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Master’s Thesis

A Study on Initiatives of Cross-Border Cooperation of Europe:
Focusing on the Oresund Region between Denmark and Sweden

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A Study on Initiatives of Cross-Border Cooperation of Europe: Focusing on the Oresund Region between Denmark and Sweden

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Abstract

_A Study on Initiatives of Cross-Border Cooperation of Europe: Focusing on the Oresund Region between Denmark and Sweden_

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Borders have been regarded as a fixed, concrete concept of demarcating nation-states since the Westphalia Treaty of 1648. The notion of sovereign nation-states, however, has and is being challenged as a remarkable upsurge of trans-bordering goods, capital, services, information and people has created ‘spaces of flows’. In Europe, the development of integration process has re-configured the state borders in a more flexible yet, totally salient way by transforming borders from barriers to bridges connecting European regions. Europe of today is a geo-political laboratory through the diversified spatial transformation.

Traditional theories have put “nation-states” on the stage as an irreplaceable political actor in facilitating incentives for integration, mediating mutual interests induced from the process and at the same time playing a role as a supranational lawmaker in European integration. That is, both of two main strands of European integration theory - from Haas and Lindberg’s neo-functionalistic approach to Hoffmann’s Intergovernmentalism, the subject of the action behind EU integration process is nation-states while sub-state/non-state actors have been marginal to academic or policy concerns.

Meanwhile, the transnational dynamism not only appeared at supra-national or international level but also emerged at infra-national level in the form of cross-border cooperation from the 1950s onwards. Encompassing the southern part of Sweden and eastern parts of Denmark, the Oresund cross-border region is one of the most dynamic and the best epitomized case displaying _de facto_ integration process in Europe. By employing both of the top-down and bottom-up ways of integration in the region, the Oresund case shows that traditional state-centric integration theories have a pitfall leading to a lopsided understanding of European integration.

This essay attempts to deliver some of the key dimensions of change in the context of European integration by depicting a series of development process of Oresund Region. The Oresund case signifies that states are not the solely prominent actor in European integration whilst depicting not only top-down but bottom-up integration is contributing to integration process in the form of public-private partnership.

**Key words:** Oresund Region, cross-border cooperation, European integration, border, institutions, private sector
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I. Introduction

On July 1, 2000, one of the largest infrastructures in European history was all set to open on the Northern edge of the Continent. It is the Oresund Bridge, a double-track railway and dual carriageway bridge-tunnel, stretching across the Oresund strait between Sweden and Denmark. Linking two countries and two cities - Copenhagen and Malmo, the 16-km cross-border bridge turned two regions into a single multinational metropolis. “Mental bridges are already being built, because of the physical bridge,” said the Mayor of Malmo, Ilmar Reepalu at the interview with the BBC in 2000. In fact, the building for the Oresund Bridge has meant that the concept of one common Oresund region has also materialized.

After a decade, the picture of Oresund Region looks like the border region is establishing new routines. About 25,000 Danes live in Scania – the southernmost province of Sweden, more than 20,000 commuters cross Oresund on a daily basis to go to work on the other side, and 68 percent of Zealanders from Danish side and 44 percent of Scanians have family, friends or co-workers across the waterway.

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1 The spelling “Oresund” reflects a compromise between the Swedish Öresund and Danish Øresund. The essay uses the spelling Oresund as to avoid any possible confusion derived from the word.
3 “Ten years the Oresund Bridge and its region” (Öresundbron Konsortiet, 2010)
The case of Oresund Region is intriguing in that borders have been regarded as a fixed, concrete concept of demarcating nation-states since the Westphalian system of 1648. The notion of sovereign nation-states, however, has and is being challenged as a remarkable upsurge of trans-bordering goods, capital, services, information and people has created ‘the space of flows’\(^4\). The most extensive transformation of spatiality beyond the Westphalian system has been taking place in a form of European integration.

Nevertheless, the bulk of the literature in terms of European integration has been primarily viewed from a state-centric perspective while sub-state or non-state regions have been marginal to academic or policy concerns. Two main questions have shaped the academic debates – first, has Europe evolved into a supranational entity with shifted power and loyalties over pre-existing national states or does the European Union still represent an intergovernmental system resulting from the converging national interests of states? The second question addresses the impetus of integration process – Is the European Union a gradual process of ‘spill-over’ where one sector pressures for further integration within and beyond that sector? Or can it be regarded as the grand compromises of national political leaders who never abnegate their sovereignty but willing to delegate for the sake of efficiency?

These strands of framing the debate, however, have employed the top-down approach towards integration, but could not provide the transnational dynamism of microscopic realities emerging from sub-state integration in Europe.

Encompassing the southern part of Sweden and eastern parts of Denmark, the Oresund cross-border region is one of the most dynamic and the best epitomized case displaying *de facto* integration process in Europe. The Oresund case shows that traditional integration theories in this sense, have a pitfall leading to a lopsided understanding of European integration.

