

ROVANIEMI'S INTERNATIONALISATION STRATEGY

”Rovaniemi – an Arctic meeting place”



CONTENTS		page
1.	INTRODUCTION	3
2.	ROVANIEMI AND INTERNATIONALISATION – STATE OF PLAY	3
2.1.	Rovaniemi business in an international operating environment	4
2.2.	Culture	5
2.3.	Education and research	6
2.4.	Youth, sport and fitness	8
2.5.	Immigrants	9
2.6.	Relations with twin towns	10
2.7.	International projects	10
2.8.	Other international activities of the City of Rovaniemi	11
2.9.	Other Rovaniemi organisations active internationally	11
3.	CHANGE IN INTERNATIONAL OPERATING ENVIRONMENT	12
3.1.	Challenges and opportunities	14
4.	SWOT ANALYSIS	15
5.	CONCLUSIONS	16
6.	STRATEGIC AIMS OF INTERNATIONALISATION	17
6.1.	Vision for 2015	17
6.2.	Objectives	18
6.3.	Indicators of achievement of aims	18
	PRIORITIES AND METHODS FOR ROVANIEMI’S INTERNATIONAL RELATIONS	20
7.1.	Priority actions	20
7.2.	General methodology	20
7.3.	Activities of twin towns and associations	20
7.4.	Enhancing international communications	21
7.5.	Developing the skills of the staff of the City of Rovaniemi administration	21
7.6.	International projects	21
7.7.	Promoting the internationalisation of business	22
7.8.	Education, research and helping children and young people think global	25
7.9.	Culture	26
7.10.	Fitness and sport	26
7.11.	Immigrants	27
8.	MONITORING IMPLEMENTATION OF INTERNATIONALISATION STRATEGY AND RESPONSIBLE BODIES	27

1. Introduction

The point of departure for this internationalisation strategy for the City of Rovaniemi is the Rovaniemi City Strategy setting out a vision to turn Rovaniemi into a centre of international expertise and culture by 2011. The city strategy also presents the development of innovation and the internationalisation of the region as crosscutting areas for improvement in terms of business development.¹

International activity of the region was already very extensive even before the consolidation of the City of Rovaniemi and the County of Rovaniemi, but a strategy on internationalisation that was systematically planned and jointly agreed with the different stakeholders was lacking. In December 2005, the Rovaniemi City Board appointed an Internationalisation Committee tasked with drafting the internationalisation strategy. The Internationalisation Committee comprises the presiding officers of the City Council and City Board with the addition of a representative of the Greens. The mayor, deputy mayors and the head of the business department are also members of the committee. The head of tourism acts as the committee secretary.

The starting point for work on the strategy has been the internationalisation of the Rovaniemi community, the activities of which are supported by the city administration. Rovaniemi's internationalisation strategy covers the city's different fields of administration and the strategy has been produced jointly with the different departments of the administration and with service providers. The University of Lapland (LAY), Rovaniemi University of Applied Sciences (RAMK), MoniNet and the Employment and Economic Development Centre (T&E Centre) for Lapland have also been involved compiling the report. The association Finpro ry acted as expert in the field of business internationalisation.

2. ROVANIEMI AND INTERNATIONALISATION – STATE OF PLAY

Rovaniemi is an Arctic meeting place for international companies, students, young people, sportspeople, artists, researchers and tourists. The people of Rovaniemi have constructed a partnership network and cultural exchanges with different regions, the

¹ Rovaniemi, Budget and Finance Plan 2007-2011

purpose of which has been to reinforce the diversity of peripheral regions and to develop a dialogue with centres and remote areas.²

2.1. Rovaniemi business in an international operating environment

A significant proportion of Rovaniemi businesses already operate on international markets. The companies operate on international markets in three main ways.

- 1. Exporting goods and expertise**
- 2. Bringing in customers from abroad and providing in-situ services.**
- 3. Taking part in international competitive bidding**

According to customs statistics for 2006, there were 69 companies engaged in export activities in Rovaniemi for a total export value of almost 145 million euro. These figures only cover sales of goods. The major companies engaged in traditional export activities are: BRP Finland Oy, Lappset Oy, Kalottikone Oy and Marttiini Oy. Examples of firms that export expertise are Roadscanners Oy and Savaterra Oy.

International tourism brings customers from abroad to use the services of Rovaniemi. Examples of travel companies in Rovaniemi whose activities are highly international in nature are Lapland Safaris, Arctic Safaris, Eräsetti Oy, Safartica Oy and the major hotels. Furthermore, the degree of internationalisation of the most visited sights, such as Santa Claus Village and Arktikum, is high.

Travel companies have strong international networks and the company Rovaniemi Tourism & Marketing Ltd works actively with local companies on the international markets in cooperation with Lapland Marketing Ltd and the Finnish Tourist Board. Almost 60 percent of tourists arriving in Rovaniemi come from abroad, and Rovaniemi is the second most international tourist destination in Finland after Helsinki.

Rovaniemi inspires international media interest mainly on account of Santa Claus. Approximately 100 representatives of the international media visit Rovaniemi each year.

²Eight seasons. Rovaniemi's application for Capital of Culture 2011. City of Rovaniemi, 2006.

Information and Communication Technology (ICT) companies in Rovaniemi are primarily sub-contractors competing on international markets, for example as Nokia sub-contractors. Both new ICT companies and tourism businesses operate right from the outset on the international markets or in an international competitive environment.

