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Integrated Rural Development Policies and New Entrepreneurship & Innovations among Forestry and Forest Based SMEs in Finland

Pekka Ollonqvist

Professor, Finnish Forest Research Institute Metla
Joensuu Unit, P.O.Box 68, FI-80101 JOENSUU, FINLAND
Tel. +358 10 211 3050, pekka.ollonqvist@metla.fi

Abstract

The policy agenda related to regional development in general and rural development in particular in Finland, has earlier based on national top down industrialization approach and focused on strengthening the existing industrial activities and employment. The current regional and rural policy agendas have transferred towards policy activities supporting bottom up regional initiatives. Policies aim at a) the creation of regional infrastructures providing knowledge & technology resources available for firms planning innovation projects and b) strengthening those embedded knowledge and other resource infrastructures aimed to supply services, eg. knowledge intensive business services, for rural enterprises and potential new entrepreneurship. The policy transfer is a part of the general policy agenda formation in EU countries trying to strengthen cross sectoral policy coordination when rural development and entrepreneurship are concerned.

The Networked Centre of Expertise for Wood Products (PuuOske) and parallel Wood Finland Developer Expertise Network (PuuSuomi) during 1999-2006 provided knowledge resources for the business development of wood product SMEs and their networking activities. The two institutions of expertise constituted a coordinated system with the regional network of Employment and Enterprise Development Centres. The latter organisations provide financial support to business development in general and new entrepreneurship in particular what concerns financial and employment resources. This system provided a) new ways to accomplish key resources for the business development based on value chain networks among SMEs in wood based value chains and b) ways to utilize rural potentials with cumulated embedded business infrastructures.

The knowledge resource supply for wood product industry SMEs and the corresponding value chains has been separated into three different Centre of Expertise Programs for 2007-2013. The new institutional arrangement is here compared with the prior structure and the potential challenges for the future efficient supply of those knowledge resources are discussed.