POKAT 2021
North Karelia’s Regional Strategic Programme for 2018–2021
Foreword

The regional strategic programme is a statutory regional development programme that must be taken into consideration by the authorities. It states the regional development objectives, which are based on the characteristics and opportunities specific to the region in question. The programme is drawn up for a four-year period. The POKAT 2021 North Karelia Regional Strategic Programme is for the period 2018–2021.

The regional strategic programme describes and consolidates EU, national, supraregional and regional level strategies as well as the municipal and local level strategies. Despite the multi-sectoral overall approach, the aim is for the programme to have specific focus areas. Concrete measures are described in the action plan of the strategic programme and in individual sectoral strategies and action plans.

POKAT 2021 is the North Karelia Regional Strategic Programme for the 2018–2021 period. The programme’s vision propositions are: smart specialisation, an oil-free region and life-long participation. The core of smart specialisation is formed by two international-level expertise areas for economic development: new solutions in forest bioeconomy, and technologies and materials as drivers of growth. The region also has significant growth potential in mining and tourism. In terms of natural resources, agriculture and food production play important roles. North Karelia is aiming to become non-reliant on fossil fuels: the region seeks to be at the forefront of sustainable and resource-smart production and use of renewable energies. Life-long participation is about seeing the ageing population as an opportunity rather than just as a challenge.
The focus areas of the regional strategic programme are:

- **Vitality from regional networking** – Good accessibility and operating environment
- **Growth from renewal** – A diverse, sustainable and job-friendly economic structure
- **Well-being from partnerships** – Comfortable living

Vitality from regional networking means creating a competitive and highly appealing operating environment in North Karelia. It means good accessibility and well-functioning transport routes and connections. North Karelia is active in various national and international networks.

Growth from renewal means building a diverse, sustainable and job-friendly economic structure. Strengthening the competitiveness of local economy and businesses is the central element of this focus area. In particular, there is a strong focus on smart specialisation choices without forgetting the diversity of the economic structure.

Well-being from partnerships means supporting development of the operational environment and economic growth and ensuring comfortable daily lives. Educational standards are high, and the necessary competence areas are supported as needed. Welfare services are well-functioning, and citizens' active participation in welfare development is supported. North Karelian culture is valued, and the region has a strong identity.

The regional strategic programme has four overarching themes:

- **the “housing and living environment” theme** highlights critical issues related to the region’s appeal and profile,
- **the “specifics of urban and rural development” theme** ensures that development within the region is well-balanced,
- **resource wisdom** offers multisectoral opportunities, and,
- **as a new theme**, the programme highlights security as a broad-based concept.

The specific characteristics of urban areas, suburban regions, rural and sparsely populated areas are recognised and used as the basis for development efforts. Housing and living environments are pleasant and safe. The “housing and living” theme focuses on using natural resources in a sustainable and efficient manner and supporting circular economy. Security at various levels is part of citizens’ well-being and comfortability. These dimensions are ensured through partnerships and cooperation.

The regional strategic programme steers the use of EU funds and other resources allocated to the region. The annual level of funding is estimated to be approximately €170 million. The POKAT 2021 Regional Strategic Programme 2018–2021 was approved by the Regional Assembly in December 2017.
In the current decade, North Karelia has seen stronger economic development than the national average. The forecasts were less favourable for a while, but improved after the global economic downturn, and the general economic outlook has also led to increased confidence in the region. For North Karelia, Finland’s economic growth is a positive factor, as it can affect the region’s economic conditions. The annual balance, an indicator of local authorities’ economic performance, is now better than elsewhere in the country. However, as the number of deaths has been higher than the number of births, and this gap has continued to increase in 2016, the number of births is lower than the number of deaths. Although student migration will improve the situation, as the number of deaths has been higher than the number of births, and this gap has continued to increase in 2016, the number of births is lower than the number of deaths. The relatively good trend of the business sector mirrors the national trend. The positive trend continued in the last two quarters of the year. Total turnover growth was still strong in the first quarter of 2017, although not all sectors saw growth, the positive trend was nevertheless widespread. Good figures were posted in the wholesale and retail sectors as well as in manufacturing, construction, retail and services. Turnover growth was strongest in the fourth quarter of 2015, albeit slightly better than the national average. The technology industry-led exports of North Karelia continue to rise, although the 2016 growth figure, at +1.5%, was low compared with the 2015 figure (+8%). However, the figure is still positive, as exports have increased faster than the national average (+0%) and the outlook is encouraging.

