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# Urban research on Helsinki

The City of Helsinki puts a strong emphasis on being a learning city and maintaining and further improving this capacity. This in turn means that much attention is paid to education at all levels, and on research and innovation. The City is keen to examine what it really means to create a "Knowledge City", a city which converts intellectual and creative potential into economic activity in a manner which includes all citizens.

The municipalities of the Helsinki Metropolitan Area share a joint vision. According to this joint vision the Helsinki Metropolitan Area is a dynamic world-class centre for business and innovation. Its high-quality services, arts and science, creativity and adaptability promote the prosperity of its citizens and bring benefits to all of Finland. The Metropolitan Area is being developed as a unified region close to nature where it is good to live, learn, work and do business.

There is fruitful cooperation between the municipalities and universities in the Helsinki Metropolitan Area (four municipalities) and the Helsinki Region (14 municipalities). Determined efforts are being made to develop the cooperation further in many broad and challenging fields such as land use and housing, transport, education, immigrants policy, and city service provision. These broad and challenging fields of cooperation between the municipalities raises new research requests and information needs.

Urban research at City of Helsinki Urban Facts analyses modern urban phenomena from many perspectives. Research may concern population and

housing, living conditions, the regional and municipal economy, city administration and civic participation, or urban culture and urban environment. Comparative and evaluative analyses are increasingly asked for. Such studies are often conducted in collaboration with other research organisations. Co-operation and networking is important.

Access to advanced urban statistics and well-kept data holdings, including rich geo-referenced data, provides unique opportunities for urban studies and research on Helsinki and the Helsinki Region. Another special strength of the operating environment for urban research in Helsinki is the Network on Urban Studies. Today, there are nine professors specialising in various fields of urban research: European metropolitan planning, urban history, social policy, urban sociology, urban economics, urban ecology, urban ecosystems, urban technological systems and urban geography. These professorships are co-financed by the municipalities and universities and the Ministry of Education.

The task of addressing the challenges of cities and urban agglomeration has proved extremely complex due to the interrelated nature of these challenges and the involvement of a wide range of stakeholders. Urban research has a great potential to help cities better understand current developments and future trends and thus face future challenges.

In this issue of Quarterly we present the findings of a few current research projects of City of Helsinki

Urban Facts. The topics of these projects range from specific issues on housing and migration to GIS as a strategic tool for cities, from youth research to more focused studies on education, learning and culture. Moreover, there is a Helsinki-focused study on the innovation ecosystem as a part of city policy.

Throughout the world a lot of research is being conducted on the competitiveness of cities and urban regions, metropolises. In Europe, major cities are currently implementing the Lisbon Agenda. Europe is increasingly dependent on its urban regions as sources of competitiveness (European Competitiveness Index 2006–07, Robert Huggins Associates, 2006). Among the 118 urban regions that the index compares, Brussels is Europe's most competitive city. The Helsinki Region ranks second, the wider Paris region Ile de France third, Stockholm fourth and the South of Finland fifth. Hamburg is the highest-ranked German region (eight), and London (ninth) is the best-performing British region. Prague (seventh) and Bratislava (tenth) are also in the top ten. Luxembourg is in the sixth position. The conceptualisation of the European Competitiveness Index (a composite index) is based on three major components: creativity, economic performance, and infrastructure and accessibility. Throughout Europe, the

Huggins report finds a strong link between competitiveness and investment in secondary and tertiary education and levels of employment in high-technology service-sector activities.

Another current piece of research on European metropolises presents the economic map of urban Europe (ERECO and Cambridge Econometrics 2006; Seppo Laakso, The Urban Research TA Ltd and City of Helsinki Urban Facts, 2006). According to this study, rates of employment growth in major European cities are expected to accelerate. The predicted mean annual employment growth in the cities is 0.9 per cent over the period 2005–2010, which compares with an annual rate of 0.6 per cent in 2001–2004. Growth of GVA in metropolises is also expected to speed up in 2005–2010 from the previous period. The mean predicted annual GVA growth of the cities is 2.3 per cent, which is faster than in the period 2001–2004 (1.9%)

Among European metropolises, Helsinki stands out as a dynamic city where a vibrant service sector is the dominant industry. Towards the year 2010 growth rates of GVA, employment and population are expected to reaccelerate in Helsinki in comparison with the slower growth period in 2001–2004. For further information see the maps on page 64–65.

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# GIS as a strategic tool for cities: new developments in Helsinki and Portland

Jonna Kangasoja, Charles J. Gabbe, Ari Jaakola, Anu Soukki and Hannu Kurki

**As cities grow increasingly complex, information plays an ever more strategic role in managing the everyday. Information is gathered, stored and distributed mostly using digital technologies. As a result the design and the development of digital information architecture has become one of the key tasks for city administrations. Geographical information systems (GIS) match information with an address. GIS-based services can become a boundary infrastructure connecting city administrations, citizens and other actors into one large urban information community.**

It has been only during the past two decades that digital information and communication technologies have completely changed the way information-related tasks are managed within city administrations: accounting and financial functions have become electronic; typewriters and typists have disappeared and been replaced with computers and ICT-support staff; phone calls and faxes have been replaced, to a great extent, by electronic mail communication. Simultaneously, individuals have gained greater degrees of freedom in navigating the basic dimensions of time

and space; with one click one can find out something that used to take hours or even days.

Studies on adoption of new technologies have shown that not all the possibilities or 'affordances' of a new technology automatically get put into use, and especially not immediately. The phases of adopting new technologies often follow a pattern in which the new technology is first used to do 'the same old things' by new means. This is followed by experimenting with how those things could be done differently. Only after the potential of a new technology is gradually discovered, it can be used to do new things which were not possible previously. A shift towards new practices, besides the new technology, often involves new actors, and new forms of sociality.

Many of the activities labelled with the buzz initial "e", such as eLearning, eGovernance and eParticipation remain in the domain of replicating old practices by new, electronic means. For example, eLearning might entail students following teacher-led instruction remotely on a computer screen instead of a classroom. eGovernance, in many cases, means just making the same forms available electronically which used to be on paper only. The procedure in the core of activity, as well as the roles and relationships inscribed in the procedure, remain unchanged.

Identifying the potential of a new technology to achieve something qualitatively novel, something which changes existing practices in a more profound manner happens often locally, as an experiment or an exception, which then spreads and becomes adopted on a larger scale. A recurring feature in how information and communication technologies change existing structures of organisation and power is that of decentralizing and distributing agency to a larger and less hierarchical network. As exemplified by the "Linux" or open development model, fixed limits of what can be achieved can be exceeded when capabilities and means are shared within a large network of creativity and effort. Public sector organisations can also adopt this kind of open-minded attitude and make use of the vast potential vested in the network of constituent groups. The multiplication of viewpoints and sources of information and interpretation makes the network more adaptable and faster in a changing environment.

## **GIS = information + location**

Location is a crucial aspect of any information concerning cities. Throughout history, maps and other graphic representations have served as tools for sharing information. GIS (geographic information systems) refers to gathering, interpreting and distributing location-specific information using digital information and communication technologies<sup>1</sup>. Two features make GIS a powerful tool: it allows combining various data into a single representation, making it easier for both analysts and citizens to detect co-occurrences of different phenomena in a specific location. Secondly, information can be represented visually so that it is easy to use and understand.

<sup>1</sup>Information and communication technologies refer to technologies enabling any form of storing, using and distributing information. The term is however almost always associated with digital technology, even though there are still plenty of non-digital information and communication technologies in use, such as billboards, neon signs, paper maps, etc.

Information regarding real estate and various infrastructures (such as roads, bridges, underground cables, street lamps and garbage cans) is recorded into GIS databases. Similarly the distribution of social phenomena, such as families with small children, poverty, or level of education, can also be related to specific places in cities. The relationship between residents' needs and public service points can be analyzed by combining various GIS data – provided that certain standards have been observed in how the information has been recorded in the database. Similarly the likelihood of certain types of natural hazards and risks to property can be assessed combining the data from the City Real Estate Department and from the Finnish Environment Institute or the Finnish Meteorological Institute.

It is not an overstatement to say that to a great extent successful governing and governance of cities and metropolises depends on the ability of cities to utilise information about themselves and their surroundings. The crucial question is, how well the various urban information systems communicate with each other, and how well the information produced in one place can be utilised elsewhere.

We now consider current development around GIS services in two similarly sized cities, Helsinki Finland and Portland, Oregon, in the U.S.A. The cities share common strengths, including a highly educated citi-



zenry. Both cities also face similar challenges in maintaining their competitiveness and the wellbeing of their inhabitants.

## Helsinki

Helsinki, the capital of Finland, has about 560,000 inhabitants (more than 1.25 million in the Helsinki Metropolitan Area). The Helsinki Region is one of the fastest-growing urban areas in Europe, and a business centre with operations extending widely into the Baltic region. The Helsinki Region has a relatively young population: the demographic dependency rate is second lowest in Europe (after Amsterdam). The population of the Helsinki Region has a high level of education, with more than a quarter of the population having a higher education degree.

Finland and the Helsinki Region are top performers in competitiveness according to the European Competitiveness Index 2006. The Helsinki Region (Uusimaa) was ranked Europe's 2nd most competitive region after Brussels. Helsinki also ranks high internationally in terms of safety – second only to Luxembourg in the whole world.

The vision for the Helsinki Region is to become "a dynamic world-class centre for business and innovation. Its high-quality services, arts and science, creativity and adaptability promote the prosperity of its citizens and bring benefits to all of Finland. The Metropolitan Area is being developed as a unified region close to nature where it is good to live, learn, work and do business." (Helsinki Metropolitan Area Advisory Board, 16 November 2004)

The fast growth of the urban region and the ensuing rapid changes in the operating environment have called for strengthening of the administrative functions, as well as the services, with the help of digital technologies and infrastructures. The strategic goals for the ICT development of Helsinki include:

- comprehensive and secure eServices for residents (applications, permits, notices, appointments,

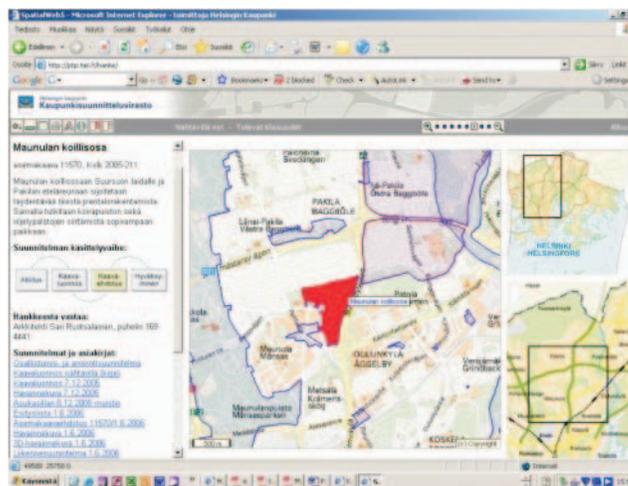
reservations etc. handled electronically) by all departments of the City;

- multi-channel provision of advice and information services;
- GIS-based citizen services via the Internet.

Helsinki is in the process of developing GIS-based citizen services, which can be accessed using the Internet. Examples of these services include the "Citizen's GIS service" (<http://ptp.hel.fi/>), a web-based map and geospatial information service provided by the City Survey Division. Another example is "Planning Projects on the Map" (<http://ptp.hel.fi/hanke/>) provided by the City Planning Department. It is a web-based service offering real-time information on city plans under preparation (town plans, subdivision plans, traffic planning projects, etc.). The service includes a dynamic map searchable by place names and addresses. It provides information on the progress of ongoing planning projects from their launch through to the point in which the plan gets a legal status. The next version will involve an interactive component which allows for feedback and direct questions from citizens.

Currently, other GIS-based services include:

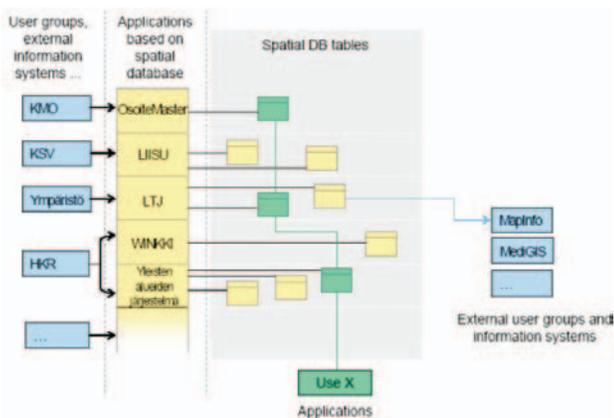
- Regional library application HELMET (<http://ptp.hel.fi/helmet/>);



- Regional Journey Planner (<http://aikataulut.ytv.fi/reittiopas/>);
- Building Permit Service ARSKA (Building Inspection Department);
- Soil survey information service (Geotechnical Division of the Real Estate Department).

## GIS-Core tackling the challenges of interoperability

In the City of Helsinki the departments have had great degrees of independence in developing their ICT systems based on their specific needs and specialities. The development has resulted in several parallel information systems, and also incompatible GIS data. The incompatibility has led to various problems, such as redundant maintenance work, and difficulties in sharing the data between departments. This problem has been recognised and a special GIS coordination group has operated within the city administration since 2002. In 2005 the GIS coordination group set up a working group called the "GIS-Core", consisting of GIS specialists from different departments to tackle the challenge. A final report and action plan was completed in September 2006. The GIS-Core group chose an action plan in accordance with the European INSPIRE initiative for European infrastructure for spatial information.



The basic idea behind GIS-Core is that geospatial information can be shared across different departments, and also across different city administrations in the Helsinki metropolitan region, if the metadata and the structure of the 'information objects' are modelled and managed carefully and based on certain rules and standards. Data harmonisation and precise documentation are the keys for sharing data between various applications when there are several platforms in use.

## Portland

Portland, Oregon, is a West Coast American city with a population of approximately 550,000 (more than 1.5 million in the metropolitan area) straddling both banks of the Willamette River. It is known as one of the most livable cities in the United States for its urban planning successes. One of the key reasons for this livable reputation is the nature of planning in the City. One of the ways of starting to illustrate Portland's essence is to take a look at some of the awards Portland has won over the past few years. Portland was named No. 1 cleanest (*Reader's Digest*), No. 1 for cycling (*Bicycle* magazine), No.1 in 'green buildings' (U.S. Green Building Council), No. 2 in sustainability, No. 4 most unwired (Intel), No. 7 fastest growing 'creative class' (*Fast Company* magazine), a top 10 'New American Dream Town' (*Outside* magazine), and a top 10 'Fit City' (*Men's Fitness* magazine). Portlanders are known for their love for the outdoors, specialty coffee, and microbreweries.

But, are these laurels and values really related to urban planning and more specifically to ICT? We argue that they are strongly related because they are all at least partially a result of having a citizenry that is active and engaged in building community. The City of Portland has a unique public participation philosophy as described in its Citizen Involvement Principles: "As elected officials and staff of the City of



Portland, we believe that effective citizen involvement is essential to good governance.” This philosophy is reflected in the actions of the city’s bureaus, including those responsible for shaping the built environment: planning, sustainable development, transportation, and parks and recreation.

An example of the participatory ethic of the City comes from the Corporate Geographic Information Systems (CGIS), in the form of the web-based GIS application, PortlandMaps ([www.portlandmaps.com](http://www.portlandmaps.com)). PortlandMaps’ mission is to “provide up to date public information in an easy-to-use interface. Letting everyone have access to the information, not just the experts.” Its easy-to-use interface and plethora of available information led PortlandMaps to be named



by the *New York Times* to be “the best government-run real estate site” in the country. (6.11.05). In terms of public participation, one of the greatest benefits of this system is the ability to show citizens information visually, as opposed to just providing spreadsheets and raw data, as was available in the past.

Besides just being easy-to-use, PortlandMaps represents a new way to access public data. Instead of filling out numerous forms or making requests to access the data, it is available to every citizen using the Internet. A range of data sets are available, and it is important to view the entire list to understand the breadth and depth of the effort, including in relation to every property within the City: assessor/tax lot information; aerial photographs; building footprints; building permits; census; crime data; elevation; parks; mass transit; natural hazards; schools; Urban Growth Boundary; underground storage tanks; water/sewer; zip code; zoning maps; and more.

The public uses PortlandMaps to query information, either using a map-based or address-based interface, and thoroughly study any property in the city. This analysis may range from the amount of property taxes paid to crime statistics in the neighbourhood over the past year. One of the most common uses of this data is for comparison when purchasing a home. However, it should be noted that the primary data on properties which is not included in the public-access version includes the names and addresses of the property owners. In order to get this, one still needs to make a request to the City.

From the technical side, the bureau’s information sharing is coordinated through the CGIS department. CGIS ensures that each agency has access to the most up-to-date data because each delegated the responsibility for maintaining its own data. The system is massive and wide-reaching, and thus it is important that metadata is updated at the same time as the data

## From new tools to new opportunities

Applying the idea of successive phases of adopting new technologies with regard to GIS, it can be argued that the creation and use of GIS-based services on a large scale is only at its beginning. GIS has been, and currently still is very much an expert tool. However, GIS-related tools, such as Google Earth and web-based City applications, are extending the boundaries of citizens' use of geospatial information. As new applications and services are piloted in growing numbers, there are great opportunities to genuinely explore the potential of digital, visual, interactive location specific services. We can only guess what kind of advantages, for example in the specificity and timeliness of information can be gained by allowing the users of GIS services to also become producers of information.

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# The core city and the periphery of the Helsinki Region in a European comparison

Markku Lankinen

**In European cities trends have been seen that have disfavoured the core cities and their city centres, which only 100 years ago were the stage of urban construction and regeneration. Increasing car traffic and related problems have lowered the quality of life in the inner cities – while also making it easier to commute between centre and periphery.**

**Many old cities in Europe have encountered economic difficulties when municipal borders have remained unchanged while better-off people have moved to the periphery. But there are also examples of city centres that have prospered. In such a process of differentiation the characteristics of the housing stock are crucial. What is Helsinki's situation like in this respect? Is the central part of the Helsinki Region declining socially while the periphery is getting stronger?**

The research question is: are the characteristics of Helsinki's housing stock contributing to this development?

First, we should look more deeply into what types of development can be seen in today's European cities. How common is it that peripheries are getting

richer while centres are becoming poorer? Are there, perhaps, other patterns too?

The Urban Audit II database contains data from city regions (LUZ = Larger Urban Zone) and their core cities on crucial indicators such as unemployment, labour force participation, proportion of residents earning less than half the national average, disposable income median and a few parameters of housing

(<http://www.urbanaudit.org/CityProfiles.aspx>). To obtain a sharper picture of differences, the centre is separated from the periphery by subtracting the figures of the centre from those of the region and weighting the difference by the population figure. The formula applied is:

$$(1) P_r = (V_s P_s - V_k P_k) \div (V_s - V_k)$$

where P is the value of the variable, V = population, r = periphery, s = the whole region, k = core city.

A number of European cities with a population of between 0.5 million and 1.5 million inhabitants were picked, and a few bigger capital cities were selected for comparison. The first one concerns employment and income.

