

Empowering remote communities with resource-based economies

Local Smart Specialisation Strategies to retain benefits from large-scale industrial developments

What are the opportunities and challenges that arise when a large-scale, resource-based industry moves into a remote community, e.g. in the Nordic Arctic or Scotland? And how are these communities affected when such an industry closes down? The REGINA project has developed a Local Smart Specialisation Strategy framework (LS3) that enables communities to assess the demographic, social and economic impact of resource-based industrial development.



PHOTO: HUBERT NEUFELD

▶ The Regional Innovation in the Nordic Arctic and Scotland project (REGINA) focuses on sparsely populated remote regions with large-scale industries. REGINA has developed a framework for implementing Local Smart Specialisation Strategies for communities facing major new developments or socioeconomic changes. A set of tools have been devised to better analyse and plan for such changes and developments. This fact sheet presents the REGINA Local Smart Specialisation framework.

The EU funds REGINA (Regional Innovation in the Nordic Arctic and Scotland) as part of the Northern Periphery and Arctic programme.

▶ **REGINA** responds to the key challenge of ensuring that sustainable and resilient local community development is prioritised when planning large-scale industrial developments in Europe's Northern Periphery and Arctic Region.

▶ **REGINA** contributes to improving the preparedness for large-scale investments in small communities and reduces these communities' vulnerability to decline or the closure of large-scale projects.

▶ **REGINA** enhances the likelihood of successful outcomes by using transnational co-operation and learning to mobilise local communities in the promotion of economic growth, local welfare and co-operation.

The REGINA Local Smart Specialisation framework

Based on an initial analysis of a community's characteristics, the REGINA Local Smart Specialisation (LS3) framework lays out a detailed participatory process to identify core challenges and opportunities linked to the industrial development.

This helps local planners and strategists to better understand the demographic and labour-market characteristics of their areas and assess the various social and economic impacts of new developments in their community.

The objective is to develop strategies and policies that optimise local benefits and minimise potential conflicts linked with major socio- economic changes.

Steps in the planning process

The REGINA LS3 framework takes into consideration the six-step cycle of the Smart Specialisation Strategy concept, focusing on three steps in particular: demographic developments, social impacts and business perspectives, where specific tools have been developed. For a full description and more background information, see www.reginaproject.eu.

The first step of the LS3 process gathers evidence to establish baseline conditions for future development. This is based on an overview of the current demographic patterns, existing development plans and an assessment of the business and entrepreneurial development patterns.

The second step identifies core development challenges and opportunities, and aims to describe the aspirations of the community through a community vision. A local stakeholder group and an open workshop is used to make this a participatory activity.

The third step deals with demography and labour-market analysis. In order to aid the planning process, the REGINA project has developed the Demographic Foresight Model (DFM) – a step-by-step tool that allows local planners to foresee how opening or closing an industrial project will affect a local community's population and labour market.

Traditional population projections estimate the future size and structure of the population based on the assumption that recent trends will continue unchanged. The DFM goes a step further and allows local planners to test different scenarios in order to understand the demographic implications of changes to local industry.

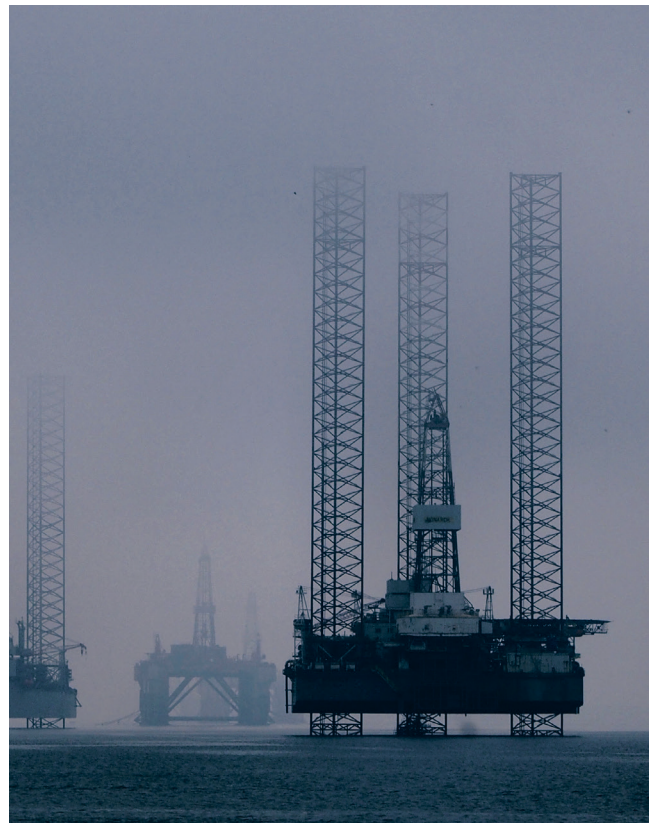


PHOTO: CALUM DAVIDSON

A key component of the DFM is the Employment Shock Scenario, which predicts the consequences of sudden changes in local employment. This enables planners to assess how many jobs will be created or lost, and how they are likely to be distributed between age groups and gender. From there, it can be determined if the local labour market supply can meet the demand for new jobs.

