Knowledge Based Strategies for Sustainable Development and Civic Security
A North-Swedish Initiative in the Northern Dimension

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Preface

The Barents Region has rapidly developed into one of the most interesting and dynamic cross-border regions in the new Europe that emerged after the abolition of the Iron Curtain. For CERUM as a Centre for regional science it is of utmost interest to follow-up the last developments in this part of Northern Europe. Our interest comprises how new links are created, old barriers are removed, new barriers are established, and the initiation of regional and international negotiations regarding the future of the region. Currently the formation of strategies between regions, nations and the EU is a central part of this development.

This report is a slightly revised version of a discussion paper presented at the conference Envisioning the Northern Dimension: Toward an Arctic of Regions. The conference took place in Rovaniemi on October 15-16, 1998 and was organised by the Barents Regional Council in collaboration with Northern Forum.

Lars Westin
Director of CERUM

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1 Introduction

This paper is written at the request of the county administration of Västerbotten. The purpose is to discuss the concept of the Northern Dimension in a North-Swedish perspective and to identify a possible role for Northern Sweden in this context. The idea is to give input to establishment of a dialogue process with various actors within Northern Sweden and with decision-making actors on regional, national and supranational levels related to the Barents Region co-operation. So far Northern Sweden has represented a rather passive or negative attitude towards the EU. Long physical distances as well as the lack of EU institutions in the North have contributed to a weak presence of a European affinity. The Northern Dimension is an opportunity to build a framework for a more active role in the formulation of future policy-making within EU.

The Northern Dimension is an initiative which has achieved a growing interest in the EU. On March 18, 1997 a meeting was held in Rovaniemi, which highlighted the special challenges of the development of the Northern areas of the Union. The meeting was initiated as a consequence of a report on the Northern Dimension adopted by the Committee of the Regions in June 1996. The meeting was open for participants from differentCommission services, Swedish and Finnish administrations, members of the Committee of the Regions and the European Parliament.

During the rest of 1997 the ideas of a Northern Dimension were discussed further and especially considered by the Finnish government. At the conference Barents Region Today in Rovaniemi, September 15, 1997 the Finnish Prime Minister Lipponen stressed the needs for a Northern Dimension in EU’s policy-making where peace and stability with prosperity and security shared by all nations in the North have top priority. To achieve this he argued for a comprehensive strategy, an institutional framework and adequate financing arrangements. Further, he stressed that a policy for the Northern Dimension belongs to the external relations of the EU, excluding traditional security policy. However, to achieve a best possible development in Northern Europe there must be an active interplay between internal and external relations of the EU.

Contributions towards such a comprehensive and co-ordinated strategy, grounded in a North-Swedish context with transnational scope and implications, are presented in this paper. We also suggest that the following issues should be discussed in various fora.

1. How can an increased Nordic co-operation form an integral part of the Northern Dimension?

2. How can the ongoing co-operation between the Nordic countries and North-West Russia be developed through the Northern Dimension?
3. Which common policy objectives can be defined and agreed upon?

4. Within which sectors can strategies elaborated and launched at a subnational level be more relevant and effective compared with general national approaches?

5. How should existing institutional frameworks be adapted/rearranged to meet interests and strategies ranging from local to transnational levels within and outside the EU?

6. How can adequate financing arrangements be launched?
2 The Northern Dimension from a Nordic Perspective

In a report from the above mentioned meeting in Rovaniemi on March 18, 1997, with participants from various parts and levels of EU, the following key conclusions are listed concerning higher level of performance and efficiency of Northern parts of Europe in the reshaping process of Europe.

- Recognition of the special features of the Northern areas, promotion of their development and their integration in the Union by structural policies,
- The potential of shared experience and networking with Central and Southern Europe,
- The need for simplified procedures, in particular for local actions,
- The need for concerted action by Structural Funds, PHARE, TACIS, in the East-West interregional co-operation.

Prime Minister Lipponen stressed in his speech, September 15, 1997, that developing the Northern Dimension is an important line of action in making the European Union more effective internally, all over Europe and globally. In a speech at the Barents Regional Council meeting 19 January, 1998, the Governor of Lapland, Hannele Pokka, presented the broad aspects of issues which are of importance for a sustainable development in Northern Europe:

The Northern Dimension is primarily a functional definition, which includes not only Baltic and Barents co-operation but also Arctic co-operation, Nordic co-operation, bilateral relations between countries and border region co-operation at all levels.