This essay attempts to deliver some of the key dimensions of change in the context of European integration by depicting a series of development process of Oresund Region. By employing both of the top-down and bottom-up ways of integration in the region, the Oresund case signifies states and supranational entity are not the prominent actors to be dealt with in European integration whilst depicting not only top-down but bottom-up integration is contributing to integration process in the form of public-private partnership.

The essay is to be divided into five chapters. First, it gives a brief overview on the previous research regarding the European integration and introduces the Oresund Region as an appealing case of study. Second, it provides the history of the Oresund Region from its early interaction - starting point to watershed cooperation. Third, it provides an overview of the development of the Region depicting from driving forces, relevant institution and
materialization process. Fourth, it shows the political, economic and social effects produced by the Region. In the end, the implications of the Oresund Region will be delivered.
2. Theoretical Framework

2-1. Literature Review

*Integration across or above the borders: European Integration Theories*

Theories are the by-product of a certain set of social, historical circumstances. The theories of European Integration should be evaluated with recognition of that contextual sensitivity. It is also the case that neofunctionalism was the child of a particular social scientific moment in the post-War era.\(^5\) And for many, it has long been regarded ‘European integration theory’ as a virtual synonym of ‘neofunctionalism’.\(^6\)

Ernst Hass, the founding father of neofunctionalism defines his concept of political integration as below.

“[…] the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities towards a new center, whose institutions possess or demand jurisdiction over the pre-existing national states. The end result of a process of political integration is a new political community, superimposed over the pre-existing ones”\(^7\)

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5 Ben Rosamond, “Theories of European Integration” (p.54) (New York, U.S.A., Palgarave Macmillan, 2000)
6 Ibid. p.50
According to Haas, by establishing sectoral-specific functional organizations, the transfer of elite loyalties would occur as essential human needs came to be systematically and efficiently addressed by the new entities. Furthermore, he introduced the key concept of neofunctionalism in order to elucidate the driving processes of European integration. That is “spill-over”, which refers to the way in which the deepening of integration in an economic sector would inevitably create pressures for further integration in other sectors based on interdependency of economic sectors. In this way, neofunctionalists predicted that the economic integration would gradually build solidarity among the participating nations and become self-sustaining, leading to the creation of a new political entity in Brussels.\(^8\)

However, a series of empirical challenges cast doubt on the account of neofunctionalism afterwards. The first confrontation comes from France, when the French President Charles de Gaulle vetoed the UK membership application in 1963 and 1967, thus blocking the process of geographical enlargement. The second stalemate came from Gaullist objections to proposals for institutional reform lay at the heart of the so-called ‘empty chair crisis’ when France withdrew from EC business for a portion of 1965.\(^9\)

Against the political backdrop, Stanley Hoffmann through his intergovernmentalist criticism of the neofunctionalism emphasized the importance of states and national governments in particular, as the primary actors in the integration process. Hoffmann, in his

article titled “Obstinate or Obsolete? The Fate of the Nation-State and the case of Western Europe” argues that despite significant social changes occurred; the nation-states remain as the basic unit in the world politics.

“There are cooperative arrangements with a varying degree of autonomy, power, and legitimacy but there has been no transfer of allegiance toward their institutions, and their authority remains limited, conditional, dependent, and reversible.”

Hoffmann made a distinction between ‘high’ and ‘low’ politics to explain why integration was possible in certain areas while leaving other areas immune from the penetration of integrative impulses. The essence was that ‘high politics’ issues were those that concerned or threatened the very existence of state, thus imperiling ‘vital national interests’. The implication is that the behavior of the state in relation to other actors might well be different when high and low issues are at stake. National governments prefer “the certainty, or the self-controlled uncertainty, of national self-reliance, to the uncontrolled uncertainty of the untested blender.”

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10 Stanley Hoffmann, “Obstinate or Obsolete? The Fate of the Nation-State and the case of Western Europe” Journal of the American Academy of Arts and Sciences, 95(3) (1966): 862-915.
11 Examples of high politics are those related to control over foreign policy, national security, and the use of force.
Through the evolution of empirical evidence of European integration (be it the Single European Act (SEA)\(^\text{13}\) of 1987, the Maastricht Treaty of 1992) the integration theories have refined themselves accordingly, but still the core debate has centered on the ebb and flow between ‘supranationalist’ and ‘intergovernmentalist’ approaches or their modifications.

In sum, supranational approaches regard the emergence of supranational institutions in Europe as a distinct feature and turn these into the main object of analysis. Here, the politics above the level of states is regarded as the most significant, and consequently the political actors and institutions at the European level receive most attention. Intergovernmentalist approaches on the other hand, continue to regard states as the most important aspect of integration process and consequently concentrate on the study of politics between and within states.\(^\text{14}\)

However, both of these ‘grand theories’ toward European integration have blind spots for the fact that – first, both of theories take on the top-down approach toward integration, giving an explanation either from the supra-state level or from the inter-state level but marginalizing integration process from the infra-state level; second, both of theories focus on the macro-level of integration and explain the reason why states – the

\(^{13}\) The Single European Act (SEA) revises the Treaties of Rome in order to add new momentum to European integration and to complete the internal market. Adopted from http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_singleact_en.htm

subject of the action are willing to realize the integration process. For neofunctionalism, it is spill-over based on interdependency and efficiency whereas state interests account for intergovernmentalism. Nevertheless, both of them fail to offer sufficient details of how actual practice of integration was materialized at the micro-level.

