

# **Authors**

Virpi Harilahti-Juola, Antonia Husberg, Mari Kattilakoski, Hanna-Mari Kuhmonen, Olli Lehtonen, Petri Rinne, Sami Tantarimäki, Taina Väre

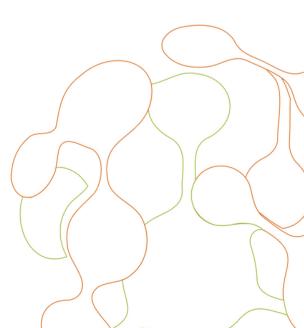
#### Editors

Nordregio | Michael Kull and Mats Stjernberg (Luke/Nordregio)

Citation: Kull, M. & M., Stjernberg (eds.) (2021) MAP Position Paper (Finland) - Change in production and diversification of the rural economy. DOI: 10.5281/zenodo.5920872

Paper finalised in October 2021

Find out more about the Finnish Multi-Actor Platform! <a href="https://rural-interfaces.eu/maps/finland/">https://rural-interfaces.eu/maps/finland/</a>





# 1. Contents

Ba	Background and motivation3				
1.	. Introduction	3			
	Dimensions of diversification	5			
	. Diversification of the rural economy: Entrepreneurship, employment & new bu				
	2.1. Finnish Perspectives & good Practices	5			
	2.2. Opportunities, Challenges & Recommendations for and from Finland	6			
3.	. Smart rurality, smart communities and digitalisation	9			
	3.1. Finnish Perspectives & good Practices	9			
	3.2. Opportunities, Challenges & Recommendations for and from Finland	11			
4.	. Bio-economy and sustainable management of resources	12			
	4.1. Finnish Perspectives, good practices & challenges	12			
Re	ecommendations and Conclusions	15			
Re	eferences	19			
Αı	ppendix	20			



## **Background and motivation**

Green and digital transitions are at the core of the transformational changes needed in European rural areas. The diversification of rural economies has improved their resilience to the consequences of the COVID-19 pandemic, and will play a pivotal role in the recovery by offering development opportunities.

The SHERPA process will support the gathering of evidence from across Europe, at multiple levels, regarding the directions of the diversification of rural economies, which are appropriate and feasible to address local needs.

SHERPA Multi-Actor Platforms (MAPs) are invited to discuss three key questions:

- 1) What are the key needs for the development of the rural economy in your MAP, and how can they be addressed most effectively?
- 2) How can policy interventions support positive changes in the diversification of the rural economy, considering solutions that are needed at the local and national levels, and any implications for the wider policy framework (European Union level or others)? What can public administrations (at all levels) do to facilitate and encourage positive changes in the diversification of the rural economy?
  - 3) What are the research needs and gaps?

The exercise is based on the following process: (i) preparation and reflection of the SHERPA Discussion Paper by each regional or national MAP, (ii) consultation with MAP participants, (iii) drafting of the MAP Position Paper, and (iv) synthesis of the regional and national MAP Position Papers for discussion at European Union level.

#### 1. Introduction

This Position Paper focuses on fundamental issues concerning the diversification of the rural economy, which are of particular interest for the Finnish SHERPA Multi-Actor Platform. These issues include entrepreneurship and the labour market, digitalisation, smart rural areas and smart adaptation, as well as economic diversification in rural areas.

The **National Rural Policy Programme for 2021–2027** is titled "**Countryside renewing with the times**" (*Ajassa uudistuva maaseutu*) (Kattilakoski et al., 2021). This programme presents nationally shared views and guidelines for rural development in Finland for the coming years<sup>1</sup>. It sets out what kind of national rural policy is needed to meet various current challenges such as the global sustainability crisis and climate change, population ageing and shrinkage, digitalisation, location independence and increasing mobility of people. The programme highlights, among other things, the need for a transition from a fossil-based economy to a sustainable bioeconomy and circular economy. Managing the sustainability crisis requires a shift towards sustainable, low-carbon activities and economies. This change requires a broad debate on, for example, everyday life and entrepreneurship in rural areas, and the impact of decisions across the country and for different types of areas.

<sup>&</sup>lt;sup>1</sup> The strategic focal points of the programme are interdependence, environmental justice and a new knowledge-based economy. These are central throughout the different themes. The five themes in the Rural Policy Programme are:

<sup>1)</sup> Higher added value through sustainable utilisation of natural resources.

<sup>2)</sup> Rural actors as a part of the solution to a sustainable transition.

<sup>3)</sup> Strengthening competitiveness and viability.

<sup>4)</sup> Securing a fluent everyday life.

<sup>5)</sup> Strengthening participation and communality.



According to the vision of rural policy, a Finnish "diverse countryside is a national success factor. It provides a platform and solutions for a good life, innovation, entrepreneurship and a sustainable society. Finland will be developed as a whole, strengthening local opportunities".

The Position Paper is the result of **two key activities that** the Finnish MAP was engaged in during this MAP cycle:

- 1) The identification of topics and the writing of the paper as such.
- 2) The organisation of 4 workshops at the Finnish Rural Parliament 2021.

Activity 1 evolved around several interlinked steps including:

- an initial discussion of the SHERPA Discussion Paper;
- identification of topics of relevance for the Finnish context;
- formation of writing teams;
- drafting of sub-chapters with feedback provided by the facilitator and monitor acting as editors of this paper and considering input from the Rural Parliament.

Activity 2 concerned the organisation and implementation of 4 workshops at the Finnish Rural Parliament in September 2021 on the three dimensions addressed in this paper<sup>2</sup> as well as one summary workshop held in Swedish<sup>3</sup>. The aim was:

- to share results from the draft Position Paper as well as from practice examples from Finland and the EU, including examples from MAP Denmark, MAP Poland and MAP Romania;
- to exchange experiences and to identify inspiring examples and difficulties;
- to identify and discuss needs and possibilities to further improve economic diversification;
- to consider future potentials and develop recommendations.

Overall, this paper has thus been the result of an initial brainstorming on the key dimensions of economic diversification in rural areas, debates among MAP members who have been centrally involved in co-writing the chapters as well as a fruitful exchange with workshop participants at the Finnish Rural Parliament.

On the following pages, the Finnish MAP Position Paper presents some of the key issues related to the process of diversification of production and the rural economy in Finland. It provides a compilation of knowledge around three key dimensions for rural diversification.

<sup>&</sup>lt;sup>2</sup> Diversification of the rural economy: Entrepreneurship, employment & new business models; Smart rurality, smart communities and digitalisation; Bioeconomy and sustainable management of resources.

<sup>&</sup>lt;sup>3</sup> See Appendix 1 for a compilation of reflections from participants.



#### **Dimensions of diversification**

There are three interrelated key dimensions of rural diversification that the Finnish MAP has focused on, i.e.:

- Diversification of the rural economy: Entrepreneurship, employment & new business models
- Smart rurality, smart communities and digitalisation
- Bio-economy and sustainable management of resources

Each theme is addressed in a dedicated sub-chapter in the following.

