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Development of the Uusimaa Region : Outlining the Region

Mazowsze. Studia Regionalne 3, 145-156

2009

Artykuł został opracowany do udostępnienia w internecie przez Muzeum Historii Polski w ramach prac podejmowanych na rzecz zapewnienia otwartego, powszechnego i trwałego dostępu do polskiego dorobku naukowego i kulturalnego. Artykuł jest umieszczony w kolekcji cyfrowej bazhum.muzhp.pl, gromadzącej zawartość polskich czasopism humanistycznych i społecznych oraz w kolekcji mazowieckich czasopism regionalnych mazowsze.hist.pl.

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DEVELOPMENT OF THE UUSIMAA REGION. OUTLINING THE REGION

Olli Pekka Hatanpää

ABSTRACT

Development problems of the Uusimaa region, called also Helsinki region, is the main topic of the article. The Uusimaa region is the only one metropolitan area in Finland, and is inhabited by 1.4 million people. In the article social and economic characteristics of the region are presented together with description of features of this region including level of creative industry development and level of development of knowledge based economy, as well as high productivity of industry located in the region. Administrative structure and system of administration and management of development are outlined. In this context cooperation among municipalities from the metropolitan area is discussed. Then main development trends and development challenges are presented. Among the most important are those related to climate changes, lack of affordable housing in the central part of the metropolitan region, aging population, lack of labour force in some segments of the labour market, and urban sprawl. The article also contains description of approaches and methods used in planning work, especially those related to forecasting and preparation of long term plans. Methods and instruments to analyze development trends are presented as well as formulas to calculate demand for housing and other services, and methods of creating development scenarios. The article is concluded with recommendations resulting from experience with planning and managing development of the Uusimaa Region.

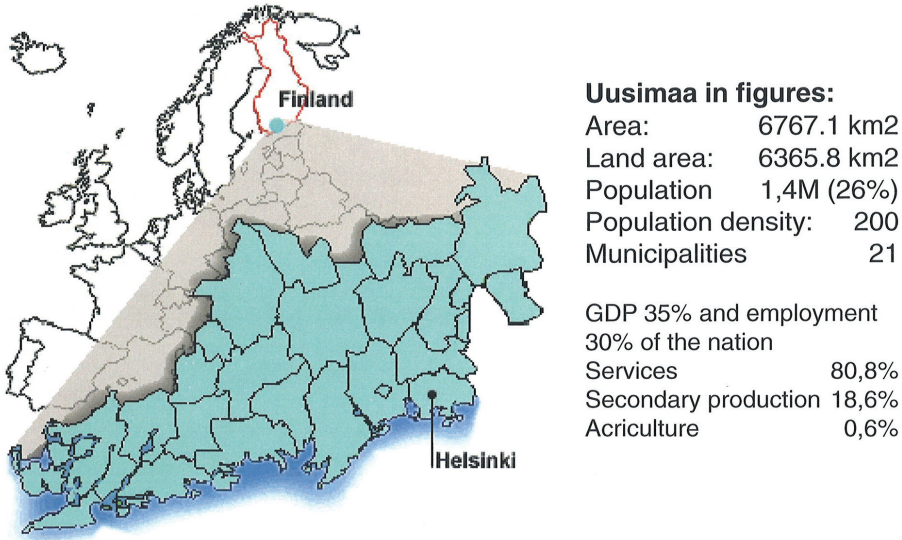
Uusimaa Region, also called Helsinki Region, is at the heart of northern Europe. Situated on the south coast of Finland, it includes the only metropolitan area of the nation. Uusimaa Region is home to around 1.4 million inhabitants, which is more than the quarter of the country's total population. The annual population growth of Uusimaa is about 15 000, and the proportion of young adults, i.e. people under the age of 40, is particularly high. About half of all the immigrants in Finland live in the region.

The cities of Helsinki, Espoo, Vantaa and Kauniainen and form the core part of Uusimaa. The Uusimaa Region as the whole consists now (year 2009) 21 municipalities.

