

INTERREG EUROPE POLICY LEARNING PLATFORM

ÅLAND PEER REVIEW - FINAL REPORT

Government of Åland, Department for Trade and Industry

BACKGROUND DATA AND KEY FIGURES: ÅLAND

Åland in brief

Åland is an autonomous part of Finland, with a Parliament (lagtinget 30 members) and Government (6-7 ministers).

Åland had 30,359 residents as of December 31, 2022, comprised of 11,757 residents in Mariehamn, 16,557 in the rural area, and 2,045 in the archipelago area. Over a third of the inhabitants were born outside of Åland. Most come from Finland and Sweden, but with time more are moving in from non-Nordic countries. Åland has migrants from more than 100 different countries.

Business life

Åland has over 2,800 active businesses, from small entrepreneurs to large companies. Many of them operate in the international market and about two of three of them are in the service sector. Most companies aside from shipping are small, with fewer than ten employees. Nearly 85 percent of the companies employs four persons or fewer. The highest amount of small companies are to be found in the sectors finance, real estate and furthermore sectors construction and also trade, hotel have amounts of enterprises within this category.

Unemployment rate was 4,4 % in December 2022.

Åland and the GDP

The GDP of Åland amounted in 2020 up to 30 400 per capita, which (due to the Covid-19 pandemy) was considerably lower than the GDP for Åland of 2019 (35 400).

There have been signs that the overall economy and business life on Åland has lost position generally in an international perspective. Although new innovation companies have been founded on Åland there has been few and not so big enterprise success histories to write about on the island in later years. It's mostly in the financial sector as banking and banking solutions one can see a demand for skilled workforce when on the other hand the innovating companies standing on a high competence level mostly have remained on a smaller

level looking at turnover and workforce. As a consequence of this, the conclusion is that Åland must retain its position quickly as an flourishing economic area, preventing to become outcompeted on longer time range by rest of the world.

The ERDF/ESF+ program and existing relevant support measures and problem to be addressed

The ERDF/ESF+ program 2021-27 of Åland totally sums up to a amount of over 10 million euro to be divided into funding of innovating companies, business life organisations and non-profit organisations. The instruments to be used when allocating the funding consists of product development funding, consulting checks, project funding with i.e. the purpose to support/coach startups, allocating of funding to companies and non-profit organisations for risening of the educational level through continous education, projects dealing with inclusion activities for people outside the labour market. A certain sum of the program budget (ERDF) is allocated to building up and running a innovation lab with the purpose to rise up new innovation enterprise successes on Åland.

An important task of the peer review was to find the right role of the innovation lab and also to find a proper way of running and developing this lab. Another important task was to establish networks to and knowledge exchange with other innovation labs in neighbouring areas with the purpose to develop the local innovation lab on various fields.

When it comes to the ESF+ program and the peer review, a general problem addressed was to find methods to include people outside the labour market (disabled, refugees) to find their place in the working society.

THEMATIC BACKGROUND

Promoting the upcoming of new innovating/startup companies combined with skills development and workforce integration

Challenges in finding innovators in need of relevant support to grow – and solutions

Initial questions:

How to find certain business areas where to identify development and innovation needs and support for that, i.e. taking into account that our region is generally facing a diversification and development need of its business

life. Environmental requirements in most of the different fields of business life have risen in the past years with a following technical innovation need. This can lead to new business opportunities which need to be noticed.

How to reach out to business life with relevant communication and to adequate stakeholders is another relevant question. How to reach out to innovating companies using appropriate tools and through cooperation with business organisations. What are the business areas with the highest longterm innovation capacity at Aland Islands which also are possible to commercialise?

How can new entrepreneurs be provided with adequate professional advice so that they will be equipped with skills to meet the challenges on the market and help them to become competitive?

Here an innovation lab will be a key player. The aim group of an innovation lab should be startups and also mature companies having the capability to in a relatively short timeframe create a business network with the potential of realizing significant smart growth.

In the frame of the innovation lab one of the aims will be to connect ERDF/ESF+ project activities and its achievements to young students at the university of Åland.

The meaning of education of different levels leading to competitiveness and innovation can't be overrated. Cooperation between the university and business life organisations is needed to enhance opportunities of having i.e. young students starting new innovative enterprises through ideas generated and born in an educational adequate environment and further processed through support of business life organisations and ERDF/ESF+ funding.

We are also interested in creating long-term partnerships with innovation labs situated preferably in the neighbouring areas of ours. Our aim is to get mutual exchange with these innovation labs resulting in positive innovation effects.

Workforce integration is, considering the grown Ukrainian immigration (refugees) to Aland Islands, an important issue which will be a part of realizing the ESF+ program. Inclusion is of course of importance for all immigrants. Furthermore the input of skills to different business areas the Ukrainians (and other refugees) can bring with them is important. People with disabilities is also a target group.