Cuts in education funding in recent years have had a significant impact in North Karelia, as education is an important sector for the region. The availability of qualified teachers and facilities has led to better efficiency in the education system, and the region continues to subsidise its position. The decision of the University of Eastern Finland to close down its teacher education unit in Savonlinna will help to strengthen the position of higher education in Jyväskylä and bring more students to North Karelia. The development of the education system will lead to more investment in construction and housing, as well as increased demand for services.

Current state of North Karelia

Put simply, there is an increased awareness of the region’s needs, and a potential cause for concern, as it can affect the region’s economic conditions. The annual balance, an indicator of local authorities’ economic performance, is now better than elsewhere in the country. However, as the number of deaths has been higher than the number of births, and this gap has continued to increase in 2016, the number of births is lower than the number of deaths. Although student migration will improve the situation, as the number of deaths has been higher than the number of births, and this gap has continued to increase in 2016, the number of births is lower than the number of deaths. The relatively good trend of the business sector mirrors the national trend. The positive trend continued in the last two quarters of the year. Total turnover growth was still strong in the first quarter of 2017, although not all sectors saw growth, the positive trend was nevertheless widespread. Good figures were posted in the wholesale and retail sectors as well as in manufacturing, construction, retail and services. Turnover growth was strongest in the fourth quarter of 2015, albeit slightly better than the national average. The technology industry-led exports of North Karelia continue to rise, although the 2016 growth figure, at +1.5%, was low compared with the 2015 figure (+8%). However, the figure is still positive, as exports have increased faster than the national average (+0%) and the outlook is encouraging.

Cuts in education funding in recent years have had a significant impact in North Karelia, as education is an important sector for the region. The availability of qualified teachers and facilities has led to better efficiency in the education system, and the region continues to subsidise its position. The decision of the University of Eastern Finland to close down its teacher education unit in Savonlinna will help to strengthen the position of higher education in Jyväskylä and bring more students to North Karelia. The development of the education system will lead to more investment in construction and housing, as well as increased demand for services.
The development of North Karelia’s transport system is aimed at everyday travel and measures to enhance the region’s competitiveness. Accessibility, transport routes and connections, which include public transport, road and rail connections, water transport and telecommunications, is a prerequisite for the region’s development. It is particularly important that the needs of businesses and other operators — including transport operators and persons engaged in public transport — are taken into account in planning transport as early as possible.

The region’s accessibility is one of the key starting points of its economic development and offers opportunities for regional cooperation with the Republic of Karelia.

The region’s accessibility is one of the key starting points of its economic development and offers opportunities for regional cooperation with the Republic of Karelia.

For North Karelia, internationality is the cornerstone of the region’s competitiveness and vitality. The main factors of accessibility in the operating environment, the strengthening of the economic structure, and everyday well-being. The aim is to strengthen the operating environment, the strengthening of the economic structure, and everyday well-being. The main factors of accessibility in the operating environment, the strengthening of the economic structure, and everyday well-being. The main factors of accessibility in the operating environment, the strengthening of the economic structure, and everyday well-being.

For North Karelia, internationality is the cornerstone of the region’s competitiveness and vitality. The main factors of accessibility in the operating environment, the strengthening of the economic structure, and everyday well-being.
Growth from renewal – A diverse, sustainable and job-friendly economic structure

Forest bioeconomy

The introduction and development of new solutions is vital for the forest bioeconomy. Circular economy, circular economy and cleaner sectors are key areas with the potential to improve climate change mitigation. Finland’s aim is to become a carbon-neutral, energy-efficient country that utilizes renewable natural resources and recyclable materials. Bio- and circular economy provide new possibilities and business opportunities in the substitution of renewable biomass fuels and materials. Enabling operators to acquire domestic resources for innovative energy solutions is an important way to develop the sector, as is the introduction of new solutions.

Current key sectors related to forest bioeconomy are: pulp processing, wood processing, forestry, logging and the manufacturing of equipment and machinery for forest bioeconomy applications. The aim is to ensure the cost-effectiveness of certified bioeconomy investments made and the demand and value added of forest products. The potential need for skilled workforce will grow.

