round the year, which gives them an advantage if compared with, for instance, holiday resorts in Lapland. The marketing circle began to plan new events to fill the quiet months of the year, thus increasing the use rate of their accommodation and restaurant capacity. Also the organisation of new events was contracted to the local baseball team.

Now Katinkulta Holiday Club is marketing itself as "the most versatile holiday and congress oasis in the Nordic Countries". Backing this claim are its developed sport facilities (including tennis, golf, bowling, the spa, gymnastic hall, and many outdoor tracks) and the network of small entrepreneurs producing programme services, that

range from moped or snow scooter safaris to an overnight trips to wilderness or a sympathetic visit to organic farm serving local food.

Katinkulta has changed the thinking about tourism. In earlier years tourism was a hobby of farmers and Sport College to get some extra income. The real enterprises were the dairy, the mine and some other industrial and construction companies. Nowadays tourism is regarded to be serious business with good future perspectives. The executive director of Katinkulta Holiday Club is a respected leader of the Sotkamo business community, he was the president of the Sotkamo Association of Entrepreneurs.

2.2 *The best baseball team in Finland*

“The championship game, for example in 1995 between the favourite team Oulun Lippo and Sotkamon Jymy, have been struggle between traditional centre and periphery or between the two counties.”
(Kolamo 1998, 59)

“These moments are enjoyable in many ways. Firstly, our audience has the experience of the game, the ecstasy of winning. The impact goes much deeper than just me or the team being successful. This whole environment, the spectators, those listening the radios, all the people of Kainuu Region and Sotkamo get the feeling of having succeeded. This game has proved that masters may come even from such a small place like this.” (Former star player, Väisänen 1997, 106)

The success of the Finnish baseball² club *Sotkamon Jymy* in the 1990s and in 2001-02 can be traced back to earlier successes. The club had win Finnish championship once before, in 1963. After that there was a period when the club was dropped out of the national top league. At the end of the 1970s a long march towards new successes was started, when the work with baseball junior teams begun to win national championships in series of their own. In 1981 the local co-operative bank started sponsoring a special programme of junior baseball games. In 1987 Vuokatti hosted the largest childrens' baseball training camp ever: it was participated by 70 teams and about 1300 children (Kiviniemi 1998, 229). Next year Sotkamo Jymy team got again back to the top league, and reached the fourth place in the finals, some team members winning national recognition, such as the king batter, the best runner, the key player of the season.

The results of the long-term junior work on the baseball fields of Kainuu was harvested in 1990, when the men's team of Sotkamo Jymy won again after 27 years the Finnish championship, and three junior teams of Kainuu won first and second places in the championship leagues of their own. These successes attracted new generations of players, and during the next years the number of juniors taking part in the baseball schools went up reaching one thousand junior players in six baseball clubs in 1992 (Kiviniemi 1998, 232).

Sotkamon Jymy became the best baseball team in Finland during the 1990s. Their achievements are unbeatable: six national championships (1990, 1992-93, 1995-97), not to mention silver and bronze placements. After a few years break, the chain of championships started again in 2001-02. The foundation for these achievements was created with the extended work with junior teams, which has been recently supported by Sotkamo Gymnasium with its special curriculum of sports. However, also committed and skilled individuals have been found, when needed. The championship of 1997 was named a special achievement, because then the Jymy team had lost two of its most effective players, who moved to other teams. Around the mid-summer 1997 the team was in crisis. The team asked a former trainer of the team Juha "Big T" Tanskanen to help as a coach. "Nobody was thinking about winning championship very much, it was perhaps a challenge in the background", Juha Tanskanen himself had told. "The first thing was to get back the lost self-confidence, then we started putting the play in order. In July and in August the team trained more than ever." The unbelievable rise of the team to the finals, and the winning the championship, was seen called magic trick by Juha "Big T". The nickname "Big T" meant now big trick, while it had earlier referred to the mere physical size of the man. (Kiviniemi 1998, 235-236.)

In the background of the rise of the Sotkamo baseball to the national fame there were sport clubs, trainers of junior teams, amateurs playing in village teams, enthusiastic supporters doing hundreds and thousands hours of unpaid work, year after year. The successes of the team have given these volunteers something to identify with. However top-level sports have requirements of a new kind, which have brought about new forms of co-operation and changing networks.

