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Changing economies – the case of Helsinki

The credit crunch and economic downturn has resulted into growing unemployment, with the ensuing serious economic and social impacts. Decisive measures and efforts are required to beat the jobs crisis and to prevent the negative effects of unemployment. Bearing in mind the experiences of past recessions, it is feared that some of the growing unemployment will become structural in nature as a significant number of the unemployed risk drifting into long-term joblessness or dropping out of the labour force. Unemployment is currently 5.7% in the Helsinki Region and 7.5% in Finland as a whole, and the number of job vacancies has fallen.

One grave problem today is growing unemployment among young people. Moreover, many of those young people who are employed are on short-term contracts. A new phenomenon is that young people with a good education also face unemployment or have great difficulties in getting a job. Nevertheless, it pays students to remain longer in education, because recent research shows a link between low levels of education and unemployment among young people also during times of economic prosperity.

There is concern and worry about the future: when will we experience real recovery? In this issue of Quarterly, we present the new population projection for the Helsinki Region and its sub-districts. This projection is based on the assumption that the global economy will recover from the current downturn by 2011. Over the past 20 years, the Helsinki Region has

grown fast, with annual growth at 1.2%. Fast growth is expected to continue. The Helsinki Region will grow from a current population of 1.32 million to 1.5 million by 2022 and 1.67 million by 2040.

A number of major design projects in old harbour and industrial areas are under way to transform these areas into new city districts and residential areas with a maritime flavour. Major changes in the city structure are taking place offering opportunities and contributing to positive development (see www.uuttahelsinki.fi).

The World Development Report 2009 "Reshaping Economic Geography" argues that "some places are doing well because they have promoted transformations along the three dimensions of economic geography". These are Density, Distance, and Division, in other words:

- Higher densities, as seen in the growth of cities.
- Shorter distances, as workers and businesses migrate closer to density.
- Fewer divisions, as countries lower their economic borders and enter world markets to take advantage of scale and specialisation.

The article entitled "Regional economies are changing – globally" considers the key results of the World Development Report from a Finnish point of view (see pp. 11–19). Another related entry to changing economies is the one on "Accessibility, logistics and competitiveness of the Helsinki Metropoli-

tan Region” presenting also the Rail Baltica Growth Corridor, the Nordic Triangle and Northern Arc (see pp. 20–26).

The designation World Design Capital Helsinki 2012 provides great opportunities for change and achievement, improvement and sustainable development. The designation was announced by the International Council of Societies of Industrial Design (Icsid) at the Icsid World Design Congress 2009 in Singapore on 25 November 2009. “This is a magnificent achievement for Helsinki. It is an important recognition for us and our collaborators Espoo, Vantaa, Kauniainen and Lahti, as well as for all the participating organisations and individuals. We have received a unique opportunity and will be taking every advantage of it, for both enjoyment and good for all,” says Helsinki Mayor Jussi Pajunen, accepting the World Design Capital 2012 designation at the Icsid World Design Congress 2009. Mayor Pajunen adds that de-

sign should be seen from a broad perspective. “Our goal is to build a better city and to improve our quality of life. Among other things, design-driven thinking can be used to reform public services. The basic values of good design include user-friendliness, sustainable development and enjoyment.” The title of Helsinki’s bid for the designation was Open Helsinki – Embedding Design in Life. This theme is the basis of the year’s programme of events. It brings together human needs, aesthetic qualities and functionality (www.wdc2012helsinki.fi).

In this very Quarterly, there are many articles featuring research findings about everyday life and perceptions of service satisfaction, well-being and happiness among residents in Helsinki and the Metropolitan Area. A new piece of research deals with leisure and cultural services for immigrants.

With all best wishes for Christmas and the New Year to readers of Quarterly and Kvartti,

Asta Manninen
Director

Population projection for the Helsinki Region in 2010–2040

Seppo Laakso & Pekka Vuori

New population projections have been made for Helsinki, its immediate neighbours in the Helsinki Metropolitan Area, and for the entire Helsinki Region. The projections for sub-districts in the Metropolitan Area extend as far as to 2019. During the ongoing economic downturn, growth has occurred mainly in the central municipalities including Helsinki, where the population has grown in Inner Helsinki. The economy is expected to pick up again in 2011, probably causing a new migration loss from Helsinki to the other municipalities of the region. Migration from abroad is expected to increase clearly more than from the rest of Finland.

Three alternative projections are made annually for Helsinki and the other 13 municipalities in the Helsinki Region: the basic alternative, the rapid growth alternative and the slow growth alternative. These alternatives are based on different assumptions about the regional economy. The projections for the cities of Helsinki, Espoo and Vantaa are drawn up by the statistical authority of each municipality. Besides long-term population projections for each municipality, projections include a ten-year forecast for the 300 sub-districts of the metropolitan region.

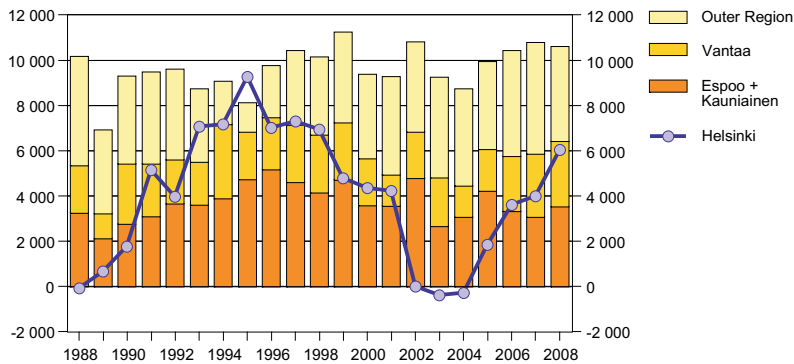
In terms of population growth, Helsinki is clearly more influenced than the region's other municipalities by fluctuations in migration, for which reason alternative projections are also drawn up for Helsinki. The basic alternative is the one used as a basis for the projections for sub-districts.

The basic alternative of the projection is based on the assumption that the economic downturn that Helsinki and the rest of Finland went into in 2008 will return to clear growth in 2011. The Helsinki Region stays a reasonably competitive and attractive city region retaining its present strengths and capable of handling the worst international and national threats. In the long term, production growth will eventually slow down as labour becomes in short supply as a result of population ageing.

The slow growth alternative assumes that some of the most obvious threats against the Helsinki Region reach a point where they affect the economic growth of the region. The crucial export sectors such as, primarily, ICT, get into lasting difficulties due to fiercer competition and flagged-out production. New growth sectors compensating for lost ones hardly appear. These trends lead to slower economic growth, where the Helsinki Region and the rest of Finland go into a long period of slow growth.

The rapid growth alternative assumes that the global economy will fairly soon emerge from the cur-

Figure 1. Population change in various parts of the Helsinki Region 1988–2008



Former areas in Sipoo and Vantaa recently incorporated by Helsinki are not included in Helsinki's figures, nor in those of the Outer Region.

Figure 2. The Helsinki Region's net migration by area of origin in 2000–2008

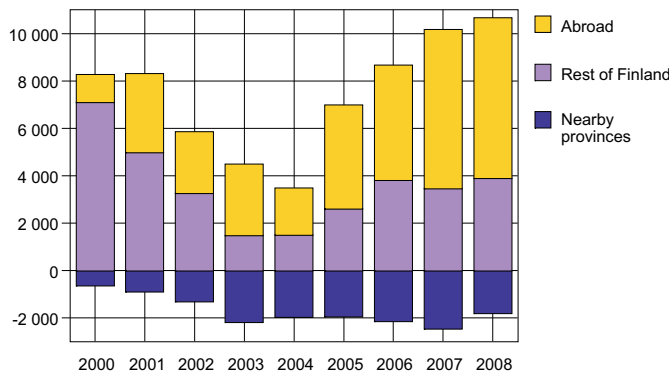
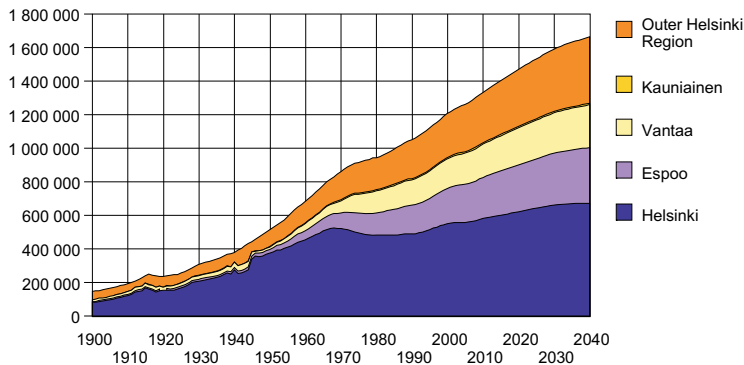


Figure 3. Population in various parts of the Helsinki Region on 1 Jan 1900–2009, and projection to 2040



rent downturn. The crucial export sectors for the Helsinki Region remain competitive and the Helsinki Region manages to attract international investment.

A goal set in a common programme of land use, housing and transport for the 14 municipalities of the Helsinki Region was to build around 13,000 dwellings a year in the region. Helsinki would get 5,000 new dwellings a year and the rest of the Helsinki Metropolitan Area 4,500 a year. This goal has not been achieved of late due to the economic downturn, but production is expected to approach the desired level after 2011. An annual production of 13,000 dwellings is probably a realistic maximum.

If growth remains strong in the Helsinki Region, the availability of building land will start limiting growth potential in the 2020s. At that stage, new areas that are not earmarked in the current master plan will have to be earmarked for housing – besides the areas incorporated from Sipoo and Vantaa – to enable population growth in Helsinki, too.

The Helsinki Region has grown fast. In the early 1900s, it had 150,000 inhabitants, of which 100,000 in today's Inner Helsinki. Half a million was reached in 1948, and one million in 1985. Today, the region has 1.32 million inhabitants. Over the past 20 years, the population figure has risen by 1.2 per cent annually. These past few years have seen faster population growth again after a slower spell in the early 2000s. After 2005, population growth in the Helsinki Region has largely been based on a migration surplus from abroad, besides stable natural population growth. It should be noted that the region

receives a surplus of foreign nationals from other parts of Finland, too – almost as many as the Finnish citizens moving in.

According to the basic alternative of the projection, the population figure rises from 1.32 million today to 1.5 million by 2022 and 1.67 million by 2040. The fast growth estimate is 40,000 people higher and the slow growth estimate 76,000 lower than the basic alternative.

Today, the Helsinki Metropolitan Area has 1.02 million inhabitants. This figure is forecast to rise by 100,000 by the year 2020 and by another 100,000 by 2030. In 2040, the population figure of the Metropolitan Area would be 1.27 million, i.e. 250,000 more than today.

In January 2009, the population of Helsinki was 568,531 after an 8,100 increase in 2008 including 2,063 people living in the parts of Sipoo and Vantaa, that were annexed to Helsinki in January 2009 – leaving the growth within Helsinki’s earlier boundaries at 6,038 people. The population growth forecast is around 6,000 for 2009, some 5,000 for 2010 and after that 3,000–4,000 a year up until 2030, after which population growth slows down. According to the basic alternative, the population figure will rise to 623,000 by 2020 and to 675,000 by 2040. The slow-growth estimate is 58,000 lower.

The rest of the Helsinki Metropolitan Area excluding Helsinki has a total of 445,000 inhabitants today. These areas had a period of very rapid growth around 1970, when estates and developments started to be built outside Helsinki, too. From 1968 to 1973, the population of the area grew by 75,000 people, i.e. 7 per cent a year on average. Since then, growth has declined and has averaged 1.4 per cent a year in the 2000s. The figure will initially rise by 5,000-6,000 a year to reach 600,000 by 2040.

The Outer Helsinki Region has 300,000 inhabitants living in ten municipalities with between 5,000 and 45,000 inhabitants. In seven of these, detached or terraced houses dominate over blocks of flats. The

population trend over the past three years has typically been that in times of rapid economic growth, the population figure has risen by 1.5–2.0 per cent a year, but in times of economic downturn, as in 1995, only by 0.5 per cent. The economic downturn that started in 2008 can be seen in that year as a modest population growth of 0.6 per cent, as compared with almost 2 per cent in 2007. The population figure of the Outer Helsinki Region is expected to rise rapidly by 3,500–4,000 a year initially and then to slow to reach 400,000 by 2040.

Thus in future, too, growth in the Helsinki Region will be largest outside the core area. By 2040, the population is forecast to grow by 17 per cent in Helsinki proper, and by 33 per cent in the rest of the Helsinki Region.

From the 1920s up until the 1970s, the Helsinki Region steadily increased its share of Finland’s population. A spell of slower growth in the 1980s caused a population decrease in Helsinki proper for a few years. A new period of faster growth began in the 1990s. Today, the region is home to one-quarter of the Finnish population and this proportion is expected to reach 28 per cent by 2040.

The projection for sub-districts gives detailed information on the population and age structure devel-

Figure 4. The Helsinki Region’s share of Finland’s population on 1 Jan. 1900–2009, and a projection for 2010–2040

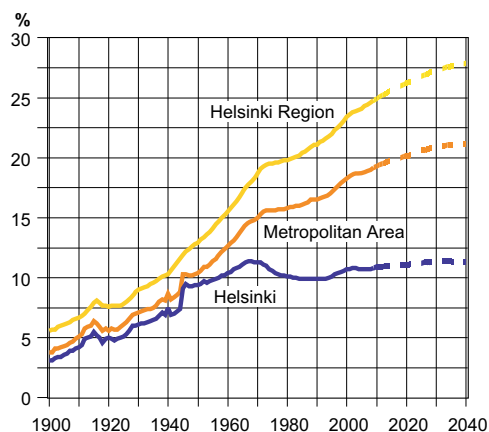
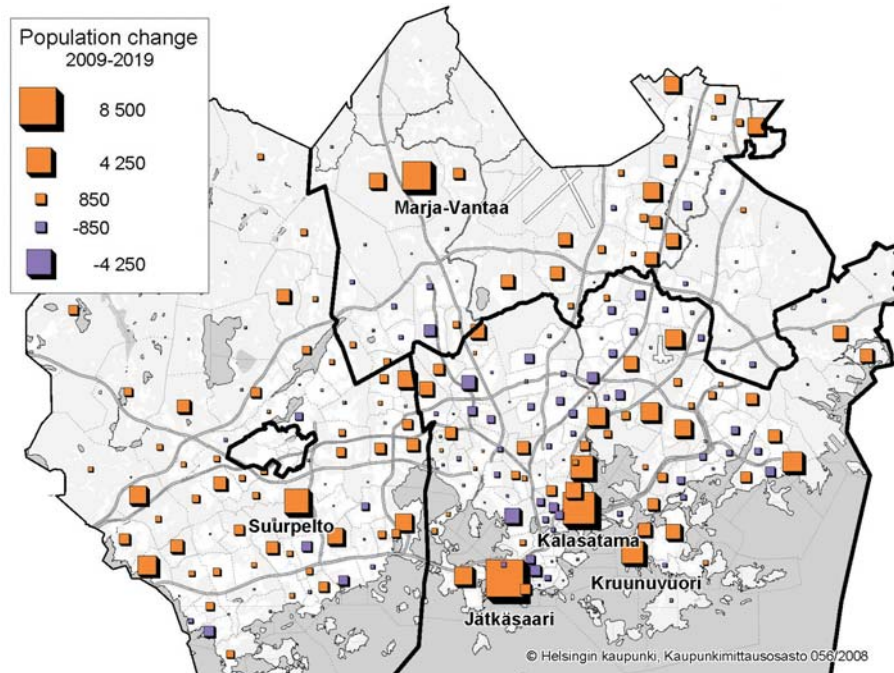


Figure 5. Forecast population change in sub-districts of the Helsinki Metropolitan Area on 1 Jan. 2009–2019



opments of the almost 300 sub-districts of the Helsinki Metropolitan Area. The next few years will see the start of several large construction projects, the most important of which are the new developments Jätkäsaari and Kalasatama in Inner Helsinki (extending the city's area onto former harbour areas); the developments near Helsinki-Vantaa airport in Vantaa; and the Suurpelto park town occupying a central location in Espoo.

