

Executive summary

The overall goal of the project is to contribute to the economic, social and environmental sustainability of Arctic Communities through increased global awareness of business opportunities in the circumpolar Arctic and High North Economic Region. The BIN report provides comparable indicators and indices that reflect wider social processes and economic change in the BIN area¹.

Key findings:

- The BIN area population growth rate is only one third of the average for the Nordic countries²
- The BIN area's population is ageing, population aged 65+ grew by 23.4% while population aged 0-19 declined by 5.9% during 2006-2015, rural peripheral areas experienced shortage of female population
- Human capital in the BIN area measured as tertiary education attainment for 20-59 year olds lags 5 % behind the average of the Nordic countries , tertiary education attainment is growing in the age group 40-49 and 50-59 year olds
- Job creation speed in the BIN area is less than half of the average speed in the Nordic countries
- Employment in the BIN area is affected by the loss of jobs in mining, quarrying and manufacturing and jobs creation in the services
- The intensity of patenting activity in the BIN area is 2.5 times lower than the Nordic countries' average. However, three counties within the BIN area (Northern Ostrobothnia, Norrbotten and Västerbotten) demonstrated relatively high patenting activity.
- The BIN area is a substantial provider of renewable energy and represents 25 % of the hydropower production and almost 40 % of the wind power production in the Nordic countries
- The population of active enterprises in the form of limited liability companies grew by 27.4 % in the BIN area, while in the Nordic countries it grew by 33.4 % during 2008-2015. The number of active enterprises grew the most in the financial and insurance activities sectors, arts, entertainment and recreation and administrative and support service activities
- On average, the BIN area's production value of private sector grew by 32 % in the last 10 years, compared to 42 % in the studied Nordic countries as a whole
- There are many positive examples of innovative cross-border cooperation in the BIN area. The future potential lies in the development of east-west transport corridors, industries utilizing steel, industrial services, innovative SME cooperation and international energy cooperation.

Recommendations:

- Addressing demographic challenges by encouraging growth in the young population, creating attractive conditions for females to move to the BIN area, redefining the role of the elderly
- Planning of educational systems that satisfies the demand for life-long learning and address the shortage of new students due to declining youth in the BIN area, create incentives to increase student mobility within the BIN area
- Learning from the BIN counties that have more favorable employment development, e.g. learning from the Swedish counties Norrbotten and Västerbotten about how they succeeded in increasing youth employment for 16-24-year olds during 2008–2014
- Stimulating cross-border cooperation on innovation in the BIN area. Potential fields of cooperation on innovation in the BIN area include medical or veterinary science and hygiene, IT, vehicle engineering and mechanics, handling and processing, construction engineering, and solutions to deal with human necessities (for example health sector innovations)
- Promoting the BIN area as an attractive place for establishing power intensive industries and for businesses using renewable energy
- Identify underlying reasons as to what makes some BIN counties more successful than others in increasing the population of active enterprises and creating more production value in the private sector
- Cooperation in the BIN area requires strengthened transportation infrastructure in the East-West direction and a further extension of cross-border cooperation in the SME sector and between universities and industry

¹ The first BIN report includes eight northern counties of Norway (Finnmark, Troms, Nordland), Sweden (Norrbotten and Västerbotten) and Finland (Lapland, Northern Ostrobothnia and Kainuu). This report includes seven Chapters focusing on People in the North, Human Capital, Employment, Innovations, Renewable Energy, Businesses and Cooperation.

² Norway, Sweden and Finland in total