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Swedish Government  
Swedish Riksdag  
European Commission  
European Parliament  
European Committee of the Regions  
Swedish Association of Local Authorities And Regions

### ***Europaforum Northern Sweden's views in the discussion on the future of the European Union***

*Europaforum Norra Sverige (EFNS) is a network for politicians at the local and regional levels from Norrbotten, Västerbotten, Jämtland Härjedalen and Västernorrland. EFNS is a meeting place and knowledge arena where EU policies are analysed and discussed as regards how they affect northern Sweden. EFNS monitors European issues to influence EU legislation, the EU's strategies and action programmes and the EU's budget. The objective of EFNS is to safeguard the interests of northern Sweden both in the European arena and in relations to the national level in matters with a clear European perspective.*

### **Europaforum Northern Sweden welcomes the European Commission's discussions on the future**

Europaforum Northern Sweden welcomes the European Commission's White Paper on the future of the EU and five subsequent reflection papers, but regrets that in them the regional perspective is largely missing. The seventh cohesion report focusing on regional development therefore contributes to a more collected basis for discussions on the possible future choices for the EU.

Europaforum applauds the European Commission for having chosen an open discussion as an approach to grappling with the major future issues for the EU. The regions have a major role to play to carry the debate forward, which was also underscored by the chairman of the European Commission, Jean-Claude Juncker, in his State of the Union speech. However, this presupposes that the regions continue to be a recognised part of the EU's development work.

The EU has undergone many crises and continues to face major challenges. In reality it is the regions that to a large extent in everyday life have to handle the challenges. Hence, the regions constitute political representation also for the EU in relation to local communities and citizens. The regional level must carry through many of, but also be able to explain, the EU's policies. In the opposite direction, the regions and their political representatives are the voice of citizens and local communities for contributing to ensuring that EU decisions truly capture the differences and diversity that is the hallmark of the EU and which the EU must take into consideration in all its decisions.

Europaforum Northern Sweden would like to contribute our experience without in any way claiming to capture all aspects. Our point of departure is our regional everyday life.



## **Europaforum Northern Europe wishes to safeguard a common open European Union**

The EU is a unique collaboration, aiming to create the peace, freedom and prosperity in Europe that is all too often taken for granted. The foundations of democracy are under pressure in many quarters. It is our common political responsibility in the midst of this not to lose sight of the reason why the EU was once created. All political levels and representatives must cherish our common union. Europaforum Northern Europe wants to contribute to this end and, of course, wishes that Sweden and other countries and regions should also do so from their vantage points.

EFNS shares the analysis of the challenges Europe faces presented in the White Paper. Many of the critical issues raised are to be found in our concrete daily life. Large parts of northern Sweden are undergoing a negative demographic development with a shortage of skills and declining tax revenues. At present this can only be compensated for by immigration. Northern Sweden has taken its responsibility for migration in proportion to its population and administrative capacity, with measures now needed to integrate the new population so they can move on into employment. Northern Sweden has a large welfare sector but also a raw materials based economy exposed to global competition and sensitive to economic fluctuations, with need for influences, knowledge and competence from outside. EFNS also notes how the climate is changing in an Arctic context vulnerable to this with a need for international collaboration.

The challenge to northern Sweden with a small domestic market and few people over an extensive geographic area on the EU's outer edge is to create innovation, prosperity and welfare. Distances and the demography necessitate new thinking with new ways of working. Disadvantages can be turned into advantages, this includes the fact that new environmentally friendly technology and smart solutions are also a basis for new business opportunities higher up the value chains. Regions with small domestic markets must find the niches where their companies can be competitive in order to benefit from the global market.

### **The regions deliver provided that they are given adapted support in interplay at all levels**

EFNS thereby largely shares the messages in the reflection paper on globalisation, including the message that economic adjustment must take place locally where the business sector and citizens meet, with a need for directed measures for regional and local investment needs, skills shortages and inhibiting systems of rules. To this may be added new emerging centres, also outside large population centres, such as in the European Arctic region, which also need to be included in the EU's integrated analyses.

