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Europaforum Northern Sweden sheds light on the long-term effects and added value of the EU's cohesion policy

Europaforum Northern Sweden (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 relation to the national level in matters with a clear European perspective.

A central issue in the preparatory work on the EU's cohesion policy after 2020 is to what extent the EU's regional policy has produced the desired results. Europaforum Northern Sweden aims to show the importance of the cohesion policy for developments in northern Sweden and how it creates European added value. Interventions supported by EU funds have to a large extent been crucial for regional growth and increased employment.

From subsidy policies to strategic investment policies

Since Sweden's entry into the EU in 1995, the regions of northern Sweden have gradually abandoned subsidy policies in favour of strategic investment policies with clearer development goals. From the turn of the century and thereafter, regional development work in northern Sweden changed from a wide distribution of resources to a focused attempt to transform structures and create enhanced preconditions for growth. More determined ambitions at the regional level have gradually been supplemented and integrated into the EU's overall strategy for smart, sustainable and inclusive growth, the EU 2020 strategy. Long-term efforts to create regional innovation systems, business networks, clusters and strategies for smart specialisation have gradually developed the regions in areas with comparative advantages for increased competitiveness.

Common goals, increased dialogue, partnership and collaboration

Actors at local, regional and national levels have been brought together in a consistent effort to accomplish common EU targets by their involvement in projects under ESI funds. Continuous planning, programming, implementation and follow-up have required dialogue, partnership and collaboration. Smaller organisations, municipalities and actors with little institutional capacity have been provided with incentives to act in larger contexts, cooperate and adopt the EU's objectives. Through cohesion policy and financial resources, the EU has strengthened its legitimacy at the local and regional levels.

Territorial cohesion and increased knowledge

The regions of northern Sweden have developed close cooperation across national borders in order to strengthen one another's capacity, knowledge and communication regarding regional development. The network Northern Sparsely Populated Areas (NSPA), which



consists of the 14 most northerly regions in Norway, Sweden and Finland, is a successful example of collaboration that would probably not have been established without the EU's cohesion policy. Over the years the NSPA has identified common potential for increased competitiveness with the aid primarily of two studies; the Nordregio's study Strong, Specific and Promising – Towards a Vision for the Northern Sparsely Populated Areas in 2020, 2009, and the OECD's NSPA Territorial Review, 2017. The studies show that the regions are creating growth for the benefit of the whole of Europe, and establish that the regions' competitiveness has the potential to increase further, provided that regional development work is long-term, cohesive, goal-oriented and based on the regions' respective comparative advantages.

Broadband and digital services

The EU's cohesion policy has been decisive for the emergence of the broadband network in northern Sweden. The digital backbone network that links locations up with the area network has enabled a development of digital services. In sparsely populated areas with substantial distances to schools, services and health care, broadband has been of special importance for both individuals and companies. In northern Sweden the extension of the broadband network has been one of the major investments in recent times, at the same time as distance studies, electronic health services, e-commerce, digital infrastructure and knowledge intensive business services were priority growth areas.

Digitalisation has increased the volume of data which has required the establishment of a considerable number of new data centres all over the world. Northern Sweden has succeeded in attracting several major data centres, largely thanks to the region's unique attributes, with hydroelectricity's stable and green supply of energy, a cold climate and well-developed fibre capacity. Northern Sweden's transformation to a more digitalised and sustainable industrial production has created new opportunities for strengthened competitiveness, increased employment and sustainable growth.

Regional innovation systems

The development of information and communication technology has enabled distance-independent collaboration between several actors, which has compensated for the disadvantages that are a consequence of a sparsely populated northern Sweden with long distances between places, companies and markets in and outside the region. Innovations are created everywhere in society, through both formal and informal networks. However, the opportunities to take advantage of the systems and environments that promote innovation are more limited in sparsely populated areas with a small critical mass. It is a difficult structural challenge that has called for new ideas and work methods.

The EU funds have enabled, among other things, the development of distance-independent regional innovation systems that connect up the business sector, society and the academic sector in a manner that would not otherwise have been possible. This is particularly important for regions with leading applied research but with less academic tradition and advanced basic research, to attract research funds. In the absence of its own critical mass,



based on smart specialisation, northern Sweden has built and connected up clusters in different sectors of society, and this has created regional capacity with a clearer focus. One effect of this development is that today northern Sweden has one of the highest innovation capabilities in Europe.