Uusimaa is the most urbanized area in Finland. The Baltic Sea plays a major role in the life of the Finnish Capital Helsinki, as in most parts of the region. The climate is considerably milder than in the more northern parts of Finland. Agricultural landscapes and open cliffs at the coast are the most common views that one encounters outside the Helsinki metropolitan area. And one should not forget the forests, which also cover vast areas of Uusimaa – as all over Finland.

Uusimaa region ranks among the highest in Europe in terms of creativity, knowledge economy, sectoral productivity performance and economic performance. According to the European Regional Competitiveness Index (ECI) 2006-2007 we ranked second losing the former lead to Brussels [Regional 2007].

Fig. 1. Uusimaa in figures



The Uusimaa Region has privileged geo-strategic location between east and west with good air connections to all over world. The straightest route between Europe and Asia goes via Helsinki.

Organisation

The Administrative System in Finland is two way system. Central state administration, 13 ministries (from next year on 12 ministries) with regional state offices. Strong municipalities with 19 regional councils and other intermunicipal organisations.

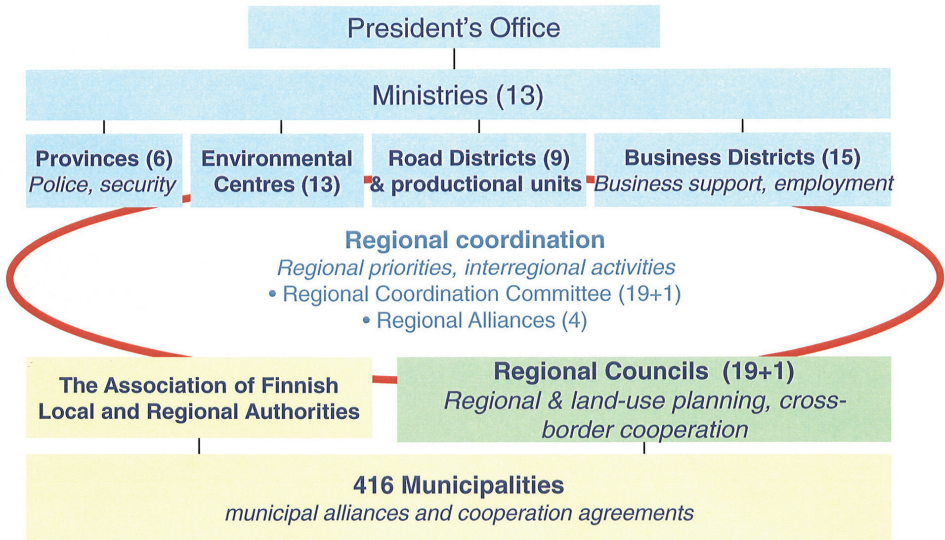
Finnish State administration has three levels: central administration, regional administration and local administration. Central administration consists of the ministries and relatively independent agencies. In Finland, like in the other Nordic countries, the most important task of public administration is to take care of the main part of welfare services for citizens, such as education, health care and social affairs.

State administration participates in regional and local administration in co-operation with regional and local officials. An integral part of public administration in Finland rests on the relations between the State and the municipalities, which largely function autonomously.

Finnish municipalities finance their annual expenditure mainly out of municipal taxes and are responsible for providing welfare services for their residents including schooling, healthcare, daycare, social services and building and maintaining municipal infrastructure.

The annual expenditure of local authorities is EUR 31 billion. The public expenditure of the Finnish State amounts to EUR 38 billion [Structure 2006].

Fig. 2. Government and Public Sector in Finland Summary of main Institutions



Metropolitan Governance – legal authorities

The Uusimaa Regional Council is one of 19 Regional Councils in Finland, representing the interests of 21 member municipalities in the Helsinki-Uusimaa Region. It is a joint regional authority mandated in law and forms so part of local government and its democratic

Fig. 3. Regional Planning System of Regional Councils in Finland



decision-making process. Its duties are principally governed by the Regional Development Act and the Land Use and Building Act. The Regional Council creates conditions for well-being, economic development and a safe and attractive physical environment for its citizens.