With a few exceptions, unemployment is higher in the core cities than in the peripheries. Correspondingly, labour force participation tends to correlate negatively with unemployment, usually being higher

**Table 1: Comparison between certain city regions and their core cities in Europe**

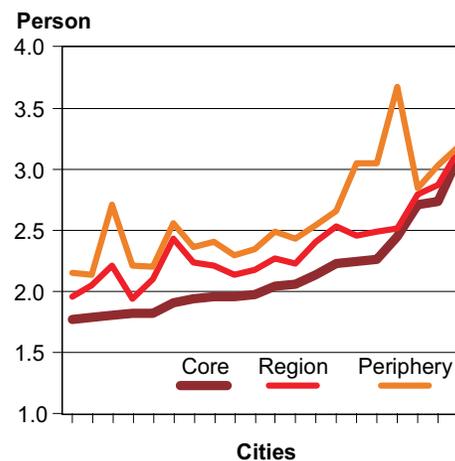
	Unemployment		Labour force participation		Residents earning less than half the national mean income, %	
	Core	Periphery	Core	Periphery	Core	Periphery
1 Brussels	18	7	60	67	58	62
2 Antwerp	11	5	62	66	76	70
3 Liege	24	15	60	64	60	71
4 Berlin	15	15	70	73	20	17
5 Frankfurt	5	5	70	71	11	10
6 Munich	4	2	77	75	11	9
7 Rotterdam	6	2	70	74	24	13
8 Amsterdam	4	2	73	78	24	13
9 The Hague	3	3	73	79	21	14
10 Copenhagen	4	4	75	81	..	..
<b>11 Helsinki</b>	<b>9</b>	<b>5</b>	<b>76</b>	<b>78</b>	<b>23</b>	<b>17</b>
12 Paris	12	10	74	72	10	10
13 Lyon	11	8	67	70	12	12
14 Strasbourg	10	2	66	74	13	5
15 Madrid	16	7	73	73	..	..
16 Seville	23	25	63	66	..	..
17 Valencia	14	11	67	67	..	..
18 Florence	6	5	66	67	..	..
19 Milan	6	5	67	67	..	..
20 Rome	11	12	64	62	..	..
21 Birmingham	10	7	65	74	..	..
23 Bradford	7	5	69	73	..	..
22 Liverpool	11	7	60	67	..	..
24 Glasgow	11	7	63	72	..	..
25 London	6	3	72	77	..	..
26 Edinburgh	5	5	74	79	..	..

in the periphery. Helsinki has the second highest (after Munich) labour force participation rate, also referred to as net activity rate (= the percentage of employed + unemployed among 15–64-year-olds). Among the comparison cities, the core cities of Belgian and British city regions have the most unfavourable figures, with higher unemployment and lower net activity rates than in their peripheries. In Belgium, these cities fall well below the national average in terms of mean income. In all other countries, the level of income in the core cities is above the national average. In Spain and Italy, the differences between centre and periphery do not look very big.

The difference in income median between centre and periphery is problematic because there are very significant differences in average household size between core and periphery in many city regions. Singles live in the centre, families in the periphery, but to a varying extent in different countries. In this re-

spect, the “consumer unit” instead of “household” should be used as a statistical unit. We do not have data on the age distribution of household members,

**Figure 1: Average household size in core, region and periphery in 20 city regions**



but since we have data on average household size, we can estimate it.

So, the difference in household size between core and periphery varies between city regions. The following analysis contains 20 cities from various parts of Europe. The distribution is topped by Seville, with Munich lowest down.

As was shown above, due to differences in household size, the consumer unit is a more appropriate unit than the household in this context. The OECD's consumer unit converter gives the first adult of every household the weight 1.0, the second 0.7 and each under 18-year-old 0.5 (OECD's applied scale gives the second adult the weight 0.5 and each child under 14 years 0.3).

The conversion table is as follows:

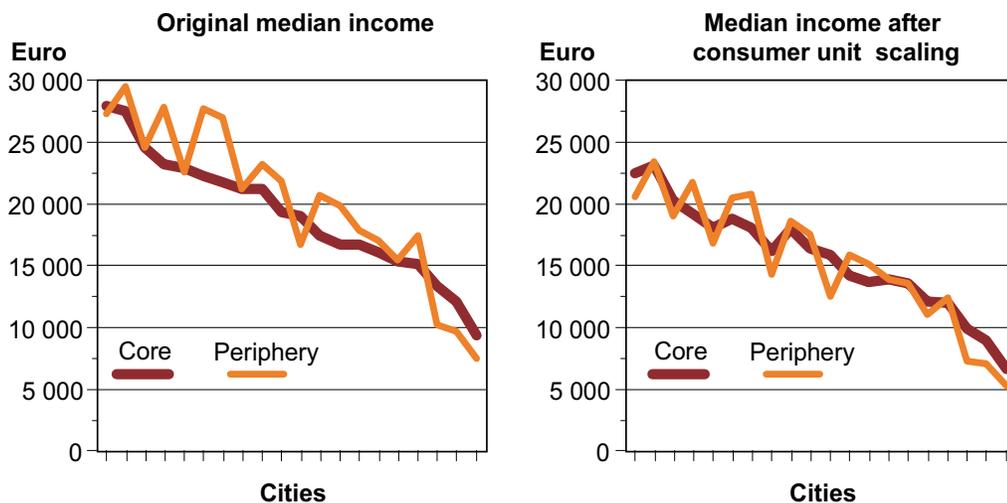
Size	Consumer units
1	1.0
2	1.65
3	2.15
4	2.65

For computation a program was constructed to interpolate the proportions between the size classes, to form consumer units out of household size, and to calculate a converted income median for the households. This is the result:

In most city regions the original income median of the households is higher in the periphery than the core. Due to differences in household structure, the proportion of households with more than one breadwinner varies. In most cases the conversion into consumer units reduces the difference between core and periphery, and in some cases, such as Helsinki, it even makes the core superior. For Helsinki, where figures on disposable income median are not available, the mean income per breadwinner in 2001 was used instead. Strictly speaking, this is not quantitatively comparable with other cities, but it works for comparisons within the region. Helsinki is at the same level as its periphery before the consumer unit conversion but above it by 6% after the conversion.

A number of types emerge among the cities. In terms of income level, the strongly centre-dominated include Spanish cities in particular, plus Paris and Rome. A category of centre-dominated – but to a lesser degree – cities includes Helsinki, Lyon and Ital-

**Figure 3: Calculation of the income median by consumer unit**



**Table 2: Original disposable income median and the median after a conversion into consumer units, €**

	Original		Y/R %	Converted		Y/R %	
	Core	Periphery		Core	Periphery		
1	Brussels	17,476	20,699	84.4	14,252	15,887	89.7
2	Antwerp	16,777	19,925	84.2	13,734	15,164	90.6
3	Liege	16,748	17,930	93.4	13,908	13,882	100.2
4	Berlin	16,100	17,072	94.3	13,561	13,557	100.0
5	Frankfurt	19,400	21,822	88.9	16,403	17,539	93.5
6	Munich	21,200	23,207	91.4	17,972	18,619	96.5
7	Rotterdam	21,800	27,001	80.7	18,063	20,783	86.9
8	Amsterdam	22,300	27,706	80.5	18,807	20,498	91.7
9	The Hague	23,200	27,854	83.3	19,223	21,799	88.2
<b>11</b>	<b>Helsinki</b>	<b>24,551</b>	<b>24,582</b>	<b>99.9</b>	<b>20,298</b>	<b>19,091</b>	<b>106.3</b>
12	Paris	19,055	16,681	114.2	15,878	12,576	126.2
13	Lyon	15,349	15,489	99.1	12,089	11,046	109.4
14	Strasbourg	15,196	17,462	87.0	11,988	12,452	96.3
15	Madrid	13,404	10,220	131.2	9,882	7,295	135.5
16	Seville	9,434	7,532	125.3	6,695	5,305	126.2
17	Valencia	12,148	9,695	125.3	8,988	7,066	127.2
18	Florence	22,919	22,605	101.4	18,140	16,826	107.8
19	Milan	27,988	27,298	102.5	22,495	20,635	109.0
20	Rome	21,225	21,225	100.0	16,244	14,361	113.1

**Table 3: Housing space per person and size of dwelling in core cities and peripheries**

	Housing space per person		Mean size of dwelling			
	Core	Periph	Core	Periph	R/Y %	
1	Brussels	36	34	74	83	111.4
2	Antwerp	36	32	73	81	110.0
3	Liege	37	33	72	78	108.6
4	Berlin	38	38	69	84	121.4
5	Frankfurt	38	43	68	92	135.8
6	Munich	40	44	71	94	132.6
7	Rotterdam	36	38	71	91	128.5
8	Amsterdam	34	34	62	92	149.8
9	The Hague	46	42	90	98	108.3
10	Copenhagen	44	45	80	100	124.9
<b>11</b>	<b>Helsinki</b>	<b>33</b>	<b>33</b>	<b>62</b>	<b>80</b>	<b>128.9</b>
12	Paris	35	31	67	80	120.2
13	Lyon	35	32	79	98	124.1
14	Strasbourg	36	32	81	100	123.9
15	Madrid	30	32	82	98	118.8
16	Seville	28	31	87	100	114.8
17	Valencia	35	36	95	104	109.4
18	Florence	40	39	89	103	115.3
19	Milan	38	35	81	89	109.9
20	Rome	35	32	86	86	99.7

**Table 4: Mean prices of dwellings in blocks of flats versus detached houses in core cities**

	Flat	House	Flat to house ratio x 100	
4	Berlin	1,202	1,759	68.3
5	Frankfurt	1,790	3,150	56.8
6	Munich	2,144	3,784	56.7
7	Rotterdam	960	1,423	67.5
8	Amsterdam	1,776	1,781	99.7
9	The Hague	1,662	1,546	107.5
<b>11</b>	<b>Helsinki</b>	<b>2,090</b>	<b>1,943</b>	<b>107.6</b>
12	Paris	1,200	1,400	85.7
21	Birmingham	1,650	1,318	125.2
23	Bradford	1,440	1,402	102.7
22	Liverpool	1,422	,992	143.3
24	Glasgow	1,301	1,321	98.5
25	London	2,667	2,904	91.8
26	Edinburgh	1,860	2,014	92.4

**Table 5: Prices per square metre (in €) of flats versus houses in core cities and peripheries in 2001**

City region	Flats			Detached houses		
	Core	Periph	C/P %	Core	Periph	C/P %
<b>11 Helsinki</b>	<b>2,090</b>	<b>1,537</b>	<b>136.0</b>	<b>1,943</b>	<b>1,190</b>	<b>163.3</b>
21 Birmingham	1,650	1,516	108.8	1,318	1,430	92.2
23 Bradford	1,440	1,618	89.0	1,402	1,120	125.2
22 Liverpool	1,422	1,201	118.4	992	1,129	87.9
24 Glasgow	1,301	1,100	118.3	1,321	1,163	113.6
25 London	2,667	3,876	68.8	2,904	4,173	69.6
26 Edinburgh	1,860	1,723	108.0	2,014	1,040	193.7

ian cities other than Rome. Typically periphery-dominated are Belgian, Dutch and German cities. Thus we can conclude that in terms of a crucial characteristic of wealth, i.e. income, there is no single typical European type of urban development. Instead, there are several. We may, of course, rightly note that a cross-section does not allow conclusions on past or coming trends. Nevertheless, it does allow conclusions on where development has taken us.

A general pattern is that the growth of city regions towards the periphery leads to a greater proportion of bigger dwellings in the periphery. The difference in mean dwelling size is greatest in Amsterdam, Frankfurt and Munich yet housing space per person in the periphery does not usually exceed the level found in the core city. This reflects the fact that especially larger families with children generally move to larger

dwellings, which are more typically found in the periphery – and at lower cost.

To get an idea of differences in preference for either owner-occupied blocks of flats or owner-occupied detached houses, we can look into housing prices. For most city regions, data on prices is only available for the core city, for which reason the following list is shorter than the ones above.

We notice that in terms of prices, living in a detached house is most popular in German cities and Rotterdam. Paris, London and Edinburgh are near this category too. Housing in flats in the core cities is most popular in the English city regions (except London), with Amsterdam and Glasgow showing a more or less fifty-fifty pattern. Thus, we cannot find a general pattern here, either, to indicate a clear social trend.

The availability of dwelling data on prices was rather poor. Comparable figures were found only for Finland and Britain.

Even if we eliminate the effect of the type of housing (flat versus house), Helsinki is the place where the core city has the highest prices compared with the periphery. London is a clear exception, with considerably higher prices in the periphery than in London proper. By London proper we mean the whole 7.2 million city of London, not just Inner London with its 2.1 million inhabitants. It is most probable that differences in prices between cores and peripheries in the UK are due to historical and local factors that cannot be accounted for here. In Finland, the Urban Audit also includes the regions of Tampere, Turku and Oulu. They show the same pattern as in Helsinki, with higher housing prices in the core than in the periph-

ery. But, unlike in Helsinki, the square metre price of houses is higher than that of flats.

Therefore in our comparison the Helsinki Region comes out as the type of region where the core has been attractive, the most obvious indicators being housing prices and inhabitants' income level. Labour force participation is high too, but the level of employment is lowered, as in many other core cities, by higher unemployment than in the periphery by higher unemployment than in the periphery. The indicators of our comparison suggest that Helsinki is not doing all that badly in a European context. The strong demand for core area housing shows Helsinki's appeal. Thus in the light of these findings, it would seem too hasty indeed to talk about a rise in status of the periphery at Helsinki's expense.

# Innovation ecosystem in city policy: the case of Helsinki

**Antti Hautamäki**

## **Background: globalisation**

In global economy locality is still relevant. The global economy could be defined as a worldwide network of local sites, which are nodes of the network. These sites are mainly cities and metropolitan regions. They are concentrations of resources; financial, physical, human and social capitals. Two features characterise the global economy: interdependence of regional economies and mobility of resources. The interdependency means that demand and supply are global, not only local. The mobility means that investments, services, products and labor force are moving all around the globe looking for best markets and environments. The big issue here is what kinds of factors are attracting resources to a certain region.

The aim of this article is to study flourishing conditions for cities in innovation economy. By innovation economy we refer to the fact that competitiveness of firms in the global economy is more and more based on their capability to innovate continuously. From that viewpoint the crucial question for regions is how to build the environment which is suitable for the innovation activities of firms. So we are talking about innovation environments and local innovation systems. The relative novelty of this article is to introduce a concept of the innovation ecosystem as a tool to analyze local conditions for innovation. By this concept new guidelines for developing cities and their policies could be achieved.

## **Innovations**

Although the concept of innovation is used everywhere, some explorations are in order here. Innovation is introducing something new, which creates a new dimension of performance. So innovation produces a substantial change, which increases value – economic or social. Innovation introduces something new and useful. One can identify a variety of types of innovation like business model innovation, marketing innovation, organisational innovation, process innovation, product innovation, service innovation and supply chain innovation. It is important to note that new technologies turn into innovations only after implementation in new products and processes.

The relationship between innovation and creativity is important to our analysis. Innovation involves creativity but is not identical to it. Creativity is a starting point of innovation. Innovation is the successful implementation of creative ideas within an organisation. For innovation an action is needed to convert great ideas into new products and values. Here the role of entrepreneurs is definitive, because there are practical, action-oriented people who have the ability to implement promising ideas. As Schumpeter said: "The inventor produces ideas, the entrepreneur gets things done."

The concept of innovation has led us to two central resources of innovation: creative people and entrepreneurs. Together they could introduce new prod-

ucts and processes which generate wealth for inventors, owners and regions. From the regions' perspective the innovation environment must provide good living and operating conditions for creative people and enterprises. The core of this is expressed in the concept of the innovation ecosystem.

## Innovation ecosystems

It is not a new phenomenon that companies in the same or related industries cluster in the same regions. Firms form local agglomerations, which effect competition. According to Porter the benefits of clustering are (Porter 1998):

1. Clusters increase the firms' productivity.
2. They help drive the direction and pace of innovation.
3. They simulate the formation of new businesses.

In general we can say that mobile resources tend to agglomerate because proximity provides several benefits not achieved by distance. The agglomeration concerns people as well as firms. Creativity attracts creativity.

Porter's cluster analysis does not completely explain the dynamics and evolution of innovation environments. A more promising approach is to apply the concept of ecosystem borrowed from biology to evolutionary economics (see Peltoniemi 2005). In ecosystems elements (like firms) are interacting and interconnected. There is cooperation and competition between them. The ecosystem is a complex, self-regulating dynamic system without centralised decision-making.

Silicon Valley is an illuminating example that helps understand the meaning of ecosystem to the innovation economy. Bahrami and Evans (2000) analyze Silicon Valley as follows:

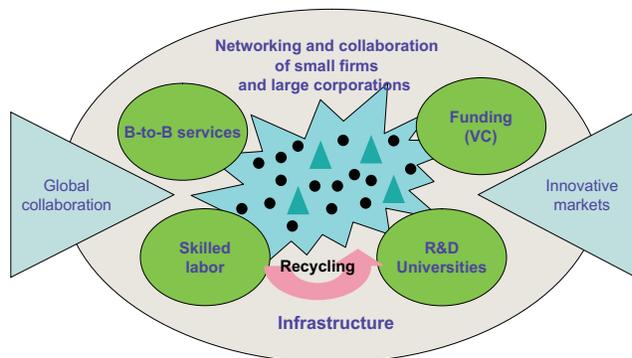
*"In much the same vein as a natural ecosystem, Silicon Valley's growth and success can be attributed*

*to the incessant formation of a multitude of specialised, diverse entities that feed off, support and interact with one another. The constituents of this ecosystem include venture capitalists, a global talent pool of knowledge professionals, universities and research institutes, a sophisticated service infrastructure, as well as many customers, lead users, and early adopters of new technologies." (p. 166) ... "This ecosystem provides an anchor of stability within which incumbent firms and new start-ups can flourish and become a source of innovation and employment, and yet remain sufficiently flexible to accommodate the constant stream of kaleidoscopic change." (p. 167).*

There are five main constituents in the Silicon Valley ecosystem according to Bahrami and Evans (2000):

1. Research institutes and universities for producing new knowledge, technologies and skilled workers
2. Venture capitalists for funding start-ups and rapid growth of firms
3. Sophisticated service infrastructure allowing start-ups to focus on their core competencies (contract manufacturers, accounting firms, law firms, design firms etc.)
4. Diverse talent pool of professionals from all over the globe
5. The pioneering spirit and relentless work ethic, which encourage taking risks and going to new fields and businesses.

What makes this system work and produce innovation is networking and recycling of people. The Silicon Valley ecosystem functions through an interconnected network of personal relationships, write Bahrami and Evans. The labor force is very flexible and professionals' mobility is highly rated. People are used to changing jobs often and crossing the borders of industries and universities. This movement circulates ideas and knowledge in the entire region. Most



networking is informal and takes place at restaurants, parties and leisure organisations.

One important argument for agglomeration of firms and the benefit of proximity is based on the nature of knowledge creation. Abstract knowledge is independent of context so that one could understand it without knowing the condition where it is created. There is also another kind of knowledge which is learned in practice. This tacit knowledge is based on experience and it is meaningful only for those who have similar experiences. Tacit knowledge always has a local character. Innovation processes use both kinds of knowledge: abstract, explicit knowledge and tacit, local and contextual knowledge (see Braun and Duguid 2002). Firms which operate in the same regions have direct or indirect access to the same knowledge base, including tacit knowledge.