Changeover to bio-economy

The EU's cohesion policy has been absolutely crucial for the development of bio-based industry in the north of Sweden. Since the early 2000s, the regions have better utilised the development potential in the extensive research efforts carried out with regard to forest-based raw materials. Swedish forestry has long made efforts to achieve a resource-efficient use of the various parts of the tree. Active forestry contributes to binding carbon dioxide from the atmosphere and to ensuring a continuous growth and regrowth of forests in Sweden. The EU's structural funds have contributed to a long-term sustainable economic development with innovations, new companies, and a well-developed existing industry for conversion. The pulp and paper industry, for example, has implemented a successful readjustment where at present they utilise the raw material in its entirety to produce new products, chemicals and processes. At the same time the structural funds have contributed to the development of sustainable products, more effective use of the forests, and hence a reduced climate impact. Biomass and bio-based products are a priority area in the implementation of the EU action plan for the circular economy in which it is assessed the use of forest raw materials has the potential for further effectivisation.

Development of the tourist industry

Northern Sweden's economy is largely based on enormous natural resources and the processing of raw materials. However, in pace with technical developments and increased productivity the numbers employed have decreased, which has forced the north of Sweden to develop and strengthen additional industries. The tourist industry, for example, is a line of business that has grown, matured and become internationalised thanks to the EU's structural funds. The industry is personnel intensive and offers employment to women and men, utilises the natural environment and creates local appeal.

Long-term and strategic efforts to develop knowledge, collaboration, brand building, and skills enhancement have gradually increased the number of guest nights which has resulted in a stronger belief in the future, optimism and joint development of the industry. The development of the tourist industry in its turn has also meant more private investment and additional positive spill-over effects to, among others, the construction industry, retail business, the haulage industry and the service industry, with increased growth and employment as a result. EU funds have also been of major importance for Sami industries, which often lack resources and support services for business development.

In combination with infrastructure efforts such as upgrading of regional airports, eliminating bottlenecks for goods traffic and passenger transport, and also reinforced highways to neighbouring countries, the availability of tourist destinations in northern Sweden has increased.



Transport infrastructure

The regions' chances of developing transport infrastructure in northern Sweden on their own have proved inadequate. The EU's structural funds on the other hand have created a flexibility in that the regional development perspective has received supplementary resources to develop specific measures or strengthen the resources allocated at the national level. This applies, for example, to development of terminal structure, port infrastructure, the changeover to a fossil-fuel-free infrastructure, special measures for parts of the railway network, which from a regional perspective are very important but where these regions have difficulty in fully asserting themselves in competition at the national level or where insufficient funds have been allocated in county transport plan frameworks to make the achievement of noticeable improvements possible.

The national transport plan has proved insufficient for creating partnerships in connection with specific regional efforts where the scope of the effort requires long lead times. In these contexts the EU structural funds have increased the chances of assembling the available resources, creating partnerships and reducing lead times in order to be capable of carrying out measures in the national transport system in the immediate future.

Skills supply

Through the EU's cohesion policy and funds, northern Sweden has prioritised efforts that strengthen industry's and workplaces' need to develop employees' skills and ability to adjust in order to meet new work methods and requirements. Efforts have also been directed to strengthening the employability of those who are outside the labour market or risk ending up there.

Furthermore, in previous programme periods, investments in infrastructure creating preconditions for learning and skills supply were made possible, such as the construction of distance study opportunities and local learning centres. They have improved the chances of utilising education services and environments that promote skills supply in sparsely populated areas with substantial distances between places and education centres.

Against this backdrop Europaforum Northern Sweden wishes to

- encourage the EU institutions to evaluate the structural effects of the cohesion policy over time, and not based on individual programme periods or project areas.
- welcome a future cohesion policy that supports long-term strategic investments, promotes innovation, strengthens the regions' capacity to meet future structural changes, and in this way also contributes to reaching EU common goals.
- create appreciation of the EU funds' crucial importance for the long-term development of our regions, and therefore invite the EU institutions to study thematic accounts of regional development made possible thanks to long-term, systematic work extending over programme periods.



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