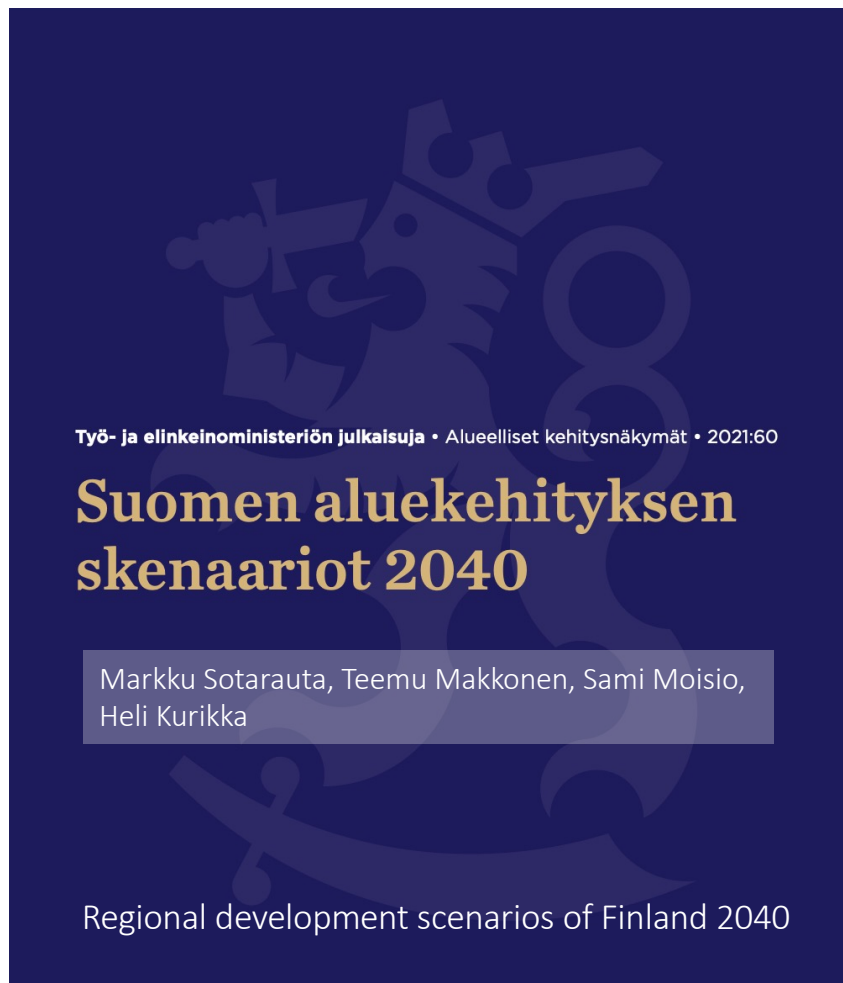


Regional development scenarios of Finland



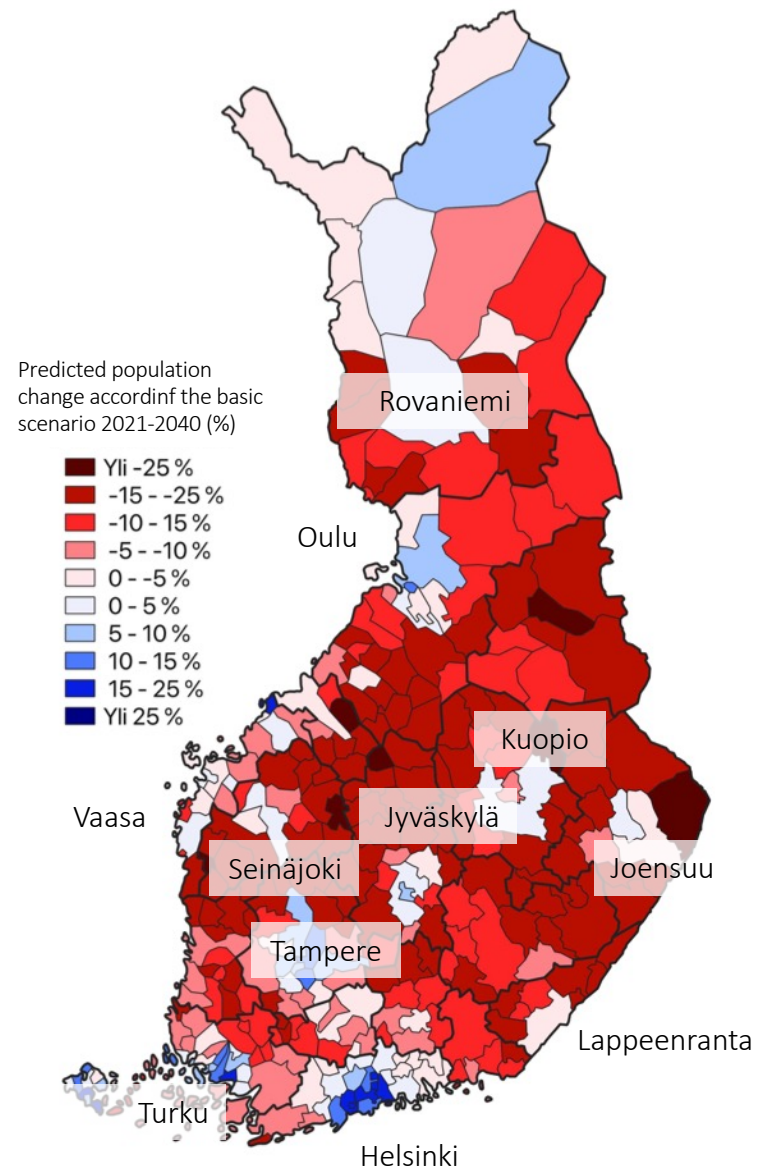


Finland's regional structure is becoming increasingly polarised

- The largest cities keep growing
- Small and medium-sized towns and rural areas are drifting into a cycle of underdevelopment driven by the diminishing population and declining economic activities

Predicted population change 2021-2040

(Statistics Finland, map MDI)



The scenarios

- Do not tell what the future will look like
 - Can be used to discuss possible futures and the related values
 - Are examined from the perspective of how Finland is connected to the global economy
 - Are not absolute but relative - the core elements of each individual scenario can be found in others, but with a lesser or greater relative weight
- Each individual scenario highlights the possibility of a simplified trend and plays with the idea:
