



## Just Transition Platform – Project fiche:

# OULU – BUILDING REGIONAL RESILIENCE TO INDUSTRIAL STRUCTURAL CHANGE

Oulu, Finland

This document is part of a series presenting information and lessons learned on policy approaches at national, regional or local level supporting a just transition to a climate-neutral economy. The Just Transition Platform (JTP) assists EU Member States and regions to unlock the support in this transition. Visit the JTP website: [https://ec.europa.eu/regional\\_policy/funding/just-transition-fund/just-transition-platform\\_en](https://ec.europa.eu/regional_policy/funding/just-transition-fund/just-transition-platform_en)

**Member State:**

Finland

**Region:**

Oulu

**Sector:**

High technologies and communications

**Total project budget (in €)<sup>1</sup>:**

197 500

**Financing conditions (co-financing rate in %):**

N/A

**Sources of funding (in €):****EU funding:**

167 875 (European Regional Development Fund, 2014-2020)

**National and regional funding:**

29 625

**Project duration:**

01.08.2019 - 31.07.2023 (48 months)

**Responsible managing authority / agency / company:**

Council of Oulu

## Summary

The 'Building Regional Resilience to Industrial Structural Change' project in Oulu focuses on addressing high unemployment, particularly among young people. The project, developed under the FOUNDATION Interreg umbrella, targets the vitality of Oulu, especially in rural areas with small internationally focused companies. The plan emphasises the importance of public-private third-sector networks in rural development, going beyond economic growth to address local participation, social innovation, and trust. The initiative aims to support entrepreneurship, with a focus on youth, encouraging concrete support models and integrating

entrepreneurship into educational institutions<sup>2</sup>. The project's impact has led to a commitment to policy change, emphasising entrepreneurship measures, particularly for the youth.

The University of Oulu joined to enhance policy instruments supporting small and medium-sized enterprises, emphasising the importance of cooperation, international networking, learning from best practices, and establishing enterprise incubators in rural areas.

1 Budgetary information sourced from: [Project - Building Regional Resilience to Industrial Structural Change \(keep.eu\)](#)

2 See: [Oulu Actions Supporting Youth Entrepreneurship | Interreg Europe](#)

## Type of activities:

The 'Building Regional Resilience To Industrial Structural Change' project in Oulu has implemented a strategic action plan to tackle the region's pressing challenges. Focusing on high unemployment, especially among the youth, the project has prioritised supporting entrepreneurship and fostering an environment conducive to economic vitality.

The action plan concentrates efforts on rural areas with small international companies, addressing the crucial issue of the availability of educated employees<sup>3</sup>. Recognising the significance of public-private third-sector networks, the plan goes beyond traditional economic growth strategies. It emphasises the need for policies to encourage entrepreneurship, particularly among young people, and seeks to integrate practical support models into educational institutions. Overall, the actions undertaken in Oulu aim to create a resilient regional economy by leveraging the strengths of the region, fostering collaboration, and addressing the unique challenges faced by rural and peripheral areas.

## Goals and approach:

The overarching goal of the FOUNDATION project is to strengthen the competitiveness of small and medium-sized enterprises in regions undergoing structural change by developing regional policy instruments and regional resilience.

In the case of Oulu specifically, the project's primary goal is to build regional resilience in the face of economic challenges resulting from the decline of Nokia. It seeks to develop a framework and roadmap for anticipated structural change by engaging industry players, business support organisations, and policymakers in understanding and addressing the dynamics of their ecosystems<sup>4</sup>. The project emphasises the importance of proactive, collaborative efforts to foster alternative growth and employment opportunities in the region.

The approach taken includes the formation of collaborative networks to facilitate knowledge sharing and cooperation among key stakeholders.

The project emphasises the importance of innovation and collaboration, transforming Oulu into a resilient and thriving startup ecosystem and ultimately achieving the goal of revitalising the high-technology sector and innovation networks in the region.

## Important outputs, results or achievements:

The project yielded remarkable outputs and achievements in building regional resilience post-Nokia's decline. The establishment of collaborative networks, including the Oulu Innovation Alliance, was instrumental in knowledge sharing and cooperative efforts.

Another success story is YritysTakomo, a pre-incubator established within the project. Over a hundred startups and 400 jobs were generated, demonstrating its effectiveness in fostering entrepreneurship and employment. The Oulu region, once facing an 18 % unemployment

rate, has rebounded to pre-crisis high-technology employment levels. The strategic approach of the project, including collaboration with local authorities, universities, and businesses, has transformed Oulu into a thriving startup ecosystem. The outcomes showcase the resilience-building capacity of coordinated efforts, innovative programmes, and strategic initiatives, turning the challenges of industrial structural change into opportunities for sustained economic growth.

## Scalability<sup>5</sup> and transferability<sup>6</sup>:

One of the main challenges highlighted by stakeholders when scaling up these types of projects would be the commitment of regional and local authorities to investment schemes. This may be an important factor as over-reliance on national authorities on these types of projects might leave them open to re-prioritisation and re-budgeting efforts that are dependent on external or political factors.

