



TYÖ- JA ELINKEINOMINISTERIÖ
ARBETS- OCH NÄRINGSMINISTERIET
MINISTRY OF EMPLOYMENT AND THE ECONOMY

The Finnish strategy for balanced regional development

”Regional Planning in Greenland”

23-24 January 2008

Nuuk, Greenland

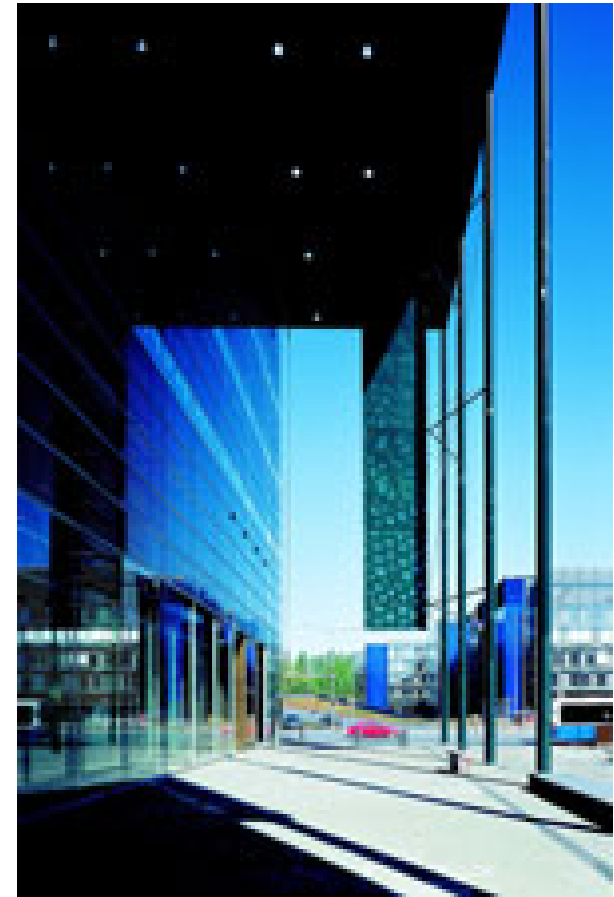
Olli Voutilainen

Ministry of Employment and the Economy
Division for regional development

The picture of Finland today ?



OR



Features of Finnish territories

- Finland is a sparsely populated country (17 inhabitants/km²)
- Large peripheral areas => affecting accessibility
- One third of the land area is above the Arctic Circle
- Cities relatively young
- Comparatively strong social cohesion in cities and other regions
- Broad trend within regional development in the long run has been that population moves towards centres

