

European Commission European Parliament Swedish Government Swedish Riksdag

## Europaforum Northern Sweden wishes to communicate its views concerning smart specialisation

Europaforum Northern Sweden 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 analyzed and discussed as regards how they affect northern Sweden. EFNS monitors European issues to influence EU legislation, the EU's strategies and action programs 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.

## Northern Sweden welcomes a continued focus on smart specialisation based on the special preconditions of each region

Europe is made up of regions whose diversity and differences constitute their core. Each of these regions has unique challenges and opportunities. Giving special consideration to each region's context and objective is the key to sustainable development in all parts of the EU. The concept of smart specialisation focuses on this diversity and contributes to strengthening the regions through collaborations that lead to innovation in the regions and cooperation with European regions and countries with a similar focus. Smart specialisation is a working method that aims to reinforce regions' competitiveness by identifying and prioritising areas with a potential for growth. Smart specialisation gives regions a common framework and common terminology for identifying regional growth opportunities.

The implementation of smart specialisation strategies must take this diversity into consideration and offer flexibility to the regions for carrying through regional policy based on their own preconditions and with smart specialisation as a necessary condition for ERDF programmes. Such flexibility is needed not least in northern Sweden.

In sparsely populated regions with considerable distances companies and academic institutions are forced to cooperate inter-regionally and internationally. These regions also have smaller economies with a greater degree of small and micro companies as well as small local and regional authorities. This means that, to a greater extent than other regions<sup>1</sup>, sparsely populated areas often cannot create whole innovation systems within their own region and need to strengthen their capacity through networks outside the region. Work on smart specialisation in these regions needs furthermore to be accompanied by investments in skills maintenance and attractiveness, since access to labor is limited because of the considerable distances<sup>2</sup>.

EFNS welcomes the EU Commission's proposal in the country report for Sweden in the 2019 winter package to support the northern sparsely populated areas in international and regional cooperation for exchanges of knowledge and to achieve a critical mass for smart specialisation. Smart specialisation processes must be continuous and therefore such support should not be in the form of projects but should rather be of a long-term nature.

<sup>&</sup>lt;sup>1</sup> https://ec.eurppa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/implementing-smart-spcialisation-sparsely-populated -areas

<sup>&</sup>lt;sup>2</sup> http://www.oecd.org/publications/oecd-territorial-reviews—the-northern-sparsely-populated-areas-9789264268234-en.htm



- EFNS welcomes a continued focus on smart specialisation within the EU's cohesion and research policy and emphasises that implementation of smart specialisation strategies must start from the special preconditions of each region, not least in sparsely populated northern Europe.
- EFNS welcomes the Commission's proposal to grant support to the northern sparsely populated areas in the next program period for international and regional cooperation for exchanges of knowledge and in order to reach a critical mass for smart specialisation.

## Inter-regional innovation investments must also include the sparsely populated regions in northern Europe

EFNS welcomes the proposed new initiative for inter-regional innovation investments (Component 5). The OECD study<sup>3</sup> carried out on Northern Sparsely Populated Areas (NSPA) shows that smart specialisation and cooperation within NSPA are of particular importance for development force. In sparsely populated areas there is a greater need for inter-regional and international cooperation within smart sspecialization since capacity is lower due to long physical distances between companies, academic institutions and markets. It is also a challenge to achieve cooperation when the critical mass is low.

The proposed division of the initiative for inter-regional cooperation into a sub-programme for more developed regions and one for less developed regions does not capture the situation in regions that are more developed but at the same time sparsely populated. The design does not enable innovation leaders in sparsely populated areas such as the regions of northern Sweden to diversify their regional economies and create a capacity for innovation outside traditionally strong areas. Furthermore, different geographical parts and different sectors within the regions have different degrees of maturity and needs for inter-regional cooperation.

EFNS therefore questions the division of the initiative's two sub-programmes and is of the view that all regions should both have access to funds for capacity building as well as participation in interregional innovation cooperation. Furthermore, it is essential that the selection of projects ensures good distribution in the whole of the EU.

Smart specialisation starts from each region's unique preconditions in the focusing of funds on the industries that have chances of becoming competitive on the global arena. Inter-regional cooperation in smart specialisation should follow the same logic and build on thematic areas that the regions themselves identify in a bottom-up process. The design of the instrument should take place in interplay with the internal market programme and the new scale-up instrument in order to avoid duplication and ambiguity for companies wishing to take part in the project.

<sup>&</sup>lt;sup>3</sup> http://www.oecd.org/publicationsoecd-territorial-reviews-the-northern-sparsely-populated-areas-9789264268234-en.htm



- EFNS welcomes the new initiative for inter-regional investments but requests that the initiative should also cater for the needs among the more developed sparsely populated regions which have difficulty in reaching critical mass due to a sparse population and therefore need capacity support to enable inter-regional innovation investments.
- EFNS considers that announcements within the initiative for inter-regional innovation investments should not be limited to thematic areas chosen in advance.

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