During 1998 the Finnish ideas have been further elaborated in a report by the consulting firm LarCon & Pakkari Oy, ordered by the Finnish Ministry of Foreign Affairs (Northern Dimension: Sectors, Projects and Financing Requirements, March 1998). An analysis of the present situation, development perspectives, investment requirements, EU interests and mobilisation of financing is presented. The following sectors are paid special attention; energy, mining, forest, transport infrastructure, environmental protection and nuclear and radiation safety. Further on, arguments for a Northern Dimension within the EU is discussed. The following issues as possible fields for cross-border joint strategies in the North are emphasised; trade and commercial co-operation, communications, application of legal means across borders, means to handle transnational criminality, immigration and
asylum issues, research co-operation, management of natural resources, social security, health care, labour protection and equality, labour policy and relations in working life, development of human resources through education and training.

In the mentioned report is suggested that the wide range of both urgent and long term projects need to be structured into strategic clusters, each having a solid, productive core, supported with necessary infrastructure, environment and social components. Among prerequisites for a successful implementation of the Northern Dimension investments, the following multisectoral conceptual thinking may be noticed:

Gradual elimination of environmental hazards, particularly related to nuclear safety,

Protection of sensitive Arctic environment and minority cultures,

Environmental management,

Institutional and organisational changes in Russia,

Social stability and cohesion in the border regions,

Healthy, private sector driven economic development,

Orderly migration,

Democratic institutions and civil society.

The Northern Dimension initiative has increasingly gained weight in strategic discussions within the EU Commission. There already seems to be a consensus that the criteria of projects or activities to be explicitly included under a Northern Dimension Action Plan must meet the following criteria:

Major strategic impact on Europe,

Mutual political and economic interests of Russia and the EU,

Need for concerted efforts by countries and European institutions.

Our interpretation of the present EU objectives are as follows. Only within the framework of a wide vision based on a partnership with strong actors North-West Europe can become a dynamic area. The Northern Dimension is a tool both for strengthened cross-border integration in the North of EU and in the planned Eastward enlargement of the EU. Of special importance is that it may facilitate co-operation between Russian and European economic structures. For example, the energy potentials in form of oil and gas deposits in the Russian parts of the Barents Region are of strategic importance for the EU countries in a long term perspective. Further, the Northern Dimension strengthens the EU’s role in regional co-operation in the Nordic countries, in the Baltic Sea Region and in the Barents Region. It also promotes sustainable development and civic security.
in Northern Europe. In a wider EU perspective the initiative complements the Mediterranean Dimension.

While it is the EU that is establishing a Northern Dimension in its policies and the obvious sphere of interest is Northwest Russia, this policy will have implications for other Northern regions equally deserving attention. Finland’s, Sweden’s and Denmark’s memberships in the Union, and Norway in the EEA, have opened up a new, wider environment in which the countries must share interests and promote concrete actions.

The Swedish and Norwegian official reactions to the initiative have a positive and supportive character. Increased Nordic concerted action, backed up by strong governmental and private actors in Europe, are regarded as a necessary integral part of the Northern Dimension to meet the huge and complicated challenges related to the transition in Eastern Europe and especially Russia. For example, in a speech in April 1998 the Swedish State Secretary of Foreign Affairs Gunnar Lund argued for a creation of Nordic Co-operation projects which could form part of the EU’s community initiatives.

An important aspect for consideration is that most of the chances for long term positive transformation of the economy and social conditions in North-West Russia calls for long term strategies including heavy investments accompanied by transfer of know how and institutional and organisational frameworks from the West. To overcome the complicated barriers and to achieve a growth of competitive industries based on exploitation and refinement of Russian resources is needed strong key actors from the West with joint strategies. Here we may observe that the Swedish national organisation for private industries (Sveriges Industriförbund), has given support to the launched business oriented ideas behind the Northern Dimension.