Further, stakeholders have highlighted the importance of an analysis of the skillset of the available workforce and the potential use to which they can be put when it comes to trying to replicate a project of this type.

Specifically, there was a strong belief on the part of the stakeholders that information technologies were going to be an important growth area in Oulu based on surveys of their local workforce in the years after the decline of Nokia in the region. The stakeholders indicated the importance of the successful implementation of specific reskilling programmes as well as risk-alleviating financing tools to best exploit the available skills of the workforce in the transition.

3 See: [projects2014-2020.interregeurope.eu/fileadmin/user\\_upload/tx\\_tevprojects/library/file\\_1621592451.pdf](https://projects2014-2020.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1621592451.pdf)

4 See: [Policies & Measures to Support local & regional innovation ecosystems \(interregeurope.eu\)](https://www.interregeurope.eu/en/policies-measures-to-support-local-regional-innovation-ecosystems)

5 Scalability entails that a policy approach can be adapted to a bigger scale than just the local context.

6 Transferability entails that a policy approach can be applicable to a similar setting and replicated.

## Tools for supporting economic diversification and reskilling/upskilling via projects:

- Building private and public sector capabilities for innovation
- Scaling business innovation networks and support clusters
- Capitalising on unique regional strengths for innovation
- Strengthening entrepreneurial networks

## Key success factors and lessons learnt:

The success of the Oulu project, as outlined in the provided text, is attributed to several key factors.

First, the region benefited from the focus on youth entrepreneurship<sup>7</sup>. Understanding the significance of youth entrepreneurship, the Oulu project integrates measures to make entrepreneurship more attractive to young people. By incorporating supportive elements into educational institutions, the project aims to foster an entrepreneurial mindset among the youth, addressing both high unemployment rates and the trend of young people migrating to larger cities for education.

The development of innovative practices and peer-to-peer networks such as Yritystakomo and the Oulu Innovation Alliance, also contributed to the success of the project. The recognition of these practices in the regional action plan report<sup>8</sup> indicates a commitment to learning from successful models.

Finally, the project benefited from its engagement with key stakeholders in the region, including the Regional Management Committee (MYR) of Oulu Region Council. The MYR's commitment to target development actions to increase entrepreneurship and support entrepreneurship among young people reflects a collaborative approach involving regional decision-makers.<sup>9</sup>

## Key challenges:

The outmigration of the young population to larger cities for education, coupled with the reluctance to return, posed a challenge for retaining skilled individuals in the Oulu Region. Additionally, the project identified a disparity between the relatively stable nature of the region's economy and its ability to respond to future risks effectively.

Moreover, the project saw the challenge of making entrepreneurship an attractive option, with a specific focus on integrating concrete support models into educational institutions. The limited number of companies and inhabitants in the sparsely populated and rural Northern Ostrobothnia region presented unique challenges, including the difficulty of establishing enterprise incubators in such areas.

Finally, the city of Oulu faced financing issues due to the need for important financing sources to fund the economic diversification and new business in the region.

## Central framework conditions<sup>10</sup>:

With approximately 250 000 residents and a strong presence of technical universities, Oulu rode the wave of Nokia's success in the 1990s and 2000s, with the city emerging as the tech giant's second-largest outpost.

By the late 2000s, Nokia employed around 4 800 workers in Oulu and had connections with about 2 000 subcontractors, contributing

significantly to the city's growth. However, as NOKIA started to struggle, layoffs became inevitable, exacerbated by Microsoft's acquisition of Nokia's consumer business in 2013.

It is in the context of the recovery from Nokia's struggles that the 'Building Regional Resilience to Soften the Possible Decline of NOKIA' project came about.

## Outlook:

The future outlook for the Nivala-Haapajärvi region is positive. The commitment of growth-oriented companies to internationalisation and their recognition of the region's strengths, such as a good business environment and robust partnership networks, contribute to regional resilience. However, identified measures aim to further strengthen this resilience and fuel conditions for business success.

Key regional stakeholders such as BusinessOulu have also outlined their future intent to continue supporting the high-tech sector in the region and further push towards expansion into new technologies in the fields of artificial intelligence, health, and microelectronics.

7 See: [Oulu Actions Supporting Youth Entrepreneurship | Interreg Europe](#)

8 See: [Policies & Measures to Support local & regional innovation ecosystems \(interregeurope.eu\)](#)

9 See: [Oulu Actions Supporting Youth Entrepreneurship | Interreg Europe](#)

10 Framework Conditions encompass the institutional, informational and socio-economic factors that determine a given environment (contextual information), e.g. market conditions, access to finance, tax regulation, infrastructure and support.

## Project partners & contacts:

- University of Oulu
- Munster Technological University, Lead Partner of the FOUNDATIONS project

### Website / social media:

<https://keep.eu/projects/21524/Building-Regional-Resilienc-EN/>

<https://projects2014-2020.interregeurope.eu/foundation/>

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