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FOUNDATION will provide a framework and roadmap for regions facing industrial closures, job losses and uncertainty, to develop economic resilience through collaboration.

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BUILDING REGIONAL RESILIENCE TO INDUSTRIAL STRUCTURAL CHANGE

ACTION PLAN for Oulu Region: To be implemented and monitored from August 2022 – June 2023

Finnish Partner

Project Partner: University of Oulu



UNIVERSITY OF OULU
KERTTU SAALASTI INSTITUTE

Authors:

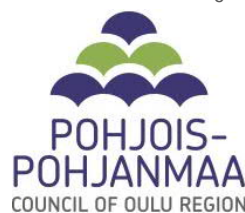
Dr Katariina Ala-Rämi, Dr Ossi Kotavaara and Prof. Matti Muhos

Website

<https://www.interregeurope.eu/foundation/>

Managing Authority

Council of Oulu Region



Twitter

@FOUNDATION_EU

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INTRODUCTION

FOUNDATION is an Interreg Europe funded SME Competitiveness project that brings together nine partners in a consortium led by Munster Technological University from 1/08/2019 to 31/07/2023. Presently, across Europe, public bodies are pressed by an increasing need to provide preparatory support to the economic ecosystem in advance of the closure of anchor firms in their region which act as significant employers. The impacts of a closure of course go beyond direct employees and ripple, wave like throughout the regional services sector and economy. Management of such anticipated structural change requires proactive renewal of business approaches and policy supports. Regions are encouraged to introduce pilot projects based on their own strengths and to provide appropriate business supports for the re-alignment of the regional industrial base. This proactive approach by regional stakeholders is critical to building the resilience of these regions and enabling them to adapt to change.

The importance of SMEs and start-ups to the regional economy is widely recognised in terms of the provision of employment, contribution to GDP, driving innovation and supporting regional resilience. It is imperative that the relevant regional stakeholders keep informed, inspired and equipped to provide the appropriate SME and start-up supports, particularly in regions anticipating structural change.

FOUNDATION links its project partners to develop Regional Action Plans. It is imperative that industry players, business support organisations and policy makers understand how their ecosystems work and when faced with shocks (firm closures) to collaboratively develop alternative growth and employment through supportive policies and programmes to boost SME competitiveness. Key project activities included the exchange of experience and learning through interregional events (4 workshops, 4 seminars and 9 study visits).

Foundation Project Partners



FINLAND – OULU REGION

The [University of Oulu](#) is the Finnish partner representing the Council of Oulu Region and is partner in the FOUNDATION consortium.

Capital: Oulu

Size: 37,149 sq. km²

Population: 415, 700

Regional GDP: 36 058 per capita (2019)

Finland GDP: 42,936 per capita (2020)

% of Unemployment: 9.1 (May 2022)



The University of Oulu is the Finnish partner representing *Pohjois-ja Itä-Suomi (North and East Finland)*. The region is defined in Nomenclature of Territorial Units for Statistics (NUTS) as NUTS2-level Code FI1D. Overall, Finland is northern, remote and sparsely populated. This is particularly true in North and East Finland, including the Oulu region. Comprised of very sparsely populated remote areas that span more than 236 000 km², this part of Finland is home to just 1.3 million people. It thus covers two-thirds of Finland's total land mass (338 465 km²) yet is home to less than a quarter of the country's population of just over 5.5 million (Statistics Finland 2021). North and East Finland lie at the very edge of Europe, 2,500-3,000 kilometres from Europe's core. Most of the region's neighbouring areas — in Sweden, Norway and North-Western Russia — are less developed (Ministry of Employment and the Economy 2021). Travel connections, especially airports, are thus essential for its industry. Finland is one of the most sparsely populated countries in the EU; it is home to an average of just 18.2 persons per sq. km, including in the capital region of Helsinki. North and East Finland comprise the country's most sparsely populated region, with an average population density of just 6.3 people per sq. km.