From leaders of transnational enterprises in Sweden is emphasised the immediate need for EU initiatives in establishing long term agreements and guarantees with the central government of Russia which can facilitate and stimulate trade and joint ventures. In these EU - Russian negotiations it is of utmost importance to discuss how Russian priorities can meet Nordic and broader EU interests.

A critical aspect is the need for negotiations between the EU and the Russian Federation about special agreements on certain rules for the Russian territory of the target area for the Northern Dimension. North-West Russia must be given a more generous self-government, or appear as an economic free zone, compared with other Russian regions. To support a development of internal dynamics within the geographical area of the Northern Dimension it is of crucial importance that the political and economical frameworks within the area can be co-ordinated. Special agreements on customs, taxes and visas are necessary basic elements in a co-operative platform.
3 In Search for a Transregional Nordic-Russian Strategy

In this paper we primarily discuss issues related to ambitions to have a strong Nordic-Russian co-operation strategy within the Northern Dimension. We further highlight potential options for northern regions of Finland, Sweden and Norway to take active part in this process.

With the forthcoming structural policy fund reform the EU is faced with a double challenge; on the one hand, the policy instruments must be developed further and improved and on the other hand, the reform must take into account the prospect of the future enlargement of the EU. It remains to be assessed if changes in the structural and cohesion policy risk to leave border areas like the Barents Region in a less favourable situation than those bordering with the application countries.

In terms of objectives the Northern Dimension initiative is in harmony with the Barents co-operation. Guiding aims for the activities and projects launched by the Barents Regional Council are as follows:

Secure a peaceful and stable development in the Region,

Consolidate and elaborate cultural relations between the ethnic groups in the Region,

Encourage new and expanded bilateral and multilateral relations in the Region,

Work for higher level of co-ordination across administrative borders of available financial resources,

Establish a platform for development of an environmentally, economic and social sustainable development in the region with emphasis on an active and focused Wilderness and nature resource management,

Recognise interests of the indigenous people and give them opportunities to exert influence over the development in the Region.

However, when it comes to practical strategies doubts can be raised about the strength in the institutional framework of the Barents co-operation to meet the EU objectives and the suggested agenda for the Northern Dimension.

If such a region-building may lead to a higher level of functionality (as a tool for achieving the broad and complex objectives presented above) it requires a strong mobilisation of the civil society. With the supraregional institutional level the Barents initiative has introduced such a platform.
However, most of the practical cross-border activities in form of co-operation, joint ventures, trade, exchange programmes and so on in the Region are a consequence of more or less independent decisions made by various key actors. There are also reasons to believe that many of those have interests or priorities that differ from viewpoints of the supraregional institution.

The Barents Council constitutes an intergovernmental platform for handling cross-border problems but also positive options and common interests. The role of the institutions of the Barents Region is to a major extent dependent upon capacity and resources granted by the governments of the four states. So far limited decision-making capacity has been given to these institutions. Financial resources are raised separately nation-wise and not pooled in a common budget. Furthermore, we notice that for the implementation of the Interreg programmes specific structures have been created.

Present arrangements have not managed to promote sustained trade and economic development between the Russian and the Nordic parts of the Barents Region. The Barents co-operation has limited contacts with those institutions in command of the resources available, such as TACIS-programmes and Interreg-funding.

In current Interreg IIA programming Finland and Sweden, to some extent, are free to involve Norwegian and Russian regions if they find this to be in accordance with the strategies for their own border regions. The responsibility for development of Interreg programmes, involving North-West Russia, is primarily sustained by actors in Finland; such parts of programmes can be realised through a bilateral agreement between the two countries. However, there appears to be a juncture in terms of options for co-ordination between Interreg programmes in order to establish a foundation for a long term East-West co-operation.

In addition to this may be observed that there are special programmes - Interreg IIC-aiming at facilitating transnational co-operation within spatial planning. One of these is the Baltic Sea programme which has a much larger but more diffuse geographical coverage including regions in Norway, Sweden, Finland, North-West Russia, the Baltic States, Poland, Germany, Denmark and Belarus.

It is also of importance to link the Northern Dimension to the regional Agenda 21, both in the Baltic Sea co-operation and the Barents co-operation contexts.