# 2. Diversification of the rural economy: Entrepreneurship, employment & new business models

Chapter authors: Mari Kattilakoski, Taina Väre, Hanna-Mari Kuhmonen

#### Keywords:

- Knowledge economy and rural industries
- Entrepreneurship, social entrepreneurship and social capital
- Smart shrinking/adaptation, multi-locality, projects focusing on smart adaptation
- Trends in other countries

#### 2.1. Finnish Perspectives & good Practices

This section addresses the themes of **diversification of the rural economy, entrepreneurship, employment and new business models,** and strongly relates to the previously mentioned National Rural Policy Programme for 2021–2027. The introduction and development of sustainable bioeconomy and circular economy models will provide new opportunities for rural economic activity. Sustainable solutions can be developed in areas such as in food systems, energy production and tourism. Decentralised models will be emphasised in the development work, which will also support security of supply. Finland's business and export industries rely heavily on the exploitation of natural resources in rural areas, and it is important to increase the local processing of raw materials. Local downstream processing creates entrepreneurship, employment and livelihoods in rural areas. In addition, the exploitation of natural resources (e.g. mining) must be based on minimising the potential negative effects of resource use and the benefits obtained must also be increasingly allocated to the local economy (environmental justice). Environmental justice principles shall be more strongly integrated into legislation and the allocation of budgetary resources.

In Finland, **public investment in the knowledge economy** has been largely concentrated around university towns and cities, which has contributed to regional disparities. The transition to a just and sustainable society requires that national policies are more considerate of rural areas and actors in the knowledge economy. In rural areas, the knowledge economy is strongly linked to natural environments and the ability to combine high-tech skills and research knowledge with practical and local knowledge. The knowledge economy will be increasingly linked to a resource-efficient use of natural resources and technological innovation. For example, new innovations and new partnerships are needed to exploit the side streams of industrial manufacturing processes. Rural enterprises can play a key role in creating and implementing new models. The knowledge economy, based on tangible and intangible resources and knowledge located in rural areas, must be placed at the top of global value chains.

The **socio-economic structure of rural areas** is influenced not only by demographic trends but also by educational levels and labour market structures. Demographic change, particularly in sparsely populated



rural areas, is challenging rural areas to look to the future from perspectives such as smart shrinkage and adaptation and the need for place-based approaches. Demographic change will have an impact on the supply of jobs, education and the provision of services. As part of the transformation of work, flexible and diverse ways of anticipating skills needs are required. Skills shortages are a key challenge in rural areas. The labour needs of the diversifying rural economies need to be met through the provision of training and employment services.

**The transformation of work along with digitalisation** are creating new opportunities for studying, working and for entrepreneurship in a location-independent way. Indeed, work is partly place-independent, offering more and more people the opportunity to live and work in rural areas. Increasing mobility is reflected in the daily lives and prospects of more and more people, as well as in working life and in business.

#### Good practices / projects / tools /methods

- YTYÄ: project focusing on societal entrepreneurship in rural areas (*Yhteiskunnallinen yrittäjyys maaseudulla*). Ruralia Institute, University of Helsinki.: <a href="https://www2.helsinki.fi/fi/ruralia-instituutti/yhteiskunnallinen-yrittajyys-maaseudulla-ytya">https://www2.helsinki.fi/fi/ruralia-instituutti/yhteiskunnallinen-yrittajyys-maaseudulla-ytya</a>
- Äly: project focusing on smart specialisation in Finland. University of Eastern Finland. https://uefconnect.uef.fi/tutkimusryhma/mita-on-alykas-sopeutuminen-suomessa/
- Remote working hubs as platforms for increasing vitality (Etätyöpisteet elinvoiman kasvualustoina).
  - https://www.witas.fi/hankkeet/yhteistyotahojen hankkeet/etatyopisteet elinvoiman kasvualustoina 1 119
- **Perspectives on smart specialisation from Scotland:** <a href="https://uefconnect.uef.fi/wp-content/uploads/2021/08/Projektitiedote-20.8.2021.pdf">https://uefconnect.uef.fi/wp-content/uploads/2021/08/Projektitiedote-20.8.2021.pdf</a>

#### 2.2. Opportunities, Challenges & Recommendations for and from Finland

# Smart adaptation as an alternative strategy for shrinking areas with declining and ageing population

Rural areas have different prospects and therefore require different development strategies. A development focus on perpetual growth will not serve the whole country. The question is: can a region or place be viable without growth? The perspective of **smart adaptation** ("*älykäs sopeutuminen*") or **smart shrinking** challenges us to think in an alternative way. It broadens the perspective on vitality compared to traditional growth-oriented ways of thinking. Smart adaptation is based on learning to manage change in areas where the population is decreasing. Adaptation and new innovative solutions and developments are needed to respond to these changes.

Analyses of vitality should take into account **perceived wellbeing and perceptions of "good life**". Change needs to be managed with consideration to all dimensions of sustainable development, including social, economic, ecological and cultural aspects. A resourceful way of thinking and acting is needed to support different strategies as different areas have different needs and conditions. There is a need for a knowledgebase and additional data that considers, for example, increasing mobility, location independence and digitalisation, as well as perceptions of a good life. Smart adaptation as a concept and practice offers approaches to facilitate the transition toward a sustainable society. Important areas of emphasis include

- The need to improve *statistics on rural types and the use of spatial information for municipal and regional development.*
- Establishing a regionally and locally applicable roadmap for smart adaptation.

#### Digitalisation and the conditions for place-independent work



Technological developments and changes in lifestyles and attitudes are affecting the way that people work in different sectors. Work has become increasingly place-independent, allowing more and more people to live and work in rural areas. For example, professional work no longer determines where people live in the same way as it did in the past. This change will affect the opportunities for young people, highly qualified professionals and women in particular to live and work in rural areas.

Fast and reliable communication technology and broadband internet will reduce the disadvantages connected with geographical distances for business, education and the provision of services. They enable people to work, be self-employed, study, combine work and leisure, and produce services. Fibre optic connections can contribute to positive demographic and business development in the area. High-speed, high-quality broadband is an investment in the vitality of rural areas.

In Finland, fibre optic deployment appears to have been slower than expected and national and EU policy targets have not been met. Improving access to high-speed broadband in areas where it is not being built on market terms will continue to require public support and better national coordination. Co-construction of infrastructure also needs to be further promoted.

#### **Recommendations:**

- Assessing the socio-economic and regional economic impact of available broadband connections at municipal level and businesses in rural areas.
- Promote opportunities for location-independent work through (community-based) remote working facilities.
- Launch the preparation of a national strategy for remote work and accelerate the take-up of remote work and recruitment.
- Launch trials and development of remote work in cooperation between the public, private and third sectors.

#### Multi-locality and place-independence as an opportunity

**Digitalisation and place-independence** are linked to business, employment and labour market changes, as well as to new ways of organising, delivering and using services in rural areas. Digitalisation enables new place-independent ways of studying, working and entrepreneurship. The COVID-19 pandemic has accelerated the increase of location-independent work. The growing trend towards multi-locality is reflected in the daily lives and prospects of more and more people. **Multi-locational living**, linked to both leisure and work transition and seasonal work, brings new actors and activities to rural areas and also affects the vitality of municipalities and regions. It also increases the demand for public and private services.

#### **Recommendations:**

- There is a need for research on multi-locality as well as improving information systems for monitoring this phenomenon, both in connection to addressing current questions but also in the long-term.
- Multi-locality needs to be taken into consideration in decision making. The demand for rural areas must be met by seeking new solutions.
- There is a need for actions that support and enhance multi-local employment and entrepreneurship.
- Identifying the bottlenecks of multi-locality: the use of geographic information and information systems, impact assessment, legislative bottlenecks, etc.

