



In 2016, the Finnish government carried out the ‘[Smart Countryside](#)’ study of the challenges facing its rural areas and the opportunities offered by digitisation. This provided a wide range of recommendations for improving digital innovations in rural services. The results are being used to inform both existing and new programmes: for example, tailoring support under RDP Measures 7 (Basic Services) and 19 (LEADER/CLLD), the national strategy for broadband, and the new governmental decision for Rural Digitisation 2017.

Introduction

One-third of the Finnish population (1.6 million people) live in rural areas, but the population density and demographics vary according to the type of rural area.

The population of sparsely populated rural areas, rural heartlands, and local centres in rural areas is decreasing and aging, while rural areas close to urban areas are experiencing population growth. At the same time, however, the service infrastructure in rural areas has declined. The number of village shops dropped by 20% between 2012 and 2015, around 60 village schools close annually⁽¹⁾, and the number of post offices in rural areas has decreased steadily since 1990s.

In rural municipalities, 77% of residents have internet connection at home, compared 80% of city dwellers or 88% of those in the country's capital. Rural residents often rely on wireless internet connection, with broadband coverage at its weakest in remote rural areas. 81% of rural residents use the internet, two-thirds of them several times a day. Typically, people use the internet to communicate, to shop, and to follow the news. Most people under 55 years of age use the internet. Usage is lowest amongst those over 75.⁽²⁾

Digitisation is high on the Finnish government's agenda, as it is considered to be an important contributor to social and economic development. For rural areas, digitisation is important because of demographic changes and rural out-migration, especially from the most remote areas.

Digitalised services are considered to be fundamental for maintaining a living countryside. Digitisation can help to ensure equal opportunities, regardless of where people live in the country. It can also help deliver cost savings in the public sector and create new business opportunities and spawn innovative solutions to local challenges.

Why launching a study?

The Finnish government passed a comprehensive reform of State-financed research funding in 2013, which established a strategic research funding instrument for multidisciplinary research on major societal challenges. In addition, in order to promote knowledge-based policy-making, the research activities supporting government decision-making were centralised within the prime minister's office.

Policy making

Research activities were re-focused to fit the five strategic priorities of the government:

- Employment and competitiveness;
- Knowledge and education;
- Health and wellbeing;
- Digitisation, experimentation and deregulation;
- Reforms.

Open calls for research proposals fitting the strategic priorities of the government are issued annually by the prime minister's office. The calls reflect the annual strategic research plan, which is drafted by a working group made up of representatives from each ministry and then agreed by the government. For each topic included in the annual research plan, a responsible ministry and participating ministries are assigned.

1 Rural Survey 2017, https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/80600/MMM_7_2017_low.pdf?sequence=1

2 Rural Survey 2017, https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/80600/MMM_7_2017_low.pdf?sequence=1

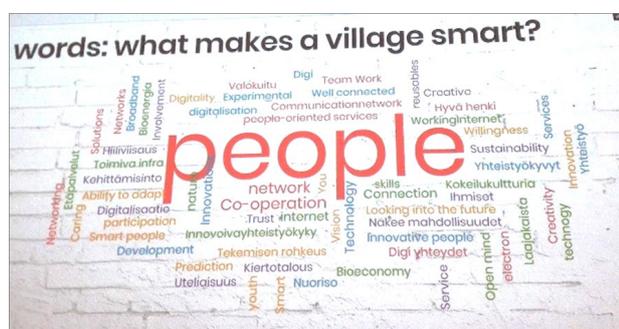
In 2016, the strategic research plan included the topic of development and diversification of rural services through digitisation and experimentation. This fell under the digitisation, experimentation and deregulation priority and had an assigned budget of €250 000. The ministry responsible was the ministry of transport and communications. Participating ministries included the ministry of education and culture, the ministry of agriculture and forestry, the ministry of economic affairs and employment, the ministry of social affairs, and the ministry of the environment. A total of ten proposals were received.

Main objectives and methodology

The study, 'Smart countryside – development and diversification of rural services through digitisation and experimentation'⁽³⁾, was conducted between April and December 2016 by the Consultancy for Regional Development (MDI)⁽⁴⁾, the Centre for Regional Research at the University of Eastern Finland Spatia⁽⁵⁾, the University of Vaasa⁽⁶⁾, and the Finnish Environment Institute⁽⁷⁾.

The goal of the study was to explore possibilities for developing and diversifying rural services through digitisation and experimentation. The project produced information to support and provide ideas for topics of further research.

The study included a literature review (final reports of projects and research projects, web pages of digital services), interviews, an assessment of digitisation strategies in Canada and Scotland, and surveys of rural residents, businesses and municipal decision-makers in three regions. The national register and GIS information was also used to assess the housing and service structure and possibilities for combining different modes of transport. Rural residents' views on digitisation were collected in so-called digital cafés, which were organised in three municipalities in the study regions. Workshops mapping out future digital services were organised in three cities.