The Oulu region (i.e. the county of Northern Ostrobothnia) is part of North & East Finland at the NUTS2-level, along with six other regions or counties at NUTS3 level. For example, at its longest, the driving distance through this sparsely populated region reaches 1200 kilometres. The Oulu region had 412,830 inhabitants in 2019, across a land area of 36,800 km², resulting in a population density of just 11.2 people per km². The region's population has grown steadily each year, from 1990–2019. Its population is relatively young; the average age is 40.5 and 19.2 % of people are under the age of 15. The region's share of foreign citizens is just 2.2 % and nearly half the population (49%) lives in the same municipality in which they were born; most locals are thus very committed to their region. The private sector provides 59.3 % of all jobs in the region and 10.1 % of those employed are entrepreneurs. The municipalities, state and majority-state-owned companies provide another 36.1 % of the region's jobs. Economic development plans for the Oulu region have been focussed around large firms and clusters of firms; such firms are significant producers, employers and investors (Ahokas, 2010; Simonen et al., 2020).

The city of Oulu is the provincial centre and the region's only larger city (Fig 1.) The Oulu city region is the key driver of population growth; nearly half the region's population lives in the city. The rest of the population is mainly located in the southern half of the region, within a dense network of small towns and rural settlements that have a low central place hierarchy (Fig 2). The Oulu region has been regarded as a significant area of innovation and offers high-quality education (University of Oulu, Oulu University of Applied Science) and expertise. This is especially true in the fields of technology — namely, the IT and software industries — as well

as in metal and forest-based industries (Council of Oulu Region 2019). It is an expertise-filled, global and viable business-driven region, with the city of Oulu at the centre of its growth (Council of Oulu Region 2019).

GENERAL FOUNDATION PROJECT INFORMATION

Project: FOUNDATION
Partner University of Oulu
Country: Finland
NUTS2 region: East and Northern Finland
(NUTS3 region: Northern Ostrobothnia)
Contact person: Ossi Kotavaara
Email address: ossi.kotavaara@oulu.fi
Phone number: Mobile: 358 50 573 9124

CHANGING FINNISH CONTEXT - FOUNDATION

The Foundation project was developed to actively connect, participate, share and learn about measures and initiatives at regional levels across the breadth of Europe aimed at supporting the resilience of regions and SMEs. Foundation sought to provide a framework and roadmap for regions facing industrial closures, job losses and uncertainty, to develop economic resilience through collaboration. The idea was that if a large firm, with 500+ employees, closed we would build a plan to support the firm and employees in transitioning to new employment with a collaborative approach at a regional level with a key element being learning from partners' real experiences across Europe.

Oulu Region (Northern Ostrobothnia) is amongst the most peripheral regions in all of Europe. Yet the population of Oulu Region has been steadily growing since around the year 2000 and the average age (40.2 years) of the region's population is the youngest in all of Finland. It has been regarded as a region that embodies the whole of Finland and its nature, economy and networks form a combination not easily rivalled, offering good opportunities of living, travel and professional life. One of the biggest challenges in Oulu Region is its high unemployment levels as in comparison to the entire country, the situation is mainly difficult for young people under the age of 25.

Action Plan is focused to support especially the vitality of the Oulu Region, especially the rural parts of the region which have internationally focused small companies, whose main concern is availability of educated employees. It is important to notify that structural fund programme in Finland cover the whole country but have more detailed priorities in regional strategies. Municipal strategies underline the importance of public-private-third-sector networks in vitality policy and rural development. Rural development policies have to go beyond strategies that are based solely on economic growth targets and rather address issues of local participation, social innovation, and establishing trust.

In this area there is a young population that is often moved to educate themselves in the bigger cities and do not return. This document aims support strategies to put into use into fruitful collaboration and networking the idea of the quadruple helix concept and bringing its four "helices" (a) academia and technological infrastructures, (b) firms, (c) government, and (d) civil society together. In spite of strategic plans, the concrete actions that support real collaboration and understanding are limited in sparsely populated rural region. Internalisation and networking are focal parts of strengthening the competitiveness of SMEs in these rural regions and thus keeping the region inhabited and alive.