Informal networking, face-to-face interaction and recycling form the basis of the dynamics of the ecosystem. But what makes this kind of ecosystem productive is the "life of firms". The ecosystem is a huge experiment in which best ideas and technologies are tested by the success and failure of firms. AnnaLee Saxenian writes that, "the high rate of failure as well as of new formation is a crucial source of collective learning in Silicon Valley" (Saxenian 2006, 34). Even more, in a rich ecosystem there are markets for highly specialised firms, which provide services, components and subsystems needed by other firms. Final products emerge in the collaboration between

these specialised firms. So the production system is decentralised and fragmented, like in biological ecosystems. (See the figure for elements of the innovation ecosystem.)

## Building attractive innovation ecosystems

We need to remember that in the global networked economy firms operate globally and could acquire the knowledge and services they need from anywhere they are available. Only world class ecosystems can attract investments, entrepreneurs and talents to their region. The basic components of ecosystem must be of a high quality (universities, funding possibilities, specialised services, talent pool and regional dynamics).

Now we are ready to point out some special requirements that competitive regions must meet. They are:

1. specialised skills and competences;
2. openness to international cooperation;
3. creative culture;
4. quality of life.

Every competitive region has its own strengths and focuses. It might be technology, basic research, industrial skills, services, culture or their combination, or something else. Achieving world-class quality presupposes that focuses are deep and broad at the same time. Depth means that the region has some highly specialised knowledge and skill. Breadth means that many kinds of activities are attached to this knowledge and to these skills – like research and development, traditional industry, start-ups, funding, trading etc. In the Helsinki Region one focus is surely on mobile technology. In this ecosystem there are universities (University of Helsinki, Helsinki University of Technology), small and large firms (like Nokia, Telia-Sonera), clusters and consortiums (like Forum Virium, see [www.forumvirium.fi](http://www.forumvirium.fi)) etc. (see

Hyytinen et al. 2006). Other emerging focuses include art and design, biotech and health care. One problem is that it is impossible to be good in many areas, and decisions on what to concentrate are very hard to make.

Openness is a necessary condition for attracting foreign investments and foreign professionals and talent. The Helsinki Metropolitan Area is the most internationalised region in Finland yet the Helsinki Region is more closed than, say, some of its neighbor metropolises like Copenhagen or Stockholm. In general, openness to other cultures is one of the major challenges faced by Finland and the Helsinki Region (see Castells and Himanen 2002). Our language and geographical position are not so attractive if we compare the Helsinki Region to Amsterdam, Barcelona or Dublin.

Internationalisation must take place inwards and outwards. Immigrants are important as a labor force in an aging country like Finland, but they also enrich the local culture and stimulate the renewal of old mindsets. Outward internationalisation is especially needed in innovation. Innovation processes are becoming more open and globally networked (see Chesbrough 2004, Zysman&Newman 2006). Knowledge is created in global collaboration between knowledge hubs, which provide complementary knowledge and skills. To build cooperation face-to-face communication is needed. Brain circulation between knowledge hubs is one of the most effective ways to share information and transfer technology (see Saxenian 2006). For a country as small as Finland this kind of global collaboration in innovation is a big challenge. Major actors in the Helsinki Region's innovation system have expressed a firm commitment to international co-operation in the new innovation strategy.

Creativity is generally accepted to be one of the most important factors for success. Richard Florida has shown in his studies that creative people like to

live in regions which are tolerant and open to new ideas, trends, cultural forms and differences (Florida 2002). The culture of creativity accepts failures and encourages trying different things. Although Finland is quite a homogeneous country it is creative, according to Florida's international comparison: Finland is third after Sweden and USA (Florida and Tingali 2004). This result is in accordance with the high rating of the innovativeness and competitiveness of Finland in several indices (World Economic Forum, The Global Competitiveness Reports).

Quality of life is becoming a more and more important success factor in the innovation environment. Creative people value it highly. For families with children it is a crucial criterion when selecting a place to live. Issues like traffic, security, environment, public services, public space, cultural life, restaurants etc. all have an impact on an innovation ecosystem or its working conditions (see Landry 2000). One can even argue that the welfare state has had a positive impact on the development of the economy and competitiveness of Finland. Castells and Himanen write: "Finland shows that a fully fledged welfare state is not incompatible with technological innovation, with the development of the information society and with a dynamic, competitive new economy." (Castells and Himanen 2002, 166.)

## **Policy recommendations for creation of a world-class innovation ecosystem**

The innovation ecosystem is first of all a descriptive concept for understanding the structure and dynamics of a business environment. Ecosystems are not created through top-down steering. They are self-regulating systems of interacting elements like start-ups, incumbent firms, universities, financing institutions, specialised services and talented people. It is said that the innovation ecosystem is like a rain for-

est where new species are continuously emerging by mutation. The ecosystem is a complex experimentation field of ideas and businesses.

Still, the ecosystem is a part of a much larger environment including municipalities, governmental organisations, legislation etc. Although the dynamics of the ecosystem is a function of networking and creative culture, public agencies could build an enabling platform for the ecosystem. This presupposes cross-functional cooperation between all partners and stakeholders. Especially important is the cooperation between firms, universities, venture capitalists and other financiers, and municipalities. The role of the City of Helsinki is to build partnerships and enforce cooperation (see also Culminatum 2005).

In the previous section we presented four requirements for a competitive region: focuses of skills and knowledge, openness, a creative culture and quality of life. In all these areas the city could have a considerable impact. In particular the city has resources and tools to develop a creative culture and quality of life (see Landry 2000 and Isocarp Review 2005). They are necessary to attract talented, creative people.

To develop further the innovation policy of the City of Helsinki a more profound study of the innovation ecosystem of the Helsinki Region is needed. We do not know enough about the elements and dynamics of our business environment. On the other hand, recent studies in regional development, innovation processes, networking and innovation ecosystems provide a solid theoretical background for a deeper empirical study of the Helsinki Region too. City of Helsinki Urban Facts has good resources to implement such a study.

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# On the path of learning

## Urban segregation and the educational outcomes of comprehensive schools in Helsinki

Venla Bernelius

**In this article I analyse how urban segregation is connected to educational outcomes in public schools in Helsinki. Socio-economic structures in the catchment areas of schools influence the schools' operational conditions, mostly through selection of students. At the same time, particularly successful or weak schools can influence their neighbourhoods since the reputation of the local school is an important factor for the choice of neighbourhood among families with children.**

Educational outcomes at comprehensive schools in Finland, i.e. the results achieved by pupils in standardised tests, have been studied from a local point of view in a very limited way. However, schools do not work in a vacuum, and statistical analyses of schools in Helsinki have shown that the pupils' social background (mother's education) explains as much as 85 per cent of the variation in educational outcomes between schools (Kuusela 2002).

Kuusela's study is the only existing Finnish study where educational outcomes have been related to the school's background variables. He calculated the prediction power of variables chosen for the Positive Discrimination Index (PDI) used in Helsinki. According to

Kuusela, roughly half of the variation in educational outcomes between schools could be explained by using these PDI variables, which were originally produced to assess the extra support that single schools needed.

The lack of research on educational outcomes and underlying geographical factors is related to the general novelty of comparative research on educational outcomes in Finnish schools. The Finnish education system is known for producing relatively equal and good outcomes, as can be observed in the international PISA assessments and the differences between schools have long been assumed to be very small. The first large-scale evaluation was made in the late 1990s, and after discovering noticeable differences by Finnish standards, research on the subject has increased in quantity in recent years (Jakku-Sihvonen 2002).

For both educational policy and urban planning it is essential to know the relationship between the urban structure and the educational outcomes of schools. Good outcomes in comprehensive schools give the pupils important skills for adult life and the possibility to carry on with further studies. Distinctive differences in educational outcomes between schools are also considered to be in conflict with the Finnish interpretation of equal opportunities in education

(Jakku-Sihvonen 1996; Haatainen 2003). For this purpose, we need knowledge of the factors that influence educational outcomes. From the urban research perspective, outcomes in compulsory education are interesting because they provide examples of the consequences that social differentiation between neighbourhoods may have. Furthermore, educational outcomes raise the question of how the success and reputation of a school influences the socio-economic structure of the neighbourhood around it. Research on the subject is increasing in importance, since there are signs of growing socio-economic and spatial differentiation in Finnish society and in the Helsinki region in particular (e.g. Vaattovaara & Kortteinen 2002).

## Quantitative research

I have had two objectives in my study. Firstly, I want to assess the level of correlation between educational outcomes in various schools and the characteristics of their catchment areas. My second objective has been to find out how the policy of free school choice has influenced differences in outcomes between schools. In the mid-1990s, parents received the right to enrol their children in any school in the city as long as there were places available. The idea of this reform was to encourage positive differentiation between schools and thus increase the choices available to pupils and make education more varied. However, its effects on educational outcomes in schools have not been studied.

In my study, I have used the Finnish National Board of Education's statistics on educational outcomes in comprehensive schools during the period 1999–2002. The idea of using averages for several years was to minimise random deviation. The subjects in which educational outcomes were measured were Finnish and mathematics, and the material covers almost all those Finnish-language comprehensive schools (for 7–16-year-olds) in Helsinki that have a

catchment area, i.e. a district of their own. Finnish basic education is divided into two levels: primary (7–12-year-olds) and lower secondary (13–16-year-olds) level of comprehensive school, and these levels, or schools, have been analysed separately.

The data also includes information on choice of school among 13–16-year-old pupils. I describe the elements of urban structure of the catchment areas by using relevant local statistics from Statistics Finland and Helsinki City Urban Facts. This material, consisting of 26 background variables, contains data on both the physical and socio-economic features of the catchment areas. All PDI variables have also been included in the data.

## The location of schools

Location is something that obviously dictates certain conditions for the work of individual schools. The correlations between the most important catchment area characteristics and educational outcomes in pri-

**Table 1. The loadings of catchment area characteristics (urban structure) to the factor of "local educational deprivation"**

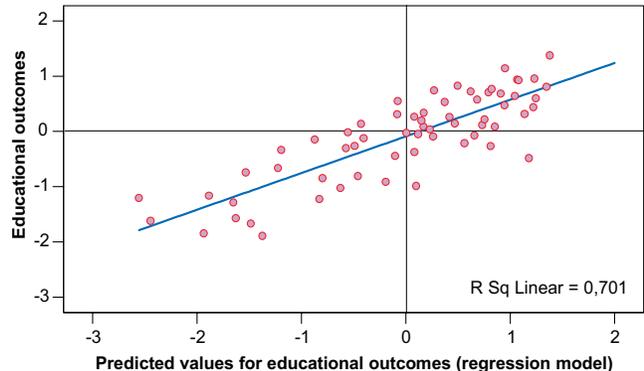
Variables that describe the urban structure	Factor loadings
state-subsidised rented dwellings	0.91
public housing in general	0.90
low education in adult population	0.90
income benefit recipients (pdi)	0.86
level of unemployment (pdi)	0.86
city tenants (pdi)	0.84
residents with a foreign language	0.78
foreign nationals	0.74
lone parents (pdi)	0.71
three-room dwellings	0.68
rented dwellings	0.56
owner-occupied dwellings	-0.60
large family dwellings	-0.61
Swedish-speaking residents	-0.69
dwellings with more than five rooms	-0.70
housing density	-0.77
square metre price of dwellings	-0.78
income of families with children (pdi)	-0.90
high education in adult population	-0.94

Strong positive values indicate strong factor loading (educational deprivation) and strong negative values weak factor loading (educational well-being)

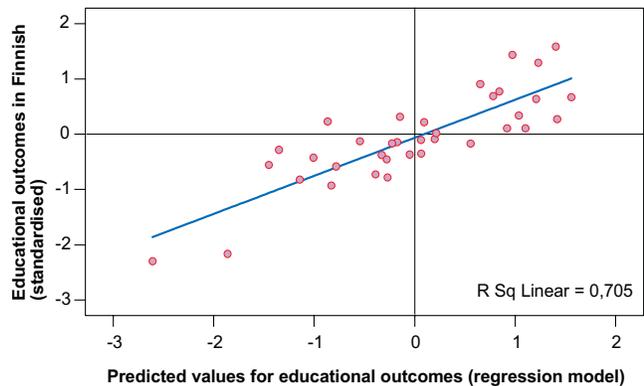
primary schools are almost 0.8. The variables correlating very negatively to educational outcomes are the proportion of public housing in the area (correlation  $-0.77$ ), a low level of education among adults ( $-0.74$ ), and the proportion of people with a foreign native language, i.e. immigrants ( $-0.74$ ). Especially strong positive correlations can be seen between educational outcomes and a high level of education among adults ( $0.74$ ) and the price (per square metre) of dwellings in the neighbourhood ( $0.57$ ). Elements of the urban structure related to educational outcomes also correlate with each other, which means that they accumulate locally. Using these variables in principal component analysis, it is possible to form one factor that has a very strong negative correlation to educational outcomes. This factor could be termed as the factor of "local educational deprivation", as it sums up the catchment area elements most relevant to educational outcomes.

By applying a regression analysis it is possible to study how well educational outcomes can be predicted by using a model consisting of urban structure variables, i.e. to assess how well educational outcomes can be explained by catchment area characteristics. The best model is achieved by combining the proportion of public housing, residents with a foreign native language, and adults with a low education. With such a model it is possible to explain as much as 70% of variation in educational outcomes in primary schools and 65% in lower secondary schools. If the combined Finnish and mathematics outcomes are separated and only the Finnish outcomes are used in the model for lower secondary schools, the degree of explanation becomes as high as the one observed in the primary schools. These degrees of explanation are very high, and it can easily be observed in the regression plots that only a handful of schools differ noticeably from the predictions based on their catchment area (Figures 1 and 2). The figures show the prediction as a regression line on which all the

**Figure 1. Regression line and educational outcomes in primary schools**



**Figure 2: Regression line and educational outcomes in lower secondary schools**



values of the schools would lie if the model were a hundred per cent accurate.

The lower degree of explanation for lower secondary schools seems to be related to the fact that it is more common at that level than at primary school level to go to a school outside one's own school district (Autio 2000). The free choice of school increases the variance in educational outcomes between schools, i.e. it makes the difference between the

weakest and strongest schools grow. Almost two-thirds of those choosing another school than the one in their own district go to a school that has better educational outcomes. Also, outcomes are clearly better among those who change schools than among those faithful to their own district. Thus, in practice, the choice of schools implies a selective flow of pupils to more successful schools. If we account for the effect of the choice of school in the regression model for lower secondary schools, the degree of explanation for outcomes in Finnish reaches almost 80 per cent.

Geographically the pupil flows caused by freedom of choice go in the direction that Seppänen (2001, 2004) describes in her study on choice of school, namely primarily from the peripheral areas towards the inner city. The most popular schools are generally the old schools in central Helsinki, where the socio-economic structure is very favourable, and the least popular schools are those in the old suburbs far from the city centre. However, there are instances of peripheral schools attracting pupils from neighbouring districts.

## Discussion

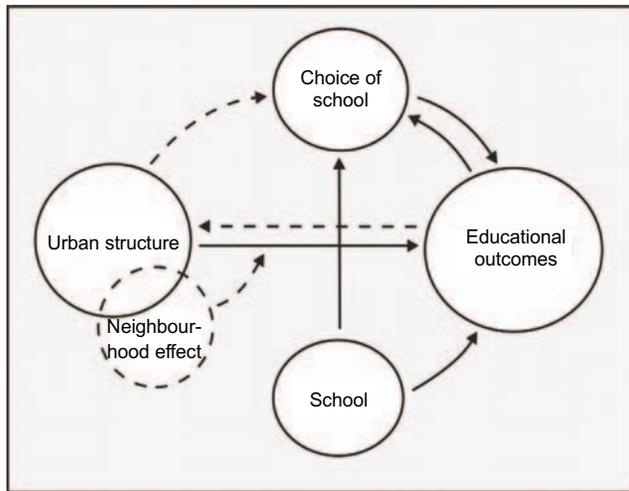
By international comparison, Finland is still a very homogenous society with small income differences and a low level of spatial segregation. In this comparison, Helsinki and its urban region also appear as a socially very homogeneous urban region, with small local variation. However, compared with the rest of Finland, the Helsinki region shows a more polarised pattern, particularly in terms of educational outcomes. A national evaluation of educational outcomes has shown that Finland's weakest school, but also its strongest one, are both located in the region (Jakku-Sihvonen 2002). In Helsinki, there are local accumulations of both favoured and less favoured areas in terms of education, and schools tend to form geographical agglomerations with other schools of a similar outcome level.

The strong correlation between educational outcomes and the socio-urban structure in school catchment areas strongly challenges the principles of Finnish educational policy. The degree of success of individual schools tends to be "hereditary" not only socially but also locally through urban segregation. Contrary to the ideal of equal opportunities for education, the educational outcomes of a school are not independent of the background of the pupils, and differences in social structure between districts translate into differences in educational outcomes between schools. Although these differences between schools are still small by international standards due to the relative homogeneity of Finnish society, these differences might start growing if socio-economic differences become more noticeable.

Yet, an encouraging finding is that the outcome data in this study does not yield significant evidence of neighbourhood effects such as schools in deprived areas getting lower outcomes than anticipated in the linear model. Deviations from predictions made on the basis of urban structure are random both in weak and strong school districts (Figure 1). The only exception is the subject Finnish in lower secondary schools, where we can see that the weakest schools are producing outcomes that are systematically lower than anticipated (Figure 2).

For urban research and planning, the relationship between educational outcomes and socio-urban structure is interesting, particularly in terms of the city's future social structure. The fact that education tends to be locally hereditary contributes to maintained social differentiation, and moreover, it is possible that the success of schools may influence the choice of neighbourhood of education-oriented families with children. Such a phenomenon might cause a vicious circle of cumulative growth of the differences between neighbourhoods. In short: the reputation of a school would influence the demographic structure of its neighbourhood (Figure 3). This process can already be seen in several European countries, but the

**Figure 3. Internal influences between educational outcomes and certain background factors**



phenomenon has not yet been widely accepted or thoroughly researched in the Finnish context.

(By urban structure we mean the urban structure of the school’s catchment area and by school all the elements of the local school that are independent of the school’s student population, such as quality of teaching and resources. Uncertain influences are marked with dotted lines.)

Due to lack of research, there are surprisingly few research findings on the role of schools in the choice of neighbourhood among Finnish families. However, in the light of the existing studies, it seems clear that the reputation of the school does make a difference in the housing decisions of families (Kahila 2005). In Kahila’s questionnaire for young families, the reputation of the local school was mentioned as one of the main factors influencing choice of neighbourhood. The local school is important for the families, since although the children can apply to any school in the city, the most popular schools are unable to take in all applicants due to class sizes and teaching resources. Practically the only way to ensure a place in a very popular school is to live in its catchment area.

Although academic research in the matter has not been very lively, there has been a lot of public debate on schools and choice of neighbourhood in playgrounds, the media and during coffee breaks at scientific seminars. A phrase often heard is that middle-class families are prepared to move to secure a place in a “good” school. Since there are no private options at comprehensive level, it is not possible to purchase access to exclusive education. An example of the public debate is a column titled *Opin tiellä* (On the Path of Learning) in the *Helsingin Sanomat* daily, with the Finnish heading containing a pun referring both to learning and some areas “being in the way” of children’s education. The column claims there is a fierce battle going on for places in the most successful schools and that families are moving to other neighbourhoods in the hope of securing a place in a specific school for their children (Nykänen 2006).