The Council is also a strategic planner, a land use planner and a coordinator, as well as an opinion leader and consensus builder for the Helsinki-Uusimaa Region. The vision of the regional development is to make Uusimaa international, competitive metropolitan region of the well-being people. To achieve these goals, the Council is mobilising actors and resources at the national, regional and local levels Uusimaa Regional Council – developing the Region in order to set common priorities for regional development and to optimise the use of regional strengths and assets. Climate policy will require consolidation of community structures, which will be influenced through land use, housing and transport policies. Improving maritime safety in the Baltic Sea requires international cooperation.

The Uusimaa Regional Council is an active member in many European regional organisations and interacts with the European Union via a permanent office in Brussels. Cooperation between regions has led to many projects and also extensive partnership agreements. The most important regions for cooperation lie within Europe, especially in the Baltic Sea Region and Russia. The Council promotes the Baltic Sea Region as a leading knowledge hub in Europe. Asia, with its strong presence in the current globalisation trend, is also a feasible potential future partner for the Helsinki-Uusimaa Region.

Metropolitan Governance – voluntary cooperation

Helsinki Region (14 municipalities) is voluntary intermunicipal organisation with mayors and municipal chairpersons as members.

Helsinki Metropolitan Area Advisory Board (4 cities same as YTV) is also voluntary intermunicipal organisation with mayors as the driving force and chairpersons of Municipal Council and Executive Boards as members.

Municipalities in Finland have a long experience using Intermunicipal organisations for hospitals, education, and marketing.

In The Cooperation Agreement between the Cities in the Helsinki Metropolitan Area municipalities agreed among the other things that: “Cities develop the Helsinki Metropolitan Area in co-operation with the State. The aim is to reach an agreement for the Helsinki Metropolitan Area between the State and the Contract Cities on common measures to develop the metropolitan area in vital ministerial sectors and on State support to major projects”¹.

“City region plans”

The year 2006 The Finnish Parliament accepted a temporary law, which obligated municipalities of major city regions to make a plan by 31. 8. 2007 on how to improve the reconciliation of land use, housing and transportation as well as the use of services across

¹ The Cooperation Agreement between the cities in the Helsinki Metropolitan Area

municipal boundaries. Obligation concerned in Uusimaa Region only Helsinki and its three neighbouring cities, but the municipalities agreed to widen the target area to 14 municipalities of Helsinki Region.

Uusimaa Cooperational Network

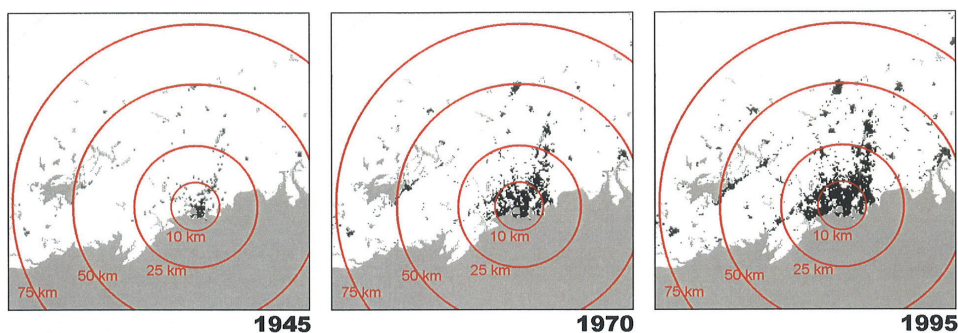
One of the main purposes of the Uusimaa Regional Council is to be a co-operative tool for municipalities. It acts as link between inhabitants and corporations of the region, state offices and decision makers, universities and other organisations acting in the region to promote development projects and actions in the area.

