

# Region of Lapland, Finland

## Smart use of Arctic Natural Resources and Conditions



**Leverage from  
the EU**  
2007-2013

## In the Northern most region of Finland and EU

NSPA/OECD seminar in Piteå, 25<sup>th</sup> February 2016  
By Kristiina Jokelainen, Regional Council of Lapland



# Lapland - today



Rovaniemi from:

- Helsinki, 706 km
- Brussels 2114 km
- Milan, 2540 km
- North pole 2 623 km

- The northernmost region of Finland and European Union
- Border with Russian, Norway and Sweden
- Total area is 100 369 km<sup>2</sup>
- 182 856 inhabitants, density 1,8 people/km<sup>2</sup>
- Largest residential centres: Rovaniemi (60 944 inhabitants ), Tornio (22 399), Kemi (22 172)
- Six sub-regions: Rovaniemi, Kemi-Tornio, Eastern Lapland, Northern Lapland, Fell Lapland and Torne Valley
- Employment: municipal sector 27.8%, state and state-owned companies 10.8% and private sector 49.2%
- Only chrome mine and largest gold mine of EU
- Largest refining industrial concentration in EU
- Jobs 73.300
- Total amount of companies 10 400
- Total turnover of all companies 10 billion Euro
- Value of industrial export 3.7 billion €
- 5th strongest export region in Finland
- Two universities; University of Lapland and Lapland University of Applied Sciences
- Diverse sectorial research institutes
- Strong vocational education
- 2014-2020 ESI funds over 300M€ including co-financing
- 3 Interreg programs and ENI CBC program

# Why Smart Specialisation (S3) in Lapland?

- Europe's gateway to **the Arctic**
- Possess vast deposit of natural resources, pristine and fragile Arctic nature
- Economy creates potential for innovation and entrepreneurship
- Lack of critical mass - “too few smart people”
- Importance of regional educators and R&D actors is increasing
- Sustainable utilisation of natural resources and conditions are the key factors to maintain the sustainable growth
- Smart growth is supported by cross cutting strategic approach strengthening the knowledge base
- To develop smart way to apply KET to decrease the impact of the long distances and harsh climate
- The region's future is driven by innovative SMEs seeking growth

Lapland would like to take lead on its own development –  
Strategic step by step approach – **Arctic Smartness**



# Lapland– The Smart Arctic Region

## Lapland lives out of its nature

Lapland is a mixture of abundant natural resources, strong accumulation of Arctic knowhow and expertise and unique nature. There is a constant need to balance -in a sustainable way- the business interests with the preservation of the unique nature and style of living in Lapland. The back bone of the economy is the strong forestry and mining based industries and tourism. The specific character of industry in Lapland is the existence of the large industry, just few medium size but huge number of small and micro level enterprises. At the same time there is strong networking practices among the businesses.

According of Lapland's S3, Lapland will enjoy a leading position in exploiting and commercialising Arctic natural resources and conditions. The refining will be socially and ecologically sustainable, combined with economical generation in the region.

The S3 emphasizes the development of SMEs on technology services sector, in order to discover the entrepreneurial potential from the sectorial interfaces, specialisation and internationalisation. In addition, the new niche markets possibilities are exposed to find the potential of the bioeconomy related sectors to enhance rural areas' entrepreneurship. The core methodological approach is to support cluster practices involving the different actors to build favourable ecosystems for entrepreneurial development.

## Strong governance to support S3 realization

S3 work is coordinated by Regional Council of Lapland and by regional partnership developed through participatory approach involving all municipalities in Lapland, Industry, Educational institutions, Development Agencies, Research institutions. The Regional Council of Lapland is committed to sustain but also further develop the favourable environment in order to keep Lapland a dynamic and forward looking region.