It is important to point out that the relative successes of the most northerly regions in the EU have been made possible through public intervention, in the absence of sufficient resources and capital of their own. Although the EFNS region as such provides Sweden and the whole of Europe with essential values such as raw materials and energy, the EU's support has been invaluable in reversing negative developments. An EU focus on innovation and development linked to a European agenda, combined with specific exemptions in state support rules, has been decisive for building regional capacity and gearing up the EU's regional support so that our regions are now in the lead in many respects.

The seventh cohesion report shows this very clearly in the regional comparative data presented. An intensified analysis of this could have further contributed to the issue of the EU's role, but also to actual opportunities to create development in all the corners of the EU. The OECD study which the regions in EFNS carried out together with the Finnish and



Norwegian regions included in the Network for Northern Sparsely Populated Areas (NSPA) on development opportunities for the 14 regions concerned, together with the Regional Outlook report which the OECD published in 2016, show that growth can also occur outside the major cities. There is no uniform rural environment just as there is no uniform urban environment. A deeper analysis of the links between densely and sparsely populated environments is needed in order to seriously tackle the issue of a sustainably cohesive growth-creating EU.

For its part the OECD points to strategies adapted for different types of rural areas with different needs; rural areas round cities, agricultural areas and more distant sparsely populated rural areas, where NSPA and the OECD study for NSPA belong. In its NSPA report, the OECD raises in particular the need for external support to build well-functioning infrastructure, including broadband networks to reach markets and be at the forefront in the development of the electronic society, and also in addition smart specialisation, as being both necessary and appropriate for the ability of sparsely populated regions to create growth.

### **European added values provide sustainable global development for the EU throughout the EU**

Europaforum Northern Europe sees the concrete importance of EU programmes in our regions. Northern Sweden has vulnerable economies which mean values and European averages can never capture. The countries with their capital regions at the forefront draw close to each other economically, at the same time as other regions appear to be pulled apart with the risk of increasing social unrest. EFNS agrees on the importance of having EU tools for cohesion by being able to lift the poorest regions, however at the same time there is a great need to build competitiveness among all European regions and resistance to economic shocks. All in all, Europe lags behind regarding, for example, innovative ability. To tackle this with the possibility of regions drawing each other in and learning from each other is to build real European added value, on which there are relevant discussions particularly in the reflection paper on the budget.

EFNS is aware that the EU's budget will decrease and sees all the challenges the EU has to deal with, such as security policy, research, infrastructure, climate, energy changeover, employment and migration. But nothing takes place in a vacuum. It is at the local and regional levels issues must ultimately be managed in order to find solutions and achieve impact. This requires skills development and local capacity-building for sustainable regional development of both town and countryside and the ecosystems between them. This includes a focus on social cohesion and integration with the ability, based on smart specialisation, to bring together research and entrepreneurship for developed/new ideas, methods and products. In addition, the ability to do this across national borders between people, academia and companies is required for increased concerted force in the EU, including more down-to-earth confidence-building exchanges and development work with third countries such as, for example, Norway and Russia.

Development efforts for creating socially sustainable growth in Europe can never be controlled or decided from one centrally managed location in one standard format, however they can be given support and funds and also tools from the EU. Thus, Europaforum Northern Europe supports the reasoning in the reflection paper on a social dimension for the EU and the assertion that there is no "one-size-fits-all" for regional development, but rather common challenges that need to be handled together, with the EU as catalyst. The ongoing process concerning the development of an Arctic forum which the EU is pursuing in close



interplay with our regions is a good and concrete example that may be highlighted of structured collective action in a given unique regional context, for the future shape of the EU.

### **The regions are in every way a given part of a European Agenda for the future**

The aim to clarify the division of responsibility between different levels and institutions, who does what in which area, in order to strengthen multilevel governance in the EU is welcome. EFNS advocates a partnership between the EU, the countries and the regions. The countries may, of course, have different models internally and the responsibility of the respective level may vary from one policy area to another. This also implies a need to tidy up the EU's different policy initiatives and support instruments. One way of strengthening the EU's ability to achieve results is an EU assembled order of support instruments distributed to the regional level with the aim of creating development where it is to take place, in the local community, with collaboration between different actors and across borders.

