

Socio-economic analysis Interreg Aurora

Presentation

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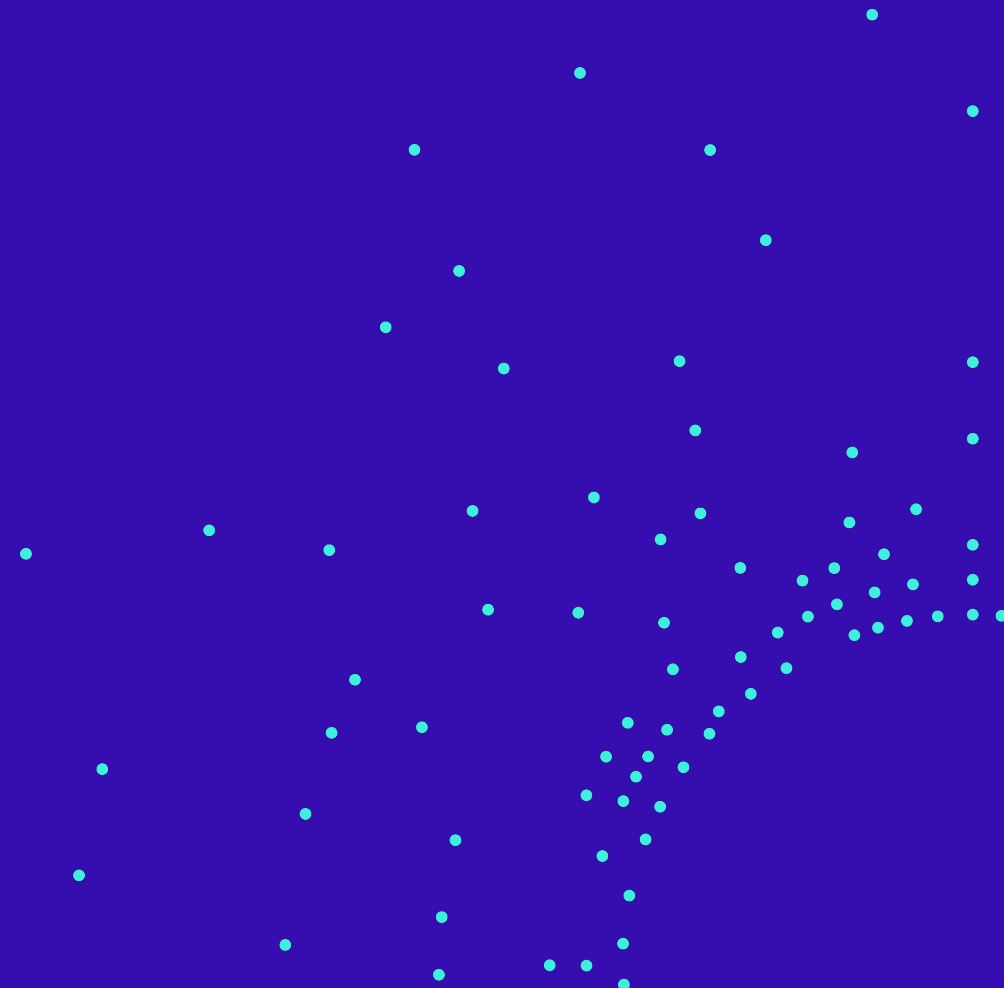


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Executive Summary



- Interreg Aurora - the programme area with an abundance of natural resources and a high level of knowledge
- Challenges include infrastructure & connectivity and attracting competent labour force. The challenges differ within the programme area regarding e.g. demography and long distances.
- Climate change, green transition, and sustainable use of natural resources - high in the agenda
- Recovery from COVID-19 has been given extra attention.
- The major themes of the EU policy for 2021-2027 fit well into the Interreg Aurora – with specific cross-border nature