2.2. Culture

Cross-border interaction has been a natural part of northern culture and Rovaniemi: the northern mentality has always been multilayered and multilingual. Lapland has always been multicultural and Rovaniemi the centre of an expansive, international northern region. To a large extent, cooperation between northern players is based on location and similar conditions. The specific characteristics of Laplanders, both their material and intellectual culture, are part of Lapland's cultural heritage.

In addition to business, culture has also served as a driver for international cooperation. Cooperation in the field of culture has been concretised with numerous projects. Cultural cooperation in the region starts from the grass-roots, i.e. from the people themselves; it is part of ordinary everyday work. The leading role in international cultural exchange is played by the cultural cooperation taking place in the Barents region. Rovaniemi's central location in the Barents region as well as active players and their cooperation networks throughout the Nordic countries and the North Calotte have made Rovaniemi the centre of the Barents region.

International cultural activity has primarily included exchanges of exhibitions, organising artists' exhibitions, musical performances, arranging international conferences and events, visits and cooperation in a variety of projects. Artists and people working with culture in Rovaniemi have been involved in numerous projects in the cultural field: the Polar Art Line project brought together graphic artists from Lapland, Finnmark and Archangel; the exhibition group Ark 6 expanded to four nations with the introduction of Sweden; artists from the Barents region appeared together in Stockholm, Edinburgh and London; the New Potatoes - The Barents Region Young Artists exhibition and seminar brought together young graphic artists from the Barents region; the Faculty of Art and Design of the University of Lapland, the Arctic Centre and different cultural bodies in Rovaniemi have come together in the

service portal project for Barents cultural heritage, eLibrary&Culture without Borders. Cooperation with the Les Rencontres organisation has been intensive; the Barents writers' retreat has enabled cooperation with Sweden, Norway and Russia for the last nine years. Furthermore, cooperation with a children's choir from Hong Kong has been ongoing for years.

Cuisine is an integral part of culture and the gastronomic culture of Lapland is one of the best known and is thriving. As far as Finnish tourism is concerned, Lapland is a highly interesting region in culinary terms. Food tourism in Lapland has been groundbreaking and has won the region a global prize for tourism.

Finns are recommended to use delicacies from Lapland in export-promotion events overseas. Chefs have participated in export fairs around the world. International cooperation has been a theme for decades on visits by chefs to the Calotte region. For example, the Northern Calotte food tours project explored the flavours of the Calotte from Luleå to Kiruna and on via Narvik to Tromsø. The international Chaîne des Rôtisseurs organisation landed in Lapland with the first Chapitre gala event in 1966. Such Chapitre events have since been organised in Lapland a number of years.

2.3. Education and research

Schools in Rovaniemi cooperate extensively with many European countries: the United Kingdom (Wales in particular), Ireland, Germany, Austria, Italy, Estonia, the Czech Republic, Belgium, Spain and Croatia. There is also cooperation with Japan and New Zealand. The cooperation comprises teacher and pupil exchanges and school camps. These have developed into more elaborate teacher and pupil exchanges and a variety of partnership projects, commonly implemented via the Comenius programme.

All the operational units of the Rovaniemi Municipal Federation of Education engage in international activity through student and teacher exchanges. The most intensive international activity involves the Rovaniemi University of Applied Sciences, which has entered into over a hundred partnership agreements. There are around 200-300 international students at the Rovaniemi University of Applied Sciences each academic year, and the number of exchange students is on the increase. In 2005, 81 international exchange students were admitted onto different programmes of study.

Most of the exchange students come from Austria, the Netherlands, France and Germany. 112 Finnish students from the Rovaniemi University of Applied Sciences completed a period of study or work placement abroad as part of an exchange.³ The international students of the Rovaniemi University of Applied Sciences represent 3.8 percent of the student body. The equivalent figure for all universities of applied sciences is 5.1 percent.⁴

The international activities of the University of Lapland mainly involve exchanges of students, teachers and researchers in the framework of different programmes and agreements. The university has concluded cooperation agreements with hundreds of foreign universities and research institutes. 350 foreign students are enrolled at the University of Lapland, 220 of whom are exchange students. The proportion of all students for whom international students account was around 4 percent in 2004, representing one percent above the Finnish average⁵. The University of Lapland has produced an internationalisation strategy for 1998-2010. Revision of the strategy will be initiated in early 2007.

The University of Lapland and the Rovaniemi University of Applied Sciences are part of active cooperation networks in the Arctic and Barents regions as well as in Europe and other regions. These universities participate in numerous international projects and activities.

Multidisciplinary research at the Arctic Centre of the University of Lapland focuses on the interaction between the individual and the environment. International research is conducted in the Arctic, sub-Arctic and boreal zone of the Northern hemisphere. There are three priorities in terms of the contents of the research: global change, sustainable development, environmental law and minority rights. For example, the research group on sustainable development is examining the sensitivity and vulnerability of the region's population, business and institutions in the face of rapid change in society and the environment, as well as factors threatening natural

³ Rovaniemi University of Applied Sciences. Activity Report 2005

⁴ Students studying for a higher-education qualification and those who have come as part of an exchange for a period of study or placement lasting more than 3 months. The figures date from 2004. Source: Ministry of Education/AMKOTA database

⁵ Foreign nationals enrolled at Finnish universities in autumn term. Source: Ministry of Education/AMKOTA

biodiversity. Another object of research is the abilities for the inhabitants and institutions of the Arctic regions to adapt to change.