Trends and challenges

Population growth in Uusimaa has been approximately 1% and Real GDP change over 5% per year, until the year 2008. Population growth is still continuing, even increasing, but GDP change is now negative. The growth has led to expanding of the build area, traffic and commuting distances. Urban sprawling is one of our problems. Doubled population needs 10 times more land for housing.

Fig. 4. Development of the Regional Structure of Uusimaa 1945-1995

Doubled population needs 10 times more land for housing



	Inhabitants1945	Inhabitants2007	Addition	
Espoo	13 962	237 983	224 021	1605 %
Helsinki	338 836	568 402	229 566	68 %
Vantaa	21 016	192 391	171 375	815 %
Muu Uusimaa	145 246	390 118	244 872	169 %
Uusimaa	519 060	1 388 894	869 834	168 %

Challenges that the Uusimaa Region is facing are:

- Climate change with all the other regions in the world. For the mitigation of it we need for the most to find means to reduce primary energy consumption of our buildings. Also we have to cut down the need to use private cars by making public transportation more desirable and whole region more compact - polycentric. Also we have to prepare for the adaptation of the climate change. Finnish coastline is quite low and small changes in water level makes big differences. Also we have lots of rivers and lakes that can become vulnerable to floods.
- Shortage of moderate priced houses and apartments in the centre parts of the capital region makes it difficult to find labour force for service sector and other low wage jobs.
- Ageing of the population presents also a challenge for the supply of labour in the Helsinki region. Without a migration surplus the number of people of working age would decline.
- Urban sprawl: Shortage of building sites in the capital region drives especially the families, who would want to live in one family houses, further away from the Helsinki metropolitan core. This brings challenges to the service structure of the municipalities surrounding the core, lengthens commuting distances and jams up the main roads.

Forecasting/Foresight

For to achieve our vision and face the challenges we need information of the future.

Main targets for the forecasting and the base for the foresight discussions of the region have been:

- Economical growth; development scenarios, their factors and probabilities.
- Employment; work places, employed, unemployed and non-actives.
- Population; age structure, labour force, immigration
- Educational needs on the basis of long-term demand for labour
- Housing demand

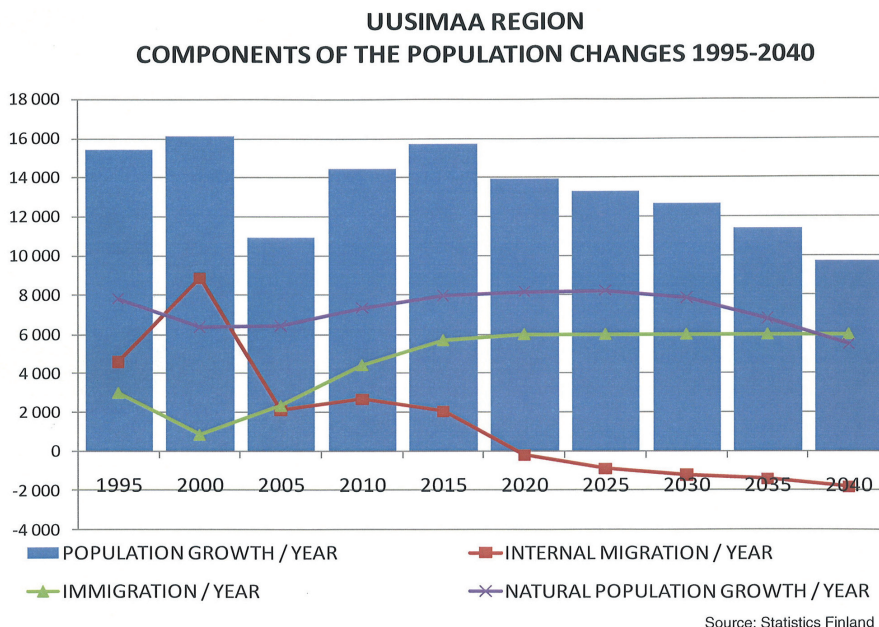
As instruments we have used trend analysis, calculations and scenarios with Delphi discussions.

