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STUDY TOUR REPORT FOR THE KUUSIOKUNNAT SUB-REGION

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Introduction

In this report we describe the places and people we met in our study tour and the projects they were involved in, focusing on two issues: the contribution of these activities to sustainable rural development; and their relationship to existing or potential social capital. We looked at the relationship between social capital and rural development as an interaction that may operate both ways: had existing social capital made a contribution to sustainable local development? And, had local development initiatives planned by external actors contributed to social capital creation at local, regional or national level?

We can classify the places and projects visited to the following categories, according to the direction of the interaction between social capital and local development initiatives:

1. Project initiated by existing village association, which built their activities on existing social capital. The Village Associations in Hakojärvi Village and Ruona Village provide good examples
2. Projects bringing together in a network businesses or households or both to provide services that cannot be obtained by each of these households or enterprises individually. These projects depend a lot on the initiative and the vision of one person who acts as the leader or animator, working in close cooperation with a group of active

network members to set up the common activities. Social capital is created through the common activities and services organised by the network. The business network of Alavus, led at present by the Ouran Loman entrepreneur, is an example of such a network; another example is the network cooperative Kuuskaista.

3. The Local Action Group of the area, Kuudestaan LAG (covering six municipalities) is a typical example of action initiated by the government through the ALMA programme, with co-funding by the European Commission and close cooperation with the local municipalities.
4. A “vertical” cooperation example, aiming to create social capital that links local, regional and national level and actors from public authorities, private businesses and universities or other education or research institutions, is provided by the FASADI project. FASADI is in the process of building a Technology Park, which will include a business incubator and research and support facilities for the construction industry and in particular that part of the industry that is related to building facades.
5. Finally, two other places visited, the Kuortane Sports Institute and the art Gallery of the painter Soile Yli-Mayry, provided good examples of activities initiated by organisations or individuals that do not have direct effect on or by local social capital. These activities however, help to build the identity of the place (and this helps the formation of social capital although indirectly) and help to mobilise various local organisations to work together (such as sports clubs and school, supporting and being supported by the Sports Institute and its facilities).

1. Village Associations

Ruona Village Hall and the War of Finland Information Centre, Kuortane.

Description

Ruona village is in the Northern part of Kuortane spreading wide by the Kuortanelake and Nisoslake. The first inhabitants are known to have arrived in 1549. In 2001 there was about 250 houses and 500 inhabitants in the village.

Farming or occupations and small enterprises connected to it are the main source of income of the village in addition to different sorts of services. There are at least 8 active associations in the village, e.g. the hunting club, 4H, sub division of the war invalids, committee for the welfare work of church and the village association Ruonan Rinki.

Ruonan Rinkin (village association) was established in 1998 to support the livelihood of the village and to develop it, e.g. update the development plan for it. In 1990 the village became much more active and they were given resources through a project which comprised national funding and EU funding. In 2000 there were 222 members in the association.

Ruona is full of history and it is preserved carefully. One of the sites is the old stone bridge from 1887 that has replaced the original from 1695 making possible to travel for the first time by road from Lapua to Kuortane. Burning tar has been typical for Kuortane and one of the old burning pits – Saarelan hauta – was reconstructed and used for tar burning, last in 1998. Also the War of Finland has the memorial in Nurminniemi. Since the 17th – after building the bridge - century has the diocese manor been in Haapaniemi.

Contribution to local development and relationship to social capital

The War of Finland Information Centre was created through the village association. This project was a village initiative and the will to create it came completely from the people, and they produced 15,000 voluntary hours of work, and they first renovated the old school, and then a village hall which became an all-activity place where they now have day care. They also have 8 computers there which the village people can use, plus a cafeteria. In 2004, it became the "War of Finland Information Centre". In the past year, they have had over 1000 visitors to the centre. They are planning to continue running it on a volunteer basis.

