



Nordic Regional Youth Camp – Young Eyes on Sustainability in the Arctic Dimension

REDUCE THE COSTS TO DEVELOPE THE ARCTIC ENTREPRENEURSHIP

Entrepreneurship in the Arctic is not as developed as it should be. Economies of the North are not diversified enough and need to be focused on other sectors other than natural resources extraction. According to the study conducted by the Arctic Center (2016) and Nordic Council of Ministers (2018), entrepreneurship development could be a long-standing alternative for sustainable development and resilience of the Arctic.

Entrepreneurship in the North faces several challenges that serves as an obstacle to it. One of the key challenges is the high costs that come with business activities in the North. The essential costs are the following:

- High delivery cost
- Unqualified manpower
- Problems with collaboration between small and large business
- Climate affects maintenance and operation costs
- Unfavorable tax policy for business development

What do we want to see happening now?

- High delivery cost should be balanced with a subsidizing policy / financial support from the state for environmentally friendly businesses and SMEs.
- Faced with unqualified manpower, the number of trainings, experience exchange for local population and cooperation with local educational facilities should be boosted.
- Problems with collaboration between small and large businesses could be met with taxation mechanisms, marketing branding promotion and PR of the “small” actors in the market.
- Climate affects maintenance and operation costs and therefore the huge market potential ought to be explored (based on the local goods).
- Unfavorable tax policy for business development has a big impact and therefore amendments to the taxation system should only be introduced after consultations with small and medium business enterprises.

The above-mentioned recommendations need to be transferred to the Arctic Economic Council and a “Entrepreneurship in the Arctic” Task Force should be established within the Arctic Council, as these recommendations require amendments to the legislation. Forums for small and medium business enterprises should be conducted to take into account their opinion. There is a need for a



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policy or a strategy in the field of diversification of the Arctic economies, since this issue needs a long-term solution.

For entrepreneurship to become appealing, it needs to be beneficial. Therefore, the high costs need to be reduced and this can be done by addressing several factors causing high costs for entrepreneurship in the North.



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