

*LOCAL DEVELOPMENT AND INNOVATION IN RURAL AREAS AND SMALL TOWNS IN
EUROPE*

Chydenius Institute, Kokkola, Finland
November 26, 2005

Seija Virkkala
WELCOME SPEECH

Dear Friends

Welcome to Chydenius-Institute and to the conference on "Local Development and Innovation in Rural Areas".

As an introduction to today's discussions I would like to say a few words about the institute and its research activities.

Chydenius-Institute was founded on 1977 as a research institute.

Its name comes from Anders Chydenius, a local priest, who was a notable 18th century politician and scientist in Sweden-Finland, a defender of free trade and free press, a kind of Finnish equivalent to "Adam Smith" and the Scottish Enlightenment.

As a politician Chydenius obtained free trading rights or shipping rights to foreign countries for the town Kokkola; this had considerable consequences for Kokkola's later development as a one of the main shipbuilding towns in Finland and main ports of tar export in whole Scandinavia.

Today Chydenius Institute is an independent university-level teaching and research unit.

At the moment we have four different" faculties":

Social sciences,
Pedagocigs
Information technology
Open University

(And we hope to get Business studies and Natural sciences and technology here within couple of years)

The research in the Institute varies from the traditional academic research, to applied research and to plain consultancy work. The perspective is in many cases regional, and the research problems do grow out from practical local problems and bottlenecks. Research tries to activate local competencies and works on the level of so called external economy or on the level of the society as whole. The researchers have a

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common attitude at the research, an attitude that could be described as research-action. It is a strategy of research that is orientated to the transformation of the logic of action and the relationships between people, local institutions and globalizing economy and markets in general.

The institute is basically “a network university for adults”. It means that we are giving further training and the students we take in have already a professional history. Thus, what is missing from the region is a university level education for the young people. The result is that youth migration constitutes one of the main problems of the region.

In general the basic problem of the region is scarcity of the resources, natural and human, quantitative and qualitative. If there is anything good in this shortage of resources, it is just in this kind of desperate situation: if we do not have any resources, we are forced to create them, at least in some way. But this means also that the peripheral areas in whole Europe are perhaps already experiencing, and in advance, something about the society that is to come, the coming society and its basic structures.

The shortage of resources calls for new kind of innovations that are not only economical, but are rather social in their nature. The qualitative innovations should involve and affect the society as a whole (its economy, territory and the society) and they should benefit whole population and give it proper tools to confront the challenges that come from the global world - people need to trust local institutions (especially higher education institutions like CI). Such innovations help the region to make the famous tiger leap into the future.

I think that Chydenius-Institute, the education it gives and the research done in the Institute, and in a way also every single researcher forms a sort of interface between the local society (people living on the area) and the world (sc. global markets).

This interface, like the old telephone central draws together different actors and competencies. Like human brains it makes easy to modulate and vary these competencies, and it constructs systems of risk-sharing on the regional level. This means that the research both studies regional problems and constantly teaches how to pose the local and regional problems in a coherent way.

And the users of this interface are, or they should be, people living, working and producing here, and not the other way round.

We know that global economy is changing the traditional distinctions between economy, society and territory. Today these distinct, motionless spheres are moving

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and they form a kind of three dimensional merry-go-round of which is hard to say what economy, what society, is, and even: where the territory is.

Some economists speak about the need to have “humility in economics”. According to the economics has come to the point in which it must include among the conditions that affect economic fluctuations the knowledge of persons, their beliefs and the way they understand their surroundings and justify their actions. It means that the subjective and strategic aspects become more and more important for the research.

The challenge is then: to create innovations that are unpredictable and unforeseen.

The conference tries to give an open space to different forces, ideas and views, a space in which create some unforeseen combinations and compositions, some real monsters, that could help the development of so called peripheral areas. It is here that we need to construct those famous Cyborgs first.

So once again, I wish you are all welcome to the conference.

Now, I will give a word to Pentti Vuorinen, a senior adviser from Finnish Ministry of Trade and Industry.

He will give us a short outline of the Finnish innovation policy and of the Proact programme that is sponsoring our conference, through TEKES- National Technology Agency of Finland. So, His masters voice?