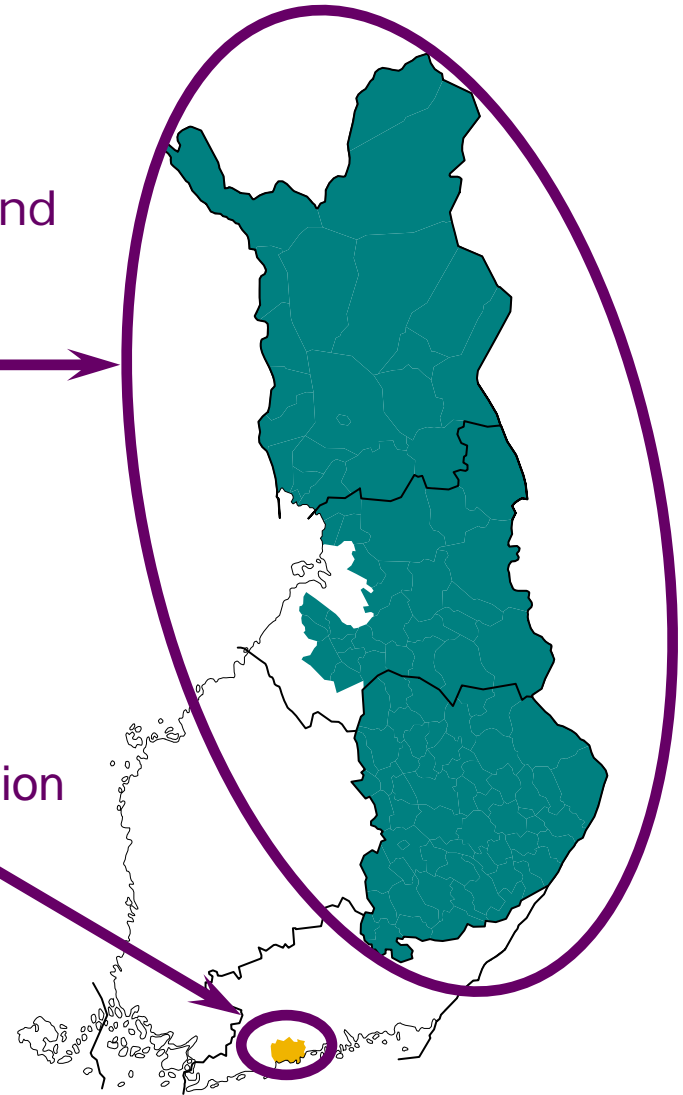


Same
amount of
population

Eastern and
Northern
Finland



Capital region

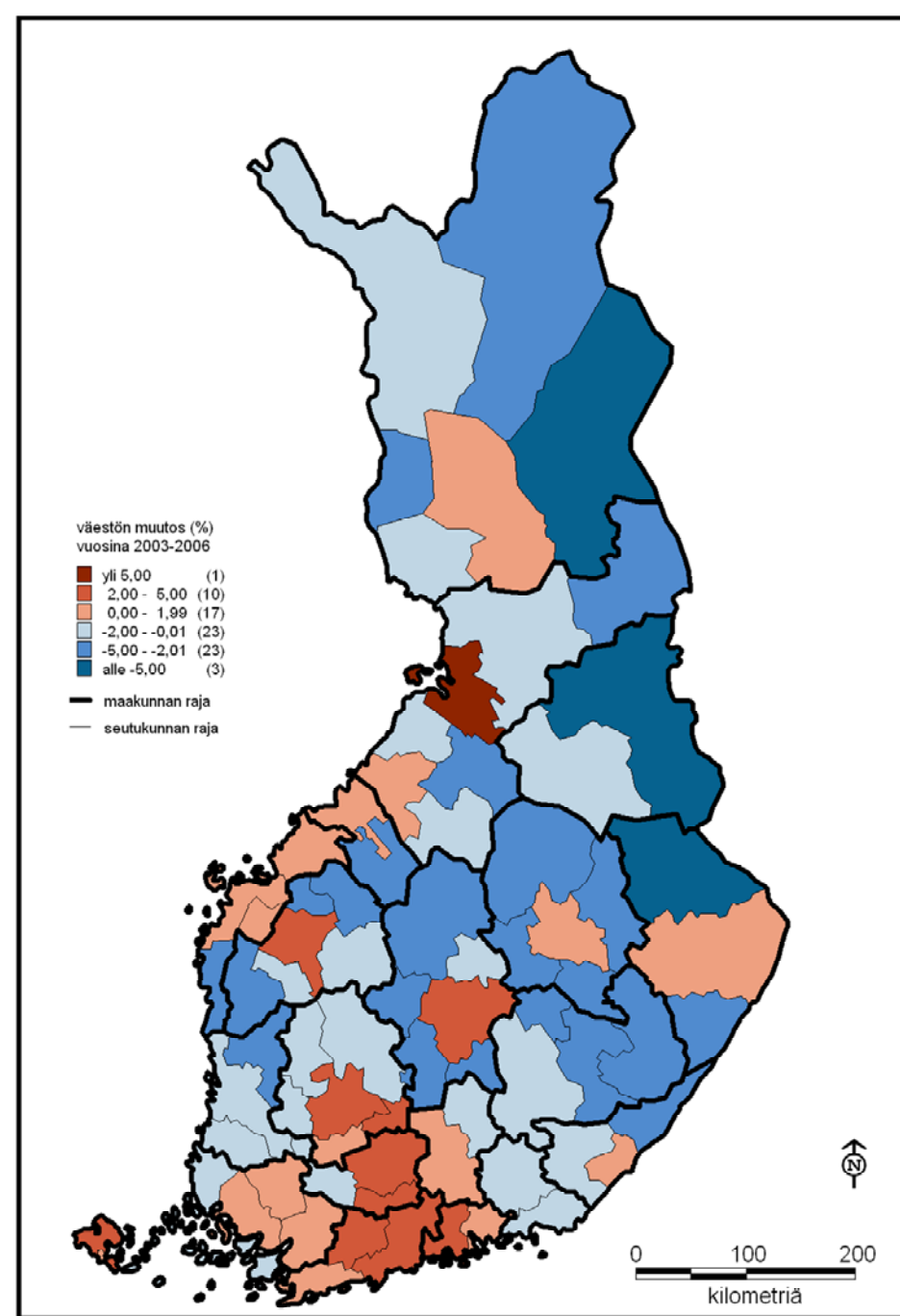


Map: Mika Honkanen



Population change in Finland 2003-2006

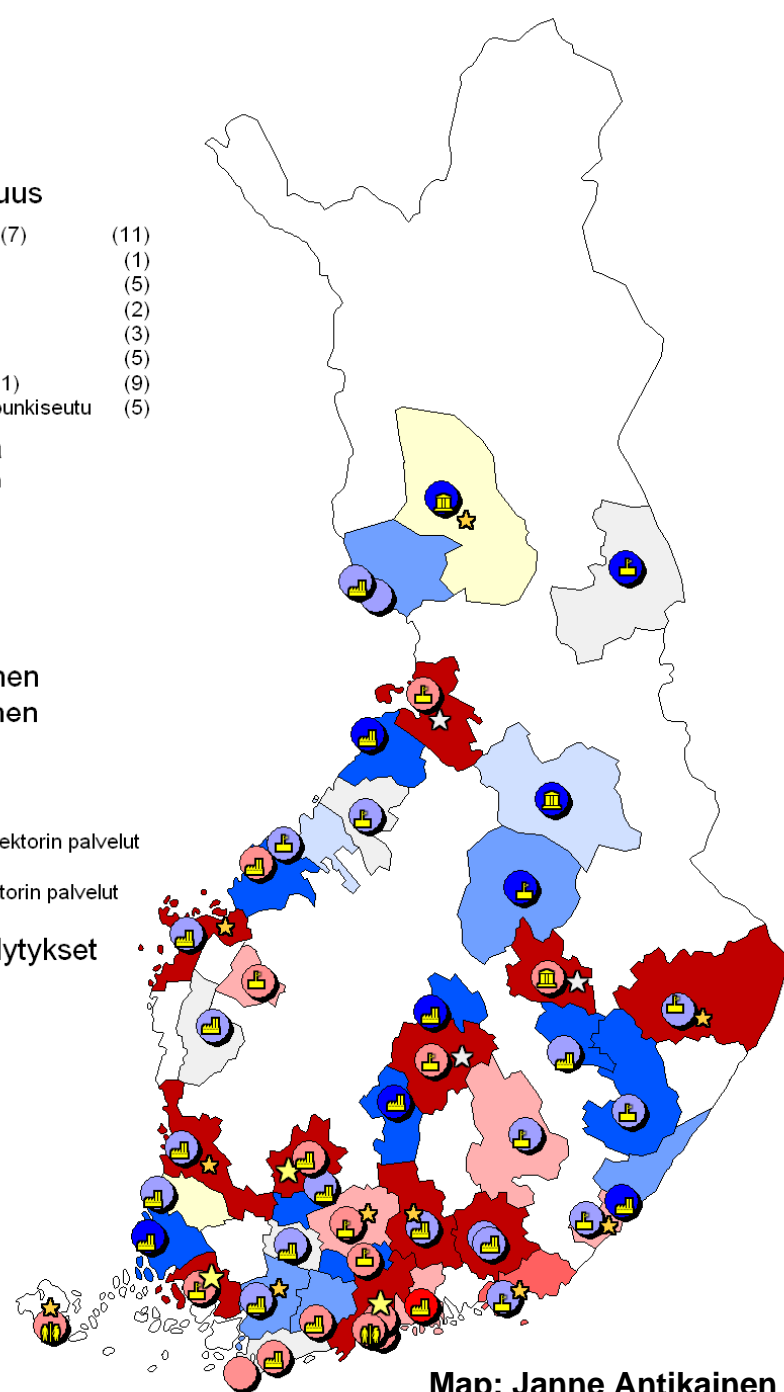
by sub-region



The Urban Network Study 2006

Regional development trends

- Polycentralisation and sub-regionalisation
- Middle-sized urban regions have strengthened in terms of competence and economic base