The reason for establishing this Centre was because people in the area around this village were in war in the 1800s between the Swedes and the Russians. The war affected the community history and created a background for building the museum. The project "Road of War and Peace" made visible the Big War of North (1700-1721) between Sweden and its enemies, touching also Finland as a part of Sweden at that time and the War of Finland between Sweden and Russia in 1808 - 1809. The region of Ostrobothnia had a part in both wars, because the last fights of the War of North were fought here in Isokyrö municipality and one of the crucial fights of the War of Finland was fought at Ruona in Kuortane. The Road of War and peace guides the travellers in the beautiful Ostrobothnian landscapes by the rivers and fields providing also views to the old culture heritage like the typical big two-storey wooden houses "kaksi fooninkinen".

In addition, they have also built a sauna by the lake, and now new families are moving to the village because it has become more attractive to people from outside, and there is increasing demand for summer houses in the area. The village association will also try to cooperate with the sports centre (see above) to see if people will come and visit the village too. They can see the positive effects of the sports centre.

The driving force behind this project said that the reason for its success is because he knows the people of the village and that they trust him, and he also has connections with local authorities and additional contacts in the administrative bodies. But the main factor is trust.

The positive aspects:

- Original idea and will of the village citizens
- Fosters local identity and forwards it to future generations
- Provides for tourism development
- Brings and keeps people together
- Multifunctional facility (day care, computer centre, museum, meeting place)

Some negative aspects:

- Some citizens feel that this centre is not necessary and thus there is possible division within the village
- Envy from other communities

Hakojärvi Village Association

Description

Hakojärvi is a village of 500 inhabitants in the municipality of Töysä located in the Eastern part of South-Ostrobothnia. Its age structure is young, there is a very active touch in developing the village and the communal feeling in the village is very strong representing itself e.g. in the strong tradition of “talkoot” or “kökkä”. The roads to the larger centres - Töysä, Ähtäri, Alavus – are good, so the services are also quite easily available.

Because Hakojärvi was located in the midst of the woods, the 200 -year history of the village shows, that there has always been a need to be able to cope together and cooperate in the village – whether it has been building churches, bridges, roads or arm soldiers.

Contribution to local development and relationship to social capital

The key word in Hakojärvi has been tolerance allowing everybody space to live and think the way they like. Hakojärvi has successfully and quite decisively aimed to attract new inhabitants, and at the same time when other villages have diminished, Hakojärvi has thrived and e.g. doubled the number of the pupils in the primary school in 20 years. The average age of the villagers is only 35, which is 20 years lower than elsewhere in South-Ostrobothnia. From farm based economy it has become more diversified in Hakojärvi with small enterprises and services.

There has been over the year many active associations in Hakojärvi and also the village association has its predecessors, though the present association was established in 1995. To avoid stagnation, new ways to cooperate has been developed to increase the livelihood and well-being of the village and provide possibilities for cultural activities and hobbies. Interaction and cooperation between the other villages and the municipality had been enhanced, and the village association has an important role influencing the decision making in the municipality administration and other organisations.

In addition to the village hall, Hakojärvi provides the services of the Jouttila cottage for spending summer holidays, Helppis welfare services (cleaning, laundry, cooking, child care etc aid), Puhtola carpet washing place for summer, Ice Hockey ring for winter, Havutupa kiosk for summer and various possibilities for sports. All this was achieved in the absence of project funding.

The positive aspects:

- Real community spirit
- Keeps the community alive and active
- Creates local pride and will to move forward

Some negative aspects:

- Risk of burnout of local leaders
- Personal economic risk for public good

2. Business network: Accommodation farmhouse “Ouran Loma” in Alavus

Description

Set amidst a magnificent scenery, very tranquille and full of mosquitoes, we met a very nice lady, Lisa, who used to work for the National Welfare system and decided at some point in her life to retire and take care of the welfare of her customers. She has a place that provides accommodation for 20 guests as well as a restaurant for 200 people, a coffee place and saunas. She runs the place with her husband, she is a marvellous cook and a hard worker.

Together with other 20 entrepreneurs in the area they have set up a business network consisting of a variety of enterprises, such as accommodation providers, restaurants, a painter, riding school, etc who pay a small annual fee. They got EU funding (ALMA channelled through the LAG in the area) for a project aiming to organise training courses and improve their marketing (promotional material, website etc). The courses they organise are language and ICT courses, as well as book keeping or other subjects they consider necessary for their businesses.

