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The Strength of Neutrality

**Civil organisation in developing a region through higher education and research work:
Experiences from South Ostrobothnia, Finland**

This is a case study of Finnish experiences in developing the Region of South Ostrobothnia in 1999–2009 through higher education and research work. After the presentation of the results from the ten-year experiences some crucial elements behind the success are taken under analysis. The main attention is given to the role of a non-governmental civil organisation (The University Association of South Ostrobothnia) as the coordinator of the research network. The findings presented below are based on the primary data formed in the 87 development projects of the South Ostrobothnian University Network (Epanet).

It is not unique to focus on research and development work in order to advance regional development. And it is quite common to aim at organising some triple-helix constructions in order to create tools by which the target will be hit. But, it is exceptional that all this is lead by a non-governmental civil organisation. In South Ostrobothnia, Finland, the leading role in provoking the research work in the region was given to the University Association of South Ostrobothnia (later: *the Association*).

Universities play an important role in the Finnish development system. But it was not possible to create a new university in the region because in Finland all the universities are governmental institutions and no plans to establish such institutions of higher learning existed – quite the opposite. Thus, another kind of solution had to be found.

In the South Ostrobothnian model the core of the development concept was in research groups, lead by university professors. They were implemented in periphery area where no main campuses existed. The areas of research were selected in order to best contribute the regional development of South Ostrobothnia. The emphasis was laid in the applied research and development work and in the expanding branches of the region. Nationally new, interdisciplinary, applied subjects were preferred. Finally, five categories of research were chosen: material technology, information technology, economics and business administration, food industry, and welfare. At least three research professorships were established in each branch. The professors were and are leading research teams of 3–5 people. Thus, a new research power of sixty researchers was achieved by the network. Several disciplines and universities formed a rich community stretching its contacts to academic world far beyond any regional and national frontiers. Seinäjoki Science Park, located by the river in the city of Seinäjoki, forms the spatial core of the research community.

The results of the ten-year experience in South Ostrobothnia

A network of six universities and 16 university professorships was accumulated in the first phase of the network, 1999–2008. Because of the lack of a solid governmental funding the whole basic structure was contrived in project form and financed by an unbelievable compilation of 96 private enterprises, 21 municipalities and 24 public organisations such as the Regional Council of South Ostrobothnia, the Employment and Economic Development Centre of South Ostrobothnia, the Provincial Government of West Finland, the Regional Centre Programme, Seinäjoki Polytechnic, universities, and the Ministry of Education. European Union was the main financier in most of the

projects by means of Objective 2 and 3 Programmes. The total funding of the basic structure during its first five-year periods, 2001–2008, (44 projects in all) rose to 9.44 million euros. The proportional division between different groups of financiers is presented in **figure 1**.

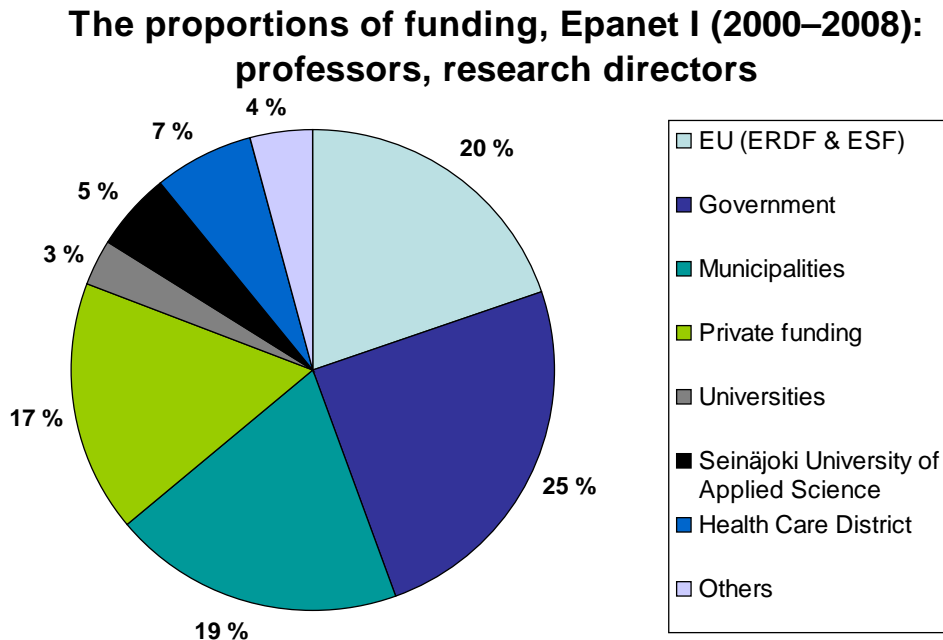


Figure 1. The proportions of funding, Epanet I (2000–2008)