One of the priorities of teaching, research and the development activities of the Rovaniemi University of Applied Sciences is the management of cold conditions. One entire area of activities addresses ice and snow in a built-up environment. Other areas of research include the technical properties of ice and snow, working methods, related structures, as well as snow routes and the maintenance of such. Development activity seeks to produce aesthetic, in overall financial terms advantageous and safe snow and ice environments, for both the tourism industry and local residents.

Other bodies engaged in international research in Rovaniemi are the Rovaniemi Research Unit of the Finnish Forest Research Institute and the Northern Finland Office of the Geological Survey of Finland.

2.4. Youth, sport and fitness

Rovaniemi and Lapland have also aroused interest in the fields of youth, sport and fitness. Numerous international fitness and sports events and conferences are hosted by Rovaniemi and Lapland. Rovaniemi and the district of Ounasvaara, close to the town centre, are nationally and internationally renowned venues for high-level sporting events and competitions.

The City of Rovaniemi's international cooperation in terms of youth, sport and fitness is based on long-term, annual activities undertaken with twin towns and on visits. Recent years has involved the European Union's Youth Programme for organising international youth conventions. Many schools have successfully participated in international competitions, organised school camps and benefited from the Comenius programme, with which other operators in the city are also familiar. Countries with which cooperation takes place are Germany, Italy, Hungary, Romania, Norway, Russia, Sweden, Latvia, Lithuania, Estonia, France, Denmark, Austria, England, Belgium, Poland and the Czech Republic.

2.5. Immigrants

Around 850 foreigners reside in Rovaniemi on a permanent basis. The biggest groups are Russians, Swedes and Afghans. Of the Swedes, the majority are returnees. Additionally, there are students and individuals with fixed-term employment contracts in Rovaniemi that have been granted temporary residence permits. 1.6 percent of the population of Rovaniemi are foreigners. The equivalent figure for the whole of Finland is approximately 2 percent.

Reasons for permanent migration are employment, family reasons, returning home (remigration) and being a refugee. About 20 % of the immigrants living in Finland have a refugee background. Rovaniemi's refugee quota is 80 individuals per year. There is also a reception centre for asylum seekers in Rovaniemi, currently housing around 100 asylum seekers.

Rovaniemi provides the following services to immigrants:

- The immigrant office of the City of Rovaniemi Social Services
- The Rovala Settlement association's MoniNet multicultural meeting place; partly established activities, partly project work
- Immigrant services at the Rovaniemi Employment Office
- The Rovala Settlement association's immigrant education
- Lapland Vocational College, preparatory courses for basic vocational training for immigrants (independent study), further information
- Pre-schooling for immigrants of compulsory education age has been organised and can be participated in by school-age children who have recently arrived in Finland for about a year before joining mainstream education
- The City of Rovaniemi is involved in a nationwide Infobank service containing a great deal of information for immigrants in different languages. In the local information section of the Infobank, there is information about the services provided by Rovaniemi to immigrants

2.6. Relations with twin towns

Rovaniemi has concluded twin town agreements with 14 cities or regions. Rovaniemi's longest standing twin town agreement is with Kiruna Municipality, with which the agreement was signed as early as 1940. The latest twin town is Harbin, with the agreement signed in January 2006. Most twin town agreements were signed in the 1960s and 1970s.

The level of activity with twin towns has varied from decade to decade and from town to town. The current degree of activity with the various towns can be rated as follows:

1. Active cooperation

Ajka, Vesprém, St Johann in Tirol, Murmansk, Harbin, Kassel, Kiruna

2. Occasional cooperation

Narvik, Olsztyn

3. Few contacts

Frederikshavn, Neustrelitz, Drvar, Grindavik, Cadillac

For the most part, activities with twin towns involve exchanges in the areas of education, culture and youth. Business-related cooperation has been entered into with the Hungarian partner municipalities, and to a lesser extent with Murmansk. Business cooperation has been highlighted in the twin town agreement between Rovaniemi and Harbin.

2.7. International projects

The University of Lapland and the Rovaniemi Municipal Federation of Education have been highly active participants in international projects. The City of Rovaniemi is also involved in international projects. The University of Lapland and the Rovaniemi University of Applied Sciences have a joint unit for project work, **Finnbarents**, which provides training and consultation services in the Barents region. The Finnbarents unit is also involved in a number of different projects.

Dozens of projects have been carried out in the Barents region. The main channel of financing is the **Interreg III A programme, the sub-programmes of which are the North Calotte, Kolarctic and Sápmi programmes**. Many different types of project

have been financed through the programmes, and these have dealt with information exchange, transport development, tourism, female entrepreneurship, business development, infrastructure, information technology, the development of expertise, and research.

Lapland is also part of the Northern Periphery sub-programme of the **Interreg III B programme**. The Northern Periphery programme is implemented by Iceland, the Faroe Islands, Greenland and certain areas of Finland, Sweden, Norway and Scotland.

