

Rural Finland 2015

The future operating environment of rural development work



Summary

The Rural Policy Committee (YTR) launched a scenario project in spring 2005 to chart the future operating environment of rural development in Finland. The aim of the project was to create a common idea of the possible courses of rural development until 2015 in cooperation with the committee network. The main aim of the project was to support rural development work by drafting alternative descriptions of the future operating environment, i.e. scenarios, and to define the opportunities, challenges and development alternatives that must be taken into account in rural development. The project was carried out in the form of three seminars and 12 working group meetings. Information and perspectives were obtained from interviews, questionnaires and expert comments.

The greatest uncertainty factors from the rural perspective, i.e. the issues that will be the most difficult to predict, were assessed as being: globalization, energy prices, economic trends, the development of the EU, Finland's competitiveness, local government and funding for local government services. The strongest trends, i.e. the most certain courses of development, will be: changes in the age structure, the gender structure of the rural population, entrepreneurship and the structure of business in rural areas.

In the healthy rural area scenario, high-quality products and services and environmental wellbeing are emphasized in consumer purchasing habits. The diversity of the business sector provides a variety of work and entrepreneurship opportunities in rural areas. International interaction and culture have a leading role in society. Localization – the harmonious cooperation of local actors – has increased in importance, while the role of the EU and national central government has decreased. Areas near conurbations continue to do well and even

sparsely populated areas are doing better than they were in 2005.

In the individual subjects scenario, the world is facing a number of crises and the public sector has a stronger hold on businesses and the third sector. Central government has strict control of decision-making at the EU and the national level. The price of energy has risen, and international travel and transportation have decreased. A great deal of bioenergy is produced in rural areas. Areas near conurbations and the rural heartlands are doing very well. Food is produced and consumed locally.

In the economy of the western world in the crisis scenario, rural areas are ruled by globalization and the Finnish business sector has hit a downward spiral. The public sector is attempting to correct the situation by adopting a policy of strict authority, but has been unsuccessful. People have resigned themselves to this course of development and have not been able to question absolute public authority controlled by the economy. All rural areas are doing worse than in 2005. Research and development work has moved abroad with businesses. The weakening financial situation of individuals means that consumers have to make do with what they can afford when it comes to quality and services.

The bipolar world scenario is characterized by the powerful interaction of public administration, businesses and the third sector. Industrial production seeks economies of scale and price is emphasized in consumer purchasing habits. Small-scale entrepreneurs in the business sector have responded to the pressure of competition from large businesses by networking, but the economy is uncertain and susceptible to external interference. Energy prices are high and local energy production is carried out extensively in ru-

ral areas. Rural areas situated near towns and cities are doing relatively well.

The main results of this work are the scenarios which describe the future of rural areas. The scenarios make it possible to assess what effects the various courses of rural development described by the scenarios will have on the strategies and practical development work. This type of assessment can be carried out in the Rural Policy Committee theme and working groups and under the Rural Policy Programme and in order to assess and update other plans, strategies and programmes concerning rural development. More detailed scenarios for a specific issue or organization can be created by using the scenarios as a foundation. These scenarios can also be used as a frame of reference for monitoring the operating environment.

The work produced some preliminary conclusions of how the described scenarios will affect the Committee's development work and strategies. Many of these conclusions support development needs that have already been identified: bioenergy, diversifying the business structure, strengthening non-governmental action, services, tourism and care services in particular, entrepreneurship, the foreign workforce, safe food, etc. It was also concluded that, when the distribution of power in the world changes, it will become important to get to know the countries and cultures which will have disposable wealth in the future (China, India etc.). It was considered that the main measures for rural developers in the future would be exerting influence on social attitudes and values in various ways, strengthening the positive image of rural areas and diversifying entrepreneurship and self initiative.

Helsinki, February 17, 2006

Tiivistelmä (Finnish Summary)

Vuoden 2005 keväällä Maaseutupoliitiikan yhteistyöryhmä (YTR) käynnisti Suomen maaseudun kehittämistyön toiminta ympäristön tulevaisuutta kartoittavan skenaariohankkeen. Tämän hankkeen avulla pyrittiin muodostamaan YTR:n verkoston kanssa yhteinen näkemys maaseudun mahdollisista kehityskuluista vuoteen 2015 saakka. Hankkeen keskeisenä tavoitteena oli tukea maaseudun kehittämistyötä laatimalla vaihtoehtoisia tulevaisuuden toimintaympäristökuvauksia eli skenaarioita ja määrittellä maaseudun kehittämistyössä huomioitavia mahdollisuuksia, haasteita sekä kehittämissivaihtoehtoja. Hanke toteutettiin kolmessa seminaarissa ja 12:ssa työryhmän kokouksessa. Lisäksi tietoa ja näkemyksiä hankittiin haastatteluin, kyselyin ja asiantuntijakommentein.

Maaseudun kannalta vaikuttavimmiksi epävarmuustekijöiksi eli vaikeasti ennakoitaviksi asioiksi arviointiin: globalisaatio, energian hinta, talouskehitys, EU:n kehitys, Suomen kilpailukyky sekä kunnat ja palvelujen rahoitus. Vaikuttavimmat trendit eli varimmat kehityskulut ovat: ikärakenteen muutokset, maaseutuväestön sukupuolirakenne, yrittäjyys ja maaseudun elinkeinorakenne.

Hyvinvoiva maaseutu -skenaariossa kuluttajien ostokäyttäytymisessä korostuvat laadukkaat tuotteet ja palvelut sekä ympäristön hyvinvointi. Elinkeinoelämä on monimuotoista ja se tarjoaa työ- ja yrittämismahdollisuuksia ympäri maaseutua. Kansainvälisellä vuorovaikutuksella ja kulttuurilla on yhteiskunnassa vahva rooli. Lokalisaatio – paikallisten toimijoiden harmoninen yhteistoiminta – on vahvistunut EU:n ja kansallisen keskushallinnon roolin kutistuessa. Keskusten läheiset alueet voivat edelleen hyvin ja harvaan asuttu jen alueidenkin tilanne on parempi kuin vuonna 2005.

Yksilölliset alamaiset -skenaariossa maailma on kriisiytynyt ja julkisella sektorilla on vahvempi ote yrityksiin ja kol-

manteen sektoriin. Keskushallinto ohjaa vahvasti päätöksentekoa sekä EU:n että kansallisella tasolla. Energian hinta on noussut, kansainvälinen liikkuminen ja kuljetukset ovat vähentyneet. Maaseudulla tuotetaan runsaasti bioenergiaa. Keskusten läheiset alueet ja ydinmaaseutu voivat varsin hyvin. Elintarvikkeita tuotetaan ja kulutetaan paikallisesti.

Länsimaiden talouden kriisiytyminen -skenaariossa maaseutu on globalisaation vietävänä ja suomalainen elinkeinoelämä on joutunut syöksykierteeseen. Julkinen sektori on pyrkinyt korjaamaan heikkoa tilannetta ottamalla vahvan käskytysvallan itselleen kuitenkin onnistumatta. Ihmiset ovat alistuneet tähän kehityskulkuun, eivätkä ole osanneet kyseenalaistaa vaihtoehtoja talouden ohjailemaa julkista valtaa. Kaikki maaseutualueet voivat huonommin kuin vuonna 2005. Tutkimus- ja kehitystoiminta on siirtynyt yritysten mukana ulkomaille. Kulutustottumukset ovat ihmisten henkilökohtaisen talouden heikentyessä hintahakuiset laadun ja palveluiden kustannuksella.

Kaksinapainen maailma -skenaariota leimaa julkishallinnon, yritysten ja kolmannen sektorin vahva vuorovaikutus. Teollinen tuotanto etsii mittakaavaetuja ja kuluttajat korostavat hintaa ostokriteerinään. Elinkeinoelämän pienet toimijat ovat verkostoitumalla kyenneet vastaamaan suuryritysten kilpailupaineeseen, mutta talous on häiriöherkkää ja epävarmaa. Energian hinta on korkea ja maaseudulla on runsaasti paikallista energiantuotantoa. Kaupunkien läheisellä maaseudulla menee kohtuullisesti.

Tämän työn keskeisenä tuotoksena ovat skenaariot maaseudun tulevaisuudesta. Skenaarioiden pohjalta on mahdollista arvioida, mitä vaikutuksia eri maaseudun kehittämistyössä skenaarioiden kuvaamilla tapahtumilla on kehittämistyön linjauksiin ja käytännön toimintaan. Tätä tarkastelua voidaan tehdä YTR:n työ- ja teemaryhmien työssä

ja maaseutupoliittisessa kokonaisuohjelmassa sekä muiden maaseudun kehityssuunnitelmien, -strategioiden ja -ohjelmien arvioimiseksi ja uudistamiseksi. Skenaarioiden pohjalta voidaan rakentaa yksityiskohtaisemmat skenaariot tietyn aihealueen tai organisaation tarpeisiin. Skenaariotyötä voidaan hyödyntää myös toimintaympäristön seurannan viitekehyksenä.

Työ tuotti joitakin alustavia johtopäätöksiä siitä, miten kuvatut skenaariot vaikuttavat YTR:n tasolla kehittämistyöhön ja sen linjauksiin. Useat näistä johtopäätöksistä tukevat jo ennestään esillä olevia kehittämistarpeita: bioenergia, elinkeinorakenteen monipuolistaminen, kansalaistoiminnan vahvistaminen, palvelut; erityisesti hoiva- ja matkailupalvelut, yrittäjyys, ulkomaa-lainen työvoima, turvalliset elintarvikkeet jne. Lisäksi todettiin että maailman valtasuhteiden muuttuessa meidän tulisi tuntea paremmin niitä maita ja kulttuureja, joilla tulevaisuudessa on varallisuutta kuluttaa (Kiina, Intia, jne.). Keskeisinä maaseudun kehittäjien tulevaisuuden toimenpiteinä nähtiin monipuolinen vaikuttaminen yhteiskunnan asenne- ja arvoilmaperiin, maaseudun myönteisen imagon vahvistaminen sekä yrittäjyyden ja omatoimisuuden monipuolistaminen.

Helsinki 17.2.2006

Sammandrag (Swedish Summary)

Landsbygdspolitiska samarbetsgruppen (YTR) startade våren 2005 ett scenariprojekt som kartlägger verksamhetsfältets framtid då det gäller arbetet med att utveckla landsbygden i Finland. Med projektets hjälp försökte man tillsammans med YTR:s nätverk skapa en gemensam syn beträffande möjliga utvecklingsförlopp på landsbygden fram till år 2015. Det centrala syftet med projektet var att stödja landsbygdsutvecklingsarbetet genom att utarbeta alternativa beskrivningar av framtidens verksamhetsfält, dvs. scenarier, och slå fast de potentialer, utmaningar samt alternativ för utvecklandet som skall beaktas inom landsbygdsutvecklingen. Projektet genomfördes under tre seminarier och 12 möten för arbetsgruppen. Ytterligare insamlades information och åsikter med hjälp av intervjuer, enkäter och kommentarer av sakkunniga.

Ur landsbygdens synvinkel bedömdes följande vara de mest verkningsfulla osäkerhetsfaktorerna, dvs. faktorer som är svåra att förutspå: globaliseringen, energipriset, den ekonomiska utvecklingen, EU:s utveckling, Finlands konkurrenskraft samt kommunerna och servicefinansieringen. De mest verkningsfulla trenderna, dvs. de säkraste utvecklingsförloppen, är förändringarna i åldersstrukturen, landsbygdsbefolkningens könsstruktur, företagandet och näringsstrukturen på landsbygden.

I scenariot En välmående landsbygd accentueras högklassiga produkter och tjänster samt en välmående miljö i konsumenternas köp beteende. Näringslivet är mångsidigt och erbjuder tillfällen till arbete och företagande på en vidsträckt del av landsbygden. Internationell växelverkan och kultur spelar en viktig roll i samhället. Lokaliseringen – harmonisk samverkan mellan lokala aktörer – växer sig starkare efterhand som EU:s och den nationella centralförvaltningens roll avtar. De tätortsnära områdena mår fortsatt bra och också läget för de glest befolkade trakterna är bättre än år 2005.

I scenariot Individuella undersåtar karakteriseras världen av en kris och den offentliga sektorn har ett fastare grepp om företagen och den tredje sektorn. Central förvaltningen utövar en kraftig styrning av beslutsfattandet såväl inom EU som nationellt. Priset på energi har stigit, internationella förflyttningar och transporter har avtagit. På landsbygden produceras rikliga mängder bioenergi. De tätortsnära områdena och kärnlandsbygden mår mycket bra. Livsmedel produceras och konsumeras lokalt.

I scenariot Kris i västlänternas ekonomi är landsbygden ett offer för globaliseringen och det finländska näringslivet befinner sig i ett tillstånd av fritt fall. Den offentliga sektorn har försökt korrigera den dåliga situationen genom att lägga beslag på en kraftfull befälsrätt, dock utan att lyckas. Människorna har funnit sig i detta utvecklingsförlopp och inte förmått ifrågasätta att ekonomin styrs av en offentlig makt utan valmöjligheter. Alla landsbygdsområdena mår sämre än år 2005. Forsknings- och utvecklingsverksamheten har flyttat utomlands tillsammans med företagen. Då människornas privatekonomi försämras är konsumtionsvanorna prisinriktade på bekostnad av kvalitet och service.

Scenariot En bipolar värld stämplas av en kraftig växelverkan mellan offentlig förvaltning, företag och tredje sektorn. Den industriella produktionen söker skalfördelar och konsumenterna betonar priset som köpkriterium. Näringslivets små aktörer har genom att upprätta nätverk förmått svara mot storföretagens konkurrensstryck, men ekonomin är störningskänslig och osäker. Priset på energi är högt och det finns rikligt med lokal energiproduktion på landsbygden. Det går måttligt bra för landsbygden i närheten av städer.

Det viktigaste resultatet av detta arbete utgörs av scenariot över landsbygdens framtid. Utifrån dem går det att bedöma vilka verkningar de utvecklingsförlopp som beskrivs i respektive scenario har på riktlin-

jerna för landsbygdsutvecklingsarbetet och den praktiska verksamheten. Den granskning kan ske inom ramen för YTR:s arbets- och temagrupperns verksamhet och arbetet med det landsbygds politiska helhetsprogrammet samt för att utvärdera och revidera andra planer, strategier och program för utveckling av landsbygden. På basis av scenarierna kan man bygga upp mer detaljerade framtidsbilder med tanke på de behov som berör någon särskild fråga eller organisation. Arbetet med scenarierna kan också utnyttjas som en referensram för upp följning av verksamhetsfältet.

Arbetet ledde till några preliminära slutsatser kring hur de beskrivna scenarierna påverkar utvecklingsarbetet och riktlinjerna för det på YTR:s nivå. Flera av dessa slutsatser gynnar sådana utvecklingsbehov som är aktuella sedan tidigare: bioenergi, en mångsidigare näringsstruktur, en starkare medborgarverksamhet, tjänster; i synnerhet omsorgs- och turisttjänster, företagande, utländsk arbetskraft, säkra livsmedel osv. Ytterligare konstaterades att då maktförhållandena i världen förändras borde vi ha mera kunskaper om de länder och kulturer som i framtiden har råd att konsumera (Kina, Indien, osv.). Att mångsidigt inverka på samhällets attityder och värderingar, förstärka landsbygdens positiva image samt att åstadkomma mångsidigare företagande och handlingskraft ansågs vara landsbygdsutvecklingarnas viktigaste åtgärder i framtiden.

Helsingfors 17.2.2006



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Vammalan Kirjapaino Oy, 2006

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Far-sightedness – What does it mean?

“ It means that you think carefully beforehand and visualize a future event so vividly that when it actually happens, the path forward will be clear.

Not many people are endowed with this sort of mindset. Whoever is, should make the most of it...

But this mindset has two major drawbacks: what you’ve envisaged may not happen at all or it may take another form.

If you’re able to take also these possibilities into account, the living will be easy...”

Veikko Huovinen

“Havukka-ahon ajattelija” 1952

Introduction

The Rural Policy Committee (YTR) launched a scenario project to chart the future operating environment of rural development in Finland in spring 2005. The aim of the project was to create a common idea of the possible courses of rural development during the next ten years in cooperation with the committee actors.

