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# The view of Europaforum Northern Sweden concerning the future of EU cohesion policy

## **Europaforum Northern Sweden**

Europaforum Northern Sweden is a partnership and network for councillors at local and regional level covering the four northernmost regions in Sweden; Norrbotten, Västerbotten, Västernorrland and Jämtland. The aim of the network is to increase the knowledge of EU politics and give the region of northern Sweden a voice putting forward knowledge and experiences of the regions resources, assets and possibilities plus challenges of geography as an extremely sparsely populated region and long distances.

Europaforum Northern Sweden welcomes the initiative to open the debate on the European Cohesion policy after 2013 and would like contribute to the debate with the following reflections and recommendations based on our experience with the previous and current cohesion policy.

## **EU Cohesion policy**

The European cohesion policy have contributed to the development and promotion of knowledge-based industry and strengthened the impact of higher education and universities in regional development in the northern Sweden. This policy has over the years significantly contributed to the economic progress of the regions, such as the region of northern Sweden by enhancing the strategic approach in regional development work as well as the role of the regions, increased employment and entrepreneurship, improved competitiveness and sustainable development and integrated the exchange of good practices and knowledge-sharing across Europe.

The added value of allocated structural funds has been great for Northern Sweden and European Union. It has made it possible for Northern Sweden to find new

solutions. The structural funds have been used for building new technologies, distance spanning techniques, natural winter test platforms and know-how in artic environment as well as establishing new creative industries. One example is our knowledge in distance spanning techniques within the health sector - a sector that will be put under great pressures coming years with an aging population with high demand on the healthcare sector. This is something that also has created an added value for the whole of Europe.

## **Future challenges for regions in Europe**

Increased competition as a result of further globalisation will, as stated in the  $4^{th}$  report on economic and social cohesion, pose a challenge for regions in Europe. Regional and local economies in Europe are increasingly exposed to global competition. The cohesion policy ensures regions involvement addressing this challenge.

Moreover, demographical challenges with low birth rates, outward migration from some regions in Europe and with a increasing part of the population as elderly is something that needs to be addressed in EU policies such as the cohesion policy as well as other policies at EU-level, national level and regional and local level. For regions with geographical constrains such as extreme sparsely populated areas these demographical changes becomes real challenges with high strains on the healthcare services and to retain high quality public service. The cohesion policy and subsequent financial instruments used developing new solutions and techniques such as distance spanning techniques used within the public service can help meet these demographic challenges in the sparsely populated areas of northern Sweden.

This climate change is a global challenge affecting all of Europe. Climate change and increased demands of secure sustainable and renewable energy resources will pose an increasing challenge for the regions of Europe. Increased energy prise is expected to push up transport costs if not alternative modes of transporting individuals and goods are developed, shifts from road to rail and/or more fuel efficient ways within the transport sector is developed to compensate an increased price level. As stated in the report peripheral regions such as the northern Sweden with a sparse population, long distances within the region and the main markets of Europe are most likely to be affected by this.

The climate change needs to be addressed at all levels of governance especially at EU-level. Northern Sweden encourages the European Union continuing setting out ambitious targets and strategies towards reaching the targets. Coordination between EU-policies can stimulate development addressing climate change including development and exploitation of renewable energy resources. Cohesion policy can support regions addressing these challenges where regions such as northern Sweden

can develop or expand renewable energy sources such as biomass, wind power or can gain and create added value for all regions in EU.

Further, when it comes to the northern Sweden, special attention should be paid to the sustainable use of natural resources and particularly to a higher utilization of renewable energy resources in order to reduce CO2 emissions. A more intensive forest management can result in a remarkable carbon capture. This will create added value for all regions of Europe.