#### Entrepreneurship in rural areas and new business models

The rural economy comprises a multitude of different activities and industries in addition to the traditional ones such as agriculture, forestry and fishing. Some of these are tied to certain specific places in rural areas whereas others are location independent. It is also important to consider the various needs for renewal that businesses may face. It is therefore important to contribute to and support business restructuring as part of



a sustainable transition, creating a pathway to a new livelihood and employment opportunities in rural areas. It is important to raise issues, including environmental justice and the local and economic effects of a sustainable use of natural resources, in the public debate.

A culture that encourages economic activity and networks that support local and regional vitality are important. This can help attract new actors. Changes of ownership and generational patterns provide opportunities for young people and others interested in entrepreneurship in rural areas. Increasing productivity and supporting the development of new innovations requires, for instance, business advisory, consultancy, financial and internationalisation services that recognise the specificities of rural entrepreneurship. These services are needed to increase the level of upgrading and development of new innovations and they can be provided and developed through multiple service producers and new models and tools. For example, crowdfunding offers one option for rural start-ups and growth companies.

#### **Recommendations:**

- Generating knowledge about the potentials that increasing local processing of natural resources may bring.
- Promoting the development of business activities that rely on a sustainable use of nature.
- Developing sustainable tourism as part of rural entrepreneurship (including multi-sectoral entrepreneurship). Tourism also provides benefits for other economic activities.
- Removing barriers to local procurement.
- Promoting dialogue between actors, e.g., in public procurement.
- New business models: sharing economy, platform economy, etc.
- Supporting existing business opportunities: business services, training.
- Mapping the scope and potential of social entrepreneurship in rural Finland. Information, activation and incentives (e.g. tax benefits) for social/community entrepreneurship are needed.
- In order to develop **social entrepreneurship**, competition law should take into account the overall regional economic impact of social entrepreneurship and the promotion of a sustainable transition in our society.
- Creating conditions for the development of cooperatives and social entrepreneurship in rural areas and exploring the possibilities of creating financial instruments to support service production in villages, between public and private funding.
- Providing services not for profit, but for the benefit of the public good. So-called **value-based** enterprise: on the basis of associations or cooperatives.
- The use of business models and forms of the **platform economy** should be increased as part of upgrading, product development and innovation in rural areas.
- Exploring and promoting the introduction of the **SGEI**<sup>4</sup> service obligation procedure for essential services that are not provided on market terms and "ensuring the availability of economic services that are important to citizens" (See Kettunen et al., 2015).
- The multi-provider model (monituottajamalli) can, within the framework of the legislation, provide locally based solutions, make use of local entrepreneurship and community-based service provision.
- Develop multi-service centres to bring public, private and third sector services closer to rural residents, and to develop community-based entrepreneurship and teleworking. Developing the operation and funding models of multi-service centres.
- Bringing a rural perspective and the perspectives of rural-based enterprises to the implementation of the roadmap based on the National Entrepreneurship Strategy.

<sup>&</sup>lt;sup>4</sup> Services of General Economic Interest. On SGEI in Finland, see, for instance Ministry of Economic Affairs and Employment of Finland (2021).



#### Employment, access to workforce and transformation of labour

The **concentration/centralisation of education** is contributing to widening regional disparities within and between regions. The negative impact is felt at company and sectoral level, reducing the willingness of companies to invest and develop their activities. Decisions in education policy have a great impact on training opportunities and the availability of skilled labour in rural areas. The shortage of skilled labour is a key challenge in rural areas.

In order to attract skilled labour, ways must be found to secure **secondary education** for young people in rural areas. This can be done through the use of blended teaching (i.e. combining both contact and remote teaching), distance learning solutions to complement face-to-face teaching and fostered by increased cooperation between schools. **There is a need to share good practice in training cooperation suitable for rural enterprises**. Work-based learning should be supported by strengthening the resources, skills and approaches to guidance for both teachers and workplace representatives.

**Digital opportunities for continuous learning** are evolving and changing the way we think about the spatial concentration of education and accessibility. Both digital opportunities and opportunities for cooperation between education and training organisations must be exploited to strengthen accessibility to higher education and vocational training, including in sparsely populated areas. Comprehensive training provision tailored and specific training, rural employment services and smoothly functioning labour migration are needed to meet labour needs. As part of the labour transition, there is a need to anticipate skills needs as well as for employment services and business advisory models adapted to rural contexts.

## 3. Smart rurality, smart communities and digitalisation

Chapter authors: Sami Tantarimäki, Petri Rinne, Virpi Harilahti-Juola and Olli Lehtonen,

#### Keywords:

- Smart growth needs to also include smart adaptation
- Local/village level development, LEADER, smart villages
- Renewal of rural vitality
- Using resources in a smart way
- Digital technology
- Social & governance aspects of smartness
- Municipalities & digital societies / role of municipalities in digitalisation processes
- Organisations promoting digital readiness
- Opportunities of and needs for remote work
- Regeneration of vitality
- Structural changes in the labour market / re-structuring

### 3.1. Finnish Perspectives & good Practices

The "Smart theme" and related processes and structures are still largely in their early stages from the rural perspective. However, much has already happened, is happening and is also under planning in Finland as well. This subchapter focuses mainly on describing the current situation.

Smart growth needs also include smart adaptation / shrinkage perspective.

Smart adaptation is one of the current key themes of the Rural Policy Programme 2021-2027, and one of the crosscutting operating principles of the National Island Programme 2020-2023, which will be promoted in the coming years. There are already projects and studies under way on this subject, concerning both the national, regional and municipal levels. In a broader sense, both *social and governance/administrative* 



dimension of smartness and the role of municipalities in digitalisation processes have been at the centre of these projects. Table 1 displays projects, organisations involved and a link to people involved.

Table 1. Finnish projects dealing with smart rurality and smart adaptation

Acronym	Finnish Title	English Title	Key partners and website
ALKUVOIMA	Esiselvitys: Älykäs sopeutuminen Pohjois- Karjalan maaseudulla	Pre-study: Intelligent adaptation in rural areas in Northern Karelia	University of Eastern Finland (UEF)/SPATIA https://uefconnect.uef.fi/en/group/smart-shrinking-in-the-north-karelian-rural-areas/
ÄLY	Älykäs sopeutuminen Suomessa	Smart adaptation in Finland	UEF/SPATIA <a href="https://www.uef.fi/en/article/what-does-smart-shrinking-mean-in-finland">https://www.uef.fi/en/article/what-does-smart-shrinking-mean-in-finland</a>
PISARA	Pienten kuntien strategiset ja luovat ratkaisut	Strategic and creative solutions for small municipalities	UEF/SPATIA
	Älykkäistä kylistä älykkäisiin suurkaupunkeihin	From smart villages to smart cities	University of Turku/Brahea Centre
JÄRKEVÄ	Järjestökenttä tietotalousosaamisen välittäjänä maaseudulla	NGOs Imparting Knowledge Economy in Rural Areas	UTU/Brahea Centre, TIEKE ry, Kainuun Nuotta
DIGIKUNTA	Varsinais-Suomen Kuntien digiyhteiskunta- ja post-covid –valmius	South-West Finland municipalities' digital society and post- COVID preparedness	UTU/Brahea Centre

The reorganisation of mobility and transportation is also an important example in this context (e.g. MaasDigiboksi – the Digital agenda of rural transport and traffic). At the same time all these examples show how different organisations promote digital readiness.