2.8. Other international activities of the City of Rovaniemi

Other international activities of the City of Rovaniemi concern international, business-based projects and thematic cooperation with different regions. Rovaniemi is considered to be an interesting partner, above all in matters regarding Christmas and Santa Claus. International cooperation has been conducted on themes linked to content production, snow and ice and rural development.

2.9. Other Rovaniemi organisations active internationally

Projects are financed by the Regional Council of Lapland in the framework of international financing programmes. The European North Lapland - Oulu office, set up and financed by the Regional Council of Lapland, the Council of Oulu Region and the Kemi-Tornio Development Centre is a unit operating in Brussels. The office was set up in May 2002 and its priorities are defending the interests of the region, supporting project work, services to companies, disseminating information on the EU and providing training. The Regional Council of Lapland is an active player in the Barents and North Calotte regions. Furthermore, the Regional Council of Lapland has reinforced cooperation with the Veszprém Province.

The international activities of the State Provincial Office of Lapland focus strongly on cooperation in the Arctic region via the Northern Forum and the Arctic Council.

Furthermore, the State Provincial Office of Lapland engages in international cooperation in the Barents and North Calotte regions. There is international cooperation between the State Provincial Office of Lapland and different regions of Russia, the Heilongjiang Province of China and numerous European regions. In issues

related to safety, the State Provincial Office of Lapland cooperates, for example, with the regional administration of Murmansk.

The Employment and Economic Development Centre (T&E Centre) for Lapland assists companies with internationalisation issues by offering training, finance, consultation and customised expert services. Other services provided by the T&E Centre are export cooperation and directing companies to sources of information, for example the services of Finpro ry. The Lapland Chamber of Commerce and the Lapland Association of the Federation of Finnish Enterprises act as partners for companies engaging in international business.

Rovaniemi has numerous international players in the tertiary sector. There are over 16 friendship associations and multicultural associations in Rovaniemi and several honorary consulates. Sports societies, various cultural players, adult education centres and civic organisations such as the Europe Club are active internationally. The Parish of Rovaniemi is also an active international player. Different districts within the Rovaniemi community are also engaged in international activities.

In addition to those mentioned above, the public sector players include the Police IT Management Agency, the Border Guard and the Provincial Military HQ.

3. CHANGE IN INTERNATIONAL OPERATING ENVIRONMENT

Change in the international operating environment is being dictated by a revolution in the global economy based on the introduction of new technologies and the globalisation of the corporate world. Physical investments in industry and the capital invested in them no longer serve as a driver of economic growth in Finland to the same extent as before; on the contrary, intangible capital, such as education, know-how, information and R&D, is overtaking these in terms of importance.⁶

International business is also undergoing change. Companies are relocating both their production and R&D operations to places with more favourable production costs.

⁶ Hämäläinen, Timo. Towards a prosperous and competitive society. The National Forecasting Network's views on the future of Finland. Finnish Innovation Fund (Sitra) publications.

However, no one country can provide the perfect location for all possible business operations; instead, today countries and regions have to make ever more careful strategic choices regarding the sectors and operations for which they can offer the most advantageous location.⁷

The internationalisation of services is also gathering speed. In particular, services to the business world, such as consultation, legal services, telecommunications services, communications services and software production are fast becoming international in nature.

Globalisation, i.e. the convergence of the global economy, also alters political and cultural behaviour. In the age of rapid information and communication technology, new products, both tangible and intangible, spread across the world rapidly. However, there is a strong trend towards a fragmentation of so-called mass culture and towards the social life of individuals revolving more and more around the specialised group to which they belong. These smaller groups interact with each other, but activities are not bound to a specific time or location. The social minority forms its own community of feeling and experience. In terms of business, this means the splitting of markets into ever-smaller fragments, in which companies can survive only by generating ever-greater added value for their clients around the world.

Major demographic and socio-cultural changes are also taking place. Population growth is slowing down and average life expectancy is increasing. Particularly in Europe the population is ageing fast, and the number of retired people is increasing rapidly. These senior citizens will be active, wealthy and healthier than in the past. As far as their consumer behaviour is concerned, it is assumed that they will consume more intensively than is the case today.

The structure of society and the family will change as the numbers of people living alone and childless couples increases. A diversification of lifestyles and living environments will take place. The size of households will fall while the total number

⁷Hämäläinen, Timo. Towards a prosperous and competitive society. The National Forecasting Network's views on the future of Finland. Finnish Innovation Fund (Sitra) publications.

of households will rise. People are expected to have more free time at their disposal. Urbanisation is a global phenomenon, and people living in cities will travel more than those living in rural areas. More and more people will have a holiday home.

Either directly or indirectly, the international operating environment will be affected by, for instance economic crises, a reduction in competition restrictions, the availability of investment capital, public support funding, fluctuations in exchange rates, possible free trade agreements, the increase in international alliances and the emergence of ever more multinational companies. The enlargement of the European Union along with rapid economic growth in China and India will have a major impact on the international operating environment of the future.

The international political situation will impact globally on the environment in which we operate. Military attacks, wars and the fear of terrorism will naturally reduce international dealings. The way in which different epidemics and health risks are managed globally will affect the safety of Finland and Finnish nationals.⁸

3.1. Challenges and Opportunities

The final report of the Finland in the Global Economy study reflects on the challenges and opportunities that global competition will entail for Finland. The Finland 2015 report by the Finnish Innovation Fund - Sitra lists many challenges but also opportunities.⁹ It may be assumed that Rovaniemi will face very similar challenges to the rest of Finland but the challenges faced by Rovaniemi will be even greater.