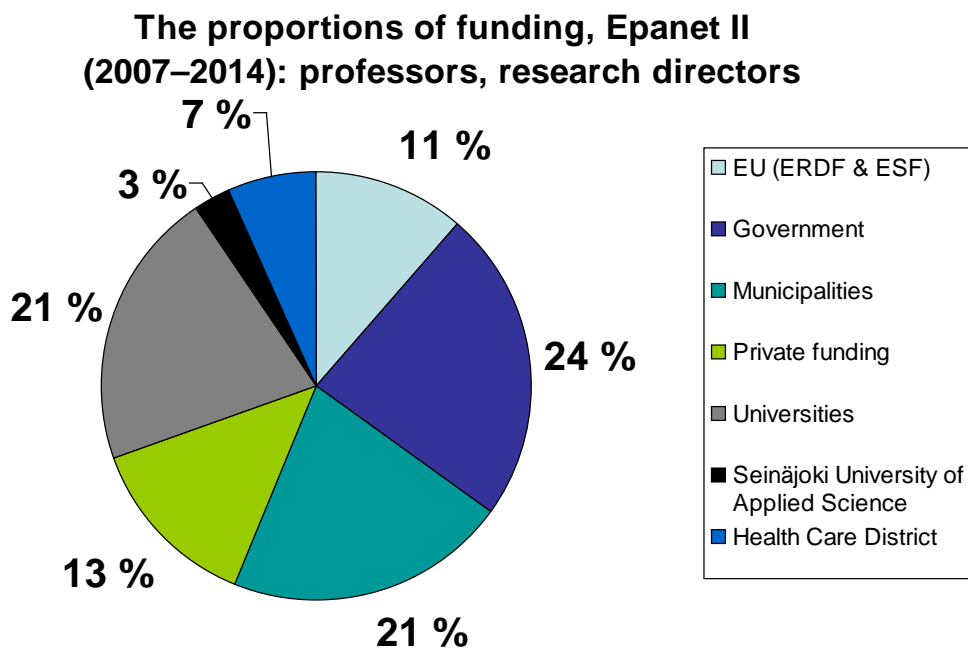


Figure 2. The proportions of funding, Epanet II (2007–2014)

The second phase of Epanet is currently under accomplishment. The network is now carried out through 28 projects in 2007–2014. The sum of their budgets is approximately 11.5 million. An estimation of the division is presented in **figure 2**.

Even the most distinguished professor is not able to improve a region or a branch alone, nor do the 17 professors together. A certain spread effect has been needed in the form of wider networks and groups of researchers. All the South Ostrobothnian professors have been generating research and development projects as part of their work. The spread effect has been realized. The regional impact of professor network has been multiplied by the researchers working in the generated projects.

The funding of the research work in Epanet network (2001–2009)