Deatelp plans:

- Sustainable use of forests and ensuring the diversity of forest types
- New product innovations and competence clusters
- Securing the availability of skilled workforce
- Strengthening businesses’ adaptability, digital solutions
- Internationalisation of businesses and growth of export

Deatelp plans:

- Development of ecological and cultural tourism
- Development of event tourism
- Enhancing tourism marketing and sales
- Strengthening tourism centres, international competitive-
Smart Specialisation choices

Smart specialisation is part of the EU’s cohesion policy and the Europe 2020 strategy that focuses on each region’s strengths and the activities that support those strengths. On the regional level, smart specialisation can be understood as representing part of a regional innovation policy that guides and focuses resources to the themes that contain the most potential for the future of the region. Smart specialisation choices can help prioritise the region’s key areas of expertise and research and innovation-oriented strengths as well as apply them for the needs of the region’s business sectors.

The core of North Karelia’s smart specialisation is comprised of two essential elements:

1. New solutions for the forest bioeconomy
2. Technologies and materials as enablers of growth

The forest bioeconomy represents the strongest sector for research and expertise in the entire region. Around 600 experts with various educational backgrounds − from vocational education schools to doctoral degree programmes and research institutes − work in the region’s forest bioeconomy sector. Many strong national and international actors are involved in the field, such as the Natural Resources Institute Finland (Luke), the Finnish Forest Centre, the University of Eastern Finland, the European Forest Institute (EFI), Karelia University of Applied Sciences, the Finnish Environment Institute and North Karelia Vocational College of Valtimo. The region contains strong leading companies as well as promising growth companies that focus on global export markets. The forest bioeconomy sector is strongly collaborative in nature. The experts of the field are also well-networked, both at home and abroad.

---

**SMART SPECIALISATION IN NORTH KARELIA**

The region’s areas of expertise for the forest bioeconomy are:

- **Renewable energy production** and **wood construction**
- **Distributed energy production** and hybrid solutions that are based on renewable energy sources, knowledge environments and demonstration targets for wood construction
- **Multipurpose use of forests**
- **Service activities** that are based on electronic forest information and other wide-ranging utilisation of databases
- **New biobased products**
- **Distributed biorefining**
- **Forest technology and logging logistics**
  - Forestry machinery manufacturing, utilisation of logistics and technologies
  - Forest information management
    - Service activities that are based on electronic forest information and other wide-ranging utilisation of databases
  - Renewable energy production and wood construction
    - Distributed energy production and hybrid solutions that are based on renewable energy sources, knowledge environments and demonstration targets for wood construction

**Forest bioeconomy** Technologies and materials

- **New biobased products**
- **Multi-purpose use of forests**
- **Extractive industry processing expertise**
- **Distributed biorefining**
- **Renewed energy products**
- **Forest technology and logging logistics**
- **Forest information management**
- **Renewable energy production and wood construction**

---

**PHOTO** Varpu Heiskanen
Technologies and materials represent a corporately driven entity that focuses on the technology industry. The technology industry in North Karelia is most important for R&D sectors. In 2013, almost 9% of R&D activities were conducted in the companies of the field. The expertise of business life is complemented by the University of Eastern Finland’s natural science departments, computer science, chemistry, physics and mathematics, the engineering-related educational expertise of Karelia University of Applied Sciences and North Karelia Municipal Education and Training Consortium, as well as on the research and technology environments of the field.

For technologies and materials, the top expertise that can be found in the region is exceptional, but achieving critical mass is something of a challenge. The region contains many ICT and technology companies, but the critical mass of expertise is still on more traditional engineering workshops and metal companies that feature strong expertise and the flexibility for novelties initiatives as well.

The key areas of expertise for smart specialisation have been assessed through more extensive scenario change factors. These changes are notational to global in nature and concern opportunities as well as renewal challenges for the creation of business that is based on expertise.

**Technologies and materials**

**The public sector as a platform for experimentation and growth**

As the population increasingly migrates towards urban regions and cities, these more densely populated urban environments can provide a new kind of experimentation and growth platform for new innovations and business. With reference targets and visions, businesses can achieve a competitive advantage for new innovations and business. With reference targets and visions, businesses can achieve a competitive advantage for new innovations and business.

**Agile innovation activities**

The public sector can provide a new kind of experimentation and growth platform for new innovations and business. With reference targets and visions, businesses can achieve a competitive advantage for new innovations and business.

**Thematic development entities**

**Industrial renewal**

**Agile innovation activities**

Thematic development entities

Industrial renewal

The key areas of expertise for smart specialisation have been assessed through more extensive scenario change factors. These changes are notational to global in nature and concern opportunities as well as renewal challenges for the creation of business that is based on expertise.