Trend analysis

In the development of the regions there are stable, relevantly easily predictable changes and fast changes that are very difficult to predict. The demographic changes of the present population are quite stable and relevantly easy to predict. From the development of the gone years we can predict the age-specific fertility rates of the women by cohort and the death rate of all the age groups. The difficult part is to make the prognosis of the migration, both internal migration and immigration. There too we can make some assumptions from the resent history. With that basic information and modern technology we can quite easily make different prognosis according different assumptions. Data for these all is collected by the Statistics Finland [Statistics Finland].

As the results of these trend analyses of the population, we get also the description of its structure; the age structure and the share of immigration for an example.

Fig. 5. Development and forecast of the population changes of Uusimaa Region

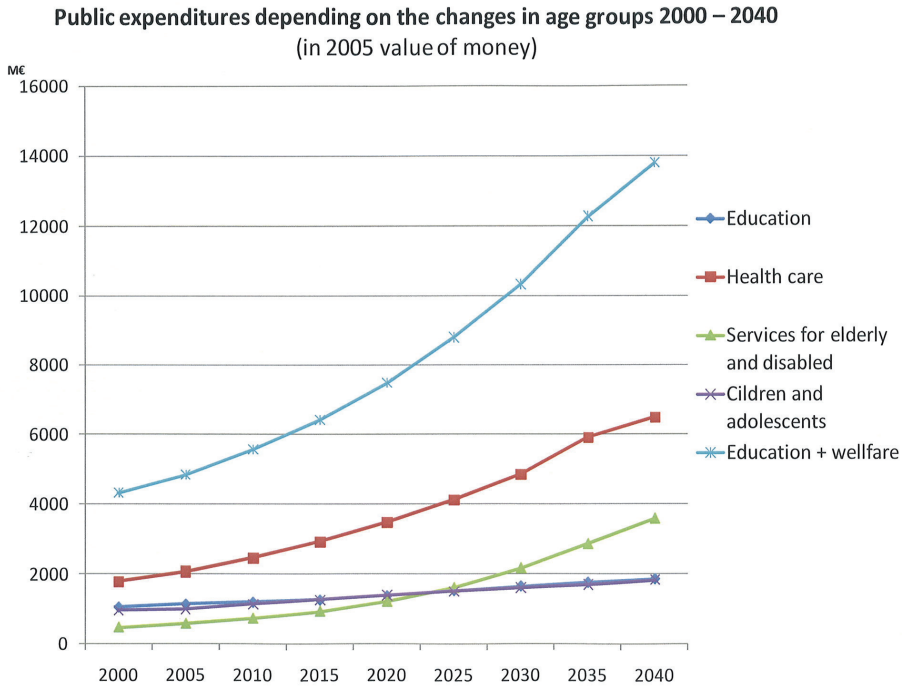


Calculations

Using those prognoses of the population structure we have made quite simple calculations for an example about the housing demand. After making assumptions about the average size of the future households, share of dwellings to be vacant or demolished and the average size of the new dwellings, it is relevantly easy to calculate the need of the new homes and the demand of the building sites to be planned.

More difficult and unreliable, but still worth while to do, are the calculations what the ageing means to public expenditures. Statistics Finland collects statistics of the public expenditures of the services to different age groups and calculations showing the direction can be made about public expenditure depending on the changes in the age groups assuming that the means of producing and the use of these services do not change. Off course we can make assumptions also about the possible changes too.

Fig. 6. The effect of the changes in the age structure to the public expenditures



Scenarios

The Uusimaa 2035 scenario -project (UTU35) was carried out by Uusimaa Regional Council, the Regional Council of Itä-Uusimaa, the Helsinki Metropolitan Area Council (Development Planning Unit and Transport Department), the Uusimaa Employment and Economic Development Centre and the Uusimaa Regional Environment Centre. The project began in the spring of 2003 and ended at the end of 2004 [Uusimaa 2005].

