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CONTRIBUTION TO THE CONSULTATION ON THE FUTURE “EU2020” STRATEGY

The Regional Councils of Eastern Finland (Regional Council of Etelä-Savo, Regional Council of North Karelia, Regional Council of South Karelia and Regional Council of Pohjois-Savo) and **East Finland EU Office**

The Regional Councils of Eastern Finland represent a part of Finland next to the European Union's eastern external borderline towards Russia. East Finland is a modern high-tech region with vast natural resources: characteristics that can bring significant added value to the rest of Europe. East Finland is also faced with permanent challenges (long travel distances, cold climate, sparse and ageing population, location in the EU periphery and external EU border) that create a need for special attention and support. Altogether the regions of North Karelia, South Karelia, Pohjois-Savo and Etelä-Savo have a population of circa 705 000 inhabitants and an area of some 54 000 km², which makes the region more than one and a half times the size of Belgium measured by surface area.

This response is based on the contribution that East Finland made to the consultation on the Green Paper of Territorial Cohesion and also the discussions that East Finland has had with the EU institutions on the future EU funding period.

Key messages of East Finland concerning the future EU2020 strategy are the following:

1. “EU2020” Strategy is Needed

Eastern Finland sees that the Lisbon strategy has been a useful tool in tackling the greatest European challenges of the last decade related to growth and jobs. Lisbon strategy has provided a clear single framework for goals and aspirations of the EU on how to make Europe the most competitive global player. Even though all the targets have not been reached during the last decade, the strategy has been a good effort and a similar output is needed for the forthcoming times as well.

2. Regional Policy Must be a Priority in the EU2020 Strategy

Eastern Finland states that cohesion policy is one of the key EU policies and must be continued beyond 2013. Regional policy and supporting all European regions through different regional policy funding mechanisms should also be clearly stated in the strategy. EU cohesion policy has been a vital and productive tool for improving the competitiveness

of all European regions - including East Finland. Balanced regional development can only be achieved by promoting and supporting cooperation between urban areas and sparsely populated regions, as well as between the most competitive European Union territories and those with economic problems.

Due to regional differences, it is not enough to prepare wide operational programmes and development measures or broad interregional strategies, because for example the Baltic Sea Strategy does not take the specific characteristics of Eastern Finland into account in its current form. Eastern Finland is on the external border of the Baltic Sea region and the challenges to its development are very different than those of the coastal cities along the Baltic Sea and established urban areas.

The Regional Councils of Eastern Finland state strongly that the European Union Regional Policy must be based on regional programmes in those regions with specific development challenges in the future as well. Those regions that are sparsely populated and have permanent constraints like Eastern Finland need custom-made measures and mechanisms for regional development - otherwise it is not possible for them to narrow the gap between the more competitive and well-developed central regions. The special status of the northern sparsely populated regions and the external European Union border areas must be acknowledged in cohesion policy with a permanent solution.

Regions are the single most important key player in delivering employment and economic growth in Europe and their role must be cherished. Regional level and multi-level governance should also have a more significant role in fulfilling the objectives and long-term goals of the European strategy "EU2020". Furthermore, regions should be heard more when planning and realizing the concrete policies and support measures.

3. Demographic Change One of the Key Opportunities and Challenges of the Future

The population of Europe is growing older more rapidly than in many other parts of the world. Current situation with an ageing population is particularly challenging in Eastern Finland, where the population has been decreasing due to migration and low birth rates for a longer time already. Hence it could be said that East Finland is one of the pioneer regions in the whole of Europe in this field.

The ageing are a growing demographic group whereas the number of children, youth and working adults has been in steady decline and the trend is foreseen to continue in the future. As the population ages, also the need of services (especially costly medical services) grows and more specially trained skilled personnel and adapted infrastructure is needed. An additional challenge is the fact that East Finland is sparsely but thoroughly populated and many older people live far from the needed services.