1. Industrial renewal
2. Agile innovation activities
3. The public sector as a platform for experimentation and growth
4. Networks and partnerships for top expertise

**Networks and partnerships for top expertise**

For North Karelia, smart specialisation helps gather and connect different regions and their significant alliances. On the EU level, the S3 platform for smart specialisation includes trust, openness and the exchange of information. North Karelia is host to the Green Hub open innovation platform, where innovations. The key features of this type of operating model are fast, responsive processes and the exchange of information. North Karelia is host to the Green Hub open innovation platform, where companies, research institutes and educational organisations interact within a common network for the creation of new expertise and innovations. The key features of this type of operating model are fast, responsive processes and the exchange of information.

**2. Agile innovation activities**

**3. The public sector as a platform for experimentation and growth**

**4. Networks and partnerships for top expertise**

**II. Industrial renewal**

Industrial renewal refers to the ongoing and extensive global processes of changing industrial competitiveness factors, renewal of economic models, and technological solutions that are revolutionising the operating methods of the manufacturing industry. This includes its traditionally strong metal and machinery cluster as well as equipment manufacturing industry are a cornerstone of the natural and environmental services and represent a critical area where industrial renewal includes the utilisation of e.g. automation, robotics and machine learning. In the city of Joensuu, there are other technologies. The business logic of companies is increasingly based on new traditional processes of customer needs and revenues through service solutions.

**Networks and partnerships for top expertise**

R&D activities are conducted through networks, various partnerships and collaborative networks. The factors for the implementation of small specialisation include networks and partnerships that support the region’s top expertise.

These networks and partnerships should act on both the national and international level. The RDI activities should also include contractual collaborative initiatives and implement in technology-oriented sub-networks. The scientific research information is transferred and applied to the product development activities and operations of the companies in the region’s forest bioeconomy sector.
Education and competence

A high-quality, diverse and international educational offering is one of the key attractions of North Karelia. Strong educational organisations and the associated research activities form the intellectual capital that is crucial to the region’s development. In national comparison, the region’s educational offering is competitive in terms of breadth, quality and diversity. The University of Eastern Finland has performed well in many international university rankings.

North Karelia is a significant education region. The diverse, broad-based educational offering and well-established educational and research organisations play an important role in the region’s success. The University of Eastern Finland (UEF), Karelia University of Applied Sciences, North Karelia Municipal Education and Training Consortium (Riveria), the Natural Resources Institute (LUKE), the Geological Survey of Finland (GTK), European Forest Institute (EFI), Centre of Excellence in Social Welfare for Eastern Finland (ISO) and the Finnish Environment Institute (SYKE) provide the competence base which underpins the region’s competitiveness and appeal. Experts educated in North Karelia also end up in roles outside the region and in international settings, and a high-quality education system is vital in this regard.

Development areas:

• The region as a significant provider of high-quality education
• Strong partnerships between education, research and the world of work
• Life-long learning and participation

Well-being and inclusion

Well-being and health promotion involves activities targeted at individuals, families, communities, populations, living conditions and the living environment as well as service provision to improve the population’s well-being and health and its combat of disparities between different population groups. Well-being and health promotion includes promotion as well as prevention. Inclusion refers to individual social participation and active involvement of people with disabilities and marginalisation, and it is a prerequisite of the region’s vitality. Mutual trust, commitment and sharing voice are essential in the region’s development.

Inclusion involves actions and partnerships that prevent marginalisation. Inclusion is based on interaction. Good availability of opportunities for participation and financial help support people’s personal resources and their engagement and trust in society. The region’s vitality comes from encounters between its residents and various actors as well as from experimentation. Work promotes well-being and inclusion.

Development areas:

• Happy and healthy people
• Customer-oriented well-being services supported by welfare entrepreneurship
• High-quality, broad-based skills in well-being
• A safe and comfortable living environment
• Active and participating citizens

Culture, identity and creative industries

In this programme, the culture and creative industries focus area includes cultural activities that help deliver the programme objectives in terms of growth, vitality and well-being. At the core of cultural activities are interregional transfers of cultural heritage, experiences of making and enjoying art, and needs related to personal growth and self-expression. The basic factors of well-being and environments are a sense of belonging, a good environment, and their quality. These factors of identity are an important driving force in well-being and the region’s development.