Key questions to be discussed, peer review:**ERDF/ESF +**

1. Identifying business areas and companies with development and innovation ambitions needing different kinds of financial and knowledge/advisory support for developing their business plan.
2. Forming relevant schematic working processes for an innovation lab to get maximum results in the form of successful start-ups and innovation enterprises
3. Developing cooperation between the Åland University of Applied Sciences and business life organisations in term of integrating entrepreneurship (i.e. start ups) into the education at the university. Strengthening the bindings between the university and the business life through i.e. offering services performed by students to the business life.
4. Developing long-term partnerships with innovation labs and or universities elsewhere situated.
5. How can people outside the labour market (caused i.e. by disability or because of differences between education systems in countries) be included in the working community on longterm basis? What kind of measures are appropriate and needed? How can entrepreneurs be attracted of employing people from the above mentioned group?

Peer review ERDF

Thematic discussion the 24th of January on the based on the questions raised by the host, in presence of the relevant **stakeholders**.

- **Spaces for innovation**
- **SME competitiveness and innovation capacity on Islands**
- **University-based entrepreneurship**

ERDF peer review 24.1.2023, participants :

Kohlisch, Thorsten, Interreg Europe Policy Learning Platform

Schmerber, Luc, Interreg Europe Policy Learning Platform

Veliste, Mart, Interreg Europe Policy Learning Platform

Barta, Balazs, PBN Hungary

Ferguson, Neil, University of Galway Ireland (by Teams)

Guldseth, Eistein, Trondelag County Council Norway (by Teams)

Sweetman, Roger, West Development Committee Ireland (by Teams)

Fellman, Tomas, the Government of Åland

Åkergård, Kenneth, the Government of Åland

Strand Susanne, the Government of Åland

Lindholm, Christel, the Government of Åland

Johansson, Linnéa, the Government of Åland

Alopaeus, Sara, the Government of Åland

Olofsson, Susanne, Åland Chamber of Commerce

Westerholm, Dan, Åland Chamber of Commerce

Ling, Therese, Åland Chamber of Commerce

Kairi Joensalu, Åland University of applied sciences

Sjöblom, Therese, Åland University of applied sciences

Brandtberg, Bettina, Åland University of applied sciences

Gros, Anna-Lena, Åland University of applied sciences

Ulf Wikström, Åland University of applied sciences

Recommendations by Interreg Europe - ERDF

- Appropriate low-level KPIs and metrics must be found that measure process as opposed to outcomes that may be a decade away.
- There is a need for community leaders to drive and sell the project locally.

- Capitalize on the islands and its specificities as a living lab/test beds for innovative solutions.
- Consider establishing (with other regions, possibly on transnational level) a network of such living labs/testbeds offering a coordinated offer/access to test infrastructures.

University-based entrepreneurship - Recommendations

- Engagement on different levels with the students
- Priority: Reach out to the alumni community
- Different communities need to be engaged
- Dedicated core team at the University
- Programmes with voluntary participation yield better results
- Entrepreneurship education is a lot **about skills development** and not only startup development

Spaces for innovation: Recommendations

- Both broad and focused strategic approaches are worth considering.
- Shared coordinated approach addressing the triangle of innovation, upskilling and upscaling in the Innovation Lab.
- Shared, proactive governance, clearly **defining the role of all stakeholders**.
- Have a systematic and coordinated approach for reaching out to SMEs.
- Mediation needed - Use of "translators".
- Culture and language/terminology/thinking.

STRATEGIC FOCUSED APPROACH

- Specialization
- Foresight summit
- Clear positioning
- Relevant for partnering and mapping EU calls
- **Focused topic**
- Think long term
- Integrate international partnerships
- Further knowledge development within the Innovation Lab

- Access to European funding
- Internationalization through long-term collaboration

BROAD INITIATIVE TO INCREASE INNOVATION CAPACITIES THROUGH COLLABORATION WITH UNIVERSITY/STUDENTS

- Use competences of the University to implement challenge-based innovation processes
- Combine the competences of the University with services from the Chamber of Commerce to leverage the impact of innovation processes in businesses.