In fact, European integration process has its distinctive feature in that “dual-level of regionalization” has been taking place. That is, along with the emergence of macro region called the European Union, a great deal of micro regions, especially in the form of cross-border cooperation have also come into the picture in the course of implementing integration process.15 European countries have been involved in the process of yielding a seminal part of their sovereignty to achieve “United States of Europe” while European border regions have transformed themselves into cross-border regions under the banner of “Europe of Regions”.16

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15 이철호, 「국제관계의 공간적 변용과 지역 개념의 재고」, 『국제관계연구』 12 집 2 호. 2007, pp. 99~104
16 이철호, 「탈주권거버넌스의 지역정치: 유럽의 신지역주의와 뮤질지역협력 시스템」, 『21 세기정치학회보』 20 집 1 호. 2010, pp. 220~221
Markus Perkmann wrote in 1993 that “in more than 70 cases, municipalities and regional authorities cooperate with their counterparts across the border in more or less formalized organizational arrangements.”

There are currently more than a hundred of cross-border regions or similar structures in Europe, according to the Association of European Border Regions (hereinafter AEBR). Though often obscured by the EU factor as a main driving force, the emergence of cross-border regions have indeed quite a long history. The first of this kind dates back to the 1950s, shortly after the Second World War which was established around the Dutch

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area of Enschede and the German area of Gronau. Since then, such cross-border regions have developed throughout Europe. Cross-border cooperation was initiated to “overcome historical barriers, and to readdress the imbalances, inequalities and problems of peripherality caused by the barrier effect of national borders.”¹⁹ Dealing with issues and problems concerning the inhabitants on both sides of the borders, cross-border regional and local structures came to form multi-purpose umbrella associations in the 1960s and 1970s.²⁰

Of the cross-border regions, the Oresund Region has been recognized as one of the “best practice” models for cross-border cooperation.²¹ In Scandinavia, cross-border cooperation has been promoted from the 1950s through the establishment of the Nordic Council in 1952. The ‘Treaty of Co-operation between Denmark, Finland, Iceland, Norway and Sweden’ (Treaty of Helsingfors) in 1962 also provided a platform for cooperation in the areas of legal, cultural, social, economic, transport and environmental concerns.²²

In this context, the Organization for Economic Co-operation and Development (OECD) remarked that “Oresund has now grown to be perceived at the European Union level as a privileged testing ground in the process to achieve a ‘Europe of the regions’”.²³

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²⁰ Ibid.
2-2. Research Puzzle & Hypotheses

If European integration is something that can be explained either via supranationalism or through the bargaining of nation-states, then why does regional cooperation\(^{24}\) emerge going as far as to blur borderlines as the Oresund Region shows?

Is the Oresund cross-border region a byproduct of supranational EU or that of bargaining between Denmark and Sweden?

For what reasons does the Oresund cross-border cooperation take place and what are the implications drawn from that fact?

In order to answer those questions, a set of hypotheses come to the fore as follows.

First, not only the European Union and its member-states but also sub-state regions contribute to European integration at the infra-state level, which has long been understudied in EU studies.

Second, the Oresund integration is a complementary process of top-down/state-driven integration with bottom-up/entrepreneur-driven integration, according to the issues concerned.

Third, the Oresund cross-border region diminishes the barrier between the two states.

\(^{24}\) The word ‘regional cooperation’ here refers to ‘sub-state or local-level cooperation’, an area or division, especially part of a country
2-3. Methodology

In order to disentangle the Oresund Region puzzle in the process of European integration, it is crucial to trace back how the two relevant regions have come to interact with each other. Nevertheless, the task has not been easy because of the access to evidence and materials. Though some of the materials are available in English but often the more detailed publications are provided in Swedish or Danish.

In this sense, the most crucial step was to accumulate reliable sources of information on the Oresund Region. Therefore, the author had contacted some of relevant institutions for further information: Oresund Institute\textsuperscript{25}, a Swedish-Danish non-profit association and Oresund Committee, the official platform for regional political cooperation between the Swedish province of Scania and Denmark’s major island Zealand since its inception in 1993.\textsuperscript{26} Statistics of commuters and foreign direct investment ratio of the Oresund Region is based on the Öresundstatistik, and the decision to pick up “commuter factor” and “migration factor” lies in that the two indicate labor market integration while making the best of favorable differences on a daily basis.

\textsuperscript{25} Oresund Institute is a non-profit Danish-Swedish association founded with the purpose to encourage integration within the Oresund region, between Greater Copenhagen/Zealand in Denmark and Malmö/Scania (Skåne) in Sweden. The institute is regarded as a crossing border policy intelligence tool by the OECD (OECD Regional Development Working Papers 2013/21).