2.3 *Vuokatti becomes the symbol of Sotkamo's future*

Baseball enterprise SuperJymy Ltd is focusing its Sotkamo marketing around the image of Vuokatti, that has become the common brand of local tourism marketing. Now sports, tourism and municipality are all using the same marketing image, and that image is Vuokatti Hill and not Sotkamo. The name of the municipality has been taken in the background and the brand of Vuokatti is brought forwards in all fronts. This strategy is different from that of regional marketing.

“In earlier times they have tried to market the idea of the Kainuu Region, but people are not interested to come to Kainuu for forests (Kainuu has been imaged as a region of forests). For those living in Helsinki there are plenty of forests much nearer. We are now making Vuokatti into a brand, and in principle others may join us if they will. We are not going to join Kainuu regional marketing.” (Pekka, male, 37 years.)

Vuokatti's fame as an impressive landscape has long historical roots. It has been described in works of many national famous writers. The rise of Vuokatti's visibility and positive image has been a result of many coinciding factors: Vuokatti Sport College as an international training centre of skiing, Katinkulta Spa Hotel, and finally Sotkamo Jymy baseball championships. One of the additional factors has been the emerging co-operation connecting the efforts of various enterprises, the Sport College, voluntary organisations, and the municipality. The local tourism business has gone through failures, bankrupts and reorganisations. Now Vuokatti is able to attract both winter and summer tourists, and its rate of occupancy is comparably high.

Vuokatti has received resources from outside the region. Through the Sport College the Finnish Skiing Association has brought to Vuokatti public funding, international contacts, and publicity of big events. Earlier the Sport College lived a separate life of its own, but recently it has become a participant in many local development efforts. Its has been active in many innovative projects (for example, plastic jumping hill, high altitude cottage, ski tube) which have been used also in marketing of Vuokatti's services. Many international events have brought about media publicity. In addition, the enlarging of the new Sotkamo Sport Gymnasium (Upper Secondary School with special programme in sports) has brought new activities into the Sport College facilities.

One particular feature of Sotkamo development has been the way in which its media image has been constructed around the image of Vuokatti. The image construction has connected together the different interests and needs of tourism, sports (baseball), and the municipality. These interests found each other around the mid 1990s, with the threats of the economic slump and the hopes created by the new successes in baseball. The local elite was looking for some positive national publicity to replace of the "pauperisation discourse". The municipality had cut down its number of employees and was looking for structures and new ways of action. The co-operation around tourism marketing was changed from municipality driven organisation into contribution driven (one mark - one vote) activity. The decision-making in joint marketing has become more effective and more centralised. The small enterprises felt they lost some visibility and criticised the bigger actors for not really directing client flows into smaller businesses. New marketing aimed for a more streamlined and homogenous image, where tourism, recreation and sport facilities of the Vuokatti Hill area (hills and lakes) would be the focus.

The development of tourism and the construction of the image have taken place hand in hand. Some new resources available, for example from the EU programmes, have been utilised. The representatives of Sotkamo have secured that the strengths of Sotkamo are listed in the priorities of the Kainuu Regional plans, e.g. tourism, ski tourism, electronics, food manufacturing. Regional programmes have brought funding to several large projects of Sotkamo (such as the Ski Tube, Vuokatti Centre, Snowboard Tube). Before them several investments had been made in Vuokatti sport facilities (ice hockey hall etc). Focusing the efforts into the strengths has resulted that the municipality has not been eager to put resources into rural development and "small" village development projects, or cultural projects. This has created critical attitudes among these groups.



Figure 2: The New Vuokatti brand is used both in tourism and in sports.

Turning the image of Vuokatti Hill into a brand has utilised the earlier images and symbols, which have been given a more modern new form. Using the expertise of visual marketing something old has been maintained and turned into something new. The starting point has been the old symbol of the local sport club, which consisted of a triangle with a background of Vuokatti landscape and letters "SJ" (Sotkamon Jymy), in the front. The traditional colours of sport club were dark blue and white (parallel to the blue and white of the Finnish flag). These colours were replaced with violet and white. The new image has the wave profile of Vuokatti Hill and the word "Vuokatti". Also the municipality of Sotkamo has supported the use of this new image as its logo. The biggest tourism enterprises and the Sport College have started to use this logo, and Sotkamon Jymy Baseball team and the Vuokatti Ski Team use the new violet colours, which are easily recognised in television broadcasts of sport events.

3 Changing roles of the municipality

The role of the municipality is central in local development. It has the mandate of land-use planning, it has tax incomes of its own (although pressures to cut down public expenses are severe), and it is the organiser and provider of the welfare state services. In addition it offers the local forum for participation and political struggles, as its decision-making body is elected by general vote.