BROAD INITIATIVE TO INCREASE INNOVATION CAPACITIES THROUGH DIGITAL COMPETENCES

- Digitalization
- Develop an upskilling programme with local experts
- Use local expertise
- Working along the value chain helps to reach SMEs.
- Create a separate, neutral body or coordination structure („local enterprise partnerships“) as needed (e.g. Business Garden)

Peer review ESF +**ESF + peer review 26.1.2023, participants:**

Kohlisch, Thorsten, Interreg Europe Policy Learning Platform

Schmerber, Luc, Interreg Europe Policy Learning Platform

Veliste, Mart, Interreg Europe Policy Learning Platform

Kloubert, Diana, ESF + Managing authority of the German-speaking community of Belgium

Drummond, Gael, Firstport Scotland United Kingdom

Fellman, Tomas, the Government of Åland

Sommarström, Matias, the Government of Åland

Åkergård, Kenneth, the Government of Åland

Strand Susanne, the Government of Åland

Alopaeus, Sara, the Government of Åland

Lindholm, Christel, the Government of Åland

Johansson Linnéa, the Government of Åland

Ehrens, Camilla, Emmaus Åland

Jansson, Robert, Emmaus Åland

Roxbäck, Sofie, the City of Mariehamn

Olofsson, Susanne, Åland Chamber of Commerce

Olsson, Viktoria, Åland Chamber of Commerce

Wahlman, Karl, Ålands Handikappförbund, Åland's Disability Association

Ulf Wikström, Åland University of Applied Sciences

ESF+ recommendations:

Coordinate local efforts:

- Grassroot approach building on **local advisors and experts with "lived experiences"**
- Stimulate new social enterprise ideas in areas and from **people who wouldn't normally consider it or see themselves as an entrepreneur.**
- Small successes can be really impactful – **showcasing** them is important
- Invest in active communication and dissemination, using **storytelling approaches**
- Support services need to be driven by personalized methodologies and tailored approaches
- Such policies requires **time, investment, resource, partnerships**

Inclusion:

- Recruitment processes and systems
- Neutral language

- Overtly welcoming applications from underrepresented communities
- Accessible venues and interviews
- Comprehensive & supportive onboarding and inductions

Diversity:

- Welcoming and embracing people from different communities
- Seeing diversity as a range of experiences, knowledge and cultures rather than differences
- An opportunity for improvement, diversification

Equality

- Flexible working practices that meet a variety of needs (not always possible)
- Working from home
- Ability to shape own hours to meet needs
- Trusting and support workforces to deliver good work where and when it suits them

- Internship/apprenticeship programmes are door openers

- Make sure that the employment programmes come also with an **incentive or stimulus for the target group**

- Consider adding a social or societal goal/mission to the Innovation Lab

- Be sure to design your initiatives and programmes around boosting self-belief.

- In addition to labour market initiatives look into supporting the creation of social enterprises

Policy recommendation: Pilot a social enterprise idea creation and early development

“Practice what you preach”, for instance by employing disadvantaged groups in your organisation

The way language is used is important

Results so far:

As a first result of the peer review the University of applied sciences on Åland has established contacts to PNB Hungary and furthermore as a results of this the University will make a cooperation agreement with ECH Alliance. The University will also follow up the contact made with the University of Galway in the future.

ERDF and ESF+ release of application phase 1 was fulfilled to the end of the 31th of March. The application period ended up in both a number of ERDF project applications by organisations as well as business (companies) ERDF development projects and also ESF + applications by organisations.

By applying for ERDF funding the University of applied sciences on Åland is broadening the innovation supporting activities on the island by using new methods, having cooperation activities and including of a larger spectrum of actors. The focus in the innovation lab lies on largening the emphasis on problem solving activities in the frame of the innovation field simultaneously combined with running an ordinary business lab dealing with i.e. new start-ups companies. Involving students and teachers in project activities including education in innovation as well as promoting an innovative environment are important parts of the ERDF project context. Thus a goal of the project is to shorten the distance between the educational and the innovative corporate community with the purpose to enhance creation of new successful innovative companies on Åland.

In the upcoming years The Chamber of Commerce will also through ERDF financing maintain business development support services to innovative companies reaching for the next step.

Regarding the ESF+ applications, the Emmaus project goes hand in hand with the recommendations regarding inclusion, diversity and equality. The new project builds on lessons learnt from earlier projects and focus now on persons with criminal background. Ålands Handikappförbund's project on the other hand is focused on persons with disabilities that still want to be in the labour market. They will implement for Åland islands o new tool called IPS (Individual Placement and Support).

Conclusion

The peer review put the focus on a couple of things concerning concrete and adequate measures to be taken into account running an innovation lab the upcoming years. Communication and cooperation/networking are among the key factors which are to be set on place initially. Furthermore, efforts on the educational level and the connection to educational world with dedicated personnel resources in the University and involvement of students combined with curriculums adjusted towards innovative business also are key elements when building up a favorable innovative business environment. Clear targets with involvement of educational forces when building up strategic innovation processes are also considerable outcomes of the peer review. Finally, digitalization aspects are always to take into account and the impact these aspects will have on the future innovation environment and also on the future business life.

Among recommendations in the context of the ESF+ program i.e. adding a social or societal goal/mission to the Innovation Lab was lifted up which could be a part of the realization of such a lab. Taking advantage of the experience and knowledge of people of different communities are opportunities not to be neglected when it comes to the working society.