#### Smart Villages

The social dimension and communality have also played a strong role in launching the concept of a smart village. The concept has been promoted, for example by the Smart Village theme group work (2019-2020) of the Finnish Rural Network, and by the smartest village in Finland competition (Rural Network of Finland). This also describes the development at the local level and lays the foundation for LEADER work in the forthcoming CAP period. In addition, a new Finnish-Swedish thematic group (of the Rural Network) "Smarta landsbygder i Svenskfinland och Norden" has started, and other activities have emerged, e.g. Smart Villages Facebook-group, cooperation between SV-villages and international cooperation SV-projects such as Smart Rural 21. In addition, Finnish rural areas/cases are included in (other than SHERPA) Horizon 2020 projects (e.g. AURORAL, DESIRA).

Smart adaptation and resilience strive for and promote *a good life*. Therefore, a good life has become a key concept in rural speech and development, too. In addition to measuring the level of wellbeing, it is necessary to know where people's good life stems from. This has been studied in several projects, such as HYVIS - Hyvän elämän jäljillä (looking for a good life, MDI), *Kestävä maaseutu* (Sustainable/resilient rural areas, Maaseudun Sivistyslitto MSL, UEF), SOMA - *Sopeutuvat innovatiiviset maaseudut* (Adapting innovative rural areas, UEF/SPATIA) and the HYMA network of the Rural Policy Council (UEF, MSL, Kajaani AMK).

#### Remote work

Opportunities of and needs for remote work have increased with COVID-19. It is a good example of the renewal or regeneration of the vitality of rural areas, supported strongly by the possibilities of smart solutions and digitalisation. Remote work has become an everyday practice also in rural areas. Attention has been paid to the importance of the matter and determined development has also been undertaken. The theme



has been discussed in the Smart Village / Smart Rural dialogue, and projects have been launched such as Remote Working Hubs (Leader Aisapari) and Hubittaako (Municipality of Pihtipudas). Led by these, a national network of rural cooperation scenarios was established in 2020, which will spar, share experiences and information. A website has also been created (<a href="https://www.etatyotilat.fi/">https://www.etatyotilat.fi/</a>). Networking of remote work and co-working spaces will continue with new national network projects funded by the National Rural Policy Council and the Ministry of Economic Affairs and Employment of Finland. Structural changes in the labour market and the changing geography of work are now at an interesting stage.

#### 3.2. Opportunities, Challenges & Recommendations for and from Finland

In Finland the key challenge for smart rurality is related to the availability of broadband access. At the end of 2018 broadband was available in 27 191 population grids, which corresponds to 27.2% of inhabited population grids. Extending the geographical coverage of broadband availability and avoiding the deepening of the digital divide requires top-down coordination in broadband construction and more regionally tailored public funding. Research has shown that the telecommunication policy in Finland itself has been successful, and the aim to increase availability of broadband infrastructure in rural areas is encouraged in the future. This aim is supported by the fact that the mobile download speed varies a lot between regions. In addition, mobile download speed in rural areas has lagged behind those in urban and intermediate regions.

Ranking NUTS 3 Areas by Download Speed, Finland Ookla® Open Datasets | Q4 2020 Mobile Download Speed by NUTS 3 Urban-Rural Type, Finland Etelä-Pohjanmaa Etelä-Savo 70 Mhns Pohjois-Karjala Pohjois-Pohjanmaa Keski-Pohjanmaa Kanta-Häme Pirkanmaa 0 Mbps 20 Mbps 40 Mbps 60 Mbps 80 Mbps loka 01 Quarter start date

Figure 1. Download speeds in Finland

Source: Olli Lehtonen 2020

#### Concluding reflections

In Finland, the strategic approach to the smart rurality, smart communities and digitalisation of rural areas is well advanced. Rural development and research networks are also strong. However, there is always room for improvement. Implementation is important for progress, success and future. In this context, among the key aspects that should be considered are financing, experiments, new companionships, participation and long-term development.



Experiences are beginning to accumulate, and new projects will generate more knowledge, as well as research data. However, evaluation and research are both still needed. The forthcoming CAP 2021-2027 period will provide a key funding element to promote the theme, but other sources of funding are also possible and necessary. "Smart" is a multidisciplinary, wide-ranging and crosscutting theme and therefore the importance of coordination and cooperation is emphasised.

# 4. Bio-economy and sustainable management of resources

Chapter contributors: Olli Lehtonen and Antonia Husberg

#### Keywords:

- Diversification of agriculture AND in forestry / fisheries sectors
- Knowledge economy
- Employment as enabler (cf. national strategic programmes)
- Business models
- Strategic links of rural policy to the bioeconomy / bioeconomy strategies
- Social entrepreneurship & multi-locality
- Regional perspectives on the bioeconomy

#### 4.1. Finnish Perspectives, good practices & challenges

#### **Introductory reflections**

According to the Rural Barometer 2020 study commissioned by the Rural Policy Council and produced by the Natural Resources Institute Finland, 68% of Finland's citizens think that the role of rural areas will be emphasised in the future, as part of the green transition (Maaseutubarometri, 2020). According to the study, 77% of citizens see significant economic possibilities in the bioeconomy and the use of renewable resources. Furthermore, 68% of citizens believe that rural areas provide a good operating environment for innovative entrepreneurship. However, the study also shows, that 36% of citizens see substantial problems in the bioeconomy and in the use of renewable resources. The findings highlight the potential of the bioeconomy to strengthen rural areas (and society as a whole), but also point to the need for a broad dialogue between different actors.

The Rural Policy Programme 2021-2027 (Kattilakoski et al., 2021) emphasises the need for place-based policy and development, and for retaining added value in rural areas. Bioeconomy is ultimately realised at the local level, but it is steered through multiple strategies, both at national and the EU level. Various strategies are integrated at the regional level, through cooperation within competence centres/clusters.

Most of Finland's natural resources are located in rural areas. As such, the Rural Policy Programme 2021-2027 underlines the need for fair and just processes linked to the use of natural resources. The utilisation of renewable natural resources must be done through socially-sustainable processes and furthermore it should be linked to a broader perspective of fairness, according to which it is vital to safeguard the rights and opportunities of people and societies living in rural areas (including rights to basic services and infrastructure).

In order to build and develop a bioeconomy and a society that is both carbon-neutral and sustainable we need scalable models that suit different places and environments. In order to introduce and develop such sustainable models we need dialogue and partnerships between different actors (public, private, people; education providers and enterprises) at different levels (local, regional, national and international), as well as research and inclusive development in order to translate new knowledge into practical applications. Bioeconomy and circular economy models have and will open new doors for both businesses and



communities in rural areas. Small- and medium-sized enterprises (SMEs) and micro-enterprises, as well as local societies (e.g. village associations), can play a key role in introducing as well as creating such models, but this requires providing small operators/actors with opportunities.

