An Opinion from
the EFTA Consultative Committee

THE EU’s NORTHERN DIMENSION

Rapporteurs: Mr. Jon Vea and Mr. Ari Skúlason
At its 110th meeting on 5 October 1999 (C/00/M/003), the EFTA Consultative Committee (CSC) decided to submit an own-initiative opinion to the Standing Committee on the EU’s Northern Dimension.

Mr. Jon Veåa from the Confederation of Norwegian Business and Industry and Mr. Ari Skúlason from the Icelandic Federation of Labour were appointed rapporteurs. The Consultative Committee adopted the following opinion by written procedure in March 2001.

I INTRODUCTION

1. Three years have passed since the idea of a European Union Northern Dimension policy was raised by Finland during the Luxembourg European Council. The Finnish initiative was further developed through a Communication presented by the Commission in December the following year. Guidelines for implementation of a Northern Dimension were adopted by the European Council in June 1999, and were followed by a Foreign Minister’s Conference in Helsinki in November 1999. During the Portuguese EU Presidency in 2000 the Commission prepared an Action Plan for the Northern Dimension, which was approved at the Feira European Council in June 2000.

II THE CONCEPT OF A NORTHERN DIMENSION

2. The concept of a Northern Dimension was well received by the parties involved, the European Union and its Member States, the EU candidate countries, the EEA EFTA countries Norway and Iceland, as well as Russia. Through the concept the EU acknowledges the particular challenges and opportunities in Northern Europe. The concept was launched as a tool for increased focus and efficiency in handling these challenges by co-ordinating the work within the European Union, its member countries and the neighbouring countries.

3. The European Council defined the concept to cover the geographic area from Iceland in the West to Northwest Russia in the East, from the Norwegian, Barents and Kara Seas in the North to the southern coast of the Baltic Sea in the South. However, due to geographical closeness to the EU heartland and the proceeding enlargement processes, the Baltic Sea area has become the focal point of EU’s Northern Dimension.

4. It is the opinion of the CSC that the focus of the Northern Dimension must be expanded northwards and to the west. This is where some of the largest challenges in the Northern Dimension area are located: the poverty gap between the Nordic countries
and Northwest-Russia, threats of nuclear pollution, vast energy resources, and Europe’s most important fishery area.

III REALISING THE NORTHERN DIMENSION

5. The Northern Dimension has not yet resulted in changed politics or added value in addressing the specific challenges in Northern Europe.

6. The current Swedish EU Presidency, as well as the EU’s Commissioner for External Relations Mr. Patten, have expressed the need to go from words to action on the Northern Dimension. The Northern Dimension will be discussed at the General Affairs Council meeting in Luxembourg in April, and a report on the Northern Dimension will be presented at the European Council in Gothenburg in June.

7. The Swedish EU Presidency must use the opportunity to set a new pace in the implementation of the Northern Dimension.

8. It is not foreseen that there will be a separate co-ordination unit for the Northern Dimension, with participation from the countries involved. Bodies such as the Council of Baltic Sea States, the Barents Euro Arctic Council, the Arctic Council, the Nordic Council of Ministers, the Baltic Council of Ministers, and other regional and sub-national organisations may play a role through consultations with the Council of the EU. Responsibility for planning and implementation of the Northern Dimension lies with the European Commission.

9. There is a considerable amount of stakeholders and actors in the Northern Dimension. Their involvement in co-ordination, implementation, continuous monitoring and follow-up is, however, limited. This is not least the case for the Social Partners. It is reasonable to question whether the European Commission will have the resources to follow this process closely.

10. The CSC stresses the need for the Northern Dimension concept to be filled with concrete actions and results. The concept addresses important challenges to the whole of Europe, too important for the Northern Dimension to merely become a political catchphrase.

11. To ensure that the Northern Dimension becomes a permanent process, and not dependent on the priorities set by each country holding the Presidency of the EU, there is a need to establish a co-ordinating unit/secretariat with participation from the non-EU partners involved.