It is hard to tell how correct such statements are, but there is no doubt that they reflect the opinions of certain groups of people. In order to avoid the internationally-documented situation where migration between school districts creates further differentiation in the socio-economic structure of districts, parents must be convinced that all schools can provide the best possible teaching – that your own neighbourhood is not an obstacle on your child’s path to learning. The quality of teaching staff is already very high in all schools, and urban planning can be used to provide further support to public confidence in the local school. Urban planning can be helpful in preventing local accumulation of educational deprivation factors and thus contribute to keeping the differences in educational outcomes between schools to a minimum.

The article is based on the author’s Master’s Thesis *Onko oppimistulokset valettu betoniin?* (Are educational outcomes real estate? – a study on the relationship between educational outcomes and urban structure in Helsinki, and the effects of free school choice.

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# Graduate employment and entry into further education

Sanna Ranto

**Almost regardless of people's level of education their level of employment is higher in the Helsinki Region than elsewhere in Finland. This applies to fresh graduates too in the sense that vocational secondary and polytechnics graduates in Helsinki have had greater success in finding work than their peers in Finland as a whole. At university level, on the other hand, graduates from other parts of the country have been more successful. The proportion of tertiary-educated people is greater in Helsinki than the rest of the country. However, young people in Helsinki more often have only completed general education than their peers elsewhere. It takes a longer time for young people to take up further studies in Helsinki than elsewhere.**

## Plenty of highly-educated labour in Helsinki

Compared with the rest of Finland, Helsinki has a greater proportion of people with a tertiary education and a smaller proportion of those with a vocational secondary-level education. In Helsinki 1 in 3 of over-15-year-olds have completed tertiary education (ISCED 5–6) while in the rest of Finland the figure is 1

in 4 (Table 1). The rate of those with a vocational secondary-level education is, on the other hand, is only 19% in Helsinki versus 32% in the rest of Finland. Compared with other European capitals, Helsinki has one of the highest-educated populations.

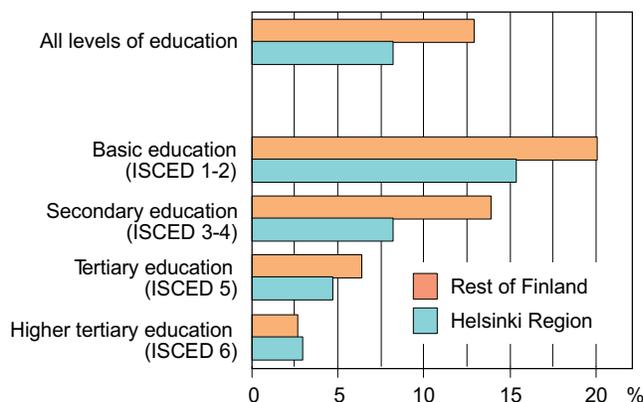
Unemployment is lower in the Helsinki Region than the rest of the country at all levels of education excluding higher tertiary education (Figure 1). As a rule, unemployment falls with rising education.

**Table 1. Population in Helsinki aged 15 or over by level of education and gender at end-2004**

Level of education (ISCED)	Total	Women	Men
ISCED 1–2 Basic education	31.8	31.6	32.0
<b>Population with educational qualification</b>	<b>68.2</b>	<b>68.4</b>	<b>68.0</b>
ISCED 3 General secondary education	14.9	14.6	15.3
ISCED 3-4 Vocational secondary education	19.1	18.0	20.4
ISCED 5-6 Tertiary education	34.2	35.8	32.4
ISCED 5B programmes	11.6	13.6	9.1
ISCED 5A programmes	21.1	21.1	21.1
ISCED 5A Medium programmes (Bachelor level)	8.4	8.8	7.9
ISCED 5A Long programmes (Master level)	12.7	12.2	13.3
ISCED 6 Second stage of tertiary education (Licentiate's and doctor's degree)	1.6	1.1	2.1
Population aged 15 and over	477,818	258,658	219,160

Source: Statistics Finland.

**Figure 1. Unemployment rate in the Helsinki Region and the rest of Finland by level of education at the end of 2004**



Source: Statistics Finland.

### Fewer take up secondary studies immediately

In Finland, general education consists of the nine-year compulsory basic education (ISCED 1-2) and three-year general secondary education (ISCED 3). This education provides the basis for further studies or training, but it does not make you qualified for a profession, nor usually for a job either. Among those 5,240 who completed their basic education in 2004 in Helsinki, 88 per cent took up degree-oriented studies the same year. This figure was 94 per cent in Finland as a whole.

A smaller proportion of young people in Helsinki taking up degree-oriented studies is primarily due to the fact that more prefer to opt for a short education that does not lead to a degree. A voluntary tenth year after basic education attracts particularly many students: in 2004 eight per cent of those having just completed their basic education took up a tenth year.

Only a small proportion, 2.7 per cent, of those who finished their basic education in 2002–2004 entered employment on a permanent basis. Only 0.3 per cent were unemployed at the end of the year they completed basic education.

### Three-quarters go to general upper secondary schools

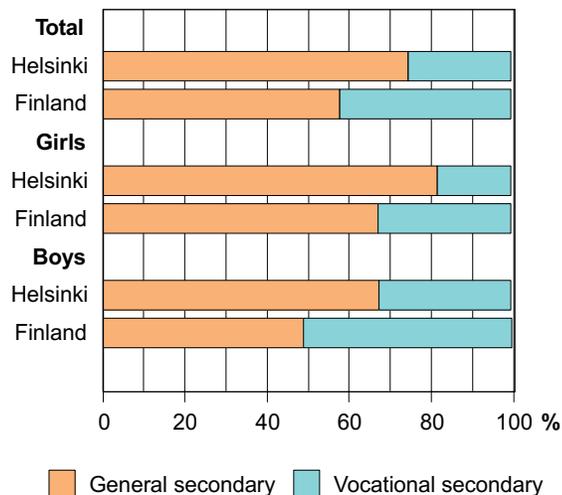
The general upper secondary school is popular among those in Helsinki who have just finished basic education. In 2002–2004, 74 per cent of them took up general upper secondary studies. The corresponding rate in the country as a whole was 58 per cent (Figure 2). Girls clearly more often opt for general upper secondary whereas boys more commonly choose vocational upper secondary education: among girls having finished their basic education in 2002–2004, 81 per cent had gone to general upper secondary and 18 per cent to vocational upper secondary school by 2004. Among boys, 67 per cent went to general and 32 per cent to vocational education. However, gender does not make a difference in terms of taking up secondary studies: the share of girls and boys was equal.

### Time gap between general secondary and further studies

Of the 4,379 people in Helsinki who completed general upper secondary education in 2004, 36 per cent immediately took up degree-oriented studies. The largest proportion – 41 per cent – of these were employed and 3 per cent were unemployed at the end of their matriculation year.

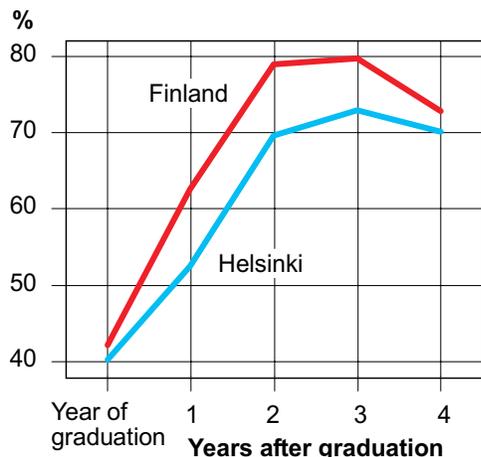
Both in Helsinki and Finland as a whole, the period between matriculating from general upper secondary school and taking up further studies is relatively long. An analysis of main activity (see page 32), i.e. occupational status among general upper secondary school graduates from Helsinki in 1996–2004 shows that at the end of their matriculation year 40 per cent were studying for a degree, 36 per cent were employed, 3 per cent were unemployed and 11 per cent were doing their military or non-military service. A year after matriculation the rate of those studying for a degree had risen to 52 per cent and in two years'

**Figure 2. Persons having completed their basic education in 2002–2004 by choice of general/vocational secondary studies in 2004**



Source: Statistics Finland.

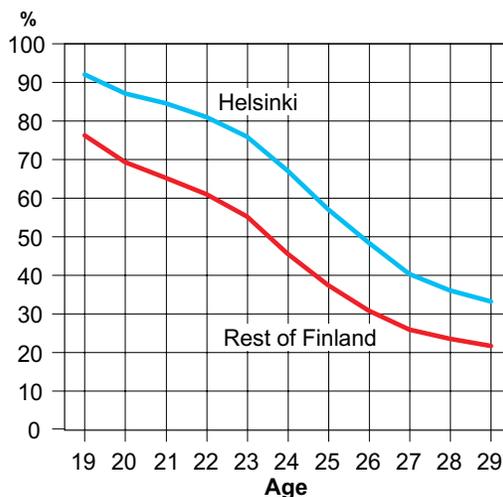
**Figure 3. Proportion of students for a degree among those having graduated from general secondary in Helsinki and Finland in 1996–2004 – breakdown into year of graduation and following years**



Averages of graduates in 1996–2004. Students = full-time and employed students.

Source: Statistics Finland.

**Figure 4. Proportion of 19–29 year olds with a general education only (basic + secondary) in Helsinki and the rest of Finland in 2004**



Source: Statistics Finland.

time to 70 per cent. Their proportion was at its highest (73 per cent) three years after matriculation (Figure 3). In Finland as a whole, the proportion of general secondary graduates studying for a degree 1 to 3 years after matriculation was roughly ten percentage points higher than in Helsinki.

### Employment levels high among vocational graduates

In the early 2000s, graduates from vocational upper secondary schools (ISCED 3-4) in Helsinki and the eight polytechnics (ISCED 5A) in the Helsinki Metropolitan Area (which includes Helsinki and the three closest neighbouring municipalities) were more successful at entering employment than their peers in the rest of Finland. In addition, they managed to access employment faster; most had found a job by the end of their year of graduation.

Among those who graduated in 2002–2004 from a vocational upper secondary school in Helsinki, 72 per cent had found a job by the end of their year of graduation. Only 8 per cent were unemployed, as com-

pared with 20 per cent in the rest of Finland (Figure 5). A year after graduation the proportion of those employed had increased to 74 per cent and the proportion of those unemployed decreased to 6 per cent in Helsinki. 15 per cent of vocational upper secondary graduates were studying for a new degree a year after graduation.

Among those who graduated in 2002–2004 from polytechnics in the Helsinki Metropolitan Area, 79 per cent had a job at the end of their year of graduation and 82 per cent one year after graduation. Only 7 per cent were unemployed at the end of their year of graduation and just 4 per cent a year after graduation – clearly lower figures than in the country as a whole. Almost one in ten pursued degree-oriented studies one year after their graduation.

### University graduates not as quick in finding jobs

In 2002–2004 access to employment among university graduates from the Helsinki Metropolitan Area was slightly below that among university graduates elsewhere in Finland. Only 60 per cent had entered employment by the end of their year of graduation and the same proportion a year after graduation. The corresponding rates for the rest of Finland were 61 and 64 per cent. Yet, the proportion of those unemployed is lower in the Helsinki Metropolitan Area, with only 5 per cent not employed at the end of their year of graduation and 3 per cent a year later.

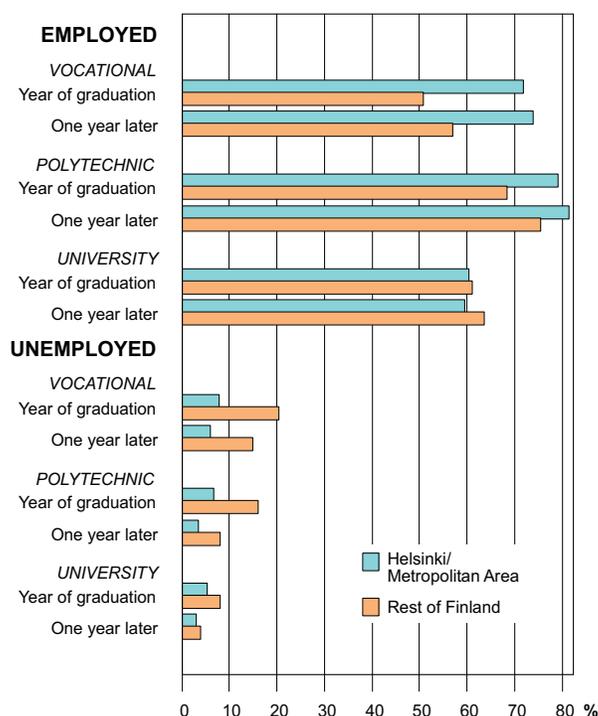
Many university graduates continue their academic career and engage in post-graduate studies. One year after graduation, this proportion was 30 per cent in the Helsinki Metropolitan Area and 26 per cent elsewhere in Finland. PhDs had the highest employment rate one year after graduation at 73 per cent. Those having a higher university level (master’s) degree had the second highest employment rate at 64 per cent (Figure 6). The rate of unemployment was highest among higher university level graduates

(master’s), but still less than 4 per cent were unemployed a year after graduation.

### Four in five of tertiary-educated people stay in the Helsinki Region

As Figure 7 shows, four in five of those who graduated in 2002–2004 from a university or polytechnic in the Helsinki Metropolitan Area found a job in the Helsinki Region (a wider region around Helsinki). At the same time, one in five of those who graduated from a university elsewhere in Finland found a job in the Helsinki Region. To polytechnics graduates from elsewhere, the Helsinki Region’s appeal was not as

**Figure 5. Proportion of employed and unemployed among graduates from vocational secondary schools, polytechnics and universities at the end of the year of graduation and a year later**

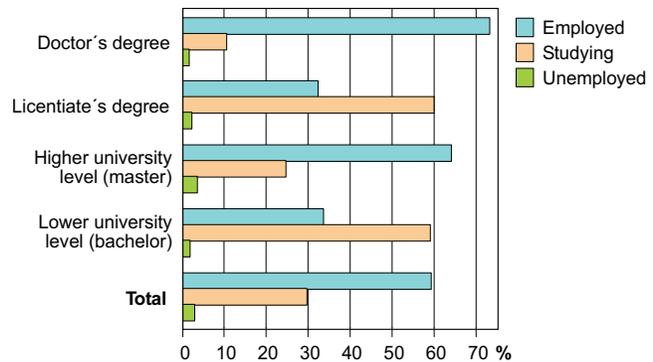


Averages of graduates in 2001–2004.

Source: Statistics Finland.

strong: 15 per cent came to the region for work. Among vocational upper secondary school graduates in Helsinki, 71 per cent found a job in the Uusimaa province. Of their peers in the rest of Finland, 18 per cent found a job in Uusimaa.

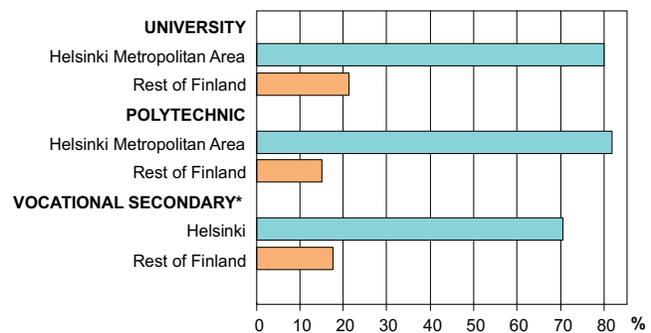
**Figure 6. Students having graduated from universities in the Helsinki Metropolitan Area in 2001-2003 by main activity one year after graduation**



Source: Statistics Finland.

In this article, graduates have been analysed with regard to the concept of main activity, i.e. employment status. The concept here refers to what the person has been doing in terms of employment, studies, retirement etc. during the last week of the year, not during the whole year. The population is divided into those belonging to the labour force and those outside it. These groups can be divided further into sub- groups. Students also in gainful employment are classified as students here. The proportions of those employed and those unemployed have been calculated among fresh graduates, not among the entire labour force.

**Figure 7. Proportion of those graduated in 2000-2004 in the Helsinki Metropolitan Area or the rest of Finland who had found a job in the Helsinki Region by the end of 2004**



*\*Proportion of those having graduated from vocational secondary in Helsinki between 2001 and 31 July 2004 who had found a job in the Uusimaa province by the end of 2004.*

Source: Statistics Finland.

# Sato's New Loft in Arabianranta – a new alternative to residential block construction

**Ari Niska & Markus Laine**

Construction on a new type of apartment block, a new departure in Finnish construction, will start soon in Arabianranta. The flats in it will be loft apartments sold in an unfinished state. The future residents will plan and build the finishing touches themselves – or have them done.

What is the position of the authorities, the developers and the contractors concerning this kind of project? What about the residents: are they interested in this kind of housing idea? Sato's "new loft" proves that there is more demand for new alternatives in residential block construction and that they stand a better chance of being implemented in practice than anyone dared believe.

## **A need for new alternatives in housing construction**

The new apartment block developments built in Helsinki and the apartments within them are all very similar, irrespective of where in the city they are built (see e.g. Fassbinder 1997, Warttinen 1997, Ilonen et al. 2006). In discussing the different alternatives, the focus is usually only on the statistical classification of residential buildings: single-family houses, terraced houses and apartment blocks. However, it will be crucially important for Helsinki in the future to be able to offer different alternatives to living in

apartment blocks. The key question here is how these new housing solutions will emerge, or whether they can be created. Sato's "new lofts" in Arabianranta that are now being built provide one answer to this question.

Sato's "new loft" represents an exceptional solution in block living in Finnish conditions and a new approach to planning. The apartments are two storeys high and the interior is unfinished and open, without features such as partition walls and kitchen interiors. Architect Pia Ilonen summarises the planning concept with the phrase "your own house in a block of flats", as the planning of the finishing and, in part, building of the apartments has been left to the buyers.

The apartments will be priced under HITAS regulations, that is to say, in accordance with the real contracting costs and the reimbursement to the developer of costs and expenses approved by the City. However, those who buy a "new loft" now will not be bound by the maximum sales prices set down in the HITAS regulations if/when they sell it in the future. Sato's "new loft" attracted a great deal of interest and consequently all 39 flats were sold in less than a minute when they came on the market in spring 2006.

This article describes how Sato's "new loft" residential blocks of Arabianranta developed from a design idea to the choice of a construction company. The creation of new models in housing construction is

not at all straightforward, because it is subject to various instructions and provisions in the Land Use and Building Act and the Housing Transactions Act. However, the fact that Sato's "new lofts" in Arabianranta have made it to the implementation stage proves that the prescriptiveness of these provisions may have been exaggerated.

## The traditional loft

The word 'loft' has a well-established meaning in English: it refers to the space inside a roof, which is a potential storage place or potential additional living space. When it became more common to convert industrial premises and warehouses into housing in the western world, at the end of the 1960s and the beginning of the 1970s, this kind of housing unit became known as a loft apartment.