Finland's current bioeconomy strategy dates to 2014. The strategy was updated in 2021 to reflect changes in the operating environment and the government programme. The vision of the strategy is: "sustainably towards higher added value". The strategy promotes social, ecological and economic sustainability, carbon neutrality and the circular economy.

#### Social entrepreneurship and renewable energy

A significant proportion of Europe's economy is organised via the Social Economy, and the socio-economic significance of social-economy enterprises is also widely recognised in European and national policies. One definition of the Social Economy is established by CIRIEC in the European Economic and Social Committee report "Social Economy in the European Union":

"The set of private, formally organised enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote, or at all events take place through democratic and participatory decision-making processes. The social economy also includes private, formally organised organisations with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them."

The social enterprises are an important tool for regional policy, where investments to the social enterprises in renewable energy offer development opportunities for distant and sparsely-populated rural areas. These areas often suffer from a one-sided economic structure, and they struggle with negative development trends, making these areas dependent on external subsidies and support. In these areas, the re-investments of revenues often offer an opportunity for organising local services, developing community businesses and investments in infrastructure and communication. For instance, the revenues can be used to secure basic services for instance in the fields of health and education in peripheral rural areas with declining and ageing populations, where service provision generally is a challenge.

Positive attitudes toward renewable energy facilitate the potential use of social enterprises in improving local development, but government financing alone will not sustain community action on energy. Thus, the social enterprises also need local activity and full engagement, which could be linked with bottom-up place-based approaches to regional policy. Local people should be involved in the planning of re-investments, as they potentially have the best knowledge about the local strengths which constitute the basis of place-based thinking.

Experiences from Scotland (Okkonen and Lehtonen, 2016) suggest that government support for social enterprises including, for instance, subsidies and grants to investments or infrastructure, can support local economic development. This highlights the importance of supporting the regional development functions of social enterprises, for instance, through the allocation of development funds or adjusting the financial support rates. The regional development functions of social enterprises could be coordinated by the community development agencies or local authorities to ensure common benefit.

#### Key findings:

- Social enterprises and a place-based development concept could be used in regions to roll-out its benefits and support the development of the disadvantaged distant areas which are not competitive enough themselves to generate endogenous growth.
- In peripheral regions, the local job growth in rural communities will be the primary means of improving their economic outcomes and keeping these communities inhabited.



#### Local business models: The case of Eno Energy Cooperative

The business concept of Eno Energy Cooperative<sup>5</sup> focuses on the production of district heating energy by providing woodchips for the three heat production / distribution plants in the area. The energy cooperative is perhaps the most studied example of a local bioenergy system (for instance Lehtonen and Okkonen, 2019). Joint development work between the former municipality of Eno, the forest centre and forest owners made it possible to utilise forest energy locally and created a local production entity.

The research findings from the Eno Energy Cooperative underlines that the use of forest energy can play a significant role in strengthening local development. Investments in the utilisation of local forest energy can have a significant impact on the number of jobs, the income level of the population and the availability of local services. In this way, the forest energy self-sufficiency system maintains economic activity and strengthens the prospects of local economies. It also enhances the sustainable use of local natural resources and reduces the local economy's dependence on externally produced energy. The experience from the Eno Energy Cooperative also proved that, in addition to traditional socioeconomic impacts, the energy cost savings, and their induced impacts, can create a remarkable additional increase to the local development benefits of bioenergy.

As the example of Eno Energy Cooperative shows, local bioenergy production has the potential for significant benefits to the regional economy, but these are not self-evident (cf. common benefit / private benefit). Economic competition can lead to increasing costs and competition in the supply of raw materials, and if local energy is to be abandoned, regional economic benefits can also be lost. This can happen, for example, when local wood biomass is not cost-competitive for fuels, which are imported from outside the region. Therefore, local decision-making and policies also play a key role in defining the local energy production model and its success. Bioenergy entrepreneurship does not necessarily compete with other wood uses, as it can also support local forestry by creating a market for thinning small-diameter wood. This will improve tree growth and production in a thinned forest, generating increasing incomes for forest owners and raw material for the forest industry.

Eno Energy Cooperative's research shows that regional economic impacts and socio-economic benefits can be maximised by: a) local operational business model and use of local raw materials (e.g. community entrepreneurship, cooperatives), b) sustainable use of local wood biomass without compromising future use of wood biomass (e.g. using forest residues), c) cost savings achieved by customers, and (d) reinvesting potential profits (e.g. other community activities) (Lehtonen, 2019). International examples of local socio-economic benefits can also be found, for example, in community energy projects in the UK and Canada (Simcock et al., 2016).

#### Key findings:

- Previously known direct, indirect, and induced impacts of the investments and production are only
  a part of the socioeconomic impact of the production systems in the bioeconomy the profitability
  can increase and even double the development benefits of bioeconomy investments.
- The regional economic impact of local bioenergy systems needs to be considered in the long term over economic cycles.

#### Regional perspectives on bioeconomy strategies

The purpose of this chapter is to demonstrate and discuss the socioeconomic impacts related to place-based bioeconomy development strategies, focusing on a large-scale biochar factory and its associated industries. The analysis focuses on the impacts of the development strategy on the incomes and employment in a small peripheral municipality in Pielinen Karelia, Finland. The analysed development strategy of the bioeconomy is

http://www.enonenergia.fi/Business concept of Eno Energy Cooperative.

<sup>&</sup>lt;sup>5</sup> For more information please visit their website at



an example of a place-based policy, involving local actors and the knowledge of industrial heritage and processing, as well as global investments that support local natural resource utilisation with new technology. Our case study demonstrated (for an in-depth analysis see Lehtonen and Okkonen, 2016) that the positive development in resource peripheries can be supported by a local development bioeconomy strategy when these peripheries take advantage of the absolute advantages derived from natural resources and amenities by concentrating on local, highly competitive production factors.

The successful development strategies highlight the potential for implementing "new initial" advantages in the green economy, emphasising a new way of utilising natural resources in rural areas. Therefore, the locational conditions of these types of economic activities should receive more attention in regional policy and planning, with a framework of place-based practices that ensures the participation of a committee of local actors and the inclusion of unique types of possibilities that each location offers. The positive development must be constructed locally and be customised for the specific conditions in different rural areas, as they are often weakly connected with growing regional urban centres and since they have various locational disadvantages. In addition, distant areas in sparsely-populated regions have notably limited opportunities to benefit from the agglomeration economies of centres and their competitive environments with spread effects. All this implies that their economic development should be constructed and supported locally.

The dependency of a renewal of the local economy from the external actors in the resource periphery was evident from the fact that a high proportion of the development strategy's investments leaked outside the region. The results of the implementation of the bioeconomy strategy proved that the growth in resource peripheries not only depends on endogenous factors as regions face many development disadvantages and structural problems but also depend on imported technologies. However, most of the socioeconomic impacts of production are directed at and induced by the local economy; therefore, the intensive use of local resources with new technologies can create development in the resource periphery and diversify the economic structure. Without bioeconomy strategies that aim toward new investments and upgrading industrial production, there is a high risk that stagnating areas would suffer from negative regional lock-in effects: increasing depopulation, declining employment and increasing unemployment. This lock-in does not inhibit new paths but has an impact on opportunities and limits possibilities for new directions, keeping the negative path in the region alive.