- Differences in development trends between urban regions have narrowed
- Current national economic growth has not caused any strong centralisation



Map: Janne Antikainen

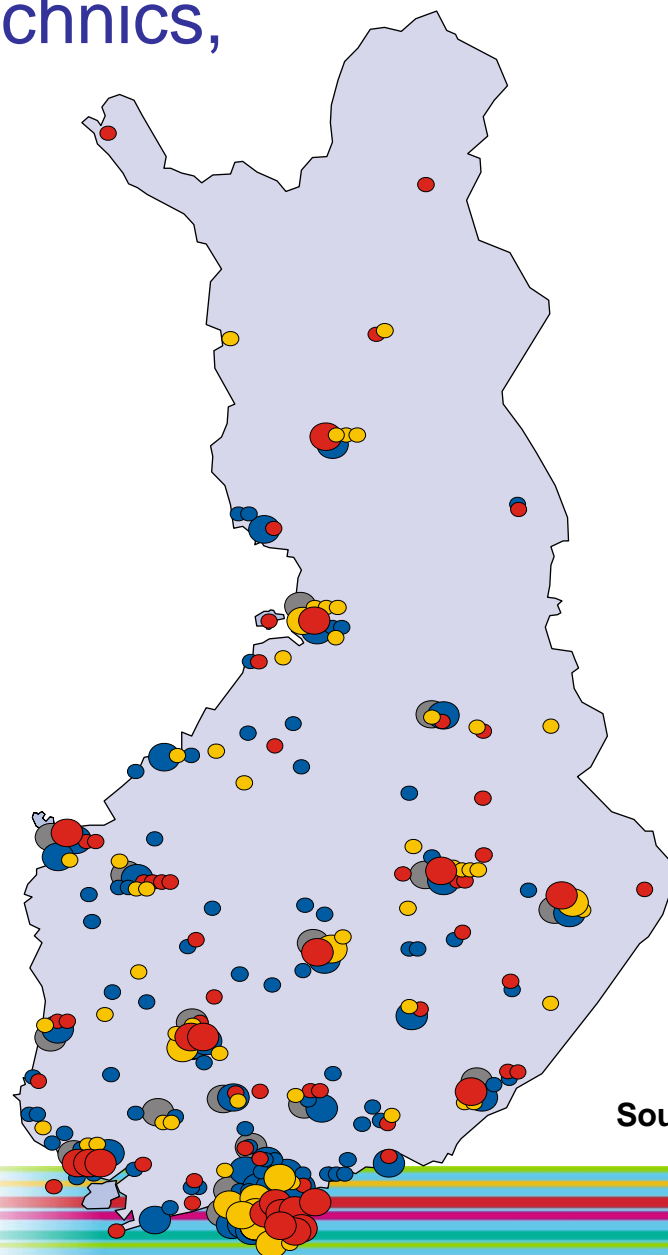
Finnish strategy in brief

- A country with low density calls for critical mass of people and economic activity
- The answer is a polycentric approach and succeeding regional centres
- From investment driven to knowledge driven regional development policy
- Strong emphasis on innovation creation in regions



Network of universities, polytechnics, public research organisations and science parks in Finland

- **University**
- **University unit**
- **Polytechnic**
- **Polytechnic unit**
- **VTT, Technical Research Centre of Finland or other public research institute**
- **Unit of public research institute**
- **Science Park**