EFNS is positive to maintaining and strengthening a common European agenda in which the regions can also join. Europe 2020 has the advantage of providing a common concept for growth efforts throughout the EU with the special demand for smart regional specialisation. The pillars smart, sustainable and inclusive growth still hold good and regions need to work in the long term to be able to reach out with such strategies. It is also important for seeing how a region's own efforts with the support of EU instruments relate to principal goals and appurtenant control models,

The so-called European semester to maintain a sound economy in the countries with the necessary growth efforts, can be more clearly linked to the regional funds and programmes with the possibility of adapting their priorities over time, given that the follow-up and recommendations are based on what can be controlled at the regional level. To this may be added possibly fewer comprehensive policy tools for a clearer focus. For the regions it may be a question of such things as an Innovation and Growth Union focusing on smart specialisation strategies and structural conversion, an Energy and Climate Union focusing on solutions within green circular sustainable economy, as well as a Skills and Employment Union focusing on employability and inclusive societies.

### **Not more or less EU, rather an EU that interlaces showing consideration for each other**

Europaforum Northern Sweden does not share the view of being bogged down in the scenarios the White Paper outlines as the only possible ways forward for the EU. They are simplifications to contribute to an unprejudiced discussion. It would also be unfortunate if the EU is drawn apart at different speeds, since in the long term it would mean an increasingly unequal EU without common strength and ability. Rather than consider whether we should have more or less of the EU. we should discuss each policy area and what the division of responsibility within them between the different levels should look like. The Brexit negotiations make it manifest how interlaced the EU countries are today.

In this context EFNS wishes to stress the importance of preserving the internal market. The internal market is not some kind of "minimum-EU". On the contrary, it is the core of the EU in that it laces together countries and people and creates enterprise and prosperity. It also largely drives the need for common regulations and standards so as not to risk downward competition with regard to wages, working conditions, taxes, environmental requirements, quality of goods and services and also consumer protection in the EU. In times of change there may be a need for adaptations but it is also the internal market that produces global competitiveness and



opportunities for the EU to set international standards and pressure on those who do not follow the rules.

As in all markets there are, however, market failures and there is a need to ensure that all parts of the EU have access to the internal market and can benefit from it on equal terms. For regions with long distances and a small own capital market there is, for example, a need for relaxation of aid rules and a regional policy that strengthens innovative ability and competitiveness so as not to fall behind. This requires careful analyses and adapted measures as the OECD studies of the NSPA and Sweden and also the Regional Outlook also point out.

With this, Europaforum Northern Sweden wants to contribute to the discussion of the EU's future choice of path, focusing on local and regional everyday life which is the beginning and end of everything, also for the EU.

Europaforum Northern Sweden wants to:

- Welcome a discussion on the role of the regions in the future EU.
- Safeguard a democratic, open and cohesive EU.
- Clarify the division of responsibility and interplay between different levels of the EU's various policy areas.
- Point out the regions' role as the EU's link to local communities and their diversity.
- Interplay with different levels in order to utilise the growth potential in the whole of the EU.
- Support the European Commission's argument that it is at the local level EU policies have an impact.
- Contribute values, skills and everyday work for a sustainable global development.
- Be linked to a common European agenda in order to contribute to the whole of the EU.
- Point to the importance of creating growth, adaptation to climate change and cohesion regionally in the EU.
- See continued but fewer and simpler EU support in partnership with the regions for greater effect.
- Adapt EU policies and tools to manage various local and regional preconditions.
- Stress the importance of contributing to innovation and competitiveness throughout the EU and in all regions.
- Particularly stress the need for adapted policies for possible growth in non-urban areas.
- Emphasise particularly the need for support for competitiveness in the EU of distant and vulnerable regions.
- Indicate how the EU is an engine for collaboration and growth ability in the most northerly part of Europe.
- Highlight the European added value in regional development in collaboration across national borders.



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