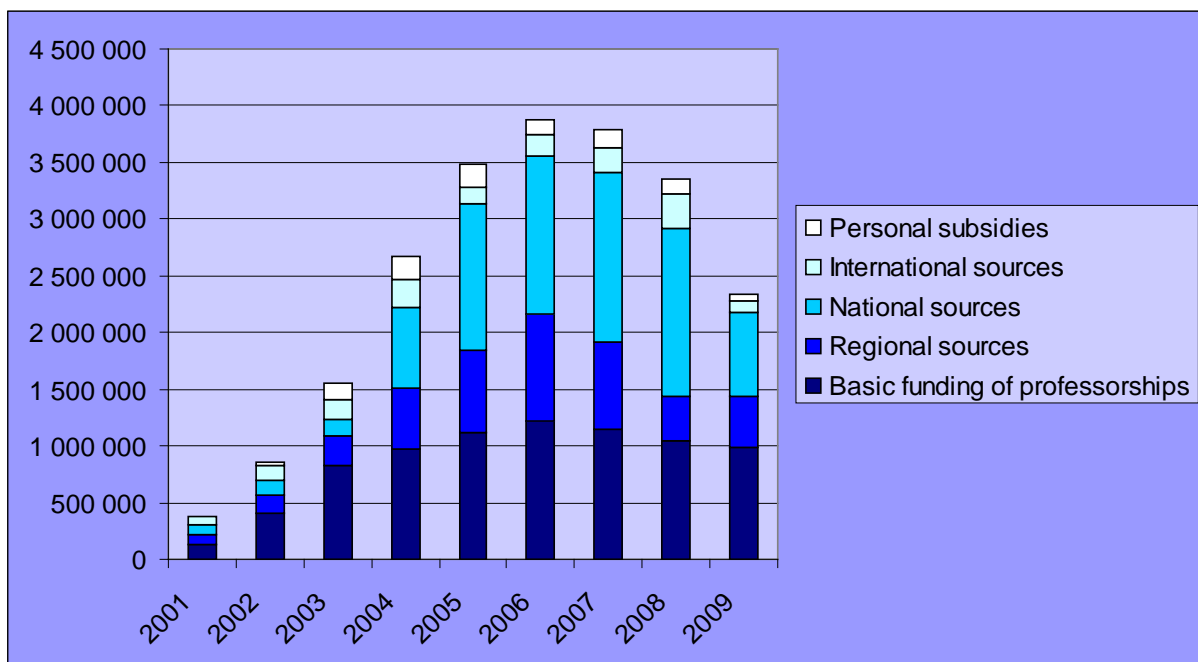


Figure 3. The funding of the research work in Epanet network (2001–2009).

The data of 2009 is incomplete including information during nine months only (from January to September). The basic funding of professorships is complete.

Some of the researchers have been working with their advanced studies; some others have made development projects or product development work. The basic work of a professor is composed of generating new research projects, directing the generated group and tutoring the researchers.

In 2009, every Epanet professor had a group of researchers. The smallest groups consisted of three researchers; the largest already had more than ten members. The impact of these groups can be seen in growing research and development activities of the region. The funding of the basic structure of the network – i.e. the professors and the coordination of the network – can be seen as a fundamental

investment to the future. In the next cycle the leverage of funding has been independently generated from national and international sources by the professors and the members of their groups. At the same time, the impact of the network has been actively spread all over the industries of the region by the members of research groups who were living and working in South Ostrobothnia.

The funding sources of the whole Epanet network can be seen in the **figure 4**.

The funding of Epanet research groups* 2001–2009

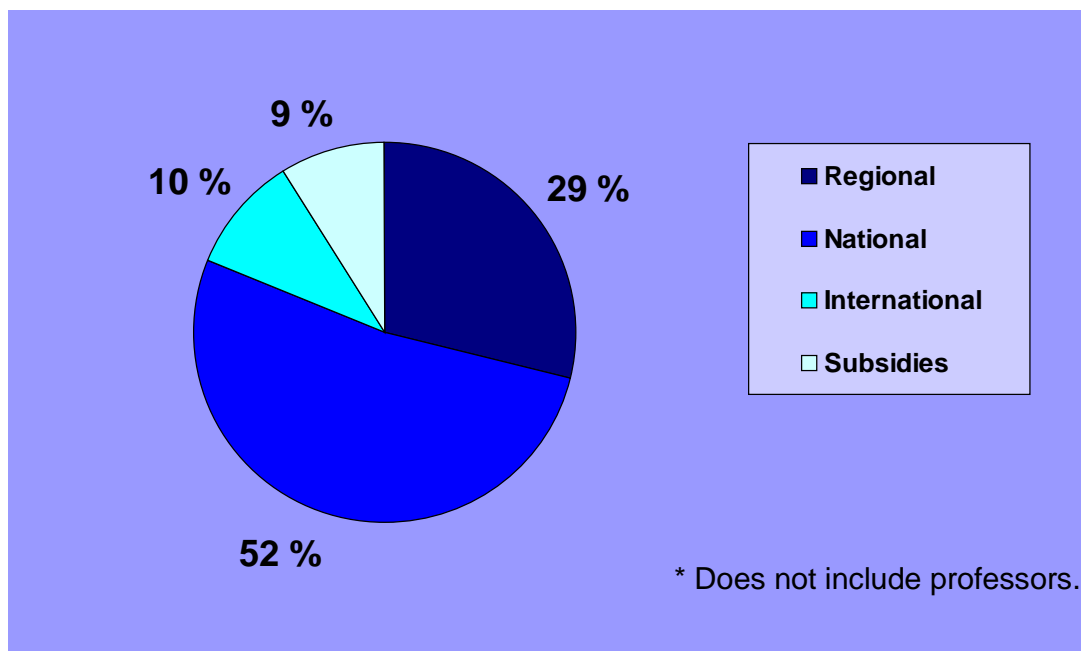


Figure 4. The funding of Epanet research groups.