Challenges:

- 8.1. small population leading to a small domestic market
- 8.2. remote location in relation to key market areas (except Russia)
- 8.3. industrial production crammed into areas with great market potential
- 8.4. tougher international competition for investments, Asia and new EU member states more attractive for investment
- 8.5. combination of high skill levels and low labour costs in Asia and Eastern Central Europe.
- 8.6. future labour shortage

⁸ Lehtola, Mirja. Trends and future prospects in tourism. Publication of the Lapland Centre of Expertise for the Experience Industry (LEO), 2001. p.9.

⁹ A more knowledgeable, open and modern Finland. Final report of the Finland in the Global Economy study. Publication series of the Prime Minister's Office 19/2004. Step marks for the future. Final report of the Finland 2015 programme. Sitra 2003.

- 8.7. Finland's attractiveness as a destination for immigrants (climate, language, high taxation, attitudes of Finnish people)
- 8.8. too uniform culture is a barrier to creativity
- 8.9. rapidly ageing population
- 8.10. readiness of economy and society to change and capacity for sustained renewal

Furthermore, the OECD mentioned the following as challenges for the years ahead in its Territorial Review of Finland:¹⁰

- 8.11. high dependence on the ICT sector
- 8.12. low number of SMEs
- 8.13. under-developed culture of entrepreneurship
- 8.14. poor use made of information technology in traditional production sectors

Opportunities

- 8.15. development of logistics and data transfer
- 8.16. high level of expertise
- 8.17. functional system of innovation
- 8.18. investment on research and development activities
- 8.19. greater approximation of education to working life
- 8.20. development of business expertise
- 8.21. rewarding entrepreneurship

Furthermore, the OECD mentions the following as untapped potential in its Territorial Review of Finland:

- 8.22. foreign investment
- 8.23. attracting educated foreigners to Finland
- 8.24. international tourism

4. SWOT ANALYSIS

The SWOT analysis below defines Rovaniemi's position in the international operating environment. According to numerous indicators, the Rovaniemi region is clearly an international player. The greatest opportunities are to be found in more effective international networking by the different players.

¹⁰ OECD Territorial Reviews. Finland. OECD 2005.

<p>Strengths</p> <ul style="list-style-type: none"> - accessibility - universities - international tourism - infrastructure, also cultural - telecommunications links - nature - leisure services - exoticism - high recognition of Lapland brand 	<p>Opportunities</p> <ul style="list-style-type: none"> - closer cooperation between different players and sectors - cooperation in education and research - Barents region - culture tourism - immigration - development of twin town activities
<p>Weaknesses</p> <ul style="list-style-type: none"> - small population base - industrial structure - geographical position - low number of international companies - lack of foreign investment - low number of immigrants, management of integration process - lack of coordination of international activity - degree of commitment to cooperation 	<p>Threats</p> <ul style="list-style-type: none"> - threat of climate change to international tourism - relocation of industrial production - future labour shortage - increase in prejudice - worsening of environmental conditions - fewer financing opportunities

5. CONCLUSIONS

Rovaniemi is engaged in a great deal of international activity in the public, private and tertiary sectors, and it may be said that Rovaniemi is an international city compared to many other cities of comparable size. Many provincial and state organisations that are active internationally have established their administrations in Rovaniemi.

Rovaniemi's international nature stems from tourism, the activities of education and research establishments, export trade by companies, the activities of public organisations, and an active tertiary sector. The number of immigrants in Rovaniemi is proportionately lower than in Finland as a whole.

International activity is inevitably increasing all the time. The international dimension today is already part of everyday life, day-to-day interaction and ordinary working life. Internationalisation is not a value in itself; instead, it has to generate intellectual and material added value for the people of Rovaniemi. Indeed, the starting point for strategy work is Rovaniemi as a community, not merely as a city administration.

Rovaniemi's peripheral geographical location away from the growth centres of the world is becoming less of an issue thanks to new technology. Internationalisation is a natural route of development for expanding companies. Successful companies, education and research establishments are already operating over the networks regardless of physical location. International exchanges of students, teachers and researchers reinforce the region's overall level of expertise.

Internationalisation is a prerequisite for the development and growth of the region. The future labour shortage will also affect Rovaniemi from 2010 onwards and will require increased immigration. Internationalisation makes people less prejudice, more knowledgeable and better at understanding change.

In order to attract immigrants, the challenges faced by Rovaniemi are the region's small population base, geographical location and climate. On the other hand, these challenges also pose an opportunity, especially for tourism. The challenges to the internationalisation of businesses are the low number of international companies and the lack of foreign investment. International activities in Rovaniemi are fragmented. There is no coordinated and systematic cooperation between the different international players in the region.

6. STRATEGIC AIMS OF INTERNATIONALISATION

6.1. Vision for 2015

Internationalisation is important for Rovaniemi and it has to be planned, prioritised and systematic. Rovaniemi is easy to get to from around the world; it is easy for the young people of Rovaniemi to go out into the world, and also easy for them to return to Rovaniemi.

Rovaniemi is a safe, distinctive, tolerant and easily accessible Arctic meeting place both for the people of Rovaniemi and international players.