The principal task of the UTU35 project was to generate information concerning long-term development views as a basis for decision-making for regional, sub-regional and local actors. In Uusimaa 2035, the future is described through scenarios which illustrate our present conceptions about potential future developments. Due to the limited scope of our knowledge, we must of course be content with outlining future prospects and making development estimates. Future information is characterised by a high level of uncertainty, and it is closely tied up with the underlying basic assumptions.

The scenarios constitute a multi-level, interdisciplinary survey that promotes cooperation between sectors and sub-regions and strengthens the knowledge base for decision-making involved in this cooperation. The scenarios identify effects and consequences that changes

in the environment over time would have on regional development in Uusimaa as a whole and on business development, housing, transport, the physical environment and regional structure.

Change factors and cause-and-effect relationships that connect various sectors and relations between the different regional levels are dealt widely and comprehensively in the survey of the operating environment.

The change outlook is considered from the point of view of business development, employment development, housing, transport and regional structure. Sustainable development and know-how are discussed on the 'mainstreaming principle'.

The starting points for the scenarios included the compilation of history and present-state descriptions and the charting of megatrends. Quantitative examinations with calculations concerning population, economy and housing and basic municipal public services were also made in the course of the project. The calculations illustrate the effects in Uusimaa of the changes in the operating environment that are described in the scenarios. Alongside the basic scenarios, an in-depth examination of the transport sector was prepared for each scenario.

From the basis of megatrends was written four scenario narratives. They outline possible futures, not only in general terms but also as concrete events by way of illustration. The point of view in the narratives is the year 2035. The scenarios relate what has taken place over three decades or so since the turn of the millennium. Certain events have been given specific times in order to outline the chronology of developments in the narrative. Relationships between the various regional levels form an essential part of the narratives. The scenario narratives are consciously very different from one another, and their content derives from their inner logic and consistency rather than a uniform schematic structure. The main dimensions are forces which start and maintain the characteristic development in each narrative.

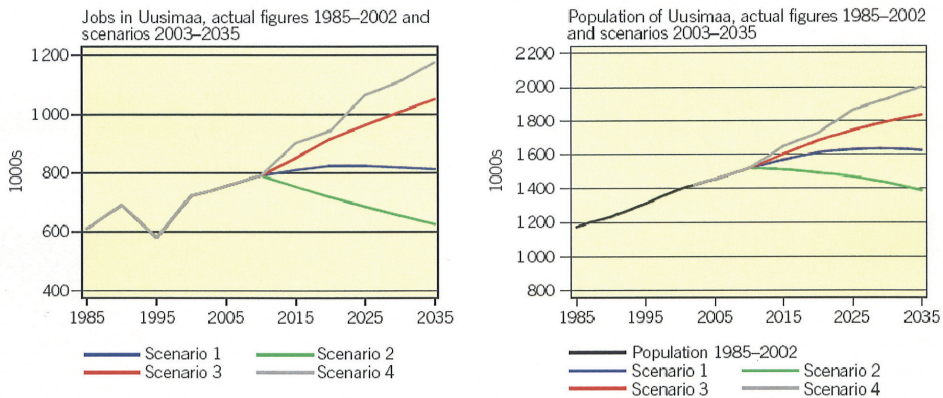
The main dimensions selected for this purpose were the increasingly global economy, global power politics, technological development and the change in values. All the narratives deal with the change factors in the operating environment that will have a significant influence on the future of Uusimaa in the long term. The central change factors identified were those that have a major impact and involve a high level of uncertainty: international economy, power and politics, development of the EU, neighbouring areas, domestic economic development, structure of the national economy, domestic politics, science and technology, migration, values and culture, and security. The purpose of the discussion of the operating environment was to anticipate long-term global developments that are of essential importance for regional, sub-regional and local development, decision making and planning. The 'plot' of each narrative emerged from a network of cause-and-effect relationships between the major change factors. Drawing up a 'future table' was the method used. The main dimensions and the future table yielded four different future narratives, which were given titles that reflected their main points:

- Scenario 1, Future Lite; steady, slow growth (1.5% to 2%),
- Scenario 2, Bridge Over Troubled Water; extremely slow growth (0.5%),

- Scenario 3, Brussels Calls the Shots; steady, good growth (2.5% to 3%),
- Scenario 4, To The Max; extremely rapid growth (3% to 3.5%).