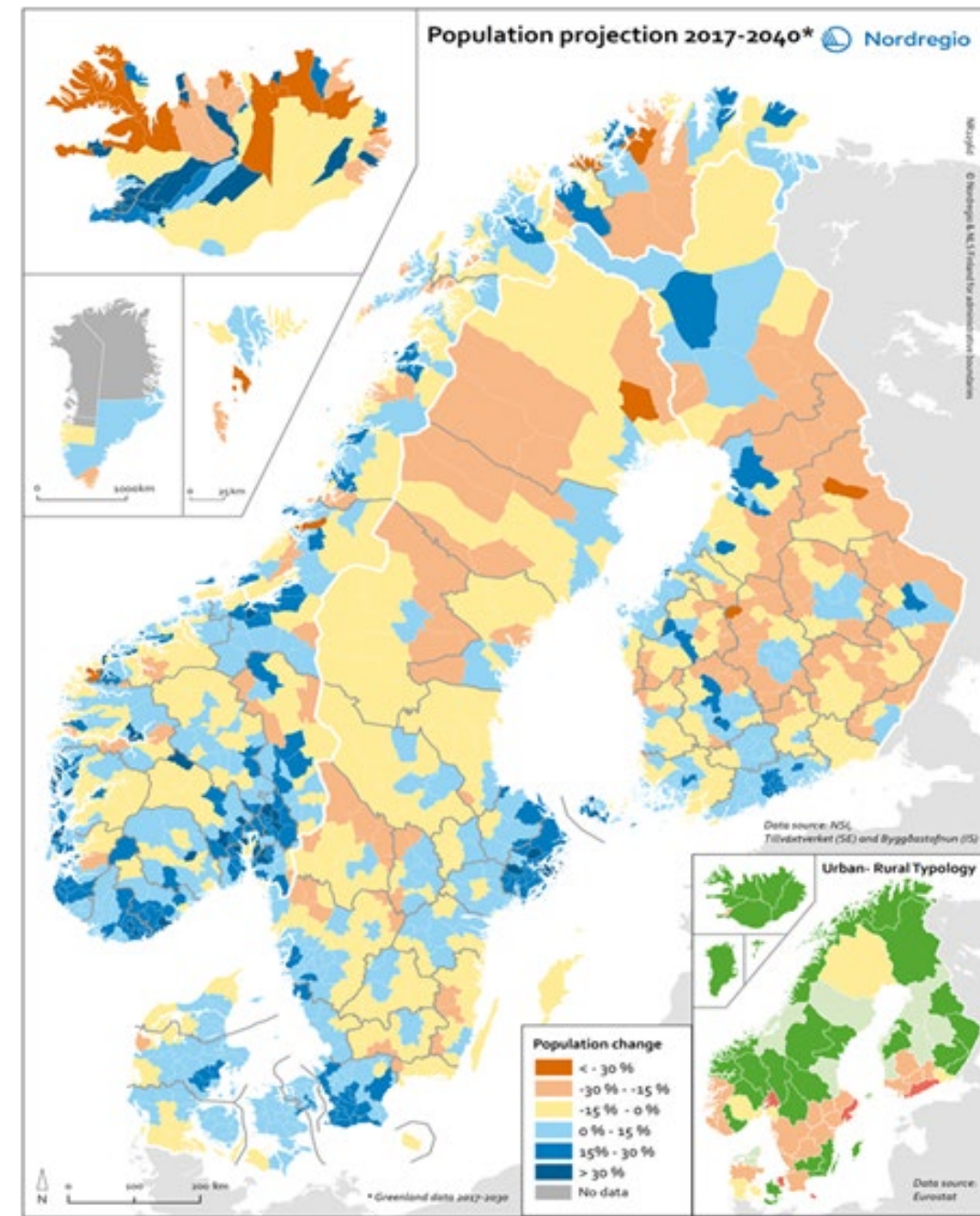


Regional facts

Region	Area (km ²)	Population (31/12-19)	Population density (population per km ²)
Troms & Finnmark	70 930	243 311	3,4
Nordland	35 760	241 235	6,7
Norrbotten	97 242	250 093	2,6
Västerbotten	54 664	271 736	5,0
Västernorrland	21 548	245 347	11,4
Lapland	92 676	177 161	1,9
North Ostrobothnia	36 816	412 830	11,2
Central Ostrobothnia	5 020	68 158	13,7
Ostrobothnia	7 754	180 445	23,3
Southern Ostrobothnia	13 444	188 685	14,2

Demography

- An overall population decrease – but with some (mainly) coastal areas with a forecast of growth
- Ageing trend continues - a smaller proportion of working-age over time, especially in rural regions.
- The demographic development in the Sámi area follows the pattern of rural areas in the north.