6.2. Objectives

Multiculturalism and international city of culture

The strategy sets the objective of making its residents more multicultural, whereby children and young people in particular would learn work in an international environment. Active participation in international networks reinforces the level of expertise throughout the sectors.

Immigrants, including international students, are an opportunity and a resource not least in view of the future labour shortage. Immigrants play their part in making local residents more multicultural and this also increases tolerance.

Internationalising business life and strengthening recognition for Rovaniemi

One strategic aim is a growth in international investment activity for businesses, which makes new investment possible and brings new companies into the region. Economic growth will come about through new investment and increased corporate activity, and this will increase the financing possibilities for providing services needed by residents. Enhancing Rovaniemi's international image and reputation will serve the interests of other regional players as well as business. Another strategic aim is to get Rovaniemi companies to operate within international networks.

6.3. Indicators of achievement of aims

Many different indicators of internationalisation can be defined. The following are examples of such indicators:

- change in number of international investors and players
- change in value of exports
- change in the number of international meetings and congresses
- change in number of registered overnight stays by international visitors
- change in relative share of immigrants in population
- immigrants as a proportion of workforce

- how long immigrants stay in the locality
- change in the number of international students, teachers and researchers in compulsory, post-secondary and higher education
- monitoring the number of international cultural events
- number of international projects
- image surveys
- resident surveys
- work by international researchers in the region

However, there are problems with the reliability of the various indicators. The statistical data on which the indicators are based are often several years old or difficult to obtain. The indicators used have to be as reliable and easy to monitor as possible. The possibility of separate studies on e.g. image should be considered on the basis of needs and available resources.

The following indicators of internationalisation are relatively easy to monitor:

INDICATOR	Starting level	Target level 2010	Target level 2015
Change in value of exports	145 m€(2006)	176 m€	224 m€
Change in international overnight stays registered	251,000 (2006)	320,000	410,000
Change in number of international meetings and congresses	16 (2006)	30	60
Change in relative share of immigrants	1.6 % (2005)	To be clarified when immigration strategy for Lapland is drafted	
Change in number of international university students (enrolled in Sept)	University of Lapland 331 (2006) Rovaniemi University of Applied Sciences 81 (2006)	LAY 440 Information not available	
Number of international culture and sports events, including exchanges of experts and artists	International cultural events 8	19	24
	International sports events 5	8	15

7. PRIORITIES AND METHODS FOR ROVANIEMI'S INTERNATIONAL RELATIONS

7.1. Priority actions

The priorities selected for international activities are promoting the internationalisation of business, cultural activities, education and research, as well as helping children and young people to think global. Immigrants are regarded as a resource for the future.

7.2. General methodology

In the future international activities should be concretised into practical measures with clear, set objectives to benefit the people of Rovaniemi with monitoring of the implementation of these objectives. International activities should involve cooperation with other international players in Lapland. In the Barents region, the whole of Northern Finland is an important partner. Tools to be exploited in cooperation are international projects, participation in international networks, and utilising IT and technology.

7.3. Activities of twin towns and associations

Twin town activities should be systematically redeveloped. The existing twin town agreements will be continued, but new twin town agreements are to be made only if at the negotiating phase it has been possible to draft a realistic and concrete programme of measures to which both parties are committed. Efforts shall be made to develop thematic cooperation with different regions in place of twin town agreements.

Cooperation with existing twin towns is determined on a city-by-city basis. For example, the prerequisites for business cooperation with Harbin and Murmansk exist, while the most natural form of cooperation with Kassel is in the cultural sphere. In terms of education and youth, the conditions are right for cooperation with, for instance, the Hungarian friendship towns and St Johann in Tirol. The separate administrative and service departments of the City of Rovaniemi themselves determine their relations with friendship towns and the significance of such for their own activities.

Numerous partner associations operate actively in Rovaniemi, and the City of Rovaniemi is looking into whether or not it will be possible for the city to buy services from those associations, for example, in order to boost activities with twin towns.

7.4. Enhancing international communications

Rovaniemi's international communications are to be enhanced so that they serve the different sectors of business better than today. Around 100 representatives of the international media visit Rovaniemi annually, mainly because of tourism and above all Santa Claus. Rovaniemi will take action to attract the international media to the city, and determined efforts will be made during those visits to project a more varied image of the city and to introduce Rovaniemi's businesses.

The international website of the City of Rovaniemi will be further developed in order to provide better services for immigrants, international students, international companies and foreigners with an interest in Rovaniemi.

7.5. Developing the skills of the staff of the City of Rovaniemi administration

The skills of the staff of the City of Rovaniemi that work in an international operating environment will be boosted. Work to improve skills is needed in the areas of language skills, international networking and exploiting international financing possibilities.

7.6. International projects

Efforts will be made to make considered use of international projects in international activities. The aim is to use international projects to turn Rovaniemi into an internationally attractive operating environment and, on the other hand, to allow Rovaniemi companies, the city and other regional players to make effective use of international networks. International project work is also carried out in the City of Rovaniemi in the context of development measures relating to social services and healthcare. In addition to the structural funds, the European Union has numerous other forms of financing in the forthcoming programming period for 2007–2013.

