

VIA NORDICA 2008: A common Nordic infra market

A COMPETITIVE NORDIC AND EUROPEAN MARKET-POSSIBILITIES AND CHALLENGES

Ladies and Gentlemen!

Allow me to start with some remarks on Nordic cooperation in general. As most of you know, Nordic cooperation as we see it today was established in 1952, when the Nordic Council was founded as a cooperation forum for the parliaments in the Nordic countries. In 1971 the Nordic Council of Ministers was founded as a cooperation body for the Nordic governments.

If you dig deeper into history you can see that Nordic cooperation started much earlier. Between 1397 and 1521, the Kalmar Union united Sweden, Norway and Denmark, with Queen Margareta as the “common denominator”. The Treaty of Union committed the three nations to act as a single state in foreign affairs and to come to each aid in times of war. Economic interests were a motivating factor - together we are stronger. This was long before both EU and NATO!

1873 to 1914 saw the Currency Union of Denmark, Sweden and Norway. The common currency was the krona, crown, made up of 100 öre – the Euro of its day!

COMMON VALUES

Nordic cooperation is based upon common values such as democracy and equality – especially between genders – and on fairness, rule of law, mutual respect and, at least to some extent, to understand each other’s languages. The Nordic welfare model is the tangible result of these common values.

The welfare model is epitomized by high levels of taxation and universal access to social benefits, instead of means-testing and individual insurance – even though these are becoming increasingly common.

Critics will tell you that the Nordic welfare model has outlived its usefulness – that it can't cope with global competition, that the tax burden is too high and that companies and the wealthy are fleeing abroad.

Let's have a quick look at how the Nordic countries have coped in a global context, based on international studies conducted by non-Nordic institutions.

As far as international competitiveness is concerned all the Nordic countries are ranked in the top ten. Likewise, all the Nordic countries feature in the top ten of the global creativity index.

When focus is on technological development, the Nordic countries again perform excellently. Four are in top ten. Norway is the odd one out. Oil and gas are good compensations, I think!

If you had to identify a single reason for Nordic success, it would have to be education and training. And if you want to expand the list, you would have to add education and training and even more education and training. According to the OECD's Pisa Study, education and training is at its best in Finland.

Closely linked to education and training is investment in research and development. This is usually measured as a percentage of GDP, and the 15 longer-standing members of the EU invest an average of 2.0%. Sweden is top among the Nordic countries, with 4.2%; Finland 3.5%; Iceland 3.1% and Denmark 2.6%.

Data about corruption shows that the Nordic region is again in the top ten – at the good end of the scale. We consider it self-evident that corruption should not be tolerated. In many countries where corruption is a major problem, our status among the least corrupted countries in the world attracts a great deal of attention and is considered one of the most important factors in the progress we have made.

Two other comparisons are worth mentioning, as they represent a paradox in relation to the ones already mentioned.

The first is tax burden. Sweden, Denmark and Finland top the table – in that order – as far as the tax burden is concerned. Norway is in seventh place, Iceland 19th.

The second concerns sustainable development, that is ecology in the broad sense. Finland has been number one three times in a row, and all of the Nordic countries are in top ten.

The paradox is that – historically – a high level of international competitiveness has been considered incompatible with either high taxes or sustainable development. In other words, it is usually the case that the more an economy grows, the more natural resources are consumed, both in absolute and in relative terms. The Nordic countries have succeeded in “decoupling”, which means that the economy is growing faster than the use of natural resources.

THE CHALLENGES

As we can see, the Nordic economies have performed well in recent years. Inflation has generally remained low, although, as elsewhere, recent increases in food and energy prices are exerting upward pressures. Labour markets are characterized by high participation rates, generally low unemployment and high job mobility.

The question now is how the Nordic Region will face up to the challenges of ever-increasing global competition. Will the “old” factors that promoted progress continue to work?

I am convinced that the competition of the future will, to an increasing degree, be based on the ability to produce value-generating solutions that others find difficult to copy. It calls both for a strong culture of innovation and for the ability to exploit our unique core competencies. As a result, we must also look inwards, not just outwards, in order to understand our own strengths and competencies.

Time does not allow me to dig deeper into what all this could mean. Let me just stress two factors of importance. First of all, the efforts to build a strong Nordic knowledge and innovation area within the European framework are to be intensified. Cutting-edge Nordic research is to be promoted in close cooperation with the business community, so that networks involving research units and stakeholders in the innovation sector are encouraged. The promotion of innovation, climate issues, energy and the environment, as well as welfare and health, are examples of priorities.

Closer cooperation in higher education will increase contact between Nordic higher education institutions and make the Region an even more attractive place to study. Research and innovation would be boosted through closer cooperation of national research and development and innovation programmes, as well as through the promotion of cooperation between national research-funding bodies.

Ladies and Gentlemen

The Nordic Road Association involving road authorities, stakeholders, private industry, research and educational institutions and more represents a broad qualified network. Through today's subject GNA Common Nordic Infra Market the cooperation is extended to include also the railway authorities. This network seems to be close to my description of a Nordic innovation area fit to promote value-generating development and solutions that could have positive influence on the European and global market.

GNA was launched by the Nordic Council of Ministers who asked the Road and Railway authorities to make a report to analyse the benefits of a Common Nordic Construction Market, and to recommend steps to create a better functioning market in the infrastructure sector. In the report (2004) several initiatives were recognized, and the Road and Railway authorities decided to continue the work on some sub projects. Mr Björn Erik Selnes will tell you more about them in the next presentation.

The GNA goals are ambitious, and this is the second challenge: to create a common market with reduced border obstacles to improve Nordic companies' operational surroundings, increase sound competition and attract international companies; to improve productivity and profitability through innovative contracting practice and better cooperation. These are really demanding challenges. Who could be more qualified than the Nordic countries to meet them?

So far the development has been successful. Now you must take the important step from project to implementation. That calls for determinate support from all parties into flourishing practice.

May I encourage you to carry on your innovative cooperation. I would also like to recommend you to even expand it to an issue vital for our future life and a crucial part of global competition. Take the lead to reduce global warming and environmental impact by developing smart and sustainable ways to build infrastructure and operate traffic.