

Short version of

# Sweden's National Strategy for Sustainable Regional Growth and Attractiveness 2015–2020



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The National Strategy for Sustainable Regional Growth and Attractiveness 2015–2020 is a guiding policy document stimulating sustainable regional growth and attractiveness throughout Sweden until 2020. The intention is to contribute to the regional growth policy objective – *Development potential in all parts of the country with stronger local and regional competitiveness*. The strategy will also contribute to the Government's three priority areas: achieving the overall target of having the EU's lowest unemployment rate by 2020, achieving the national environmental objectives and closing the gender equality gap.

The strategy describes four societal challenges – *Demographic development; Globalisation; Climate, environment and energy; and Social cohesion* – all of which affect Sweden's regions and regional growth efforts. In order to contribute to the policy objectives and meet these societal challenges, while also taking advantage of the opportunities they present, four priorities for

the regional growth efforts have been identified for the period up to 2020.

The Government's priorities:

- Innovation and business development
- Attractive environments and accessibility
- Provision of skills
- International cooperation

The Government's priorities create coordination and mobilization of resources and initiatives for jobs and sustainable growth throughout the counties. The sustainability dimensions – *economic, social and environmental sustainability* – are to be integrated parts of the regional growth efforts and form the basis for all priorities. The strategy steers the use and monitors the central government appropriations for regional growth measures. Central government agencies will also base their involvement in the regional growth efforts on the priorities in the strategy. The EU cohesion policy (the EU growth and employment policy) is an integrated part of the

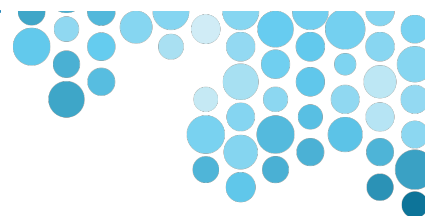
regional growth policy, providing both significant development funds and a European dimension to the employment and sustainable growth initiatives being implemented in the counties.

A modern and active regional growth policy for the entire country is focused on giving the regions the opportunity to grow and develop based on their own specific regional conditions, in both urban and rural areas. This requires efforts and collaboration in a variety of sectors and at all levels of society – this is why Sweden needs a national strategy that can serve as a framework to promote everyone's opportunity to live, work, develop and run businesses throughout the entire country. This way conditions for sustainable regional growth and attractiveness and a Sweden that keeps together are being created.

<sup>1</sup>On 9 July 2015, the Swedish Government adopted A National Strategy for Sustainable Regional Growth and Attractiveness 2015–2020 (N2015/5297/RT).

# Societal challenges

Sweden faces a series of societal challenges that need to be addressed in various ways. The national strategy identifies four societal challenges that affect Sweden and Sweden's regions in the efforts to achieve the objective of the regional growth policy. Coordinated efforts for all of the priorities identified in the strategy will contribute to meet these societal challenges, as well as making good use of the opportunities they present.



## Demographic development

Demographic changes, influenced by factors such as urbanisation, create challenges in large parts of the country as the share of elderly people increases in relation to the share of the population in working age. There is a risk that demographic changes will have consequences for the development of the business sector and for access to welfare and public services. For this reason, it is important to include and make good use of the competence of the whole society and the opportunities created by immigration to Sweden. A change in demand from the growing and ageing population group can create business opportunities and increased employment through the development of new innovative services and products.

## Globalisation

Globalisation means that labour is becoming more mobile and capital flows, investments, trade, travel and migration are increasing. Digitalisation also enables an increased exchange of information and technology. The opportuni-

ties presented by globalisation are great, but at the same time, conditions for companies and industries are changing rapidly, which means it is difficult to predict future developments. All of Sweden's regions are affected by globalisation, but the regional effects in terms of structural change and businesses' ability to grow vary due to factors such as business structure, dependence on export and the size of the region.