The total does not include the basic funding of professorships and research directors. The funding of research groups was almost completely of project nature. Most of it was originated in national sources. The remarkable percentage of personal subsidies (merely stipends) (9%) is a conspicuous detail.

Some characteristic parameters of the influence of Epanet research groups during the first ten year period:

- 24 postgraduate degrees was made by the members of research groups (19 doctoral theses, 5 licentiate examinations).
- 242 research and development projects were accomplished in 2002–2009.
- The total funding of the generated projects was 13.5 million euros. The costs of the basic structure are not included in this number; neither are included the funding of the projects that were generated outside of the region.
- Research cooperation was made in 50 countries; half of the contacts were directed to the EU.
- Research groups caught funding from several EU programmes, most of the Finnish Ministries, tens of foundations and more than 150 enterprises.

- More than 1.700 publications were produced; 391 of them were published in refereed series. Most of the publications were written in English. Besides, results were popularized in Finnish in more than 1.000 publications.
- At the end of 2009, fifteen professors and 44 researchers were employed in research projects in South Ostrobothnia. Besides, 36 researchers were employed in some other regions. 41 employees were working with their doctoral theses.

The coinciding interests as the basis for the network

Surely, the South Ostrobothnian concept is not easily repeatable. The institutional constellation is always unique, and much of the success also depends on individuals. There hardly exist solutions that could fit at once and for all situations everywhere.

However, some reasons behind the success of the South Ostrobothnian concept are worth noticing. **The role of strong municipalities.** Municipalities are a crucial actor in Finnish development system. They are economically strong having also a right to collect taxes. The larger part of Finnish public sector is accomplished by municipalities. They are responsible for example for the arrangements of health care and of a large part of school system. The most important regional bodies (i.e. the Regional Councils) are formed by municipalities.

All the municipalities of the South Ostrobothnia region have joined in the coordinating University Association and also the Regional Council of South Ostrobothnia has been committed to contribute the concept. All the municipalities have been funding the network both directly and through the Regional Council. Some of them have committed to a certain specific area of research. Such prioritisation have been made for example by Seinäjoki (in popular music and architecture), Kauhajoki (in logistics), and Jalasjärvi (in polymetric composites).

The interest of enterprises. The region is characterised by the high number of small and micro-sized enterprises specialised in traditional branches of business processing wood, metal or food. They have not had a tradition to search and adapt academic knowledge. The research network lowered the boundaries between academic world and small and medium sized enterprises. The commitment of private sector was tested in their interest to fund the professor network. In two five years periods 127 enterprises have joined the network as donators, without a direct payback from the investment. This is a powerful sign of their commitment to the concept.

The enterprises had three kinds of motives for participation to the network: some of them had the need of information. They either had a need of some specific solutions in their everyday problems or they were looking for entrance to research world on a more general level. They were also interested in developing their branch of industry as a whole. Both points of views served for better competitiveness of the firm. A smaller number of enterprises were also interested in general development of the region. Commerce, banking and publishing houses, for example, are more profitable when the region has more inhabitants and business activities on whatever branch of expertise.

The South Ostrobothnian University Network Epanet could not have been succeeded without **the interest of universities.** From their point of view there exist a number of seductive aspects in the concept: it offers possibilities to produce new scientific knowledge, i.e. more professors, more researchers, more doctoral theses and other publications. **The incentives for individuals,** especially

for young and productive researchers, have also been of great importance. The research network has offered them opportunities to yield more academic credits and merits.

Obviously, all the above mentioned interests – at least – have to be coincided in South Ostrobothnian research network in order to have made it work. The various interests had to coincide in a common will. Besides, a functional, reliable structure for the coordination of the network was needed. To this demand an interesting solution was created in the network: the coordination was given to a civil organisation.