Source: Tekes



Double role of the Finnish urban network

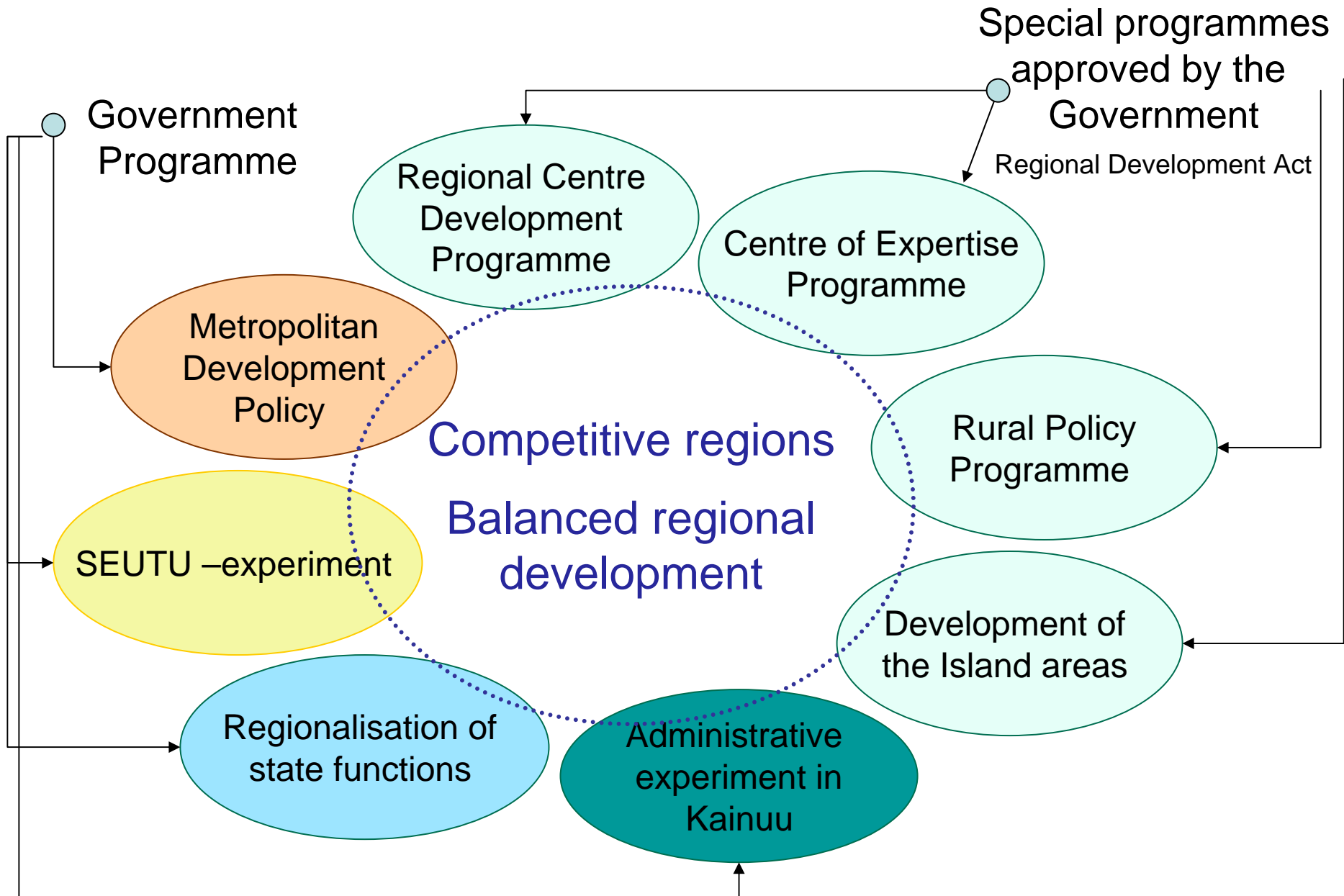
- I. Urban network is a tool to safeguard and strengthen a balanced regional structure
- II. Urban areas also contribute to the national economic growth and are key players in implementing the Lisbon strategy

National regional development targets 2007-2011 (1/2)

- Guidelines decided by the Government
 - Updated challenges such as climate change
- Three overall targets:
 - 1) To reinforce regions' national and international competitiveness
 - 2) To reinforce regions' vitality and narrow development differences between regions
 - 3) To solve special challenges in certain regions