Contribution to local development and relationship to social capital

The initiative was grassroots; they prepared the proposal for funding themselves and this is the reason why the business network is quite active. Lisa is a member of the sub-regional LAG and led and animated the activities at the beginning. They have tried to expand the membership of the network but some people are not really committed, as they do businesses in the area for a hobby. The social capital promoted through this network bonds mostly women together, as the majority of the members are female. They have a board, whose president changes so that they all have the chance to be in charge of the network at some point.

She had also created social capital in our study tour, making us to get closer to the nature and the universe, as we were asked after the dinner to locate and place our star in a sky (roof) full of other guests' stars in her brilliant attic-patio, name it and write it down in her guest "stars book" for other visitors to see.

The entrepreneurs who participate in the network are all cooperating well and organise joint activities. For example, in Christmas people are carried with horse carriages to her place to have the Christmas porridge. And when one has no space for guests would suggest another farmhouse for the overnight stay. They tried to introduce a booking system through the Internet, but this was quite complicate and abandoned. But the Internet is very important for getting their clientele, though most customers come from word of mouth. Also, they often have as customers, employees who visit the place for relaxing and bonus or 'incentive' trips. They jointly organise other social events and dances. She remarked that the local inhabitants see the Keskinen Shopping Centre rather positively as it attracts visitors to the area but it is hard to cooperate with them some times.

She made us feel at home, and she is good in strengthening social bonds, but she could do with some updating of her CD collection which, put it this way, was not exactly what would inspire people to dance!

3. Fasadi – Technology and Knowledge Centre for Façade Construction

(<http://www.alavus.fi/260997.aspx>)

Description

The technology centre FASADI will serve as a support centre for enterprises and organisations that serve the construction industry. FASADI will provide research, development and training services as well as planning and ICT –know-how; also office space for many construction industry businesses to be located in the same premises. Traditionally construction, wood processing and log-house building have been trades in the Kuusiokunnat area, and with the building of FASADI technology and knowledge centre these will be enforced and developed.

FASADI provides an example of a vertical network which links local authorities, educational institutes and other technology promoting agencies aiming to develop research and support for that part of the construction industry that deals with facades. Network participants include:

- Seinajoki Polytechnic
- University of Vaasa
- Technological University of Tampere
- EPANET network of educational institutes
- TEKES – Technology Agency of Finland

Contribution to local development and relationship to social capital

The FASADI technology and knowledge centre is expected to create new opportunities for employment and allow for the youngsters from the region with higher education to return back home.

Alongside with the building of FASADI, new development projects (e.g. RATEKES, KUUSPUU, INNOVA+) have started already to start systematically identify the needs of the industry and developing the technologies, networks and financing of the cluster of wood processing and construction enterprises. The businesses that will be located in the building have contributed to the financing of the project, which is almost 2,7 million Euro. One tenth of this amount is the development project, co-funded by the region's LAG and the rest is the investment project for which EU and municipality are the main funding bodies.

The new building will be a “landmark” construction facing the Alavus lake on the rim of the lake valley. New housing and new enterprises are planned to be located to the surrounding area close to FASADI. The impressive FASADI building is expected to be ready to move in before the end of 2006. The office space in the new facilities will be offered to the different service providers relating to façade constructing. FASADI created “linking” social capital at national level through the cooperation of public and private sectors.

The positive aspects:

- Cooperation among business, academic institutions; a stakeholder involved is the network of educational institutes specialising in metal structures, called “EPANET”

- Supports local entrepreneurship
- Creates and accumulates specialized knowledge and know how

Some negative aspects:

- Very narrow focus

4. Network Co-operative Kuuskaista

Description

Network Co-operative Kuuskaista is building fibre to the home (FTTH) broadband network in the area of Kuusiokunnat in Finland. Kuusiokunnat is formed by 6 municipalities: Kuortane, Alavus, Töysä, Ähtäri, Lehtimäki, Soini and is located about 350 km north of Helsinki. This area of 3.409,2 km² is inhabited by 30 000 people, which means about 10 000 households and 2000 SMEs.