POPULATION PROJECTION 2017-2040

Labour market and industry structure



- Labour market participation in the programme area is somewhat lower compared to the countries' average
- Unemployment rate in the programme area is on par with countries as a whole
- “Strong Innovator” category in a European comparison – but the R&D expenditure is lower than e.g. in the metropolitan regions of Finland, Sweden, and Norway

Major universities, universities of applied sciences, and R&D centres



Region	Major universities, research institutes and R&D centres
Troms og Finnmark	UiT The Arctic University of Norway, Sami University of Applied Science; Nofima, Norsk Polarinstitutt, NORCE, NIBIO, Havforskningsinstituttet, Akvaplan-Niva
Nordland	Nord University, The High North Center, Nordland Research Institute
Norrbottn	Luleå University of Technology, RISE Interactive Institute Swedish ICT (Piteå), RISE SCIS North (Luleå), RISE Energy Technology Center (Piteå), RISE SICOMP AB (Piteå), RISE ICE Data center (Luleå), Swerea MEFOS (Luleå), Winternet (Boden), EISCAT (Kiruna) & Swedish Institute of Space Physics.
Västerbotten	Umeå University with several research centers at the University and the University Hospital. SLU Umeå (The Swedish University of Agricultural Sciences). Luleå University of Technology in Skellefteå. RISE Interactive in Umeå
Västernorrland	Mid Sweden University; RISE Processum
Lapland	University of Lapland, Lapland University of Applied Sciences; Regional units of Geological Survey of Finland (GTK), Natural Resources Institute Finland (LUKE), Sodankylä Geophysical Observatory (SGO) and Arctic Space Centre /FMI
North Ostrobothnia	University of Oulu, Oulu University of Applied Sciences; VTT Technical Research Centre of Finland Oulu unit
Central Ostrobothnia	Kokkola University Consortium Chydenius, Centria University of Applied Sciences
Ostrobothnia	University of Vaasa, Vaasa University of Applied Sciences, Novia University of Applied Sciences, Åbo Akademi University Vaasa unit, Hanken School of Economics Vaasa unit, University of Helsinki Vaasa unit, Centria University of Applied Sciences
South Ostrobothnia	University Consortium of Seinäjoki, Seinäjoki University of Applied Sciences

Health & Healthcare

- 34% of people in the programme area are hindered by illness or disability
- Long travel time to the nearest emergency hospital in peripheral parts of the Programme area