#### **Key findings:**

- A successful local bioeconomy requires local knowledge about the industrial traditions, resources, actors and cooperation partners, but it also requires external technology and capital to implement a development strategy.
- The new local bioeconomic-related strategies are noteworthy in supporting the development of industrial towns in transition in sparsely populated rural regions.

#### **Recommendations and Conclusions**

Finland and other rural areas in the EU and beyond are dealing with numerous interlinked challenges including climate change and sustainability of production, population ageing and shrinkage. At the same time, and according to the EU's Long-Term Vision for Rural Areas, rural areas can become more prosperous by diversifying economic activities to new sectors with positive effects on employment (European Commission, 2021). In line with this image, most of the SHERPA MAPs shared the vision of a diversified rural economy thus "in 2040 the rural economy will be diversified, with non-agricultural activities adding to the sustainability of rural areas" (Chartier et al., 2021).

Enablers to achieve this vision, and as highlighted in the new Finnish National Rural Policy Programme for 2021–2027, include digitalisation, location independence and increasing mobility of people, and finding ways and tools propelling a shift towards sustainable, low-carbon activities and economies. This change requires,



as the authors of the Programme stressed, a broad debate on everyday life and entrepreneurship in rural areas and the impact of decisions across the country and for different types of areas. This paper can be seen as a contribution of our MAP members to this ongoing debate. Before we summarise their views, Figure 2 below gives the floor to participants of our four workshops at the Rural Parliament and to share their views (see Appendix for more). The debate will and has to continue.

Figure 2. Selected messages from participants of 4 Sherpa workshops at the Finnish Rural Parliament, 28-29 September 2021

- "Diversification requires innovation, which calls for networks and cooperation. Changing the typical subordinate role of rural areas to cities in innovation development. How could innovation be created in a rural-driven way?"
- "COVID-19 permanently changed working life, so in addition to digitalisation and working from home, work/meeting spaces from the municipality/community are needed for meetings, networking, etc."
- "Best practice method: the LEADER method, the method of locally led development"
- "All LEADER LAGs in Finland address community development or rural economies in their strategies, so I fully support that LAGs can do a lot in this area!"
- "Local stakeholders know best their area and are working on daily concrete actions. Fighting with adaptation and future change management"
- "Opportunities: bottom-up approach through locally led development. Public, private and third sector
  influence and act together, engage grassroots to be involved in the community and implement
  actions through EU and nationally funded projects Challenges: "trust" from authority, limited
  resources"
- "Local experiences, dialogue between different actors and sectors of paramount important."
- "One man's rubbish can be another man's treasure, i.e. side streams and even waste can be an excellent raw material for someone else. And to keep transport distances short, the benefits come locally, low-threshold cooperation between entrepreneurs and getting to know each other is the key"
- "Decentralised biogas production is an opportunity in rural Finland, because we can use a lot of biomass (e.g. grassland) in production. For example, selling biogas for transport can be an opportunity to diversify rural entrepreneurship."
- "Opportunities and challenges, the use of local social resources. Need to reach out beyond NGOs, to citizens at large. Associations are perhaps changing, people want to contribute to development here and there, perhaps not working 20 years in the same association. Challenge, how to involve citizens on a broad level, there are a lot of unused resources."

This paper has addressed the general topic of *change in production and diversification of the rural economy* with specific focus on Finland. This topic has been examined from the perspectives of three main thematic areas: entrepreneurship, employment and new business models; smart rurality, smart communities and digitalisation; bioeconomy and sustainable management of resources. The purpose has been to highlight Finnish perspectives and good practices relating to these thematic areas as well as to identify key opportunities and challenges. Based on the examples discussed in the paper, the intention has also been to provide recommendations for rural areas in Finland and in Europe more broadly.



Overall, our paper highlights the importance of sustainable bioeconomy and circular economy models in providing new economic opportunities for rural areas and communities in a wide range of areas ranging from areas such as food systems to energy production and tourism. The importance of decentralised models is stressed, as they can also support security of supply. As argued in the first chapter focusing on *entrepreneurship, employment and new business models*, public investments in the knowledge economy are vital for diversifying the rural economy. However, in Finland, these investments have primarily been directed to university towns, which has contributed to increased socio-spatial disparities. Hence, transitioning towards a more just and sustainable society requires more consideration of the local conditions of Finland's diverse rural areas. The socio-economic fortunes of rural areas are influenced by a multitude of factors. For instance, demographic change has an impact on the supply of jobs, education and service provision, and skills shortages are among the key challenges that Finnish rural areas are confronted with. This calls for the need for flexible ways of anticipating skills requirements, as well as diverse training and employment services. From the perspective of attracting and maintaining a skilled labour force, the chapter authors highlight the importance of securing secondary education for young people in rural areas.

Multi-locality and new placed-independent ways of studying, working and entrepreneurship are aspects that present numerous opportunities for rural areas. In relation to this, our paper stresses the need for research on multi-locality and developing information systems for monitoring this phenomenon, both regarding the current situation and with consideration to long-term developments. In relation to entrepreneurship, something that is emphasised as important is a culture that encourages economic activity and networks that support local and regional vitality, as this can help attract new actors. So-called value-based enterprises where services are not provided for profit but for the benefit of the public good is another key aspect which could benefit local economies of rural communities. Additionally, changes of ownership and generational patterns may also provide opportunities for young people and others that can benefit entrepreneurship especially in rural areas dealing with challenges of demographic change.

The second chapter dealing with *smart rurality, smart communities and digitalisation* highlights the importance of the *smart adaptation* concept, which is currently a core theme in Finnish rural policy. Smart adaptation is closely connected to the notion of promoting a good life for people in rural areas. As this concept has emerged and become increasingly established in the rural debate, the chapter authors emphasise the importance of understanding what constitutes the basis of well-being and quality of life as well as having ways of measuring these aspects. From the perspective of smart rurality, one of the core challenges is related to broadband access. Improving broadband internet access is important for overcoming a digital divide between urban and rural areas, and it requires top-down coordination in broadband construction accompanied by more regionally-tailored public funding. While telecommunication policy in Finland can generally be regarded as successful, one area of emphasis in future policy should be to improve the broadband infrastructure in rural areas.

The chapter focusing on *bioeconomy and a sustainable management of resources* calls for socially sustainable processes in the utilisation of renewable natural resources. These should be linked to the broader perspective of fairness, which is anchored in the need to safeguard the rights and opportunities of people in rural communities, including the right to basic services and infrastructure. Furthermore, environmental justice perspectives and the local and economic effects of a sustainable use of natural resources are important aspects to bring into the public debate. Building and developing a bioeconomy and a society that is both carbon-neutral and sustainable requires scalable models that suit different places and environments. Introducing and developing such sustainable models demands dialogue and partnerships between different core actors and coordination between different territorial levels, as well as research and inclusive development as a means for translating new knowledge into practical applications. One of the key arguments presented in this chapter is that local job growth in rural communities in peripheral regions is vital for improving the economic prospects of these types of communities and keeping them inhabited.



Figure 3. Selected key messages relating to the three thematic areas.