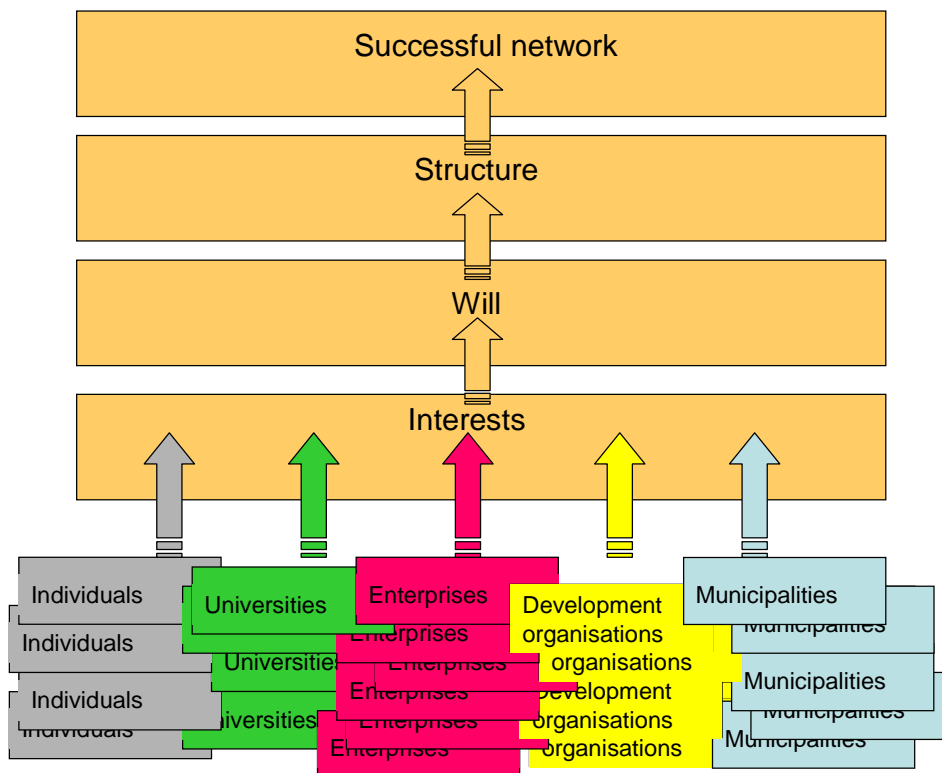


Figure 5. Constructing a successful network in research network Epanet. In order to success a network needs a functional, reliable structure and a common will even if they were built on differing interests?

The role of civil organisation as the coordinator of the research network

The South Ostrobothnian University Network is managed by the University Association of South Ostrobothnia. The association provides university-level educational services and promotes research work, development and cooperation in the field of higher education policy in South Ostrobothnia. All the municipalities of the region have joined as members of the Association. However, it is a civil organisation receiving only five per cent of its annual budget from its members as fees. More than half of the budget is rallied up from various sources of project funding. In project network a

civil organisation can have certain advantages in comparison with universities and alternative governmental and municipal organisations.

The role of the Association has been quite all-inclusive in the South Ostrobothnian University network Epanet. The role has included the coordination of the planning and modelling the concept; creating the system of negotiations for the network; co-ordinating the two-level system of project-nature administration and 17 scientific key positions that were established in the universities of the network. Also the preparation of individual projects and their co-ordination was managed by the Association. The basic funding of the network was collected from various sources. 127 enterprises have been funding the Epanet professorships during their two five-year periods. A huge amount of more than three hundred agreements were needed in managing the system.