Sources:

- Helsinki City Urban Facts Office (2009): Helsingin väestöennuste 2010–2040, Helsingin kaupungin tietokeskuksen julkaisuja 2009:32 [population forecast for Helsinki]
- City of Vantaa (2009): Vantaan väestöennuste 2009, Vantaan kaupunki, tilasto ja tutkimus A4:2009 [Population forecast for Vantaa]
- City of Espoo (2009): Väestöennuste 2010–2019, www.aluesarjat.fi [Population forecast for Espoo]
- Statistics Finland (2009): Väestöennuste 2009–2060, <http://www.stat.fi/til/vaenn/> [Population forecast for Finland]

Regional economies are changing – globally

Seppo Laakso & Heikki A. Loikkanen

Regional economies are in a state of continuous change locally, nationally and globally. “Reshaping Economic Geography”, a recent research report by the World Bank, summarises the driving forces of the change by three Ds:

3D = Density – Distance – Division.

These three D:s help to understand why the concentration of population and production in urban areas is one of the most significant social changes in the modern world. About half of the value of the world’s output is produced in areas covering 1.5 % of the Earth’s land area. Production is concentrated in prosperous developed countries and in their metropolises. The richest countries are also the most urbanised. Respectively, the poorest countries are the most rural. Nevertheless, it is in many of the poor, under-developed and middle-income developing countries that urbanisation is proceeding fastest. In these countries, the biggest cities are growing at an enormous rate. Especially in the poorest countries, the growth process is, in many cases, rather unbalanced, with poor people from rural areas streaming to the slums of the metropolises in the hope of better life.

The change of regional economies and urbanisation are continuously topical phenomena at a local, national and global level. There are attempts, both in the developed and emerging countries, to control and

steer this change by various regionally targeted actions. However, there are conflicting views about the efficiency and impact of these actions. Also the World Bank has realised the importance of regional developments and regional policy from the point of view of economic development. It devoted the World Development Report 2009 to this topic by publishing it under the name “Reshaping Economic Geography”. The report contains an extensive description and analysis of the principal mechanisms and consequences of regional development and concentration. It includes a thorough analysis of policy instruments for regional policy and a diversified arsenal of policy tools for different countries with a different geography and phase of development. The study has utilised the expertise of the world’s leading researchers of economic geography and urban economics and the results are summarised in the report with nearly 400 pages. Our aim is to present the approach and some key results of the study, and to consider them from a Finnish viewpoint at the end of this article.

Population and economic activity are concentrated

About half of the world’s population lives in urban areas, which cover less than 3% of the world’s land area. UN forecasts that the share of urban population will increase to 60% around the year 2030. Urbanisation has proceeded furthest in the richest countries:

In Northern and Central Europe, North America, Japan and Australia, the urbanisation rate already exceeds 80% and urbanisation is still anticipated to continue, albeit at a slower rate than in the previous decades. In these highly urbanised areas, population mobility and trading in goods and services are at a higher level than in any other area. This can be illustrated with a few examples:

- In Tokyo, there are 35 million inhabitants, a quarter of Japan's population, living in an area covering less than 4% of the land area of the country.
- In the USA – the world's biggest economy with probably the most mobile population than any other area – about 35 million people, 12% of the population, change residences each year.
- Within the European Union – where the lowering of national borders has progressed further than in other areas – exports account for an average of 35% of GDP. Approximately half of exports go to the nearest neighbouring countries. In Finland and in several other small EU countries, exports account for almost 50% of GDP (before the current recession).

In Finland, economic activity is both concentrated and dispersed. The biggest concentration is the Helsinki Metropolitan Area,¹ which covers just 0.2% of the total land area of the country, but which is home to 19% of the Finnish population and produces 30% of total output (GDP). Nevertheless, Finland is one of the least concentrated OECD countries. According to UN statistics, 63% of the Finnish population lives in urban communities, whereas the OECD average is 76% (figure for 2005).

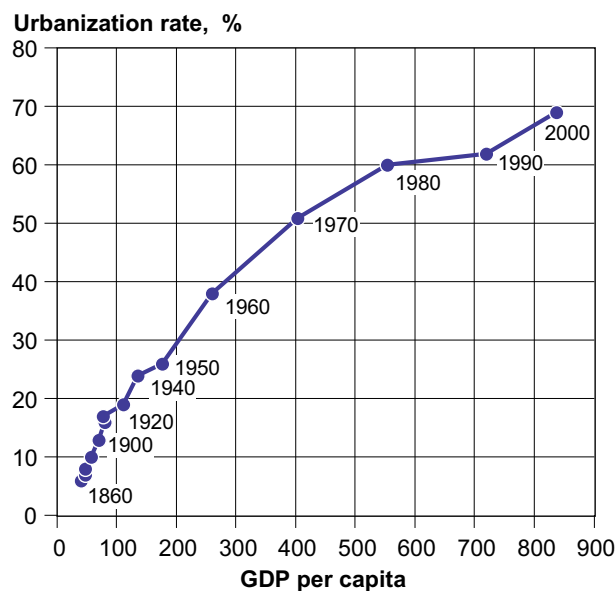
However, because there is no standardised definition for the concepts of urban settlement or urban area, international comparisons concerning urbanisation and geographical concentration are problematic. The World Bank's report contains a specific ag-

¹Cities of Helsinki, Espoo, Kauniainen and Vantaa, with total population of 1.02 million.

glomeration index to describe the population concentration. This index is based on three factors: size of settlement, population density and distance to big cities. The index has been scaled from 0–100, with 0 representing extreme dispersion and 100 extreme concentration. The value of the index for Finland is 52, while the OECD average is 78. The other Nordic countries and the Baltic states are also located within the 45–55 range. In general, there is a significant difference between the Nordic and Central European countries with regard to concentration of output and population. Despite these differences, the GDP per capita figures among these countries have converged.

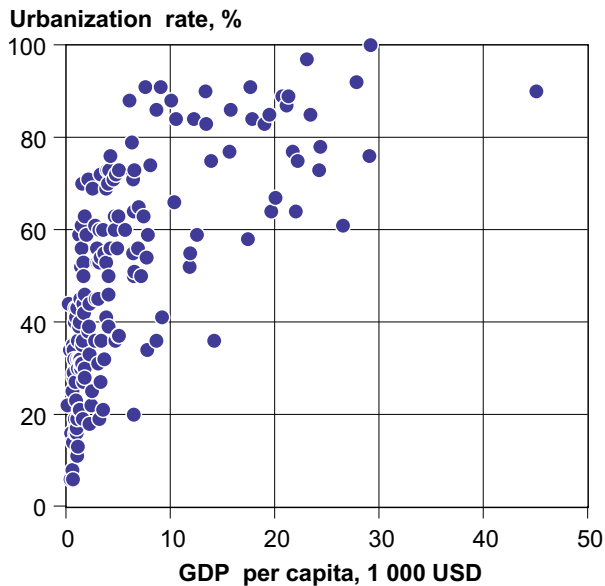
Spatial concentration is closely related to economic developments (Figure 1). All rich countries have, during their history, first progressed from agricultural to industrial societies and subsequently to services dominated societies. During this process, the income level in each country has increased, pro-

Figure 1. Urbanization rate and output per capita (GDP, index 1926=100) in Finland 1860–2000



Source: Laakso & Loikkanen 2004.

Figure 2. Urbanization rate and output per capita (GDP, purchasing power parity converted) in the countries of the world



Source: Laakso & Loikkanen 2004.

duction has become concentrated and the regional structure has urbanised. The biggest industrial and service centres have grown into metropolises with millions of inhabitants. The timing and duration of the various phases in the process have differed between countries; Britain and the Netherlands having been the forerunners. However, there are still significant differences in geographical structures between countries which have gone through the same process; for instance, the densely, concentrated Central Europe, and the more decentralised Northern Europe.

In many rich countries, the changes in industrial and regional structures have slowed down as their income level has increased. The regional structure is relatively stable with respect to concentration among others in Western and Central Europe, whereas in Finland, for example, the relatively fast change of regional structure and concentration are still in progress. This is partly due to the fact that urbanisation began rather late in Finland, but has progressed fast

over the past 60 years. In developing countries such as China and India, concentration and urbanisation are progressing very fast. Also, in many less developed countries, especially in Africa, urbanisation is very rapid.

Densities, distances and divisions are the driving forces of regional developments

The World Bank's report summarises the driving forces of changes in regional economies by three dimensions (3 D): Density, Distance and Division. These dimensions provide an excellent framework for the analysis of regional economic structures and regional development. Also, the instruments and actions of regional policy can be connected systematically to these dimensions.

The three dimensions have long been the basis for studies in regional and urban economics, and in this respect the World Bank's report contains no specifically new theory of regional development. The report utilises in many ways the approach and results of New Economic Geography (NEG) developed in the beginning of 1990s. This approach was developed in the works of Nobel Prize winner Paul Krogman and there are now results of the empirical work connected to it. The greatest merit of the World Bank's report is its ability to summarise key concepts clearly and to illustrate regional developments and differences by numerous examples and statistical figures collected from various countries worldwide.

Density refers in regional economics to the volume of economic output relative to land area. Usually output is measured by the volume of production or income, typically gross value added (GVA) or gross domestic production (GDP). Because production requires capital and labour, production usually correlates strongly with employment and population. Population is often the best available and most reliable variable at a regional level that can be used for inter-

national and regional comparisons. This is why population per land area is the most often used density indicator. Density is the most important dimension of regional development at a local level. Concentration of production and consequently concentration of population increases density in those locations where economic activity is concentrated. Respectively, economically regressing areas tend to have low and decreasing densities.

The economic reasoning for concentration is as follows: when various economic activities are located close to each other, the exchange of goods and services and all kinds of communication is easy and efficient. This makes it possible to leverage the benefits of concentration and agglomeration easily and economically.

One essential benefit of large urban concentrations is the size of local markets, which makes it possible to utilise the economies of scale at a plant or company level. In addition, there are so-called localisation and urbanisation benefits associated with agglomeration. When the number of companies in the same industrial sector increases in an urban area, the growth of the sector enables increased specialisation in their input markets, the creation and spreading of innovations, as well as many other benefits compared to companies that are spatially separated from others. These localisation benefits reduce production costs. On the other hand, tougher competition in agglomerations forces companies to improve efficiency, which in turn benefits consumers.

The increase in the size and diversity of industrial structures and consumption possibilities generates urbanisation benefits. Whilst companies benefit from the presence of other firms in the same industry, they also benefit from the presence of others in different industries in the same geographical area, because this improves the diffusion of innovations between companies. This is important especially when product or process innovations require special inputs of

knowledge. The large market areas of metropolises provide also a testing ground for new products.

Distance is basically the transport distance between different places. From the economic point of view, the key concept is accessibility, which refers to the distance to those locations where economic activity is concentrated. At the national level, accessibility is not only the most crucial dimension of regional economics, but is also important at the regional level (accessibility within urban areas) and even between countries or globally. Accessibility is the basic requirement for the interregional transport of goods and mobility of services and labour, as well as for trade and specialisation. It is also needed for migration and commuting of people.

Accessibility is based on geographical factors, but even more on transport systems consisting of roads, railways, terminals, harbours and other infrastructure, as well as on data communication networks. This is why accessibility depends crucially on investments by society on infrastructure and its maintenance.

Accessibility has an important role when companies choose location. The density of cities cuts distances between companies and makes it easier for them to trade and communicate. Companies in the same industrial sector tend to cluster geographically even within urban areas. Empirical studies show that productivity benefits from location are often very local, even a few hundred metres may matter. Technological and historical similarities connected with close location improve networking, cooperation and distribution of innovations.

Divisions refer to borders separating countries and regions from each other, limiting or even preventing the movements of people, goods, services, factors of production and innovations. The borders between countries with customs operations, payments and bureaucracy decrease trade and other communication between countries. Passports, visas, permits and other restrictions on travel decrease the

international mobility of people. Borders hinder countries from international division of labour and specialisation and limit the smoothing out of development differences. There are also borders within countries that limit communication in various forms and slow developments. Such borders may be based on language, religion or cultural divisions. There are borders and divisions also within urban areas. Some areas may be separated from the rest of a city because of a lack of transport connections and this can manifest itself as economic, social or political isolation.

As a small country, highly dependent on exports, Finland is a good example of the benefits of lowering borders. Participation in the European integration has made it possible to specialise and increase the share of exports of GDP, in addition to many other forms of international interaction. On the other hand, the economic problems of Eastern Finland can at least partly be explained by the Eastern border, which for decades has restricted economic and social communication with the former Soviet Union and later with Russia.

The processes of economic concentration may iron out income differences between regions

The report of the World Bank points out that the economic geography in successful countries and regions can be characterised by the following features: they have higher densities in urban areas, better accessibility and less dividing and isolating factors. In this framework, all forms of migration and mobility are easy. Countries and regions with minor restrictions with respect to international trade and communication can utilise the benefits from agglomeration, economies of scale and specialisation.