A further important planning activity is co-ordination with the TACIS programming for North-West Russia. In 1991 the EU launched this special programme for restructuring technical, administrative, and legislative infrastructure in the former Soviet Union. The programme activities involve governments, companies, private bodies, and individuals in the former Soviet Union countries together with partners in the EU member states.

Our conclusion, which is shared by representatives of the Barents Regional Council and representatives of the EU, is that existing national and EU institutional instruments and efforts must achieve a better harmony. The co-operation between European, national and regional actors must be stronger and more focused. It is obvious that ideas and strategies suggested as elements in the Northern Dimension call for a concerted Nordic action backed up by the EU. We suggest that EU within the frames of its various institu-
Governor Pokka suggested in January 1998, the following elements as critical objects for Nordic joint action:

- Reduction of trade barriers across the Russian border with emphasis on tax and customs issues.
- Investments in new internal and external transport links to increase accessibility and capacity for trade and interaction.
- Strategies for environmental protection and nuclear safety.
- Strategies for higher social and cultural well-being among people in the North with special emphasis on the Russian regions.
- Attention to the interests of the indigenous people.
- Active participation of universities and research institutes in suggesting and forming development policies.

Governor Pokkas perspectives coincide in an interesting way with strategic ideas expressed by leading representatives of Petrozavodsk State University. In a paper to be discussed in the meeting of the Barents Region’s committee for higher education and research (October 14, 1998) a Barents Agenda 21 is suggested. That plan should identify what might be regarded as critical issues of sustainable development in Northern regions, set goals and define strategies, including direction of co-operation between various actors across borders and needs for financial support. The following areas for co-operation are especially mentioned:

- Shift to market economy, creation of a favourable climate for private investments on the Russian side,
- Innovational activities and know-how promotion,
- Specialised training in a wide range of fields,
- Small and middle-sized business development,
- Support for democratic reforms of the Russian society, including assistance to the social and non-governmental institutions.

In this process the Russian representatives stress the importance of having higher education and research institutions in guiding roles concerning promotion of innovative technologies, information and consulting services. Training, applied research and creation of infrastructure for efficient international co-operation are also emphasised.

Their prime idea is that a Barents Agenda 21 could work as a testing ground for introduction, adaptation and promotion of the state-of-the-art technologies further to other parts of Russia and Eastern Europe.
4 Knowledge Based Strategies for Sustainable Development and Civic Security

A most challenging aspect of the Northern Dimension is to find a way of combining the EU and Russian interests. Also after the fall of the Soviet Union there exist a curtain rooted in cultural differences. Further, the border regions are characterised by missing links for transports and communications. This area also represents huge cleavages in socio-economic conditions and lack of integration and co-operation between neighbouring regions.

In the Barents Region many actors have gained understanding and experience of these conditions and related problems during the 1990’s. They have started to learn how to deal with various barriers and obstacles and find ways of solutions. This process also has an important peace-keeping role by establishing trust and mutual understanding. Joint action, normalisation and harmonisation efforts replace geopolitical uncertainty and tensions.

Of critical importance for a successful Northern Dimension of EU initiatives is that strategies can be launched to reduce the complicated barriers to interaction and joint ventures across the Russian border and the wide gap in social well-being and health. Due to the vast territories, the sparse settlement system, the resource oriented economic structures and the harsh climate, socio-economic conditions in large parts of the Barents Region in both the Nordic and the Russian side have a weak capacity to take advantage of positive trends and to avoid consequences of negative trends in other parts of Europe and the rest of the world. The subregions in the North are extremely sensitive and vulnerable to environmental pollution and changes in ecosystems affecting forestry, agriculture, fishery and reindeer herding.

This character of multidimensional barriers and sensitivity in combination with vulnerability and weakness of institutional and organisational frameworks must be highlighted within the Northern Dimension. There is a need for more of cross-border partnership agreements in line with the ongoing process in Swedish regional policy where public and private actors are encouraged to establish growth oriented joint ventures.

The potential for launching Northern regions as Innovation Testing Grounds according to the proposal from the Petrozavodsk State University is related to the following preconditions:

The Russian and Nordic side have a similar set of resource-based industrial specialisations.

They also share a great concern about the fragile ecosystems of Arctic and Subarctic areas.
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• Options for land-based integrated transport systems.