#### Selected key messages

- I) Diversification of the rural economy: Entrepreneurship, employment and new business models
  - Transformation of labour and digitalisation enable place-independent work, studying and entrepreneurship in new ways.
  - Digitalisation and place-independence are linked together with entrepreneurship, employment and transformation of labour as well as new ways of arranging, producing and using services in rural areas.
- II) Smart rurality, smart communities and digitalisation
  - Smart adaptation is one of the themes of the Rural Policy Programme 2021-2027 and a cross-cutting principle of the National Archipelago Programme 2020-2023, which will be promoted in coming years.
  - Examples of relevant initiatives: the first wider national project "ÄLY- Älykäs sopeutuminen Suomessa" (smart adaptation in Finland, UEF/SPATIA); National thematic group on Smart Villages (2019-2020); the Smartest Village in Finland competition (2018-2020).

#### III) Bioeconomy and sustainable

- Success in bioeconomy requires the need for local knowledge about industrial traditions, resources, actors, and cooperation partners, but also external technology and capital for implementing strategies.
- New local bioeconomy-related strategies support the development of sparsely populated rural regions.



#### References

Chartier, O., Salle, E., Irvine, K., Kull, M., Miller, D., Nieto, E., Vestergård, L.O., Potters, J. and Slätmo, E., Zomer, B., Iadecola, F. (2021). Long-Term Vision for Rural Areas: Contribution from SHERPA science-society-policy platforms. SHERPA Position Paper. DOI: 10.5281/zenodo.4557440.

European Commission (2021). A long-term Vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040. Available at <a href="https://ec.europa.eu/info/strategy/priorities-2019-2024/new-push-european-democracy/long-term-vision-rural-areas en#documents">https://ec.europa.eu/info/strategy/priorities-2019-2024/new-push-european-democracy/long-term-vision-rural-areas en#documents</a>.

Kattilakoski, M., Husberg, A., Kuhmonen, H., Rutanen, J., Vihinen, H., Töyli, P., Lukkari, T., Osmonen, E., Väre, T. and Åström, C. (2021) Ajassa uudistuva maaseutu – maaseutupoliittinen kokonaisohjelma 2021-2027 (Countryside renewing with the times – Rural Policy Programme 2021-2027). Available at <a href="https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/163350/MMM">https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/163350/MMM</a> 2021 12.pdf?sequence=1

Kettunen, M., Huikko, K., Pihlaja, R., Talvitie, H., Välikangas, A., Lukkari, T., Karppinen, V., Siirilä, H., Pellikka, M., Jutila, T. and Juntunen, A. (2015). Palveluvelvoite maaseudulla – SGEI palvelujen järjestämisen työkaluna (Service obligation in rural areas - SGEI services as a tool for organising services). Available at

 $\underline{\text{https://tem.fi/documents/1410877/2853018/SGEIs\%C3\%A4\%C3\%A4ntelyn+k\%C3\%A4ytt\%C3\%B6+Suomessa.}$ 

Lehtonen, O. and Okkonen, L. (2019). Energy cost reduction creates additional socioeconomic benefits - The case of Eno Energy Cooperative, Finland. *Energy Policy* 29: 352–359.

Lehtonen, O. and Okkonen, L. (2016). Socio-economic impacts of a local bioenergy-based development strategy – The case of Pielinen Karelia, Finland. *Renewable Energy* 85: 610–619.

Lehtonen, O. (2019) Population grid-based assessment of the impact of broadband expansion on population development in rural areas. *Telecommunications Policy*, 2020, vol. 44, issue 10

Maaseutubarometri (2020) Rural Barometer study. <a href="https://www.maaseutupolitiikka.fi/paatoksenteontueksi/tietoa/maaseutubaro">https://www.maaseutupolitiikka.fi/paatoksenteontueksi/tietoa/maaseutubaro</a>

Ministry of Economic Affairs and Employment of Finland (2021). SGEI-sääntelyn käyttö Suomessa - Työ- ja elinkeinoministeriön verkkopalvelu. Available online at <a href="https://tem.fi/sgei-saantelyn-kaytto-suomessa">https://tem.fi/sgei-saantelyn-kaytto-suomessa</a>.

Okkonen, L. and Lehtonen, O. (2016). Socio-economic impacts of community wind power projects in Northern Scotland. *Renewable Energy* 85: 826–833.

Rural Network of Finland (2021). Smart villages in Finland. Available online at <a href="https://www.maaseutu.fi/en/the-rural-network/smart-villages">https://www.maaseutu.fi/en/the-rural-network/smart-villages</a>.

Simcock, N., Willis, R. and Capener, P. (2016). Cultures of Community Energy: International Case Studies. British Academy.

Smart Rural 21 (2021). Smart Rural Areas of the 21 Century. Available online at <a href="https://www.smartrural21.eu/">https://www.smartrural21.eu/</a>.



# **Appendix**

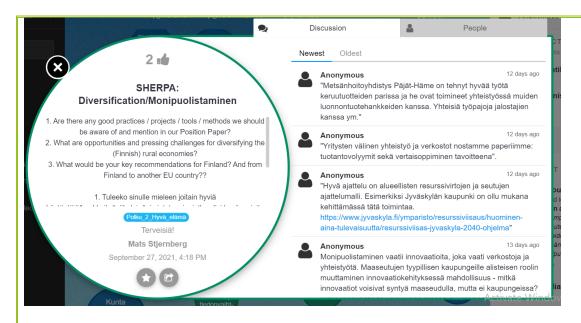
Table 1. Compilation of noteworthy projects / initiatives / tools / methods implemented in Finland

Name	Contact & Internet address	
Aitojamakua site to promote entrepreneurship in the food sector	https://aitojamakuja.fi/ruokasektorin-koordinaatiohanke/	
Eno Energy Cooperative	http://www.enonenergia.fi/Business concept of Eno Energy C ooperative	
<b>Etatyotilat.fi</b> website showcasing workspaces for workers, entrepreneurs and students all around Finland.	https://www.etatyotilat.fi/	
Päijät-Häme Forestry Association harvesting products and cooperation with other natural product projects.	www.mhy.fi/paijat-hame	
Regional resource flows and regions / City of Jyväskylä	https://www.jyvaskyla.fi/ymparisto/resurssiviisaus/huominen- aina-tulevaisuutta/resurssiviisas-jyvaskyla-2040-ohjelma	
Remote working hubs as platforms for increasing vitality (Etätyöpisteet elinvoiman kasvualustoina).	https://www.witas.fi/hankkeet/yhteistyotahojen hankkeet/etaty opisteet elinvoiman kasvualustoina 1119.	
YTYÄ: project focusing on societal entrepreneurship in rural areas (Yhteiskunnallinen yrittäjyys maaseudulla)	Ruralia Institute, University of Helsinki: https://www2.helsinki.fi/fi/ruralia-instituutti/yhteiskunnallinen- yrittajyys-maaseudulla-ytya	
Äly: project focusing on smart specialisation in Finland.	University of Eastern Finland. <a href="https://uefconnect.uef.fi/tutkimusryhma/mita-on-alykas-sopeutuminen-suomessa/">https://uefconnect.uef.fi/tutkimusryhma/mita-on-alykas-sopeutuminen-suomessa/</a>	
Åland's sustainable food strategy	https://landsbygd.ax/livsmedelsstrategin/	

Table 2. Discussions from Rural Parliament workshops organised by MAP Finland

Discussions from Rural Parliament workshops posted on the interactive Viima board Workshop on Diversification, 28.9.2021





"Metsänhoitoyhdistys Päijät-Häme has done good work on the collection products and they have cooperated with other natural product projects. Joint workshops with processors, etc."