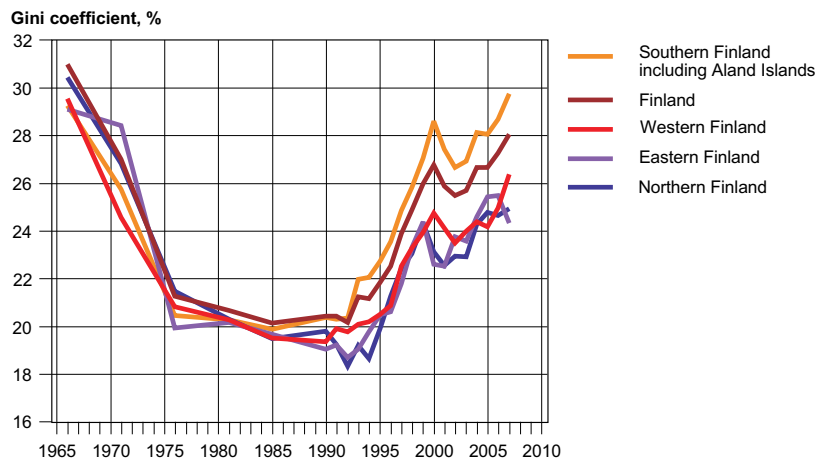
Concentration fosters economic developments of countries and regions but the process is uneven. Economic growth cannot start and proceed in the same

pace in all regions because there cannot be concentrating forces everywhere. Attempts to guarantee equal growth everywhere may in fact prevent or slow the growth process. Consequently, the fruits of concentrating development typically firstly affect large urban areas and later, wider urban networks connected by transport systems. In the early stages of the growth process, the economic differences between regions usually grow but in the later stages, differences in output per capita tend usually to decrease. Income level differences (economic inequality) usually – this sentence is incomplete. Economic growth spreads to a wider geographical area when accessibility is improved and makes it possible for more remote regions to benefit, too. In addition, economic development creates an environment for tax and transfer policy to balance development differences between regions.

In Finland, there were big differences in income levels between regions for example in the 1930s, but since then the gap has narrowed (Kangasharju 1998). Results of regional differences depend on how they are measured. The economic dimension of welfare can be best described by disposable income (market income + transfers – direct taxes). From Figure 3 (Loikkanen, Riihelä & Sullström 2007), it can be concluded that regional differences (at NUTS2 level) in income level narrowed from the mid-1960s to the first half of the 1980s. Since then the relative differences have remained quite stable, including the economic crisis of 1990s when income levels fell similarly almost in all regions.

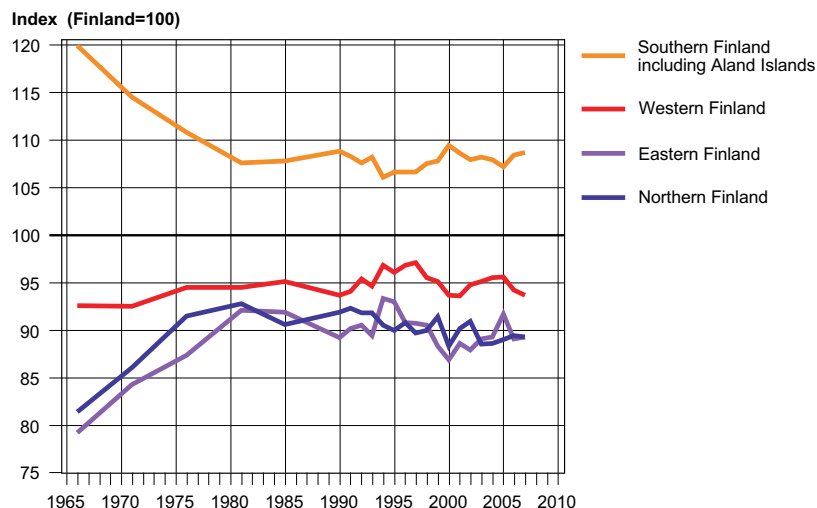
The equality of income distribution among households can be measured by the Gini coefficient. On a scale of 0–100, low values indicate even and high values uneven distribution of income. Figure 4 indicates that income differences between households were equalised in all regions (at NUTS2 level) from the 1960s to the mid-1970s. Since then the distribution remained quite stable until the beginning of the 1990s, when differences started to grow again until

Figure 3. Gini coefficients for disposable income in Finnish NUTS 2 regions in 1966–2007



Source: Loikkanen, Riihelä, Sullström (2007): Tuloerot ja tulonjako alueittain: Jakautuiko Suomi 2000-luvulla? (income differences and income distribution by regions: Has Finland become divided in the 2000s?) In the book H. Taimio (edit.) Talouskasvun hedelmät – kuka sai ja kuka jäi ilman? The fruits of economic growth – who got, who didn't?) Työväen Sivistysliitto (TSL – WEA Workers' Educational Association WEA of Finland), Helsinki, updated.

Figure 4. Average per capita disposable income in Finnish NUTS 2 regions in 1966–2007, index (Finland=100)



Source: Loikkanen, Riihelä, Sullström (2007): Tuloerot ja tulonjako alueittain: Jakautuiko Suomi 2000-luvulla? (Updated, see source above).

the beginning of 2000s, when this trend was reversed. The developments of income distribution are based mainly on two factors. First, the changes of economic structures have targeted the results of economic growth differently than earlier, and second, tax and transfer policies have been reformed to result in less progressive taxation. It can be noticed that the developments of income distribution within regions have been quite similar. However, since the beginning of the 1990s, the difference between the Gini coefficients between Southern Finland and other regions has widened, whereas the differences were very small in the 1970s and 1980s. It can be concluded that the income level differences between regions are nowadays reasonably small in Finland and that the question of income differences is topical from the point of view of households or individual persons rather than from a regional perspective.

Regional policy: well functioning institutions and accessibility

The World Bank's report does not only analyze factors which have transformed economic geography at the world, national and regional level. It also presents recommendations on the kinds of policy worth pursuing in different kinds of cases. The policy recommendations relate to the key concepts of the report, namely the 3Ds: Density, Distance and Division. The basic view is that distances and accessibility should be enhanced, densities should grow and divi-

sions should be lowered. For each D type problem, there is an Instrument (I). Some parts of the world, countries and regions suffer from a single D problem, some face two or three. In the latter cases, more instruments are needed. Thus the policy packages differ from case to case. The whole approach differs markedly from the traditional macroeconomic policy approach for which the World Bank has previously been known. Here, the role of urban and regional factors and policies are emphasised as engines of growth.

The starting point for policy recommendations is that economic growth is regionally unbalanced. The aim of spreading growth evenly everywhere leads to less growth as the benefits of agglomeration are lost by doing so. On the other hand, unbalanced growth can be inclusive if people have an opportunity to move to places where prosperity and wealth grows. Also, by improving links between regions and enhancing their economic integration, the specialisation of growth centres, small and large, can be enhanced, and this generates convergence (or prevents divergence) in living standards between regions. These processes and the economic integration of regions can be facilitated by various policies. Some of the policies are regionally blind; they are the same for all. Some policy instruments integrate regions by improving their linkages, and some are regionally targeted or they can apply for instance to a part of a city.

The basic foundation for successful policies consists of well-functioning institutions; democracy, a well-functioning legal system and administration are indispensable for growing prosperity in all cases. In addition to this, regionally blind policies should apply to all regions. They consist of providing basic services such as education, health and various local public goods in all regions irrespective of their economic growth potential. The provision of basic services requires a well-functioning tax and transfer system. The World Bank's report also greatly emphasises the need for well-functioning land markets. Without

these, also other markets become distorted and weaken the conditions for economic growth.

Spatially connective policies improve links between and within regions by infrastructure investments in transportation and other types of communication. Thus these regions are able to specialise and participate in the growth process of larger integrated areas and get positive spill-over effects not only from the nearest growth centres, but also from other regions and countries which grow fastest.

There is also a need for spatially targeted policies, the contents of which vary in each case. For instance, regressive areas which, however, have some strong industries such as agriculture and small firms can be objects of action. In urban areas, targeted policies may concern special problems related to housing, urban structures or slums. The World Bank's report emphasises that also in these cases the desired impacts of policies can only be realised if basic institutions, infrastructure and communications work properly. Spatially targeted policies are not alternatives to spatially blind actions or integrative policies, but they are complementary.

The report considers various types of regional cases and types of problems and suitable policy actions. For instance, in sparsely populated areas where market forces have not generated urban structures and growth based on agglomeration forces, the public sector should mainly provide basic services. It should not, however, undertake infrastructure investments and the in the regions has not managed make market based progress – there's something wrong with this, should it be "...investments in regions that have not managed to make market-based progress". Likewise, the report considers other regional types and suitable policy actions for them.

As for the assignment problem, who should responsible for policies related to 3Ds. The basic message is that the local level (cities) is responsible for enhancing density by land use and related policies to ensure that the productivity gains from agglomera-

tion can be achieved. The lowering of distances is a national level policy concern where creation of links and networks by infrastructure investments are key instruments. As for divisions, they tend to be smaller within nations and more important between nations. Thus, international economic and political relations and institutions affect the possibilities of nations and their regions to participate in international trade. Policies which lower international divisions, such as participation in regional integration, enhance the possibilities of neighbouring nations to specialise and benefit from each other and be economically more competitive in wider world markets, too. Lower divisions enable nations to become part of and to gain from the growth processes going on in the world.

Lessons for Finland

The World Bank's report is the result of vast and ambitious work. It aims at explaining why the populations in developed countries have concentrated in urban areas, which are connected both nationally and internationally in networks enabling far reaching specialisation and trade between different parts of the world. On the other hand, the report emphasises that where divisions and various obstacles to trade and mobility are dominant, characteristics affecting the working of markets, agglomeration forces and productivity gains from specialisation and trade cannot be achieved and the economic growth process has not started.

From Finland's view-point, many features of our developments can be understood by applying the framework and concepts of the World Bank's report. The parallel economic growth and urbanisation in Finland and other developed countries during the last century or so is a basic stylised fact in line with the notion of agglomeration forces. Also, the concentration of economic activity and population in the capital city region, other big cities and smaller specialised and well-linked towns is understandable taking into

account the analysis of the report. On the other hand, the difficulties of remote areas (Lapland) and border areas (Eastern Finland) are understandable taking into account the toolbox and analysis of the report. Also, the policy tools which have equalised regional income disparities in Finland with tax and transfer systems and publicly provided services can be viewed from the perspective of policy measure classification of the World Bank's report.

The basic message of the World Bank's report for regional policy differs from the traditional Finnish policy, which has emphasised balanced development in all parts of the country. At the same time, there has been a tendency to limit (with little success) mobility to Southern Finland and especially to the Helsinki Metropolitan Area. In addition to the historical heritage (relocation of Karelian people besides to cities, around Finnish countryside), regional policies in Finland explain why Finland has been and still is less urbanised than similar countries with a similar GDP per capita.

Contrary to Finnish policies which have constrained the growth of the Helsinki region, decentralised public sector activities and distributed region based subsidies, the World Bank report emphasises the need for more neutral policies. In the World Bank's approach, the location and mobility choices of enterprises and people are left more to themselves. If these market-based choices lead to a concentration of economic activity, this process results in enhanced infrastructure policies which improve the links of growth areas to other centres and wider economic space both nationally and internationally. On the other hand, irrespective of the growth potential of regions, basic services need to be provided in all regions, including regressing ones, which are not objects of other policy tools. Here, the World Bank's policy is close to the Finnish approach.

Another clear difference in thinking concerns urban structures and density. The Finnish discussion is predominantly limited to housing issues, where sin-

gle family houses and multi-unit and multi-storey residential buildings are seen as opposite alternatives. Alternatively, stone-city and garden city ideals are seen as opposite and exclusive alternatives. The location of companies in the urban fabric has only a minor role in the discussion. Aesthetic arguments dominate discussion on whether high-rise building, not to mention skyscrapers, is acceptable. The agglomeration and density-based productivity gains are mainly neglected. Why do New York, London, Paris, Shanghai and numerous prosperous and growing cities have central business districts with high-rise office buildings or skyscrapers? The World Bank's answer is that job and population density are positively related to productivity growth, innovation, etc. and they create new jobs, enable high and increasing wages and salaries, which attracts more companies and people to the urban area.

In Finland, there is not much discussion about problems in decentralising jobs within urban areas to scattered clusters, where only part of the productivity gains of agglomerations and density can be gained. The message of the World Bank's report is that the price to be paid from scattered urban structures is lower productivity growth in the long run.

The World Bank report's argumentation is based on the results of empirical economic research, which confirm that the productivity of companies depends on their geographic, functional and historical "dis-

tances". The density of companies and jobs is an essential determinant of productivity, innovativeness and regional economic growth alongside well-functioning intra-urban and external communications systems which integrate areas to a wider economic space. Also, the density of population in urban areas affects the market conditions for companies and the private and public service structure which, in addition to high wages and salaries, is important for the well-being of urban households.

Despite its broad approach, the World Bank's report bypasses some important factors which are important for urban and regional development. The report does not have much analysis or a clear policy stand on the regional organisation of the public sector. More specifically, how should local governments in major urban areas be organised? Who should be responsible for providing basic services, infrastructure investments, etc. and how should they be financed. Neither does the report consider the challenges of climate change for economic geography and the growth prospects of regions. Would the analysis and the policy conclusions be the same if the demands for lower energy consumption and CO2 emissions from traffic as well as from residential and non-residential buildings had been taken into account? These topical questions are dealt with in the World Bank's "Development and Climate Change. World Development Report 2010."

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Accessibility, logistics and competitiveness of Helsinki's metropolitan region

Piia Heliste & Olli Keinänen & Riitta Kosonen & Marja Mattila

Logistics has become increasingly more significant for the competitiveness of Finnish companies operating in international markets (Solakivi, T., et al., 2009). Due to Finland's location far from the main markets combined with challenging weather conditions in winter time, Finnish companies have to bear considerably higher transportation costs compared to their EU competitors. This article addresses the challenges related to the changing logistics environment in Finland and in particular Helsinki's metropolitan region.

Rising logistics costs – a challenge for companies' competitiveness

In 2008, logistics costs totaled approximately EUR 34.7 billion for the whole Finnish business life. This corresponds to 19% when adjusted to GDP, while in industrial countries the figure is usually between 10 to 17%. (See Table 1) (Solakivi, T., et al., 2009)

There are two main ways to reduce the costs of logistics. One is improving the effectiveness of logistics systems in terms of e.g. inventory handling and ICT systems, and the other is the selection of the most feasible transport route and modes in terms of cost,

reliability and speed. The needs differ between diverse industries and goods. For example, sea transport is the best suited option for the majority of forest industry products, while the majority of export products in electronics industry are best transported by air (Sundberg, P., 2009). Finnish firms have recently put considerable effort in improving the effectiveness of logistics systems and have managed to reduce the costs on that side. However, at the same time the transport costs have been rising, which has resulted to an increase in total logistics costs during the past three years (See Figure 1). (Solakivi, T., et al., 2009) In the future, rising environmental awareness and increasing energy prices will inevitably increase the transport costs even further.

In addition, logistics costs cannot be measured in economic terms only. Also the aspect of time distance matters. Due to the long distances it is not feasible to develop industry which demands fast deliveries from Finland to the final markets. In the long term, this affects the industrial structure of Finland and may lead to a decrease in the number of globally competitive industrial fields.

