



# The West Nordic region: Does it have a role to play in Arctic Development?

Presentation at the international conference
"Climate Change in Northern Territories. Sharing Experiences, Exploring New
Methods and Assessing Socio-Economic Impacts".

Akureyri, Iceland 22nd – 23rd August 2013

Dr. *Gestur Hovgaard*, Associate Professor in Social Sciences at the University of Faroe Islands

Dr. *Grétar Thór Eythórsson*, Professor in Political Science and Methodology at the University of Akureyri

#### Content

- Identify the problematic regional characteristics of the "West-Nordic"
- Develop a conceptual framework for understanding the principal role the West Nordic as a regional unit has in global restructuring.
- Present some ideas of a possible future role of West-Nordic regional co-operation with special reference to global climate change and Arctic Development.

#### What constitutes a region?

- Aalbu et.al. (1995): Trans-region is a "constructivistic defined formation which crosses one or more state boundaries". For its functionality, i.e. how the diverse elements of the region in question form a whole (a system), this formation should have
  - institutions for decision making
  - economic complementarity
  - common economic interests to a certain degree
  - social interchange and a feeling of affinity among the populations.
- Institutional Economic Socio-historical-cultural

# West Nordic institutions for decision making

- West-Nordic regional co-operation is institutionalised within the Nordic Council (1952) and the Nordic Council of Ministers (1971).
  - Institutionalised Nordic cooperation is older than the foundation of the European Economic Community (EEC)!
- VestnordenFonden (The West Nordic Fund)
  - Established for loans and guarantees to support joint business development in the West Nordic, originally to address a number of contemporary problems of interregional cooperation.
  - Offices in all three countries and lends money on market terms to investments in all three countries on the condition that the investment has to do with cooperation among West Nordic firms.
  - Main emphasis on the Faroes and Greenland. In 2011, the fund lent and granted 24.2 million DKK, of which 16.2 million went to the Faroes and 8 million to Greenland

# West Nordic institutions for decision making (2)

- Vestnordisk Råd (The West Nordic Parliamentarian Committee -(WNPC, 1983)
  - Political foundation to cooperate on issues of common West Nordic interest (6 from each country)
- Showing parliamentarians' <u>interest</u> in a given issue, <u>making</u>
   <u>resolutions</u> and <u>sending recommendations</u>. It has <u>no economic</u>
   <u>means</u> to support or initiate any measures within the policy
   fields that it covers
  - The expressed goals and aims of the West Nordic Council are:
    - Cooperation, monitoring resources and culture, contributing to development through the work of the respective parliaments, especially serious problems with resource allocation and pollution
    - The key forum for institutionalized West Nordic cooperation on a parliamentary level.

# West Nordic institutions for decision making (3)

- NORA (North Atlantic Cooperation)
- Aim:

To contribute to the creation of a vital and dynamic North Atlantic region, by supporting collaboration between businesses and research and development of organizations in the region.

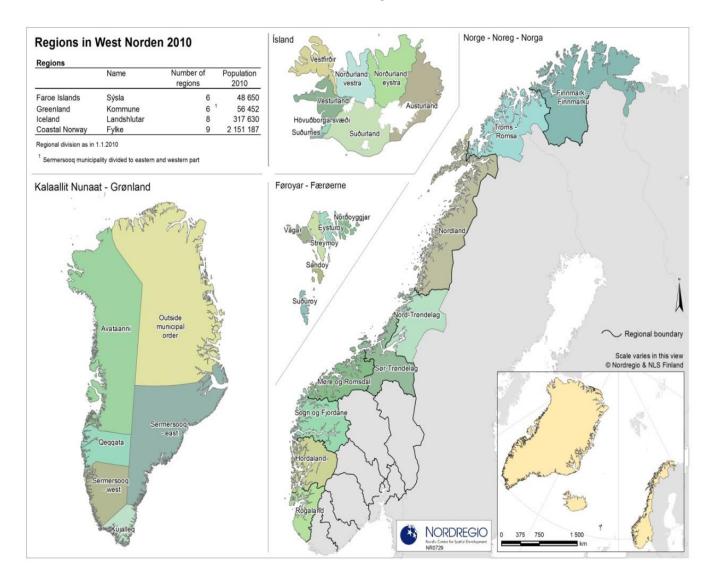
#### Financing:

The Nordic Council of Ministers supplemented by national grants from the four member countries, finances NORA.