Industrial premises were left vacant as the number of workplaces in industry began to fall in the 1950s and numerous textile mills, engineering works and printing houses became outdated in terms of technology and unwanted as a result. The economic recession in the 1970s served to further accelerate this change. In New York alone, a total of 380,000 jobs were lost in 1970–1975, two-thirds of them in industry (Zukin 1989, 29). In fact, loft apartments are something of an American phenomenon, although they were certainly built elsewhere, too, and examples include the London dockside districts and along the canals in Amsterdam. As a result of the plentiful supply of vacant factory halls in American cities, a great deal of business activity emerged in the field of building and marketing loft apartments.

In a loft apartment, all housing amenities, and, quite often, workspaces as well, are located in one open space. Artists were the first to use the modest and inexpensive factory halls that came on the market, and it was not until the 1970s that others began to take an interest, too. The burgeoning and highly

educated middle class began to take an interest in loft living as a manifestation of the 1960s spirit of protecting old buildings, choosing radical new living arrangements and combining housing and workspaces in an artistic spirit. Many of these new loft residents worked in the new museums and art galleries, and for them, living in an old factory became a means of expression for a "post-industrial" civilisation (Zukin 1989, 58–81).

## The genesis of sato's new loft idea

"New loft" is still not an established term. In this context, it refers to an apartment that has a floor plan similar to that of traditional loft apartments, but which is executed as a new construction rather than as a conversion. The designer of the Sato's new loft has not found anything quite like these loft apartments in new buildings anywhere else in the world. However, recent international examples of different building practices provided inspiration for the new loft idea created by architect Pia Ilonen, the idea that Sato seized on.

In May 2003, the Architectural Design Sub-committee of the Helsinki Building Control Commission, of which architect Pia Ilonen was also a member, took a study tour of new constructions in European dockside districts (see Jääskeläinen 2003). In the Holmen district of Copenhagen, in front of a former torpedo hall with a four-metre ceiling height converted into housing, she began to develop an interest in high-ceilinged living spaces.

There we stood, talking together in wonder about the fact that this sort of thing did not exist in Finland and in Helsinki, specifically. And then Pia suggested that it might be something to do with the legislation. I said that as far as I knew, there were no regulations to prevent it. Well, that gave Pia an idea and she decided she would explore the idea further. And that's how it all started. (Interview with Lauri Jääskeläinen on 1 September 2006.)

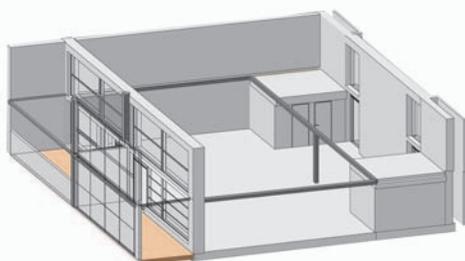
The idea took shape further in Amsterdam:

We took a day trip to Amsterdam. There we stood with the other civil servants by the window of a new flat in the process of construction, watching as the future residents carried skirting boards into their new home. I asked Annukka Lindroos of KSV, who was standing next to me, why this ‘unfinished’ tradition had not yet taken hold in Finland. I put the ball in the civil servants’ court, saying “do something about it”. I got it right back with the comment “why don’t you do something, call a construction company, for instance.” (Interview with Pia Ilonen on 1 June 2006.)

The unfinished approach was worth striving for in Ilonen’s opinion, especially as it would reduce the price of the apartments. A cheaper price would enable more people to buy a bigger flat from the beginning, one they could later finish and convert according to their own needs and financial situation.

The idea had the nature of a pilot experiment because it was based on the principle of offering a loft apartment, specifically one high-ceilinged space of 50–102 m<sup>2</sup>, with extensive planning permission for a loft storey. It was also to be unfinished in terms of fittings and fixtures, but nevertheless inhabitable at the time of purchase. The residents can design their own apartment or have it designed and they can build it in part or have it built, all according to their own needs. This strives to enable individual housing solutions and a favourable purchase price. (Pia Ilola’s sketches of new lofts for a statement by the Architectural Design Sub-committee 21.6.2005.)

**Illustration showing Sato’s 102 m<sup>2</sup> “new loft” apartment (Arkkitehtuuri ja muotoilutoimisto Talli Oy).**



## Resistance to the idea

When Pia Ilonen set out to present her idea of the new loft to construction companies, the response was unenthusiastic. The idea was branded “Russian”, because it is quite common in Russia to sell unfinished space in new buildings. It was felt that Finns would not be likely to take any interest in semi-finished spaces, even if they are also prevalent in Continental Europe.

I think that its entire image is sort of “Russian” in the sense that they don’t think it will sell. It would be a completely strange idea to sell unfinished space here. (Interview with Pia Ilonen on 1 June 2006.)

Another major obstacle was considered to be the various building regulations, as it was thought that these would make a project such as the “new loft” impossible. There is also a general belief that the Housing Transactions Act prevents the sale of an unfinished space. Some of the issues concerning responsibility were also a cause for concern. For instance, if you build a semi-finished space, who is then responsible for the final result?

These issues of responsibility: I’m sure the construction companies and developers are having nightmares about the kinds of problems and conflicts that could arise, as even fully completed buildings are often a focus of disagreements. (Interview with Tuomas Kivelä on 16 August 2006.)

It was also thought that unfinished apartments would eventually end up being more expensive for the residents.

These so-called stripped apartments, well, the idea has been raised every now and again, but the criticism has been that they ultimately end up more expensive in terms of overall costs. — A developer can order fitted kitchens and doors and windows at about 40 per cent below the price that an ordinary person has to pay if they go to

the hardware store to order these things, and then they would still have to install them themselves. (Interview with Tuomas Kivelä on 16 August 2006.)

The city of Helsinki had previous experience of rising costs, too. In the early 1990s, for example, a developer built one-family houses in Malminkartano where all the external structures were completed and the residents then finished their new homes. During the project, the economic recession had time to set in and reduce the cost of contracting. In the end, it was cheaper to order a house on the turnkey principle than to build it yourself.

A general factor that prevents the implementation of new ideas is naturally the fact that there is far more work involved in creating the ideas for new solutions and then implementing them than there is in repeating old models. If the new concept is a failure or turns out to be a one-off, it means that there will be little profit arising from all the work done even in the foreseeable future. Construction companies also make less profit on semi-finished projects than completed building projects.

## **The binding nature of the legislation**

Since the construction companies did not take any interest in the new lofts, Ilonen decided to approach the City of Helsinki civil servants. The civil servants and city planners showed an interest, which was perhaps surprising, but a promising start. Tuomas Kivelä, real estate advisor at the City Real Estate Department, Lauri Jääskeläinen, Head of the Helsinki Building Control Department, and the two city planners in charge of the area, Mikael Sundman and Pekka Pakkala, were all very favourably disposed towards the project, if not to say enthusiastic.

I gave a farewell speech about creative civil servants. They are an absolutely vital requirement for passing projects like this.— Tuomas

Kivelä, who is in the Real Estate Department, was incredibly excited about this and he was naturally the person who presented it at these plot allocation meetings. — Lauri Jääskeläinen of the Building Control Department was also enthusiastic about the idea. There are management-level people in all departments who supported this idea. (Interview with Pia Ilonen on 1 June 2006.)

When the whole matter was investigated more thoroughly, it became clear that there was no legislation on building that would prevent the implementation of the new loft project. In fact, the legislation does not define what anyone is allowed to do, but what one cannot do. The new loft idea took a step forward when both the Architectural Design Sub-committee and the Technical Sub-committee of the Helsinki Building Control Commission issued favourable statements on it, and the Building Control Commission subsequently gave a statement in favour of it in June 2005.

The new loft went from being an idea to being a feasible project when the City of Helsinki made an exception to the competitive bidding applied in connection with plot allocation and allocated a plot of land in Arabianranta for construction. Ilonen had a much easier task in approaching developers when there was a plot. The task was made even easier by the fact that the civil servants explained the new loft idea to the developers and builders.

It was important that we [Pia Ilonen and Tuomas Rajajärvi, the Director of the Helsinki City Planning Department] met at an awards ceremony and he implied that Sato might be interested. (Interview with Pia Ilonen on 1 June 2006.)

Things began to gain momentum. Ilonen contacted Sato, and the management there arranged a meeting with her. The decision was quickly made, in the end.

We [Ilonen and her colleague] went up to the upper floors in their scenic lift and there was the top manager of Sato and his se-

cond-in-command, and 15 minutes later they said it was a great idea. Then they phoned down to where there was a board meeting to ask them to go into the meeting room next door, saying that they were sending in two architects. So we went in. I felt that the decision-making process went with almost “American speed”. (Interview with Pia Ilonen on 1 June 2006.)

Sato was quicker to seize on the new loft idea than other developers (and construction companies), because it had experience of exceptional building projects. It had acted as the developer for the Kotiranta and Loppukiri buildings in Arabianranta, both examples of a new and more resident-focused approach. In the former, the future residents were involved in planning the apartments at the construction stage with the help of the Internet. In the latter, a group of retired people formed an association and hired Sato to build a residential building for them according to their own ideas. Sato was also a good choice from the architect’s point of view:

I’ve enjoyed the confidence that Sato has shown in me. – They have respected my expertise as an architect throughout. – I’ve been allowed to carry out the project in accordance with the original idea. (Interview with Pia Ilonen on 1 June 2006.)

Once one developer’s interest had been attracted to the new loft idea, the other developers seemed to wake up, too. Pia Ilonen had several of them contact her, but only after it had become reasonably clear that the idea would be implemented and that there was a contract with Sato.

The Housing Transactions Act was also considered a potential obstacle to new solutions. Riikka Vitakoski, lawyer at Sato, looked into the matter and found that a semi-finished state is not, in fact, an obstacle to selling an apartment; it is simply a matter of making sure that the buyer knows what the object of the sale is. Like the Land Use and Building Act, the provisions on defects contained in the Housing Transactions Act do not define what it is permitted to do,

but what is prohibited. A building is required to be suited to its intended use and to fulfil the requirements for safety and health (section 117 of the 1999 Land Use and Building Act). The concerns focused on the surface finishes of the apartment, the degree of finishing and the question of whether it was possible to sell an unfinished apartment:

We found nothing at all to the effect that a semi-finished apartment could not be sold. (Interview with Riikka Vitakoski and Timo Petäjistö on 31 August 2006.)

Although the project was making good progress, there were still three bigger issues to solve: which concept would the new loft be built on (one building permit/several building permits), should the new lofts be tied to the HITAS system or be non-state-financed, and how would residents be found for the new lofts.

## Two ways of dealing with the building permits

Although semi-finished housing is a recent tradition in Finland, two different concepts are already forming: a model with one building permit and one with several. Sato’s new loft works on the one building permit model, what is also known as the turnkey principle. The developer applies for the building permit and the residents receive the flat in a habitable state. The unfinished apartment, with a ceiling height of about five metres, has a factory-built bathroom/wc module, electrical wall sockets, water pipes and sewer pipes. No permit is needed for interior alterations if the instruction book that comes with the sales documents is followed. The provisions of the Housing Companies Act concerning renovations must naturally be followed in the normal manner.

In the autumn, I will write an instruction book explaining these provisions, which incidentally will apply to any housing renovation,

regardless of the age of the building where the flat you are renovating is. (Interview with Pia Ilonen on 1 June 2006.)

In the other model the developer applies for a separate building permit and the residents then apply for a further building permit based on their plans. Inevitably, this model is more unwieldy both in terms of administrative work and for the residents.

Maybe it makes sense to make things a bit more finished – In principle, the two-phase model is more complicated – definitely more complicated and it makes a lot of work for the building inspection authority. And then when everyone does it for themselves, most of them doing it for the first time ever, that suddenly causes a ten-fold increase in the workload, which means that a project involving twenty apartments is a hundred times that for everyone involved. (Interview with Tuomas Kivelä on 16 August 2006.)

## Semi-HITAS

Pia Ilonen's original idea had been to produce an unfinished space at a lower price so that people would be able to afford the size of flat that they really wanted. It was natural as a result to tie the new loft to the HITAS system. However, developers are not very enthusiastic about HITAS because the developer's fee under the HITAS system is determined according to a fixed calculation model, leaving profit clearly below that of non-state-financed projects.

Another more obvious problem linked with HITAS was that the new lofts were to be sold unfinished. This would inevitably mean that the residents would have to put considerable sums into finishing the lofts in addition to paying the purchase price for them, and that the final cost of the lofts would be very difficult to define as a result. Therefore, the City decided on a "semi-HITAS" model, with an initial purchase price determined according to the HITAS system and a resale price determined by market rates.

It ["Semi-HITAS"] was the only possibility because the resale price cannot be defined, or it is difficult to do so. (Interview with Pia Ilonen on 1 June 2006.)

"Semi-HITAS" sounds like the ideal model from the buyer's perspective. The buyer gets an apartment at a cheaper price than the market rate, but is free to sell it later on the open market. However, the equation is not quite so straightforward. All HITAS housing is built on City-owned plots on a lease and the lease is collected as a portion of the monthly maintenance fees for each apartment, which makes the fees slightly higher than those of housing companies that built on plots that they own themselves.

The housing market in Helsinki is overheated and housing is expensive. It makes sense to limit the potential for speculation. Sato had built As. Oy Arabian Kotiranta, completed in 2005, in Arabianranta; this was the first "semi-HITAS" project in Helsinki. In this context, it was decided that, since there is no maximum limit set for the resale price under the "semi-HITAS" system, the lease payments would also have to be higher than those for normal HITAS buildings.

That varies a bit according to locality, the more central the location, the bigger the difference. We decided at the time that we would do it at lease payments of twenty-seven per cent above the normal HITAS. (Interview with Tuomas Kivelä on 16 August 2006.)

It has been proposed that the model used in Kotiranta be used for Sato's new loft. In Helsinki, a "semi-HITAS" flat like the new loft, in addition to the normal HITAS, may be the only way that some people can afford to buy a flat, for instance, families coming to the area from elsewhere in Finland who do not intend to speculate. Even if they did speculate, the benefit of a "semi-HITAS" flat is more widely distributed than if the developers collected the profit.

## Unexpected popularity

Any concerns that the new lofts might not be popular proved unfounded when the Helsingin Sanomat newspaper published a piece on the new lofts in Arabianranta on 17 February 2006. The phone lines at Sato were jammed completely, when people who wanted a new loft tried to call customer services.

The time for submitting reservations started on 27 February 2006. All the 39 new loft apartments on offer were reserved in less than one minute and the apartments allocated in the order the reservations arrived. Most of those who obtained an apartment had submitted their reservation by e-mail. It is fair to say that there was a mad rush for the new lofts: there were about 2000 requests for them.

## Makers of the new loft

At the moment, there is a reasonable amount of housing construction in Finland, but there are few different alternatives. From the perspective of construction companies, it is expensive and time consuming to choose between different alternatives. It is easier and more cost-effective to use the same concept again, especially in a situation such as the present, when the housing market is running smoothly. As a result, the new lofts got off to a slow start. There were numerous objections to the concept. The idea was branded "Russian", because it is quite common in Russia to sell unfinished space in new buildings. It was claimed that Finns would not buy semi-finished spaces, it was felt that building regulations and the Housing Transactions Act would prevent the implementation of new lofts and earlier bad experiences of semi-finished construction generated negative opinions.

However, it began to seem more likely that the idea would be put into practice when the City organisation, rather than the construction companies, started to promote it. The new loft was made possible

by the architect who started off the project, enthusiastic civil servants, the plot reserved for the new loft and its good location, finding a willing developer and a much greater interest in new lofts than expected.

Sato's new loft project in Arabianranta provides one model for how a new concept in housing construction can be implemented. In this case, the architect played a key role, but it seems that a willingness to test new ideas can also be found among the civil servants involved in building planning these days. Developers are hesitant, but if new kinds of projects are profitable or in great demand they are interested. However, the construction companies' lack of interest in the idea and even prejudice against it was evident in the scarcity of tenders. In fact, the construction companies, unlike developers seem to be the most conservative group in this field.

The project was delayed for a while because of the exceptional height of the building, the issue of the developer's fee and the work to find a building contractor. The unusual ceiling height meant that the building was nearly 30 metres tall, even if there were only six residential floors as opposed to the seven permitted in the plan. Since this was a pilot project, Sato wanted its developer's fee raised, and it was raised from the customary 11 per cent to about 15 per cent of the total project cost. Furthermore, Sato had no feasible tenders for the new loft in the tendering competition held in summer 2006. At present, instead of one contractor, Sato is investigating the feasibility of implementing the project in the form of "project contracting", with every individual stage of building put out to tender separately.

The difficulty of finding developers and builders together with the rising real estate costs will probably help to generate interest in resident-focused housing construction. In its most extreme form, this means that residents would be in charge of a project and would buy or lease a plot of land from the City and hire development consultants and architects to complete the project.

The huge interest in the new lofts from potential residents proves that there is a demand for new alternatives if they are provided. Construction on Sato's new loft is set to start at the beginning of 2007, slightly behind the original schedule (see *Helsingin Arabianranta... 2006*). The semi-finished apartments of the new loft project are likely to be complete about a year after the start of construction. Then the residents' own building stage begins.

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# Explaining intra-urban moving intentions

Henrik Lönnqvist

**This article presents results from a study on intra-urban moving intentions in the Helsinki Metropolitan Area. A discrete choice analysis is applied to a large survey data set in order to explain the role of different sources of dissatisfaction behind the intention to move away from current residential areas.**

## **Rapid urbanisation and record levels of intra-urban mobility**

The Helsinki Metropolitan Area has been one of the fastest-growing metropolitan areas in Europe during the last decades. At the national level, the high level of migration between municipalities in recent years is associated with rapid structural change. Finland is moving towards European levels of urbanisation. Besides this national trend, there is another important process taking place. Intra-urban mobility has reached record levels. This implies that rapid changes in the socioeconomic balance are possible within a relatively short time period.

Socioeconomic structure can be analyzed, for example, by using cross-sectional or longitudinal data on the socioeconomic features of different areas. Another approach is to study socioeconomic dynamics by analyzing moving behaviour. This article uses a large survey data set from 2001 to analyze and ex-

plain intra-urban moving intentions in the Helsinki Metropolitan Area. It concentrates on suburban areas and on those cases where the respondent lives in a block of flats. The data set was collected in 2001 and comprises 3,175 respondents from these areas.

## **A long line of research in mobility studies**

Starting from gravity models, there has been a long line of research on mobility. Intra-urban mobility studies focus mostly on dwelling and neighbourhood dissatisfaction and try to explain mobility by using a variety of variables related to household characteristics, housing and neighbourhood conditions and also to household expectations and households' expressed satisfaction with the dwelling and the neighbourhood.

After Rossi (1955), many studies have explained mobility by stages. In this setup, the first phase is dissatisfaction with the dwelling that the individual currently occupies, and/or dissatisfaction with the neighbourhood. As a second step, this dissatisfaction generates a willingness to move to another dwelling, possibly in a different neighbourhood. The third stage contains information-gathering on different alternatives. And in a fourth phase, the actual decision to move is made. Of course, there are several barriers to this accommodation process, for example attach-

ment to an area, inability to obtain relevant information on alternatives available and also direct economic obstacles that prevent relocation. These barriers form a kind of threshold which prevents moving until enough housing or neighbourhood stress has accumulated. As an alternative to moving, one can improve housing conditions without moving and in some cases the same applies also to the neighbourhood.