Inclusion refers to individual social participation and active involvement of people with disabilities and marginalisation, and it is a prerequisite of the region’s vitality. Mutual trust, commitment and sharing voice are key factors of inclusion. With regards to creative industries, the focus area aims to ensure the production aspect of cultural activity and cultural heritage in other respects, creative industries are an important part of the government programmes, conceptually part of the development of entrepreneurship and empowerment, in which they offer tools for growth and internationalisation.

Development areas:

• Production, distribution and access to contemporary culture based on service innovations
• A strong regional identity based on the Karelian cultural heritage, the Orthodox influence and contemporary multiculturalism
• Creative businesses and vibrant event production activities
• An appealing and competitive destination for cinema and music productions

3. Well-being from partnerships

Well-being and health promotion involves activities targeted at individuals, families, communities, populations, living conditions and the living environment as well as service provision to improve the population’s well-being and health and its combat of disparities between different population groups. Well-being and health promotion includes promotion as well as prevention. Inclusion refers to individual social participation and active involvement of people with disabilities and marginalisation, and it is a prerequisite of the region’s vitality. Mutual trust, commitment and sharing voice are essential in the region’s development.

Well-being and health promotion involves activities targeted at individuals, families, communities, populations, living conditions and the living environment as well as service provision to improve the population’s well-being and health and its combat of disparities between different population groups. Well-being and health promotion includes promotion as well as prevention. Inclusion refers to individual social participation and active involvement of people with disabilities and marginalisation, and it is a prerequisite of the region’s vitality. Mutual trust, commitment and sharing voice are essential in the region’s development.
The community structure of North Karelia is characterised by its location from sparsely populated areas into population centres, especially in Joensuu. Over a third of the region’s inhabitants live in rural areas and 46% live in urban areas. The remaining 21% live in rural and suburban rural areas.

The community structure of North Karelia is characterised by its location from sparsely populated areas into population centres, especially in Joensuu. Over a third of the region’s inhabitants live in rural areas and 46% live in urban areas. The remaining 21% live in rural and suburban rural areas.

Security

Security is a multidisciplinary concept that is generally divided into three levels: individual security, national security and international security. The concepts are interconnected, and changes of one level will usually affect the other levels. The basic criterion of security, including legal protection, is provided by the Constitution of Finland. In the traditional European context, security is a concept that includes political, military and economic aspects as well as human rights. The principle of the constitution of Finland, economic freedom, social responsibility and solidarity in the functioning of the state and government and the authorities of a government’s actions. Security policies are aimed at securing key markets and resources. Environmental security requires consideration of environmental factors in decision-making and production methods. On the other hand, resource depletion and decline of a healthy living environment can also affect countries’ external security.

Security planning, preventive security and preparedness are part of the training of Finnish security personnel. Regional authorities can also plan security planning at the municipal level. Economic security is monitored through ensuring the functioning and clean living environments of North Karelia are significant competitive advantages from the point of view of security. The region has a high-level expertise in security technology, and it also has developed social innovations in security by creating new forms of emergency service provision for rural areas. Sufficient resource measures (surveillance and border guard) and their performance are important to North Karelia as a border region, as the openness and transboundary development of the outer world crossing at Niirala–Värtsilä.

Development areas:
- Multifunctional and multi-actor cooperation in societal security
- Ensuring the prerequisites of economic operators

Environmental security

The stability of the operating environment and the self-functioning and clean living environments of North Karelia are significant competitive advantages from the point of view of security. The region has a high-level expertise in security technology, and it also has developed social innovations in security by creating new forms of emergency service provision for rural areas. Sufficient resource measures (surveillance and border guard) and their performance are important to North Karelia as a border region, as the openness and transboundary development of the outer world crossing at Niirala–Värtsilä.

Development areas:
- Multifunctional and multi-actor cooperation in societal security
- Ensuring the prerequisites of economic operators

Environmental security

The stability of the operating environment and the self-functioning and clean living environments of North Karelia are significant competitive advantages from the point of view of security. The region has a high-level expertise in security technology, and it also has developed social innovations in security by creating new forms of emergency service provision for rural areas. Sufficient resource measures (surveillance and border guard) and their performance are important to North Karelia as a border region, as the openness and transboundary development of the outer world crossing at Niirala–Värtsilä.
Regional Council of North Karelia

Eira Varis
Development Director
+358 50 307 4806
eira.varis@pohjois-karjala.fi

Pia Pitkänen
Regional development expert
+358 40 559 2210
pia.pitkanen@pohjois-karjala.fi

www.pohjois-karjala.fi/english
www.pohjois-karjala.fi/pokat2021