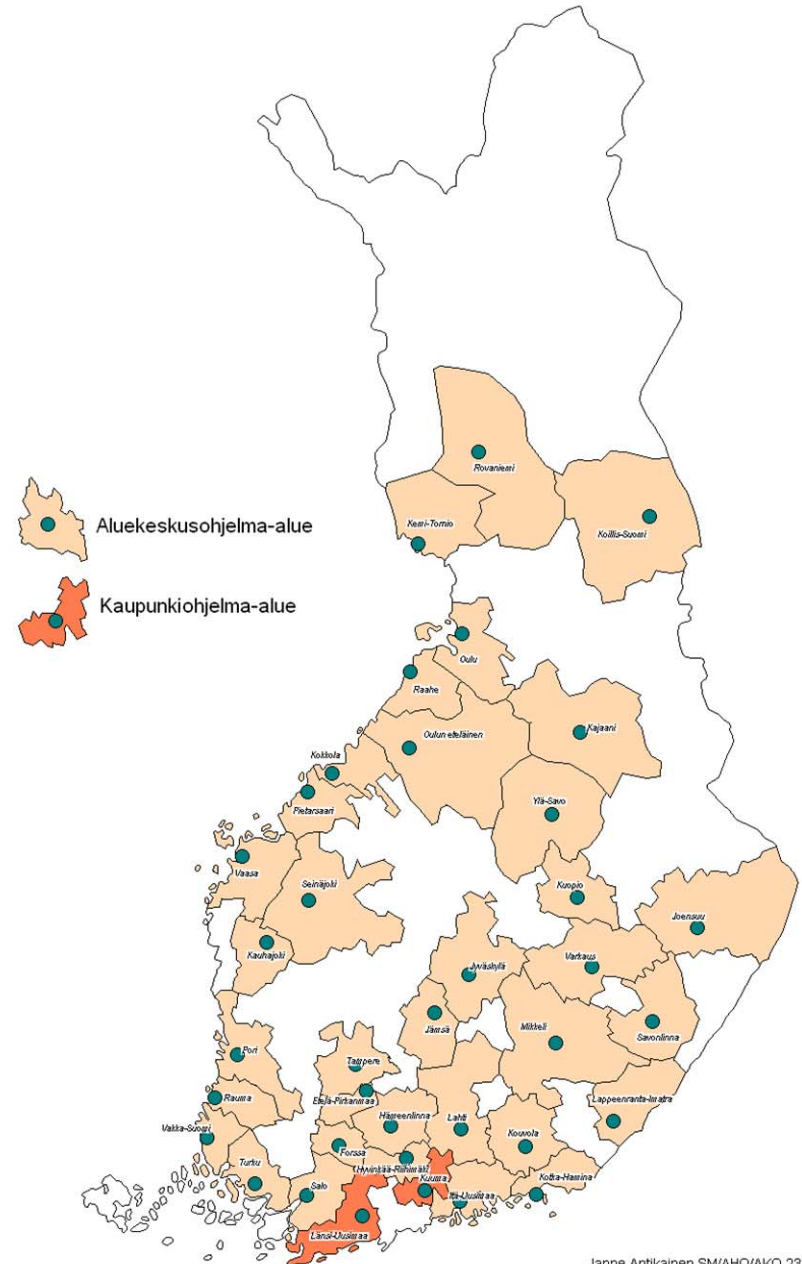
National regional development targets 2007-2011 (2/2)

- Aims at regional structure based on strong regions and network of cities and towns
- Tailored policies for urban, rural and other type of regions
- Development programmes will be reformed aiming at more simple and more clarified development tool kit