## **Territorial cohesion in the European Union**

Europaforum Northern Sweden believes that the future EU regional policy should aim at a balanced development among European regions. It is important with a continued focus also to our part of the European Union and our special characteristics and needs such as geographical and demographical challenged regions such as the sparsely populated areas of northern Sweden with low population density, extreme remoteness, and harsh climate. This is stated in Protocol 6 in the Accession Treaty for Sweden, Finland and Austria, and furthermore, mentioned in Article 158 of the new Constitutional Treaty as well as in the Reform Treaty of European Union Article 158 that states that particular attention shall be given regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions.

The permanent natural and geographic handicaps of the sparsely populated areas of northern Sweden are of cumulative nature. The low population density, the demographic change, the extreme remoteness and the harsh climate contribute to the accumulation of effects, which not only results in a complexity of problems for regional development but also pose an increasing risk of losing a critical mass of the population especially in the rural areas.

The low population density and the long distances are serious problems for both public and private sector, hampering the competitiveness of the society and businesses. Small local and regional societies limit economic activities. The public sector pays a high cost for maintaining an adequate level of services of general interest with a greater part of the population as elderly with a high dependence on the public sector.

### **Future EU cohesion policy and regional involvement**

Critical competencies such as a regional innovation strategy, infrastructure, secured energy supply, a research and development strategy and human resources are important to make regions globally competitive. Further, regions can benefit from learning from each other by cooperation cross borders, sharing good practises

concerning development strategies which should be continued supported by the cohesion policy.

In order to guarantee the principle of subsidiary the regional level should fully participate in planning, programming and implementing the regional policy of the European Union. This is important due to the regions own competence concerning the regions certain demands, needs, resources and possibilities for growth and development. Regions of the European Union, including northern Sweden anticipate influencing public policies so that they have a real and positive impact on improving the competitiveness of the regional economy and the well-being of residents.

Moreover, better coordination of the Structural Funds and other development programmes (the European Agricultural Fund for Rural Development, the Framework Programme for Research and Technical Development etc.) can result in synergies. Migration policies and other EU-policies such as competition policy, environmental policy, transport policy and fishery policy should be coordinated for desired synergies effects.

Further, the regions in the Northern Sweden; Norrbotten, Västerbotten, Västernorrland and Jämtland has historically long traditions of cross border cooperation with regions eastwards in Norway and westwards with regions in Finland and Russia and around the Baltic Sea of varying intensity. Good governance and multi-level governance can also be emphasised and promoted in a horizontal perspective where regions cooperate cross borders within the European Union addressing challenges working together exchanging knowledge and experience increasing their capacity to formulate and deliver policy.

The interregional and cross border programs has provided opportunities for extensive and deeper cross border cooperation. These financial instruments together with EU policy Northern dimension have supported cross border cooperation in this region.

The policy of Northern dimension is pivotal supporting cooperation in the northern of Europe including cooperation between regions within the EU and regions in Russia, Norway and Iceland addressing common challenges in the North Europe. The cohesion policy including the cross border programs supports implementation of this policy.

The future cohesion policy should even more contribute to increasing and intensified cross-border cooperation within the European as well as with its neighbouring regions, above all in the fields of climate, environment and energy, distance-spanning technology and e-health is important for the region of Northern Sweden. This will benefit regions within the European Union.

## A future strong EU cohesion policy

Solidarity between regions in the European Region will create added value for the whole European Union. Therefore EU needs a future strong cohesion policy. For Northern Sweden and other regions within the European Union to continue to be healthy regions in the future, which can contribute to the realisation of the Lisbon Agenda and the Gothenburg strategy, there is a need for single-minded efforts to develop business and the infrastructure. Further supporting the regions capacity to create employment, education, and a good environment with renewable energy sources, good communications and a positive demography with good public health is also important to equip regions meeting the demands of tomorrow.

Europaforum Northern Sweden is convinced that the cohesion policy of the EU and the structural funds will be even more needed in the future to meet tomorrow's demographical demands, rising energy prices and other challenges for our regions in the European Union. Northern Sweden persistently emphasizes the importance of a continued forceful European cohesion policy for the period 2014-2020 supporting regions facing the challenges of tomorrow.

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