Period	Role of the municipality	Main objective of development	Dividing line of social contradiction	Local struggles
Up to the late 1960s	Self-sufficient local government	Progress of agriculture and forestry	Landowners vs. small holders and workers	Social issues: Poverty
1970s & 1980s	Promoter of industries and provider of public services	Diversification of economy and development of welfare services; getting resources from the central state	Developers of the main centre vs. defenders of villages experiencing depopulation	Where to locate services; how much to invest to industrial development
1990s	Development municipality mobilising private and public resources	Focusing on tourism and image construction	Tourism & sports coalition vs. culture and village activists	Vuokatti land-use; Conflicts over budget priorities; Closing village schools; Vuokatti library

Figure 3: Changing role of municipality as a struggle field of local development

The role and place of the autonomous municipality has changed even during the history of independent Finnish State. The autonomous self-government of the 1920s turned during the construction of the industrial welfare state into a local provider of public services and a local implementor of industrial and regional policies. During the recent decade the same municipalities have become development actors that are making strategic plans, defining priorities and mobilising resource to compete with other places for enterprises, for residents and for consumers (including tourists). The next table outlines the changes of the development objectives and the dimensions of social contradictions, not to forget the nature of local conflict and struggles. Up till the 1960s the municipality represented the local self government dealing with the common needs of local community of agriculture and forestry, taking care of the poor and the elderly. During the construction of the Welfare State in the 1970s and the 1980s the municipality developed public services and fought for the central government money for industrial development. During the recent decade, the municipality has transformed into a development agency, building networks and organising strategic projects, and adapting to contradictory pressures from above.

The municipality is one main actor in organising various development projects. It is often the most important source of local funding (for example matching funding in EU projects). This is a reason why local decisions and struggles about development strategies take place in the arena of municipal politics. Sport and tourist interests have found each other in the official development coalition of Sotkamo, and its choices have been criticised by activists in villages and voluntary organisations involved in other activities than sports.

3.1 Local welfare state

When the Finnish Welfare State developed its system of public services, municipalities expanded taking responsibility of providing many of the public services (social care, compulsory education, and general health services). The state provided financial support. Many of these reforms created new jobs in rural administrative centres,

especially for women with training. The "new gender contract" of the welfare state liberated women to participate in labour market by giving them a right for childcare, which simultaneously created many female jobs in social sector. In Finnish case one could say that also a new rural-urban contract was created as the idea of welfare state and the autonomy of rural communities were married together. In Sotkamo the construction of the Finnish Welfare State meant building of health centres, old people's homes, schools and kindergartens. Recently the cuts in public spending have limited the real options of municipalities, which have been forced to cut some of their public services. In spite of this Sotkamo's public services have been regarded as being reasonably good. The time of local welfare state increased the role of municipal administrative centre, which attracted jobs and enterprises and residents. Remote villages lost their youth to municipal centres, if not to bigger centres.

Finnish Welfare State was also active in industrial development and regional policies. Within the welfare state a new municipal function of industrial planning emerged. In the end of the 1960s Sotkamo municipality hired its first full-time municipal director, and in the mid-1970s an industrial secretary. This brought new energy to the municipal development policy. The municipality developed direct lobbying connections to the central administration. The role of the municipality in development has been all the time networking, although in early years it was not called networking but creating connections, negotiating with state ministries, national level political decision-makers, regional offices and with enterprises that might be interested in developing activity in Sotkamo. These efforts resulted in opening of the talc mine (later Mondo Minerals) and in starting of electronic industries in Sotkamo (Valco, later Incap). The municipality reserved in its land-use plan an industrial production area in Vuokatti, in addition to the area of the dairy at Sotkamo Centre.

The municipality was active in starting also enterprises if they were regarded as of strategic importance (Tulikettu Hotel, Vuokatti Slopes enterprise, Tourism marketing). However, the municipality has learned to release its investments by selling the enterprises to private actors.

The heritage of Sotkamo, like many rural locations in Finland, was the scattered settlement structure of villages of farming families owning fields and forests. Against the processes of concentration a new village action movement was created in the late 1970s. Today many of the villages are still active, fighting for their services, to improve their infrastructure and connections and trying to maintain their residents and identity. Many villages are developing rural tourism on village level, organising events and festivities for summer guests and tourists.