The fourth step monitors and reacts to social impacts. REGINA has also developed a Social Impact Management Planning tool (SIMP), which outlines a strategy to identify, monitor and proactively react to the ongoing social impact of large-scale industrial activities. The aim is to enhance local acceptance of industrial growth and retain benefits for local communities.

The SIMP tool defines a process for identifying and managing these social impacts, based on involvement by stakeholders. This provides strategic benefits for local authority planning, private-sector industries and local residents alike.



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For local authorities, SIMP serves as a tool for predicting and planning local development related to large-scale industries. For private-sector industries, it serves to obtain and maintain broad community acceptance and support for the project. For local residents, it provides opportunities to air concerns and participate in the development of local strategies.

The fifth step is about local innovation, business development and entrepreneurship. The focus is on maximising the local economic benefits of large-scale, resource-based industries. In order to achieve this, REGINA has developed the Local Benefit Analysis Toolbox (LBAT), the four parts of which are designed to develop a local benefit-enhancement strategy.

The first part consists of establishing base knowledge about the local community's labour force, industry and business framework. The second is a qualitative analysis of current labour-market challenges and opportunities. The third consists of step-by-step instructions for carrying out an analysis of the community's strengths, weaknesses, opportunities and threats related to the industrial development. This informs the fourth and final part: developing policy outputs for business and entrepreneurial development in the local community.

The final step of the LS3 framework is vital to the successful implementation of the overall strategy. It gathers the results of the previous five steps in order to inform the development of evidence-based policy aimed at enhancing local benefits from new industrial developments and socioeconomic changes.

To read more about the REGINA Local Smart Specialisation Strategy framework and the tools developed by the REGINA project, go to www.reginaproject.eu.



PHOTO: CALUM DAVIDSON



The REGINA project in brief:

The REGINA Local Smart Specialisation framework is a local adaptation of the EU's Smart Specialisation concept for regional policy-making.

Within EU regional development projects, Smart Specialisation is an established concept that offers an analytical and conceptual framework for regional planning and development. The LS3 framework provides planning departments with strategic tools for planning and development at a more local level, focusing on the needs of local communities in connection with major industrial and socioeconomic changes.

Based on an initial analysis of a community's characteristics, the REGINA LS3 framework lays out a detailed participatory process that seeks to:

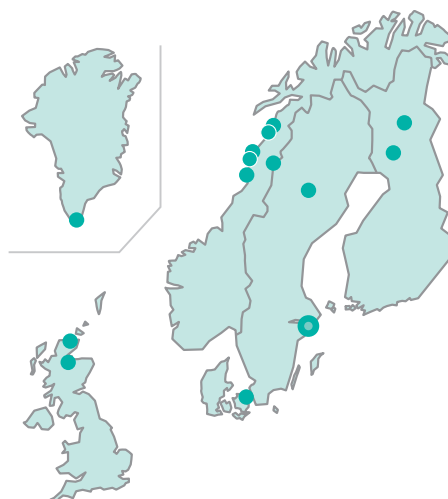
- ▶ identify core development challenges and opportunities linked to the industry concerned
- ▶ produce projections for population and labour-market development
- ▶ assess the social and economic impacts on a community
- ▶ develop strategies and policies that optimise local benefits and minimise potential conflicts.

The REGINA framework proposes a set of tools that can be used in the planning process. These are by no means the only tools available in connection with Smart Specialisation.

These tools are also applicable in other settings, but they have been developed with the specific aim of supporting planning and development work in sparsely populated, remote communities.

REGINA – Regional Innovation in the Nordic Arctic and Scotland, with a special focus on regions with large-scale industries – is part of the Northern Periphery and Arctic Programme 2014–2020. The project is managed by Nordregio, a leading Nordic research centre for regional development and planning, established by the Nordic Council of Ministers.

REGINA areas



Lead Partner: Nordregio

Partners: Alstahaug Municipality, BioForsk, Brønnøy Municipality, Kommune Kujalleq, MidtSkandia Norway, MidtSkandia Sweden, Nordland Research Institute, North Highland College, Sodankylä Municipality, Storuman Municipality, University of Lapland

Associated Partners: Highland and Islands Enterprise, Nordlands Fylkekommune, Nordic Council of Ministers

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REGINA

Remote communities & resource-based industries



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