12. The European Commission and the individual EEA partner countries, have the responsibility to communicate to the public the results and concrete actions taking place under the Northern Dimension. A co-ordination unit is necessary as a point of contact for citizens and private sector actors interested in Northern Dimension projects, as well as for distributing information on the developments within the Northern Dimension.
IV THE EU ACTION PLAN FOR THE NORTHERN DIMENSION


14. The Action Plan states that “The aim is to provide added value through reinforced coordination and complementarity in EU and Member States’ programmes and enhanced collaboration between the countries in Northern Europe.” (p. 2). The Action Plan will be implemented through the existing agreements, programmes and fora relevant to the region covered by the Northern Dimension. No additional EU funds will be allocated.

15. International finance institutions and the private sector are considered necessary co-financiers. Little is said, however, about how to make the private sector in the region an active partner in the development of the Northern Dimension.

16. The Action Plan outlines a total of ten priority areas: Energy; Transportation; Telecommunication/Information society; Environment and natural resources; Nuclear safety; Public health; Trade; Business co-operation and investment promotion; Human resource development and research; Justice and home affairs; and Regional cross-border co-operation.

17. The plan places, according to the CSC, too little emphasis on the fundamental relationship between economic growth and improved social and health conditions. The Council of Baltic Sea States’ Business Advisory Council rightly criticises the Northern Dimension and the (draft) Action Plan for placing too little emphasis on the development of trade and investments. To develop normal commercial contacts across the borders ought to be a core ambition in the Northern Dimension.

18. It is the opinion of the CSC that the revised Action Plan more strongly stresses how to develop trade and business co-operation, and to promote investments. The plan should also outline concrete measures for attracting private sector investments and involvement.

V THE ROLE OF THE EEA EFTA COUNTRIES IN THE NORTHERN DIMENSION

19. The focus on a Northern Dimension in the EU must be seen as a development of great potential importance to the EEA EFTA countries Norway and Iceland:

- The concept brings increased attention and effort to our “local” challenges – the poverty gap between Russia and the Nordic countries, threats against the
environment, sustainable utilisation of natural resources, as well as the economic and social implications of our geography and climate;

- The concept could increase the effectiveness of programs and initiatives already in place to meet these challenges, through increased international co-ordination and co-operation on these issues;

- The Northern Dimension could strengthen and stabilise relations with Russia, by increasing mutual interdependence between Russia and Europe;

- The Northern Dimension represents an additional platform for interaction between the EEA EFTA countries and the EU.

20. The EEA EFTA countries must take an active part in the development of the Northern Dimension, in order to ensure that the concept does create tangible results, that it exceeds being an internal co-ordination mechanism in the EU, and that it fulfils the objective of integrating the Northern European region. Particular tasks for the EFTA and the EEA EFTA countries will be to:

- Pull the focus in the Northern Dimension northwards to the Barents- and North Atlantic region;

- Secure private enterprise participation in the implementation of the Northern Dimension;

- Draw attention to the specific business opportunities in the north, such as fishing and energy, and to the particular challenges to business in this region, such as transportation and infrastructure;

- Initiate a closer co-ordination with the Nordic countries on priority areas, e.g. through a common co-ordination and monitoring unit;

21. In Norway and Iceland concerns have been raised that the traditionally close co-operation between the Nordic countries is eroding, due to a change of focus after Sweden and Finland joined the EU. The Northern Dimension should be used as an opportunity to reinforce this co-operation, within a wider regional perspective.

22. The Northern Dimension integrates the national and the Nordic areas of interest with those of the EU. A proactive strategy from the EEA EFTA countries Iceland and Norway – also within the framework of EFTA - could have an effect on the priorities of the plan, which are as follows:

- Pursuit of a sustainable growth in economy and employment has, and to an increasing degree, become top political objectives for almost every government. High levels of employment will not only create added value to society, but will also be conducive to maintaining and increasing social cohesion and welfare stability.
The ongoing employment process of the European Union has strengthened efforts to combat unemployment and to boost job creation.