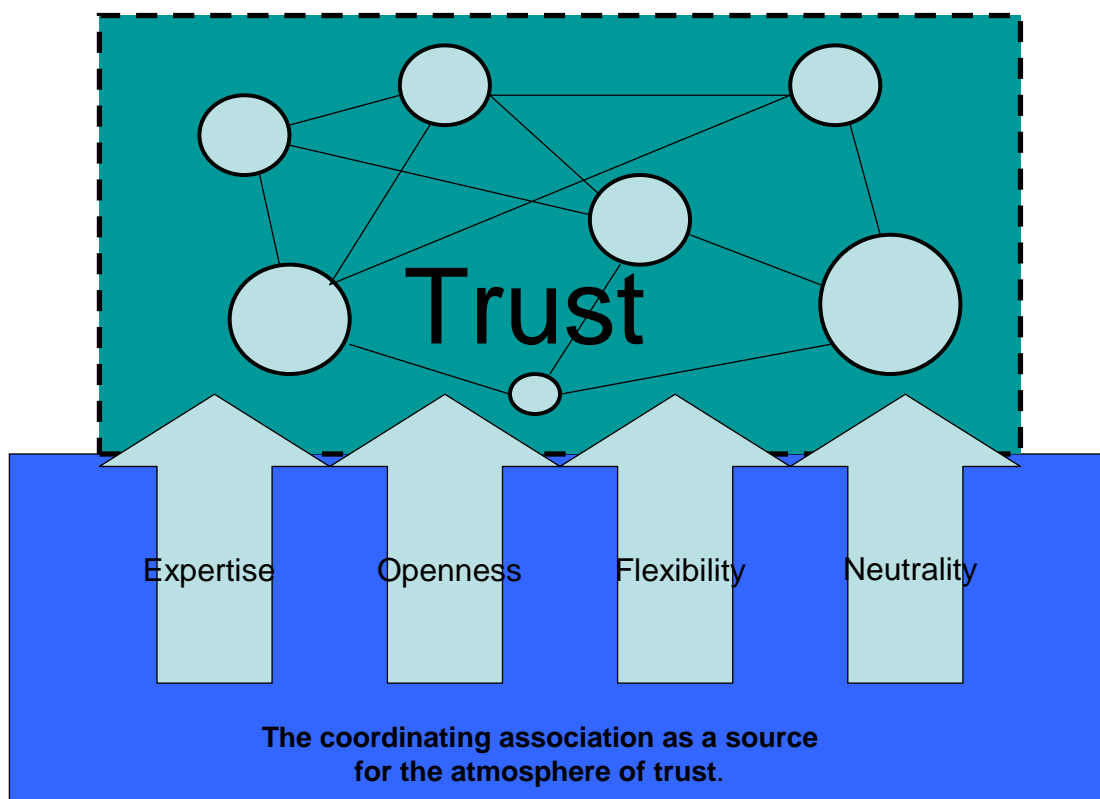


Figure 6. The four elements of trust in research network Epanet

A civil organisation has succeeded in coordinating quite a complicated network mostly because it has earned a considerable rate of trust in the network. The key factors in gaining the trust can be divided in four classes: openness, flexibility, expertise and neutrality. (Figure 5)

Neutrality. The role of the Association was indisputable and important: it was a neutral actor. It could best avoid the lurking conflicts on all the imaginary fields of confrontations: **spatial field** (where neutrality between the region and its central city was needed); on **academic field** (neutrality between universities and other institutions of higher learning); on **expert field** (neutrality between different branches of knowledge and industries and neutrality within each of them).

Private organisations usually have private interests. The interest of University Association is to develop the region of South Ostrobothnia through higher learning and research work. This target was entirely in unison with the aims of the research network as a whole.

Flexibility. The Association was a dwarf organisation before the coordination of the research network was given to it. In 1997 the Association had two employees. In a couple of years it was developed into the organisation of more than ten people. The Association could use the newest knowledge to develop the concept and employ highly professional experts to manage it. Project-based structure would not have been so easy to accomplish as a part of a university or a municipal organisation. Those organisations that already had certain personality to whom the coordination would have been given probably would have had bigger penalty for taking the lead in a new institutional situation.

Expertise. No organisation could be trusted if it had not sustainable level of expertise. The flexibility made it possible for the Association to create the new unit of coordination for the network without any burden of the past. A new kind of project organisation was needed. The unit provided and created the kind of knowledge that no partner organisation already had. Experts were employed both from academic, municipal and administrative world. The coordinators had to know the details of the funding systems of research work, as well as the complicated systems of project management.

Openness. One element highly strengthening the trust in network is openness of the Association. All the municipalities of the region already were its members. Now the membership was also opened for other partners. The partners also have had a possibility to influence in steering groups. Each project had own steering groups in which every financier had a member. Actually, all the chairmen of the steering groups were chosen among the cooperating enterprises.

All the four elements of trust were crucial in creating the atmosphere of trust in research network Epanet. Probably, the most critical of all was neutrality. The network would have been collapsed if any of the potential fields of confrontations accelerated. The coordinator has to be neutral both between the region and its central city, between universities and other institutions of higher learning and between the chosen areas of expertise.

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