Main findings of the study

The study found that rural residents and businesses are willing and ready to use digital services. Digitisation can bring services nearer to the customer, reduce costs and have a major impact in the countryside, where structural change is rapid and distances to physical services are increasing. However, not all citizens or companies have the willingness or the skills to benefit from the opportunities presented by digitisation. Therefore, it is important to familiarise people with digital tools and invest in building the capacity and willingness of people to use digital services.

To reduce the risk of digital exclusion (by area, age, education, income, etc.), support for functioning data connections (broadband) and low threshold digital guidance services are needed. When developing digital services for rural areas, the solutions must be based on local knowledge and local needs. Here the public sector plays a crucial role in creating platforms and providing access to its databases, and by compiling and disseminating information and experiences on digitalised practices.

It is also vital to develop ways to measure the economic benefits of digitalisation, to encourage more businesses digitalise their services and to ensure people to see the benefits.

In addition, innovative solutions for rural mobility and transport challenges should be found through local experiments.

The study also encourages digital experiments in the fields of social and healthcare services and remote working and studying. The concrete suggestions for experiments are as follows:



- Digital advisory points in local service centres;
- Strengthening digital skills through voluntary peer support organised by NGOs;
- Training digital ambassadors in municipalities and government offices;
- Transmitting voluntary help, peer support or neighbourhood help by digital means;
- A return of multi-actor, multi-functional and digitalised village schools;
- Developing the digital capital of rural businesses.

3 <http://tietokayttoon.fi/julkaisu?pubid=16602>

4 www.mdi.fi/en/

5 www.uef.fi/en/web/spatia

6 www.uva.fi/en/

7 www.syke.fi/en-US

M6.2 - Business start-up aid for non-agricultural activities in rural areas: this sub-measure supports new businesses in the start-up stage or those launching a new product or service, or otherwise renewing their operation. It also supports businesses in carrying out experiments that promote market-driven and customer-oriented innovations. Examples of projects: start-up aid for a company specialising into digitisation capacity building and services, digitisation of emotional and psychological training services (e-learning).

M6.4 Investments in non-agricultural activities in rural areas: this sub-measure supports investments in facilities, machinery, equipment and tools required by businesses, as well as intangible investments. The RDP text also specifies: "Support may also be granted for an investment by a company offering mobile services to micro and small enterprises operating in rural areas". Examples of projects: digitisation of existing services (ticket sales, newspapers, printing).

M07 - Basic services and village renewal in rural areas supports services through broadband measures, as well as by improving local services and related infrastructure. This measure has six sub-measures, out of which two are the most relevant for rural services.

M7.3 Broadband infrastructure and access to broadband and public e-government: support under this sub-measure aims at projects for planning, studying, developing and building local data connection infrastructure, e-government services offered online, and their deployment and utilisation. It also covers small scale data connection infrastructure investments (so-called village network projects) in rural areas.

Examples of projects: pilot project for listing and marketing digitalised services in seven municipalities; digitisation of municipal services (including municipal customer service via videolink); a project promoting the use of digital opportunities by removing obstacles.

M7.4 - Improvement of local services, including leisure and culture, and the related infrastructure: Support under this sub-measure aims to support projects seeking to plan, study or improve services for the rural population.

Examples of projects: projects creating a service portal and supporting companies in digitisation; a feasibility study on remote health services.

M16 - Cooperation: this measure has eight sub-measures, out of which two are the most relevant for rural services.

M16.10 - Other measures supporting programme priorities: support under this sub-measure aims to support projects that are jointly implemented by businesses (including farms), forest owners, market actors, research institutes, experts, universities, higher education institutions and other development organisations. Examples of projects: guidance and consulting on planning, product development and the use of digital services for a group of businesses.

M16.2 - Pilot projects and the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors: support is provided for the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors and to provide actors with possibilities for testing new activities or products in a real operating environment, by means of a study, a development project or an investment.

Examples of projects: mainly related to dairy and forestry.

LEADER projects

Lappish Health Kiosk (Lappilainen terveystioski)

was a preliminary study funded by LAG Pohjoisimman Lapin Leader. The study focused on providing digitalised medical service in remote areas through a health service kiosk with diagnostic equipment (e.g. laboratory tests, blood pressure monitoring, EKG) that the customer used independently. The kiosk also had a video connection to a nurse or a doctor. The results of the preliminary study were positive, yet it became clear that a more diverse and complex service is needed, as well as support for the use of digital services.

Abilities to make a digital leap (Valmiudet digiloikkaan)

is a one-year project funded by the LAG Varsinais-Suomen Jokivarsikumppanit. The goal is to build the capacity of local businesses, NGOs and residents to utilise digital services. The project combines training, information and demonstration events. Topics covered by the capacity building include video conferencing for businesses, marketing on social media, search engine optimisation, information security, the use of digitalised services by the elderly, as well as virtual reality as a means of enhancing remote working.