The quantitative development discussions were drawn up to ensure consistency within the scenarios, to marshal the mutual relationships of the changes discussed in the various sectors, and to illustrate the changes in concrete terms. The scenario narratives conclude with a section focusing on the effects of changes in the operating environment on regional structures in Uusimaa. The transport scenarios were also linked to the narratives.

Fig. 7. An example of the calculations that illustrate the effects in Uusimaa of the changes in the operating environment that are described in the scenarios



Data collection

Actual data used in our forecasting and foresight work comes from Statistics Finland. It produces approximately 200 sets of statistics. Statistics Finland obtains the majority, around 95 per cent of the basic data needed for statistics from administrative sources and only collects the remaining five per cent or so by direct data collections. Official Statistics of Finland are produced also by 13 other public administration organisations.

Very important sources for regional data are the municipals especially City of Helsinki Urban Facts. For international benchmarking we use mainly information we get from sources like OECD, Metrex and Espon.

Critics

The biggest weakness in our forecasting and foresight work is that it has not been constant. We have done it only for specific purposes. The work should be constant because the decision makers should have as current information about the business and the action environment as possible.

Another thing is that although we tried to have a global view in our scenario project it was viewed only from our region, by the experts from there. More international cooperation is needed.

We are now developing our foresight work and forming foresight network with other stakeholders in our region and hopefully we will do it also with experts and stakeholders in Baltic Sea Region.

Recommendations

The general recommendation to ourselves and other is that we should all the time keep in mind that the foresight information should be targeted to serve decision making. To achieve this, the information should be easy to reach, easy to understand and for the most-easy to absorb. The important knowledge must be selected raised from the abundance of foresight information.

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STRESZCZENIE

Artykuł poświęcony jest problemom rozwojowym regionu Uusimaa w Finlandii, nazywanego także regionem Helsinek. Tworzy on jedyny obszar metropolitalny w Finlandii, zamieszkały przez 1,4 miliona ludzi. W artykule przedstawiona została charakterystyka społeczno-ekonomiczna regionu i jego wyjątkowe cechy, w tym poziom rozwoju przemysłu kreatywnego i gospodarki opartej na wiedzy oraz wyjątkowo wysoka produktywność w przemyśle. Scharakteryzowana została struktura administracyjna regionu oraz system administracji i zarządzania. Omówiono także system planowania regionalnego, odnosząc się do kwestii zarządzania rozwojem na obszarach metropolitalnych. W tym kontekście przedstawiona została także dobrowolna współpraca jednostek terytorialnych, wchodzących w skład obszaru metropolitalnego. Następnie przedstawiono trendy i najważniejsze wyzwania rozwojowe. Zaliczono do nich: zmiany klimatyczne, brak dostępnych cenowo domów i mieszkań w centralnej części regionu, starzenie się ludności i braki na rynku pracy, rozlewanie się zabudowy mieszkaniowej określane jako *urban sprawl*. W artykule przedstawiono także podejścia i metody, jakie są stosowane w pracach planistycznych, w tym szczególnie w prognozowaniu rozwoju i przygotowywaniu długoterminowych planów rozwoju. Przedstawiono sposoby analizy trendów rozwojowych, formuły stosowane do predykcji potrzeb w zakresie mieszkalnictwa i usług, metody budowania scenariuszy rozwoju. Na końcu artykułu sformułowano rekomendacje wynikające z doświadczeń planowania i zarządzania rozwojem regionu Uusimaa.