POLICY CONTEXT IN FINLAND

The Action Plan Aims to Impact:

- Investment for Growth and Jobs Programme
- European Territorial Cooperation Programme
- Other regional development policy instruments

The initial policy instrument identified to be addressed in Ireland for the FOUNDATION project was The Regional Programme Oulu Region – The Youngest in Finland

The Interreg Europe project Foundation aims to prepare regions for the anticipated structural change. Overall international and regional development as well as unexpected events and crises that has been taken place during the project has also set new demands and needs that has to take into account in regional policy instruments. The action plan impacts regional policy by reallocating funds to the project that support especially young generations getting into entrepreneurial activities. It is not possible to influence the original policy instrument 'Sustainable Growth and Jobs 2014-2020', as it has ended and its successor, Operational Programme of Finland 2021-2027 under the 'Investment for Growth and Jobs' is already launched in May 2022 and the first calls are already opened.

Funding from the Innovation and Skills in Finland 2021–2027 programme will be used to renew the economic structure of the regions and to support the research, development and innovation activities of companies. The programme promotes employment and skills development and improves the inclusion of young people and those in the most vulnerable position. Project funding is available from regional councils, ELY Centres and the Finnish Food Authority. Regional councils and ELY Centres create the Regional Management committee (MYR) that acts as MA in the region and funding is allocated based on regional strategies.

Funding from the Innovation and Skills in Finland 2021–2027 programme comes from three complementary funds: The European Social Fund (ESF+), the European Regional Development Fund (ERDF) and the Just Transition Fund (JTF). The measures of the Just transition Fund will be included in the programme separately through a later programme amendment. The action envisaged in this action plan is to enhance the allocation of regional ESF+ . It is based on national 'Investment for Growth and Jobs' programme, that implements OP in regional level. Managing authority of the regional programme in Northern Ostrobothnia is the Council of Oulu region, which defines regional emphasises for allocation of the funding by the support of regional strategy.

The Regional Programme Oulu Region – The Youngest in Finland combines two major instruments of the Finnish regional development: a long-term Regional Strategic Plan 2040 and a four-year period Regional Programme, which are combined into one single, effective programme. The Strategic Plan sets out the general long-term development aims and associated strategies for the region. The programme also outlines the central development projects for the following four-year period. The more detailed Regional Implementation Plan outlines the actors for individual projects and preliminary project budgets stated in the four-year period programme.

Thus, the action plan will have a positive impact in implementation the Operational Programme of Finland 2021-2027 under the 'Investment for Growth and Jobs' goal through projects that aim especially young generations entrepreneurial activities and abilities. Oulu region has already programmes for entrepreneur education that have had positive impact on intentions to entrepreneurial path, yet they have had limited results for concrete activities. There is need for

bottom-up activities supporting even early phase students as learned from other partners good practices lowering the barrier to try own business. Action plan support also programs implementation of new activities to regional entrepreneur education that will be carried out in collaboration with ongoing University of Oulu projects having partners from other education organisations, including Oulu University of Applied Science, Centria University of Applied Sciences.

The action plan supports the development of resilience by increasing young people with entrepreneurial outlook with expectations that existing low number of new entrepreneurs are rising and unemployment rates decreases. In prevailing situation, the unemployment rates especially among young people are high in the region that many companies on the other hand are now experiencing a lack of entrepreneurial mindset-oriented employees. This will also have positive impact on lowering the unemployment rate of youngsters.

ACTION 1 REGIONAL BOTTOM-UP COLLABORATION MODEL TO SUPPORT ENTREPRENEURIAL INTENTIONS OF THE YOUTH (YOUTH INC)

BACKGROUND TO ACTION 1

University of Oulu joined the Foundation project PGI05992, whose aim is to improve policy instruments supporting SMEs' capacity to build regional resilience to industrial structural change to create more resilience in supporting the region's SMEs, as the impacts of the anticipated structural changes are crucial in terms of jobs and vitality of this rural region. The interregional learning has had clarified the are parallel that Triple helix collaboration is valuable tool for exploiting all actors' strengths when there is a strong will, and all actors are committed to that. The foundation is in education, and it is important to ensure good education even during this kind of exceptional time, since there is a base for successful SMEs in the future.