\textsuperscript{26} Source from http://www.oresundskomiteen.org/en/about-us/.
3. The Origins of Oresund Region

3-1. Spatial Definition of Oresund Region

Geographically, the Oresund Region comprises Scania (Scania in Swedish), the southern part of Sweden, and the eastern parts of Denmark as figure 1.1 shows. It can be roughly divided into three areas, the metropolitan area of Copenhagen, the Danish periphery and Scania (Figure 2)\(^{27}\). Malmo, the third largest city of Sweden and its surroundings account for a dominant part of “Swedish” Oresund.\(^{28}\)

(Figure 2) The Oresund Region Composition

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The Oresund is the name of the narrow strait of water connecting the North Sea to the Baltic Sea and separating Denmark and Sweden. This natural border was finally overcome by the Oresund Bridge in 2000 – coincides with both nations’ frontiers, rendering the Oresund its status as a cross-border region.\textsuperscript{29} According to OECD, the region has currently 3.6 million in the area of 20,859 km\textsuperscript{2}, which equals 4.3\% of Denmark and Sweden’s total area. Though Oresund Region takes up 4\% of the total area combined, no less than 27\% of the total population of Denmark and Sweden live in the region. \textsuperscript{30}

3-2. History of Interaction

The geographical location of state borders is “the result of historically specific exercises of power and coercion and the subsequent legitimacy of the political system enclosed by the boundary.”\textsuperscript{31} In fact, it took quite a long way for Denmark and Sweden to get to display the current cooperation mode across the sound. For several hundreds of years, the two countries fought about power and control of the port to the Baltic Sea – the

\textsuperscript{29} Gert-Jan Hospers, “Borders, Bridges and Branding” European Planning Studies Vol. 14, No. 8, September 2006
\textsuperscript{30} Self-evaluation Report for the Øresund Region to the OECD/IMHE-project: “Supporting the Contribution of Higher Education Institutions to Regional Development.” 2005 p.13
Oresund sound. In fact, Scania – the Swedish county which embraces the city of Malmo, was an integral part of Denmark from the Viking Ages to 1658.\textsuperscript{32}

The twin merchant cities of Copenhagen and Malmo were the wealthiest and the populated center of the Danish Kingdom connected by vessels. Two thirds of king’s revenue came from the Oresund toll that had to be paid by ships in order to pass the Oresund to and from the Baltic Sea. This protectionist measure induced the Swedish King Karl X Gustav to go to battle against the Danes in 1658.\textsuperscript{33} Sweden won the war and Scania became under Swedish territory. All at once, both of two cities became periphery in both countries: the Danish capital came to position in the very east of Denmark whereas Malmo became positioned in the south of Sweden 600 km away from its new capital.

According to Anders Olshov, Chief Analyst of Oresund Institute the creation of Oresund region and its success and difficulties must be understood in this historical and cultural context.\textsuperscript{34} Due to the entangled history over the Oresund, the two cities did rarely look at each other for about 350 years. The Danish people learned to have a negative, skeptical view towards the Swedes, while the people of Malmo and its hinterland Scania had mixed feelings and felt a belonging to two countries and none. The Oresund definitely

\textsuperscript{32} Regarding the region of Scania, see http://en.wikipedia.org/wiki/Scania.

\textsuperscript{33} Gert-Jan Hospers, “Borders, Bridges and Branding” European Planning Studies Vol. 14, No. 8, September 2006

\textsuperscript{34} Anders Olshov, “Denmark-Sweden Oresund Mega-City Region and the Oresund Bridge” in “The Emerging Cross-Border Mega-City Region and Sustainable Transportation” Mo, Changhwan & Kim, Yoon Hyung(eds.) (KOTI-EWC Report 2010)
created a mental barrier that had a negative impact on the former strongly integrated yet rivalry region.

The intertwined history and rivalry over territory meant that cooperation was hard to achieve. It was not until the 19th century that ideas of a closer cooperation between the two parties began to emerge. And, it was only from the 1950s on that more and more parties in the Oresund realized that increased cross-border cooperation could be beneficial for the region as a whole, starting to turn once the hawkish attitude towards each other to a more cordial relationship.

In 1952, Nordic Council was founded by Denmark, Iceland, Norway and Sweden. Due to the shadow of Stalin’s Soviet Union, Finland could join the Council in 1955. The idea of incorporating Scania and Zealand into a closely cooperating area appeared in 1953 when the Nordic Council recommended the Danish and Swedish governments to build a bridge or a tunnel between Scania and Zealand.35 The possibilities of such connections have been brought up many times since then. For example, looking into the 13th session of the Nordic Council, the committee put a traffic issue between Denmark and Sweden on the table, supporting a link to be established between Copenhagen and Malmo.36

35 Yearbook of Nordic Statistics 1988 p.372
“Under this heading (Traffic questions), the long standing question of a permanent land between Denmark and Sweden across the Oresund was among other things discussed by the Council. The traffic committee had been asked to consider a proposal for a recommendation to the Governments in Denmark and Sweden to take the initiative to ensure that a decision in principle on the placing and financing of the first permanent link across the Oresund should be made without delay and that the necessary planning work should be started.