Since the 1980's there has been a growth of regional centres, attracting people and enterprises from a larger commuting area. People commuting to work, and looking for better services and products cross the old municipal borders. Some people move after better housing conditions to more rural environment. In Kainuu Region this development can be seen around Kajaani town. In Sotkamo this development has increased the connections between Vuokatti settlement and Kajaani. A self-enforcing service economy axis of Kajaani and Vuokatti sport tourism has emerged. This coalition of Kajaani and Vuokatti has shadowed and bypassed the municipal centre of Sotkamo. Now the municipality of Sotkamo has started to develop the transport corridor between Sotkamo administrative centre and Vuokatti.

Land-use planning has become a problem for development in many minds. The demand for construction land around Vuokatti Hill and near Kajaani City has increased. Land-prices have gone up. This is reflected even in more remote villages of Sotkamo, where construction lot may cost twice as much as across the municipal border. Decisions about land-use plans in Vuokatti area have been difficult, because there are many private landowners, whose expectations have run wild.

The municipality has the responsibility for land-use plans, and municipal officers may encounter contradicting demands. The process of land-use planning is criticised to be too slow and too complicated. In some cases, however, municipality has been able to anticipate the future needs for land, as in the case of Katinkulta, where municipality bought land that was later used as an area for golf course.

3.2 *Sotkamo way of decision-making*

In Finland there are many small municipalities with autonomous decision-making and taxation rights. However the autonomy of municipalities is very limited because of the many law-defined responsibilities and tight budgets. Some experts calculate that only 10% of the municipal budget are available for local decision-making.

In Sotkamo the industrial policy of the municipality has been brave and risk taking. In the history of Sotkamo tourism policies there are also undeniable failures and mistakes, such as tourism marketing investment in a ship venture. This agile and hard-handed style of decision-making can be seen also in other decisions than industrial policies. For example, in the 1990s the municipality decided to do radical cuts in its costs and number of employees, which has influenced the working atmosphere also later.

The political power has been in the hands of the Centre Party (earlier agrarian party) since the 1970s. It has 20 seats of the 35 in the Municipal Council and has filled also the chair posts of both the Council and the Executive Board. The party has power to push things through, but for some decisions simple majority is not enough, so it needs also to maintain some relations of trust with other parties, especially the second largest, which is the Leftist Coalition. Also being such a large group means that many contradictory interests can be found inside the Centre Party group, for example conflicts between villages and settlements, between farmers and other entrepreneurs etc. The Sotkamo mode of decision-making depends very much of the learning process of the local centre party leaders, their skills to balance needs of co-operation and effective decision-making.

It has been widely recognised that there is something special in the policy-making of Sotkamo, but somehow the core of its specificity has remained hidden. Its success has been recognised by several national rewards: "the best municipal imago" (1998), "the enterprise-friendly municipality" (1999), and "the most creative municipality" (2000).

The interviewed local politicians say that local style of decision-making is specifically quick, daring and flexible. There have been strong-willed politicians, who dare to "walk

over" the municipal director, if needed. The general opinion regarding the local decision-making seem to be paradoxically divided. When respondents were asked to name the things they don't like in Sotkamo, all the groups disliked, in addition to local mentality, the local decision-making, except the decision-makers themselves.

The key persons of the municipality have been particularly active, innovative, and taken risks in various ventures of tourism development. Some of the ventures have been failures and some have become parts of the Sotkamo success story. When the municipality has been involved in tourism development, it has quite often transferred the operation to other stakeholders. The municipality started the Vuokatti Slopes enterprise which became an independent company, run by the former industrial secretary. The municipality had a hotel built in the Sotkamo Centre in early 1980s, because accommodation of modern standards was lacking. The hotel was sold successfully to a private company. Later the municipality was deeply involved in the building of the ski and snowboard tubes in Vuokatti, and nowadays it is involved in planning the new Snowpolis centre.

The municipality had been for a long time the engine of tourism marketing company. This activity has recently been transferred to the baseball enterprise, and the municipality has taken a role of a committed and contributing silent partner.

3.3 Municipality as a development agent

During the recent years the development agency role of the municipality has become prominent. While in earlier years Sotkamo municipality was in the forefront of building modern health centres and social services, now it is an innovator of image construction and development of tourism. Sotkamo has defined its strategic vision to be "Sotkamo-Vuokatti, Best for Entrepreneurship, living and recreation". The special feature in Sotkamo way of development may be the high awareness of a strategic focus and commitment of all powerful actors to this strategy, in spite of risks, conflicts and struggles. Now Sotkamo has a decided that tourism is the real engine of its industrial development.

