

Y4 - Making a region entrepreneurial – Finland ¹

(by Ritva Nirkkonen, Finland)

Description of the approach (aims, delivery, budget etc)

The Y4-entrepreneurship process “Yrittäjyys Ylös Yhteiskunnassa Yhteistyöllä” (English: Promote Entrepreneurship in Society by Co-operation) started in 2002 as an initiative of various public and private actors in Central Finland aimed at the creation of an conducive overall framework for entrepreneurship development.

The objective of the process is to develop Central Finland into one of the most vital regions worldwide for business development and growth by motivating and encouraging its people to be entrepreneurial and innovative in their thinking and working. The goal is therefore a general mobilisation for entrepreneurial action and the removal of administrative and cultural barriers to entrepreneurship. The process is a Finnish candidate for European Enterprise Awards to be granted by the European Commission and the Committee of Regions in Brussels in December 2006.

Today, more than 36 organisations have signed an agreement for the period 2003-2009, contributing to the process and being committed to driving its implementation forward. The long list includes local companies, business associations, the Chamber of Commerce, local governments, elected officials, civil servants, schools, vocational and professional training institutions, public and private employment services, trade unions and employer organisations, the universities of Jyväskylä and other institutes of higher education, and different non-governmental organisations. The Chamber of Commerce has taken over the leadership. Over 8,000 people have participated so far, and 450 entrepreneurial ideas have been registered. Various activities, such as workshops, seminars, and conferences, as well as open-days of participating institutions are organised to gather, discuss and disseminate information about business and community needs. The activities have also been expanded to other regions.

In 2005, with the creation of the post of a Y4 process co-ordinator and a Y4 web site, further steps towards the institutionalisation of the Y4 process have been successfully completed. The work of the co-ordinator includes co-ordination of the Y4 process as a whole, further strengthening key traits of entrepreneurial thinking and action, and the evaluation of related policies and programmes throughout Central Finland. The following four sectors have therefore been underlined: entrepreneurship evaluation; entrepreneurship juries at the regional and sub-regional levels; Y4 entrepreneurship agreements; and, Y4 development projects.

The annual budget is EUR 200 000 plus around EUR 76 000 annual salary costs for the co-ordinator. The budget is funded by the Municipalities of Central Finland (50%), and by the Regional Council of Central Finland, and the EU.

Why the approach is relevant to East Germany?

A business and entrepreneurship friendly atmosphere is an important ingredient for encouraging the establishment of new companies and fostering their growth. The involvement of all relevant stakeholders and actors in a society-wide process will help to bring forward the idea of an entrepreneurial society, where enterprises can be established and grow, and administrative barriers are being removed. The experience of Y4 in Central Finland shows that the process outcomes positively influence attitudes towards and interest in business succession, which is a relevant issue in

¹ Source: Discussion Paper "Entrepreneurship in the Districts Mittweida and Altenburger Land", OECD LEED Programme, in: *OECD LEED Local Entrepreneurship Series*, October 2006.

both districts.

The development of a process, similar to Y4, would also help to strengthen already existing policies and programmes. The already existing initiatives to develop and promote role models could be completed by activities like the “Entrepreneur of the Year” and weekly special entrepreneurship pages in regional newspaper.

Furthermore, a process like Y4 would also be in line with the objective of building an entrepreneurship friendly wider region in East Germany.

Reasons for the success of the approach

The main reason for the success of the approach has been the creation and maintenance of an entrepreneur-friendly environment, where supportive and pro-active attitudes towards entrepreneurship have been anchored within the public administration and public and private support structures. Here, also the agreements signed by important stakeholders are of great importance for a successful continuation of the Y4 process. Local governments added prior impact assessment of policies and regulations on entrepreneurship development as additional criteria to local decision-making. This also helped to establish a more common understanding of business and community needs, shared by the local government and the local companies and entrepreneurs. The approach of improving business climate and establishing an entrepreneurship-friendly climate has been accompanied by direct support services offered to local companies. Start-up and young companies for example have been offered free access to a mentor and patron panel.

The obstacles that were faced and the quality of the response taken

Starting the process took longer than foreseen by its initiators. Major delay has been caused by sceptical and suspicious decision-makers that were not convinced by the Y4 process concept and the tangibility of its results and outcomes. In order to increase understanding of and an overall feeling for entrepreneurship, numerous regional events, workshops, seminars and open-days have been organised.

It was also important to mobilise rural areas and to increase awareness about entrepreneurship and the Y4 process in areas that tend to be less included in major developments and movements of that kind. The process has therefore been developed step by step. It started in city areas and was later extended to rural areas.

Considerations for adoption of this type of approach in East Germany

In general main stakeholders at district level, like local governments, Chambers of Commerce and Trade, Chambers of Crafts, the Public Employment Service, higher education institutes, etc. are supportive to entrepreneurship development. This is a good starting point for a wider process like Y4 to promote entrepreneurial and innovative thinking and working. East Germany as a whole suffers from high unemployment rates and seem to have difficulties in business succession. There is a need of tools to encourage the establishment of new companies and the growth of existing companies. The Y4 process could give more voice to entrepreneurship development. It could help bringing together different stakeholders in order to develop visions and strategies for the districts. Joining efforts of different institutions also provides new inspiration for developing and testing innovative tools and instruments.

The successful Y4 process turned a number of municipalities into entrepreneurship friendly cities in Finland. The city of Jyväskylä is one of these. Here the Y4 process helped to boost the “Human Technology City”- concept, the further expansion and international outreach of Jyväskylä higher education institutions, and promoted the Jyväskylä Science Park as one of the leading Centres of Excellence in Finland.

Such a process could also help in making participating territories known to the outside world. To be well-known for their entrepreneur-friendly attitude is a local asset that could attract the settlement of new companies and people in these territories.

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