The Traffic Committee strongly emphasized the necessity of reaching a decision in principle regarding the site of the link as soon as possible. It was held that uncertainty existed about this greatly complicated planning work on both sides of the Oresund. The Committee stated that the majority of the Danish authorities and organizations who had considered the matter, were critical of a link between Helsingborg and Helsingor and supported the alternative connection Copenhagen – Malmö.”

On the local level the cross-border cooperation across the Oresund was formalized in 1964 through the establishment of the Dano-Swedish Oresund Council by local politicians. The Council since then had been responsible for the mutual interest for the Oresund community, especially dealing with environmental and cultural questions.37

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37 Yearbook of Nordic Statistics 1988 p.372
Then in 1972, Nordic Council of Ministers (NCM) was also formed which again empowered the vision for cooperation on a national level. The Nordic Council of Ministers is the official inter-governmental body for cooperation in the Nordic region where the representatives meet to draft Nordic conventions, etc. The body in its regional political action-program gave high priority to the Oresund area.\(^{38}\) Under the Nordic Senior Executives’ Committee for Regional Policy had a special Oresund group which attempted to build the activity program in the Oresund area ever since 1976.

Nevertheless, even though the words were spoken and heard, realizing the words into reality was still hard to implement. It was only from the 1980s and early 1990s that a changing situation in Europe triggered the cross-border cooperation as a way to producing new source of economic and political opportunities. Both Copenhagen and Malmo had to go through severe economic downturns at the time. The heavy industries (ship building, automobile assembly plans, textile factories etc.) that once hired a vast number of workers in both cities had ceased to exist, while both cities struggling to overcome soaring unemployment rates and decreasing population. The building of a fixed link was viewed upon as a mean to recuperate the cities and create new optimism and growth.\(^{39}\)

Some of the major Geopolitical events further initiated the joint region-building process. The fall of the Berlin Wall in 1989 followed by the demise of the Warsaw Pact and

\(^{38}\) Ibid.
\(^{39}\) Self-evaluation Report for the Øresund Region to the OECD/IMHE-project: “Supporting the Contribution of Higher Education Institutions to Regional Development.” 2005 p.14
the Soviet Union a few years later paved the way for a new environment for the
Scandinavian countries. Sweden and Finland joined the European Union in 1995 after
living in the shadow of the mighty neighbor to the East for 40 years, and the countries
around the Baltic Sea became members of both EU and NATO.

Still in the early 1990’s, Sweden was home to large manufacturing companies.
Therefore, better infrastructure and alteration of spatial distribution in terms of access to the
European markets were needed. The vision was a transport corridor from Oslo down the
Swedish West coast, across the Oresund at the narrowest point between Helsingborg and
Helsingborg, through Denmark and via bridge across the Femern Belt directly to
Germany.\(^{40}\)

In 1991, the Danish and Swedish governments finally approved and signed to build
a combined railway and motorway bridge across the Oresund between Copenhagen and
Malmo. The decision was hoped to strengthen both sides of the regions – building a bridge
across the Sound provided easier access to the European markets for the Swedish industries,
and by locating it between the two largest cities in the region rather than at the narrowest
point, the proponents of boosting the economies of Copenhagen and Malmo also had their
share. \(^{41}\)

\(^{40}\) Ibid. p.40
\(^{41}\) Ibid.
In 2000, when the bridge was ready to be launched, it was viewed as a means to an end, and by at least some of the national policy makers as the end of a project.
4. The Development Process of Oresund Region

4-1. Bottom up integration of Oresund Region: Economic Drives

The building of Oresund Region has been assumed to be more or less a process driven by governments or politicians. However, taking a look at the deep-seated impetus of the Region can draw quite a different story. To put it briefly, the pivotal motives and triggers accompanied by the region-building process of Oresund Region indicates the region could not be materialized without the contribution from below.

Motives of cooperation

As the history of interaction between Copenhagen and Malmo shows, the untapped potential of integrated region did not lead to collaboration right off. In 1964, local politicians already set up the Oresund Council to support cooperation between the two parties. Nevertheless, the national actors’ interest in cross-border collaboration was ‘half-hearted’. Sweden was hesitant to devolve its power due to the strong tradition of centralization, while Denmark had to go through a decentralization process and regarded the Oresund project as favor to the capital. In 1973, an agreement to build a fixed link was signed by the two governments, but the plans came to a halt due to the energy crisis.

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and Denmark’s priority to joining the EC. What had pulled down the deadlock between the two regions was neither a grandiose political harmony nor a Pan-Europeanism.

The motive was rather based on economic and exogenous factor. In the 1980s and early 1990s, both Copenhagen and Malmo had to cope with severe economic difficulties. The heavy industries met increasing competition from abroad and cut their number of employees. Both textile and shipping industries had closed down. In this context, the building of a fixed link was viewed upon as a mean to revitalize the cities and create new optimism and growth.