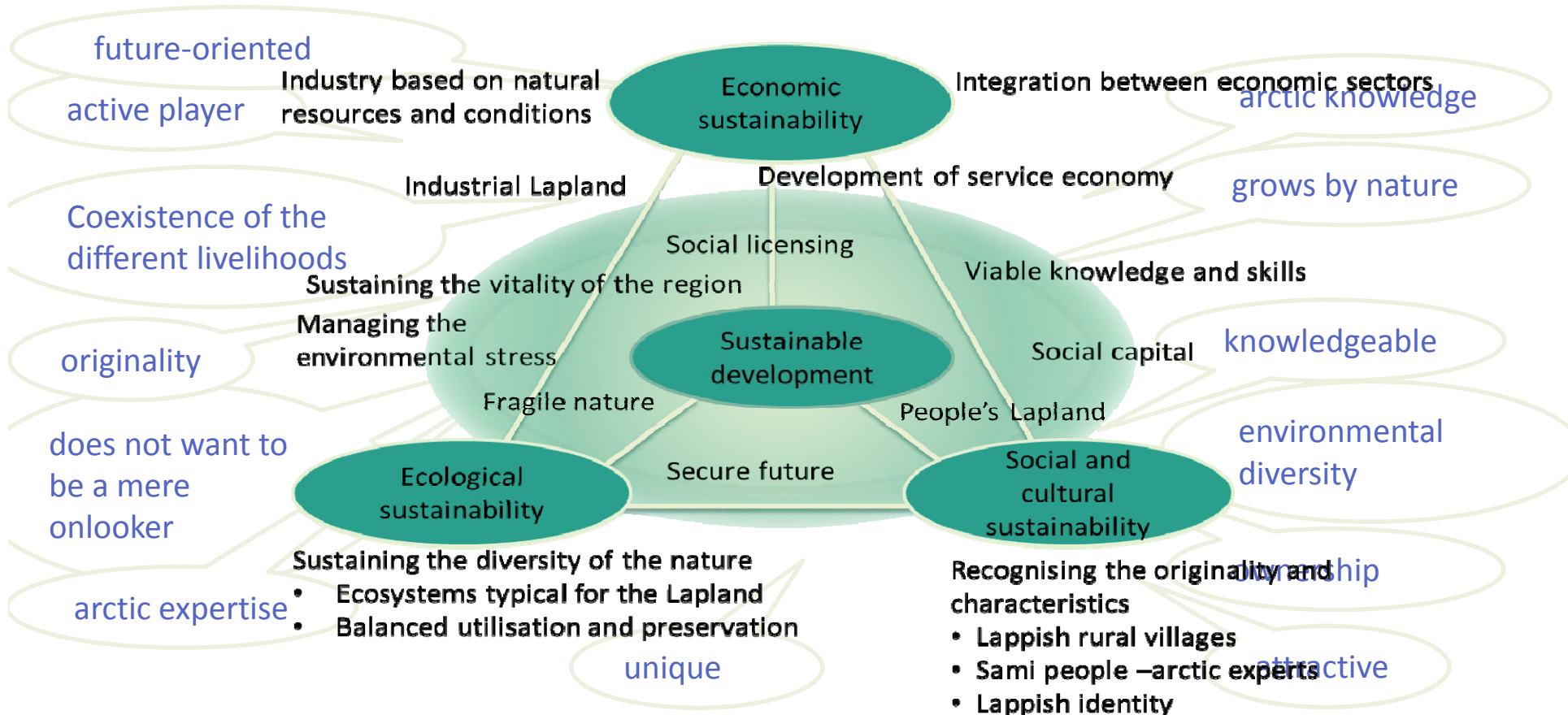
Structural reforms at the national level are increasing centralised governance, which moves the decision-making further away from the regions. The national goal to diminish the number of actors in regional development has led to a complex situation, where the region-based knowledge is no longer valued, as the management is centralised to larger units. This can cause conflicts between the actors, slow down the regional decision making and above all – decrease the legitimisation of the development process.

The Regional Council of Lapland has initiated a model for regional governance to enhance smart growth and sustain the balance in sustainable development. The model emphasises the importance of the bottom-up approach and mutual partnership between the regional and national level. The strategic leadership of the regional development should be empowered by the region council, in collaboration with the other regional stakeholders including the governmental institutions.

# In future Lapland would like to ...

- ... Enjoy a leading position in the sustainable utilisation of Arctic natural resources and conditions.
- ...Commercialise its Arctic expertise and makes sustainable use of Arctic business opportunities.
- ...Be an active Arctic player and an important international centre of Arctic transport and knowledge.
- ..Link the Arctic Region with the European Union.
- ....Offer Lapland's inhabitants an original, attractive place for living and running a business.

## Remaining societal sustainable Lapland



# The foundation of the Lapland's S3

## PILLAR INDUSTRIES OF THE REGIONAL ECONOMY

Mining and metal industries

Bioeconomy

Tourism and related industries

EMERGING INDUSTRIES ARISING FROM THE NEEDS OF THE BASIC INDUSTRIES

INDEPENDENT OR NEW INDUSTRIES

STIMULATION AND NURTURING NEXT GENERATION'S INDUSTRIES

Potentials for the differentiations

Discovery and diversification

In Lapland we are looking for the functional spearheads supporting the development diversely strengthening and sustaining the basic industries, initiation of the new industries  
Education, research and development better integrated in the refining new products and services

# Putting S3 into the practise - where are the truffles...

- During last decades support directed towards refining industry, tourism, creative industries, learning and testing environments, rural development, wood processing, resource efficiency, natural product and food, internationalisation, natural resources and land use.... analyses over 650 project funded during previous program period in Lapland...finding the best ground for the cross-fertilisation
- Potential for the modern clusters which are regional, looking beyond the boundaries, cross-fertilisation...