Thus, rising logistics costs pose a challenge for the global competitiveness of Finnish firms. Securing access to reliable and moderately priced international routes to and from Finland's major foreign trade mar-

Table 1. Pivotal key figures for Finland’s logistics market (2009 prices)

Key figure/Year of comparison	1990	1995	2000	2005	2008
Logistics costs in manufacturing and trading, bn. €	20.4	16.4	20.9	28.2	34.7
Logistics costs as percentage of turnover, %	11.0	10.3	10.2	11.5	12.3
Transportation costs as percentage of turnover, %	4.8	4.7	4.5	5.0	6.3
Logistics costs as percentage of GDP, %	17–18	14–15	14–15	17	19

Source: Solakivi, T., et al., 2009.

kets is essential (Solakivi, T. et al, 2009). This has been realised also in Helsinki's metropolitan region (HRM) where considerable investments have recently been made to improve the logistics environment and international transport connections of the region.

International transport connections in Helsinki's metropolitan region

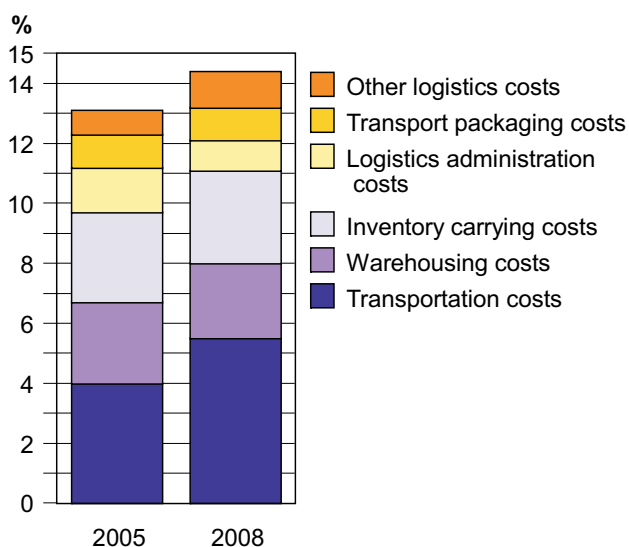
The most important advances in the HMR in terms of logistics include the opening of the Vuosaari Harbour, development of Helsinki-Vantaa international airport

and investments in high-speed railway connection between Helsinki and St Petersburg.

Port of Helsinki is currently the main port of Finland with 11.68 million cargo tonnes and 9.5 million passengers in 2008 (Finnish Maritime Administration, 2009, Port of Helsinki, 2008). In value terms, roughly one third of all Finnish foreign trade is transported via the Port of Helsinki. Imports consist mainly of consumer durables and foodstuffs, raw materials and semi-finished products for the industry, while exports comprise of forestry and metal industry products, foodstuffs, textile products and glassware. (Port of Helsinki, 2008) Port of Helsinki has three separate locations. South and West Harbours located in the city center focus mainly on passenger traffic, providing the ferry passengers with very good transport connections to the city centre. The new cargo harbour was opened in Vuosaari in the end of 2008. This enabled shifting the major part of cargo traffic, estimated 3,600 trucks per day, away from the central parts of the city to the outskirts of Helsinki (Harbour of Vuosaari, 2008). Harbour of Vuosaari is well connected to the main roads of the capital region and enables smooth passage from port to further destinations. It also provides a railway connection to the main rail network of Finland.

Helsinki-Vantaa international airport as the dominant airport of Finland serves approximately 13 million passengers per year compared to the second biggest Finnish airport in Oulu with slightly more than 800,000 passengers. In international terms, the closest competitors to Helsinki-Vantaa are the airports of Stockholm (18.1 million passengers), St. Petersburg

Figure 1. Logistics costs of manufacturing and trading companies as a share of net sales in 2005 and 2008, (N=1 291)



(7.1 million), Tallinn (1.8 million) and Riga (3.7 million). The Finnish national air carrier Finnair has a strong position with the market share of 60% in international passenger flows. During the recent years, Finnair has strongly developed its Asian connections, being now the fourth biggest European airline in Asian traffic. Located along the shortest route between Asia and Europe, Finnair is promoting Helsinki-Vantaa to become a major airport hub within Europe. (Hassinen, T., 2009) In addition, the majority of international air cargo departing from and arriving to Finland is transported via Helsinki-Vantaa. Together Port of Helsinki and Helsinki-Vantaa airport account for approximately 50% of the value of Finnish foreign trade flows.

The Helsinki metropolitan region's only inland link abroad is to St Petersburg. The new faster train connection between Helsinki and St Petersburg is scheduled to be opened in the end of 2010. The travel time is expected to be roughly halved from the current 6 hours to ultimately 3 hours making the connection competitive in terms of cost and travel time compared to flight connections. The new connection is expected to boost business and tourism between Southern Finland and St Petersburg area and the passenger volumes are estimated to triple in five years after launching the operations (VR Group Ltd, 2008).

Railways are also used in cargo transports to Russia (16 million tonnes in 2008 (VR Group Ltd, 2008)). In Russia, railway transport has for long had a strong position in both domestic and international transport flows. Also, it seems that this reliance will not change in the near future.

Despite these recent improvements in the logistics environment in the HMR, there are certain external threats that will require further actions in order to maintain the HMR's as well as Finland's logistics position also in the future.

Finnish logistics environment facing external threats

In terms of global trade flows, Finland can be considered an island. Finnish foreign trade is highly dependent on sea traffic. Approximately 90% of the Finnish exports and 70% of the total imports are transported by sea (See Figure 2). There is no feasible inland transport connection between Finland and the main export markets in the EU core. At the same time, air traffic has a strong foothold in international passenger flows leaving other modes in minority position.

So far, the transport network has served the Finnish businesses relatively well. However, at the moment there are several external threats that are likely

Figure 2. Modal split of Finnish foreign trade measured in tonnes and EUR

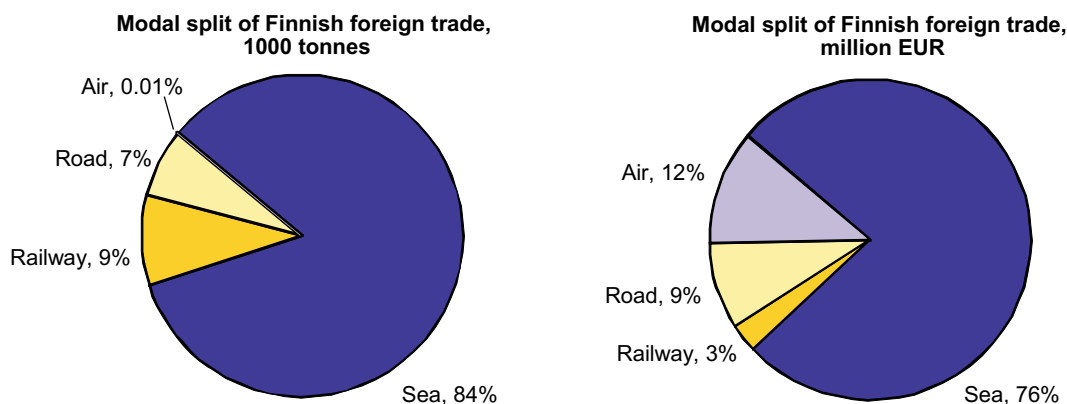


Table 2: Affect on new regulations on sulphur content of fuel

	Sulphur content of fuel	Additional increase in fuel prices
	%	
-2009	1.50	
2010 – 2015	1.00	10
2015–	0.10	+ 60–70

Source: Widen, O. 2008

to change the Finnish logistics environment. Firstly, the maritime business is facing two types of challenges. One is the currently ongoing restructuring of Finnish industries. As a result, transports of forestry products and raw materials are falling, while the share of machine and technology industry is expected to grow. Sea transports cannot effectively respond to the shrinking of transported unit sizes and increase in demand for services and fast deliveries. Hence, other transport modes will gain more weight. (Soisalo, A., 2005; Halla, N., 2008) Another threat is posed by the tightening environmental regulations. The Baltic Sea and North Sea belong to SECA-area (Sulphur Emission Control Area) where the sulphur content of fuel used in ships is to be considerably reduced. For shipping companies, these new regulations stand for a drastic increase in fuel prices. (See table 2) In the future, additional restrictions concerning for example NOx and CO2 emissions are also expected to be imposed. This will have a direct impact on the cost structure of companies and result to higher freight tariffs. (Widén, O., 2008)

Thirdly, on the short term, the global economic downturn has largely seized the transit transports to Russia via Finland. So far, Russian transit traffic has represented almost one quarter of the total value of Finnish foreign trade (Tullihallitus, 2009a). Finland has been considered a safe and fast transport route to Russia, and especially transporters of valuable consumer durables such as cars and electronics have favored the Finnish routes (Ruutikainen P. and Tapaninen, U. 2007). The demand for these types of

products has drastically fallen in Russia due to economic hardships, which shows very clearly in the ports of South-East Finland that have specialised in Russian transit transports. Imports to Russia have been in steep decline since the mid-2008, while exports from Russia have slightly started to recover. In addition, international car manufacturers are opening their own factories in St. Petersburg and Leningrad oblast (Gubanova, E., 2009). The launching of international car manufacturing operations in Russia has led to predictions about decreasing transit of cars and increasing transit of components (Ruutikainen, P. and Tapaninen, U., 2007). Russia is also aiming to shift as much transit cargo as possible to its own ports. Ports in and around St Petersburg are actively being upgraded and expanded but it is debatable whether they will have enough capacity to take over all Russia’s foreign trade flows. There are also competing transit routes being developed in the Baltic States and Poland. Loosing the transit cargo flows would have severe effects on the port operations especially in South-East Finland, where the majority of Finland’s Russian transit traffic is focused. (Halla, N., 2008)

Also, air traffic is currently on the edge of major transformation. Representing one of the most polluting ways of travelling, air carriers are descending into hard times. Emission fees are rapidly increasing at the same time as passengers demand cheaper prices. Many traditional air carriers have gone bankrupt, and many are struggling severely. For example, in Lithuania, the bankruptcy of the national air carrier FlyLAL

lead to a severe slump in international passenger flows as also other airlines closed down a large number of air connections to Vilnius. Despite being successful in its strategy to stress Asian connections, also Finnair is currently struggling with its profitability. The economic crisis has led to decreasing passenger and cargo figures, which are, however, expected to recover as soon as the economic situation improves. Accessibility and logistics competitiveness of both Helsinki's metropolitan region and the whole Finland are very much dependent on Finnair's performance. Without Finnair, the number of flight connections to and from Helsinki would very likely be considerably decreased. In addition, as foreign trade of services is expected to grow in the future, the smooth and effective mobility of people becomes even more essential.

All in all, it is crucial to maintain Finland's logistics position in the phase of increasing environmental regulations, new demands posed by Finland's industrial restructuring and international competition for Russian trade flows. Securing good transport connections and free movement of people and cargo by developing alternative transport routes and connections to the main markets is vital for the competitiveness of both Finland as well as the HMR.

Future development

So far, the emphasis of transport development in Finland has been on domestic inland connections and direct transport routes to the East. However, it is obvious that Finland needs more versatility both in transport routes and modes in order to remain competitive in the international arena. More efficient organising of logistics will lead to shorter delivery times and lower costs. In the future, the development of multimodal routes and better linkages with the European transport network is needed.

The development of international rail traffic offers new possibilities also for Finland. In European com-

parison, Finland is above average in utilising rail transport for inland traffic (Soisalo 2005). Railways are also used in transports to Russia but their role in other international transports has remained marginal for obvious reasons. Consequently, in the development of international rail transport Finland lags behind its neighbors. For example, Sweden has successfully integrated to mainland Europe by a fixed link with Denmark. At the moment there are further plans to build a new fixed link across the Fehmarn Belt to Germany.

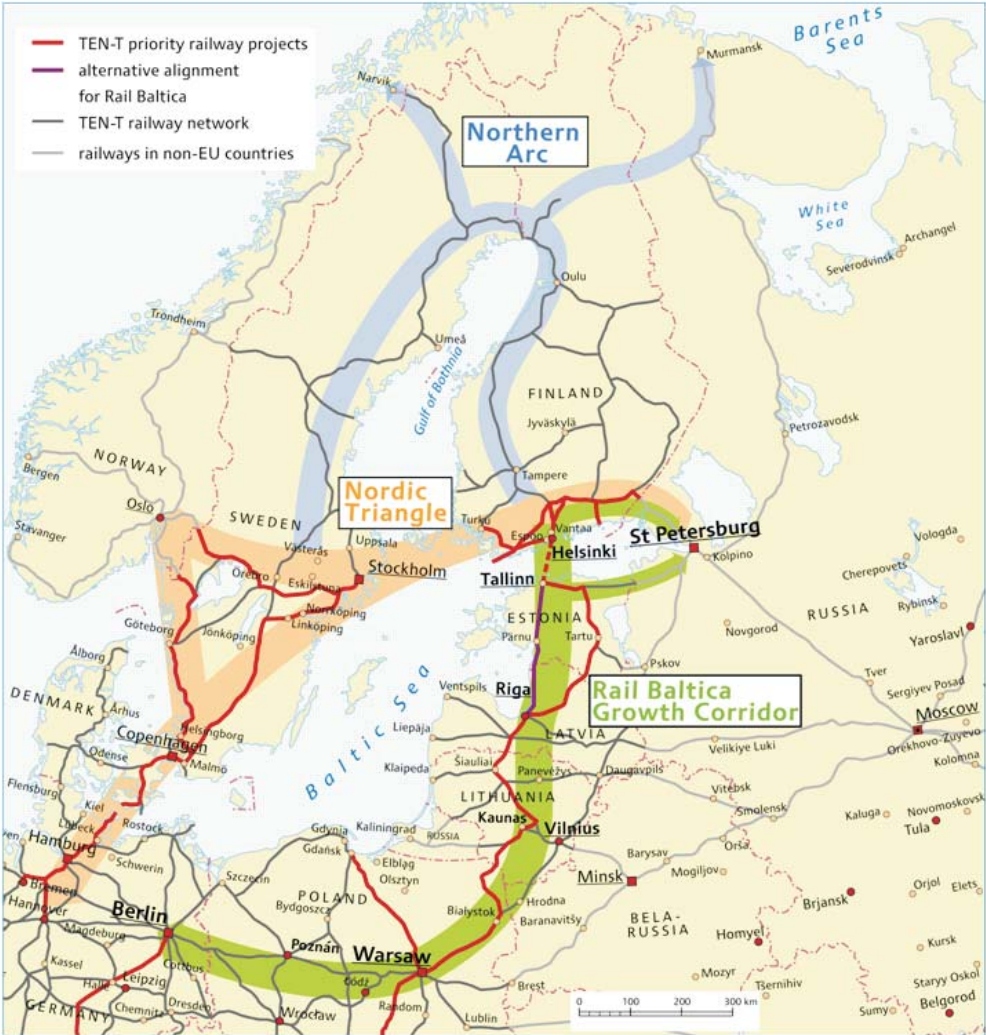
Also in the Baltic States, a railway connection Rail Baltica, running from Warsaw to Tallinn, is being renovated. Rail Baltica will, when operational, guarantee a regular railway connection between the Baltic States and the EU core both for freight and passenger traffic. This connection offers interesting new opportunities and alternatives also for international traffic flows to and from Finland. Connecting Helsinki to Rail Baltica would fundamentally change the logistics and economic-geographical location of the whole country. It would offer new alternatives for Finnish international logistics in line with the EU strategies of promoting sustainable transportation modes. This link, be it a combined passenger and cargo ferry connection, rail ferry service or a fixed link some day, would be of importance for the gateway role of Finland, too. Direct train services of Rail Baltica would provide an alternative route for Russian trade and transit.