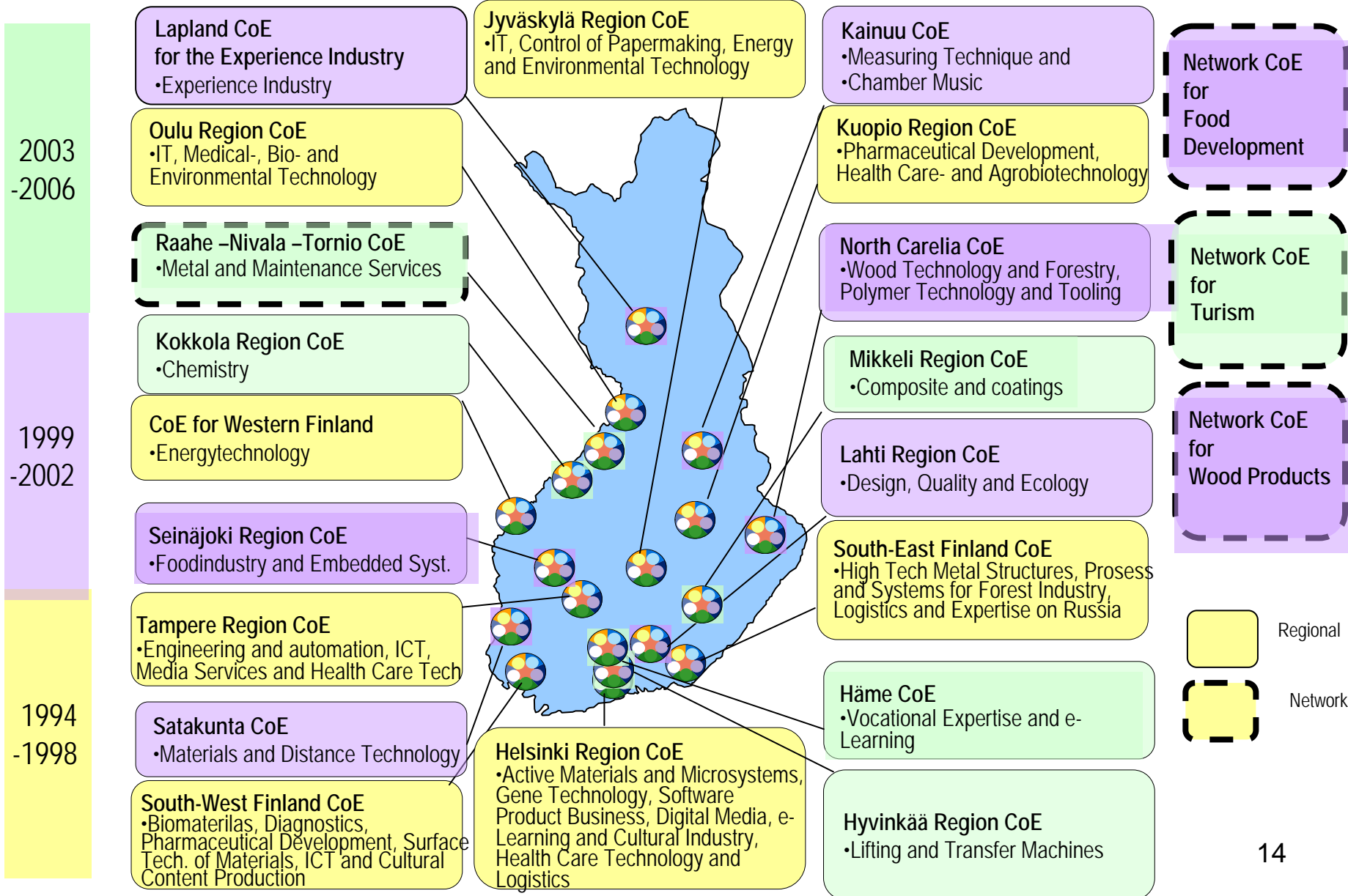


Regional Centres 2007-2010

- 35 Regional Centres
- Areas of operation:
 - 1) Structures of knowledge and competence
 - 2) Social capital & regional networks
 - 3) Attractiveness
- Seed funding around 8,0 MEUR per year



Period Centres of Expertise 1994-2006



Centre of Expertise: types of projects

Development of businesses

Product development

New companies

Commercialisation, business expertise

Other business orientated training

Strengthening know-how

Special expertise of research and education units

Structure of education (professors etc.)