## Climate, environment and energy

Climate change is one of the greatest challenges of our time and requires global, national, regional and local action in order to limit greenhouse gas emissions and adapt society to a changing climate. If this is to happen, the production and energy systems need to be developed in order to reduce dependence on fossil fuels, increase the proportion of renewable energy and make the whole society more energy efficient. At the same time, these challenges drive the development of technology, products and services in all sectors and thus environmentally driven business development. The

growing global demand for sustainable and resource-efficient goods and services creates business opportunities for Swedish companies.

## Social cohesion

Social cohesion is about making good use of the competence, creativity and experience of the entire population. There are far too many people who are not working, studying or otherwise participating in society. The gaps between both different groups in society and different parts of the country are increasing, which inhibits both national and regional development. Unleashing the potential within skills, creativity and experience of the entire population is an important prerequisite if we are to create competitive regions and meet the demographic challenges.

# Priorities

The priorities identified will guide the development and implementation of regional development strategies and other strategies, programmes and efforts for sustainable growth in the counties. The priorities also form the basis for the involvement of central government agencies in the regional growth efforts. The sustainability dimensions – economic, social and environmental sustainability – are to be integrated in the regional growth efforts and will form the basis of all priorities. It is by combining these perspectives that long-term sustainable growth and development can be achieved.



## Innovation and entrepreneurship

Opportunities to start, run and develop successful businesses, as well as people's interest in doing so, need to be promoted throughout the country. Strong regional research and innovation environments and a good climate for business development and entrepreneurship are absolutely central to creating more jobs, welfare and sustainable growth and attractiveness. Across all industries, different types of innovation must be encouraged within businesses, as well as environmentally driven business development. The public sector needs to demand innovative, sustainable solutions in order to enable us to meet our public service commitments in the future. Given the complexity of innovation processes, greater collaboration between academia, society and industry is required in order to bring about joint strategic and long-term initiatives. Actions that promote innovation and business development are of importance in the regional growth efforts.

### Important focus areas:

- Innovation and research – regional innovation environments
- Entrepreneurship and enterprise
- Environmentally driven business development in all sectors and energy issues
- Commercialisation and internationalisation
- Provision of capital

### Attractive environments and accessibility

The ability to attract people with different skills and backgrounds, as well as businesses and capital, is crucial to the development of competitive regions and municipalities. However, the creation of attractive living and residential environments where people want to live and work, and that attract both domestic and international visitors, requires a holistic view and sectoral coordination. Initiatives and measures in such areas as IT and digitalisation, transport, housing, spatial planning, the environment, culture and service issues must be better coordinated. Consequently, municipalities, together with regional and national actors, need to work collectively and systematically in order to

develop attractive and accessible environments. This work should be based on specific local and regional conditions. In this context, local and regional actors also need to see their role in a wider geographical perspective that is both interregional and international.

#### Important focus areas:

- Accessibility via the transport system and IT
- Commercial and public services
- Spatial planning and housing
- Culture, recreation and tourism

#### Provision of skills

In the global knowledge economy, access to knowledge and skills in a broad sense is an important competitive factor for Sweden's regions. The effective provision of skills and the ability to include and make good use of the skills and competence of the entire population are central to stimulate enterprise and innovation, as well as meeting the business sector's need for skilled labour. A good provision of skills involves factors such as improving the matching between the supply of and the demand for labour. It also includes

the creation of social cohesion in which the skills, creativity and experience of the entire workforce are utilised, regardless of gender, age or background. The effective provision of skills is a long-term basis for securing the welfare state and for developing better social cohesion throughout the country.

#### Important focus areas:

- Matching in the labour market
- Effective structures for education, the provision of skills and lifelong learning
- Utilising the entire workforce – increased labour supply through integration and diversity

*The regional platforms for competence and skills* are central tools for the work of all focus areas above.

#### International cooperation

International cooperation – in the region around Sweden, within the EU and globally – is a prerequisite for meeting the societal challenges. Making use of the opportunities presented by globalisation is becoming increasingly important to the business sector, which also increases the importance of international cooperation. Accordingly, there needs to be an interna-

tional perspective to the regional growth efforts as well as in the efforts to implement all priorities in the national strategy. International interest in trading and cooperating with, as well as investing in Swedish companies, can also increase through deeper cooperation between the promotion of activities within innovation, business development and trade. Increased international cooperation can also create opportunities to widen networks, exchange knowledge, find solutions to shared problems and create a greater critical mass. It is also important to make strategic use of the opportunities available within the cohesion policy for the financing and implementation of joint projects with partners in other countries.