The construction schedule of the Rail Baltica railway line largely depends on the European Union and the countries located along the line, i.e. Poland, Lithuania, Latvia and Estonia. However, Finland should not remain only as an observer in this development but take an active stance to fasten the realisation of Rail Baltica. In addition to government level actors, also regional authorities as well as actors in the logistics and transport sector should be involved in the process already at this stage. Therefore, the cities and regional actors in the Helsinki's metropolitan region have taken an active role in promoting the fur-

ther utilization of the railway connection. City of Helsinki has initiated an international project preparation team to generate the Rail Baltica Growth Corridor, which aims at improving the competitiveness and innovation potential of the city regions through focused actions and strategy development resulting

to better utilization of transport corridors and logistics service development (See Figure 3). This might prove to be a significant step in developing the Finnish logistics environment further and thus, improving the competitiveness of the Finnish economy in the future.

Figure 3. Rail Baltica Growth Corridor, Nordic Triangle and Northern Arc



Map: Spatio Oy.

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Leisure and cultural services for immigrants

Tuula Joronen

The present article is based on the book *Maahanmuuttajien vapaa-aika ja kulttuuripalvelut pääkaupunkiseudulla* (leisure and cultural services for immigrants in the Helsinki Metropolitan Area, published by Helsinki City Urban Facts Office in the series Tutkimuksia 2009:4). The aim of the book was to show how the cultural offerings and other leisure facilities in the Helsinki Metropolitan Area appear in the eyes of immigrants. Do those with a foreign background find their way to leisure facilities as easily as Finns do? How do these facilities meet the demands of immigrants? To what extent have immigrants been able to organise cultural events and clubs of their own and thus contribute to the facilities?

In Finland, the active participation of different population groups in cultural activities has traditionally been promoted by youth associations and trade unions. Youth clubs, labour clubs, schools and parish halls have served as venues. However, these traditional structures have deteriorated due to heavy migration to cities. In the 1970s, the shortage of services in urban residential areas was noticed and a start was made around the country on planning com-

munity centres. The main reason for building these centres was to increase personal contacts among people and, especially, to bring different social classes and age groups closer together (Cantell et al. 2005, 15–16).

The same reasons have also been used in approaching the cultural needs of the immigrant population. Since the 1990s, supporting the immigrants' own organisations and associations has been an integral part of Finland's immigrant integration policy. The idea has been to let organisations be responsible for maintaining the immigrants' language and culture. For example, the City of Helsinki's immigrant policy, ratified in 1995, states the following:

[quote translated from Finnish] *"According to studies carried out among immigrants, a strong ethnic community makes integration into the main population easier. The possibilities for activities within ethnic communities must be created, for example, by establishing meeting places and by supporting the activities of organisations.*

(-) The aim of the immigrants' own organisations is, for example, to assist the preservation of their own language and culture. By becoming organised, immigrants have a possibility to pursue the achievement of their goals and strengthen their members' identity, which is a resource in adapting to a new society. (Helsinki City Office 1995, 29–30)

One form of public support for these organisations has been to offer venues for their activities. Since the 1990s, multi-cultural meeting places have been established in various parts of Finland to promote interaction between immigrants and the majority population. (*Pakolais- ja siirtolaisuusasiain neuvottelukunta 1997.*) – I think this is the Advisory Board on Refugee and Migration Affairs Helsinki

Nowadays, there is a tight network of cultural centres, youth clubs and other meeting places in the Helsinki Metropolitan Area. All of which are open to both immigrants and the majority population. However, one, the Caisa International Cultural Centre in Helsinki, is especially focusing on bringing these population groups together.

When Caisa was opened by the City of Helsinki Cultural Office in early 1996, the aim was that immigrants' organisations and other partners would be responsible for the practical arrangement of most of the activities. However, the various organisations and associations were fragmented in many ways and only few of them had adequate resources to carry out long-term projects. In 2003, after many phases, Caisa's human resources were increased to make it better able to operate as a conveying organisation (Joronen 2003, 12, 36–38).

Immigrant groups and services studied

Immigrants in Finland form an ethnically and culturally very heterogeneous part of the population. In Helsinki alone, there are around 100 mother tongues spoken besides Finnish and Swedish, the official languages. Some of the immigrants come from conditions that differ essentially from modern life in Finland, others come from quite similar backgrounds. Some have hardly any formal education at all, whereas others are very highly educated. Age and gender structures, too, vary greatly between immigrant groups (Joronen 2009a, 20–21).

The role of cultural differences in immigrants' ability to take part in the services offered was studied by selecting population groups likely to differ from each other in terms of leisure habits. Both ethnic Finns and those with an immigrant background were studied. Where immigrants are concerned, the criteria used included reasons for coming to Finland, position on the Finnish labour market, level of education, ethnicity, mother tongue, age, phase of life and gender.

To give as comprehensive a picture as possible of the accessibility of services, as many different service forms as possible were selected in terms of, for example, what the role of the public services was, what target group they had and how active a role the target group itself played. The popularity and accessibility of public events were analysed in various branches of art and cultural institutions (such as theatre, dance, classical music concerts, popular music concerts, museums, public libraries) and various types of venues (cultural centres, youth clubs, etc.).

Small differences between groups studied

Ethnic background turned out to be a less significant factor than expected as regards people's perception of leisure and their leisure preferences. What seemed to matter more was gender, education, phase of life and other background factors that have come up in earlier leisure studies (e.g. Liikkanen 2009).

An immigrant background did not seem to make a difference in terms of everyday priorities. To both the Finnish majority population and the immigrant groups studied, the most important things in life were your home and family. These were followed by work, with leisure and hobbies coming only in third place. In all ethnic groups studied, the family was more important to women than to men. Leisure activities were more important to those with a high education than to less educated people and more important to childless couples than to those with children (Joronen 2009c).

Likewise, with regard to types of leisure activities, people born abroad had the same order of priority as those born in Finland. In both categories, men and women alike felt that sports and exercise were more important than cultural pursuits for their wellbeing. With regard to culture and entertainment, too, priorities were similar in both groups. Yet cultural pursuits had a higher status among women and the highly educated than among men and less educated people. Entertainment, on the other hand, was more popular among men and the less educated (Joronen 2009c, 67–68).

With children, too, regardless of their origin, the most common leisure pursuit is sports and exercise. This came out in Elina Stenvall's study (2009), where she compared leisure activities among children of different mother tongue in Helsinki. She concluded that children choose similar activities due to their availability and the example set by other children.

Sports and exercise were also the most common hobby among the young Somali men studied by Hanna Niemi (2009). Football and other team events were particularly popular. Other hobbies mentioned included listening and making music, watching films and hanging around in cafés and other multicultural meeting places.

Whenever differences in leisure orientation occurred between ethnic groups, they usually related to matters of taste. In sports, for example, events known from your former home country were popular (Raunio 2009, 131), and in arts and entertainment, immigrants preferred their own cultural tradition or something else not relating to the Finnish national culture (Joronen 2009b, 83; Pyykkönen 2009).

As regards the company in which immigrants spend their leisure, differentiation can be discerned both in terms of ethnicity and economic position. The biotechnology and information technology experts studied by Mika Raunio (2009) represent the kind of highly educated labour that cities seek to attract globally and which Finland, too, has been trying to

do. According to Raunio (2009, 138), increasing interest among highly educated young adults has been shown in "Jolly Dragon – serious about fun", a website aiming to promote international social intercourse in various hobbies and pastimes

Correspondingly, Joronen found that attending international meeting places, such as Caisa, and participating in events organised by their own community is clearly more common among such groups as Somalis, than among Russian and Estonian immigrants. On the other hand, Somalis tended to participate less in events organised by others (Joronen 2009c, 65–66).

In Niemi's (2009) study, it appeared that the Immigrants' Living Room at the Kamppi Youth Centre had become a meeting place almost for Somalis alone. Many of them had spent more time with Finns when they were younger, but gone separate ways as adults when alcohol had stepped into the picture. They did not want to isolate themselves from other young people, but they felt they could not control the situation. They felt the stigma of crime attached to Somali youth led to other youth avoiding them. Racism was also mentioned as a factor separating Somalis from Finnish young people (Niemi 2009, 102, 105, 107–108, 110). These findings are well in line with the findings of earlier research on Somali youths (e.g. Peltonen 2005, 78, 83–86).

The ethnic segregation of Somalis seems to begin already during childhood. Stenvall (2009, 92) found that among children with Somali as their mother tongue, a greater proportion than others had no hobbies at all. Somali girls were the ones with the least leisure activities outside home. There is no single explanation for the low rate of leisure activity amongst Somali children but, instead, it is likely to be the result of a variety of factors. One of them may be the Islamic faith, which limits participation in some hobbies, especially for girls (Niemelä 2006; Vastamäki 2004; Taavitsainen and Virolainen 2006). Another factor may be the poverty of these children's families.

The unemployment rate of Somali immigrants has been high, many of these families are single parent families and it is very common for them to live on income support (Linnanmäki 2009, 151).

So, although the leisure-time preferences of different population groups turned out to be surprisingly similar and differences between ethnic groups were smaller than expected, there was one group that differed from others. The findings indicated that immigrants with refugee backgrounds, mostly those coming from Islamic countries, differed from others. They tended to depend on leisure services organised by the public sector more than average and spend their leisure time more isolated from the rest of the society.

Self-initiated cultural pursuits of immigrants

Immigrants appeared to be very active in organising self-initiated cultural activities both within their own associations and otherwise. The cultural pursuits of the immigrant associations have to some extent remained an internal affair. However, activities with a view to approaching both immigrants and the majority population have tended to increase in recent years. According to Miikka Pyykkönen (2009) this tendency has been accelerated by easier access to public finance for integration-focused projects than for cultural pursuits within communities.

Music is an essential part of everyday life to many, regardless of ethnic background, and can give a meaning to places. Music is also an important tool when people meet in public and cross ethnic, economic and cultural boundaries. Immigrants' self-initiated cultural activities are often related to music. For example, some of the young Somali men studied by Niemi at the Immigrants Living Room had also helped to organise music-related events such as the Gloria Evenings (Niemi 2009, 105–106).

The significance of music in building interaction between different population groups was also the

subject of Mashaire's (2009) and Bottà's (2009) studies. Percy Mashaire (2009) brought attention to how the international music industry had laid the ground for Afro-Caribbean and African music among the Finnish majority population long before there were any African immigrants in Finland. Later, the reggae clubs organised by immigrants and active cooperation between Finnish and African musicians living in Finland have provided a sympathetic forum for interaction between African immigrants and the majority population in Finland.

Bottà (2009) points out the importance of public support to cultural pursuits among immigrants. According to him, this is not only an economic issue, but also has great symbolic meaning. To take a case in point, the spectacular support from the City of Helsinki for the Ourvision Song Contest was perceived also as recognition of the self-initiated intercultural activities of the immigrant community.

Have services achieved their goal?

In general, persons with an immigrant background felt less satisfied than the majority population with the fulfilment of their leisure-time aspirations. This transpired in Joronen's (2009c, 69) study, where she compared Finns and those born abroad and living in the Helsinki Metropolitan Area. Differences between these groups were small when it came to the satisfaction with access to sports, cultural pursuits and worship. However, differences of opinion were greater concerning opportunities for travel and entertainment. Immigrant women, especially, were more displeased than Finland-born women in this respect.

According to Raunio (2009), the foreign experts living in Helsinki were quite pleased with the cultural amenities, restaurants and night life. Most of these experts had moved to Finland primarily for work, which held a more central position in their lives than free-time did. Not surprisingly, pastimes and night life seemed more important to singles, who had more

spare time and a stronger need for contact, than to those with a family.

Lack of communication was a crucial problem for those respondents not satisfied with the services. In particular, the availability of information in English seemed to be a big problem. Without Finnish language skills, it was difficult to find hobbies and the language barrier might also make the hobby itself more difficult. Very few of Raunio's international expert respondents found the atmosphere in Finland open and Finns easy to get to know.

Raunio's interviewees had noted the relatively heavy drinking in Finnish night life and some thought it was a problem to some extent. People with a clearly different colour of skin, style of dress and behaviour than the majority may find it harder to take part in other pastimes, too - which hinders these pastimes from being arenas for social encounter (Raunio 2009, 134-135).

The public service concept relying on the community centres seems to have worked quite well also for immigrants. Libraries at community centres are a good "lure" as Helsinki City Library is also Finland's official library for foreigners and thus has material in all the mainstream immigrant languages in Finland (Helsinki City Office 1999, 53).

When studying the frequentation of cultural services in the Helsinki Metropolitan Area, it appeared that families with children with a foreign background have found their way to services quite well compared to the native Finnish population. When Joronen's (2009b) findings concerning immigrant families were compared to those of another survey (Keskinen 2009) carried out among the whole population of Helsinki, it was revealed that using public libraries and going to the cinema were as popular among families with an immigrant background as they were among majority population. However, in the case of other art forms and cultural institutions, the proportion of those who had used services was lower among immigrant families than average. On the other hand, the

proportion of those who expressed much interest in them was very high.

Schools and kindergartens seem to have played a crucial role in making children and adolescents familiar with the services. During their own leisure-time, the families had used these services far less. The biggest obstacles for immigrant families to using cultural and leisure services were the lack of interest and the lack of information. More information was requested, especially, about activities and opportunities for children and adolescents (Joronen 2009b) .

Some of the families reported that they had attended events and clubs organised by their own associations, besides or instead of going to events organised by the cultural institutions (Joronen 2009b). Closer cooperation with immigrant societies might also help cultural institutions to develop their routines both in terms of what is offered and how this is made public. In this way, they would reach immigrant families, too, better than earlier.

Public services seem to play an important role especially as providers of meeting places and events to enable interaction between different population groups. However, their importance to people seemed to vary between immigrant groups. They seemed more important for groups with a refugee background than for others.

To give an example, the young Somali men interviewed by Niemi found the Immigrants' Living Room maintained by the City of Helsinki and other formally organised activities very important for them. They felt that without this kind of activities the only option would be to hang around in the street, where you would easily get on the wrong track and into bad company. Some of them had personal experience of this. Public living rooms provided a safe, drug-free meeting place, where you could see other young people whilst also getting help to control your own life (Niemi 2009, 100, 108-111).

In the case of Somali youth, public meeting places may be important because of poverty, which limits

access to fee-paying leisure services (Linnanmäki 2009, 151). They may be important also because in the homes of Somali families with many children, there may not be enough room for children's friends to drop by. Crowded housing is common among these families (Virtanen 2009; Juntto 2005).

