

Perspectives for Helsinki

This issue of Quarterly focuses on perspectives for Helsinki in terms of a new population projection, international comparative urban research and statistics as well as in terms of a new research programme.

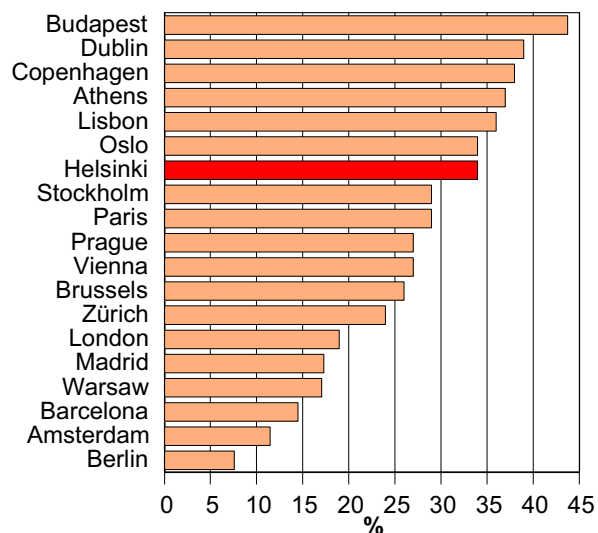
The new population projection expects the population of the City of Helsinki to grow by 8,000 inhabitants by 2011 and by 24,000 inhabitants by 2030. The population figures are projected as being 567,000 in 2011 and 583,000 in 2030. The Helsinki Region, comprising Helsinki and 11 neighbouring or adjacent municipalities, will grow even faster. The Region will have 225,000 new inhabitants by 2030. Seppo Laakso and Pekka Vuori present the new population projection on pp. 7–10.

A recent comparative study on European metropolises undertaken by ERECO (European Economic Research Consortium) and coordinated by Cambridge Econometrics depicts the current state and prospects of future development of the economy in the European metropolises. Almost all the metropolitan regions are considerably more productive than their host countries. This means that the per capita value-added goods and services produced in the metropolitan regions is higher than the respective ratio for the entire country. One third or even a greater share of the Gross Value Added (GVA) in Western and Central Europe is generated in the metropolitan re-

gions, even though their share of the population is about one quarter. (Figure 1)

Employment growth is expected to be slower up to 2008 than it was during the period 1995–2002. (Figure 2)

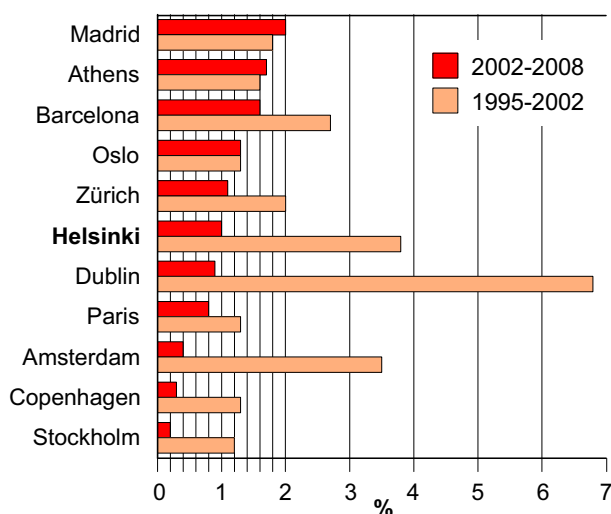
Figure 1. Share (%) of the national Gross Value Added generated in selected European metropolises in 2002



Sources: The Regional Economy of Helsinki from an International Perspective, City of Helsinki Urban Facts, Statistics 2003:7 and its forthcoming up-date of 2004.

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Figure 2. Employment growth 1995–2002 and the forecast for employment growth in top twelve metropolises in 2002–2008



Sources: The Regional Economy of Helsinki from an International Perspective, City of Helsinki Urban Facts, Statistics 2003:7 and its forthcoming up-date of 2004.

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The knowledge economy and its foundations are the key interest of a European comparative research project carried out by Euricur (European Institute for Comparative Urban Research) at the Erasmus University in Rotterdam. Helsinki was one of the nine cities included in this research project. Led by Professor Leo van den Berg, the research team highlights the question of what cities can do to become stronger in the knowledge economy. The research identifies four types of interrelated knowledge activities in a city. A city should be able to attract knowledge workers, to create and apply knowledge and to develop growth clusters. These knowledge activities are closely linked to knowledge foundations, i.e. the knowledge base, economic base, quality of life, accessibility, urban diversity, urban scale and social equity.

