

CONTRIBUTION TO THE CONSULTATION ON THE EU STRATEGY FOR THE BALTIC SEA REGION



NORTHERN SPARSELY POPULATED AREAS

A well-balanced Baltic Sea Region needs a strong North

The NSPA network for Northern Sparsely Populated Areas represents close collaboration between the four northernmost counties of Sweden (Norrbotten, Västerbotten, Jämtland, Västernorrland), the seven northernmost and eastern regions of Finland (Lapland, Oulu Region, Central Ostrobothnia, Kainuu, North Karelia, North Savo and South Savo) and North Norway (Finnmark, Troms and Nordland) with a special focus on the future European Cohesion Policy.

NSPA AS A PART OF THE BALTIC SEA REGION

The NSPA network welcomes the EU Strategy for the Baltic Sea Region and would like to emphasize the **role of the northern areas within the larger context of the Baltic Sea area**. Often viewed only as remote regions with low population density, these regions are in fact important suppliers of minerals and natural resources; they are regions of strong innovation capacity and knowledge base and promoters of economic growth in the Baltic Sea Region. They function as an important interface between the EU and Russia and offer first-hand experiences on and solutions for the major challenges the Baltic Sea Region and Europe as a whole are now facing, such as demographic challenges, climate change and globalisation.

A balanced development of the Baltic Sea Region cannot only focus on the main basin of the Baltic Sea. Therefore, the NSPA network emphasises **the importance the northernmost areas of the Baltic Sea Region in the Strategy and the need to identify the added value and numerous possibilities these EU's Northern regions can offer for the Baltic Sea Region and Europe as a whole**. A well-balanced Baltic Sea Region needs a strong North.

INVESTMENT IN RESEARCH AND DEVELOPMENT

The NSPA has a proven great success in developing a wide range of globally competitive, knowledge intensive products and services, not least in terms of high technology products based on available raw materials. The NSPA can serve as a good example of high-level of education and R&D investments, creating innovative international SMEs and using the Triple/Quadruple Helix models in areas far from the main markets. This in particular relates to governance structures, including public-private cooperation schemes, to knowledge systems and the accumulation of know-how in small, peripheral settlements.

The NSPA has extensive knowledge and experience in developing, for example, innovative eHealth services for the growing needs of sparse and ageing population – a challenge faced by the entire Baltic Sea region. The NSPA also is world class in the field of Northern research and tourism, adventure technology and creative industries. **A strong Baltic Sea Region needs excellence in higher education and research activities provided by strong universities. Supporting the specialisation of universities and formation of university clusters should play a key role in the Strategy.**

Quality of life appears as a decisive factor when it comes to attracting and keeping persons with key competencies. Further improving the **thematic focus of higher education institutions and their capacity to create spin-offs** could further improve the Baltic Sea Region. Encouraging and supporting **innovations and entrepreneurship** also in areas far from the main markets is in key position in creating a balanced and prosperous Baltic Sea Region. In addition, **access to venture capital** is crucial for new companies establishing businesses in the northern part of the Baltic Sea Region.

The appeal the northern regions have in the eyes of tourists can be used for the benefit of the entire Baltic Sea Region. The exceptional landscape, four seasons and the high quality of life in the North are an asset for the Baltic Sea Region. Silence, snow and space are unique resources appreciated by many inhabitants and visitors. Also, long traditions in the natural way of life and sustainable use of natural resources are crucial in assuring high quality living. **Therefore, the NSPA could be used in “branding” the Baltic Sea Region.**

The NSPA would encourage better mobility of students and professionals within the Baltic Sea Region. Training and education should meet the needs of the industries in the EU's Northern regions. Also, keeping workers, students and other inhabitants as well as attracting foreign workers is crucial for the northern regions as well as the Baltic Sea Region.

PRIMARY SECTOR AND SUPPLY OF NATURAL RESOURCES

The NSPA is one of Europe's most important areas with regards to mineral resources, since Europe is dependent on imported metals and minerals up to 85 % of its consumption. Pursued efforts to exploit these will reduce Europe's dependency on imports from the rest of the world, the disruption of which could have major consequences for European manufacturing industries. The economic benefits of the exploitation of mineral resources in the NSPA have furthermore been limited, when compared to the market value of the minerals and refined products. North Norway's oil and gas supplies as well as East Finland's bioenergy production will have a growing importance to the EU as a whole especially in the future. Also the northern forest belt – the “lungs” of Europe – is a significant natural resource.

For these different reasons, **the Baltic Sea Strategy should take into account a sustainable use of natural resources** (ex. minerals, wood, oil and gas) **in order to secure Europe's energy and raw materials supply, to create job opportunities and to allow regional development also in the more peripheral regions.**

INTERFACE BETWEEN EUROPE AND RUSSIA

Transforming the NSPA from a periphery of Europe to an interface to Russia and to the Barents, Arctic and beyond – including Asia – should be a priority also for the Baltic Sea Region. The Barents Region will be increasingly important in terms of natural resources and transports, and Russia will become a natural partner for trade as well as for cultural, educational and institutional exchanges. The NSPA has a long

experience of numerous people-to-people projects between the EU's Northern regions and Russian regions that can serve as an example of best practices on how to involve Russian partners in inter-regional cooperation. **The NSPA also points out the need for a strong commitment to the Northern Dimension policy.**

Lack of competitive transportation networks is a major limitation to economic development in the NSPA. **The development of the Bothnian Corridor, the Northern Axis and the North East-West Freight Corridor are largely justified in response to the specific needs of the mining industry and transportation of wood, pulp and goods.** Also, the continuous development zone of Via Baltica North from the Arctic Ocean would serve the tourism and would connect the Eastern and Northern Finland to the Baltic neighbours and further to Central Europe.

Necessary transportation corridors also **facilitate access to the major emerging markets of Russia, the Baltic States and Asia.** The EU should consider these connections as an instrument in its neighbourhood policies, promoting economic, social and institutional integration with North-West Russia, thereby justifying a specific European involvement in their development. In European context, **current major infrastructure projects are not primarily regional policy measures seeking to reduce the isolation of peripheral regions – they are answers to concrete problems of missing transportation links limiting economic growth.**

NSPA's objective is to highlight that development policies implemented in these regions will not only contribute to the objective of territorial cohesion, but will also make a **significant contribution to increasing the overall economic performance of the Baltic Sea Region and the whole of Europe.**

NSPA Steering Group

Mr. Allan Perttunen, Director
North Finland EU Office

Mr. Inge Andersson, Director
North Sweden European Office

Ms. Anna-Carin Christoffersson, Director
Mid-Sweden Office

Ms. Riikka Railimo, Director
East Finland EU Office

Mr. Stein Ovesen, Director
North Norway European Office

For further information, please contact Ms. Suvi Tuhkanen +32 2 239 2222 or
suvi.tuhkanen@northfinland.fi