Development of innovation systems

Cooperation and cluster based actions

Research and feasibility studies

Common training and seminars

R&D -services

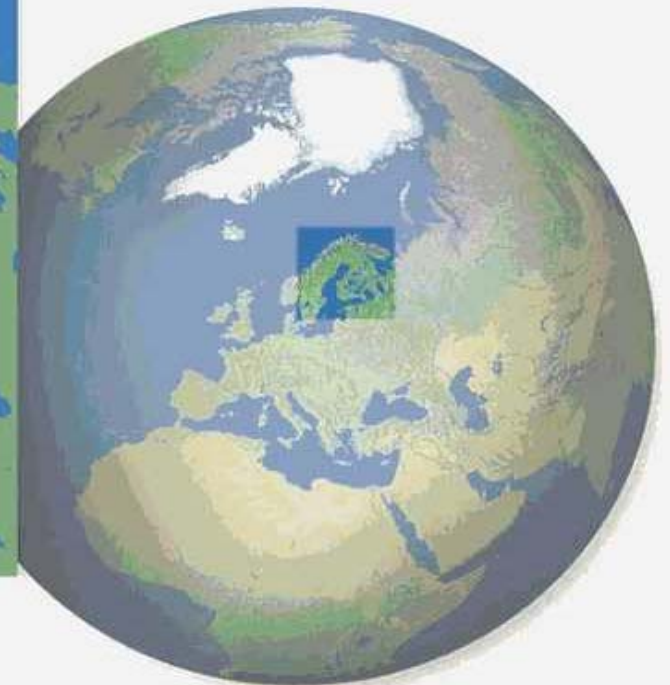
Databases and other information services

Development of CoE -functions

The Nordic Multipolis Network



**CROSS BORDER
MULTIPOLIS
NETWORK**



Polycentricity: the concept at different levels

- **Regional level:** *Strategic co-operation and investments in infrastructure*
- **National level:** *More balanced national urban system, Functional specialisation and Strengthening the second and third tier of cities*
- **European level:** *Competitiveness and territorial cohesion, Development of strong urban regions and urban systems as supplements to the Pentagon (e.g. Baltic Sea Region)*



Directions for polycentricity?

Source: Janne Antikainen

- Urban regions have become more globalized which means that
 - Regions have better access to global markets => "new winners"
 - But global economic fluctuations are "closer" to the regions
- Realistic number of regional centres?
 - 35 centres seems ambitious in a small country...
 - Other extreme is that only 4 largest are important
 - Dispersal of regional policy resources to all regions would not support the idea of polycentricity



The role of regions

- Michael Porter: *”Competitive advantage lies increasingly in local aspects – knowledge, relationships and motivation – that distant rivals cannot replicate”*
- Globalisation makes world more similar...
...but requires specialisation from regions and their strategies



Experience industry in Lapland – Creating memorable and individual experiences

Seeks to find cross-over innovations between tourism,
new media & design and entertainment



Photo: Council of Lapland

The mine project of Talvivaara

- Situated in the Kainuu region suffering from decreasing population and weakening regional economy
- One of largest deposit of sulfid nickel in Europe
- A novel melting technology made utilisation possible
- Direct and indirect jobs for 2,000 people, increase of regional value added in the long run 360 MEUR

Location of the mine



Photo: Helsingin Sanomat

How different programmes have created a desired development (1/2)

- Many Regional centre programme areas have showed a positive trend in vitality parameters
 - As a whole, the nett immigration at the RCP areas has turned from negative to positive
 - Many regions that earlier faced nett population loss, have turned into nett population gaining regions



How different programmes have created a desired development (2/2)

- **Co-impact** of different programmes has proved significant
 - Regional Centre Programme, Centre of Expertise Programme, Regional development programmes and EU programmes has together affected positively to regional economies
 - Difficulty to separate impacts of different programmes
- **Polycentric development has strengthened and regional development become more balanced during the past few years**



Summarizing the Finnish regional strategy

- Diversification of the policy for different kinds of regions
- Recognizing local needs and opportunities and the role of urban areas in developing and implementing the innovation potentials
- Regions' specialisation is encouraged at the national level
- Urban network is a backbone to safeguard and strengthen a balanced regional structure





Thank you

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