The network construction is financed by a combination of municipal and EU funding, loans, and installation/subscription fees.

It is anticipated that this network will be able to provide services like VoIP, digi-tv, VOD, health care, security, distance learning, telework, etc. to the households and businesses in the region. In addition, citizens in rural areas will be able to acquire such basic services as DVD rentals, paying bills, government services etc.

The network will follow the Open Access principle, meaning that it will be open to all operators and service providers. The role and responsibility of Verkko-osuuskunta Kuuskaista is to build, maintain and expand the network infrastructure, to act as a bridge between the service providers and our customers.

In the stage I (2004) it will include about 450 households in 13 villages connected to the network. In the stage II (August 2004 - November 2006) it will connect about 2 000 more households and use about 1500-2000 km more cable. It is a large project that is aimed at a long-term continued positive impact.

Contribution to local development and relationship to social capital

ICT is an extremely valuable tool in local development. Application of ICT can provide better information access to remote communities, broaden the education opportunities, improve business environment and government transparency. However, ICT also has a very strong downside – it tends to reduce both the need and the ability to interpersonal communication and the need for community members to get together, discuss ideas and resolve local issues together through an open dialogue. ICT is also a very attractive tool, a gadget that many people and communities alike want to have, but not necessarily need.

The Kuuskaista is an excellent example of an initiative, that is without a doubt very well organised. It is also a self-sustainable initiative that will eventually become an income-generating institution. Two points of view have been taken by the team members, regarding the contribution of the cooperative to social capital:

The first point of view emphasises the negative aspects of the cooperative to social capital formation. The cooperative is targeted at providing services to individual

households, which may not create a space for local citizens to communicate and interact. Also, it is an initiative that requires considerable funding, and it is unclear why EU money is being used rather than national government funding when there are many communities throughout Europe that are in much more need of even basic Internet access, and the funding allocated to serve only 30.000 people at the most could be targeted to serve a much larger group and create a stronger impact. This initiative is essentially a self-sustaining business, and could be treated and supported as such.

The second point of view emphasises the considerable positive aspects of the cooperative project. This is a project that has been initiated by a small group of local people, based on the vision and active involvement of a woman who is still leading the project. The project is highly innovative because:

- The vision was to look ahead at least five years and build the necessary infrastructure in the area that would serve the needs of businesses and households given the advance of ICT technologies. This is why the optical fibre network was selected, rather than going for an ADSL network that is currently the broadband solution.
- The project treats local businesses and households equally, operating on a one-off and monthly subscriptions. Usually these two types of clients are separated and local businesses tend to be overlooked when funded projects are initiated.
- The local authority funded only the trunk network while the branches are funded by subscriptions and loans taken out by the cooperative. In this way the private initiative covers most of the cost, taking the risk for the extension of the network, while the local authority does not spend more than they would have spent to provide the current solution of broadband connection. The cooperative operated on commercial grounds, but whatever profit is (will) be made will be spent on further services to members or will be used to reduce the subscription fees.
- The social capital generated by this initiative is very important. We can say that it is of the “bridging” type, joining together people that do not have a previous bond but have an interest in accessing a large number of services through the internet.
- The contribution of this initiative to local development is also very important, because it provides rural residents and rural businesses with valuable access to a large number of services, including TV (in an area that transmission is very poor) fast internet access, telephone communication at very cheap rates etc. For rural areas, sparsely populated and with scarce facilities, this kind of service reinforces social capital and community ties. The cooperative has provided a common goal for thousands of people living in the area of Kuusiokunnat and has improved their quality of life substantially.
- Unlike projects funded by the EU, this cooperative plans for the future and secures funds through private initiative to sustain the project in the long term.