This commitment to the strategy of one's own, is connected with some doubts about the usefulness of some forms of regional co-operation. For example, Sotkamo decided not to join the planned new district development enterprise Kase Ltd. The municipality prefers to run its development policy itself. In this case the leadership of Sotkamo is not willing to take the risk, that their interests and ideas are drowned in a bigger pool. However, Sotkamo has joined another joint development organisation, the Kajaani Technology Centre, which is involved in the construction of Snowpolis in Vuokatti.

The leaders of the Sotkamo municipality are not happy with the regional welfare strategy of Kainuu Region. According to the municipal executive board "it defines Kainuu to be a sunset county" and the public measures of the regional plan are targeted too much for the elderly, only. The issues of the unemployment and the future need for labour force are not dealt with. In addition, the measures supporting families with children and the youth are forgotten. These groups of people are important for Sotkamo's future. Sotkamo wants to attract people of active age who enjoy working and living in holiday land of sports. The same emphasis can be found in the marketing of Sotkamo both for residents and for tourists.

"In our marketing we use always Vuokatti and its violet colour. Our target group is over 35 years olds who can afford to drive Volvo or Mercedes and who are living around Helsinki or Oulu. This assumed group of clients has funds and we want to collect their spare money."
(Director of Sotkamo municipality)

4 Network of Success and its Contestants

The Sotkamo success story has the support of the many active groups in Sotkamo. Those who are satisfied with the results like to mention the growing numbers in tourism, brave investments and good publicity. However, not everyone is happy about the rise of new tourism and recreation business. Some critics say that Vuokatti Hill area is being turned into a "tourist and sport slum".

One may say that there are several lines of tension that go across the networks and communities. There is a tension between voluntary sport club activities and the sport business. It has been argued that development efforts have been too much focused on

tourism and sports and too much concentrated to Vuokatti settlement. There are voices demanding more resources for rural development, for public services, and for culture. The activists in cultural groups feel that the significance of culture for good life is not recognised by the decision-makers, and neither is its long-term significance for the development of tourism and general attractiveness of the area.

The lines of tension were intensified by the budget cuttings of the public services, which tend to hit hard the small villages and their services. In addition, there is a developing commuting corridor between Vuokatti and the regional centre Kajaani, which adds to the vitality of Vuokatti area.

Different views about local development seem to be gender related. Many of the critical cultural activists are also women. In addition, the market driven sports, where participation is valued more and more in economic terms, has been criticised by women. They used to participate eagerly in voluntary work before sports became business. Can this be interpreted in terms of local anti-globalisation protest against male-dominated market world? "One should not make the boys of our village into the pawns of markets without any conditions!"

5 Conclusions

Sotkamo has succeeded in developing and implementing a focused and dynamic development strategy that connects together several networks and their resources: winter sports, Finnish baseball, and holiday resort developments. All these activities are marketed under the renewed brand name of Vuokatti.

5.1 Overlapping networks

Map of societal activities in Sotkamo consists of different kinds of fields that participate in local development in different ways. The *field of politics* includes municipal decision-making and public bodies of the municipality and regional level, such as the Regional Council and regional service associations of several municipalities. Some parts of this field are connected with national policy-making centres and bodies that are

implementing various programmes of development, such as ministries and national agencies of development.

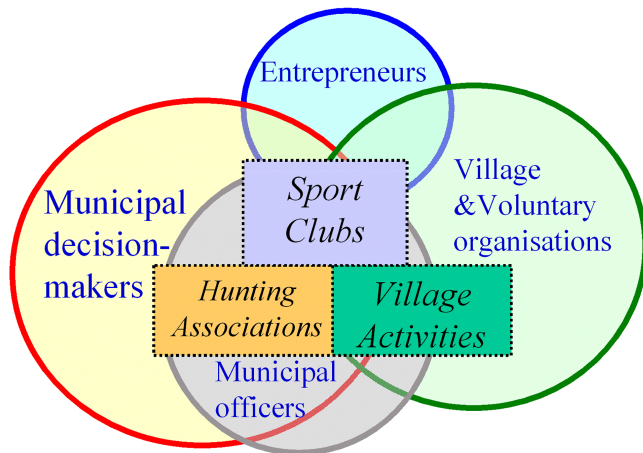


Figure 4: Overlapping memberships of respondents in Sotkamo

In the *field of interest organisations* enterprises and households are organised on the bases of similar social positions (trade unions, agricultural producers' association, entrepreneurs' association). They explicate needs and create support for some priorities or initiatives in the political field. These interest organisations have also connections to national organisations and networks, such as professional federations. There are also fields of third kind, those of *hobbies, recreation, unofficial interactions*. They connect persons of different professional and social positions. In the case of Sotkamo sport clubs, hunting associations and village organisations include persons from all social categories.