Understanding the future development of the operating environment is an important precondition for the ac-

tive creation of the future for rural areas. Scenario work aims to look beyond traditional questions to the level of the external operating environment. Only a solid understanding of the development of the operating environment and a strong strategic view will give a visionary outlook on the future and inspire action that promotes the development of rural areas (**Figure 1**).

The rural scenario work comprised the creation and analysis of the future

operating environment of rural development and alternative courses of development. The aim was to study the development of the operating environment in a comprehensive manner; however, the focus was on the important change factors from the rural perspective. The countryside is defined to comprise three areas: urban-adjacent rural areas, rural heartland areas, and remote rural areas.

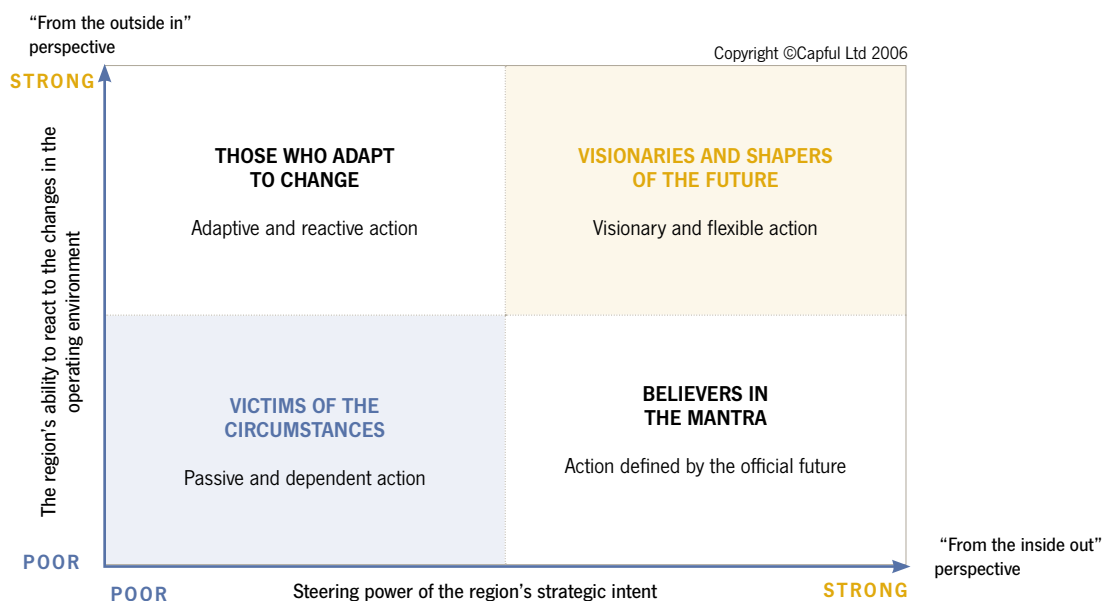


Figure 1. Visualizing and shaping the future.

Rural scenarios are descriptions of the possible and alternative future operating environments in which rural development work is carried out. They describe the possible mutual interaction and common total effects of interrelated factors. The scenarios act as the contexts in which the decisions that will be made in development work can be tested in advance.

The aim of the scenario project was not to predict the future; it was launched to develop strategic thinking, perspectives, and interaction. The scenarios are not, and cannot be, used as a basis for claiming what will happen. They were created to guide the decision-makers to think more diversely and systematically about various courses of development and thus improve their ability to interpret topical matters, enhance their ability to react, and increase their preparedness for change.

The scenarios simplify complex pictures and describe possible courses of development by presenting them in a pointed way. A key task in scenario work is to help people look at things from new perspectives that challenge their established habits.

Different people may consider different scenarios as more or less likely. The aim is, however, not to pick one scenario from among the others by putting them in an order of probability or preference; the aim is to look at the whole picture formed by the scenarios. The events that will be realized in the future are often combinations of the scenarios that can be visualized at the moment.

Objectives, phases and implementers of the project

The following objectives were set for the work in the project plan:

- Analyse alternatives for future rural development work;
- Look at the key change factors that affect rural development and their causal relations from a broad perspective in an integrated manner;
- Prepare 3 to 5 alternative descriptions, i.e. scenarios, of possible future operating environments;
- Identify and describe the effects of the changes in the operating environment and of the scenarios on rural development and development work;
- Identify new opportunities, challenges and risks related to rural development and chart the possible development alternatives that must be taken into account in the different scenarios;
- Provide the key rural development actors with the prerequisites for developing new visions and strategies and re-directing action;
- Increase the key actors' understanding of the changes in the operating environment and enhance the decision-makers' ability to react and their preparedness for change;
- Commit the participating stakeholders so that they are willing to actively create the desired common future;
- Prepare tools with which the future of rural development work can be analysed.

The work started with the identification and analysis of the key change factors affecting rural areas. Four alternative descriptions, i.e. scenarios, of possible future operating environments were drafted on the basis of the change factors. The next step was to describe the effects of the changes in the operating environment and of the scenarios on rural development and development work. The project also included the identification of new opportunities, challenges and risks related to rural development, as well as possible development alternatives that must be taken into account in the different scenarios.

Background material for the work was obtained from interviews and e-mail surveys. The project was carried

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out by a working group that had 12 meetings. The working group acted as the operative implementer of the project and prepared the material for three scenario seminars. The entire Rural Policy Committee network was invited to these seminars, and an average of 20 people participated in them. A steering group guided the work and made the most demanding strategic decisions as regards the content of the work. A large group of rural development actors also participated in the work by commenting on the drafts

generated as the work progressed. Professors Hilkka Vihinen, Pekka Mäkinen, and Toivo Muilu contributed to the work with invaluable comments. Senior Officer Johanna Heikkilä coordinated the project at the Ministry of Agriculture and Forestry. Capful Oy's consultants Kimmo Kivinen and Jari Puhakka were responsible for the overall progress of the project. Managing Director Arto Kaunonen was the expert in methodological matters.

Recent history and crucial issues for rural areas

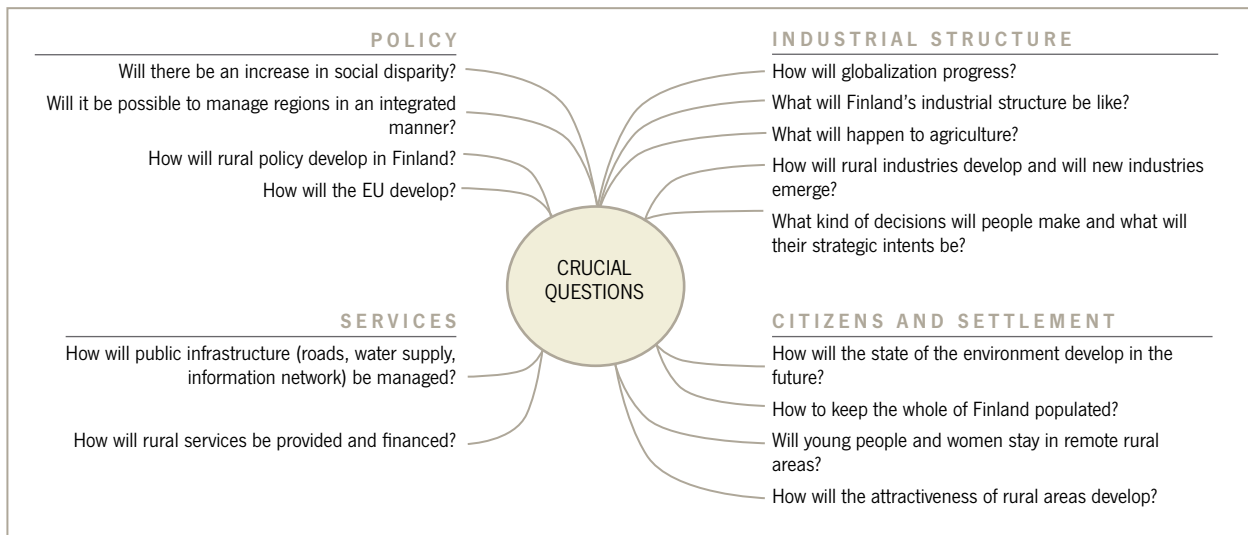
To understand the future, we must look back and acknowledge the phases that led us to the present day. Figure 2 shows the project participants' views of the major development phases of the rural operating environment and rural areas from 1960 to 2005. Three development phases were identified in the recent history, which can be described as urbanization, joining the EU, and globalization.

Urbanization	Joining the EU	Globalization
1960–1994	1995–1999	2000–
<p>OPERATING ENVIRONMENT</p> <ul style="list-style-type: none"> Technological development Higher level of education Urbanization Women joining the workforce Development of the welfare society Increased freedom of choice Deregulation of central government control – liberalization of capital movements 	<p>OPERATING ENVIRONMENT</p> <ul style="list-style-type: none"> Joining the EU Financial instruments for rural policy Juxtaposition between rural and urban areas Discovering rural identity and strengthening local cultures Technological development Development of information technology – wirelessness Commuting Decreased significance of representative democracy 	<p>OPERATING ENVIRONMENT</p> <ul style="list-style-type: none"> The China phenomenon Companies' consolidation trend – foodstuffs processed by larger units on the basis of external needs Centralization of trade Differentiation of consumer habits Increased leisure time Increased demand for services Population ageing Lack of a discussion about values Municipal economy in crisis
<p>RURAL AREAS</p> <ul style="list-style-type: none"> Mechanization Decrease in work load Rural depopulation Overproduction Second homes in the countryside Specialization of production Change in the women's role in the countryside 	<p>RURAL AREAS</p> <ul style="list-style-type: none"> Adjusting to EU control Diversification of rural industries and a decrease in the relative proportion of basic agricultural employees among all employed persons Increased farm size, indebtedness and decrease in the number of farms Internationalization Increased skills requirements – particularly as regards entrepreneurial skills 	<p>RURAL AREAS</p> <ul style="list-style-type: none"> Specialization and centralization or diversification Lack of skilled labour Outsourcing in wood supply Farmers lose further processing Deterioration of the environment weakens livelihood opportunities Challenges of service production Increased importance of rural areas for recreation and creativity

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Figure 2. Rural development from the 1960s to date.

The scenarios were specified by defining the crucial questions from the perspective of rural development. Figure 3 shows these central themes divided into four groups: industrial structure, citizens and settlement, services, and policy.



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Figure 3. Crucial questions related to rural development.

Change factors

Change factors refer to the factors in the external operating environment of rural development work on which the future of the operating environment is based. In principle, external change factors can only be marginally affected by rural development work.

In the project, change factors were divided into uncertainties and trends. The development of uncertainties is difficult to predict, whereas trends have a certain development direction, speed and strength, which can be estimated. The effectiveness of the change factors from the perspective of rural development was also evaluated (Figure 4).

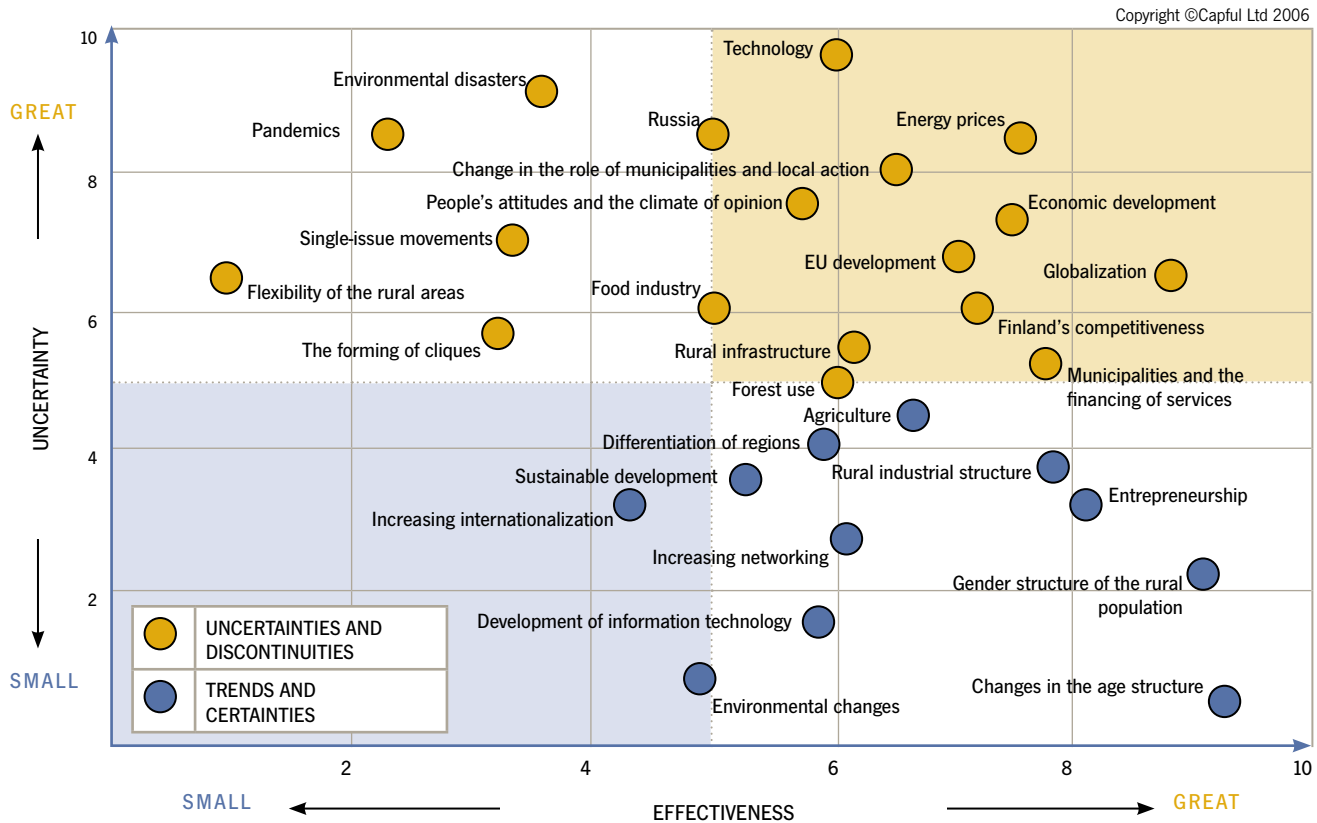


Figure 4. Change factors of the rural operating environment.

Major identified uncertainties

Globalization

The rural operating environment is dramatically shaped by the globalization process, which has economic, social, political, environmental, and cultural dimensions. Globalization has been based on the willingness to create an international political and economic cooperation system that operates on market terms. The counterforce of globalization is localization, which emphasizes local identity and local characteristics.

The deregulation of the financing and capital markets has meant that money invested to obtain short-term profits accounts for a significant part of money movements and that technology makes

it possible for money to move quickly. The erosion of investors' confidence during economic crises may quickly aggravate economic difficulties. In extreme situations, investors' panic reactions may even generate economic crises. International investments have increased and contributed to economic and social development, for instance in middle-income developing countries. Globalization has made it possible for international companies to expand and transfer their production to countries in which the factors of production are more favourable. Power has concentrated in the hands of a few international actors.

Social structures, such as the Scandinavian model of a welfare society, and national and local culture are threatened. Examples of the globalization of politics include the rise of democratic and human rights issues, the increase in the influence of non-governmental organizations, and the discussion on the need for global control.

Energy prices

Energy is a key factor of production, and its availability and price has a great effect on industry, transportation, services, agriculture, traffic and households, etc. An increase in energy prices affects the cost of goods transportation and people's

mobility. The price of energy also partly determines the prices of goods and services. Energy policy is partly regional policy, as expensive energy increases regional and social inequality.

Finland's energy strategy is based on decentralized production, which protects against fluctuations in the prices and availability of energy. Finland uses such energy sources as oil, coal, nuclear power, natural gas, water power, wood, wind, and peat; new energy sources, such as reed canary grass, are being introduced. The importance of renewable domestic energy sources will increase in the future, because there are conflicting forecasts of the sufficiency and availability of oil, for instance. The reduction of greenhouse gas emissions is also redirecting the use of different energy sources.

The drastically growing demand for energy in China and other quickly developing national economies compromises the sufficiency of energy reserves at a global level. The price of oil nearly tripled between 1996 and 2006, while the price of electricity increased by approximately 15% during the same period. Emissions trading is predicted to increase the price of electricity. Investments made in energy-intensive industry require adequate certainty of the availability of inexpensive energy. Energy prices have a major impact on the competitiveness of energy-intensive companies and the entire national economy.