The regions of East Finland have been addressing these challenges with different projects and innovative solutions that may provide insight to other European regions as well. However, much remains to be done and therefore it would be essential that both the opportunities and challenges that the ageing population creates would be further discussed and promoted in the European level through different policy and support mechanisms.

4. Cross-border Cooperation Vital to the EU Border Regions

Eastern Finland is located by the Eastern external border of the EU with Russia as its neighbour. Eastern Finland and Northwest Russia share not only a common border but also common waterways, conservation areas and national parks extending beyond the border as well as enriched minerals, forest and other natural resources. A common goal of Eastern Finland and Northwest Russia is to preserve the ecological balance, and this is the challenge that motivates cooperative efforts.

Universities in Eastern Finland and Northwest Russia have expertise that can be utilized by means of cooperation and information exchange. The process creates new innovations both in production and services as well as additional value to the people. Furthermore, the cooperation will enforce regional economic growth on both sides of the border and harmonize living standard discrepancies in border areas.

Authorities in Eastern Finland have long traditions in cooperating with their Russian counterparts. The cooperation has been fruitful and fortified equality and democracy in the region as well as created a foundation for the development of economic cooperation. Consistent efforts to continue this work will enable the eventual removal of constraints to economic cooperation and cross-border trade. In long term view, the cooperation will be a foundation for a common labour market that extends over both sides of the border. When the people of Northwest Russia become more prosperous, their purchasing power also creates new opportunities for East Finland. Jointly produced travel services (e.g. specializing in nature tourism), cultural events or for example cross-border shopping will all create jobs and act as boosters of the economy on both sides of the border.

The regions of Eastern Finland also cherish the connections to other EU regions and collaborate with them in several development issues and want to continue it in the future.

East Finland sees that the special status of external EU border regions must be recognized in EU policy-making. European Union must also support external border areas and cross-border cooperation.

5. Clean Energy for a Clean Future

Eastern Finland has significant natural resources and the expertise associated with them. The region has also extensive forest and peat reserves and geologically the region is on an belt of rock and mineral wealth that extends from Finland to Northwest Russia (Fennoscandia, the Barents region in particular). Eastern Finland is a forerunner in bioenergy and the sustainable use of its natural resources, already exceeding the set EU goals for use of renewable energy sources. The percent of renewable energy sources of primary energy consumption in Eastern Finland is 45% and the share of bioenergy (including peat) totals 53%. The region has state-of-the-art expertise in the production of bioenergy, the energy-saving technology associated with it and overall environmentally efficient production technology for industry.

The cold climate conditions have been one factor in East Finland creating expertise in energy-efficiency, bioenergy and environmental technology. Furthermore, the region has also quality education, training, clusters and companies in the field of sustainable energy. Therefore East Finland has plenty to offer when it comes to EU objectives regarding environmental problems, lowering emissions and preventing climate change, and the

region can also contribute to increasing energy self-sufficiency.

6. Research and Innovation in the Regions

Regions are significant actors in creating new techniques, solutions and innovation in Europe. Many European regions have high class research in various fields that can truly contribute to creating growth and jobs now and in the future. Regional universities, other educational institutions and research institutions are important actors which have to be involved in shaping future EU policies and support mechanisms related to research, development and innovation. Also, tools and support should be provided to the regions to help improve regional research and the functioning of regional innovation systems. EU innovation policy should also facilitate networking between regional triple helix actors in Europe.

7. Well-connected Regions

The key to strengthening the competitiveness of sparsely populated regions is the development of trade and business in these areas, improved accessibility and the fortification of the territories' own expertise, making the most of their assets. It is vital to enhance the internal transport connections in European regions and between the regions. Accessibility from peripheral regions to central regions is also essential.

Broadband connections and services in all European regions are highly important and should be promoted. Optical fibre networks should be expanded, extending at the least to all of the service centres and possibly also to properties in sparsely populated regions. This all contributes to inclusive information society where European Union should act as a pioneer.

With the aforementioned comments, we wish that the future strategy will support future EU regional policy and regional policy funding, include the needs of the European regions and also be a framework that reveres the principles of subsidiarity and multi-level governance.

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