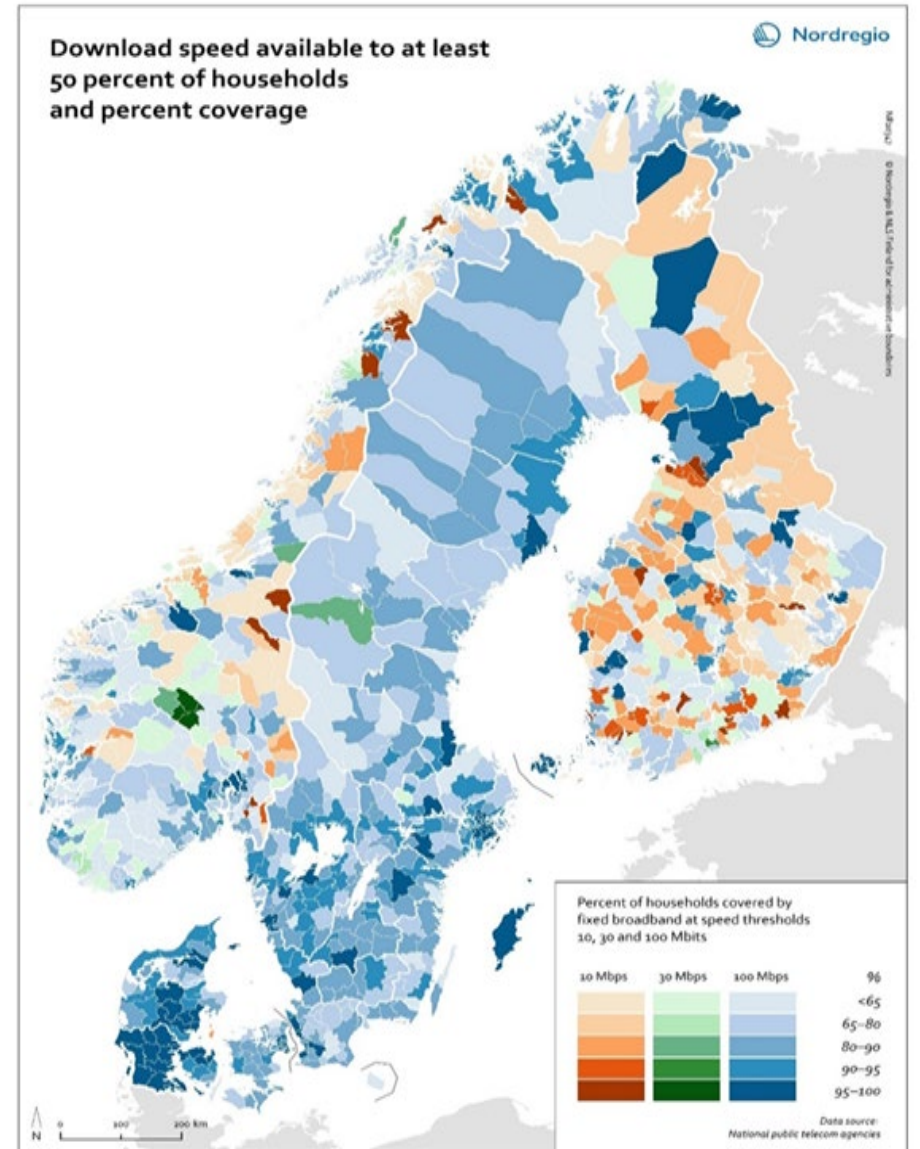
Smart & Green



- The industry structure in the Interreg Aurora programme area is a combination of sustainable utilization of natural resources and initiatives to promote advanced technology.
- Green transition is increasingly on the Agenda, especially regarding the big companies and large-scale investments. An accelerated green transition in the Programme area in 2021-2027.
- COVID-19 pandemic with long-lasting effects on many economic sectors such as tourism

Infrastructure and connectivity

- Lack of cross-border air traffic connections
- In the North: scattered population, long distances, long winters and mountainous terrain. Shorter distances e.g. in the Gulf of Bothnia.
- High hopes on transport infrastructure to be improved - especially rail traffic.
- Digital connectivity remains a challenge in some parts



Culture and cultural heritage



- Rich cultural heritage - but the knowledge on culture across borders to be strengthened.
- Opportunities in the extended Programme area to develop e.g. sustainable tourism concepts while respecting and promoting cultural heritage, engaging local stakeholders.
- The Sámi culture, language, and heritage - to be sustained and developed



Smart specialisation (S3)



- The Programme area is increasingly involving smart specialisation as an instrument of R&D and innovation policy
- Interregional/transnational cooperation in smart specialisation promoted by e.g. ELMO interregional S3 cooperation in East and North Finland
- Sustainable smart specialization (S4) initiatives keep increasing

Interreg Aurora in a Nordic context

- Tourism - an area of interest by all regions of Interreg Aurora.
- The Programme area strives to reach higher in the value chain – independently of the sector
- Innovation performance is largely concentrated in few “hot spots” in a Nordic comparison.
- Sustainable use of natural resources remains an issue