**Cleantech on Arctic industries “EU model region Case 2014”**



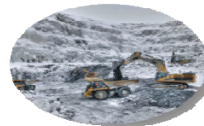
**Arctic Smart Rural Communities**



**Arctic design**



**Arctic safety and security**



**Arctic development environments**



# ARCTIC Smartness

Beginning of the new story in the  
regional development

ARCTIC  
DEVELOPMENT  
ENVIRONMENTS

CLUSTER

ARCTIC  
DESIGN

CLUSTER

ARCTIC  
INDUSTRY  
AND CIRCULAR  
ECONOMY

CLUSTER

ARCTIC  
SMART RURAL  
COMMUNITY

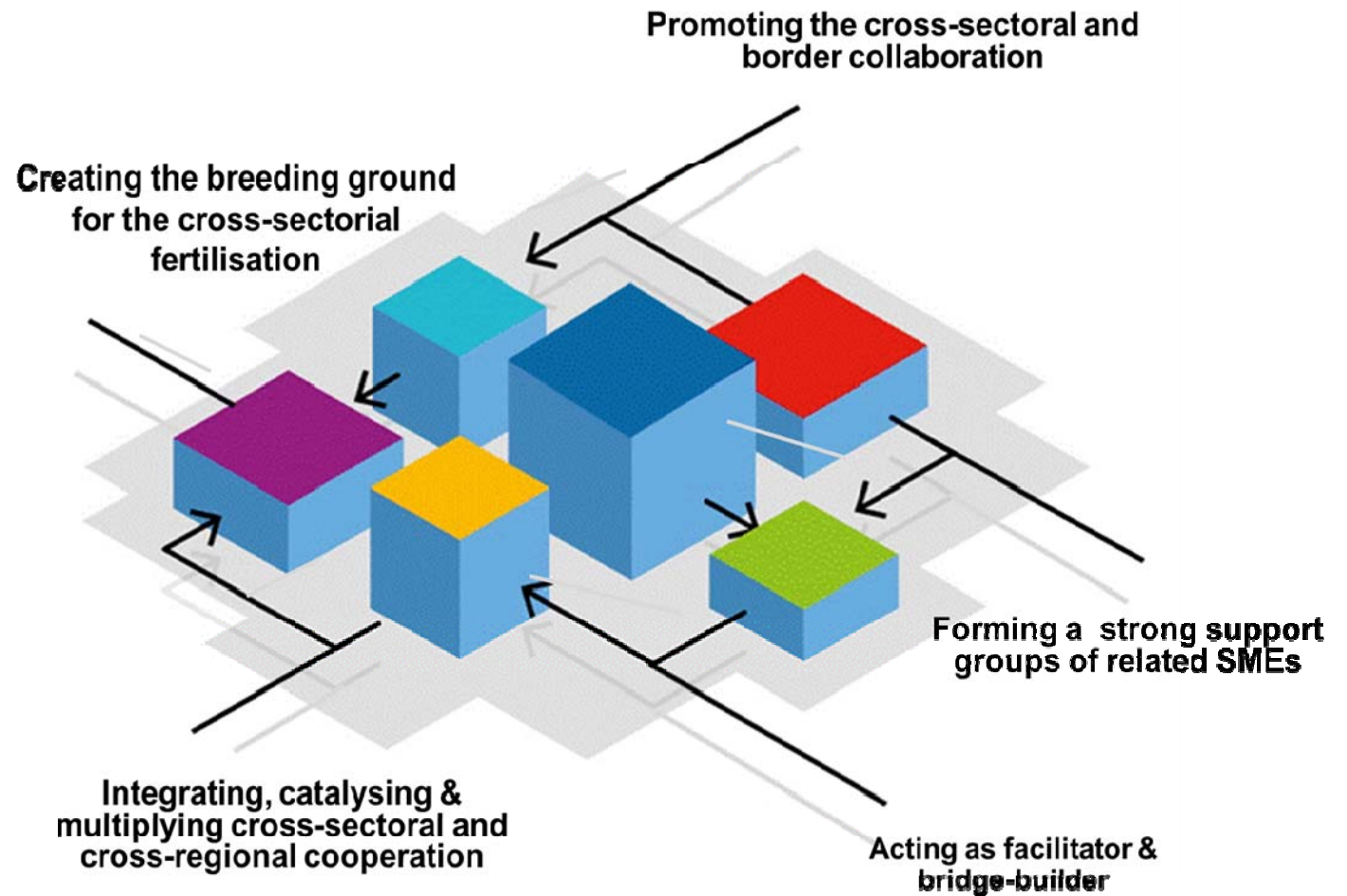
CLUSTER

ARCTIC  
SAFETY

CLUSTER



# Arctic Smartness Clusters are....



Arctic Smartness

ARCTIC  
DEVELOPMENT  
ENVIRONMENTS

CLUSTER

# Next steps in Arctic Smartness

- Consolidate the cluster organisations and operations  
→ setting the role of each actor and benefit for the business
  - 9 intermediates
  - Over 200 SMEs and large industries
  - Number of other supporting partners
- Looking beyond the boundaries
- Getting ready to be active in the development of the EC initiatives
  - The Joint Action Plan for 'Thematic Smart Specialisation Platform
  - European Strategic Cluster Partnerships for smart specialisation investments
- Increase outsource financing to the region
- Cluster specific EU level and international networking
- Arctic Smartness Excellence – Ecosystem

ARCTIC  
SAFETY

CLUSTER

*The work according to S3 has helped in finding new ways of working together and to get out from the box to seek new possibilities from the cross-sectoral collaboration, to develop common approaches towards regional development and to be active in seeking international collaboration.*



# CONTACTS

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