If a public living room turns into a meeting place for just one ethnicity, it may be a problem if this is a sign of deepening ethnic segregation and conflict. Insufficient social networks may make it more difficult to get a job (e.g. Joronen 1997 and 1998). However, in the case of Niemi's interviewees, ethnic differentiation had not yet spread to other sectors of life, yet. They all knew Finnish because they had gone or were still going to school in Finland. Some of them had already entered working life (Niemi 2009, 100).

Adequate services have not always led to the desired results, as seen in Marko Juntunen's (2009) study on internet use among Iraqi refugees. The objective of the Finnish information society strategy has been to strengthen the local community and prevent social exclusion by strengthening people's readiness for the information society and providing free public web terminals. The idea has also been to pave the way for various kinds of internet-based counselling services (c.f. Pakarinen 2004, 66–79).

One of the target groups of this policy has been refugees with a high rate of unemployment, such as the Iraqi men studied by Juntunen (2009). According to him, the Iraqis are a divided group of immigrants with respect to both politics and religion. They had very little experience of freedom of speech and free dissemination of information before moving to Finland and most of them got to know the internet only after moving here.

It transpired in Juntunen's study that the internet use of these men has not quite taken the course foreseen in information society strategies and that even education in other web skills has not decisively improved their position on the Finnish labour market. On the web, they have oriented themselves very much towards their own culture, i.e. Arabic forums, which have become a popular way of sharing their own tough experiences and joining in the political debate of their country of origin. In these forums, certain religious factions quickly took a leading position and when normally hidden conflicts have emerged on the internet, they have created new divisions and conflicts. This development has started to shape the everyday life of Iraqis also in the Finnish suburbs. (cf Mäenpää 2003; Sassi 2003.)

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Some central aspects affecting citizens' happiness in the Helsinki Metropolitan Area

Pekka Mustonen

Examining happiness is a difficult task, but trying to find differences in what kind of things contribute to people's happiness is extremely interesting. This article examines determinants behind the happiness of citizens of the Helsinki Metropolitan Area by utilising the extensive welfare survey from 2008 (SOCCA 2008). The results indicate that happiness is connected to all the dimensions of Maslow's (1954) hierarchy in all the examined cities, but also some interesting differences can be found. The article presents some central findings of a more detailed research paper (Mustonen 2009).

Multi-dimensional happiness

One commonly used way to estimate happiness is to examine subjective perceptions. Asking how people rate their happiness should give a clue as to how they feel. Although it cannot be said that someone who has stated that they are '8' on the happy-scale of 0–10 is happier than someone scoring '7' on the same scale, it can generally be said that happier people

tend to choose higher scores than unhappy people (see Headey et al 2004).

What kind of determinants contribute to perceived happiness is a totally new question. The problem can be approached by dividing aspects affecting happiness into a few dimensions. One such division could be based on the economical, psychological and physiological aspects of one's life. Financial restrictions, mental health problems or chronic pain, for example, inevitably affect the perceived quality of life (see e.g. Kouvo – Räsänen 2005). Another of the numerous useful divisions that could be used could be Allardt's (1976) theoretical "having, loving, being" categorisation.

The controversial effect of the economical dimension on happiness is well-known and verified by numerous studies. Since Veblen's (2002[1899]) study on the status-seeking "Leisure Class" and Easterlin's (1974) seminal paper on income and happiness, to mention some, numerous studies have shown that national income or income levels in general, for example, are not as closely connected to subjective well-being as could be thought ad hoc (cf. Becchetti – Rossetti 2009). By adopting the Bourdiean (1984) approach, income has the effect of raising people's

aspiration levels. Wealthier people simply compare themselves to even more affluent people and so on. This means people with stronger financial aspirations may actually report lower life satisfaction than those with weaker aspirations (see Nickerson et al 2007).

The aim of this study was to examine the determinants behind perceived happiness by utilising the recent welfare survey of the Helsinki Metropolitan Area conducted in 2008 (SOCCA 2008). The data contained a wide range of questions of subjective welfare as well as the most common sociodemographic background variables. The sample size (n=3 940) was relatively big and thus the problems regarding reliability were tolerable. In the case of city comparisons, sample size was, however, taken into account and for this reason the sample concerning the smallest city of the metropolitan area, Kauniainen, was not examined separately.

A total of 12 variables out of the extensive pattern of welfare questions were chosen to represent the subjective dimensions. The scale was from 4 to 10 and the question was: "How content do you think you are with the following things in your current phase of life?" In this way it was possible to examine how psychological and physiological dimensions are connected to happiness. The importance of economical aspects on the other hand was easily approachable by utilising the sociodemographic variables presented in almost every survey.

When choosing the appropriate variables, Maslow's (1954) hierarchy of needs was loosely used as a background. Comparing to the above mentioned division of Allardt (1976), Maslow's hierarchy offered wider and, in a way, a more solid theoretical foundation to choose the variables. The aim of using Maslow's hierarchy was not to test it empirically, but to help find the variables that best represent the multiple dimensions and structures of happiness. It was assumed that all the ladders of the hierarchy would be important. However, some differences between the cities were expected to be found.

Sociodemographic control variables and methodological points of view

Cities in the Helsinki Metropolitan Area differ from each other and there were also differences in how residents ranked their happiness. In the welfare survey, respondents were asked to estimate their perceived happiness on a scale of 0 to 10. In general people seemed to be quite happy. The overall score was as high as 8.2. However, respondents from Kauniainen scored a mean of 8.45, the highest of all. In Espoo, the mean was 8.29, in Helsinki 8.13 and in Vantaa 8.23.

Now it would be easy to suggest that the wealthier are happier against the theory of aspiration levels. Nevertheless, another determinant that can affect happiness is education. This might explain, at least to some extent, the differences between the cities. The data shows there were significant differences of education level between the cities. The level of education was highest in Kauniainen, where over half of the respondents over 24 years of age had a higher university degree and about 60% possessed at least lower-level high education. In Helsinki, the proportions were 31.8% and 42.1%, in Espoo 31.4 % and 41.4% and in Vantaa 17.4% and 28.6%, respectively.

The significances of the determinants behind perceived happiness were tested with linear regression models by using SPSS 17.0. Even though the answers concerning overall happiness were measured on an ordinal scale from 0 to 10, the variable was interpreted as a continuous variable (cf. Stutzer – Frey 2005). The problems linked with analysing the subjective survey data were well known (see Bertrand – Mullainathan 2001). Despite the risks, the analyses were carried out because explaining happiness inevitably requires subjective determinants and in existing literature this seems to be accepted practice (e.g. Melin et al 2003).

Table 1. Perceived happiness / linear regression models with control variables only

	Espoo		Helsinki		Vantaa	
	β	Significance	β	Significance	β	Significance
Partnered	0.120	**	0.094	**	0.142	***
Female	0.122	***	0.088	**	0.079	*
High education	0.088	**	ns		ns	
Income (cont.)	0.211	***	0.237	***	0.114	**
R ²	0.111		0.091		0.05	
Durbin-Watson	1.948		2.071		1.974	
Sample size	894		1438		848	

First, a model with only sociodemographic control variables was tested. Dichotomous variables indicating partnership status, gender and high education, employment status (employed/unemployed) and continuous variables of age and incomes were incorporated into the model. Employment status and age were not significant and thus separate models with the rest of the variables were run (table 1).

There were some differences between the cities and, except in the variable of high education in Helsinki and Vantaa, the control variables were significant in all the cities. The coefficient of determination (R²) varied from 0.05 in Vantaa to 0.111 in Espoo. Thus, it seems that structural determinants in the light of these four variables affect most in Espoo; the variables explained 11.1% of the variance, which was a remarkable proportion given the nature of the rather abstract explained variable, happiness.

The models show that partnered persons considered themselves happier than others. Where gender was concerned, females were generally happier than males although the difference is smaller than in the cases of incomes or partnership. Education was only significant in Espoo. Education and income are, naturally, correlated (Pearson correlation 0.316) and this must be taken into account when the results are interpreted.

Even though the chosen control variables seemed to be important and thus could not be left outside of the model, it was clear that there were some latent

structures affecting in the background. It was possible to approach the problem by thinking why these particular determinants presented in Table 1 were connected to happiness. The cases of education and income were probably the easiest ones to interpret. As mentioned above, education and income were to some extent correlated because these both increase alternatives, for example, in the field of consumption.

The case of partnership was interesting. In the literature it has been widely reported that marriage goes hand in hand with happiness. Married persons generally report higher subjective well-being and the effect is similar regardless of gender – also in the case of this study (cf. Stutzer – Frey 2005).

Gender has been used as a controlling variable in numerous studies. In discussion, it is usually said that men generally report lower levels of happiness than women (e.g. Stevenson – Wolfers 2007). Recently, however, “declining female happiness” has been discussed widely (ibid.). In the context of this study and the data used here, however, it was difficult to find any explanation as to why female respondents seemed to consider themselves happier than males.

In general, it was interesting that structural background variables seem to explain subjective happiness, at least to some extent. Even though the models presented in Table 1 did not contain subjective variables, which assumedly are more closely connected to similarly subjective happiness, the connections

are notable and thus structural determinants should be taken into account when examining happiness.

Differences between the cities in Helsinki Metropolitan Area from the viewpoint of perceived happiness

After adding the subjective variables, almost all the control variables turned out to be insignificant in all the cities, and yet the models explained over 50% of the variance of happiness. The only control variable that was significant was "income" in Helsinki, where higher household income seemed to have a positive effect on happiness. This might be due to higher living costs in the capital. The link was not totally controlled by subjective measure.

Five variables turned out to be significant explanants in all the cities. These were "sex", "job", "health", "love" and "everyday life". Some differ-

ences between the cities, especially when it comes to the effects, were found.

By interpreting the effects, satisfaction with sexual life – the variable "sex" – affected most in Vantaa, Helsinki being very close. The variable was the most significant in Helsinki and together with the controlling and insignificant partnership variable, this could indicate the perceived importance of sexual life amongst singles, and especially so amongst relatively happy respondents. In Helsinki, 31.3% of the respondents lived alone compared to 19.4% in Espoo and 16.7% in Vantaa. It is worth mentioning that satisfaction with sexual life is also strongly connected with age; age alone explains 10% of the variable indicating the importance of sexual satisfaction ($\beta = -0.316^{***}$).

Job situation indicated by the variable "job" had the biggest effect in Helsinki. Being content with the job situation was positively connected to happiness also in Espoo although the level of significance was

Table 2. Perceived happiness / extended models

	Espoo		Helsinki		Vantaa	
	β	Significance	β	Significance	β	Significance
Partnership	ns		ns		ns	
Female	ns		ns		ns	
High education	ns		ns		ns	
Income (cont.)	ns		0.063	*	ns	
Sex	0.081	*	0.102	***	0.126	**
Job	0.081	*	0.122	***	-0.074	*
Health	0.123	***	0.058	*	0.129	***
Family	ns		0.219	***	0.168	***
Friends	ns		ns		ns	
Love	0.277	***	0.130	***	0.253	***
Respect	ns		ns		-0.112	*
Everyday life	0.232	***	0.294	***	0.317	***
Income and cons.	0.146	***	0.065	*	ns	
Nature	ns		0.061	*	ns	
Culture	-0.114	*	ns		ns	
Entertainment	0.124	**	ns		ns	
R ²	0.508		0.532		0.528	
Durbin-Watson	2.094		1.970		2.155	
Sample size	606		1030		540	

lower than in Helsinki. Helsinki is the most expensive place to live in Finland and because of this the observation of job situation being an especially important determinant behind happiness in Helsinki was somewhat expected. In Vantaa, however, the direction of significant regression was the opposite. According to the analysis, being content with the job situation would thus diminish overall happiness which sounds awkward and difficult to explain.

Satisfaction with one's health had smallest effect in Helsinki. In addition to this, the variable was clearly more significant in Espoo and Vantaa. Age structures between the cities were quite similar, so this cannot be the reason behind the differences. One explanation could be that some latent aspects affect happiness in Helsinki more than in other cities. These could be somehow connected to urban lifestyle, for example, and measuring these was not possible using the current data set.

The variable "love" was highly significant in all the cities, but there were remarkable differences between the effects. The effect was lowest in Helsinki (0.130) and highest in Espoo (0.277) Vantaa being very close (0.253). It is difficult to find an explanation for this observation. It cannot be said that feeling oneself as loved has weaker links to happiness in Helsinki despite the change in effect size. It could easily be though, that the higher number of singles in Helsinki has something to do with the observation; "feeling yourself loved" might be a more important determinant behind happiness amongst respondents with families. However, this was tested and actually variable "love" had a bigger effect in the case of singles both in Helsinki and in all the cities together. The difference is probably due to some other variables that control and diminish the effect. There are variables, such as income and nature, that were significant in Helsinki but not in Espoo.

Gaining satisfaction from everyday activities was very important in all the cities. In the case of Helsinki and Vantaa, the variable had the highest effect of all

the variables. In Espoo, the highest effect could be found from the variable "love". Thus, in general, people who report higher satisfaction with aspects of everyday life seem to be happier when considering the subjective perceptions.

By interpreting the models in the light of the other six variables, more differences between the cities were found. These differences turned out to be quite interesting and, to some extent, surprising.

Espoo was the only city where the variable "family" was not significant. In Helsinki and Vantaa, the significance was clear and size of effect remarkable. Similarly surprising results were found when observations concerning the variables "nature", "culture" and "entertainment" were examined. Nature was only significant in Helsinki, which represents the most urban area in the whole country. Culture and entertainment, both usually linked with urban lifestyle, were instead not significant in Helsinki. These two were significant in Espoo, although in the case of the variable "culture" the direction was negative. Being content with possibilities to attend cultural events would thus affect happiness negatively. Again, this negative effect was difficult to explain.

However, the logic behind the controversial results concerning common stereotypes could possibly be explained by the stereotypes themselves. "Family" is probably not connected to happiness in Espoo because it is in a way taken for granted. There are more important determinants that overpower the effect of family. Same explanation could be stated when thinking of the variable "nature" in suburban cities Espoo and Vantaa. And again "culture" and "entertainment" in Helsinki; it can be assumed that the citizens of Helsinki take these things for granted and thus links to happiness remain absent.

This hypothesis, however, cannot be verified by examining the differences between the levels of how content people actually are. Culture as well as entertainment means different things to different people and there are obviously differences also between the

cities both on the demand and supply side. Kauniainen, although the smallest city in the Helsinki Metropolitan Area, was not examined separately in this study. However, it must be mentioned that the citizens of this tiny city were clearly more content with culture and entertainment compared to the residents of other cities. This example explains the cultural and social differences relatively well. The results concerning the different cities cannot be compared without problems. The supply of cultural amenities varies remarkably between the cities and people from all the cities use the amenities found in Helsinki and also vice versa. Even though cultural amenities are strongly concentrated, for example, on Helsinki and especially on the city centre, people in Kauniainen were more content. The reason behind this must simply be the different preferences and demand structures.