Plans have been drawn up for these international financing programmes, and the Commission will process them in spring 2007. The most significant programmes for

Lapland and Rovaniemi are the Northern Objective 3 programme, the Kolarctic European Neighbourhood and Policy Instrument (ENPI), the Northern Periphery Interreg IV programme, the Interreg programme for the Baltic region and the Objective 3 programme. No decisions have yet been taken concerning the financial framework for the programmes.

Northern regions of Finland, Sweden and Norway qualify for the Northern Objective 3 programme. Furthermore, the programme contains a specific programme for the Sámi region. The programme finances the development of corporate life, research and education, operational activities in border regions and reinforcement of identity.

Northern regions of Norway, Sweden, Finland and Russia qualify for the Kolarctic European Neighbourhood and Partnership Instrument (ENPI). The aim of the programme is to support economic and social development, meet shared cross-border challenges and develop security. A further objective is to develop cooperation between the people of these regions.

Regions of Finland, Ireland, Northern Ireland, Sweden and Scotland are eligible for the Northern Periphery Interreg IV programme. From outside the European Union, the Faroe Islands, Greenland and parts of Norway fall within the scope of the programme. The aim of the programme is to promote the generation of innovations and to bolster the competitiveness of peripheral regions. Another important objective is the sustainable development of resources and communities in peripheral regions.

There is a possibility to apply for funding work with twin towns from the new Citizens for Europe programme. Funding applications may be submitted for meetings of citizens, thematic networks of friendship towns, for example, for conferences and workshops. The Asia-Europe Foundation (ASEF) can be used to finance cooperation in the fields of youth, education, culture and art. The Foundation finances e.g. the organisation of seminars, conference and meetings as well as exchanges.

7.7. Promoting the internationalisation of businesses

The aim of the City of Rovaniemi is to significantly enhance the economic performance of the region in the years ahead and to develop into a both nationally and

internationally significant Northern business centre, providing companies with a competitive operating environment that supports and enables growth and internationalisation. Achieving this objective will require cooperation between the players in the city, a genuine desire of the region's companies to expand, and a leading role for companies and experts as co-developers of the City's corporate services.

The role of the City of Rovaniemi group to promote the internationalisation of companies is a rather challenging one, and the needs of different companies vary according to their size and degree of internationalisation. Export companies from the region, the City of Rovaniemi, the Employment and Economic Development Centre (T&E Centre) for Lapland, Rovaniemi Development Agency and Finpro ry have together defined the service concepts that will allow the City of Rovaniemi to best serve the internationalisation needs of expanding companies.

Experts from Finpro ry interviewed the directors of 22 international companies in Rovaniemi representing different sectors. At the same time, Finpro ry's international network collected data and views on changing market trends, developments in demand and the competitive situation, and new and emerging market opportunities.

The findings of the company interviews were reflected in the information received from the international markets about growth in demand and new and emerging market opportunities in numerous workshops involving companies and stakeholders. On the basis of the analyses and negotiations conducted, it was considered necessary to offer companies the following service concepts:

Service concepts promoting the internationalisation of companies

Services involving corporate counselling

Rovaniemi Development Agency will offer companies counselling on issues of growth and internationalisation, making use of the existing service products of the Business Department of the Employment and Business Development (T&E) Centre for Lapland. There are four international service concepts related to business.

1. Company development needs and financing

A service offered by the business advisers of Rovaniemi Development Agency which involves identifying together with the company its own specific development needs and looking for instruments and financing opportunities that enable growth and possible internationalisation. The business advisers also serve as initiators of projects by Tekes (Finnish Funding Agency for Technology and Innovation) and inform companies about various sources of financing. The purpose of the service is to bring about a manifold increase Tekes financing resources in Lapland.

2. Developing international business skills

Developing international business skills is a training course for business managers and key tailored for the participating company. The training programme lasts 2-3 years and funding for the training may be applied for at the T&E Centre.

3. Forecasting the development of cross-sector international business

At the outset, Rovaniemi Development Agency set up a think-tank of five leading companies representing different sectors to reflect on the issue of forecasting change in international business. The think-tank may employ outside experts and funding can be applied for from Tekes. The aim is to enable cross-sector learning about different companies and to forecast international development trends. The findings are made available to all the companies involved.

4. Reorganisation of ownership

The reorganisation of company ownership deals with a move away from ownership, shared ownership and generational shifts. In these situations, it is possible to target domestic and foreign capital investors. Rovaniemi Development Agency gives companies an opportunity to use a capital investment expert for a reasonable fee.

International networking

The City of Rovaniemi will continue to offer so-called prestige services in market areas where the presence of a public authority in the early stage of trading is still important. Depending on the nature of a twin town agreement, efforts will be made to get companies to actively participate in cooperation when the natural preconditions for such are in place.

Public-Private Partnership

Close cooperation between private companies and the public sector is a prerequisite for implementing international project entreties. In Rovaniemi, for example, developing welfare services destined for the international market, to be exploited in the tourist industry, requires wide-ranging cooperation between the private and public sectors. Rovaniemi Development Agency coordinates these activities.

Invest in Arctic Circle

The Invest in Arctic Circle programme is being set up in Rovaniemi with the aim of attracting international investment to the region. The programme determines objectives, maps out potential areas for investment, produces the necessary marketing material and defines the most favourable operating method for achieving the objectives. The aim of the Invest in Arctic Circle programme is also to achieve close cooperation with the Invest in Finland programme.