The figure above illustrates the overlapping memberships, that create bridges between municipal decision-making, political parties, voluntary groups and interest organisations. One must remember, however, that these bridges between different social groups are not harmonious by nature. Often they are channels where conflicting conceptions contest each other and social battles are fought.

One may argue that in most cases overlapping of various kinds of social groups and networks does not have much impact on development of the locality. In the case of Sotkamo, however, the social fields that connect political processes and professional networks, have grown into a very special position. They have become a starting engine

of new development co-operation. The baseball club connects various economic and political actors in a joint effort of marketing, turning a common local symbol of Vuokatti landscape into a brand name and a symbol of future. This task of uniting various local actors has been attempted also earlier but not succeeded, neither by tourism enterprises, nor by municipality-driven marketing board. However somehow a baseball club and its success brought together and actually transformed the development elite of Sotkamo.

5.2 *Cross-group solidarity*

Going through conflicts gives better lessons than unanimity. Open conflicts indicate that local model of development allows for many kinds of interaction and discussions. However, they do not necessary have to impede decision-making. Being able to both discuss and act, is a strength. This conclusion may be connected with the idea of Putnam (1993, 1995) that the unification of similar minded is less interesting than the networking of different minded. This encounter may take place on a open field, for example in a sport club or in humanitarian activities. Political stability of society or a community grows out of the cross-group solidarity. When person work together in many different groups, they learn to trust each other in spite of different values and convictions. The opposite for such a society is one of polarised solidarity, where social organisations are divided into hostile camps.

The sports in Sotkamo case is functioning as an open field where cross-group solidarity can be built. The sport associations and events have brought together different groups, and given them positive experiences of working together and being successful together. In addition to baseball and ski clubs, the Katinkulta Golf Club brings together visitors and local elite. Through these connections many kinds of information flows go between the visitors and locals, for example about housing and land property markets. However, the coalition of sports and tourism has also a polarising effect on local solidarity. The sport life of Sotkamo has been divided into two camps, the national top sports consisting of skiing and baseball, and more local and grass-roots voluntary work of sport clubs. In addition, the elite of sport and tourism seems to ignore the voices of

cultural and village activists. The fields of sport and tourism are easily seen to be dominated by male values, although there are lot of active females, at least in tourism.

5.3 *Social capital and other forms of capital*

The material collected in Sotkamo seems to bring out another conclusion that may be important for analysing the role of social capital. In local concrete cases and issues, it is very difficult to analyse social capital without taking into account the social position of the actors in relation to other forms of capital. Very often the paths to successful outcomes are a result of combining different kinds of capitals or resources. This is particularly important in rural places, where the most traditional capital, the land and land-ownership, is still structuring the local society. The land-ownership is a source of old divisions and also a bases of some networks of common interests. The issues of land-ownership have turned into struggles over land-use plans in such a hot spot of development as Vuokatti. Some land-owners have used their old assets to go to new fields of activity, like tourism or construction. They have been loosening their connection to the logic of land and forest and relying more on the logic of financial capital, or service capital. On these fields the role of human capital (knowledge, network connections, social skills) comes more important. In this new service economy social networks and symbols matter, and they could even make a crucial difference in competition for visitors and residents.

One may ask, however, if these new networks and commercial identities would have arisen, and if they would have the compelling power, without the backing of other forms of capital. On the other hand, one may claim that the new forms of identities and communities of action have been vital for the successes. The old structures of land owners and old institutions of human skills might be running empty without the extra resources available in networks of new development coalitions. The social capital may be the key to the local learning processes and new orientations, it may be a necessary condition for social innovations.

¹ About ski tube project, see Lehto 2002.

² Finnish baseball (pesäpallo) can be described as a combination of traditional team games of ball-batting and American baseball. In this national game of Finland one team tries to score by hitting the ball and running through the bases and the other team tries to catch the ball and put the runners out. In the Finnish baseball the pitcher is standing in the home base and the ball is pitched vertically.

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