Meanwhile, the city of Malmo, which suffered from economic downturn for several years had recognized her isolated position on the map of Sweden and especially from the capital. Against the geopolitical backdrop of the time such as the fall of Berlin Wall, the demise of Soviet Union and the emergence of European Union, Malmo reinvented the notion of periphery. Instead of succumbing to a subordinate position in connection with Stockholm, the region vigorously advocated the importance of having ties with the

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43 Omega Centre, Project Profile Sweden Oresund Link
http://www.omegacentre.bartlett.ucl.ac.uk/studies/cases/bridge-oresund_link_2.php Accessed on Nov. 5th, 2014
45 Jerneck Magnus, “East Meets West: Cross-border Cooperation in the Oresund – A Successful Case of Transnational Regional Building?” Local and Regional Governance in Europe: Evidence from Nordic Regions, Janerik Gidlund, Magnus Jerneck Edward Elgar Publishing, Jan 1, 2000 p.201
European Continent in general and Copenhagen in particular. The geopolitical position of periphery now turned into an asset as Sweden joined the European Union in 1995.46

Triggers of cooperation

The primary actors behind the building of Oresund link were not only political. Private actors were the initial integration agents based on the logic of economic reasoning. They produced and supported reports, gave speeches, wrote articles and most of all engaged in political lobbying.47 At the launch of the Oresund project, and the postponement of the Oresund link in Denmark, major firms in Scandinavia assessed in the 1980s that they had relatively a marginal position in Europe. Under these preconditions, the ‘European Round table of Industrialists (ERT)’ was initiated and led by Per Gyllenhammer, the former CEO of Volvo. In the following year the ERT published the report ‘Missing Links’ indicating the Oresund Bridge, the expansion of railway track Malmo-Oslo and a fixed link across the Fehmarnbelt as missing links in the European transport network.48

In 1984, the ERT proposed to build a Scandinavian Link in their report “Missing Links”, arguing for extensive improvements to the European transportation network.49

46 Ibid. p.200
47 Ibid. p.202
48 Europe’s Changing Economic Geography: The Impact of Inter-regional Networks, p.130
49 Omega Centre, Project Profile Sweden Oresund Link
http://www.omegacentre.bartlett.ucl.ac.uk/studies/cases/bridge-oresund_link_2.php Accessed on Nov. 5th, 2014
According to the report, the Scandinavian Link is a high quality road and rail connection as a means to connect from Oslo in Norway down to Lubeck in southern Germany. The ambitious plan was seen as the crucial northern leg of a transcontinental road and rail corridor connecting Scandinavia with the autobahn and rail networks of central Europe. The report suggested that a fixed link between Sweden and Denmark somewhere across the Oresund was essential to improve communications between Northern Europe and the Scandinavian Peninsula. The ERT analyzed 1) geopolitical situation of Nordic countries as rather marginalized from the Continent, and emphasized 2) the importance of transportation system connected to Germany.

“The Philosophy behind the Scanlink is straightforward. The Nordic countries lie at the northern edge of Europe and rely their prosperity upon trade with their southern neighbours. As transport links, especially roads, between other European countries have improved, the Nordic states have slipped into a position of disadvantage. At present, it would take a car around 20 hours to travel between Oslo and Hamburg. To cover the same distance between, say Rotterdam and southern France would require only half that time.

Recognition of these facts lay behind the various proposals of recent years to bridge one or other missing links in the Scandinavian transport chain. But the
approach was fragmentary; only through Scanlink is the problem of transport barriers between Scandinavia and the rest of Europe coherently addressed.

In identifying the two fixed link projects – to build a bridge or tunnel between southern Sweden and Denmark across the Oresund and a similar link across Fehmarn Belt connecting Denmark with northern Germany – Scanlink greatly strengthens the economic case for each individual link.  

In the same year, an Oresund delegation (OD), consisting of political secretaries from the department of communications, the department of finance and officials from the national road and railway administrations, was appointed by the Danish and Swedish governments. The task of the OD was to review earlier investigations and reports produced during the 1960s and 1970s to see if it was possible to use this material as a basis for developing a new project proposal. 

The OD delegation had kept reviewing the possibilities and alternatives of linking Copenhagen and Malmo. At any rate, regarding financing it was agreed that the project had to be financed outside the state budgets and to be profitable on business economic (rather than socio economic) terms. 

Process of integration: Public-Private Partnership

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51 Omega Centre, Project Profile Sweden Oresund Link
http://www.omegacentre.bartlett.ucl.ac.uk/studies/cases/bridge-oresund_link_2.php Accessed on Nov. 5th, 2014
52 Ibid.
Another noticeable characteristic of Oresund Link comes from its funding. On March 23, 1991, the Danish minister of traffic Kajlkast and the Swedish minister of communications Georg Andersson met in Copenhagen and signed an agreement to build a fixed link connecting Copenhagen and Malmo. The agreement stated that the two states would construct a four-lane motorway and double-track railway, an artificial island and a tunnel. In addition to that, they stated that the two states should each form a state-owned stock company and in turn form a consortium responsible for projecting, planning, financing, constructing and operating the fixed link.\footnote{Ibid. p.17} In this way, the Oresund link became the infrastructure project entirely financed outside the state budget.