Economic development

The double deficit in the USA (growing current account deficit and budget deficit) has generated uncertainty as regards the growth of the global economy and the direction of development in general. Factors that cause uncertainty in global economic development include the development of oil prices, crises in global politics, the development of the interest rate level particularly in the USA, the effect of the interest rate level particularly on the consumption behaviour of US households, and their high indebtedness. Further uncertainty is generated by the growth of the Chinese, Russian, Indian and South American economies, the instability of the finance market, and factors such as natural disasters and pandemics.

Finland's economy grew slightly faster in 2005 than the Euro region on average, and inflation remained low. GDP growth forecasts for 2006 anticipate a 2–3% growth. Factors that affect Finland's economic development, in addition to the global economy, include energy prices, the economy of the Euro region, the interest rate level, inflation, inward investments, exports, and Russia's social development. Our economy is threatened by rapid population ageing, which compromises the sustainability of our welfare system.

EU development

The EU's efforts to maintain stability and peace and promote wellbeing on our continent have been realised by creating a single market, ensuring the free mobility of goods, people, services, and capital, and by gradually converging the economic policies of the member states.

The EU expanded to include 10 new member states in 2004. Bulgaria and Romania are due to join shortly and accession talks are being held with Croatia and Turkey. Uncertainty is caused by the functioning of EU decision-making after the expansions, the realization of differentiated integration, the centralization of EU government and the funding for Finland's future regional and structural policy and its allocation to rural areas. Some uncertainty is also related to the EU's external relations and security policy.

Finland's competitiveness

Finland has done extremely well in several international comparisons. According to the World Economic Forum (WEF), for instance, Finland was the world's most competitive country in 2005. The measurement is based on an index that anticipates future growth and covers the macroeconomic environment, the quality of public institutions, and technology. The Institute for Management Development (IMD) estimated in 2005 that Finland was the world's sixth most competitive country. According to the comparison, Finland's strengths were related to the efficiency of government and infrastructure.

In the EU Commission's 2005 comparison, Finland ranked among the

top countries in terms of investments in the knowledge-based economy and was second only to Sweden in terms of the performance of the knowledge-based economy. According to a study that measured the implementation of the Lisbon Strategy in 2004, Finland was the most competitive country in the EU. Among the factors measured in this study were the efficiency of the information society and financial services, as well as investments in innovations and research activity.

To sum up, Finland's competitiveness is good. A stable society, a high level of education, and a competitive economy have been considered as Finland's strengths. Finland's position among the top IT countries has also been highlighted. Finland has one of the world's highest degrees of broadly measured wellbeing. The growth in labour productivity has remained good for two decades. The production structure has changed towards knowledge-intensiveness. Several indicators state that Finland has a world-class innovation environment, a workforce with a high level of education and training, top research resources, and close cooperation between companies and research institutions.

The uncertainties of our competitiveness are related to the EU's and our own economic development, the efficiency of local government, the society's research and development investments, the balance between the supply of and demand for labour, the number and quality of skilled labour, and entrepreneurial spirit.

Municipalities and the financing of services

The ability of local authorities to finance and provide the social, education, healthcare, and cultural services for their citizens faces challenges, particularly because the demand for social and healthcare services increases with population ageing.

Future uncertainties include the service production and financing model, the quality and price of services, as well as the networking of and cooperation between the private, public, and third sectors.

In addition, the following change factors were identified, with varying degrees of uncertainty of the direction and speed of their development:

Technology and its development as a source of new product, production process, service, and action model innovations.

Change in the role of local government and local action: The organization of cooperation between the public and third sectors.

People's attitudes and the climate of opinion as regards consumption, environmental matters, sustainable development, etc.

Rural infrastructure: Most notably, the road network, telecommunications, water supply and sewerage, and planning.

Forest use: Domestic forestry industry has invested heavily overseas and expanded its wood supply areas. Uncertainties include the use of wood and forests in the future and the related forest management measures.

Russia was Finland's most important export country in 2005. There is great uncertainty of the development of the economy, social order, banking system, and legislation in our neighbouring country. Finland's rural actors face the challenge of being able to tap into Russia's large market, customer, and labour potential.

The food industry is uncertain of the relationship between Finnish and overseas ownership and decision-making.

Environmental disasters: The impacts of environmental changes, such as ozone depletion, the global warming caused by greenhouse gases, hurricanes, and environmental catastrophes, may be severe and far-reaching.

Pandemics may develop quickly and spread widely throughout the world with animals, foodstuffs, or people.

Single-issue movements may be powerful forces and, if they are able to use the media skilfully, may make a great difference on rural industries, for instance.

The forming of cliques may be related to common economic, political, or religious interests.

Flexibility of the rural areas: There is uncertainty of the ability of rural citizens to accept the movement of immigrants and foreign labour into the rural areas.

Major identified trends

Changes in the age structure

The population is ageing faster in Finland than in most other countries. The change in the rural age structure is caused by the prolongation of life, the decrease in birth rates, and the movement of young people and educated and trained people away from the countryside. Thus, the number of dependent persons increases, the number of employed persons decreases, and the dependency ratio weakens. The sustainability of the public economy and the safeguarding of wellbeing are being put to the test with decreasing tax revenues and an increasing demand for social and healthcare services.

The change in the age structure has an effect on consumer demand, particularly the demand for care and healthcare services, businesses, entrepreneurship, the municipal economy, and the availability of skilled labour. It has also social, cultural, and political impacts. The change in the age structure challenges customary approaches.

Gender structure of the rural population

Finland is a sparsely populated country with one of Europe's lowest degrees of urbanization. The Helsinki Metropolitan area has been one of the EU's fastest-growing urban areas for the past few years. At the same time, depopulation in Eastern and Northern Finland has been among the fastest in the EU. It has been forecast that the population in several rural municipalities will decrease by a fifth by 2020 and will be concentrated in fewer and fewer growth centres.

In addition to the age structure and population, the gender structure is also changing in rural areas, particularly in areas with agriculture as the predominant source of livelihood. Farm women's full-time employment on farms is decreasing as the rural industrial structure changes. Most farm women are employed outside the farm, manage their own business, or are extremely committed agricultural entrepreneurs. Young farm women often have experience of paid work, for example, in the

public service sector in an urban setting. Such mixed lifestyles generate a critical approach towards the traditional division of responsibilities on farms, the traditional role of farm women, and the narrowing down of life only to the confines of the farm.

Entrepreneurship

Society needs entrepreneurs because they create economic growth, jobs and wellbeing. Entrepreneurship in Finland is regionally concentrated by sector, and this trend seems to be continuing. Rural enterprises are often small and, compared to the population, the number of jobs in industry and the service sector is smaller in rural areas than in towns and cities.

The ageing of entrepreneurs means more takeovers of companies by younger generations as older generations step aside, as well as changes to ownership arrangements. Future business opportunities are being enhanced by changes in demand, for example, the outsourcing of public sector services.

According to the Global Entrepreneurship Monitor (GEM) 2004 survey, Finland's entrepreneurial activity has remained unchanged and is at the same level as in most European countries. There are, however, considerable differences inside the country. Interest in setting up new businesses is greater in the Helsinki Metropolitan area than in Eastern or Northern Finland. This may lead to clear regional differences in terms of development in the future.

Rural industrial structure

The rural industrial structure is quickly changing and becoming more diversified. Rural areas are making a shift from production to entrepreneurship and multisectoral agriculture. Areas in which traditional industrial sectors, agriculture and forestry dominate the industrial structure lag behind in terms of economic growth. Almost 50% of agricultural jobs disappeared in the 1990s. Those employed in population centres form the biggest single group of rural citizens. Approximately 19% of the em-

ployed rural workforce, and less than 10% of the entire rural population, are employed in agriculture. Agriculture is regionally concentrated in Western Finland and is becoming increasingly uncommon particularly in the remote rural areas of Eastern Finland. The number of traditional farmers will keep decreasing in rural areas in the future, whereas other population groups, such as multisectoral entrepreneurs and other employees, will increase in number. The lack of jobs for women is a particular problem in rural areas.

Industry plays a considerable role in the rural industrial structure and represents almost all sectors. The strongest sectors are the woodworking and furniture industry, textile, clothing, leather and shoe industry, chemical industry, food industry, and metal and mechanical industry.

Private service enterprises are currently concentrated in urban areas, but the market for service enterprises in rural areas is increasing for reasons such as population ageing and the cost pressures of the public sector.

In addition, the following factors were identified as trends:

Agriculture: The number of farms is decreasing and farm sizes are increasing. Farmers are transferring from animal husbandry to crop production particularly in Southern and Eastern Finland.

Differentiation of regions: People are moving to the centres of municipalities, towns and cities or their surroundings. Population density is decreasing in Eastern and Northern Finland and increasing particularly in the Province of Uusimaa in Southern Finland. The industrial structure is becoming differentiated and it is more difficult to provide similar welfare services.

Sustainable development is becoming a strong basis for all activities in all of its four forms (economic, environmental, social, and cultural).

Increased networking: Cooperation within, and particularly between, the public, private, and third sector is increasing.

The development of information technology continues and increasing volumes of information can be transmitted faster in more extensive areas, even wirelessly (wireless broadband networks). The Internet is used in a more diverse manner.

Environmental changes: The number and intensity of environmental disasters have increased globally. The disasters are linked with global warming, caused by increased greenhouse gas emissions. The contamination of the environment in rapidly developing countries is increasing. Environmental changes are, however, the most difficult to anticipate.

Increased internationalization: The international interaction between people and organizations increases as part of globalization, which increases cultural risks.

“Rural young people must be sent out into the wide world so that they can learn and improve their self-esteem, and then be encouraged to move back once they have established a family.”

Rural Finland 2015

The following is a description of the alternative rural operating environments in 2015, prepared during this project. The scenarios are based on the aforementioned key change factors from the perspective of rural development, particularly factors whose development is very difficult to predict. The alternative courses of rural development are presented in the form of four scenarios called the Healthy Rural Area, Individual Subjects, Economy of the Western World in Crisis, and Bipolar World.

The scenarios are about events and processes that will lead to four different rural operating environments in 2015. In the Healthy Rural Area scenario, localization has become a counterforce to globalization, and people cooperate actively in rural areas, which generates diverse business. In the Individual Subjects scenario, the world is in a crisis and the public sector has attempted to take the situation under control by increasing its authority. Bioenergy has con-

siderably increased in importance, and as mobility has decreased, services are mainly provided to the domestic market. In the Economy of the Western World in Crisis scenario, the quarterly economy related to globalization leads rural industries into a downward spiral and strengthens the centralization trend. In the Bipolar World scenario, only networked, cost-effective actors are doing well in an uncertain economy that is susceptible to external interference. (Figure 5).

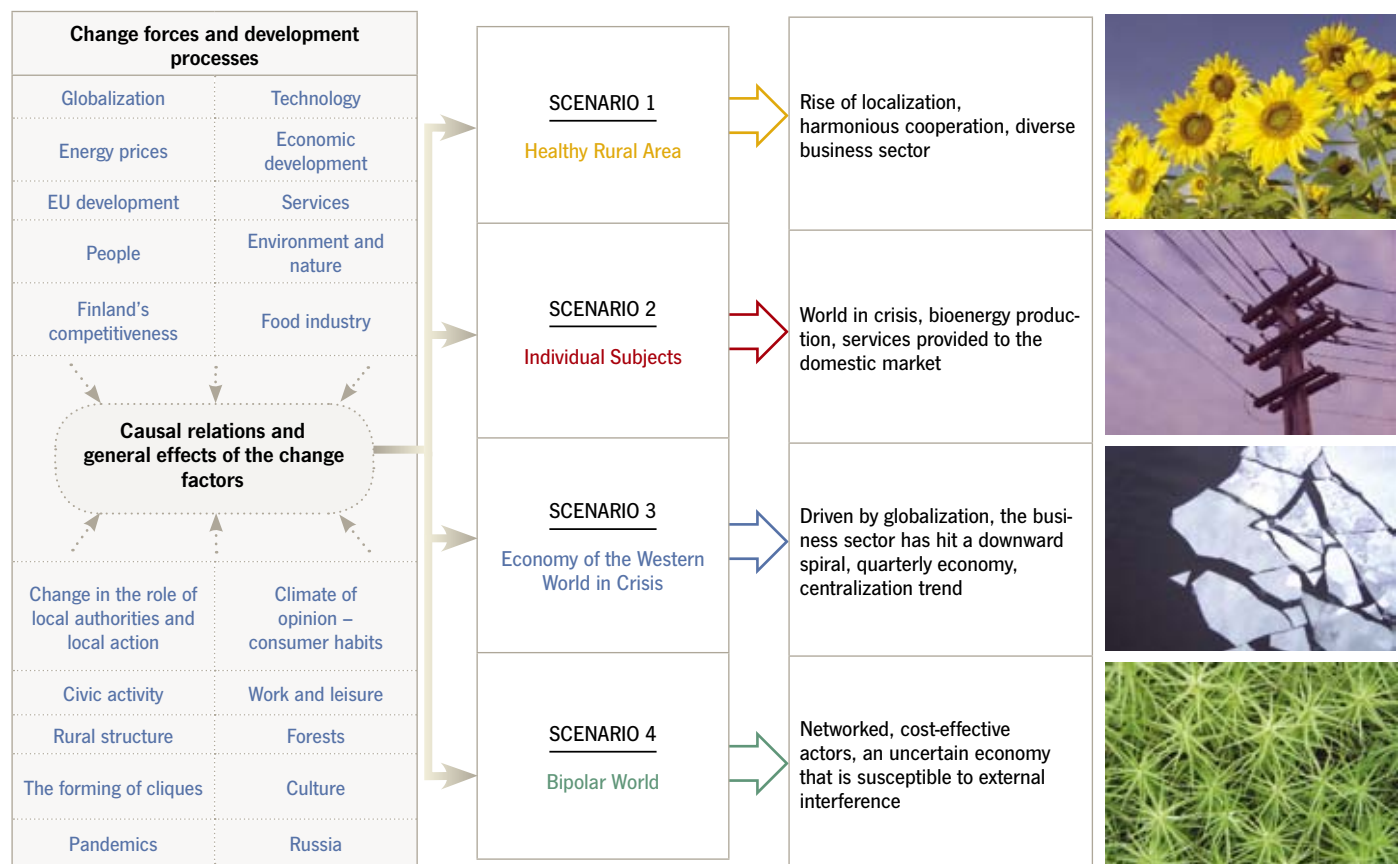


Figure 5. Key change factors and the dynamics of the scenarios.

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The causal relationships of each scenario are shown to present the evolution of each scenario from now on. The causal relationship, or the plot of the scenario, describes the development phases required for the operating environment in question to be realized.

The aim of the actor maps is to concretize the development of the power and interests of the various rural actors in the rural playing field. Interest refers to the degree of interest that the actors have in the rural operating environment and their preparedness to allocate resources to this playing field. The

actor maps also show the evolution of new important actors and the disappearance of some others in some operating environments.

The actor map is divided into four sections that can be described as follows: A spectator can be characterized as an observer who follows the game from the stand and is not involved in the game. A referee participates in the game by creating rules and controlling compliance with them. A victim has everything at stake, yet has minimal power to influence the result of the game. A player has everything at stake

and plenty of power to influence the scores. Players may attempt to change the rules of the game and influence the referees to make the end result of the game favourable from their perspective.

The effects of the scenarios on rural development work are described in terms of risks, opportunities, and development alternatives. Finally, the measures to be taken in rural development work are evaluated for each of the possible courses of development described in the scenarios.

Scenario I

Healthy Rural Area

In 2015, high-quality products and services and environmental wellbeing are emphasized in people's thinking. The diversity of the business sector provides a variety of work and entrepreneurship opportunities in extensive rural areas. Localization – the harmonious cooperation of local actors – has increased in importance while the roles of the EU and national central government have decreased. Interaction between public government, companies, and the third sector is effective in national, regional and local decision-making processes. National interests are promoted in agriculture.

Globalization

Globalization supports localization so that global opportunities can be utilized locally. Internatolization is reflected in rural activities on many levels, and the opportunities provided by the EU are utilized.

The forming of cliques

The tensions between different cliques have not tightened and thus do not have a notable effect on the world. New powerful cliques have not emerged either.

Economic development

The global economy grows steadily throughout the world, although the growth rate has slowed down, partly because of decreased growth orientation. Most of the growth is generated locally, no longer because of global centralization.