Northern Sweden provides a broad range of relevant characteristics to play an active role in a EU-Russian partnership effort. Below we are listing some key aspects:

A well diversified industrial structure including large scale as well as small scale enterprises.

Know how within environmental protection, energy, radiation, IT, health care, etc.

Experience of development planning in regional economies based on natural resources.

A flourishing civic society with social movements and networks characterised by trust and legitimate institutions.

Prosperous release of Russian natural resources potentials and needs for international competitiveness of economic activities calls for a knowledge based profile in Nordic joint action with stress on environmental issues, business management and regional socio-economic and institutional development issues.

We agree with the above mentioned Finnish consultant report in their recommendation of education and training, research and product development as important tools in developing competitive production and the market economy. In this context we also see strong potentials in Northern regions to take a lead in development of human resources.
5 Knowledge and Technology as Strategic Resources in a Northern Dimension Action Plan

As mentioned above the criteria for projects or activities to be explicitly included under a Northern Dimension Action Plan are that they must have a major strategic impact on Europe. In the West a transition from industrial states to knowledge societies is taking place where knowledge in different forms strongly influences almost all aspects of the society, especially the structure of the labour market, the production and the infrastructure. Our focus is upon knowledge and technology as strategic resources in the development dynamics of the vast geographic area of the Northern Dimension. They might also constitute important elements of the inter-connection between the EU and Russia. The general differences between the centres and the peripheries of Northern Europe is of course a matter of the quality of the infrastructure, the capacity of the productions networks and the attractiveness for capital investments. It is, however, also a matter of a knowledge distance in terms of the supply of labour force with higher education, of R&D-resources, of institutional development and of management capacity. This predicament has been reinforced for large parts of the former Soviet Union during the transition process due to the implementation of reforms concerning political democracy, market economy and the rule of law.

The suggested North-Swedish contribution to the Northern Dimension can be seen as a bridge between its knowledge and technology resources in strategic fields and regional actors in North-West Russia. It also has the potential of developing an appropriate capacity for concerted support from various democratic movements.

Below are listed a number of key areas for actions where North-Swedish institutions have capacity to organise cross-border networks to increase strength, effectiveness and spatial diffusion of strategies:

- "So called development coalitions" between large scale enterprises and institutions for higher education and research aiming at implementation of strategic R&D within the fields of environmental competence and techniques, and business management.

- Among urgent tasks may be mentioned needs for reduction of environmentally harmful emissions from raw material based industry, implementation of environmentally more friendly production techniques and more efficient cleaning, nuclear waste management.

- Sustainable development related education, planning, research and documentation.

Urgent tasks: knowledge resources for the promotion of a sustainable development, especially for regional and local actors as well as for European regional policy purposes (EU structural funds, Com-
A special task is to elaborate research programmes, related to teaching activities and student exchange, on how to promote transformation of Russian regions into sustainable socio-economic and democratic systems. The threats and options for the indigenous people of North-West Europe also needs a special attention.

**Social movements and public health initiatives during the transition period in Russia.**

Today several social movements within the Nordic countries are working within the field of humanitarian aid towards Russia. These efforts can be further elaborated as a readiness for solidary and voluntary support during the transition process of Russia. This co-operation between social movements across the borders are of importance for the development of a civic society and democracy in Russia as well as of mutual understanding and solidarity in the whole area of the Northern Dimension. In a long term perspective fostering of voluntary associations and preventive health care are crucial elements for achieving civic security in Russia.

Successful strategies within these fields call for partnership between powerful private and public actors across nation state borders. There is a need for a multidimensional and transnational co-ordinated strategy and action based on agreements on central levels in the EU as well as in individual countries in Northern Europe.

The suggestions emphasised in this paper need to be further elaborated in many fora. From our perspective the three above identified strategies must be supported with competence provided by research institutions in co-operation with political institutions and representatives for private enterprises. Furthermore there is a need for more research efforts aiming at guidance of the Northern Dimension process both in terms of identifying underlying objectives, and in implementation and evaluation.
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No. 3  Andreev Oleg A. and Olsson Mats-Olov (1994). Regional Self-government in Russia - The Situation in the County of Murmansk.