This comparative research showed Helsinki to have an excellent broad knowledge. However, the regional economy could be more varied so as not to be

too susceptible to global slowdowns. Whilst Helsinki offers a high urban quality of life and high social equity, the urban diversity (a vibrant city image) could be higher. The economic base of the region is rather small and thus there is an urgent need to develop new growth clusters and to engage in strategic networks to be able to respond timely to rapidly changing markets and technologies. The shortages in entrepreneurial activities need to be addressed. In the case of Helsinki, the Euricur research team found there to be a fear of other Finnish regions being supported more out of national funds to the detriment of the Helsinki region. From the point of view of the global economy, the researchers question to what extent Finland can afford such an equity policy. The Helsinki Region must obtain sufficient means to guarantee economic growth and diversity in the near future.

Professor Seija Kulkki presents major conclusions based on a current piece of research focusing on how the Helsinki Region could become stronger as a hub of knowledge, innovation and business enterprise; to put it briefly, how to create a unique global profile for the Helsinki Region. The measures needed to raise Helsinki's profile as an ideapolis amounted to five baskets of actions. See pp. 18–21.

Creative knowledge, such as cultural activities, media and design, adds to the knowledge base of the city. In this issue of the Quarterly you can read about a forthcoming thematic statistics compilation of arts and culture in Helsinki, including comparisons of a selected number of European cities.

The City of Helsinki has a new research programme encompassing the period 2004–2006 (see also www.hel.fi/tietokeskus). The main goal of the research programme is to increase knowledge about the living conditions and well-being of Helsinki citizens and to strengthen the competitiveness of the business community in compliance with the principles of sustainable development and good governance. The programme also supports the strategic work of

the City of Helsinki. In view of current challenges and urgent information needs, six priority research themes emerged:

- The Helsinki Region as an innovative environment and system
- The income basis of the city economy (municipal economy)
- Social cohesion
- The impacts of the EU enlargement
- Cooperation in management and development issues of the urban region
- Sustainable development in Helsinki's planning and participation system

We may say that because of the economic recession of the early 1990s, the City of Helsinki started to view things in a new light. The City clearly adopted a knowledge-based strategy for its future direction. Human capital, knowledge and skills were considered as the basis for success. Much attention was paid to a favourable business environment as well as to intensified co-operation with universities and their research activities. In addition, emphases were given to securing social cohesion and a good living environment.

In 1998, the City of Helsinki, the Ministry of Education and the University of Helsinki agreed to intensify their co-operation in the field of urban research. The agreement generated six new professorships at the University for a term of five years. The disciplines of the professorships were social policy, urban history, urban geography, urban economics, ecology and systematics, and sociology.

In 2003, this model was further extended. A new agreement was reached between the cities of Helsinki, Espoo, Vantaa and Lahti, the University of Helsinki, Helsinki University of Technology and the Ministry of Education. The extensive work of setting up the new agreement, including the financial arrangements, was successfully led by Deputy Mayor Ilkka-Christian Björklund, who also acted as chair-

man of the above mentioned research programme. Under the new agreement there will be a total of nine professorships in urban research, seven professorships will be accommodated at the University of Helsinki and two at Helsinki University of Technology. For the City of Helsinki, and indeed for the entire Helsinki Region, this is a unique opportunity to advance urban research of high quality, to cooperate in the fulfilment of a joint research programme and to make the urban dimension more visible in the university curricula.

We are actually approaching the goal of strengthening the local and regional innovative system. We have achieved a functioning science corridor stretching from the Otaniemi Campus in the West to the Viikki Campus in the East. There is a special article on pp. 14–17 on the new Eko-Viikki village-like housing area. Viikki embraces eco-housing, a new University Campus, Viikki Science Park and an evolving business area of knowledge intensive jobs.