"We will put business-to-business cooperation and networks on our paper: production volumes and peer learning as objectives".

"Good thinking is thinking in terms of regional resource flows and regions. For example, the City of Jyväskylä has been involved in developing this. https://www.jyvaskyla.fi/ymparisto/resurssiviisaus/huominen-ainatulevaisuutta/resurssiviisas-jyvaskyla-2040-ohjelma"

"Diversification requires innovation, which calls for networks and cooperation. Changing the typical subordinate role of rural areas to cities in innovation development: an opportunity - which innovations could be created in rural areas but not in cities? How could innovation be created in a rural-driven way?"

"COVID19 permanently changed the working life, so in addition to digitalisation and working from home, work/meeting spaces from the municipality/community are needed for meetings, networking, etc. In addition, a low-threshold forum for local entrepreneurs, which does not require membership anywhere, but where you can get peer support, information about services you need, facilities, etc. An idea workshop where local entrepreneurs can innovate local products and services, which could combine the skills of different entrepreneurs"

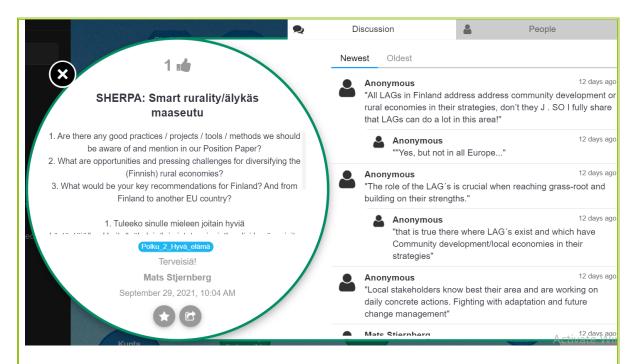
"In Finland, a good example to promote entrepreneurship in the food sector; a national coordination project and provincial developers. Sharing information and taking things forward together, highlighting businesses on the Aitojamakuja.fi website." <a href="https://aitojamakuja.fi/ruokasektorin-koordinaatiohanke/">https://aitojamakuja.fi/ruokasektorin-koordinaatiohanke/</a>

"Regional development and the development of rural industries may no longer go hand in hand with the development of multi-location, etc... often lumped together."

"Focus on well-being and quality of life is important"

Workshop on Smart rurality, 29.9.2021





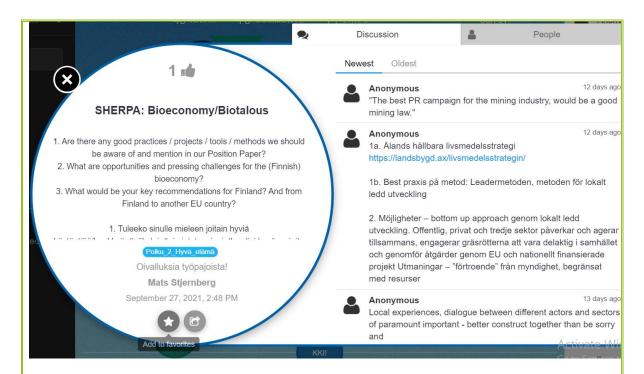
"All LEADER LAGs in Finland address community development or rural economies in their strategies, so I fully support that LAGs can do a lot in this area!" Response => ""Yes, but not in all Europe..."

"The role of the LAG's is crucial when reaching grass-root and building on their strengths." Response => "that is true there where LAG's exist and which have Community development/local economies in their strategies"

"Local stakeholders know best their area and are working on daily concrete actions. Fighting with adaptation and future change management"

Workshop on Bioeconomy, 28.9.2021





"The best PR campaign for the mining industry, would be a good mining law."

"Åland's sustainable food strategy <a href="https://landsbygd.ax/livsmedelsstrategin/">https://landsbygd.ax/livsmedelsstrategin/</a>"

"Best practice on method: the LEADER method, the method of locally led development"

"Opportunities: bottom up approach through locally led development. Public, private and third sector influence and act together, engage grassroots to be involved in the community and implement actions through EU and nationally funded projects Challenges: "trust" from authority, limited resources"

"Local experiences, dialogue between different actors and sectors of paramount important - better construct together than be sorry."

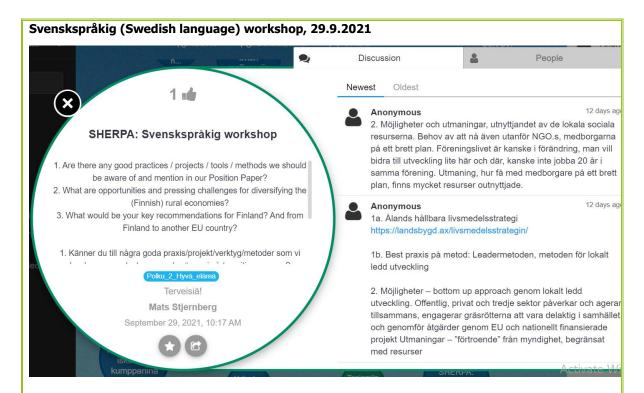
"Again, I'll add that local entrepreneurs' forum. One man's rubbish can be another man's treasure, i.e. side streams and even waste can be an excellent raw material for someone else. And to keep transport distances short, the benefits come locally, low-threshold cooperation between entrepreneurs and getting to know each other is the key"

"The bioeconomy hype forgets biodiversity => Response Exactly. The countryside already has a bad reputation in the climate debate because of peat extraction, clear-cutting and the internationally very fast growing animal production. The use of various side streams from farming and companies and biogas are good things, but if the bioeconomy means less decaying wood in the forests, for example, then we are going in the wrong direction."

"Decentralised biogas production is an opportunity in rural Finland, because we can use a lot of biomass (e.g. grassland) in production. For example, selling biogas for transport can be an opportunity to diversify rural entrepreneurship."

"Good thinking is a way of thinking about regional resource flows and regions. For example, the City of Jyväskylä has been involved in developing this." <a href="https://www.jyvaskyla.fi/ymparisto/resurssiviisaus/huominen-aina-tulevaisuutta/resurssiviisas-jyvaskyla-2040-ohjelma">https://www.jyvaskyla.fi/ymparisto/resurssiviisaus/huominen-aina-tulevaisuutta/resurssiviisas-jyvaskyla-2040-ohjelma</a>





"Opportunities and challenges, the use of local social resources. Need to reach out beyond NGOs, to citizens at large. Associations are perhaps changing, people want to contribute to development here and there, perhaps not working 20 years in the same association. Challenge, how to involve citizens on a broad level, there are a lot of unused resources."

"Åland's sustainable food strategy" <a href="https://landsbygd.ax/livsmedelsstrategin/">https://landsbygd.ax/livsmedelsstrategin/</a>

"Best practice on method: LEADER method, the method for locally led development"

"Opportunities – bottom-up approach through locally led development. Public, private and third sector influence and act together, engage grassroots to be involved in the community and implement actions through EU and nationally funded projects Challenges - "trust" from authority, limited resources"



# www.rural-interfaces.eu