The main concern that has been raised by our stakeholders has been relatively high unemployment rates of young and rural citizens. Larger frame of the economy has been seen to be good but being able to response to future risks were seen also important. Collaboration with other partner regions has, on the other hand, has pointed our strengths to already to exists and to use them to support our region's resilience are such as ICT and gaming industry, entrepreneur education, trustful networks between different actors. The regional analysis of University of Oulu about Nivala-Haapajärvi sub-region created get a better understanding of the needs of the SMEs with international focus.

The main finding from the regional analysis can be concluded as:

1. There is a need for shared operating models to overcome the challenges created by centralization of population to regional policy—focusing on constant development and ensuring that regional instruments are compatible with current needs.
2. The key challenge for SMEs' competitiveness, within the structural changes anticipated in the region, is to find employees with the right kinds of capabilities. This need can be answered, especially, by offering secondary level education in this region.
3. To grow and to internationalize, strong collaborative networks—covering different geographical scales and a variety of actors—are essential. The possibility for good networking opportunities should be supported by regional policy instruments and facilitated by regional development agencies, along with higher education organizations like universities.

In Seminar 1, which was organized by UOULU, the main theme was based on Regional Analysis of growing and international SMEs at Nivala-Haapajärvi sub-region as a part of FOUNDATION-project and

found that the strong collaboration, trust, and creativeness are focal issues to make this region resilient and able to operate successfully far away from main market areas. The seminar especially concentrated on challenges such as wellbeing of entrepreneurs and young people moving into urban centers, which means that there is constant need for educated workers. These are critical factors for the competitiveness of SMEs in these rural regions. Discussing about the results of regional analysis with regional decision makers such as Tiina Rajala, Development Director, Council of Oulu Region, who was presenting and also one of the panellists, there was strong commitment and mutual understanding on challenges of our region in the light of the competitiveness of SMEs in these rural regions that Northern Ostrobothnia highly consists of.

With continuous discussions with stakeholders, key issues raised have been following:

- 1) Need direct cooperation with regions and international peer networking.
- 2) Triple and quadruple helix cooperation, not only within the region but also in international context. Universities and universities of applied sciences and other naturally international actor are needed to create international mind set.
- 3) Need to learn from best practices particularly related to research.
- 4) Enterprise incubators are essential also in rural areas, even though sparsely population and long distances set challenging conditions.

These views have been critical as we have gone through partners' good practices as many have been very interesting and potential, we have concentrated the most suitable taking into account that Northern Ostrobothnia is extremely rural and peripheral among project regions that have to take into account the limited number of companies but also inhabitants. So main challenges we sought solutions were defined as a) high unemployment rate and lack of employees at the same time, b) entrepreneurship not attractive option enough and c) rural regions lose especially young people.

THE INSPIRATION FOR THE FINNISH ACTION PLAN

We have been able to visit partners in Cork, Oldham, Linz and Vilnius, with most of them also our stakeholders have been able to join, and the rest of the partners and good practices are familiarized through webinars, that has been the best option that have been available because of the Covid-19 situation. Yet the pandemic has forced to solutions that can turn as an advantage as Munster University good practice showed that higher education and Student Inc activities had ability to deliver online courses and contents using a wide range of platforms, by adopting new protocols, methods of monitoring and forms of examination, and teaching staff was forced to familiarize themselves with online tools.

