

Future-Proof Management in the North

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The Finnish polytechnic education started in Kemi-Tornio and Rovaniemi in 1992. My first business trip to Murmansk was in December 1992 when I travelled there with two colleagues, and Timo Rautajoki, the CEO of Lapland Chamber of Commerce, and bank manager Tuomo Silvenius. On the 6 December, Finland's 75th Independence Day, we negotiated selling training courses for Russian banks. The outcome was seven two-week courses in Kemi for almost 100 bank managers and staff members. In 2017, when Finland will celebrate the 100-year anniversary, I will be in Arkhangelsk with Finnish, Norwegian and Russian colleagues and Travel and Management students. During those twenty five years, I have learned much about the Arctic, the people, the cultures, the nature and the business life.

Passion and patience are needed in international business. Long-term planning, creative thinking, networking and uncertainty avoidance are also important qualifications if you want to reach your objectives one day. Personally, I am not actively involved in business life but as a teacher and researcher, I have been following the development of cross-border co-operation in 25 years together with business partners, students and university colleagues from Norway, Sweden, Finland and Russia. In my courses and transnational projects, I have told students about the opportunities of the Arctic and tried to get them interested in internationalization in the High North. Also, when lecturing at partner universities in Central and Southern European universities I have told the students about the opportunities but also challenges.

Four forces

The Arctic is still one of the cleanest regions in the world, which is influenced by a number of rapid and controversial changes. Climate change and technological change are transforming the

nature of the region. New sea routes, the energy and mineral reserves, and increasing tourism will involve new threats but also open up opportunities.

Professor Laurence C. Smith from UCLA, Los Angeles, California, is one of the leading researchers in the development of the Arctic and author of the book *The New North - The World in 2050* (2011). He "turns the world literally upside down" and shows how the role of Northern regions is changing sooner than we can imagine. The forces are demography, growing demand upon the natural resources, climate change and globalization. Professor Smith states that Northern Rim Countries are the beneficiaries of this new development of immigration, global trade and bonanzas of natural gas, oil, minerals and water.

Managing distances

Why do I and many others see the future of the Barents region in positive light?

Firstly, the Northern Sea Route will open new logistics routes. In 2017 more vessels than ever will sail from Arctic Ocean to the Pacific Ocean. As Russian Arctic ice shrinks to this year's lowest, a big number of ships are moving in. In waters normally covered by thick ice, ships are today sailing easily and without escorts. Ice data from Russia's Arctic and Antarctic Research Institute show that the whole Northern Sea Route now is ice-free.

Secondly, global warming will give easier access to energy resources in Greenland, Northern Canada, and Russia. The third change is caused by technical reform of the Trans-Asian railway across Russia. This railway could give a fast route to Asia. All these mean that Finland could become the global logistics centre in near future. If port of Kirkenes or port of Tromsø will be selected as a hub, Finland will have the possibility to build a new railway line from Norway to Helsinki and through the tunnel to Tallinn, a road leading to the Mediterranean. Thus, state Aaltonen and Loescher (2013), Finland and Baltic countries will be directly linked to each of the world's major economies, Germany, USA, Japan and China. This plan will take much time to come true but in 2017 in Finland there has been much positive political discussion.

Finland's position may prove essential to transport routes both on land and at sea for the transfer and delivery of natural resources, fuel sources and equipment.

Fourthly, there is a great need to develop telecommunications. Finland is actively promoting the telecommunication cable through Finland to the Far East. The goal is that Finland would become

a hub of global information communication, data saving and big data business. Now when Finland has the chair of the Arctic council, this is one of the priorities in the agenda.

Arctic cooperation

In this development, the horizontal cooperation in the Barents and the whole Arctic region between national and regional governments, Arctic council, business and public organizations, enterprises and universities play a central role. It is important to remember that the economic development must be done in a sustainable way due to the vulnerability of the Arctic nature.

Finland has the chair in the Arctic council in 2017 to 2019. According to Timo Soini, Minister for Foreign Affairs of Finland, the Arctic has a great potential. “Better access to natural resources and the opening of new sea routes in the Arctic will bring benefits, but also challenges. The new opportunities oblige us all to work for sustainable development in the Arctic region. This will emphasize the leading role of the Arctic Council in producing outstanding scientific assessments and addressing the impacts of globalization and climate change.”

According to Finland’s Arctic strategy (2013), the vision is that Finland is an active Arctic player, capable of sustainable coordination of the constraints set by the Arctic conditions and business opportunities while making use of international cooperation. The objectives of Finland's Arctic policy are to strengthen multilateral Arctic cooperation, to take part in the shaping of the EU's Arctic policy and to raise Finland's profile as an expert in Arctic issues. This means that the Finnish government and parliament have understood the value and the necessity of the Arctic cooperation. The strategy addresses local residents, education, research, the economy, infrastructure, the environment, stability and international cooperation in the Arctic.

Cross-border expertise - role of higher education

In the moment, Finland is updating the Arctic strategy. I hope that in the new strategy, the higher education will have an important role as a key player in the Barents and circumpolar development. The higher education institutions already have much experience, expertise, joint research and education. With help of these cross-border networks, HEI’s can add value to the sustainable development of the Arctic together with business life and other stakeholders.

One of the priorities in Lapland UAS strategy is the Arctic cooperation and cross-border expertise. In the strategy, it is stated that it works together with its neighbours and searches for partners globally. Globalisation, lowering the barriers of borders, access for the SME sector to the major

projects of the Barents Region, the shared challenges of the northern regions, such as the exodus of young people and cross-border co-operation in public services are examples of cross-border expertise, which is in constant need of development in Lapland and the Barents region

I have been involved in several Barents projects together with SME's and students. In January 2018 we will start a new project with Norwegian and Russian universities. According to the feedback from students in the previous projects, practical learning methods in projects bring the studies closer to the real-life business. In addition, they develop creativity, innovativeness and team working and diversity management skills. The students have also stated that their language skills have developed well and the pros and cons of entrepreneurship have become familiar. Many students said that the best thing were the many new friends, the networking.

Also from pedagogical perspective, the educational cross-border projects are a good example. In transnational teams students study real-life business in Barents region in an open learning environment developing competences need in the future business life. Teachers involved have been very active in planning and implementing the new pedagogical model and will after the project plan new collaboration ideas such as joint curricula and joint research.

Internationalization is one of the focus areas in all participating universities in development of the competences of students but also companies. Educational projects, student exchange and internship abroad enhance competences mentioned above and give the students courage to find later a job in the international markets.

Future is in the North

In the near future, it will be more realistic to plan Arctic business because the environmental issues and climate change are taken nowadays much more seriously than earlier. The prospects of Arctic visions do not mean that business opportunities would have weakened. Actually, in the long run they are huge, especially from the Finnish perspective. The investments of Norway and Russia are part of a long-term policy. The sustainable use of natural resources is just about to start.

In Lapland UAS strategy, Arctic cross-border operation is high on the priority list. Much has been done but it is important that in the near future more focus will be placed on the capacity building of management, staff and students to be able to reach the vision to be pioneers in arctic expertise and an internationally recognized educator, developer and partner.

In addition to the horizontal cooperation, it is important that the institutes of higher education as a network take the role as a link to the Central Europe, US and Asian countries. In these networks, the universities could train people in businesses and universities to learn more about the opportunities and business environment of the High North including the sustainable development. This kind of Gateway role could be a good way to the export of training; just as we already did 25 years ago.

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