In the field of mobility research, there are few studies that explicitly focus on moving intention and even fewer studies that combine intentions and actual moving behaviour. Our study concentrates on moving intentions. It is self-evident that moving intention does not necessarily imply actual moving. There may be intervening factors such as sudden changes in circumstances. Still, moving intention is a good predictor of actual moving.

## **Willingness to move away from the current residential area**

In the intra-urban context the vast majority of migrations occur within a short range. Having said that, literature on social differentiation constantly addresses selective out-migration from the area as a source of social segregation. Roughly 26% of respondents in our data set expressed a willingness to move away from their current residential area.

Out-migration from the current residential area is strongly related to age. Those under 40 years of age have an approximate twofold probability of having intentions to move away from the current residential area in relation to the reference category. Families with small children are more likely to have moving intentions. Neither education level nor respondents good financial status has a significant role behind moving intention in such cases. This result can be interpreted in at least two ways. Firstly, population might be sorted according to preferences and socio-economic background into different residential areas and therefore factors such as education do not play a

significant role in explaining moving intentions. Another explanation is that expectations are uniform across different socioeconomic groups. There is some support for this interpretation in earlier research.

## **Respondents expressed satisfaction with area-related factors**

Explicit area-related (subjectively valued) factors that we used in our analysis were transportation, private and public services, safety, architecture, green space and socioeconomic status. The most influential factors behind willingness to move away from the current residential area are related to transportation, safety and socioeconomic status. Dissatisfaction with the transportation system increases the probability of having moving intentions fourfold. This does not imply directly that, for example, public transport is performing poorly. Only 6% of respondents expressed dissatisfaction with transportation.

According to the vast literature on housing preferences, green space is highly valued. Our results indicate that only about 1 in 12 respondents is dissatisfied with green spaces. The planning principles of suburban "forest estates" still seem to be in line with preferences for environmental amenities in these areas. But architecture is a different matter. Over one quarter of respondents were not satisfied with architecture, and this also proved to be a fairly good predictor of moving intentions.

Private services have a minor role behind moving intentions. Although 19% expressed their dissatisfaction with private services, their effect on moving intentions from the area was only moderate when compared with other influential factors. In public services, dissatisfaction clearly exists, but it plays no role in explaining moving intentions in this type of area.

The analysis of social environment and its role behind moving intentions offers a slightly different pic-

ture. Roughly 19% of respondents were dissatisfied with safety in their neighbourhood. Social status produces similar results: 23% were dissatisfied with the social status of their residential area. Both factors, when dissatisfaction occurs, are strong predictors of willingness to move to another area. Those dissatisfied with safety have 2.5 times higher probability of having intentions of moving away from the area than the rest of the population.

## Conclusions

Record-level intra-urban mobility raises questions about the possibility and direction of socioeconomic segregation. Population is already segregated by fac-

tors such as income and education, but planning policies have been able to keep the overall situation quite balanced. In suburbs, affluent house-dominated areas are mixed with large-scale housing estates. New infill development is used as a tool to balance social disparities. There are also examples of new high-standard multi-storey-dominated areas in the suburbs. This naturally raises a question about the future of old suburbs. Their relative location is in some cases actually very advantageous but their flat size is by modern standards becoming too small for family purposes. One essential question is, what are the natural advantages of old suburban areas with multi-storey buildings and how can these advantages can be preserved?

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# Council housing in Helsinki faces challenges

Erkki Korhonen

**In this article, we draw on an extensive questionnaire to clarify how the tenants of the City of Helsinki's flats like living in their homes and blocks of flats, what they think about the relevant housing services and what factors make people like or dislike their homes and neighbourhoods. A similar tenant survey was carried out in 2001. The article also seeks to analyse whether an accumulation of social problems and exclusion is taking place in the social housing sector.**

## **Social rented housing on the defence in Europe**

Today, social housing is on the defence in many European countries. Social housing production has stopped growing and the social housing stock is shrinking. Meanwhile, social housing has increasingly become the housing form of weaker and socially excluded groups of people (Dieleman, Priemus 2002). In France, the frustration of unemployed young people – often with an immigrant background – living in social rented housing (“HLM”) has led to riots and random vandalism.

In several European countries problematic social housing blocks have been demolished. Considerable numbers of dwellings have also been privatised (sold cheap – or even given for free – to tenants or outsid-

ers). This, however, has often made the situation even worse. The flats have fallen into decay and tenants have become even more socially excluded than previously – even though there have been some encouraging examples too (Tosics 2005). In some rapidly growing cities, the abandonment of social housing production and sales of the flats has led to a rapid and visible increase in homelessness (Hulchanski 2004).

In late 2004 the City of Helsinki owned 55,100 rented dwellings that housed more than 100,000 Helsinki citizens. Every sixth dwelling (17%) in Helsinki is a council dwelling. 43,000 of these dwellings are located in state-subsidised council blocks, for which inhabitants are selected from a housing queue according to certain criteria of income and housing need. In Helsinki's neighbouring municipalities (Espoo and Vantaa), the proportion of council dwellings is 12% and 11% respectively.

## **Survey on housing services and tenants' housing satisfaction in Helsinki**

In spring 2005 the City of Helsinki conducted a large survey among its tenants. The questionnaire was sent to 12,000 households (every fourth) living in the city's rented dwellings or right-of-occupancy dwellings (deposit freehold flats owned by the city). Almost two-thirds answered. The questions focused

more than had been the case previously on maintenance (cleaning, repairs and building management). The intention has been to study tenants' satisfaction and housing services at regular intervals.

The population of the 2005 survey consisted of 21 local council housing companies and four other city-owned housing companies. These companies had a total of 49,000 dwellings. Around one-fifth (12,000) of the dwellings were picked at random, and the questionnaire was addressed to the oldest resident in each household. For purposes of statistical validity some vital background data on these people were selected from the Population Register. After one letter of reminder, 7,177 households answered the questionnaire.

Respondents turned out to represent the average tenant reasonably well in terms of age, marital status, family structure and native language. Women were more active respondents than men. Although both sexes received a roughly equal share of the questionnaires mailed, two-thirds of respondents were women. Also elderly people who had lived longer in their flats showed a slightly higher response rate than their proportion of the sample would have suggested, and so did the Finnish-speakers.

## **Many poor, few rich people**

The council dwellings are primarily inhabited by people with a low income. In 2001 the average net income per household/1/ among council tenants was only around €1,350 a month (according to the interviewee's own estimate). Against this background we may state that the city's rents, which are lower than market rents, really do benefit those who need this support most. But nonetheless, on average more than one-third of council tenants' net income goes on rent.

Among the tenants of the city (i.e. the reference persons of the households), every other person is employed and one in three are retired. Almost one in

ten is unemployed, and among these, the majority represent the least fortunate, i.e. those receiving only the basic unemployment benefit.

In one in eight (13%) of the council dwellings, some other language than the two national languages i.e. Finnish or Swedish, is spoken. By tenant, the immigrant proportion is even greater, since immigrant families are often bigger than Finnish families.

Tenants with a higher level of income and education have started moving away from council buildings now that other alternatives have become more accessible thanks to low interest rates and long repayment schedules for home loans. But due to their low or irregular income, the majority of council tenants have no real opportunity to choose any other form of housing in Helsinki.

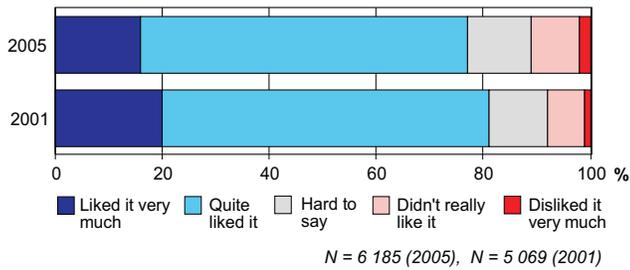
## **Most council tenants are satisfied with their housing**

Tenants of council flats in Helsinki are, for the most part, satisfied with their dwellings and feel at home in their building. Over three-quarters of respondents were pleased or very pleased with their dwelling and liked living in their building. One in ten was either somewhat or very discontented with their flat. Similarly, ten per cent reported they were rather or very displeased with living in their building. A similar result was obtained in the previous survey in 2001.

Two-thirds of respondents were pleased or very pleased with the physical condition of their dwelling, and this was, in fact, what people were most pleased with. One in five was displeased with the condition of their flat. Obviously, however, this does not necessarily mean there is nothing to repair in them. Residents were also very pleased with their sauna, in cases where there was one in the flat.

For local council housing companies, some findings from 2005 could be compared with findings from 2001/2/. People liked living in their homes a little less now than four years ago. The proportion of very

**Figure 1. Feelings about living in the house**



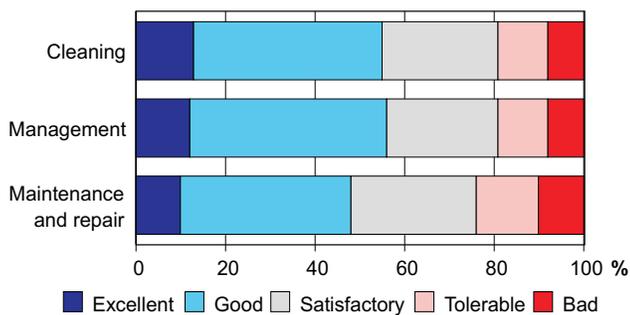
pleased tenants had shrunk from one fifth (20%) to one sixth (16%). The proportion of respondents who disliked or very much disliked living in their building had grown somewhat, from 18% to 21%.

The proportion of residents pleased with their rent has also decreased in the local housing companies of the city during the four-year period. In 2001, almost sixty per cent were quite content or very pleased with their rent. In summer 2005, this proportion was below 50 per cent. The proportion of those displeased or very displeased has grown accordingly.

## Housing services mostly in order – but there is room for improvement

Residents were also asked for their opinions about the cleaning, maintenance, repair and management of their building. Cleaning covered staircases and common areas, maintenance and repairs included

**Figure 2. Overall opinion about housing services in local council housing companies 2005**



the work of repairmen and the removal of rubbish, and management included distribution of information and interventions related to antisocial behaviour. When opinions about all the questions were summed up, the following picture emerged ("hard to say" replies omitted):

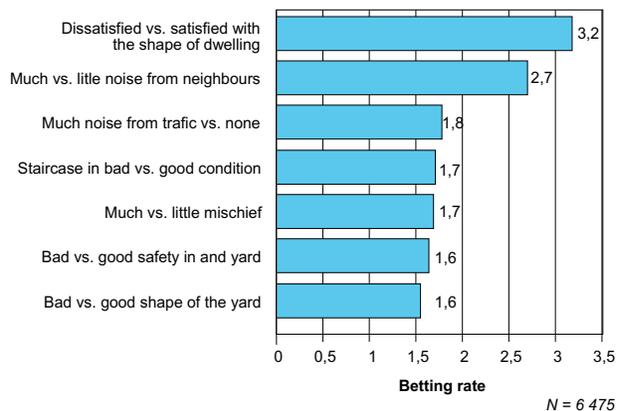
Judging from the responses, the services provided by the city's local housing companies are, for the most part, at least satisfactory, but there seems to be room for improvement, at least in maintenance and repairs, where less than half were satisfied or very satisfied and one quarter were rather or very discontented. With management and cleaning, four in five were quite content or at least not discontent and more than half thought services were good or excellent. There are also significant differences in housing services between various housing companies.

## Factors explaining why people like living in their building

We picked 32 questions of the questionnaire on topics that we knew – or had reason to believe – to make people like or dislike living in their building<sup>3</sup>. A logit model was used to test the connections with regard to people liking or not liking living in their building. (Logit models are a special branch of regression model.) The coefficients, or "betting rates", which the model calculated for the explanatory variables, stand for the impact of each explanatory variable on the likelihood of the explained event occurring.<sup>4/</sup>

The factor that best predicted satisfaction with living in the building turned out to be satisfaction with the condition of the dwelling. If respondents were discontented with the condition of their dwelling, the likelihood of disliking life in the building was threefold compared with those who were satisfied with the condition of their flat. The link between the condition of the flat and perceived wellbeing in the building may work the other way around too (as indeed may the other factors selected for the model).

**Figure 3. Factors explaining dissatisfaction with housing (betting rates in a logit-model) 2005**



The second most important factor for not being comfortable with one's own building was noisy neighbours: The likelihood rose threefold if there was a lot of noise and disturbance in the neighbourhood compared with a peaceful neighbourhood. Other factors contributing to discomfort included traffic noise, poor condition of staircases and yards, mischief and graffiti, and a sense of insecurity in the yard.

Other statistically significant, yet less strong explanatory factors for not liking it in one's building included having lived in the building for only a few years (those having just moved in or having lived there for over ten years liked it better), slowness in interventions related to antisocial behaviour by the management and too high a rent.

### Most council buildings are peaceful

The survey also included various questions concerning disturbing factors. The most common factor was mischief or graffiti. One in five had noticed too much of it. One in six had been much disturbed by noisy neighbours and one in seven by public boozing. Every tenth had been disturbed by traffic. Only one in twenty had noticed the use or sales of drugs – and as many had been disturbed by pets.

Nonetheless, the slight growth in social problems is worrying. The proportion of those respondents reporting a high or extremely high occurrence of disturbances (mischief, noise, public drinking) grew from 16% in 2001 to 18% in 2005.

Disturbances in the council buildings were best explained (in a logit model) by slow or no intervention by the management with anti social behaviour and perceived insecurity. If intervention with disturbances was slow or if the staircase and yard were perceived as unsafe, the likelihood of perceived anti-social behaviour in the building was four times as high as in properties with fast intervention and good perceived safety.

Those tenants who did not feel comfortable with their building were three times as likely as those who did to perceive disturbances too. This likelihood was also increased by discontent with noise insulation, old age, living in blocks of flats with more than four storeys, poor condition of staircases and poor safety in landings. Being other than Finnish or Swedish-speaking also increased the likelihood of perceiving disturbances.

The link between the native language of respondents and the antisocial behaviour they perceive is interesting because there are at least two plausible explanations. For one thing, people with a foreign native language may be more likely to have to move into council buildings with much antisocial behaviour. Immigrants – especially refugees and returnees (persons of Finnish origin, most of whom come from Russia) – have less opportunity than other people to settle elsewhere than in council flats, and their choice between these too is smaller. Secondly, some foreign groups may be more disturbed by antisocial behaviour than Finns because of their cultural background.

Between 2001 and 2005, no essential change in perceived safety was seen in the city's local housing companies. In 2001 three-quarters and in 2005 four-fifths agreed totally or at least to some extent



Oulunkylä.

that they felt safe in the staircase and yard. The proportion who felt insecure had remained unchanged. Apparently, perceiving disturbing social behaviour in your building does not always make you feel insecure.

### **Higher tendency to move away from unquiet and untidy neighbourhoods**

We also analysed why people wanted to move away from their homes. The first two variables that turned out to be most explanatory and statistically significant (in a logit model) were no big surprises. If you live in an unsafe neighbourhood and are dissatisfied with your dwelling you are 2.4 times more likely to want to move away than the other way around. If you live in an unquiet, untidy and badly managed neighbourhood, you are 1.5–1.8 times more likely to want to move away than the other way around (independently of each other). Those residents who have the means usually put such plans into practice/5/.

Some characteristics of the residents too, such as age and native language, made a difference. Young age groups (under-30s) were more inclined than older ones to move to a quieter neighbourhood. One

explanation might be that young people usually move more often than old people. Young people often have a desire to improve their housing – especially if they have small children. People's native language had an interesting influence: those speaking a foreign language were more prone to move than speakers of Finnish or Swedish.

A will among the city's tenants to move to a more peaceful neighbourhood had increased slightly. The number of respondents who wanted to move away had increased from one-fifth in 2001 to almost one-third in 2005. Yet at the same time the proportion of respondents who disagreed with this statement had also grown slightly. The proportion of respondents who did not know or did not want to answer the question had decreased. We may be witnessing a division of the municipal housing sector into peaceful versus noisy neighbourhoods.

### **Criticism of maintenance and management**

Respondents were also given the opportunity to express their opinions freely and to give ideas and suggestions for improving the buildings and their maintenance. Roughly 3,500 respondents seized the opportunity. For this summary, we picked out every tenth of the freely formulated responses at random.

The greatest single group of comments and suggestions (over one in four) concerned buildings and properties. The maintenance and equipment of the yards, in particular, caused comments. Maybe the yard is perceived as common and public ground, the proper maintenance of which is the least one can expect. Other common facilities and staircases and landings were also a frequent target of interest.

The functioning of the housing company was also mentioned by over one in four. A general slackness and the blunders of repairmen and cleaners caused much criticism. A common cause of frustration was a lack of information and empty promises by the man-



Jakomäki.

agement. The management was often felt to react too slowly or negligently to requests for maintenance or repair. This could be seen in the bad maintenance of yards, staircases, landings and flats. It also appeared as a bored attitude, poor availability and passive distribution of information.

Just under one in five comments concerned people's own flats. Various items of equipment and facilities received fairly equal shares of requests for maintenance and repair. Surprisingly, the rent drew comments from only a few per cent of respondents, who appear to have just strictly focused on answering the question about housing service and wellbeing in the building.

Around one in ten freely formulated responses mentioned antisocial behaviour as a problem, and one in twenty wrote about the neighbourhood and participation. Other recurring comments concerned poor noise insulation, disturbances due to intoxicant abuse and the threat of theft and vandalism.

Among disturbances in buildings and flats, noise was the most common cause for discontent. Usually, the reason was reported to be poor insulation rather than unreasonably loud noise from neighbours, motor vehicles in the yard, repair works, etc. Some re-

spondents were disturbed by drunks or drug addicts. Management received some criticism for passivity and were hoped to take firmer measures against antisocial behaviour. Some maintained that tenants known for having caused trouble should not intentionally be given flats in the same staircase as peaceful people. On the other hand, many seemed to share a tolerant opinion towards drunks: drink if you have to, but don't disturb other people. The use of illegal drugs caused more concern.

According to a stereotypical explanation, discomfort with and low standards in the city's rented flats is caused by certain antisocial inhabitants. However, the freely formulated responses rather suggest that a more common reason is the unsatisfactory condition of premises, facilities and management.

## Summary and conclusions

In most European countries, social and council housing is on the defence today. Social housing production has been reduced or stopped altogether and the social housing stock is becoming smaller. This form of housing has increasingly become the home of the weaker, the socially excluded and the immigrants – and their associated problems. The trend seems to be to some extent the same in Helsinki as elsewhere in Europe.

On the whole, the tenants of council dwellings of the City of Helsinki are satisfied with their flat and block. Only one in ten inhabitants disliked living in their flat. A similar result was received by the 2001 survey. Those who are particularly satisfied live in a so-called right-of-occupancy (also called deposit freehold flat) or service flat. The services provided by housing companies to their residents are basically in order, according to the residents, but there is room for improvement.

Roughly one in two respondents took the opportunity to express freely formulated opinions on how housing services and tenant satisfaction could be im-

proved in their building. Many thought that maintenance and repairs had not been carried out properly. Faults reported by residents are not always repaired, and in many cases no reason for delays is given. Residents are not aware of plans for repairs. Many inhabitants felt there was nothing they could do when problems arose.