EU development

EU government is based on cooperation between different sectors and levels. The Leader programmes have functioned efficiently and continue to operate. Economic development in the EU area is good on

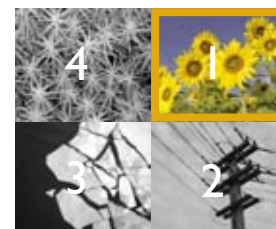
average. EU citizenship has strengthened; on the other hand, civic participation has also increased in intensity. Agricultural support schemes are particularly targeted at environmental management and general wellbeing, and are available to different types of actors.

Russia

Russia is a major export country for Finnish companies and an important source of inexpensive, trained, and multi-skilled workforce. In addition, wealthy Russian tourists visit Finland in great numbers.

Finland's competitiveness

Finland's competitiveness has remained good, particularly thanks to a relatively strong national economy and the ongoing development of technology, knowledge, and skills. The relationship between basic and applied research is balanced and the dual higher education model is efficient. New innovations are made and are marketed and commercialized efficiently. Labour expenses are under control.



Public services

Public services are well adjusted to the needs. Most of the services are provided by the private and third sectors, while the public sector mainly provides complementary services. The services provided are good, reliable and cost-effective. Technological development makes services easily accessible both at home and in village service points. The third sector provides care services at the village level. A community approach promotes wellbeing, but there is an increasing demand for new services. Diversified and lighter public transport models, which rely on ecological energy sources, are developed.

Energy prices

Energy consumption and demand for energy are increasing because of the growth in all the central sectors of the national economy. The development of energy production technologies and the supply and import of energy from several sources restrain the rise in energy prices. The use of bioenergy has become more widespread because people want to use environmentally friendly energy.

Technology

The State has invested in research and development in cooperation with companies. Breakthroughs have taken place in the field of wood-plastic technology, for instance. Wireless information networks are accessible to all even in remote rural areas, which has improved people's opportunities to work and live there.

Environment and nature

Natural disasters have been curbed, for example, by developing biofuels, which has reduced carbon dioxide emissions. The environment is valued widely. Nature conservation and the use of natural resources are balanced. Decisions on environmental matters are largely made at local level.

Pandemics

No pandemics have broken out. Clean local food helps to prevent pandemics that spread through food production.

Rural industrial structure

The rural industrial structure is diversified:

- Agriculture is diverse and includes both animal husbandry and crop production. Production technology and products are of high quality. New customized products (e.g., organic products) and processed products are being developed and produced. Diverse business activity, particularly service provision, is generated in addition to agriculture.
- The role of local entrepreneurs is emphasized in the food industry. Food production takes place either on farms or in processing units that are networked with them. Consumers prefer locally produced food.
- Forests are utilized diversely in the paper and sawmill industry, as sources of food and for tourism and recreation. The forestry industry also continues to invest in Finland. Forest owners continue to be highly interested in timber sales, forest management and the maintenance of forest roads. Forestry is a profitable activity. Many products are manufactured from wood in cooperation with actors from different fields.
- Forests are used for tourism and recreation in the business-to-business chain, in which different contractual arrangements are utilized. Logging and forest management work are carried out by area contractors that are networked and cooperate with operators that apply rural agreements. Consumers value sustainable development and the use of renewable natural resources when making purchase decisions. The annual roundwood removals total is 80 million m³ (70 million m³ in 2005).
- Local food and organic products generate large sales.
- Energy production is characterized by the use of forests and fields as renewable sources of energy. Twenty per cent of the field area is under energy production. Local energy production volumes are considerable, and farms are generally self-sufficient for energy. Energy production has increased the number of jobs in rural areas.
- Rural areas provide versatile international tourism services and receive large numbers of tourists. Customers come from other parts of Europe – particularly Russia – and the Far East. Finland has been able to productize silence, space, watercourses, and fishing opportunities. Tourism supply includes plenty of customized special tours.
- The number of service providers – particularly SMEs – in the fields of tourism, wellbeing and healthcare is high. The provision of housing-related services is also diverse.

Rural residents

Urban-adjacent areas continue to do well and even remote rural areas are doing better than they were in 2005. However, some remote areas are doing better, some worse. Life in rural areas is revitalized by active pensioners who spend a large part of the year in the countryside. They participate in both business and civic activities. People feel positive about their lives, thanks to the diverse industries, a sufficient livelihood, social interaction, and cultural activities.

Civic activity

Civic activity plays an important role in rural areas, and people use non-governmental organizations to protect their interests as part of a strong localization approach. NGOs operate in harmony with companies and public-sector actors. The public and third sectors have started to develop joint work models. The ideology of participatory planning is integrated at all levels of planning.

Education and training

Education, training, and research are versatile, extensive and efficiently networked. The supply of education and training is well adjusted to the demand. Finnish universities and polytechnics rank highly in the world in terms of networking. Organizations actively provide training and conduct research, and rural research is also carried out actively.

Culture

People have a strong local culture and identity, which is supported by the power of interaction. A strong local culture promotes individualized products and services and increases their demand.

Solidarity and tolerance are on the rise, which promotes the evolution of sub-cultures. Culture has been transformed into an export product as adventure production.

Work and leisure

Work is increasingly carried out irrespective of location. This has become possible partly because the wireless information network has spread practically throughout the country. Specific “job banks” and intermediary organizations help to match work and workers and efficiently promote the finding, conveyance and exchange of work. Economic compensation is paid for work and services irrespective of who carries out the work or provides the service, i.e. the third sector is not assumed to work for free. Work and leisure intermesh flexibly, and leisure time and family life are valued.



“Village schools are trend products in which children are treated as individuals and as parts of the community.”

Figure 6 shows the development of the plot from the 2006 situation to the Healthy Rural Area operating environment.

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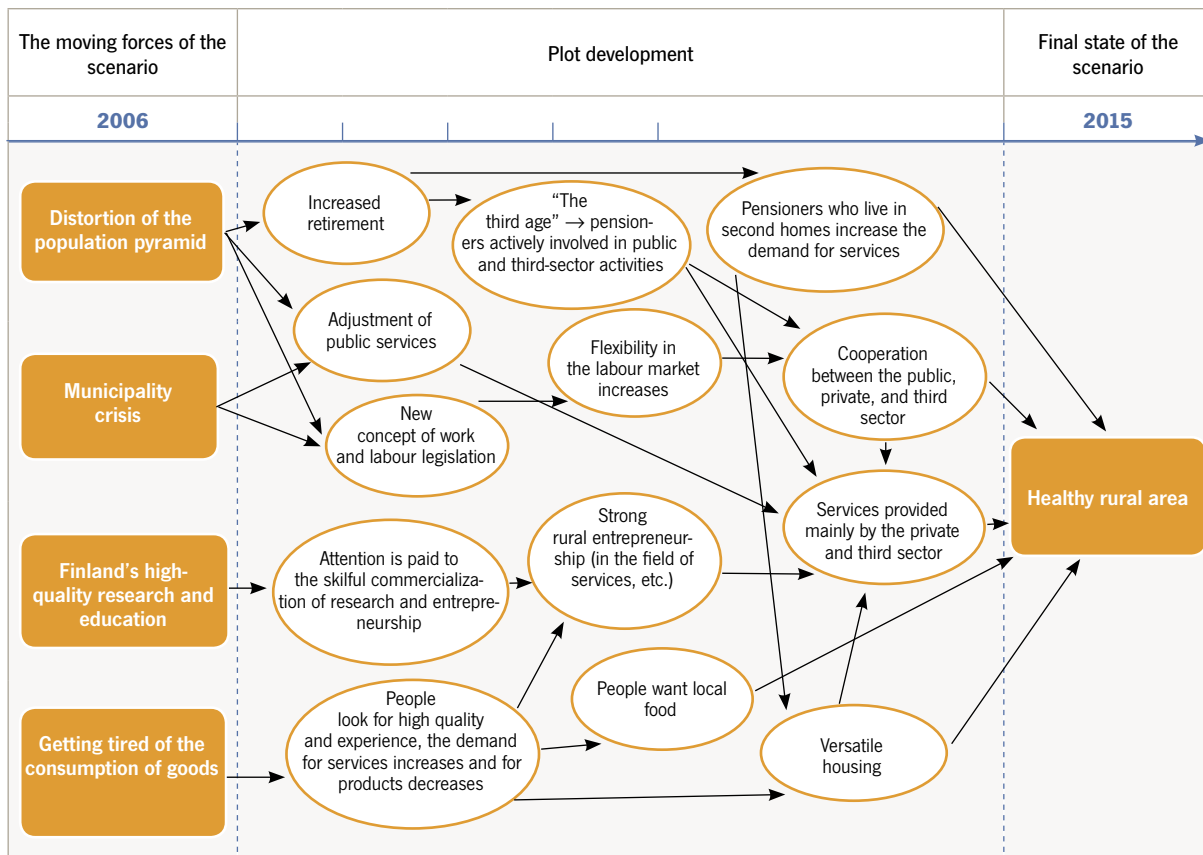


Figure 6. Plot development in 2006–2015 in the Healthy Rural Area scenario.

Figure 7 shows the actor map of the Healthy Rural Area scenario. The map describes the rural operating environment and its actors. The actors' location on the map depends on how much they have power and how interested they are in operating in the rural operating environment. All the key rural actors, such as individuals, enterprises, the third sector and the central government, are sufficiently empowered to pursue their interests. The third sector assumes a particularly important role in this operating environment. Associations that take on new responsibilities are important actors in this scenario. According to this scenario, capital groups and large businesses occupy a less favourable position in the playing field. This is an exceptional situation because in all the other scenarios they are powerful actors that determine the progress of the game. In this scenario, government has lost some of its interest in operating in the rural playing field, but it continues to have power as an actor that is integrated in different regions. Rural areas are the most attractive living environments in this scenario, i.e. people are willing to invest their money in living in the countryside.

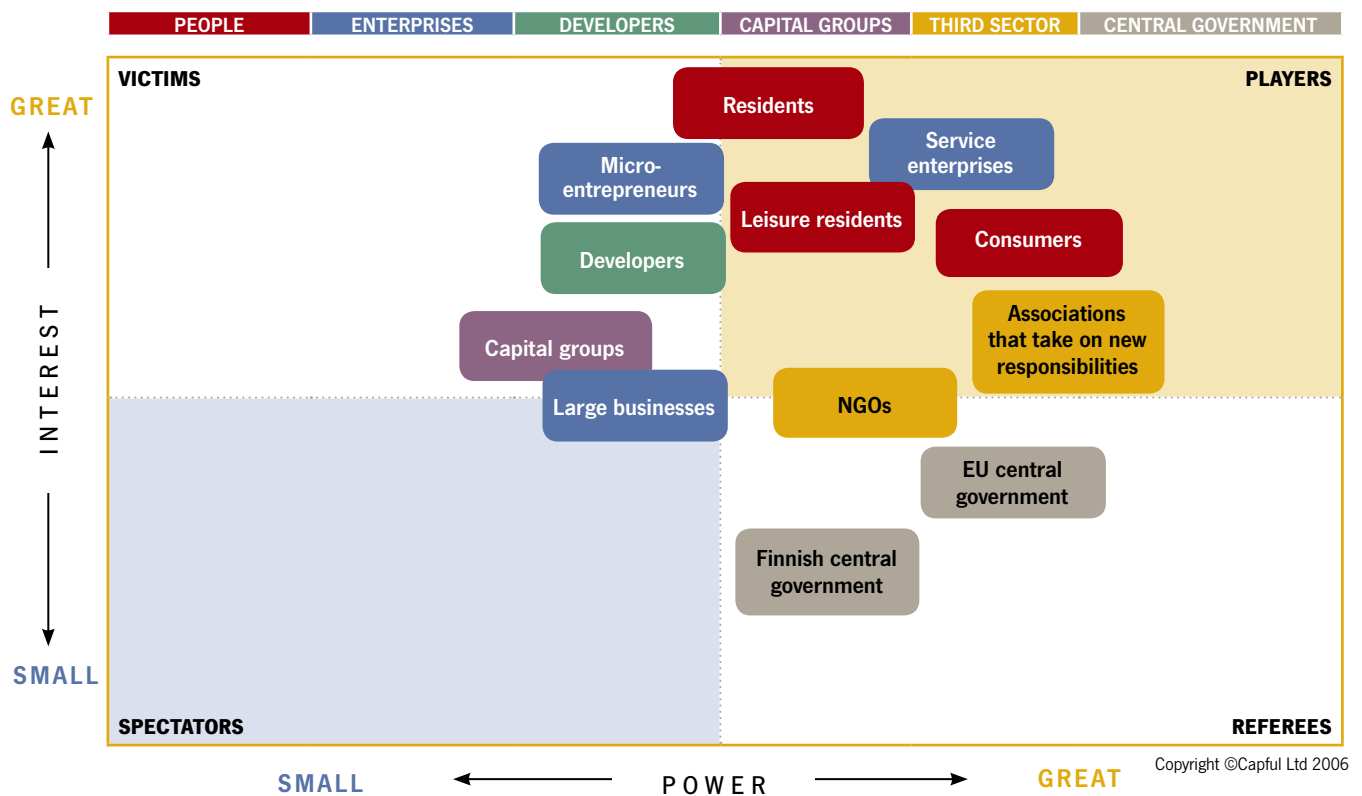


Figure 7. Actor map of the Healthy Rural Area scenario.

The opportunities, risks, and alternatives for rural development work that were identified in the Healthy Rural Area scenario are shown in Table 1.

Opportunities
<ul style="list-style-type: none"> ● Small-scale industry ● Small-scale entrepreneurship ● Consumers need different products and services ● Large businesses focus on their core business operations and leave room for other enterprises ● Active citizens ● Productization of the natural environment: silence, space ● Development of marketing and commercialization in all actor levels ● Good preparedness for the productization and consumption of culture

Risks
<ul style="list-style-type: none"> ● Globalization beats localization ● People are not willing to set up businesses ● Insufficient number of paying customers ● Cliquish approach ● General negative attitudes towards new things ● Small companies are treated in the same manner as large businesses ● Bidding competitions are overvalued ● Short-sighted policies, quarterly economy ● Values and practice do not match (organic products, etc.)
Development alternatives
<ul style="list-style-type: none"> ● Closer cooperation between research and practice ● Promotion and development of entrepreneurship, productization, marketing and pricing ● Cross-sectoral marketing networks ● Making a living in the countryside possible: planning, services, leisure living ● Development of telecommunications and transport also in rural areas ● Safeguarding jobs for women ● Marketing the countryside ● Activating young people

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Table I. The rural development opportunities, risks, and development alternatives according to the Healthy Rural Area scenario.

Development measures

If the Healthy rural area scenario is realised, the situation will be good from the perspective of rural development. Current development efforts must, however, be redirected in this operating environment. Customized, proactive research and development activities must be enhanced and development work must be planned more on the basis of the needs of the operating environment. Project coordination must be improved and the information generated must be put into practice so as not to lose it. Residents' activity and self-initiative must be increased in development work.

Business consultancy and marketing services must be developed and more attention must be paid to improving attractive living environments. The work carried out by rural developers has yielded and continues to yield results, but there is the risk of losing control.

Scenario 2

Individual Subjects

In 2015, the global crisis has forced the public sector to take a stronger hold of companies and the third sector. Central government has strict control of decision-making at the EU and national level. People have begun to consume high-quality products and services that accentuate their individuality; this has created opportunities to rural areas and rural actors. The rise in energy prices and other crises have decreased international mobility and transportation. A great deal of bioenergy is produced in rural areas. Fluctuations in the availability and prices of energy, for instance, and in the economy in general have increased uncertainty. Most people have adjusted and adapted to the uncertainties. At the same time, radical groups are taking to the barricades. Urban-adjacent areas and rural heartland areas are doing well. Food is produced and consumed locally.

Globalization

The transfer of industrial operations to countries with cheap production costs has become less intense. Global crises and the uncertainty they have caused have slowed down the development of globalization. The uncertainty of the global economy, such as the fear for terrorism, has increased the appreciation of domestic production.

The forming of cliques

Cliques that promote their own interests have evolved and strengthened around energy production resources. Environmental crises have led to the introduction of stringent global environmental standards and sanctions. The USA, China and India have also ratified the Kyoto Protocol aiming at the reduction of greenhouse gas emissions.