The two parties agreed to become guarantors for loans taken by the consortium and promised to share responsibilities towards creditors. To put it differently, the Oresund link is owned and operated by the Oresundbro Consortium, which in turn is jointly owned with equal shares by A/S Øresund and Svensk-Danska Broförbindelsen (SVEDAB) AB.\footnote{http://uk.oresundsbron.com/page/1105 Accessed on Nov.14, 2014} The loans should be repaid by revenues from user fees. The agreement also explicitly stated that additional funding from the state budgets of the respective countries was not an option. Construction was set to commence in 1993 and be finished by the year 2000.\footnote{Omega Centre, Project Profile Sweden Oresund Link p.17} The consortium operates strictly as a private company. Its concession ends in 2050, but there is
the possibility of a 30-year prolongation (Flodgren et al., 2002; Matthiessen, 2004). \(^5\) In this manner, the Oresund bridge construction project can be considered as a Public-Private Partnership project of the Design-Build type.

**Process of integration: Transnational University**

On the other hand, Oresund University, a confederate partnership across the Swedish-Danish border, is an attempt to strengthen the intellectual infrastructure in the area and to give the Oresund Region a leading academic position in Europe. The new ‘transnational university’ is also supposed to put its educational competencies at the disposal of private companies in the region. It is one of the important future building blocks in a currently quite ‘creative’ region, representing 0.67% of the world’s scientific output in medicine, science and technology. The Oresund University consists of more than ten universities and schools in the area, with the total staff of 17,000 and a body of roughly 120,000 people. \(^6\)

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\(^6\) Jerneck Magnus, “East Meets West: Cross-border Cooperation in the Oresund – A Successful Case of Transnational Regional Building?” Local and Regional Governance in Europe: Evidence from Nordic Regions, Janerik Gidlund, Magnus Jerneck Edward Elgar Publishing, Jan 1, 2000 p.204
4-2. Top-down integration of Oresund Region: Institutions

Intertwined with the bottom-up integration grounded on economic logic, the top-down integration with institutionalization has been taking place in the Oresund Region. However, it was only in 1993, after the decision was made to build a cross-bordering fixed link that the Oresund Committee was established as a mechanism for integration of both sides of the border. The Oresund Committee of today plays a role as the main political body of bilateral collaboration in the Oresund Region.\(^{58}\)

The objective of the Committee is “to safeguard the integration process and to stimulate the emergence of a new cross-border identity within the Oresund region.”

The establishment of the Oresund Committee created a broader platform for horizontal partnerships and formalized advice and information exchange. The Committee is composed of local and regional political bodies from both sides of the Sound and – which is quite exceptional for transnational regionalism – by the two national ministries as observers. There are no private actors in the Committee. Although elected local politicians represent the Committee, it does not act as a local or regional government but as a meeting place for the elaboration of public strategies on both sides of the border. The Committee is the crossroads and pivotal point of many cross-border activities; in the language of “transaction economics”, the mutual gains probably outweigh the cost of maintaining this

roof organisation, especially compared to costs incurred by a collaboration network without any co-ordinating entity. The process of integration in Oresund is therefore achieved not through the set up of an additional government layer but through the voluntary co-ordination of policies of its members. The Committee represents a relatively new arrangement of formal co-operation that emerged mostly in European countries, such as on the French-Belgian-Luxembourg border, or the Swiss-German-French border (Church and Reid, 1999). The Committee has been acting as a catalytic converter for numerous cross-border activities such as the cultural forum and the above-mentioned ÖAR, AF Öresund or Öresund University. However the Committee only manages and funds a few of them.
5. The Political-Economic Effects of the Oresund Region

The initiative to build the functionally bi-national region was largely driven by economic needs of the two regions concerned, backed up by the entrepreneurial triggers. The hard infrastructure has brought increased level of trade, investment and travel. One of the most direct indicators presenting the increasing phase of integration would be mobility of people. Geographical mobility can be measured and assessed by investigating commuting patterns and migration flows. After the launch of Oresund Bridge, both of commuting and migration patterns in southern Scandinavia have changed dramatically.

Until the opening of the bridge, commuting across the Oresund sound was limited with only around 2,000 people living in one country and working in the other. After a decade of building a bridge, the operating company Øresundsbro Konsortiet counts more than 20,000 commuters who cross the bridge to go to work on the other side on a daily basis – mostly from Sweden to Denmark. The figures reveal that commuting has risen tenfold, marking an impressive growth of between 20 to 40 % per year.

60 Øresundsbro Konsortiet, 2010
61 Ibid. 15.
According to the Øresundsbro Konsortiet report of 2010, a commuter survey explains that the economic benefits from crossing across the Oresund in the form of higher salaries are of most concern to the Swedish commuters as two out of three mentioning this as the motive for commuting.\textsuperscript{62}

The second motive is better job opportunities from the other side of job market as one in two commuters mentions as a reason for seeking job on the other side of Oresund. Furthermore, the exchange rate differences between two countries have also benefited commuters who live on the Swedish side yet work on the Danish part.