Therefore, some of the shared good practises that were interesting, yet put to later consideration and discussion to pilot after opening the new calls in the coming years but giving inspiration this Action Plan such as Softwarepark Hagenberg (SCWP) is a research, education & business location or Reggio Children Approach is prominent model of "education chain", from kindergartens to advanced research, involving the distinctive skills of the area: education, agriculture, mechatronics. By investing in all educational stages, the city invests in people and their ability to become active citizens and, therefore, in the first asset of innovation for a community. LIT Industry 4 Panevėžys: where the regional advisory board that took a responsibility to consolidate the collaboration between different stakeholders and initiate activities that would help to revitalize region. Idea of starting the transformation of the regional strategy in whole innovation ecosystem: starting from primary schools and informal learning and continuing with the R&D institutions that develops solutions for local companies.

Yet, keeping in mind the Oulu region specific context and main identified challenges the best practice that found responding the most relevantly to defined local ecosystem's context, which can relate the idea of the Irish Regional Enterprise Plans which perspectives and ideas from the 'ground-up', collaborative, responsive and funded; with training and capacity building support especially in rural regions merely quality than quantity of jobs, formed by an understanding of unique local strengths and assets and seek to translate national policy into regional impact.

UOULU with its stakeholders, especially with Council of Oulu, found student entrepreneurial activities very interesting from the regional challenges perspective. In Oulu Region there have been done entrepreneurial education by different educational organisations that have raised positive attitude towards being an entrepreneur, but that intentions have not increased the number of young entrepreneurs in the region. "Student Inc", presented by MTU (PP1) is a positive example how collaborative bottom-up model bringing together different higher education organisations, development agencies and companies has created very good results. The number of start-ups coming from the undergraduate student population in the Southwest region of Ireland as well as creating more entrepreneurially minded graduates.

The idea how all students have the same possibilities since Student Inc is targeted to all students regardless of year of study or academic discipline. Taking part of the accelerator student receive in addition to academic credits but are offered possibility to apply stipend, but training, mentoring and office space creates supportive community and environment that encourage to put up own business. The results show that the number of new young entrepreneurs have gone up, yet results show that participants no matter what their career choice have been they have gained from an entrepreneurial outlook that cannot teach in the classroom.

Lessons learned from good practise of Student Inc. that is the first student focused accelerator programme in Ireland has increased the number of start-ups coming from the students, created more entrepreneurially minded graduates and draws students from academic partner's population to develop their business ideas. The improvement sought from the current situation by allocating funding is to move further from single educational organizations and academic discipline entrepreneurial education to collaborative bottom-up activities that support younger generation to start their own businesses.

The necessary actions, stakeholders, timeframe, costs, and funding for achieving the aims of Action 1 are specified in the following tables.

ACTION 1 – Regional bottom-up collaboration model to support entrepreneurial intentions of the youth (Youth Inc)

<p>Actions</p>	<p>UOULU pilots “Irish student education model” and create own regional model and recommendations from the piloting experience. Following activities are needed to implement the planned action:</p> <p>Action 1.1. Identification, selection and confirmation of participating regional company developers, higher education and vocational schools and SMEs in Northern Ostrobothnia, in collaboration with and local stakeholders.</p> <p>Action 1.2. Planning and preparing workshops and student entrepreneurship activities. In this phase the number of needed workshops, speakers and materials are finalized to meet the need of participating organisations. The communication and dissemination plan is created.</p> <p>Action 1.3. The first, awareness-raising workshop is organised for participating organisations. The aims and practical issues of the student entrepreneurship activities are discussed and success stories as Student Inc. are presented</p> <p>Action 1.4. Organising and collaboration meeting is organised, and the implementation and monitoring principles are agreed.</p> <p>Action 1.5. Preparing, planning, and running the first student entrepreneurship activity</p> <p>Action 1.6. The second workshop on the results and experiences: what is to learn on the first student experience?</p> <p>Action 1.7. Preparing, planning and running the second student entrepreneurship activity</p> <p>Action 1.8. The third workshop on the results and experiences: lessons learnt on the student experiences and what kind of recommendations there can be given to policy instruments?</p> <p>Action 1.9. Evaluation of the student entrepreneurship activities and follow-up.</p>
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Action Plan actors	
Stakeholders Involved	University of Oulu: it will manage and monitor the general implementation of the action plan and is responsible of organising workshops and student activities;
	i) Council of Oulu: it will be the funding body and promoter of activities at regional and national levels. Moreover, it will help with the dissemination of the action plan's activities and provide its expertise and input where need be;
	ii) Regional development centres (Raahe Regional Development, NIHAK ry etc) they will support and advise on the implementation of the action; and help with the dissemination of the action plan's activities. Moreover, it will provide its expertise and input where need be;
	iii) Universities, vocational schools and other academic institutions and training centres from the local ecosystem: they will support the implementation of the action plan by raising awareness on the project and by recruiting potential students and recent graduates to participate in the program. Furthermore, they will help disseminating the action plan's activities and raising awareness among the academic body.
	iv) SME- sector from the region: they will support and advise on the implementation of the action. They will also provide their expertise and input where need be; and offer the opportunity to visit their premisses and learn from their processes. Furthermore, they will help disseminating the action plan's activities and raising awareness among the business sector.
	v) Maakunnan yhteistyöryhmä (MYR) i.e. Regional cooperation group of Northern Ostrobothnia that holds highest decision-making power for the projects funded by EU in regional level at Northern Ostrobothnia.