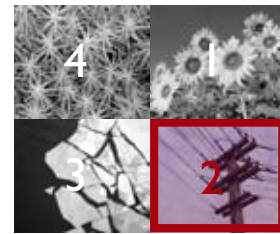
Economic development

Economic development has stabilized throughout the world, mainly because of several crises.

On the other hand, western countries and China have retained their economic development at a reasonable level through internal consumer demand.

EU development

The EU has strengthened its position and its control over the member states because of the crises. Decisions and guidelines are dictated from Brussels to EU member states and further to national governments in order to stabilize the situation and overcome the adverse effects of the crises. Therefore, energy production and use and mobility, for example, are controlled. The EU is a federation, in which decisions are not made from a perspective centred on Finland. The concentration of decision-making to Brussels also means that subject-matter expertise is needed, which can be provided by different actors, such as NGOs, enterprise lobbyists, and regions. The division of responsibilities



within Europe has strengthened as dictated by the EU.

The EU takes care of weak areas, but it also controls agriculture through regulations. Increased regulation has undermined the principle of free mobility within the EU. EU payments are targeted at the conglomerations of things and people, and agricultural payments are allocated to support organic production and the production of bioenergy.

Russia

There is a clear boundary between the EU and Russia, but economic and cultural exchange has increased between Finland and Russia, compared to 2005. Russia has been able to develop its energy production, and it yields great proceeds from energy sales. The Russian national economy as a whole has developed positively, but there are great income differences between people.

Finland's competitiveness

The development of service provision supports Finland's competitiveness; however, the EU is bureaucratic in its exercise of power and incapable of working in cooperation with companies and the third sector, which slows down the development of expertise and competitiveness.

Public services

Public services have been cut down to a level where only the most essential services remain. The services are provided by the public sector and private entrepreneurs. The crises have made it difficult to provide particularly healthcare services, so their availability varies.

Energy prices

The demand for energy has developed moderately but its price has soared as a result of the crises. The political status and sufficiency of oil prevent and restrict its use. As a result of the crises, the EU guides and controls the production and use of bioenergy and renewable energy sources. Bioenergy accounts for 40% of Finland's energy consumption and bio-fuels account for approximately 30%. This development has been affected by the dramatic development of biotech-

Rural industrial structure

The limited availability of energy complicates versatile rural development:

- In agriculture, the demand for local food promotes Finland's rural areas. It is unprofitable to transport foreign cheap food over long distances, and customers require transparency in the food chain. The life-cycle approach is widely applied. The scarcity of energy has reduced the use of chemical fertilizer nitrogen, and farmers have increasingly switched over to organic production, the use of biological nitrogen fixers, and the use of nutrients generated in energy production and of new crops that utilise nutrients efficiently. The importance of crop production is emphasized.
- The food industry faces challenges as it seeks to predict long-term demand and adjust production accordingly, because consumer demand fluctuates in times of crises. Consumers are individuals: some of them use imported food, some buy industrial food produced in Finland, and some prefer local food. The small-scale production of food has declined, because food crises have increased food safety standards and safety checks. Fulfilling these standards is more difficult in small-scale industry. Water has become an important export product.
- Forests are used traditionally, but energy production accounts for such a large proportion of wood use that the price of wood has risen. As a result, it is not profitable for the traditional forestry industry to process Finnish pulpwood. In other respects, conventional products are manufactured from wood; minor innovations have only been made in the utilization of forests as an energy source. Logging and forest management work are carried out by area contractors, but bioenergy support schemes distort the pricing of this work. Forestry is a profitable business. The conservation orders on over 100-year-old trees and the green thinking that has gained a foothold among forest owners have reduced felling; the annual roundwood removals are 60 million m³ (70 million m³ in 2005).
- The Internet is largely used in trade, because mobility is restricted.
- In energy production, international crises and increased energy prices have led to the success of local energy. Energy farms produce only energy; 40% of the field area is under energy production. However, the lack of energy restricts the diversification of the industrial structure.
- The tourism industry serves mainly the domestic market, because long-distance travelling has become less common as a result of the world crises and increased energy costs. Individual wealthy tourists come from Europe and Russia, and the tourist volumes in general are small. Individualized adventure tourism, traditional farm tourism, and the utilization of forests as a part of the rural tourism value chain are emphasized in the tourism supply.
- The supply of services is dominated by entrepreneurs providing care services and social and healthcare services, as well as welfare services. Comprehensive service expertise is emphasized because of demanding customers who require individual services.

Rural residents

Urban-adjacent areas and rural heartland areas are doing well. The rate at which the populated remote rural areas are shrinking has accelerated, and the situation is even apathetic and desperate in some places. Migration to population centres continues as the importance of forestry and agriculture for farms decreases. The ageing of farmers is a trend that continues, and it has been increasingly difficult to attract women of working age to the countryside. Marginalized people who prefer a rural lifestyle have settled in remote rural areas.

nology as a promoter of efficient production technology.

Technology

Energy production technology has developed, thanks to the EU's strong support. In addition to bioenergy, investments have also been made in the development of the recovery, storage and distribution of wind and solar energy.

The environmental protection processes of industry and the cleaning-up of contaminated soil are highly developed. This expertise has been turned into an export product both in terms of consultancy and equipment supplies. Communication is largely based on technology because international mobility has decreased and safety and security requirements have become more stringent. Teleworking using the information network has also become more common.

Environment and nature

Natural disasters have made people's attitudes towards the environment more positive. Policy-making has clearly become greener and central government has set environmental restrictions that have speeded up the introduction of bio-fuels.

Pandemics

Pandemics are a reality. Pandemics have killed 150 million people throughout the world by 2015. Every third Finn has caught one pandemic or another, and the number of deaths is 9,000. The control and treatment of these diseases have taxed the healthcare resources to a great extent at the same time as the population gets older.

Civic activity

Different influential NGOs utilize the media in a professional manner, thereby lobbying the authorities. Extremists have sharpened their activities and organized several demonstrations.

Education and training

Information technology is very commonly used as support in education and training, and network learning can be used for complementary training, for instance. Network university studies are also possible, and universities have extensive international contacts through information networks. New expertise has been generated in the fields of biotechnology, marketing, service skills, tourism, and entrepreneurship in general.

Culture

Public cultural institutions are strong and concentrated, although there are fewer of them than in 2005. Independent local culture is alive, although it is not very powerful in rural heartland areas. The spirit of the times includes emerging critical countercultures that create self-financed works.

Work and leisure

Teleworking is common and a large number of people in rural areas work from home at least half of their working time. The ideal is to work where you live; on the other hand, however, people are expected to move to guarantee a sufficient standard of living. The amount of seasonal work has increased. Most companies have foreign employees. Workloads have increased as the number of employees has decreased and bureaucracy has increased. People attempt to take energy economy into account in their leisure time and recreation and avoid unnecessary consumption of fuel, for instance.

Figure 8 shows the development of the plot from the 2006 situation to the Individual Subjects operating environment.

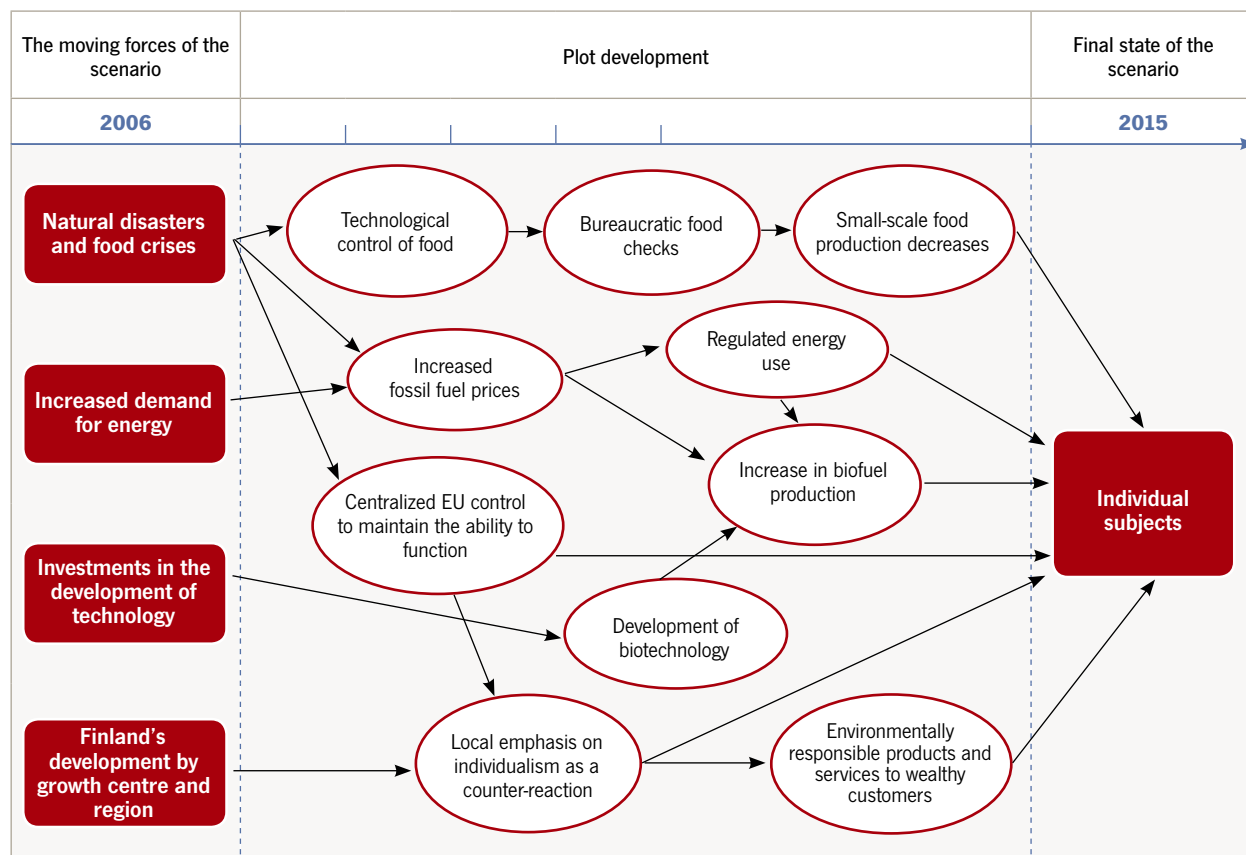
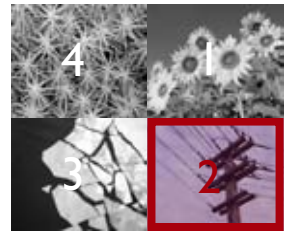


Figure 8. Plot development in 2006–2015 in the Individual Subjects scenario.

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“This is like trying to catch the wind – no matter how actively you develop, external factors are always slightly faster and it feels as if there is a higher power that neutralizes the effect of development.”

Figure 9 shows the actor map of the Individual Subjects scenario. Central government has assumed a considerable role in the world of crises and is also interested in rural areas. Consumers are powerful even in this situation through their individual needs. Energy companies have become major actors in the rural operating field. Different “isms” have emerged and begun to control and criticize the powerful mechanisms of public authority. NGOs are highly interested in rural areas and, except for the remotest areas, the countryside is an attractive living environment. Service enterprises also play a role, but are not as important as in the Healthy Rural Area scenario.

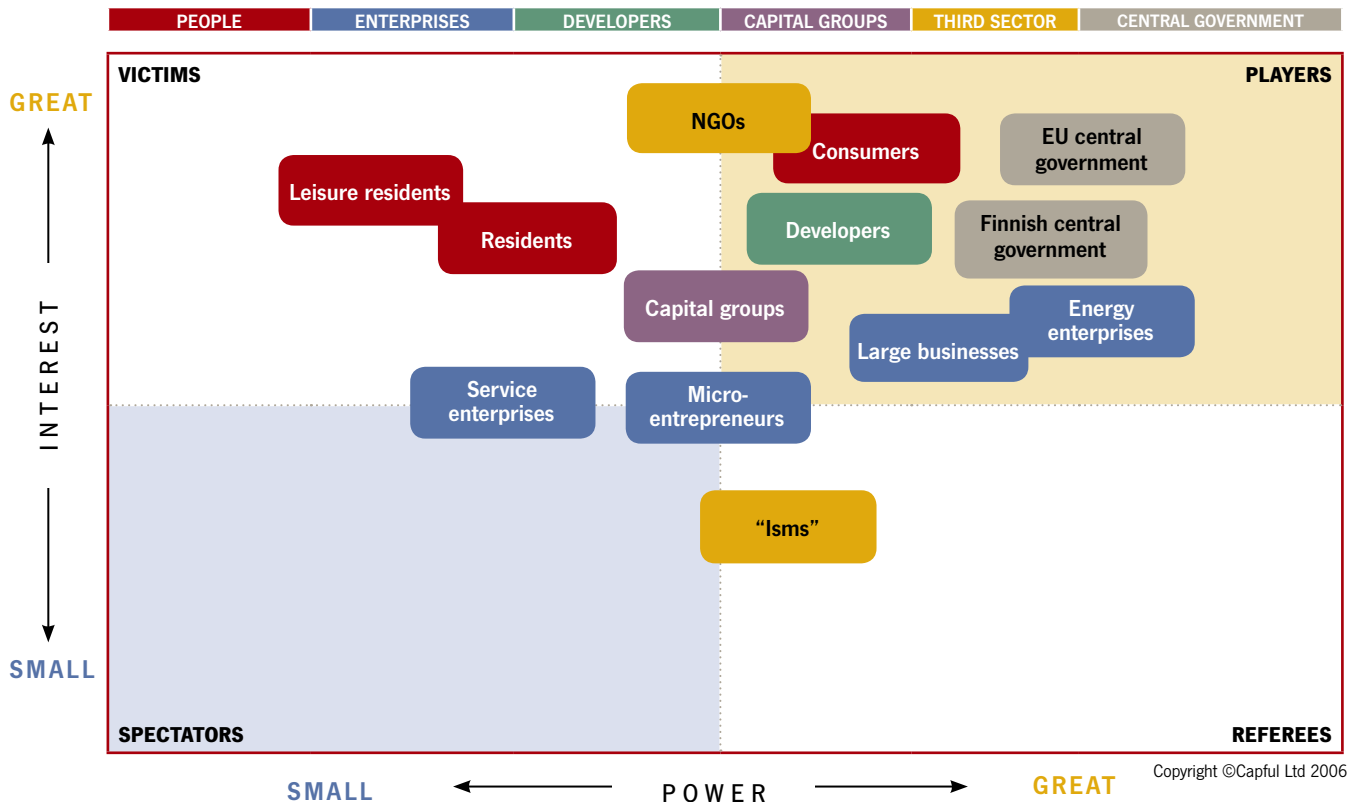
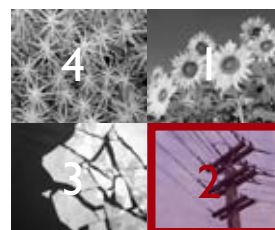


Figure 9. Actor map of the Individual Subjects scenario.

The opportunities, risks, and alternatives for rural development work that were identified in the Individual Subjects scenario are shown in **Table 2**.



“The threat is that rural areas which are isolated and have taken up a defensive position, imitate rather than innovate, and do not build on their own culture.”

Opportunities
<ul style="list-style-type: none"> ● Energy agriculture and energy entrepreneurship are on the rise. ● Safety thinking increases. ● The advantages of sparsely populated, safe rural areas are marketed as competitive edges in tourism. ● Solid foundation for residents’ cooperation – ensuring the provision of services.
Risks
<ul style="list-style-type: none"> ● Increased need for safety. ● Centrally driven development (EU, extensive economic areas, administrative centres). ● Domestic food production continues to decline. ● “You cannot import the countryside, nor can you eat reed canary grass”. ● Fewer tourists from outside the EU. ● Fewer public services: paid work becomes voluntary work (e.g., the care sector). ● The special characteristics of rural areas are poorly taken into account in centralized public control. ● Can NGOs cope?
Development alternatives
<ul style="list-style-type: none"> ● The situation in remote rural areas is difficult, and special measures are needed to support local people’s efforts. ● Support for work carried out irrespective of location. ● More room, resources, and appreciation are needed to strengthen a positive community approach – otherwise the services provided on a voluntary basis will disappear and the attractiveness of the rural area will be lost. ● A strong rural-oriented rural policy and the promotion of civic activity are required at EU level.