For the City of Helsinki's council buildings to remain attractive and for problems to be avoided, the physical condition of flats and buildings should be looked after continuously through maintenance and adequate repairs. Antisocial behaviour and vandalism should be addressed with appropriate interventions. All inhabitants should be made aware of the common building rules and sanctions in case of breaches. Increased housing counselling will help cope with problems.

Those tenants who lack the personal capacity to live in ordinary rented dwellings should be provided with new forms of housing between social housing and institutional housing – with social support and control at hand. There are functioning examples of such housing, including the buildings of the Finnish Federation of Settlements, where "building hosts" have been hired to support the tenants in everyday matters and problems.

The maintenance and development of the city's council housing requires sufficient financial resources. To avoid unreasonable rent raises, which will reduce the appeal of this housing type, financial support is also needed – as indeed its name and history oblige. Today, the city's and the state's support to this part of rented housing consists mostly of keeping rents down at production cost level (instead of market price).

In many respects, council and social housing in Helsinki is an indispensable part of a well-functioning city and welfare state. Affordable and well-managed housing is needed by many low-income but vital employees in the public and private service sector and other enterprises. Furthermore, the social rented

housing of the city may, at its best, support the empowerment of weaker population groups and reduce social tensions. At its worst, i.e. when it is badly managed and socially and financially neglected, it may have quite the opposite effect.

*Photos: Ifa Kytösaho The Helsinki Housing Production Department (Att).*

/1/About 40% are single-person households.

/2/To enable a comparison, only properties from which answers had been received both in 2001 and 2005 were picked out. A comparison could not be made between the complete corpuses, because the 2001 sample included responses (1,018) from properties that were not local housing companies, namely from service dwellings, employer-provided dwellings etc., and which did not enable the identification of the company.

/3/The questionnaire included 85 questions about housing conditions, satisfaction, housing services and respondents' background.

/4/E.g. if a coefficient is 1.5 the probability of the explained phenomenon is 1.5 times, i.e. 50%, more likely to occur than that of coefficient 1 when the effect of other possible variables has been eliminated.

/5/In fact the strongest explanatory factor turned out to be not liking living in one's building. The likelihood of those who did not feel comfortable in their building to want to move away was five times that among those who liked it in their building. We did not include this variable in our analysis, however, because the explanatory and the response variable are almost synonymous.

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# Atomised generation

Mikko Salasuo

**Today's post-modern mentality can be seen particularly clearly in phenomena developing among young people. Commercialism, individualisation and broken traditions are crucial elements. The lives of young people are largely shaped by the paths and ways that they create themselves. Some of the routes lead more directly in the desired direction, others enter into more difficult terrain. The issue is not just about these young people's skills in orienteering but about the complex social processes and structures that set up conditions for individual choices.**

Which kinds of markers do young people head for on their way through the bushes? The primary purpose of the present study is to use sturdy empirical material to form a picture of cultural behaviour and activities among 13–18-year-olds in the Helsinki Metropolitan Area. This metropolis in pocket size provides fertile ground for an analysis of phenomena in the lives of young people today. Using a diagnosis of generation and contemporaries we build up a framework for youth cultures.

This was our approach. Originally, we wanted to find answers to the following questions:

- What kinds of new youth phenomena can be discerned today in Helsinki, Espoo and Vantaa?

- What is the readiness of young people to go along with cultural phenomena and activities?
- Which positive and negative effects do the new phenomena have?
- How do the orientations of the young meet the authorities' services to young people? How do present services reach their target groups?
- How ready are the young people themselves to organise the kinds of activities that they and their peers desire?

Our study did not enter into details on subcultures or marginal phenomena within youth culture. Instead, it seeks to register in a sensor-like manner large readings among the population studied. Such a "diagnosis of contemporaries" gives answers to the questions "Who are we?" and "What is this age of ours?" The aim is to draw up guidelines at macro level and create a framework for more specifically-targeted studies in the future.

## Material, method and theory

The material consisted of young people aged 13–18, and city employees. All passed through a structured theme interview. The 108 youths were interviewed in seven different neighbourhoods. 20 youths in central Helsinki formed a so-called ethnographical whole. 53 were boys and 55 girls. The material can be described



as broad, but somewhat thin. The 36 city employees deal with young people in their work.

The seven neighbourhoods studied were Ruoholahti, Pihlajamäki and the central business district in Helsinki, Olari and Kauklahti in Espoo, and Tikkurila and Myyrmäki in Vantaa.

A methodical guiding principle – a “Grounded Theory” – was applied. This material-based approach was selected because the relationship between our questions and the material was so open. An important basic assumption for this study of youth phenomena in post-modern times is Karl Mannheim’s classical theory of generation, which sees generation not as any of the succeeding natural generations but as a cross-section of age groups. We introduce the concept of atomised generation into the youth de-

bate. By this we mean a particle-like, mosaic-like generation vibrating and constantly moving in the field of cultural phenomena. Atomisation can be seen as a large process penetrating an entire generation. The life of the atomised generation is characterised by the freedom to make choices and the demand for making them.

We also filtered our findings gently through the theories on subcultures of the Birmingham school. A tension in interpretations arose between them and the post-modern interpretation frame.

### **Atomisation – a challenge for the youth authorities**

The post-modern paradigm is characterised by an emphasis on the authentic person and mental maturing of the individual. But at the same time it lacks traditional society’s characteristics of maturity and adulthood. In youth work, too, we have reason to analyse youth and maturation in relation to life span and contemporariness. In future it will be increasingly difficult to foresee a “normal” life span in terms of, for example, when “youth” starts and ends.

The economic and cultural change taking place in today’s post-industrial society is characterised by an individualisation of social problems and a decline in shared social responsibilities. The youth authorities are forced to carry their share of this weight.

Atomisation within youth culture has led to a gradual disintegration of the collective culture into Maffesolian small groups or tribes, a hyper-individualistic jam of individuals. Thus, since the 1960s, the picture of youth culture has been transformed within the framework of a post-modern society into the culture of individuals that has been seen in the 2000s. This is, of course, a simplification, but at macro level such a theoretically tinged interpretation fits well into the material we studied. The crucial historical axis of change here was the transition from the collective to the individual ethos.

Today, single factors do not determine people's individual choices the way they used to. From a historical angle, the life of earlier generations can be seen as over-defined, a state which now rather seems to have turned into an under-defined life. By this we mean that single background factors such as institutions no longer determine people's choices in post-modern times. Tradition, ancestors, family, neighbourhood or work are no longer the cornerstones they were just a few decades ago. The succession of generations loses importance and gives way to a growing linkage with the contemporary. People have to make decisions as individuals, make choices where tradition or binding moral codes do not help.

## **Individual choices and phenomena**

Family, home and security are still the most crucial elements in life, but cultural changes today tint the life of young people in a new way. Gone are the days when young people submitted themselves to prevailing norms and found their place in society as citizens and private persons. Now the demand for or the freedom of individual choice cause a demand for being "just oneself". This is something that many see as something nice, as an opportunity, whilst others see it as a terrifying maze. What do you lean on if you cannot make up your mind as to what to lean on? As Thomas Ziehe points out, if the freedom of choice is too large, too large a flow of stimuli may paralyse the individual and "make the engine cough". The flow of stimuli hits the individual from the wrong angle, so to speak. Those that do best are aware of – and capable of mastering and articulating – the impulses that steer them, and know their own goals in life.

Phenomena and spectacles that engage people quickly match the flexible and hectic life of the young generation well. We talk about a society of phenomena, where people's experiences are dominated by passing "great" spectacles that are easy to engage in or disengage with. The rapid tempo of the post-mod-

ern does not favour farsightedness or engagement; the young strive to ride on waves that bring them in desired directions.

## **New sense of community**

Social intercourse, too, has taken new shapes. Homogeneous subcultures have been replaced by even smaller heterogeneous small groups. Post-modern lifestyles have created a new ideal for people's sense of community. The unique ideological identity that earlier used to be a tie has been replaced by a chain of repeated identifications. We also talk about a "network society". Now, sense of community refers to a new, post-modern lifestyle and an imaginary network linked by the media. In this respect, the immense popularity of Internet contacts among young people is a concrete crystallisation of the social ties between contemporaries today.

To the young people we interviewed, the Internet was as self-evident as a bicycle used to be to young people 20 years ago. Two-thirds of 15–24-year-olds have already used various kinds of services for rapid information transfer, such as SMS or instant messaging. In this age group, as many as one in two used Internet chatting. The time it spent online had increased considerably over the last few years. More than 90 per cent frequented the Internet weekly, spending ten hours a week on average on their computers.

## **New individuals as a goal for youth work**

In the early 2000s the services that cities provide to young people are facing the challenges brought by a new kind of youth culture. Similar to the problems experienced by the older generations with today's youth, the youth work of the authorities has difficulties in reaching a new young generation whose arenas have changed both physically and virtually. In-

creasing opportunities of consumption have also created a versatile provision of services. Consequently, in today's "buyer's market" the youth authorities are competing against commercial provision. In this situation, the services of the youth authorities run the risk of becoming repair workshops for social polarisation. The course has already been partly altered, and the findings of our study provide evidence for further changes in course.

In many respects, the wishes of the young generation and the ideas of youth workers do meet each other. Functionality seems to be the key word. It is most concretely linked with physical activity but in a looser framework can be interpreted as a will and wish for change. The direction of this change is a great challenge, and so are the new forms of a reflexive, flexible youth work. There is no ready-made recipe for a functional model, but long-term research and development work can provide pioneering guidelines.

The young generation we have described is atomised – or at least is in the process of becoming so. The social intercourse of young people has been disintegrated, and compared with earlier generations their identity is characterised by hyper-individualism. The metaphor "jam of individuals" is to the point: individuals form loose social fabrics with each other. Although a collective consciousness of generation is lacking and distinct key experiences common to a whole generation are scarce, the picture of today's youth as a mass generation drowns – without us questioning the phenomenon – in the debate on the contemporary. In our intensified age, the Mannheimian generation debate calls for a redefinition.



*Photos: Jussi Eskola.*

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#### Source:

Mikko Salasuo. Atomisoitunut sukupolvi. Pääkaupunkiseudun nuorisokulttuurinen maisema ja nuorisotyön haasteita 2000-luvun alussa. Helsingin kaupungin tietokeskus. Tutkimuksia 2006:6.

(Atomised generation. Youth-cultural landscape in the Helsinki Metropolitan Area and challenges for the youth work in the early 21st century). Helsinki City Urban Facts, Research Series 2006:7)

# Political choices among young adults in the Helsinki Metropolitan Area in 1988–2004

**Tuomo Martikainen & Sami Fredriksson**

This study consists of three main sections. They all concern the political behaviour of young adults in the age group of 18–30: the first one dealing with political interest or engagement in politics, the second one with the political agenda and political orientation and the third one with electoral participation and choice of party. These questions are fundamental cornerstones of democracy, and they have been subjected to critical evaluation in public debate over the recent years. In the 1980s and 1990s in particular, political ties seemed to slacken. What has been most obvious in this disengagement process is a common, sometimes very unspecified and emotional criticism of politics, parties and party leaders, and a renunciation of the traditional party-oriented forms of participation, especially political elections. The Helsinki Metropolitan Area has been a trendsetter in this process.

Interestingly enough, however, our findings suggest that young people's interest in politics may have reached the lowest point in the first few years of the 2000s and that signs of improvement can now be seen. Many indicators show that the general aversion to politics is weakening. For example, election turnouts – which have been in decline ever since the 1960s – have stopped falling on aggregate and even started rising somewhat. But in terms of the ideals of western democracy, the levels we were at for a while

were remarkably low and therefore unsatisfactory. Today, on the other hand, the Metropolitan Area – Helsinki in particular – may again be setting the trend – this time towards a revived interest in politics.

## **Engagement in politics**

Someone's interest or engagement in politics refers to the role they want to attribute to politics in their own subjective reality. It is about "competence" in politics and about a confidence in political procedures, institutions and actors.

We analysed interest in politics using several indicators. Our findings suggest that if we talk about "external competence" in politics – interest in politics and attitudes towards voting – the political culture among young adults in the Helsinki Metropolitan Area is very far from the ideals of democracy. Less than half of the 18–30-year-olds were interested in politics and differences between people with different levels of education were also very big. These differences suggest that abstention rate will remain highest among less educated people in the future too.

"Citizen competence" – people's own ideas of their skills in various phenomena of the political workday – seems in the long term to have deteriorated on the whole among the population studied.

However, among people with a higher level of education, it has improved. Differences between people of different educational level are great. For instance, among the less educated in the age group, only 24 to 28 per cent were sure about their choice of party. Among the highly educated groups the level was twice this high, and by 2004 it had risen to 59 per cent from 50 per cent. Similar differences could be seen in how young adults felt that politics were too complex and difficult to grasp.

Ideas of how the political machinery reacts to people's needs and requirements, i.e. of its responsiveness, have become clearer during the period studied. But differences between highly and poorly educated people are significant, and it is quite obvious that this aspect is linked to great differences in voting turnout between highly and poorly educated people in the Helsinki Metropolitan Area.

As a rule, criticism of politicians grew between 1988 and 1999. But, by 2004 a clear change had occurred: unspecified criticism against politicians had clearly decreased, although such criticism was still common among poorly educated people. This could mean that people are increasingly starting to follow politics and its achievements instead of just renouncing it in an emotional and unspecified manner.

Confidence in the Finnish political system grew clearly during the 16 years studied. It was at its lowest during the depression years of the early 1990s, when less than half were satisfied with the political system. In 2004, as many as 89 per cent were satisfied. Nonetheless, confidence in democracy as a "system" or best practice had decreased somewhat since 1999, down to 85 per cent. The overall signs are, on the other hand, quite encouraging.

Our findings also show that the various components of interest in politics have clear links to voting. Today, voting among young adults is increasingly determined by their knowledge, their subjective competence in politics and their confidence in political institutions.

On the whole, 18–30-year-olds are rather sceptical about how good the policy-making institutions of their home municipalities are at making the right decisions for the wellbeing of the citizens. Whilst confidence is weakest in politicians (only 32% had confidence), parties are slightly more trusted, and city councils and boards most trusted (47%). The difference between people with different education is, again, spectacular. Education polarises interest in politics between those who have only completed compulsory education and those who have received higher education. Mistrust in politics – whether based on reality or fantasy – suggests that young people doubt whether politics are conducted legitimately and that politics have become alienated from people's everyday lives. At the same time, it is interesting that confidence in the public service institutions of people's home towns is clearly stronger than in politics.

## **Orientation towards politics and political agenda**

The second empirical section of the study sought to find answers to what the political agendas of young adults looked like and which political issues divide young adults in the Helsinki Metropolitan Area; which types of question inspire political dispute and possibly create front lines between parties. These are a few of the most crucial findings:

The axis social traditionalism versus liberalism is a highly distinctive basic dimension. In 1995, in the aftermath of the economic depression, attitudes had sharpened, maybe precisely because of what people had gone through during the depression. In 1999, the attitude towards immigrants and refugees became more favourable, but moral rigorousness had grown. In 2004, friendliness towards foreigners had at least not become stronger. The education brackets became opposed, particularly in terms of immigrant issues.

In 2004, criticism against the "indulgence" of the welfare state had ebbed out slightly after a high in 1995, back roughly to the level of 1988. Yet this criticism is a visible feature in the young mentality in the Helsinki Metropolitan Area. The enormous increase during the depression in the number of people receiving social benefits led to temporary criticism of the welfare state. By 2004, attitudes towards the welfare state had softened, but the proportion of the discontented is surprisingly high among the less well educated.

**Social class:** The traditional division into political blocks remains very much alive. Young adults in the Helsinki Metropolitan Area still think in terms of traditional social classes. Rhetoric based on the classical conflict between "labour and capital" still influences the political identity of young adults, and provides an efficient vehicle for political mobilisation and polarisation.

**Market liberalism:** The political thinking of young adults clearly reflects another classical conflict – that between "the State" and "the market". Attitudes towards market-oriented solutions, competition and tendering has achieved a political dimension. People have opinions about to what extent society needs "the authorities" – the public sector – and what role "the market", i.e. the private sector, should play in public services. Furthermore, the less well educated, more than others, claim the right to choose between privately and publicly produced services, while at the same time they are more in favour of competition than the highly educated – especially over competition between the private and the public sector. The ideology of a "competition state" has many supporters among young adults in the Helsinki Metropolitan Area today.

**Maintaining authority and morality:** This is the clearest political dimension. In 1988–2004, attitudes were sharpened in all education brackets, and most obviously among the highest-educated group. The proportion of respondents who wanted harsher pun-

ishments for crimes grew by 40 percentage points over these 16 years – with an increase of 20 points between 1995 and 2004. The depression was a turning point: greater authority and morality was called for, and this trend has continued. A sharpening trend has become a permanent feature of the attitudinal climate.

**Hard values:** The most characteristic items on the political agenda of right-wing populism include demands for ethnic homogeneity, strong leadership and harsher political measures, prioritising economic growth over environmental care, and doubts over the functionality of democracy. Such hard values still receive strong support. Nonetheless, by 2004, demands for a strong leader had declined to almost half of the level of 1995. This again goes to show that bad times, economic uncertainty and mistrust in political leadership tend to make people want a strong leader and – maybe also in more general terms – make them more receptive to anti-political opinions.

At the same time our study shows that environmental and ecological issues have become common in the mentality of the new generation, that they are a reason of their own for political orientation.

**International threats:** Ever since Finland joined the EU in 1995, the proportion of young people who question the Union has been significant, around 20 per cent. The feeling of affinity with the EU has not reached expected levels, at least in the Finnish metropolis, and the proportion of "total objectors" has been significant. In other words EU issues are still a powerful tool for political mobilisation among young adults.

Our survey also asked what characteristic types of political orientation or thinking could be identified. The results of our grouping analysis can be summarised as follows:

"Libertarian New Left": This first group totally matches what the "New Politics" school calls the Libertarian New Left. This new left is, more than others, favourable towards the welfare state, the most

anti-authoritarian, friendliest towards foreigners and refugees, and in every respect most conscious of the environment and ecology. The Leftist element appears in their emphasis on the class character of society. These themes find good resonance in the Helsinki Metropolitan Area: roughly a fifth of 18–30-year-olds feel this way. Political identification among these people is strongly left-oriented, and at the latest municipal elections, one in four voted for the left. As many as 55 per cent voted for the Green Party. Among this “red-green” coalition, other parties get only minor support.

**Liberal Individualist Right:** This type of political orientation has much in common with the New Left, such as a social liberalism in attitudes towards immigrants, law and order, tolerance and the approval of or only mild criticism against the welfare state. In terms of ecology and environment, too, ideas are pretty similar. But instead of class consciousness and collective responsibility in matters concerning the individual, “Liberal Right” supporters believe strongly in market liberalism and competition and do not perceive international influence as a threat. Among this type, social liberalism and economic market liberalism are combined, which rather suggests that the political agenda of young adults includes conflicting elements that differ from the old and usual. This may be another reason why parties have difficulties finding their way to young voters – and vice versa. In this category, political identification is about being independent of parties, and votes are mostly given to the Greens, the National Coalition Party and the Social Democratic Party.