### The definition of the West Nordic region is widened by NORA to include Coastal Norway

Help to meet the challenges of internationalization, especially the increased importance of regional economic cooperation. Many grants for networking and innovation activities through the years have firmly established the role of the organization in developing West Nordic cooperation - 6,1 million DKK in 2010 to projects

#### The West Nordic map (NORA definition)



### Economic complementarity and common economic interests

- The economies of the West Nordic countries are heavily reliant on natural resources
  - Fishing industries dominant but with no complementarity towards each other.
- Economic complementarities are neither reflected in countries' trade with each other.
  - Total import/export between the West-Nordic countries is of very low importance, normally less than 3 % of total.
- Tourism cooperation is small, but growing in some areas.
  - Improved flight connections.

#### Social relations and affinity

- The West Nordic has a long lasting relationship with "East-Norden", Denmark in particular.
  - Today with different constitutional statuses, 1 independent state,
     2 self-governing nations (and a number of sub-national regions?).
- The strong connection with Denmark is still apparent in modern institutional and socio-cultural relations.
- Historically: Some degree of cultural-economic exchange between the West Nordic countries:
- <u>Today</u>: Cultural exchange, mostly made possible by the open Nordic labour market and educational sectors.

#### Social relations and affinity (2)

- We need to be careful not to overstate the degree of a West Nordic identity
  - All the countries have strong cultural relations within other international social contexts.
- But: the social, historical and cultural relations between the three countries are strong and clear and have helped to create some kind of common identity – and there is some "regionalisation" going on.
  - It is this regional affinity "from below" which is, like Nordic cooperation in general, which is at center stage of West Nordic cooperation.

#### West Nordic in the new context

- The West Nordic countries now find themselves in the middle of a new melting pot... This will inevitably push some vital regionalisation issues on the agenda.
  - Therefore it is a pressing question whether and how the West Nordic as a regional unit can address itself to this new agenda?
- The low profile and low political status of the West-Nordic cooperation is insufficient for present day challenges.
  - if West-Nordic cooperation is going to function as a firm supporting developmental institution

#### Some issues needed to adress properly:

- Is it feasible for the West Nordic to join forces in facing, adapting to, solve upcoming problems and gather benefits from the consequences of the climate change – and how?
- Or are their interests too different?
  - Greenland in the highest north and the Faroes south of the Arctic border...
  - Will cooperation with Norway (coastal) strengthen the possibilities of WN in th context?
- Most obvious: higher political significance is needed...
  - But Denmark comes between...or?

#### The vital issues to deal with!

- •There is a urgent need to find out what constitutes West-Norden as a region. Does it need a united or can a fragmented or "variable" structure be maintained?
- A new contract needed between the "old" and the "new" Norden. Should the WNC continue as a "coffee-club" or become a more powerful developmental actor?
- The most obvious areas of improved regionalisation are: Resources, Environment, Services and University.

### Unnur Brá Konráðsdóttir, Icelandic MP and New Chair in the West Nordic Council (20.08.2013)

In her first speech as a chair she said that she was going to put a main emphasis on pushing the governments of Iceland, Greenland and The Faroes to strenghten the Arctic oriented cooperation of the three Countries, including to secure that the Westnordic council would get a status as "hearing partner" in the Arctic Council. The West Nordic council approved on its annual meeting to apply for such a membership.

Source: www.mbl.is 20. August 2013 (our translation)

Sum självstøðug tjóð skipa vit eina sterka Norðuratlantssamgongu við Ísland og Grønland. Tað ófatiliga náttúruríkidømið og Teir ótrúligu møguleikar, vit eiga her á norðurslóðum, eru ein skylda hjá okkum at taka ábyrgdina av - til gagns fyri alt fólkið, ið her býr og livir.