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Table 2. Rural development opportunities, risks, and alternatives according to the Individual Subjects scenario.

Development measures

If the Individual Subjects operating environment is realized, the Rural Policy Programme must be integrated into central government, right up to the Commission, and its content must be developed so that it is better in line with EU policy. Thematic amendments are mainly made to the activities of theme groups: for example, the importance of energy will increase, as will the development of work carried out irrespective of location, required by the shortage of energy. The activities of local action groups must be strengthened, because the social and cultural sense of community is losing its foothold and central government plays a key role in this scenario. It is important that village associations and other NGOs are able to mobilize residents so that they start to provide services in a new manner and generate new social capital in villages. More experts in energy and entrepreneurial matters are required in rural counselling. In an operating environment with strong central government, rural research must be able to produce information on rural reality that can be used as a basis for centralized decision-making. Energy research also requires intensive investment. The effects of Regional Centre Programmes and Centre of Expertise Programmes on rural areas must be enhanced and cross-governance increased. The institutional organization of rural policy must be strengthened at the regional and EU level.

Scenario 3

The Economy of the Western World in Crisis

In 2015, Finnish rural areas will be ruled by globalization and the Finnish business sector will have hit a downward spiral. The public sector has attempted to correct the situation by adopting a policy of strict authority but has been unsuccessful. People have resigned themselves to this course of development and have not been able to question absolute public authority controlled by the economy. All rural areas are doing worse than in 2005. Research and development work has moved abroad with businesses. The weakening financial situation of individuals means that consumers have to make do with what they can afford when it comes to quality and services.

Globalization

Transnational businesses have overrun the country with cheap bulk products. Capital flows overseas, where it is invested. The workforce, particularly productive, talented people, has moved abroad. Local companies are not able to compete against the aforementioned business giants, and cheap international retail chains dominate the market. Enterprises relying on the Ikea concept act as a counterforce to this trend; i.e. capital and expertise remain in Finland, yet production takes place in developing countries.

The forming of cliques

Economic cliques have emerged around raw materials, trade, and transportation and are becoming ever stronger.

Economic development

Economic development in the western countries is in crisis because of the aggravation of the double deficit in the USA and the EU's economic problems.

As a result, exchange in the global economy has suffered dramatically,

which has aroused protectionist requirements. Income differences between Finns have increased and created additional tensions.

EU development

The EU is led by an influential President of the Commission, but the President is manipulated by large countries and businesses that promote their own interests. Decisions are made far away – not by citizens, but by central government in Brussels. Agricultural, trade, and foreign policy are highly centralized. National perspectives are emphasized in decision-making, which has made many small member states to consider resigning from the EU. Turkey's membership in the EU increased Finland's net contribution. EU payments are no longer allocated evenly and equally to all; rather, they are directed to the further development of top expertise because of the tough competition situation. Agricultural support schemes have been completely abandoned.



Rural industrial structure

The rural industrial structure has become less diverse and more restricted. Business and industry are in a state of stagnation and lack alternatives.

- The production of basic foodstuffs in general has decreased only slightly, whereas milk production, for instance, has decreased considerably. Farm sizes have increased since 2006, and the number of farms has decreased. The field area has decreased by a third, and crop production is concentrated on cereals. Income from agriculture has decreased, so that farmers are required to acquire multiple skills. The average age of farmers has continued to rise.
- Forest owners are not interested in forest management and use, nor are the society's decision-makers interested in forestry because of the long pay-back period of investments. Old paper machines are used until they are worn out, and no investments in new machines are made. Forest management work is no longer carried out, sustainable development and the use of renewable natural resources have been forgotten. As forests have not been managed, the price of timber has decreased considerably. The annual removals are, however, 60 million m³ (70 million m³ in 2005), but it is anticipated that wood that can be processed will be exhausted. Logging is organized as clusters. Forest owners are able to anticipate forest conservation orders for which no compensation is paid, and have forests logged before the orders are issued. The forestry cluster has begun to fade slowly and unnoticeably.
- The domestic food industry is unable to compete against cheap imported foodstuffs, and the remaining enterprises are mainly in foreign ownership.
- Energy production is mainly carried out using traditional methods, and the production of bioenergy, for example, has developed relatively little. Ten per cent of the arable area is under energy production.
- Tourism is characterized by a preference for mass tourism. A few large international tourism centres dominate the market; some of them utilize the forests around them. Some of these enterprises have even gone public. In rural heartland areas, rural tourism is a part of diverse farm operations. The weakening infrastructure in remote areas, such as the deteriorating road network, provides new opportunities for extreme tourism in the wilderness. Consumers have limited resources for travelling.
- Transnational service enterprises are taking over the market, and extreme competitive bidding undermines the opportunities for small-scale actors.

Rural residents

All rural areas are doing worse than in 2005. The regional structure is heavily concentrated. Population in rural heartland areas and remote rural areas has decreased dramatically; most of those who remain are elderly or unemployed. On the other hand, however, high-quality holiday paradises for the newly rich, in which some people live year-round, have emerged in rural areas.

Russia

Finnish-Russian trade is insignificant, partly because Finnish products and services are not sufficiently interesting, partly because of EU legislation that restricts imports. The movement of Russians to Finland has also been restricted to be able to provide jobs for Finns of working age who still live in Finland.

Finland's competitiveness

National competitiveness has weakened because investments in research, education and training redirect funds to indispensable needs. In addition, research and development work has gradually moved abroad with businesses. The workforce that is suitable for production continues to be too expensive, compared to countries with cheap production costs. This has contributed to the increase in unemployment. Highly skilled and trained people have moved abroad in large numbers. Infrastructure, such as roads and telecommunications connections, has partly crumbled because of the lack of funds for their maintenance.

Public services

Public government only provides the minimum services, and an increasing number of private service providers offer services where it is profitable. However, part of the population has no access to welfare services, because the basic services provided by private enterprises are priced too high. All types of public financing (the EU, national financing, Finland's Slot Machine Association RAY) have petered out to a minimum.

Energy prices

The national demand for energy has grown moderately. Energy prices have been maintained at an artificially low level, for example, by regulating taxation. The production capacity of nuclear power has increased, and plans are made to sell energy abroad.

Technology

The State's investments in technological research and development have decreased due to a lack of funds. New large enterprises that succeed on a global scale have not emerged. Industry invests little in research and development,

as innovation activities are transferred to the main research centres of corporations that are in foreign ownership.

Environment and nature

Environmental protection orders have been issued but there is no money for their implementation. Greenhouse gas emissions have decreased, and there have been no large natural disasters.

Pandemics

Pandemics are relatively well under control.

Civic activity

Civic activities have withered and are narrow in scope. On the one hand, people are not sufficiently motivated to act through NGOs; on the other hand, the State restricts and regulates NGO activities both at the EU and national level.

Education and training

Society directs the limited funds that are allocated to education and training to competitive centres of excellence. Competition for financing is fierce at all levels of education. Enterprises provide financial support to educational establishments that they have selected and

which train students to become employees suitable for the business world.

Culture

The importance of mass entertainment has continued to grow. Cultural production is no longer financed from public funds, and the supply of privately produced high-quality culture is scarce. There is not much interest in local identity – people are only interested in the transnational production and programme formats transmitted by the media, particularly TV.

Work and leisure

People who are working are exploited to the maximum, and the retirement age has been raised. The number of socially excluded people in rural areas is high. Trade unions have less influence than previously. People can rarely afford to travel during their leisure time. Leisure time is spent by passively gorging on entertainment.



“Groups of young people are emerging for whom the countryside is a mystery.”

Figure 10 shows the development of the plot from the 2006 situation to the Economy of the Western World in Crisis operating environment.

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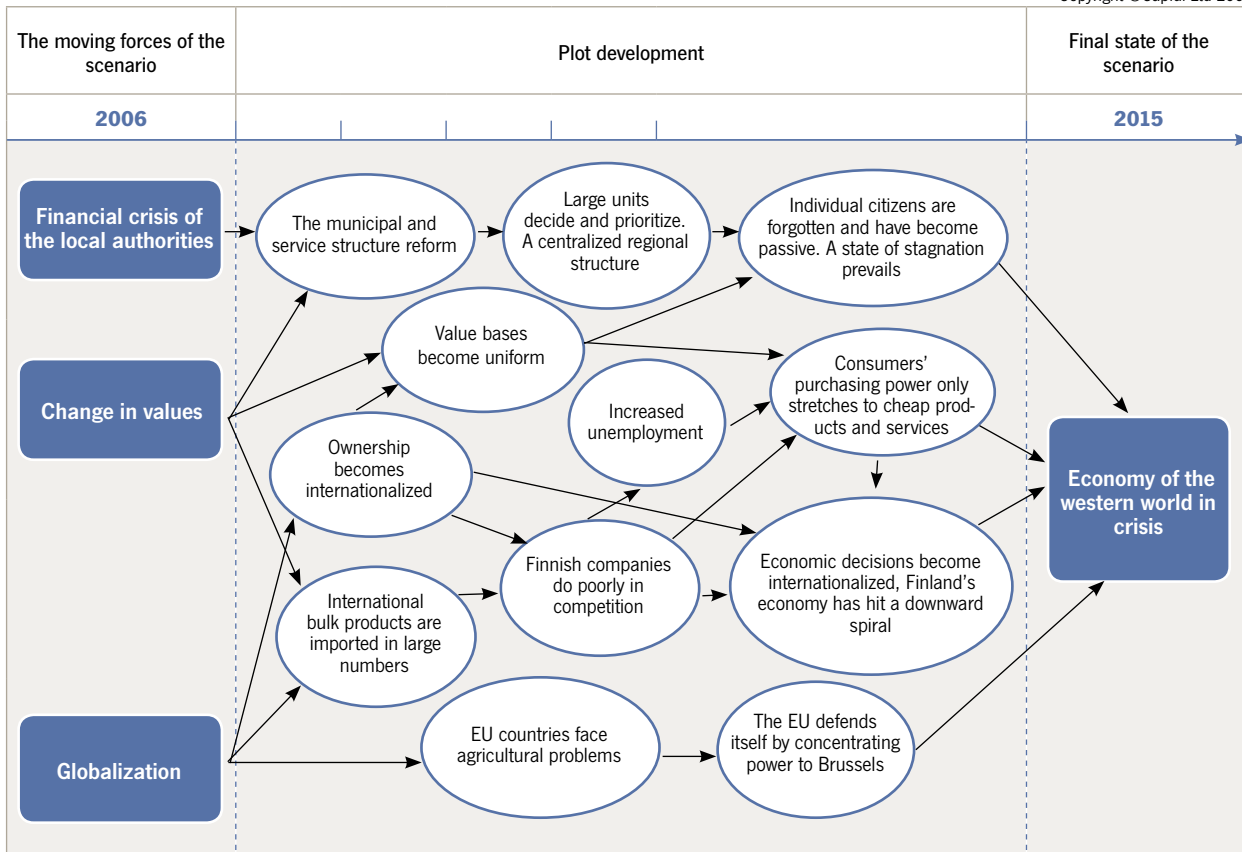


Figure 10. Plot development in 2006–2015 in the Economy of the Western World in Crisis scenario.

Figure 11 shows the actor map of the Economy of the Western World in Crisis scenario, in which the only players are the capital groups, large international businesses and central government that curbs the aggravation of the economic crisis. NGOs have been completely outscored in this operating environment. Rural areas have lost their attraction as a living environment. Rural residents remain victims in a situation in which buildings in the countryside lose their value. Other victims in this operating environment are small-scale rural enterprises, because entrepreneurship is the only source of livelihood in this global economy situation. New leisure living is concentrated in a few holiday centres, whereas existing holiday homes have begun to fall into decay because no one has time to repair or use them. Developers are needed in this situation, but the resources have run out.

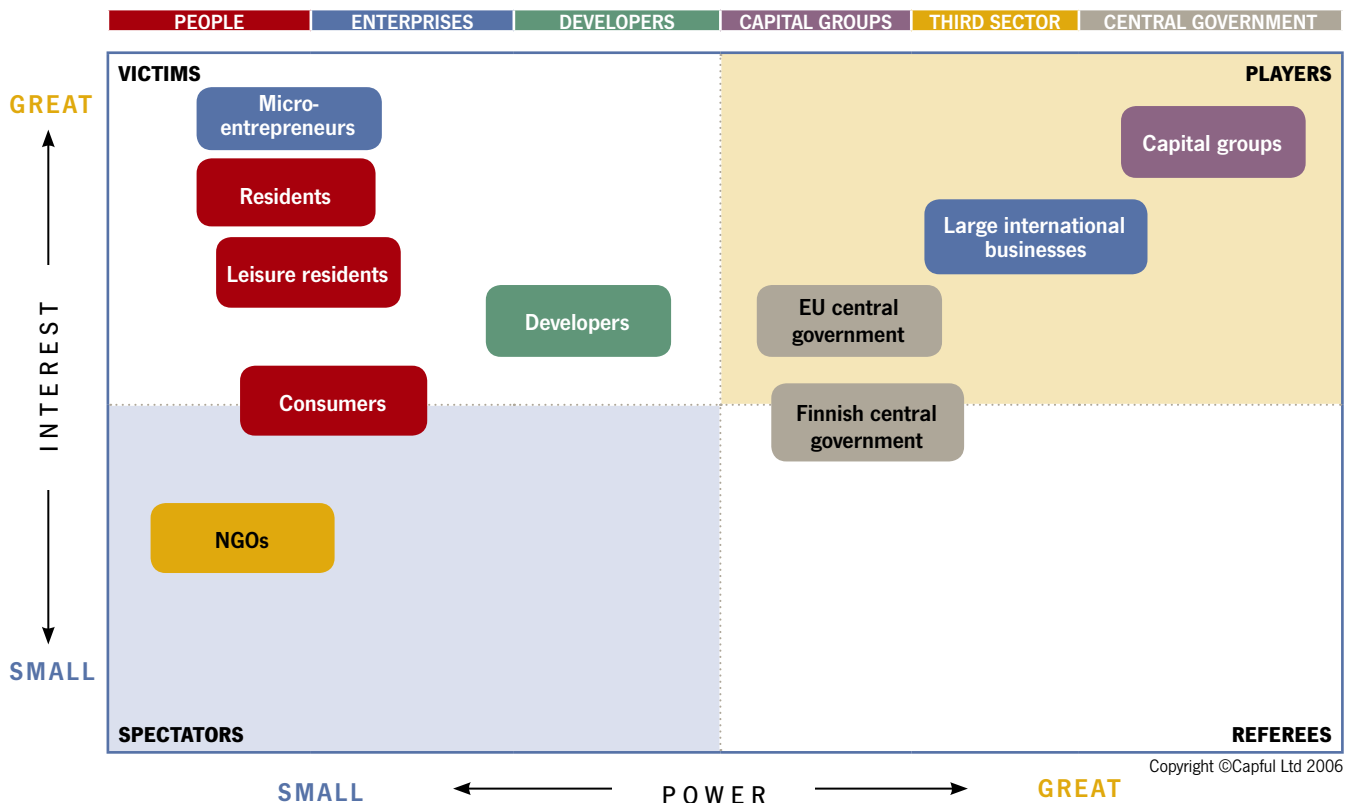


Figure 11. Actor map of the Economy of the Western World in Crisis scenario.

The opportunities, risks, and alternatives for rural development work that were identified in the Economy of the Western World in Crisis scenario are shown in **Table 3**.

Opportunities
<ul style="list-style-type: none"> ● Counter-reaction: citizens start to change the situation actively. Some move to the countryside to pursue an alternative lifestyle. "Permitted" utilization of the grey economy. ● The EU falls apart, because it has become part of the large countries' oligarchy; member states begin to assume responsibility for EU functions. ● Energy is produced by building new energy capacity that generates insignificant environmental emissions (e.g., nuclear power); energy-intensive industry again becomes interested in Finland. ● The area of unspoilt natural environment is at least sufficient. ● Finland ranks among the world's top countries in some fields of education and training (functional foods, the restoration of the environment and buildings, etc.). ● Research and education units form efficient networks with international actors.