#### Important focus areas:

- Developed regional cooperation – both close to Sweden and globally
- Export and trade promotion
- Sharing experiences and learning

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# A result-oriented implementation of regional growth policy

In order to contribute to the policy objectives, implementation needs to become more result-oriented. This includes actions to develop and strengthen the tools available within regional growth policy. It also involves improving the dialogue between the national and the regional levels, enhancing the analysis and monitoring of regional growth efforts to better highlight various initiatives and results, and strengthening continuous learning. A more result-oriented implementation also necessitates a strong regional leadership, with responsibility for the strategic management, coordination and development of the regional growth efforts.

## Policy tools

There are a variety of tools at the EU level, as well as the national and regional levels, that are used to implement regional growth policy and to control and allocate funding to various regional growth initiatives. Examples of tools are:

- project activities
- regional business support
- regional service programmes
- programmes within the EU cohesion policy
- regional platforms for competence and skills
- action plans for gender-equal regional growth
- regional learning plans

At the regional level, the governing documents are *regional development strategies*, which contain visions, goals and priorities for regional growth efforts in each county.

## Responsibilities, roles and regional leadership

Responsibility for regional development includes responsibility for the regional growth efforts and transport infrastructure planning in the county. Due to an

ongoing regionalisation process, the responsible actor varies in the counties between organisations such as county councils, municipal cooperation bodies and certain county administrative boards. A result-oriented implementation of regional growth policy requires responsibilities and roles to be set out clearly. This includes strong regional leadership with the ability to coordinate, lead and develop the regional growth efforts.

## Governance, monitoring and learning

The Government appropriates about SEK 1.5 billion per year in special funding for regional growth measures in the counties. The funds come from a certain Government appropriation for regional growth measures. This funding can be used to finance measures including project activities, regional business support and support for commercial services. The funding within this expenditure area should act as a catalyst that leads to strategic development initiatives in the regions. The regional funding is often co-financed from sources such as municipalities, county coun-

cils, the business sector and the EU structural funds. In order to contribute to a process of continuous learning, the development of regional growth policy needs to be based on analysis, monitoring and evaluation.

## Cooperation and dialogue

Regional growth policy is implemented with a shared responsibility and in cooperation between the national and regional levels. Consequently, it is important that there is a well-developed dialogue and collaboration in order to ensure that different actors work towards the same objectives. An important arena for this is the Forum for Sustainable Regional Growth and Attractiveness 2015–2020, which facilitates dialogue between the Government and the regional level among both politicians and civil servants. Cooperation with government agencies in the regional growth efforts is of particular importance so that their activities contribute to growth and development in the counties – the forum can serve as an important arena in this respect.





### The EU Cohesion Policy

The cohesion policy is the EU policy for regional growth and employment. Its goal is to contribute to the EU's economic, social and territorial cohesion, with the aim to eliminate barriers to a well-functioning internal market, development and improved competitiveness in Europe's regions. The cohesion policy is financed by the structural funds and is implemented in national, regio-

nal or cross-border programmes.

The cohesion policy is an integrated part of the Swedish regional growth policy, and initiatives within the programmes contribute with significant resources to sustainable regional growth and attractiveness. The cohesion policy facilitates long-term initiatives and adds a European dimension to regional growth policy at the national level.

In order to implement regional growth policy in an effective and result-oriented way, the strategy intends to develop the following areas in the period 2015–2020:

- Multi-level and sectoral cooperation in the regional growth efforts
- Integration of the EU cohesion policy into regional growth policy
- Regional growth policy tools
- Roles and responsibilities in the regional growth efforts
- A strategic work to promote local development and attractiveness
- A more explicit focus on results and monitoring, evaluation, analysis and learning
- Stronger social, economic and environmental sustainability in the regional growth efforts