On the migration part, the number of Danes living in Malmo has risen by 338 per cent while the number of Swedes who have settled on the other side of Oresund has

\textsuperscript{62} Ibid. 21.
increased in 38 per cent over the last decade. Compared to 1999, the difference is enormous as 2,400 Danes lived in Malmo while 2,800 Swedes lived in Copenhagen a year before the opening of the physical link. Ten years later, 12,000 Danes live in Malmo and 4,000 Swedes in Copenhagen.

(Figure 4. Number of migrators between Zealand and Scania)

It is said that developments in the Danish housing market with strongly rising prices have triggered a large number of Danes to relocate on the other side of Oresund. Over the past decade, 28,900 people from Zealand moved to Scania while 15,100 people have moved to the other side of direction.63

As mobility gets increasing followed by greater interaction between Danes and Swedes, it seems like the region sets to from a sense of common identity. In 2010, fifty-two

63 Ibid. 25.
per cent of Swedes polled in a survey answered that they regard themselves as Oresund citizens while 29 per cent in the Danish part of the region responded as the same. However, the figure is significantly higher among commuters (79 per cent), as travelling between two countries became an integral part of their daily lives.  

(Figure 5. Percentage of response regarding Oresund identity between Zealand and Scania)

Be it a common identity or not, the Oresund Region has already become a reality. Forty-seven per cent of Scanians and 35 per cent of Zealanders see that the Oresund Region is now a reality. Simultaneously, 40 per cent of Scanians and 53 per cent of Zealanders expect the Oresund Region to become a reality. Those who sees that it will never materialize take up only 4 per cent on each side.

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64 Ibid. 40.
The survey shows that the awareness of the integrated region and a sense of cohesion is greater on the Swedish side compared to those in Danish side of the Oresund. The Oresund Committee survey conducted in 2012 revealed that “Swedes are more receptive to getting closer to the Danish side of the Oresund than the reverse.” Among 1,500 fifteen to sixty-four years old in the region showed that 59 per cent of Scanians watched Danish television each week, 55 per cent visited Zealand over the past year, 53 per cent knows someone who works in Zealand, and 51 per cent understand Danish well.

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6. Conclusions

The conclusions of the essay will correspond to the answers to the questions that previously touched upon: does European integration process can be interpreted with supranationalism or state bargaining? The proper answer would be that the process is more of a reciprocal and dynamic ‘push-and-pull’ process through supranational, national and subnational mobilization.

In addition to that, there needs to be more focus on the region not only as a political arena but also as active participants which constitute themselves as actors in national, and now European politics, pursuing their own interests as the Oresund case shows. The potential of regions is “not only quite limited compared to the nation state, but more importantly, they are part of new forms of governance where horizontal cross-border linkages are closely connected with vertical linkages between different administrative levels ranging from the local to the European.” 67

The Oresund Region case implies both of challenges and opportunities of cross-border cooperation can induce in the world of inextricably intertwined nature. Although the cross-border regional cooperation is backed up by the European Union as a part of integration gadget, the establishment of new public-private alliances to address cross-ex

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border regional development cannot be automatically achieved. As OECD takes an example, the Pan-Yellow Sea region in Asia between China, Japan and Korea is well-performing in terms of economic aspect, but the efforts to build effective trans-border governance seems somewhat far-fetched. The Oresund case drops a hint in that collaboration works best where it is oriented towards a few pragmatic purposes and driven by the private sectors and local governments. It might not be the cure-for-all, but at any rate the attempt will do no harm.
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요약 (국문초록)

1648년 웨스트팔리아 조약 이후의 근대국가는 주권을 절대적이며 배타적인 것으로 받아들여 왔으며, 이에 따라 국경은 고정된 실체로 간주되었다. 세계화라는 시대적 조류는 국경을 초월한 네트워크의 확장과 무역, 금융, 정보의 국제화를 통해 영토주의 지리학의 한계를 드러냈으며 이는 ‘유럽통합’의 기저 아래 국가 주권의 일정 부분을 양보하며 실험하고 있는 유럽지역에서 가장 흔하게 보여진다.

유럽의 지정학적 실험 – 즉, 유럽통합을 설명하기 위한 대표적 이론은 초국가주의 이론과 정부간주의 이론으로, 두 거대이론 모두 행위의 기본 주체를 국가로 한정하여 유럽통합에 기여하는 다양한 행위자, 특히 민간기업의 역할을 비롯한 아래로부터의 통합과정에 대해서는 동한시되었다.

본 논문은 유럽통합을 실현하는 과정에서 위로부터의 방식이 아닌, 아래로부터 어떠한 실질적 노력이 이루어지는가 탐구하고자 유럽의 성공적 초국경지역 중 대표적인 사례인 외레순 지역을 연구하고자 한다. 덴마크의 수도 코펜하겐 광역권과 주변의 Zealand 광역권, 스웨덴의 Scania 광역권을 아우르는 초국경광역경제권인 외레순 지역이 형성되는 역사를 통해 통합을 실험하는 과정에서 아래로부터의 통합노력, 즉 지방정부와 민간기업의 역할이 얼마나 중요한가를 확인하고자 한다.

주요어: 외레순, 지역, 초국경 협력, 유럽통합, 민관협력
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