5. Kuudestaan LAG

(<http://www.kuudestaan.net/default.htm>)

Description

The Kuudestaan LAG is a registered non-profit organisation bridging together the six municipalities of the sub-region: Kuortane, Alavus, Toysa, Ahtari, Soini and Lehtinaki. The aim of the local development group is to make efficient use of local creativity and promote small scale innovative solutions for the improvement of quality of life. It is supporting the development of the Kuusiokunnat sub-region, through:

- ✓ improving the image of the sub-region
- ✓ making it more interesting for inhabitants and SMEs
- ✓ promoting entrepreneurship
- ✓ increasing cooperation between enterprises
- ✓ protecting the environment and the local cultures
- ✓ safeguarding local and regional services

The farming and manufacturing sectors in the area are decreasing; the biggest employers nowadays are the Municipalities, SMEs and the tourism sector.

Contribution to local development and relationship to social capital

Decision making in the Kuudestaan LAG is independent from the administration of the municipalities and is shared among representatives from all areas of the sub-region. This LAG brings together about 70 villages. The LAG has drawn a development plan for the Kuusiokunnat sub-region for the programme period 2000-2006, which is run alongside the Village Development Programme that started being implemented a bit earlier, in the late 1990s. The plan is funded with approximately 4 million Euros coming from the EU, Rural Development Programme ALMA (30%), the state (50%) and the municipalities (20%) - plus 7 million Euros from the Village programme started in 1997. The LAG has two full time employees and advisors.

Kuudestaan LAG funds various projects that aim to support the livelihood of rural areas, make the area well known and keep young people who leave because there is not a University in the South Ostrobothnia region. Investments for individual entrepreneurship and farm-based activities are not eligible with ALMA funding; projects that are funded involve training and planning of projects which bring together networks of people and collective organisations. So far there have been 73 projects funded (all listed in the website), using almost all the budget of the programme period. The projects mainly involve the organisation of music festivals and other social events, innovative ICT solutions, joint marketing and training initiatives. Projects put together by municipalities to finance activities that lie within their formal responsibilities and projects overlapping are rejected.

The projects funded are based on the ideas of the local people and emphasise on good contacts with all villages, promoting the cooperation of different stakeholders in the area, thus linking public and private sector groups, the voluntary sector and the inhabitants. The LAG staff assists people in planning and implementing new projects. They are now preparing proposals for the next programme period after 2006, taking into account the

effect of the projects implemented under the 2000-2006 period. An evaluation of the influence the projects had in the sub-region has not been conducted yet, but is expected to be carried out in the future. However, it was remarked that during the first two years of the programme period very few projects were approved, but after 2002 many projects were approved. This shows that the local populations have increased their capacity for putting together and implementing projects. It is worth noted that in kind voluntary work ("talkoot" in Finish) is allowed according to the rules, for covering part of the own contribution in the projects.

6. Kuortane Sports Institute and Sports Hotel

Kuortane is a small town, it has got 4400 inhabitants. In last decade there was a big change in its economic structure, which meant a changing process from agriculture to industry and service sector. The sport institute is one of the main elements of the changing. All over the country we can find 9-10 huge sport centres, the Kuotante sport institute is second biggest one in Finland. In the middle of 20th century a sport association was established which name was EPPULA. This association decided to build a big sport centre in Kuortane where earlier there was its house with different sport facilities. They had here 50 hectare land. The budget to build this centre was 5615224 Euro. The investment was financed by the state, EU and private money, the proportion was depended on the investment (5-20 %). The Hotel Sport was built by own money because it is a profit-oriented investment. The "heart" of the organisation is the Sport Association EPPULA. The organisation has got a board with 30 people, they are the decision makers, with a steering committee involved 1+6 people in it. They are not a profit organisation. Under that level there is the headquarter branch with different departments of the sport management.

Contribution to local development and relationship to social capital

Kuortane Institute of Sports not only a big sport centre but it is a leading know-how centre as well. It offers a variety of services for coaches, top athletes and for physical and hygienic training and leisure time activities.

THE SERVICES CENTRE provides a wide-range of outfits, modern facilities and high quality comprehensive services.

THE EDUCATION CENTRE offers professional sports and physical education and provides supplementary training. The Sport Gym has got 200 people from over Finland.

THE HIGH PERFORMANCE TRAINING CENTRE serves top athletes, competitors and coaches. It draws on international-level know-how, Finland's best trainers, modern facilities and pioneering apparatus and technology.