**“Neo-Conservative Reaction”:** This type differs from both the new left and the liberal right primarily in emphasising social tradition, being against foreigners and refugees, criticising the social state and cherishing hard values. The neo-conservative reaction includes many values originating in both the traditional right and left. It gets additional momentum from criticising the new left. In our population, roughly a

fifth of young adults in the metropolitan area belonged to this category. Socio-economically it is dominated by men who are also younger and less educated than the average. Political identification leans more than average to the right and votes go primarily to the right-wing parties and least of all to the Greens and the Left Alliance. Only 40 per cent, though, reported they had voted at the last municipal elections. The political set-up of the neo-conservative reaction has remained roughly unchanged since our study in 1999. This shows that the movement is not just a passing political fashion or current.

**“Market liberals”:** Competition, tendering and markets are emphasised in market liberal thinking. The category differs most from the others in being least in favour of collective responsibility for business life and seeing the greatest conflict between the environment and economic growth. Our findings show that this group is clearly identifiable among young adults in the metropolitan area, and approximately as large as the other groups we have seen.

## **Political mobilisation in Helsinki**

A prominent feature in voting turnout in Helsinki is a growing passivity and a growing difference between active and passive voters. In 25 years the voting turnout fell by 23 percentage points at municipal elections, from 74 per cent in 1974 to 51 per cent in 2000. Young adults differ from other population groups. In 2000, voting turnout among 19–24-year-olds was 36 per cent, i.e. 12 percentage points lower than at previous municipal elections. The 2004 elections then turned out to be a sign of change in Helsinki, where turnout rose by 6 percentage points – double the increase in the country as a whole. Compared with the municipal elections of 2000, voting increased among men and women of all age brackets. The strongest increase was seen among those around the age of 30, especially among women aged 29 to 34.

Locally, overall turnouts in 2004 increased most in the district of Kallio. But the greatest increases by age bracket were seen in the elite areas of central Helsinki, among 45–54-year-olds and 29–34-year-olds, both of which groups showed increases of over 10 percentage points since the previous elections. Increases of roughly 10 per cent were seen among 18–24-year-olds in central Helsinki and 29–34-year-olds in Kallio. The smallest activation was seen among 18–24-year-olds in “concrete suburbs” (2 percentage points). In this category of districts, turnout among under-35-year-olds is still below 40 per cent despite a certain increase, as compared with more than 60 per cent among 29–34-year-olds in the elite districts of central Helsinki. It should be noted, however, that an activation almost as big as the city average was seen among 25–34-year-olds in the concrete suburbs.

Who knows, maybe the slightly worked-up atmosphere before the 2004 municipal elections – i.e. ideological differences and the efficient inclusion of important everyday issues such as public service production into the political agenda as well as the public transport strike – were elements that broke the trend of abstention. In other words, there is voter potential that can be activated if the election agenda is interesting enough. Higher education is still the strongest incentive for voting, especially among young adults.

Between the municipal elections of 2000 and 2004, the internal hierarchy of political parties changed in roughly the following way: the Greens suffered the greatest loss, with a fall of 4 percentage points down to 19.8 per cent, the Social Democratic Party was the greatest winner with a 3 point climb up to 23.5 percent. The Swedish People’s Party kept its voters, while the Left Alliance and the Centre Party

raised their scores somewhat. The National Coalition Party declined a bit, and the True Finns party got 1.5 per cent of votes after having skipped the previous two elections.

Changes in shares of votes scored by parties had evident links to local and age-related changes in voting turnout. The primary reason why the Social Democrats received so many votes overall was their success in the concrete suburbs, where their support rose by four percentage points to 31 per cent. The increase in voting was great, particularly among over-55-year-olds, but the SDP also had great success in “middle class” areas. Therefore, in its traditional strongholds, the SDP managed to appeal to both young adults and older voters.

The Greens suffered their greatest losses in those areas in central Helsinki where they had been strongest at the 2000 municipal elections. Instead, the Swedish People’s Party and the National Coalition Party did best in this same area, where overall turnouts (18–24-year-olds) also rose by 11 percentage points, i.e. clearly more than the city average. The strong activation in this part of the city turned out to be a “defensive victory” for the non-socialist parties, which have traditionally scored many votes here.

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#### Source:

Vaalit ja politiikka. Pääkaupunkiseudun nuorten aikuisten poliittiset valinnat 1988-2004 (Elections and politics. Political choices among young adults in the Helsinki Metropolitan Area 1988–2004) Helsingin kaupungin tietokeskus. Tutkimuksia 2006:5. City of Helsinki Urban Facts. Research Series 2006:5.

## Education and culture in Helsinki and St Petersburg

Ever since 1993 Helsinki City Urban Facts has been cooperating with Petrostat, the St Petersburg division of Russia's central statistical office. This cooperation has involved, among other things, the publication of comparative statistical reports. The most recent report is called *Koulutus ja kulttuuri Helsingissä ja Pietarissa – Obrazovanie i kultura v Helsinki i Sankt-Peterburge* (Education and culture in Helsinki and St Petersburg).

Issues relating to differences between educational systems and the comparability of statistical concepts and classifications proved a challenge for this report. Also, the difference of scale between the cities is great. Nevertheless, a publication was successfully compiled containing articles and comparable statistics on the development, present state and achievements of education and culture in both cities.

*The educational systems of Helsinki and St Petersburg – and differences between them*

Helsinki and St Petersburg are very different in terms of historical background, production structure and size. Any comparison between the cities will face the problem of difference in size. Helsinki has 560,000 inhabitants and an area of 187 square kilometres while St Petersburg has 4,600,000 inhabitants and 1,330 sq. km. There are similar differences between the educational systems: while 5,500 pupils in Helsinki fin-

ished their compulsory general education at the age of 15–16 in 2004, no less than 56,500 did this in St Petersburg. And while in Helsinki 4,400 completed their general upper secondary education that year, a total of 44,800 did the same in St Petersburg. Helsinki had a total of 15 universities or polytechnics with a total of 99,000 students, St Petersburg 101 universities or polytechnics with 443,400 students.

Educational systems differ from each other too. In Finland, general education, including compulsory basic education and general upper secondary education lasts longer than in Russia. In St Petersburg, vocational specialisation starts at an earlier stage. Tertiary education, too, starts at an earlier age in Russia and includes a varied range of options often more vocationally-oriented than at Finnish universities. University degrees do not necessarily correspond very precisely to their equivalents in the other country: for example, a Russian bachelor of science usually has a more demanding degree programme than a Finnish bachelor of science.

The ageing of the population is a significant challenge to the educational systems of both cities. Projections have been made for the Helsinki Region showing that 37 per cent of those employed in 2000 will have retired by 2015. At the same time, the young age groups taking their place are becoming smaller. Thus, one of the important challenges for Helsinki in the near future is its growing shortage of skilled labour. St Petersburg is also facing the same problem.

### *Level of education*

Both cities have been investing in education, and both have a high level of education among their population: in 2004 almost one-third of Helsinki citizens had completed a tertiary education and more than one-third had a secondary education. According to the Russian census in 2002, more than one-third of St Petersburg's population had a tertiary education or were studying for one, 27 per cent had a secondary vocational education and 8 per cent had a basic vocational education.

### *Special features of St Petersburg's educational system*

#### *Private educational establishments*

The early 1990s in Russia saw the beginning of the formation of a network of private educational establishments. In St Petersburg, however, these schools have not become very important: in autumn 2004 only 69 – or 9% – of general education schools were private, and only 42% of these had been approved by the state. The 69 schools had a total of 6,000 pupils, making up 1.5 per cent of all general education pupils in the city. Private universities do not account for a very large proportion of university students in St Petersburg either: only 17%, despite the fact that private universities in 2004/2005 made up 46% of all universities in the city. Private universities largely specialise in educating students who are already em-

ployed or who are taking an additional university degree, for which reason distance teaching is important: two-thirds study at distance teaching departments.

#### *Free or paid state education*

During the Soviet era, public education in Russia was provided for all, free of charge. Since the 1990s paid options have also been available to students in Russia. In recent years such options have expanded. For example, in specialised secondary state schools in St Petersburg, 24 per cent paid for all of their studies in 2000/01. By 2005/04 this proportion had grown to 28 per cent. Paid education is also on the increase at state universities: in 2000/01, 30 per cent of university students paid for their studies and in 2004/05 as many as 42 per cent did this.

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Statistics and Information Services Dpt.*

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#### Source:

Koulutus ja kulttuuri Helsingissä ja Pietarissa – Oubozovanie i kultura v Helsinki i Sankt-Peterburge (Education and culture in Helsinki and St Petersburg)

## Population growing in Helsinki, percentage of the elderly rising

After a period of stagnation in 2002–2004, Helsinki's population is growing again and forecast to reach 595,000 by 2030 according to the basic alternative of the most recent annual population forecast for the City of Helsinki.

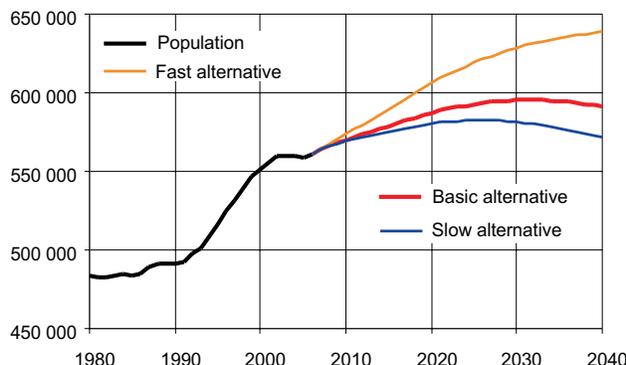
One-third of this growth is due to migration surplus, and the rest is natural population growth, i.e. a surplus of births over deaths. Helsinki is estimated to receive more migrants from both abroad and the rest of Finland than it will lose to these areas. However, Helsinki will have a negative migration balance with its neighbouring municipalities in the Helsinki Region. Natural population growth in the capital will not slow down until the 2020s, and the number of deaths is expected to start exceeding the number of births in 2030.

### *Less schoolchildren and more elderly people*

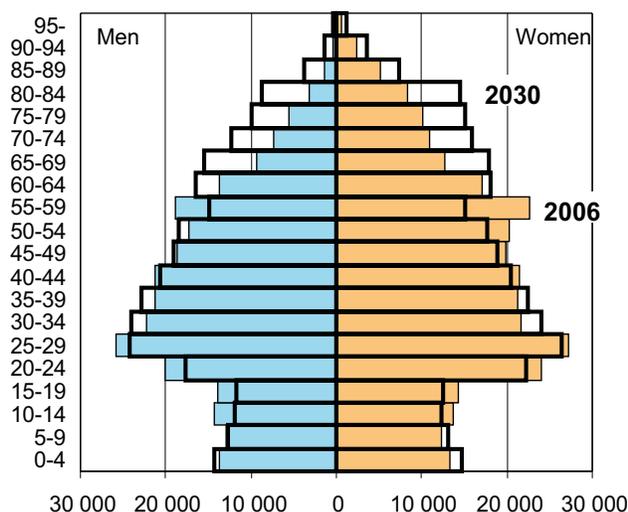
By 2030, Helsinki's population will have aged considerably, with 75 per cent more over-75-year-olds than today. The number of children under the age of six will decrease clearly slower than to date, but due to lower birth rates and migration losses to the rest of the region, the number of 7–12-year-olds in Helsinki will have decreased by another 5,000 by 2014.

*Pekka Vuori  
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**Figure 1. Helsinki's population on 1 Jan 1980–2006 and alternative forecasts for 2007–2040**



**Figure 2. Age structure of Helsinki's population on 1 Jan 2006 and forecast for 2030**



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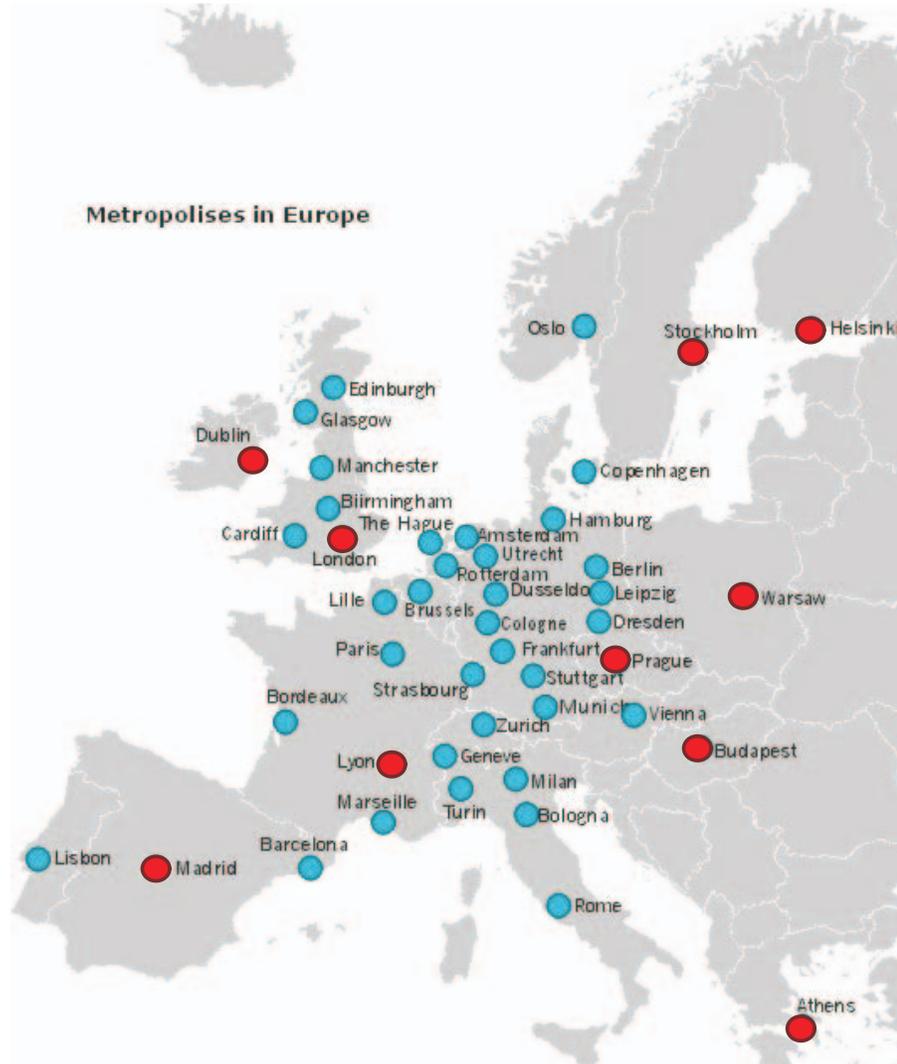
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# Helsinki in European and Finland Comparison

## ● GVA Growth in European Metropolises 2001–2004. Top Ten



Source: S. Laakso and E. Kostianen: The Economic Map of Urban Europe. Helsinki in the European Urban Network.

● **The Forecast for GVA Growth in European Metropolises 2005–2010. Top Ten**



Source: S. Laakso and E. Kostianen: The Economic Map of Urban Europe. Helsinki in the European Urban Network.

## Capital cities around the Baltic Sea

### Vital statistics

	Population total	Proportion of under 15 year olds	Over 65 year olds	People with a tertiary education
Helsinki	560,905	14.5	13.8	28.3
Stockholm	765,044	15.8	14.8	17.7
Oslo	529,846	17.1	13.0	29.4
Copenhagen	502,362	14.9	11.4	20.3
Tallinn	396,375	15.1	21.0	28.7
Riga	731,762	12.6	17.5	16.0
Vilnius	553,076	14.7	12.9	28.9
Warsaw	1,690,800	11.9	16.8	21.0
Berlin	3,387,800	12.2	16.6	21.4
St. Petersburg	4,661,000	12.2	15.1	32.0

## Population

Population	1950	1970	1980	2005/2006
Helsinki	368,519	523,677	483,675	560,905
% of Finnish population	9.2	11.1	10.1	10.7
Helsinki Region <sup>1</sup>	496,517	827,400	930,368	1,274,746
% of Finnish population	12.3	17.6	19.5	24.3
<b>Population structure 2005/2006</b>	<b>Helsinki</b>	<b>%</b>	<b>Helsinki Region<sup>1</sup></b>	<b>Finland</b>
Total population	560,905		1,274,746	5,255,580
<b>Age groups</b>				
0-6	36,884	6.6	8.2	7.6
7-15	48,746	8.7	10.8	10.9
16-64	397,413	70.9	69.1	65.5
65-74	40,519	7.2	7.7	8.5
75-84	27,297	4.9	4.0	5.8
85+	10,046	1.8	1.3	1.7
Men	261,627	46.6	48.0	48.9
Women	299,278	53.4	52.0	51.1
Finnish-speaking	483,506	86.3	88.0	92.0
Swedish-speaking	34,774	6.2	6.5	5.6
Other languages	42,625	7.6	5.5	5.6
Finnish nationality	530,135	94.5	95.8	97.8
Other nationalities	30,770	5.5	4.2	2.2

<sup>1</sup>On 1 Jan. 2006, the Helsinki Region included 14 municipalities.

## Housing

	Helsinki	Helsinki Region	Finland
<b>Housing stock 2004</b>			
Dwellings total	311,617	621,115	2,634,728
Detached houses, %	12.8	30.3	53.5
Dwellings owned by occupier, %	41.7	49.5	57.5
Rented dwellings, %	47.7	40.4	32.0
<b>Number of rooms, %</b>			
1 room	23.8	17.3	15.2
2 rooms	36.5	32.9	30.5
3 rooms	21.6	23.3	22.4
4 rooms	11.7	15.8	18.1
5 or more rooms	5.9	10.1	12.7
<b>Housing standards 2004</b>			
Housing density, m <sup>2</sup> /person	33.7	34.7	37.1
<b>Housing costs 2005</b>			
Average rent for two-room flat, euro/month	620	590	495
Average price of used dwellings, euro/m <sup>2</sup>	2,740	2,350	1,660

## Economic aspects

	Helsinki	Helsinki Region	Finland
Value added per capita, EU25=100, 2003		157.8	111.3
<b>Jobs on 31 December 2003</b>			
Total	367,705	654,660	2,245,780
primary production (SIC A - B)	0.1	0.4	4.4
processing (SIC C - F)	13.3	17.4	25.2
services (SIC G - Q)	85.5	81.0	68.7
- trade, transport, finance and business services (SIC G-K)	50.0	49.4	36.4
- public services (SIC L - Q)	35.5	31.5	32.3
Information sector's share of total jobs, %	17.8	15.7	9.1
Self-sufficiency of jobs on 31 December 2003, %	134.4	107.7	100
<b>Enterprises total 2004</b>			
Number	33,463	62,714	232,903
Turnover, 1000 euro	57,412,908	126,299,118	296,293,294
Staff, total	230,523	427,001	1,315,288
<b>Labour force, 15 - 74 year olds, 2005</b>			
employed	289,400	651,600	2,400,800
unemployed	22,300	43,300	219,700
Unemployment rate, %, 2005	7.1	6.2	8.4
<b>Economic activity rate among 15-64 year olds, 2005</b>			
number of employed	286,900	646,300	2,377,600