Risks

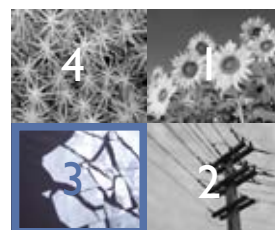
- The EU falls apart in a manner that shatters the social structure and slows down functions.
- The tourism industry is transferred into the hands of foreign chains, and decisions are made overseas. At least productization and marketing are transferred abroad, and a London-based advertizing agency, for example, may take care of advertizing.
- No social harmony.
- Citizens riot against inadequate living conditions.
- There is no longer the expertise required for rural development.
- Apathy and depression get the better of many people.

Development alternatives

- More top-quality international holiday paradises located close to nature are built.
- The development of cultural and outdoor activities provides opportunities for cultural and nature entrepreneurship in rural areas.
- Active utilization of leisure residents and tourists in rural development work and the productization of tourism services.
- Research and education units form efficient networks with international actors.
- Development activities are restricted to a few sectors of excellence.

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Table 3. Rural development opportunities, risks, and alternatives according to the Economy of the Western World in Crisis scenario.



“The EU Constitution is far from being adopted, the Lisbon Strategy is being worked on, the EU is enlarging – can this structure sustain it?”

Development measures

With the economy of the western world in crisis, rural development work must focus on a few sectors of excellence, and other development measures must be cut short for lack of funds and expertise. Tourism could be one of the focus sectors. Tourism must be developed so that the emergence of large tourism centres and related cultural and outdoor activities will be promoted. People who spend time in the countryside through tourism and leisure activities must then be utilized in rural development work and the productization of tourism services. If this type of operating environment is realized, more attention must be paid to the customer-oriented approach. It is important to get to know the countries and cultures with disposable wealth (China, India, etc.). The networking of research and educational units with international actors is particularly important and must be promoted.

Scenario 4

Bipolar World

In 2015, Finland will be characterized by the powerful interaction of public administration, businesses, and the third sector. The subsidiarity principle works, but globalization is a “one-eyed seeker of economic benefit”. Industrial production seeks economies of scale and price is emphasized in consumers’ purchasing habits. Small-scale entrepreneurs in the business sector have responded to the pressure of competition from large businesses by networking but the economy is uncertain and susceptible to external interference. Energy prices are high and local energy production is carried out extensively in rural areas. Urban-adjacent rural areas are doing relatively well.

Globalization

The transfer of industrial operations to countries with cheap production costs has continued. In Finland, however, this trend has been slowed by the efficient networking of small enterprises and actors that have identified productive benefits through cooperation.

The forming of cliques

Fundamentalism has gained force, and new “isms” have replaced old ones. They have both positive and negative impacts on society. NGOs are active; the risk is instability and the fragmentation of society.

Economic development

Wealth is becoming increasingly distributed throughout the world. New, advantageous locations for production have been identified. New business has evolved in South America and Africa. The economy of western countries has remained at a reasonable level, because capital continues to be repatriated. The

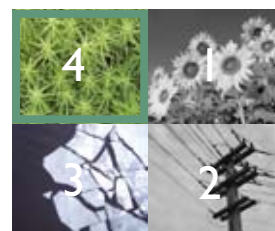
global economy in general is growing rapidly.

EU development

The EU is driven by economic development, but it has attenuated this trend through strong cooperation. EU support is small, but it is decided upon locally and used centrally. Agricultural payments are targeted at a few rural areas selected on the basis of their production capacity.

Russia

Russia is developing into an EU candidate country, and it is expected to join the EU in 2020. The economy is stabilizing, and the country’s extensive raw material reserves are exploited more efficiently. Russia has opened its doors more widely to foreign enterprises. The GDP shows good growth.



Finland's competitiveness

Finland's international competitiveness has remained moderate. The economy is growing. The domestic market plays an important role. Although reasonable investments have been made in research, the result is, nevertheless, an innovation deficit; what counts is the applicability of inventions, not the mere generation of ideas. Labour expenses are moderate and entrepreneurship is a worthwhile activity.

Public services

The services provided by public administration have decreased. Businesses and the third sector have developed the division of their responsibilities and functions, which has relieved the situation. Transnational service providers also operate in the countryside.

Energy prices

The demand for energy has increased and the prices are high. A variety of local forms of energy production have emerged in rural areas, and new innovations, stimulated by the rise in energy prices, have been introduced. Bioenergy (for heating and industrial use) accounts for 40% of Finland's energy consumption. Biofuels account for 30%.

Technology

Investments in technology are moderate, and rural applications have increased, for instance, in energy production and use, transportation, and services. Renewable natural resources have replaced conventional oil as the raw material for the packaging industry.

Environment and nature

The environment has suffered a great deal, and blue-green algae, for instance, is commonly found in watercourses. The impacts of the greenhouse effect have been dramatic: biodiversity has decreased to some extent, and alien species are replacing native species.

Rural industrial structure

The rural industrial structure is bicentric: on the one hand, it is versatile in SMEs and, on the other hand, it is highly specialized in the few units of large businesses capable of generating sufficient economies of scale.

- Agriculture is focused on growing traditional crops, although the arable area under oil-seed crops has increased. Milk and meat are produced in large specialized production facilities. Environmental load has not reduced because chemical fertilizers are used. The number of pluriactive farms is small.
- Most large food industry enterprises are located abroad, and cheap bulk food is imported, particularly from the production plants of neighbouring regions. Many basic foodstuffs, however, continue to be produced in Finland. In addition, self-sufficient farms and a small number of minor food enterprises that produce local food from local raw materials operate in the countryside.
- The traditional forestry and wood processing industry has decreased in Finland. The annual roundwood removals are 70 million m³ (70 million m³ in 2005), because wood is utilized as energy, and new economic uses for forests have been introduced. The price of wood for energy is, however, not as high as the price previously paid by the forestry industry. Novel high-tech products are processed from wood, and networked small companies have created a diverse wood products industry. The importance of the paying customer is understood, so forest owners, wood buyers, logging companies, and villages interact closely with each other. A market is about to emerge for some intangible forest commodities. International competition makes operations risky. Area contractors have networked with local actors to obtain economies of scale and to be able to utilize the different parts of trees cost-efficiently. Forest management continues to be invested in by applying a variety of growing alternatives with the aim of decentralizing the risks of growing trees. Trade in woodlots is conducted actively, because some forest owners want to divest assets to which they are not committed.
- Forests are used for the production of local energy. Bioenergy plants cover 35% of arable land, and the technologies used for growing and harvesting reed canary grass, for instance, are efficient.
- Interlinked and networked tourism operators have been able to create economies of scale and rationalize production to prevent the provision of overlapping services. Tourism services are productized efficiently and forests are utilized for tourism in a versatile manner.
- SMEs provide some care and welfare services.

Rural residents

Urban-adjacent rural areas are doing reasonably well, whereas remote areas have little permanent population. The depopulated remnants of the centres of municipalities cause problems. New types of communities and communes, which finance their operations through rural agreements, have emerged in rural areas.

Pandemics

Pandemics have burst out, but they are under control, thanks to vaccines and medication.

Civic activity

Western countries have been able to prevent an economic meltdown through strong development activities initiated by citizens. The role of consumer movements has strengthened. In general, there is plenty of civic activity, but it is short-lived: organizations are established and wound up in large numbers.

Education and training

Less education and training is provided with public funds, but this has been replaced by private education and training units that are efficiently networked.

Culture

Cultural activities are largely based on voluntary work and self-initiative, and the role of culture as a source of wellbeing is recognized.

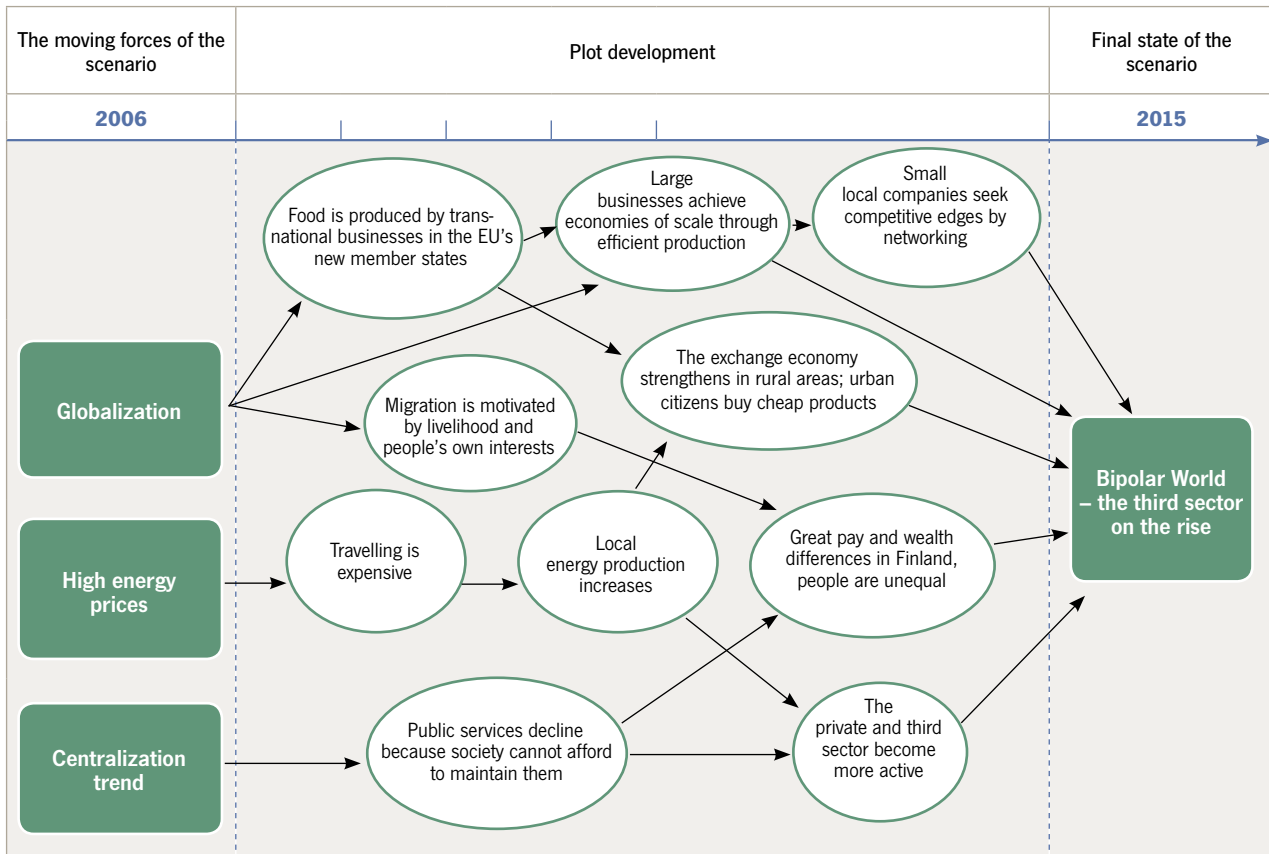
Despite all this, there are only two theatres and music institutions that are funded through tax revenues. Private actors also provide cultural services.

Work and leisure

Assembly line work has picked up again. Pay differences have increased and almost all employment contracts are temporary. Many top experts have moved to foreign network universities. A number of top experts are also employed by NGOs, in which they create social innovations. The importance of creativity has been emphasized in everyday life. Much leisure time is spent on advancing interests through NGOs.

“Work and leisure will be mixed in the future. People will have three points of reference – home, work, holiday home – and the boundaries between them will become more transparent.”

Figure 12 shows the development of the plot from the 2006 situation to the Bipolar World operating environment.



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Figure 12. Plot development in 2006–2015 in the Bipolar World scenario.



Figure 13 shows the actor map of the Bipolar World scenario. The capital groups and large businesses are the most important players in this operating environment. Both the Finnish and EU central government assume the role of a spectator. Micro-entrepreneurs who succeed in networking with each other have both the power and the interest to act in this situation. The situation for SMEs is slightly worse, as they are sandwiched between large businesses and networked micro-enterprises. NGOs also play an important role in this scenario.

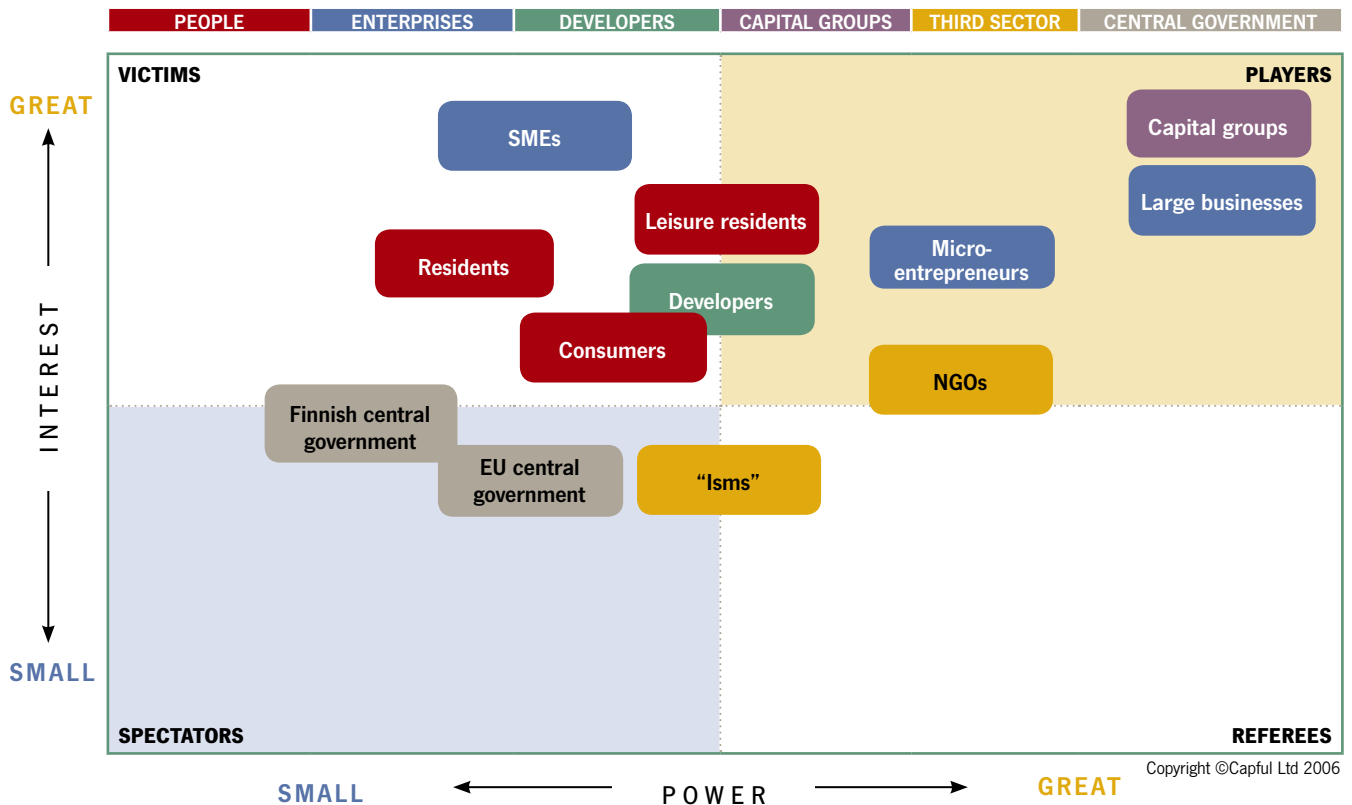
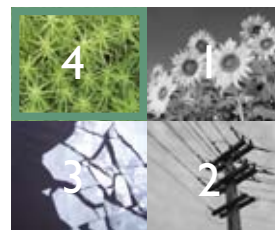


Figure 13. Actor map of the Bipolar World scenario.

The opportunities, risks, and alternatives for rural development work that were identified in the Bipolar World scenario are shown in **Table 4**.



Opportunities
<ul style="list-style-type: none"> ● Great interest in civic activities. ● Rural development organizations have arranged their ranks. ● Globalization; internationalization, development of tourism. ● Russia provides export opportunities and customers to different service enterprises (tourism etc.). ● New uses of forest resources. ● Energy production is more profitable than traditional agriculture. ● The importance of independent culture as a source of wellbeing is recognized.
Risks
<ul style="list-style-type: none"> ● Globalization; the manufacturing industry moves to large market areas. ● The forming of cliques; fundamentalism complicates cooperation. ● The success of EU decision-making, support schemes are redirected to cost-effective production regions. Declining agricultural production. ● An innovation deficit undermines Finland's competitiveness. ● Environmental disasters are significant and pose a clear threat. ● Working life is unstable and makes people unequal.
Development alternatives
<ul style="list-style-type: none"> ● The energy-tourism-environment-internationalization mix has been combined profitably. ● Energy. ● Tourism; networking, product packages, and marketing are under control. ● Education and training pay attention to entrepreneurship. ● Environment. ● Tolerance must increase.