Timeframe	August 2022 – June 2023										
	2022					2023					
ACTION 1	8	9	10	11	12	1	2	3	4	5	6
Action 1.1. Identification, selection and confirmation of participants											
Action 1.2. Planning and preparing workshops and student entrepreneurship activities											
Action 1.3. The first, awareness-raising workshop											
Action 1.4. Organising and collaboration meeting											
Action 1.5. Preparing, planning, and running the first student entrepreneurship activity											
Action 1.6. The second workshop on the results and experiences											
Action 1.7. Preparing, planning and running the second student entrepreneurship activity											
Action 1.8. The third workshop on the results and experiences											
Action 1.9. Evaluation of the student entrepreneurship activities and follow-up.											

ACTION 1.		COST
Costs	Action 1.1. Identification, selection and confirmation of participants	4.000 €
	Action 1.2. Planning and preparing workshops and student entrepreneurship activities	8.000 €
	Action 1.3. The first, awareness-raising workshop	5.000 €
	Action 1.4. Organising and collaboration meeting	2.000 €
	Action 1.5. Preparing, planning, and running the first student entrepreneurship activity	16.000 €
	Action 1.6. The second workshop on the results and experiences	3.500 €
	Action 1.7. Preparing, planning and running the second student entrepreneurship activity	27.000 €
	Action 1.8. The third workshop on the results and experiences	3.500 €
	Action 1.9. Evaluation of the student entrepreneurship activities and follow-up.	25.000 €
Total	Estimated budget up to 94.000 €	94.000€
Funding Sources	Funding from the Innovation and Skills in Finland 2021–2027 programme. The first call is estimated to come from The European Social Fund (ESF+)	

ENDORSEMENT OF THE ACTION PLAN

The University of Oulu and Council of Oulu Region hereby agree to support and promote the implementation (and where appropriate implement) the actions detailed above.

The undersigned confirm that they have the required authority of their organisations to do so and that the required authorisation process in each organisation has been duly carried out.

Name and Job Title: Dr Ossi Kotavaara, Research Director, University of Oulu

Signature:



Date: 27/06/2022

Name and Job Title: Ms. Tiina Rajala, Director, Regional development, Council of Oulu Region

Signature:



Date: 28/06/2022

Stamp of the Organisation:



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Interreg Europe



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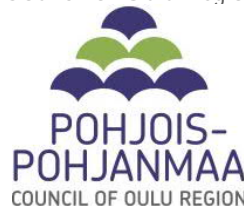
Dr Katariina Ala-Rämi, Dr Ossi Kotavaara and Prof. Matti Muhos

Website

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Managing Authority

Council of Oulu Region



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