



## The northern dimension of cohesion for all of Europe

Northern Sparsely Populated Areas (NSPA) in EU consists of less than 0,5% of EU population on 10% of EU land area.

The NSPA covers North and Mid Sweden and North and East Finland within the EU and North Norway within the EEA. A growing unique cooperation in the north of Europe, also involving North-West Russia. NSPA is to a large extent the same as Lapland, the land of Sápmi, the Samic people.

Sparsely populated areas (SPA) are, according to EU standards, areas with less than 12,5 inhabitants per square kilometer. Very sparsely populated areas, are areas with less than 8 inhabitants/km<sup>2</sup>. NSPA within the EU has on average 5,1 inhabitants/km<sup>2</sup> (116 for the EU on average).

There are other SPA in Europe, but the scale for NSPA – geographically, in sparsity and distances to any agglomeration – gives another dimension to the phenomenon.

## Obstacles for the NSPA to overcome

The unique conditions in the NSPA means very specific challenges.

### 1: Sparsely populated

Very few people on a very vast area gives extra costs for infrastructure and public, social and commercial service.

### 2: Remote

Long distances within the region and to the markets gives extra costs for communication and local, regional and external trade.

### 3: Arctic

Harsh climate and long dark nights during long winters gives extra costs for heating, lighting and keeping roads and waterways open.

### 4: Raw material dependent

Big natural resources, such as minerals (e.g. 88% of EU's iron ore), forests, oil, gas, hydro power, gives a vulnerable enterprise structure where revenue from external investors and EU industries, do not come back to local society.

### 5: Declining and ageing male dominated societies

All this in combination with rationalized industries, leads to declining societies, young people and especially women moving out for education and better jobs, while industries have difficulties in finding skilled workers. Being rich in natural resources is not the same as being a rich society.

## Legal basis for extra allocation for the NSPA

Article 174 of the EU Treaty puts forward particular attention to regions with permanent natural or demographic handicaps, such as SPA. In Protocol 6 of the Accession Treaty for Sweden and Finland, the NSPA is acknowledged as special very sparsely populated areas that need specific treatment due to extreme geographical specificities.

Hence, the NSPA is acknowledged by the EU as an area with severe and permanent handicaps.

## The commission proposal for cohesion policy 2014–20

The NSPA receive an extra allocation, however decreased by about 40% compared to current period. This in contradiction to the treaties, that today more strongly emphasizes the quest of incorporating regions with handicaps.

The proposed thematic concentration is in overall well suited, however too narrowed in regard to the main NSPA obstacle of distances within/to markets. This calls for connectivity investments; infrastructure, broadband, ICT, to reach EU 2020 objectives of attractive growing societies.

The extra allocation should overall be more flexible to really address its purpose; the territorial specific obstacles, rather than only main stream EU objectives.

Since the NSPA need to work together, the proposed increase in territorial cooperation is very much welcomed.

## Unleashing the regional innovative NSPA potential

EU cohesion policy should towards NSPA, to some extent, of course compensate for the lack of competitiveness due to permanent geographical specificities/handicaps.

### 1: Cohesion as an investment tool for EU 2020 in NSPA

More important, however, is to use cohesion funds as tools for investing in the future, using the possibilities that are for regional growth in line with EU 2020 also for NSPA.

### 2: Expanding clusters of smart specialization

EU support together with national and regional efforts have brought results to NSPA, especially in innovation and specialization, as creating leading clusters connected to world leading skills in mining, foresting, IT and more.

### 3: Using existing obstacles in new innovative ways

This happens also by using the obstacles in new ways; such as world leading winter car test sites, the Ice Hotel, Facebook new winter cooled super server halls and winter tourism such as charter to the home of Santa Claus.

### 4: Making demographic transition being pragmatic

The NSPA is in many ways a forerunner in the demographic challenge. The need to tackle this issue brings also innovation, e.g. is NSPA world leading in e-health knowledge.

### 5: Turning the map around in a global perspective

Due to lack of critical mass of capital and people, there is need for local support, helping processes on its way, not focusing on raw material as much as on an economy based on globally interlinked innovative people in one of the most interesting regions of today's world.