SWOT Interreg Aurora

STRENGTHS	WEAKNESSES
<p>Economy <i>Strong industries & valuable natural resources</i> <i>Advanced regional innovation system and R&D institutions in larger cities</i>, Arctic expertise, Strong public sector, Digital connectivity in larger communities, Entrepreneurship (e.g. in the coastal regions in Finland)</p>	<p>Economy <i>Lack of competent labour & not enough KIBS companies</i> <i>Low diversification</i>, Peripherality and low accessibility Economic resilience to meet Covid-19? Exposure to shifts in international markets, Cross-border business possibilities not fully utilized, Low ability to attract private investors Cross-border obstacles remain, Low values of real estates affect business</p>
<p>Social <i>Relatively low unemployment</i> <i>High level of education</i> Cultural hubs in larger cities to attract talent Equality and inclusion at high level Trust has developed inside Interreg Nord and BA</p>	<p>Social <i>Ageing population & depopulation</i>, Lack of inclusion of vulnerable groups in working life Outmigration (young people) Insufficient knowledge on regions/ New programme area Digitalisation - not for everybody</p>
<p>Environment Clean natural resources Strong community and cultural links and heritage <i>Promising cases of green transition</i></p>	<p>Environment Possible negative consequences of climate change to nature <i>High transport costs with high ecological footprint</i> Green transition coming only with slow pace</p>
<p>Unique with Sapmi Connectivity to Sami in Sv/Fi/No/Ru <i>Shared history, heritage, traditional knowledge</i> Specific Sami industries in interaction with nature and sustainability, Sustainable industries</p>	<p>Unique with Sapmi <i>Young people moving out</i>, Small businesses, lack of capital and business structures, Dependence on public sector, Low level of innovation - distances to markets, Unbalance of institutional resources, Cross-border barriers; Lule, South, Pite, Ume, Inari, Skolt Sámi language endangered</p>

SWOT Interreg Aurora

OPPORTUNITIES	THREATS
<p>Economy <i>Arctic branding of certain businesses ,Green transition with new cleantech businesses, New innovative companies, Business models to recover from covid-19, Skills & competence upgrade, Digital leap to support businesses Electrical aviation, Bilateral/trilateral S3 solutions, Building up larger projects with broad impact</i></p>	<p>Economy <i>Slow pace of green transition affecting businesses negatively Only few new innovative companies, Covid-19 causing permanent negative changes (e.g., transport, tourism), Few international/cross-border businesses, Land areas under pressure – (possible conflicts mining, tourism, herding)</i></p>
<p>Social <i>Digital leap “the Arctic and inclusive way” enabling more remote working; possibility for smaller communities Integration of immigrants in local communities</i></p>	<p>Social <i>Depopulation and outmigration continue- lack of critical mass, Urban/rural disparity, Loss of traditional livelihoods Pressure on services - negative spiral</i></p>
<p>Environment <i>Sustainable use of natural resources, Successful local adaptation to climate change, Circular economy the Arctic way</i></p>	<p>Environment <i>Negative consequences of climate change to nature, Industry pollution and unsustainable use of natural resources</i></p>
<p>Unique with Sapmi <i>Cultural and tourism entrepreneurship, Cross-border cooperation in Sapmi, Unique Sami businesses, Sámi knowledge with sustainable use of resources, Businesses and cooperation between traditional and new livelihoods, clustering, Attractive natural environment, Potential for developing new livelihoods</i></p>	<p>Unique with Sapmi <i>Knowledge and competence out of the Sámi area, Migration and draining of Sami human resources, Competition and restriction on the use of natural and pasture resources, Loss area for sustainable reindeer herding, Climate change challenges, Different approaches to predators, Sami languages and culture are threatened</i></p>

Interreg Aurora and February 24, 2022

The **Black swan event** describes an event that comes as a surprise, has a major effect, and is often inappropriately rationalized



Source: By fir0002flagstaffotos [at] gmail.com Canon 20D + Canon 400mm f/5.6 L - Own work, GFDL 1.2, <https://commons.wikimedia.org/w/index.php?curid=7631884>