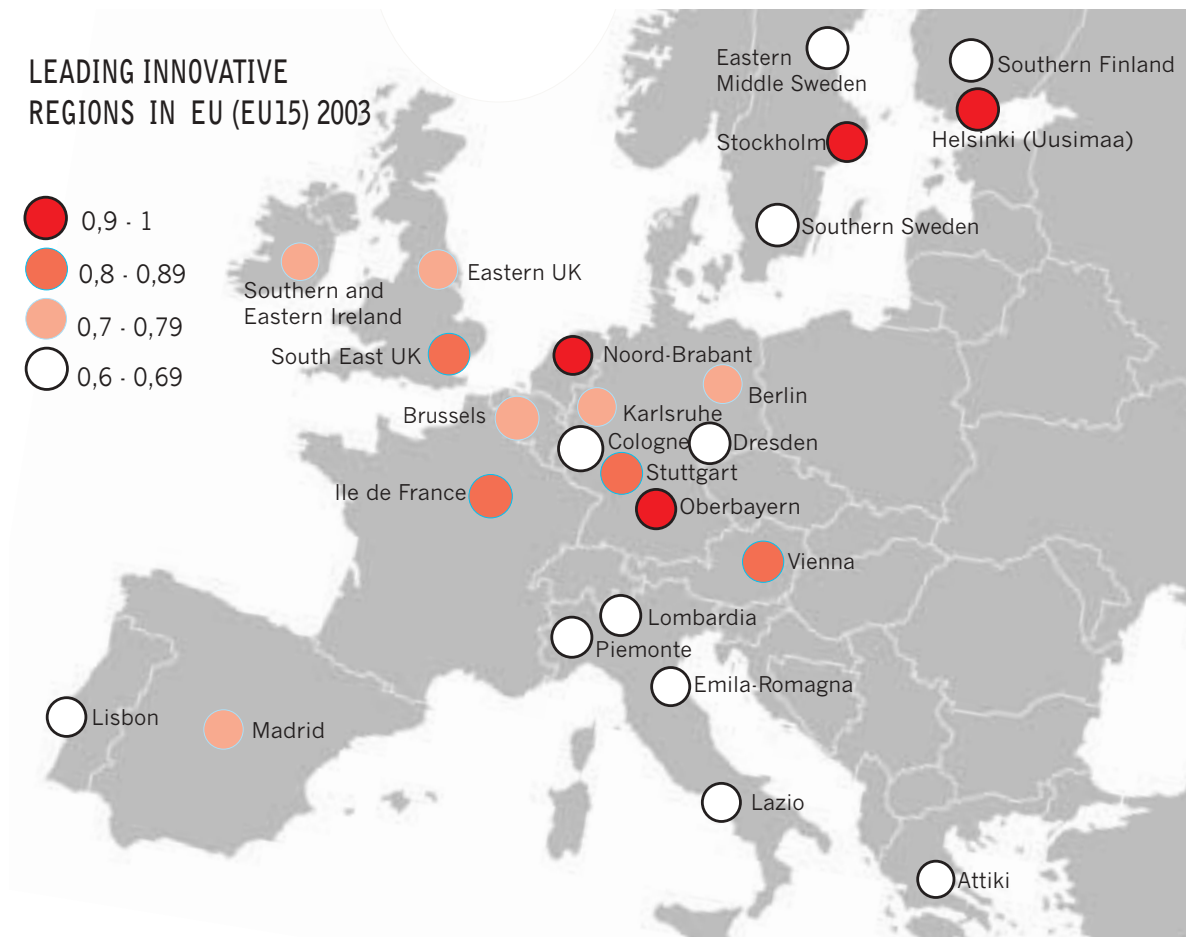
Urban Audit, launched by the European Commission's Directorate General for Regional Policy and carried out by cities, national statistical institutes, Eurostat and the Directorate General itself provides a comprehensive set of urban indicators covering various aspects of urban life. According to the preliminary results of the Urban Audit (the final results will be published in October 2004), Helsinki appears as follows compared to 188 other cities of the 15 Member States of the European Union. To take a few examples of the extensive set of indicators, Helsinki has a high employment rate, but also a high unemployment rate. Helsinki ranks highly in terms of residents with a higher education degree. GDP per head scores high. The coverage of children's day care is excellent. Public transport functions well, only a few people use their own car to get to work. The average living area (m²) per person is low and the average price per m² for an apartment or house is high. The Urban Audit also undertook telephone interviews about how people feel about their lives and what their perceptions

are. Helsinki residents are very satisfied with their lives in their city, as many as 94% shared this opinion. People in Helsinki feel safe in their city and neighbourhood and are quite satisfied with the everyday amenities provided. The difficulties mentioned include the hard work involved in finding a good job and high housing prices. It is not easy to find a good, reasonably-priced apartment or house.

International comparisons and the new knowledge derived from these contribute to capacity building in the city. The Urban Audit provides ample opportunities for further comparative urban research and contributes to planning urban policy measures.

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Source: European Innovation Scoreboard 2003. The European Commission.