In addition to the evident structural differences, some reasons can also be found in personal resources that can be allocated to culture. This can especially be the case in Helsinki, where both the continuous "income" variable and subjective "income and consumption" variable were significant. Thus, in the case of Helsinki, these two variables represent two different dimensions of material welfare. Earning a lot of money does not necessarily mean that one should be content with the situation. When comparing the models, the subjective "income and consumption" variable was the most significant in Espoo, with the remarkable effect 0.146. This somewhat strengthens the image of Espoo as a home base of affluent middle class citizens, but relatively cheaper living costs when compared to Helsinki might also be reflected here. In Vantaa the variable was not significant.

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Public services satisfaction survey

Vesa Keskinen

Ever since 1983, a survey of the satisfaction of Helsinki residents with the public services provided by their home town has been carried out roughly every four years. This 25-year time span provides a unique perspective even by international standards. The most recent questionnaire was in 2008 and was responded to by 1,600 Helsinki residents aged between 18 and 70. The so-called KAPA Survey on public satisfaction with municipal services has also included the other major Finnish cities Espoo and Tampere.

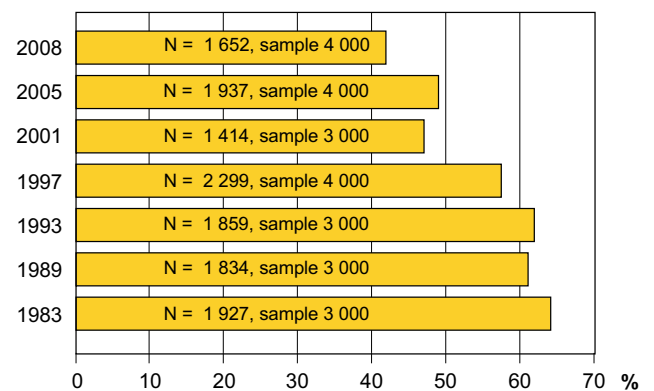
In the 1980s and 1990s, every survey had high response rates. However, response rates to long questionnaires have changed drastically in the 2000s.

Therefore in 2008, we mailed – for the first time – the questionnaire twice to the same sample. This time, people could also give their responses online. In fact, we received 90 more replies to the 3,000 forms we sent out than we had received to the 4,000 forms mailed during the previous survey.

People generally seem reluctant to answer wide-ranging questionnaires today. However, when questionnaires focus on specific issues such as noise, we still receive good feedback.

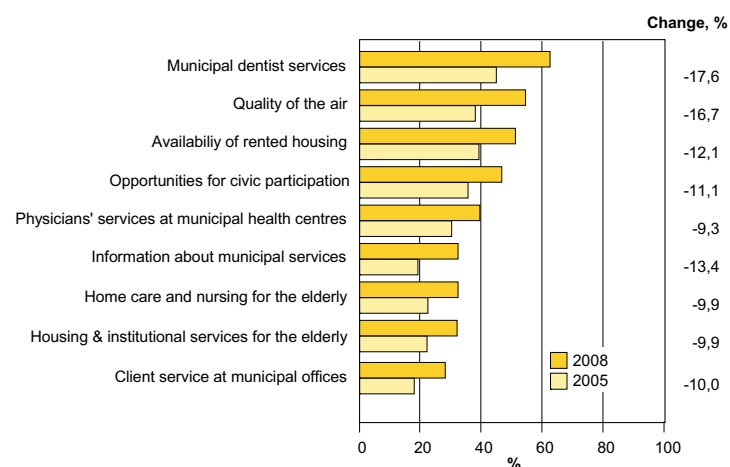
There is one important point about the 2008 survey. We did not only ask what public municipal services the respondents themselves had used but also what services their families – i.e. partners, children or parents – had used. This makes it a bit difficult to assess how reliable our data are. It is quite common that wives answer on behalf of the whole family. Consequently, on the other hand, a low response rate is not such a big problem with this particular study.

Figure 1. Sample size and responses 1983–2008



Plus some extra questions of common interest (new City Library, equality, how to improve conditions for cycling, etc.)

Fig. 2. Things that deteriorated from 2005 to 2008 – percentage of dissatisfied



In 2008, Helsinki residents were most satisfied with the quality of drinking water (92% were satisfied), municipal libraries (also 92%), cultural amenities (88%) and public transport (88%). These “best subjects or things” have remained unchanged for many years. It is important to point out that high-quality mains water is not a matter of course even in Finland. Certain communities have had problems with the public water supply.

Some sharp criticism was also voiced concerning municipal dental services, air quality, rental housing and opportunities for civic participation.

To me, the following finding is interesting: many people in Helsinki feel or know that they have little influence over decision-making Helsinki. It seems we have what might be called a “shortage of democracy.”

Tab. 1 Perceived influence over municipal decision making

	Weak	Can't tell	Strong	%	N
	%				
2008	47	33	20	100	1,627
2005	36	48	16	100	1,877

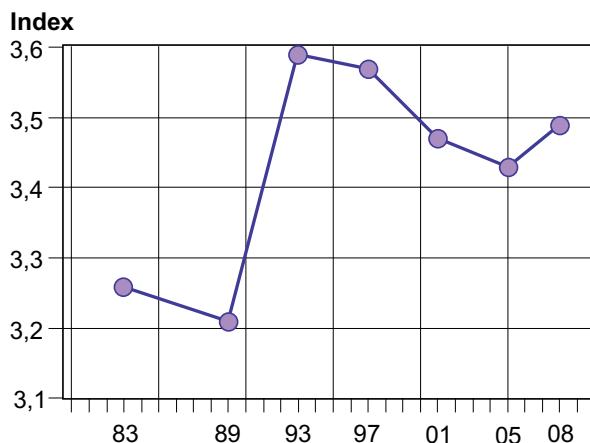
Economic situation and people's opinions

In my opinion, there is a clear pattern to people's satisfaction with public services. We know that economic highs and lows influence people's use of public services – and how highly they value them. During economically good times public services are criticised – whilst people also want more of them. During economic downturns, many services have been threatened and people have been pleased about those services still available.

Since the recession of 1993, people's everyday life has improved year by year. In 1993, only 14% of Helsinki citizens felt that neither they nor their families had any problems in the sectors of life mentioned. In 2008, the percentage was twice as high, i.e. 28%. In Espoo, it was 30% that year and in Tampere 27%, i.e. roughly the same as in Helsinki.

It has to be added that the responses to this latest survey were given in spring 2008, before the news of the current economic downturn had broken through.

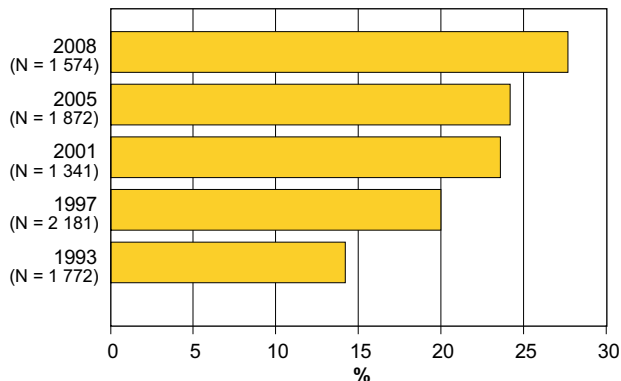
Fig. 3. Satisfaction index in Helsinki 1983–2008



(1 = things are in a bad way, 3 = neutral situation, 5 = things are OK), thirteen (13) themes incl. public transport, hospital services and safety

If responses had been given a few months later or today, especially, it is easy to guess they would have been less optimistic.

Figure 4. Percentage of respondents (households) having none of the 16 everyday problems mentioned in the questionnaire



Welfare Research in the Helsinki Metropolitan Area 2008–2009

SOCCA – the centre of expertise in social welfare in the Helsinki metropolitan area, together with the cities of Espoo, Helsinki, Kauniainen and Vantaa are conducting a two year research project into the welfare of people living in the area. The emphasis of the project is on subjective welfare - how people experience their own lives.

In 2008, during the quantitative phase of the project, 9,500 survey questionnaires were sent out to individuals living in the area, asking questions about their housing and living conditions, health, work, welfare factors and financial matters. Almost 4,000 people responded and although most considered their lives to be generally on the right track, problems in running their everyday affairs do occur. For example, a number of respondents claimed to suffer from stress and lifestyles that were too hectic; too much work and lack of time. However, good relationships, nature, holidays and well run public services gives strength to many.

In the qualitative part of the study conducted in 2009, 25 young people (18–25 years old) living in the area were interviewed in order to gain a better understanding how young people, in particular, experience their lives. Difficulties in obtaining help, for example, for mental health problems were reported by many. Good relationships, supportive networks and meaningful activities are the main factors in contributing to their wellbeing. The research report, which will include the results from both parts of the study, will be published in early 2010.

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Under preparation: Urban Research and collaboration programme to support metropolitan development

Short history of cooperation in urban research

Ever since 1998, the metropolitan region of Helsinki has taken relevant and purposeful measures to strengthen urban research. The University of Helsinki and the Helsinki University of Technology together with the cities of Helsinki, Espoo, Vantaa and Lahti and the Ministry of Education have joined forces in a €6.5 million investment pool to develop urban research. This has provided finance for 15 five-year professorships and for the coordination of the project. At present, nine professors are at work: seven at the University of Helsinki and two at Helsinki University of Technology. The aim has been to transform the urban research conducted to strengthen the metropolitan area into an established research and development sector.

From project stage to long-term cooperation

The shared aim of establishing urban research as an academic field of research and education has been achieved. Cities can fall back on a research and education branch which is genuinely academic, international and increasingly ready for cooperation with actors outside the academic world, especially with cities. To date, quite a number of students have been

trained for international research assignments and to respond to the needs of cities and other organisations.

Cities and universities in the metropolitan region agree on the importance of these activities to continue and develop. Aims have been discussed by the network for coordinating the professorships, the Rector Forum of the region's universities, a meeting between the Rector Forum and the mayors of the Helsinki Metropolitan Area (Helsinki, Espoo, Vantaa and Kauniainen) and a cooperation commission for the City of Helsinki and the University of Helsinki. The universities of applied sciences and polytechnics in the region are increasingly joining in cooperation, thus contributing to strengthen the application aspect in urban research.

Current development needs in urban research

The objective is to secure internationally high research standards while also enabling genuine multi-disciplinary research and development projects that combine various aspects in a creative and innovative way. In research and development, more focus than earlier is put on an approach that factors in the peculiarities of the metropolitan region and, especially, compares city regions with each other internationally. Another objective is to increase the social effectiveness of urban research by upgrading the interaction between those producing research findings and those using the findings (cities, public adminis-

tration, and the private sector). The idea is also to highlight applicability, i.e. bring the research closer to actual work.

National metropolis policy accelerates urban research. During the present Vanhanen administration (since 19 April 2007), a set of political issues has been launched addressing the peculiarities of the metropolitan region such as land use, housing and transport, industrial policy and international competitiveness, multiculturalism, immigration and bilingualism, and social cohesion. This whole has provided a thematic ground on which to anchor the debate on how to consolidate urban research. The partners of urban research cooperation agree that it will take research based on multi-disciplinary and horizontal cooperation to secure the goals of the metropolitan policy and implement its contents.

Developing the programme at workshops

In August 2008, the Rector Forum of the metropolitan region's universities and universities of applied sciences decided to formulate a decision and a related agreement of intent on a collaboration programme for urban research. The preparative work group was chaired by Asta Manninen of Helsinki City Urban Facts Office and included members from the University of Helsinki and the Helsinki University of Technology, the cities of Helsinki, Espoo, Vantaa and Lahti and the universities of applied sciences. (I don't think there are any polytechnics left in Finland, they're all universities of applied science these days)

Autumn 2008 saw a three-phase workshop process in which around 130 experts in or users of urban research – representing the metropolitan region's municipalities, universities, polytechnics and state administration – participated. These workshops charted research needs and development issues of great importance to the metropolitan region and discussed how to bring the findings and expertise of the urban researchers into use. It was also considered important to bring together the various actors involved in

the development of the metropolitan region to discuss how research findings could be used when developing the region. The aim was to find a strong ground for a research and cooperation programme based on the peculiarities of the metropolitan region and for the networks and partnerships needed to put the findings of urban research into practice.

Workshop findings

The workshop process crystallised a number of research themes to serve as a basis for further preparations of the research and development programme. These were living environment, arts & culture, immigration and related multiculturalism, management of the metropolitan region, the welfare policy of the metropolitan region, and business and competitiveness. During the continued preparation work, research and development was divided into four focal areas, namely living environment and urban structure, multiculturalism and immigration, welfare policy and services and business and competitiveness. Furthermore, two aspects recurring in all themes were defined: management and internationalism.

From workshops to home bases for KatuMetro

The work group suggested that the research and development projects be organised into "home bases" of thematic focal areas. Their operations are organised as partnerships, but certain home base universities are responsible for the activities. The home bases gather the expertise of their respective discipline and organise relevant research and development projects. These tasks also include monitoring the research and development projects and translating their findings into practice. A steering group representing the sponsor partners assists the work of the home bases.

Green light from rectors and mayors

The work group's proposition for a research and development programme for the years 2010–14 and for

an implementation and finance model was approved by a meeting between the Rector Forum and the mayors on 7 April 2009. The meeting found that the programme proposed was well in tune with the lead project of the national metropolitan policy, i.e. to promote international competitiveness. Correspondingly, the urban-research-based research and cooperation programme was seen as a part of a raft of measures where cooperation to strengthen research and education also puts the goals of the fresh competitiveness strategy of the region into practice. The meeting also noted that the Triple Helix financing model involving universities, cities and the state is an essential basis for the programme.

Henceforward

As of summer 2009, home bases have managed the implementation and financing of the programme. The steering group includes representatives of the University of Helsinki, Helsinki University of Technology,

Helsinki School of Economics, Hanken School of Economics, Finnish Academy of Fine Arts, Sibelius Academy, the universities of applied sciences Haaga-Helia, Metropolia, Diakonia and Laurea, and of the cities of Helsinki, Espoo, Vantaa and Lahti. The steering group is chaired by Professor and Dean Hannu Niemi from the University of Helsinki, with Hellevi Majander, Liaison Manager of the University of Helsinki, and Ari Jaakola, a Researcher at Helsinki City Urban Facts Office, as secretaries. The steering group formulates the operation model, principles and rules of play required. The aim is to start implementing the programme in 2010.

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Comparisons anchor Helsinki Region to other European city regions

The State of the Helsinki Region 2009 – a European Comparison, based mainly on the Urban Audit database of the European Commission and comparing Helsinki with other capital city regions in Europe, was published by Helsinki City Urban Facts Centre in autumn 2009.

Comparisons concern population trends, housing, living conditions, arts and culture, adult education, transport and traffic, finance and business. The topography and waterways of Helsinki are described, too, as is its climate.

In terms of investment in new technology and ideas, the Helsinki Region ranks among the leaders as regards monetary investment in research and development, and the number of patents granted.

The statistical publication reveals that Budapest and Copenhagen have the highest share of 0–4-year-old children in public child day care. The percentage in Vienna and Riga are similar to that in the Helsinki Region. In Athens, only a tenth of small children go to a municipal day care centre.