THE LEISURE CENTRE and Keep-Fit Services are available for companies, organizations, private persons, holiday-makers, families and various sports enthusiasts.

SPORTCAMP guides young people to grow and develop themselves by means of sports, and offers them experiences and physical training of many kind.

SPORTS HOTEL is the newest addition of support services to complement the Sports Institute and all its activities. It was opened 29th April. Sports hotel has e.g. five different

types of restaurants serving different types of customer groups, high quality hotel accommodation, bowling alley, conference services and welfare services.

Kuartane Sport Institute is the huge elements of the development in this area.

What is the influence for Kuartane and other near villages?

There are some positive and negative aspects.

The positive aspects:

- In the positive aspects have to note the number of new workplaces (only in the new building where we made visit, 50 work-places were created). It was mentioned by the leader of village association in Ruana too.
- To use the sport facilities for the local inhabitants in half price – which can be contributed to the healthy life style, to the quality of life.
- The Sport Institute increases Kuartane's image too - the sport gym has got a 200 km hinterland.
- The local young people can meet the excellent sportsmen, who can become model of persistence for them.

Some negative aspects:

- The traffic especially at the weekend has increased destroying the peacefulness of the space, and the calmness of the local people.
- The sport institute as an organisation is an “island” – there are few direct connection to the local decision makers and associations and local inhabitants – consequently it can not contribute to the social capital of the community.
- The local schools are not able to use the high quality facilities in the Sport Institute because one gym lesson is a very short time to get there and back to school – have to make better and faster reaching there and concentrate the lessons.

The experiences of the visit to the Sport Institute brought different influences in us. Without doubt this project contributed to the development of this area, but it is “an isolated body” from the local communities. It created many workplaces for the local people, but does not created relationship, social cooperation with the local associations, local social life. We have to state that it was not a good example how to build the social capital!

Contributor to the identity of the place

Soile Yli-Mäyry Art Gallery, Kuortane

<http://www.soileyli-mayry.com/soile-eng.html>

Description

Soile Yli-Mäyry, a painter for more than 20 years, makes her paintings by using a palette knife. Her style is quite personal but closely related to expressionism and primitive art.

She uses paint in three ways; a thin, even coat, thick lines and by scraping lines into painted area, for three - dimensional look. The main theme in Yli-Mäyry's work is humanity and people's alienation from nature in the urban world.

Since her arts studies at the Art Academy in Stuttgart in Germany (1972-75) she has participated in about 150 solo exhibitions in Japan, in China, in India, in United States and in many countries in Europe.

Besides her career as a painter Mrs. Yli-Mäyry studies political science and has taken her Licentiate's degree in Political Science at the University of Helsinki. Her licentiate's dissertation dealt with the sociology of art

Soile Yli-Mäyry was born at Kuortane, and in the min 90's she built her own new gallery building to Kuortane on an old farm. She spends most of her summers in Kuortane painting, but also often meeting the visitors of her Art Hall.

Contribution to local development and relationship to social capital

Although the artist herself is not part of the social capital in the way it is generally understood, i.e. she is not part of a network, she has not started and is not part of any village associations, LAGs, etc. Her contribution to the identity of the area, and thus to its social capital is invaluable. Her energy, activity and deep expression of people and nature through art creates a strong aura and attracts people from all over Finland to visit her gallery and enjoy not only the art, but the natural and social setting where it is created.

The fact that Soile Yli-Mäyry, being an internationally known artist, set up her summer gallery in the village where she was born, show her connection to the area and provides for a good example to other 'celebrities' who could promote their native areas and foster commitment and pride of their compatriots.

Soile Yli-Mäyry, as mentioned before, is not part of the social capital in the way it is usually understood or described in academic research. However, she extends ideas and values through her art to so many people, that she can certainly be regarded as not only a generator of such capital, but also as a keeper of local values. People like this artist usually do not conform to the generally accepted norms of behaviour and expression, but their extreme value is in the ability to create new ideas and values and express them in such a form, that provokes both questions and responses. And social capital starts from such a dialogue.