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Table 4. Rural development opportunities, risks, and alternatives according to the Bipolar World scenario.

Development measures

If the operating environment develops according to the Bipolar World scenario, cross-governance between ministries must increase and the division of their responsibilities must be reviewed. Sectoral control must give way to a much more integrated approach. Development targets based on regional policy must also be harmonized in different administrative sectors. The integrated programme must be much more binding on different social players. Agricultural and forestry research must develop and cover new lines of production, tourism, business based on the utilization of natural resources, creativity, culture, and internationalization. Some theme groups must quickly adopt an international approach. The measures of the entrepreneurship policy programme would not function as such (social security, taxation, setting-up grants, etc.) in this scenario.

A credible vision of the future

Once the scenarios had been analyzed, the participants of the project identified the change factors related to the future of rural Finland insofar as they were able, or had the courage, to foresee the development of these factors. This resulted in a credible vision of the future. A credible vision of the future is an essential part of the analysis of the operating environments, because it includes the minimum trends that people believe will at least be realized. At least the following issues should be taken into consideration when making decisions on the future of the countryside:

- Centralization of agriculture regionally and on large farms; polarization.
- Ongoing regional differentiation and specialization.
- Diversified rural industrial structure that continues to be less dependent on farms.
- Continuing depopulation of passive sparsely populated areas if intensive development work is not carried out.
- Increase of micro-enterprises and SMEs particularly in the service sector; outsourcing of services; growth in the care sector because of the ageing population.
- Changing roles and activities of NGOs.
- Increase in all the four forms of sustainable development as the basis of all activities.
- Increased importance of renewable natural resources and bioenergy.
- Increase in energy prices.
- Increased internationalization and foreign labour.
- Increased networking.
- Development of information technology.
- Population ageing.
- Increased mobility; tourism, commuting.
- An increased MeWe approach – collective individuality¹ – among young people.
- Increased efficiency requirements.
- Increased awareness of and requirements for quality and environmental matters (both in terms of technical quality and impressions).
- Higher level of education.

1) A picture of the young people of the future who value both individualism and collectivism at the same time, created by the MeWe Generation study.

Figure 14 shows an evaluation of the speed and intensity of the trends based on the credible vision of the future. The trends have been compared with each other and placed in the intensity–speed matrix. The concentration and polarization of agriculture and the increase in energy prices are estimated to be the most revolutionary trends.

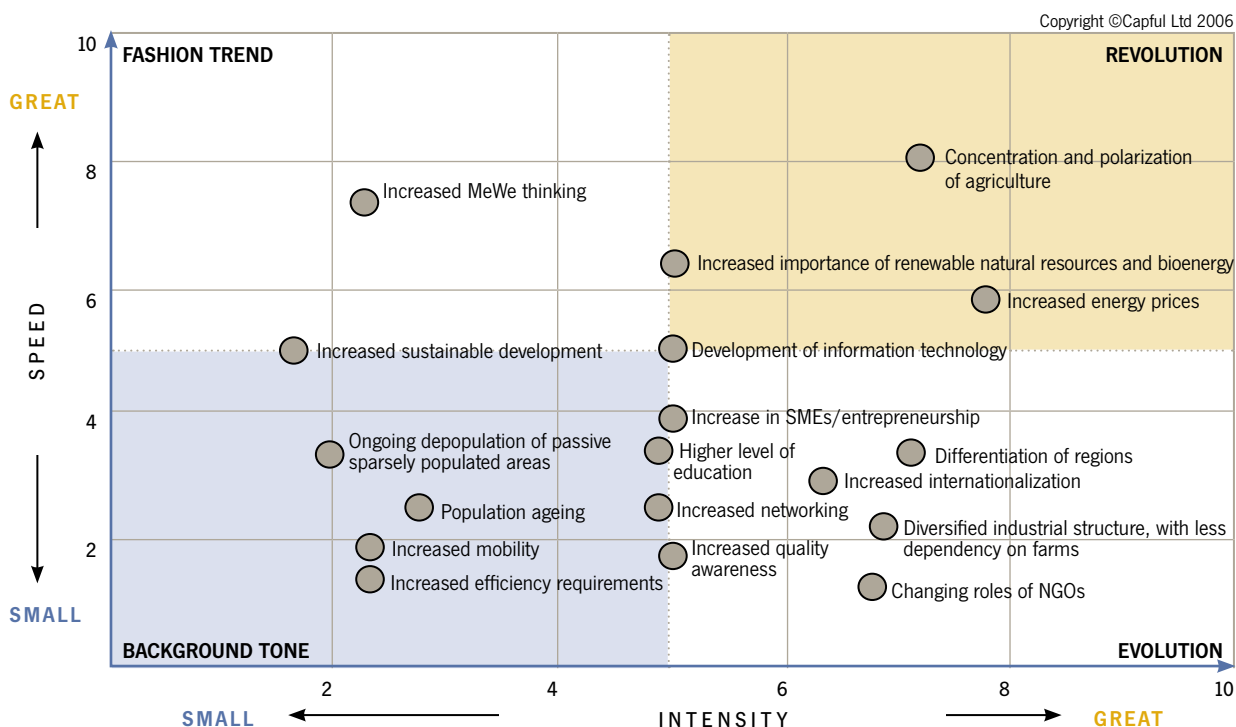


Figure 14. Background analysis of the credible vision of the future.

Wrap-up

The previous chapters analyze the measures for each scenario when the operating environment develops according to the scenario in question. What follows is an evaluation of the opportunities for rural areas, their risks and key development measures on the basis of the entire project.

Future opportunities for rural areas

- Productization of the natural rural environment and silence;
- Development and marketing of tourism services;
- Diversification of the industrial structure and entrepreneurship;
- Strengthening of sustainable development in all of its four forms; socially sustainable development will particularly improve the skills and knowledge of rural areas;
- Diversification of small rural communities, thanks to migration and versatile civic activity;
- Successful product development of functional foods, etc.;
- Pluriactive nature of farms;
- Extended cooperation based on networking between farms; for example, farms buy more specialized contracting services (outsourcing);
- Profitable production of bioenergy and the emergence of new forms of energy;
- Creative solutions to community development provided by the growing MeWe generation;
- NGO people become real influential persons and implementers in society;
- New housing trends (three homes, etc.);
- Identification and strengthening of the role of rural developers.

Future risks related to rural areas

- Globalization (e.g., economy or the environment): Not even productive networking is sufficient to provide the required volumes of products to centralized buyers. The growth of farm sizes does not guarantee profitability; farmers burn out.
- Finland's overemphasized desire to be the EU's model pupil.

The idea of the rural development target was crystallized as follows:

The general target is an active countryside with an attractive environment. Rural residents feel well physically, economically, socially and culturally. The countryside is a sought-after living environment and an attractive operating environment for enterprises. Rural developers and cooperation networks play an important role in the attainment of this target.

- Short-sightedness and a narrow scope of rural development and the insufficiency of national debate.
- The countryside is not attractive or trendy. Young people, in particular, do not stay in or move to the countryside. Even old people move away, and active urban pensioners move to the centres of sub-regions, not to remote rural areas or rural heartland areas.
- The unpredictable development of energy prices complicates development work. The increases in energy prices will be a major disadvantage to rural areas if the research and development of bioenergy production and use lag behind.
- The level of education rises but does not match the need for expertise.
- Civic activity is not considered to be credible (lack of expertise).
- The MeWe generation becomes overly selfish.
- Sustainable development is only interpreted as an ecological issue.
- Failure to maintain the rural infrastructure, in particular the road network, and to develop information technology. The availability of safety-enhancing services (ambulance, the police, the fire brigade, etc.) is poor, for example, in the event of blackouts or a burglary. The unpredictable development of the prices of property and the value of land: increase or decrease (the effect of proximity to a watercourse, etc.).
- Breakdown of the cultural continuity of the countryside.

Key measures in rural development work

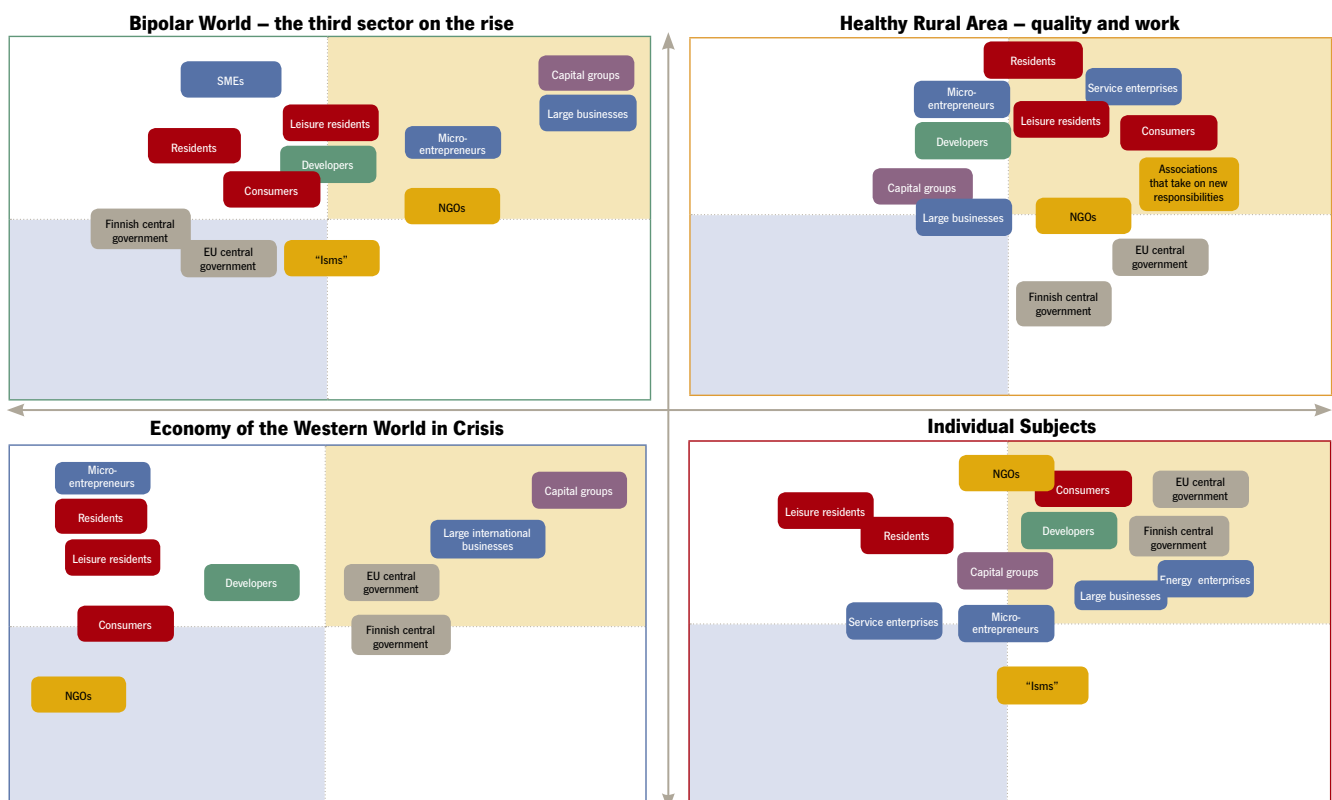
- The State should strengthen direct democracy, because representative democracy will then also be strengthened. Finland should adopt healthy selfishness in relation to the EU, the State, and local government. Rural policy should be strengthened institutionally at the regional level and across all administrative sectors at all levels (both vertically and horizontally).
- In rural development work, the power of local development work must be increased in relation to local government (particularly as municipalities merge), the State, and the EU. Cooperation and networking between different actors (research, education and training, counselling, enterprises, etc.) should be further enhanced. The measures for different types of rural areas must be differentiated in development work. The planning models for rural community and regional structures must be developed, includ-

- ing the acceptance of sparsely populated areas.
- The preconditions for entrepreneurship must continue to be improved. Different development measures and restrictions/regulations must be directed at different sized companies. Common tools must be created for the development of enterprises. Enterprise development services must be provided by a “one-stop-shop”. A more positive general attitude towards entrepreneurship should be created (particularly among young people). The development of “creativity entrepreneurship”. Cutting down and the simplification of the bureaucracy related to the hiring of employees. Promoting the use of foreign labour.
- The branding of civic activity.
- Integration of human science skills in development policy.
- Promoting tolerance.
- The operating conditions of the third sector must be improved through legislation by changing the way regulations are interpreted and through State grants.
- Special attention must be paid to socially sustainable development; this requires the development of services near where people live and the construction of new housing.

- Making living in the countryside possible by means of infrastructure, planning, etc.
- Ensuring that the knowhow of rural culture is passed on and a new rural culture is strengthened.
- Maximum utilization of the opportunities provided by information technology.
- Purchasing the expertise required for rural development from external parties.
- Increasing the value of rural research – more diverse research, smaller studies, and applied research. The networking of research and educational units with international actors is particularly important and must be promoted.
- Strengthening local action group work in rural development work – demonstrating efficiency and effectiveness.
- Development of procurement skills, taking into consideration small local actors as well.
- Building a trendy, diverse image for the countryside and emphasizing its nature as being positively different.
- Safe and high-quality Finnish foodstuffs.
- Specialization in productized articles.
- Investment in all emerging forms of energy.
- Development of tourism.

- Internationalization (in research, business, etc.) crosses all boundaries.
- Development of marketing skills and cooperation.
- More attention must be paid to the customer-oriented approach. We must get to know the cultures that will have disposable wealth in the future (China, India, etc.).

Figure 15 shows the actor map of the different scenarios. The actors' position changes to a great extent from one scenario to another. Large businesses and capital groups are powerful actors particularly in the Economy of the Western World in Crisis and the Bipolar World scenarios, but their position is strong even in the other two scenarios. The public sector has sought to concentrate power, particularly in connection with the natural disasters of the Individual Subjects scenario and in the Economy of the Western World in Crisis scenario. Developers play a relatively significant role in all the scenarios. Their strengths include the ability to exert influence through networks and the opportunity to operate across different organisational structures. Developers are able to utilize and direct both intangible and tangible resources in rural development actively and in a versatile manner.



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Figure 15. Actor maps of the different scenarios.

How to utilize this report

The main results of this work are the scenarios which describe the future of rural areas. The scenarios make it possible to assess what effects the various courses of rural development described by the scenarios will have on the strategies and practical development work. This type of assessment can be carried out in the Rural Policy Committee theme and working groups and under the Rural Policy Programme and in order to assess and update other plans, strategies and programmes of rural development.

The scenarios can be used to encourage new ideas in the prepara-

tion of new plans, strategies and programmes. The scenarios at their best are capable of freeing actors from customary ways of thinking and help them to approach development targets from new perspectives.

More detailed scenarios for a specific organization can be created by using these scenarios as a foundation. These scenarios can also be used for monitoring the operating environment. The change factors identified in the scenarios can be used as a basis in specifying the indicators of the operating environments that are to be monitored.

Assessments of the project

The project attained its targets well. The work aroused extensive interest, and a large group of rural development actors participated in the work. Of particular value were the contributions of those who participated actively in the working group and the understanding that they gained of the systematic analysis of the development of the operating environment and the impacts of the possible scenarios on rural areas.

Assessments of the project by members of the working group

- It was difficult to understand the contexts and causal relationships.
- The process made it possible to hear different people's views of the future.
- The project gave plenty of new ideas that can be utilized in the future.
- It was a good idea to extend the time span for the review.
- The project was valuable to the State administration.
- The project increased understanding of the rate at which the world changes.
- The working group should have included more actors that could have worked in smaller groups.
- The work helps to look at the future and possible courses of development with a ten-year time span.
- The actor maps revealed the real powers and decision-makers.
- The project made one think and interrupted the normal operative routines for a while.
- This approach highlights what people in the field think.
- The results will help in the future decision-making.
- The atmosphere in the working group was open-minded and good.
- The approach was instructive.
- This work strengthened the Rural Policy Committee network.

*“Finland is the most rural country in the EU
and is endowed with an abundance of natural
resources. Their utilization in full requires political
will and expertise.”*



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