In many cities today, finding a decent job is a difficult problem. Although the study was done in Europe when the economy was still healthy, only in Prague, Dublin and Copenhagen was the percentage of residents feeling that they had very good or good chances of finding a job above 60. The trio Bratislava, Helsinki and London came next with a proportion of around 50 per cent. Berliners were most pessimistic about finding a job, followed by people in Rome, Lisbon and Budapest, in all of which less than 20 per cent were satisfied with their chances of finding a job.

The State of the Helsinki Region 2009 – a European Comparison appears in English only and is available both in print and in electronic format on the website of Helsinki City Urban Facts Office. The publication was designed and produced in cooperation between the cities of Espoo, Helsinki and Vantaa, the Helsinki Metropolitan Area Council and Uusimaa Regional Council. The Statistics and Information Services Unit of Helsinki City Urban Facts has compiled and edited the publication.

Leila Lankinen

Head of the Statistics and Information Services Unit

Employee opinion should be heard

A survey has recently been conducted among Helsinki City employees concerning their opinions on how people work at their workplaces and what could be further developed. A random sample was taken of the entire personnel of the city and responses were collected in June 2009 over the city administration's intranet. With some questions, respondents could also freely formulate answers. Preliminary findings now show that the experiences and opinions of superiors differ in many ways from those of subordinates. It is thus important that subordinates, too, can express their opinion. The study was a joint project between Helsinki City's Urban Facts Office, its Personnel Centre, the Oiva Akatemia (a Helsinki City business department for staff development) and the Aalto University School of Economics. The findings were analysed by the Urban Facts Office and the School of Economics. The survey will provide background information for the implementation of the city administration's personnel strategy and the City Council's personnel policy in 2009–2012.

A total of 1,857 responses were received equating to five per cent of city personnel. A broad range of responses were received regardless of age, gender and employment status. However, slight differences in representativeness could be seen between groups: women responded somewhat more frequently than

men did, and those on a permanent full-time contract responded slightly more often than those on a fixed-term or part-time contract. Length of service also influenced responsiveness: the longer people had worked for the city, the more likely they were to respond. In terms of education, those with a tertiary education were more likely to respond than those with only a compulsory or secondary education were. The survey reached almost all city departments, but the eagerness to respond was probably influenced by whether or not you worked with a computer and were therefore familiar with the city's intranet. The response rate was lowest in those offices and departments where a considerable part of staff work elsewhere than in the office. Almost half the total number of responses came from the two largest departments, namely the Health Department and Social Services Department.

The first findings of the survey are being presented in late 2009 and the final report will appear in winter 2010.

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Helsinki and the Helsinki Region

Key figures and some international comparisons

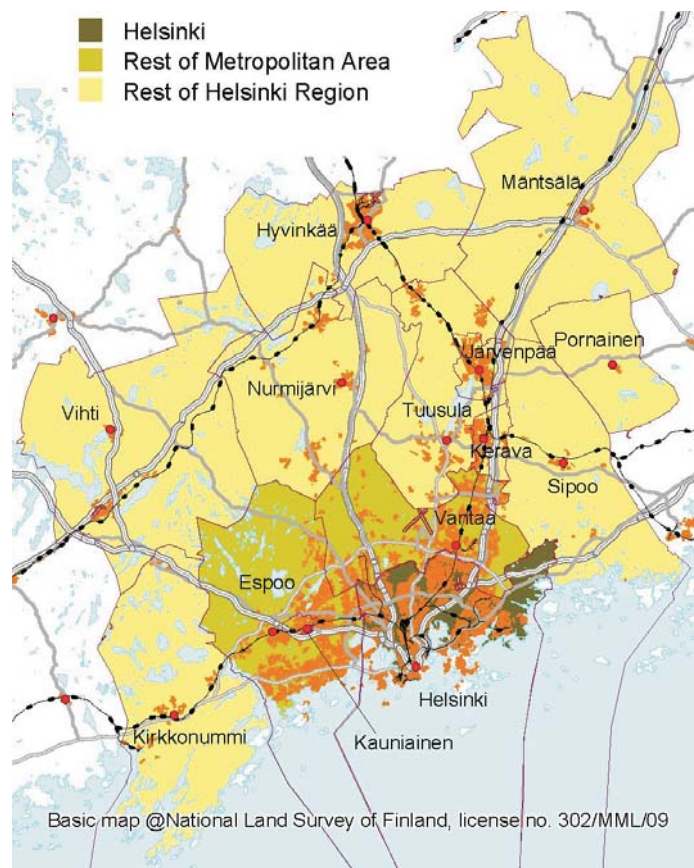
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Population | Tea Tikkanen

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Labor force | Minna Salorinne



Population of the Helsinki Region on 1 January 2009

Total population 1,320,220
Share of Finland 24.8

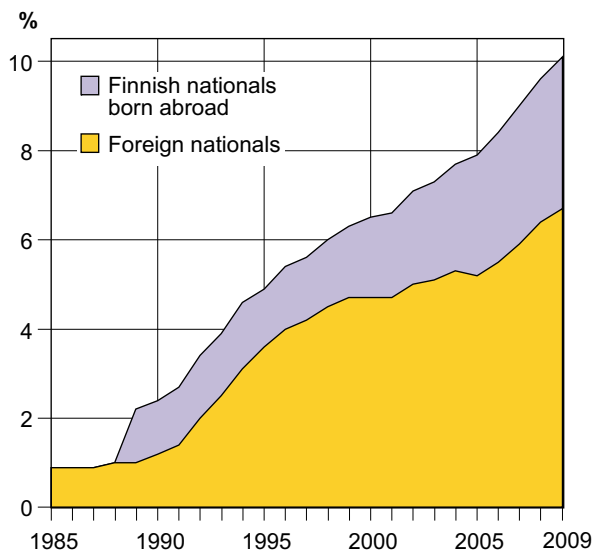
Foreign nationals 69,470
Share of Finland 48.5

Population structure, share of total population, %

Age groups
0–14 17.1
15–64 70.2
65+ 12.6

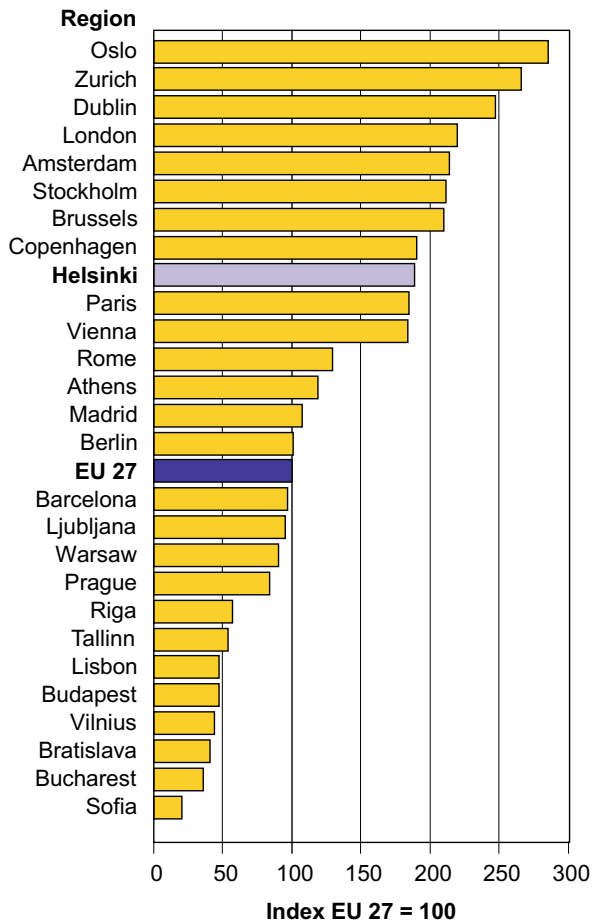
Finnish-speaking 86.4
Swedish-speaking 6.1
Other languages 7.5

Population with a foreign background in Helsinki 1985–2009



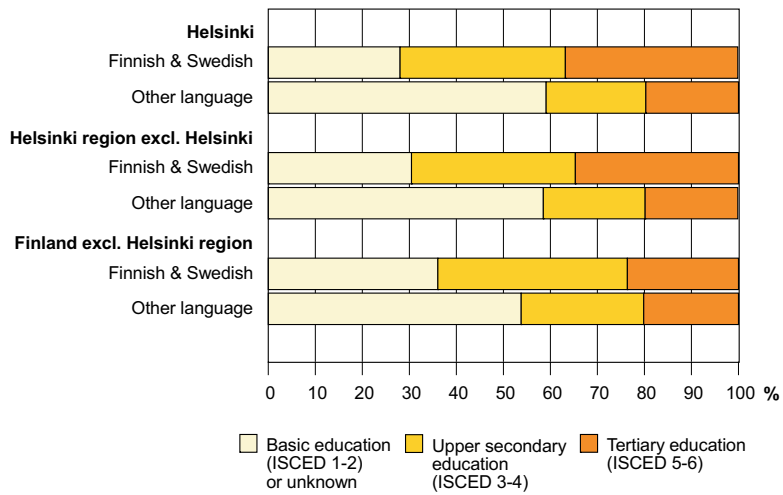
Includes degrees taken in Finland.
Source: Statistics Finland.

GVA per capita in urban regions of Europe in 2008



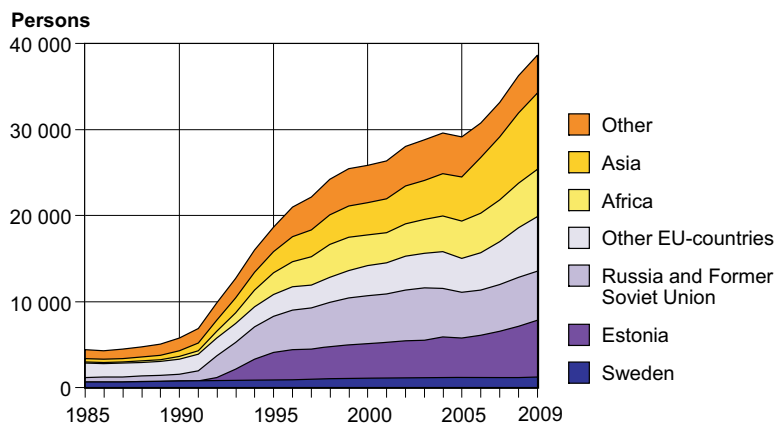
Source: Cambridge Econometrics Ltd, Kaupunkitutkimus TA.

Population aged 15 year or over by the level of education and mother tongue on 31.12.2007



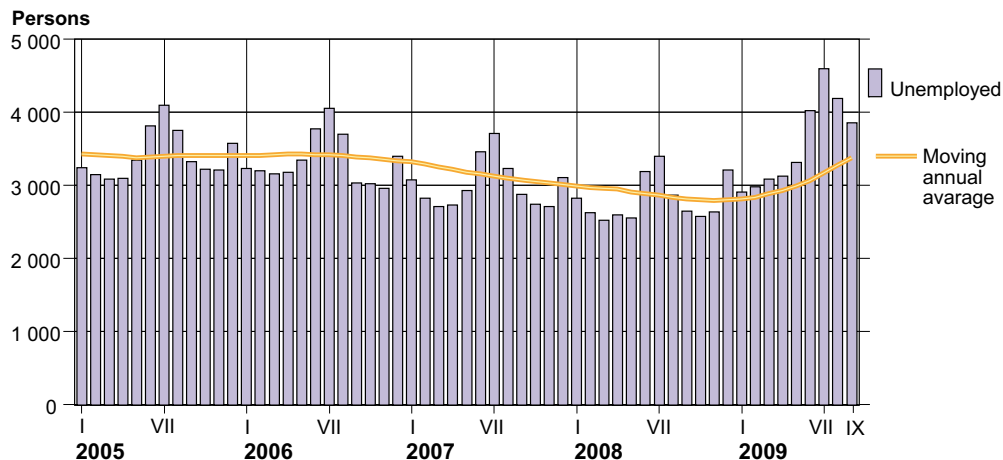
Includes degrees taken in Finland.
Source: Statistics Finland.

Foreign nationals by nationality in Helsinki 1.1.1985–2009



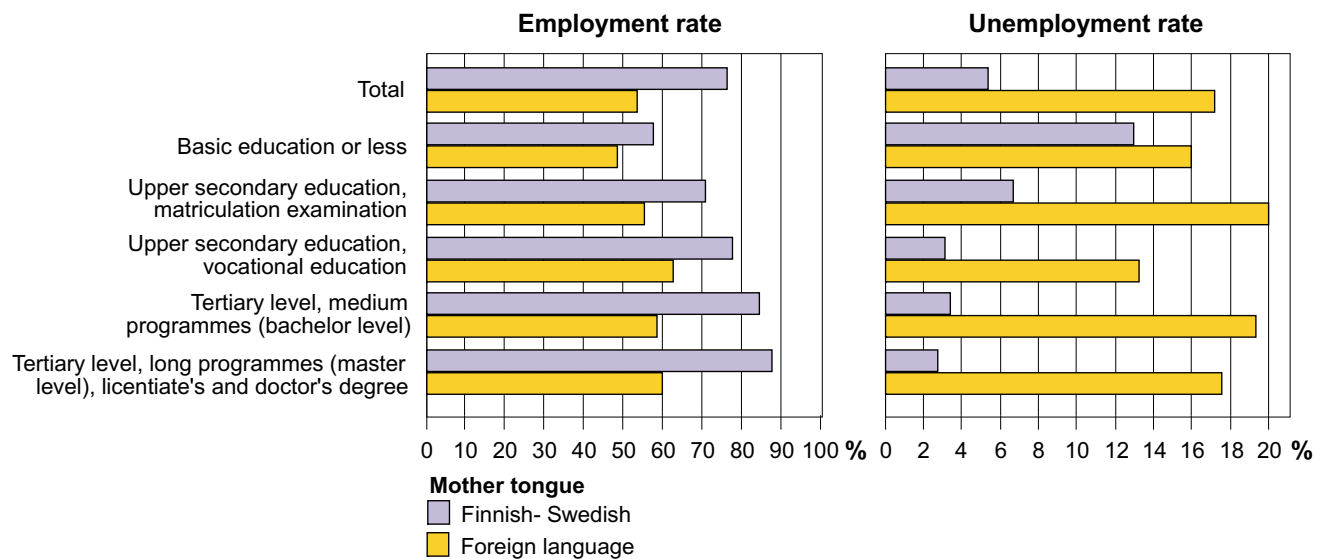
Source: Statistics Finland.

Unemployed foreign nationals in Helsinki in 2005–2009/September



Source: Ministry of Labour and the Economy.

Employment and unemployment rates of 20-64-year olds in Helsinki by mother tongue and education in 2007/2008



Employment rate of those with foreign mother tongue 53,5 %;
Unemployment rate of those with foreign mother tongue 17,2 %

Source: Statistics Finland.

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Asta Manninen

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