New jobs are also created in publicly financed organisations, above all in the data security sector. Rovaniemi employs its own efforts to support the internationalisation of the data security sector.

7.8. Training, research and helping children and young people think global

The City of Rovaniemi aims to intensify cooperation between the region's universities, post-secondary schools, special and elementary schools, and support through its activities the University of Lapland and the Rovaniemi University of Applied Sciences by improving services provided to international students, teachers and researchers.

The most significant way of working as far as education and research are concerned is the exchange of students, teachers and researchers. Student exchange activities should be developed already during elementary education, where all pupils of the same age group are reached. Friendship school activities between elementary and special schools are being developed by, for instance, utilising technology. Within work with friendship regions, greater participation on the part of educational establishments and the youth council is being surveyed, with consideration for available resources. Each

school determines its own degree of international activity according to the school's priorities. However, the aim is to identify synergy benefits by, for instance, improving communications.

Language ability is a basic prerequisite of internationalisation. The range of languages taught has to be sufficiently varied, and the learning has to be long-term in nature so that studies can be continued in post-secondary and vocational upper secondary education and training.

The internationalisation of children and young people is supported in day-care centres and crèches. The principle is the same as applied to schools, i.e. internationalisation is determined on the basis of each unit's own priorities and resources.

7.9. Culture

Rovaniemi aims to be a multicultural, open and internationally active city of culture. From the point of view of the internationalisation of culture, the key measures are exchanges of experts and artists, international cultural events and networking with other international cultural players. Exports of culture are promoted depending on the resources available.

The Sámi people are an important component of multicultural Rovaniemi, and cooperation with the Sámi people is highly regarded in Rovaniemi. The cooperation launched in conjunction with Rovaniemi's application for Capital of Culture in 2011 will be continued.

One aspect of multiculturalism is an ecumenical attitude and acceptance of different religions. A positive and accepting attitude to different religions and ways of thinking is important both to immigrants and tourists. Rovaniemi also aims to be an ecumenical meeting place.

7.10. Fitness and sport

Rovaniemi's surroundings and infrastructure make it possible to host major international sporting and fitness events. As for venues for such events, Rovaniemi needs adequate and modern facilities to arrange international events. The City of

Rovaniemi has to adopt a more active role in bringing major fitness events to the city and in making better use of the international expertise acquired in its work with sports.

Sporting and fitness events are a traditional element of work with friendship towns, and this should be further developed insofar as resources allow.

7.11. Immigrants

The Employment and Economic Development (T&E) Centre of Lapland has set up a committee on immigrant affairs for the term 1.1.2007 – 31.12.2009. The mission of the committee is to assist the Employment and Economic Development (T&E) Centre, the State Provincial Office, the employment offices in the region and the municipalities in issues concerning improving integration, coordination and other immigration matters. The committee launched work on a regional immigration strategy for Lapland in spring 2007. The City of Rovaniemi is represented on the committee.

Immigrants are seen as a resource in Rovaniemi. The City of Rovaniemi's international activities of basic services focus on receiving refugees and managing the integration process for immigrants. An integration programme will need to be devised for Rovaniemi that serves the differing needs of the various immigrant groups. Immigrants use the basic services provided by Rovaniemi, which poses problems for the staff of the city administration, for example in the form of insufficient language skill and different culture.

7.1. MONITORING IMPLEMENTATION OF INTERNATIONALISATION STRATEGY AND RESPONSIBLE BODIES

Successful implementation of the strategy requires monitoring and a clear division of responsibility. There are many internationally active players in Rovaniemi and awareness of the extent and nature of these activities is patchy. In order to intensify cooperation, the City of Rovaniemi is setting up the "Rovaniemi International Affairs Board" (working name), which will act as a forum for cooperation and to disseminate information to the international players of the region.

The City Board has overall responsibility for the international activities of the city administration. The Rovaniemi City Board has appointed an Internationalisation Committee to draft the internationalisation strategy and to take charge of the practical measures involving work with friendship towns. The status and tasks of the committee have to be determined in conjunction with the drafting of the internationalisation strategy.

The Internationalisation Committee proposes to the City Board that the committee should continue its work. The tasks of the Internationalisation Committee are:

- Monitoring the implementation of the internationalisation strategy and annual reporting to the City Board
- The Internationalisation Committee is responsible for Rovaniemi's work with twin towns

The term of office of the Internationalisation Committee coincides with that of the City Board. The presiding officers of the City Council and the City Board are elected to the committee together with representatives of the political parties not represented by the presiding officers. Furthermore, the mayor, deputy mayors and the head of the business department are also members of the committee. The chairman of the City Council chairs the committee and the head of the business department acts as presenting official.

Internationalisation is important for Rovaniemi and it has to be planned and systematic. There is a need within the city administration for an international affairs working group made up of representatives of the different administrative and service units. The Internationalisation Committee will decide which body is responsible for coordinating activities.

The tasks of the working group will be to:

- support management in developing international activities
- disseminate information to its own units on the international issues under consideration
- pull together information on the international activities of the different departments in order to achieve synergy benefits.
- contribute to monitoring the implementation of the strategy

Achieving the objectives of the internationalisation strategy requires a practical programme of measures. Devising such a programme presupposes that the people involved in international activities have the time and resources to provide the input required. Furthermore, sufficient financial resources must be available for the implementation of the measures.