 - what if some of the characteristics become stronger in relation to others – what would regional development look like in that case?

Regional development scenarios 2040



Globally selected Finland – main features

- Globalisation does not change significantly over the next 20 years
 - The global division of labour between companies is intensifying and competition for technology and innovation leadership is heating up
 - US and China dominate markets, while Europe's relative share of world-changing innovation is declining
- At the heart of the strategies are innovation, technology and international markets (high road strategy)
 - The economic-political-scientific elite is primarily interested in its own global networks
 - The vast majority of Finns are mainly attached to local and regional networks
 - Finland's productive capacity is eroding, except at the core of the innovation economy

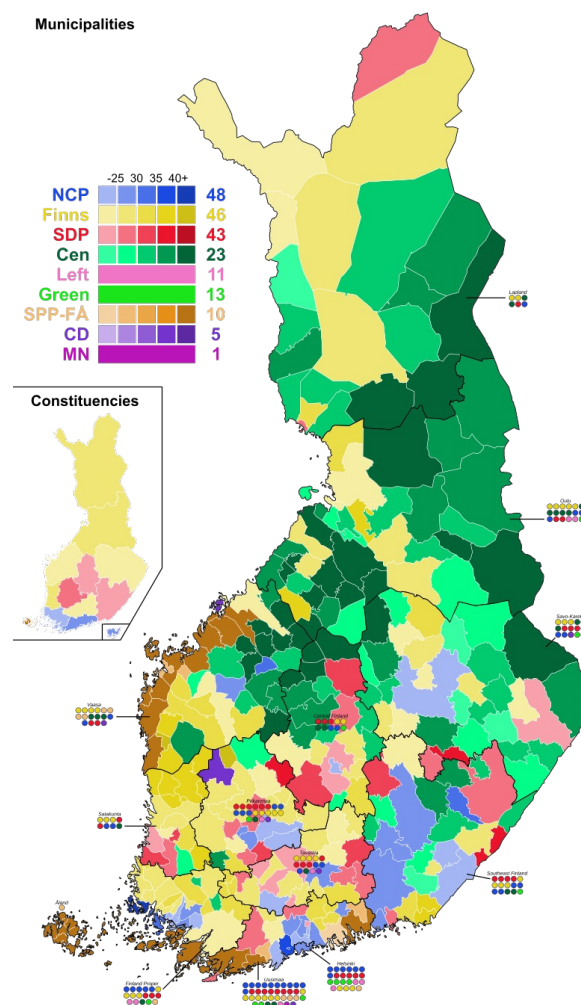
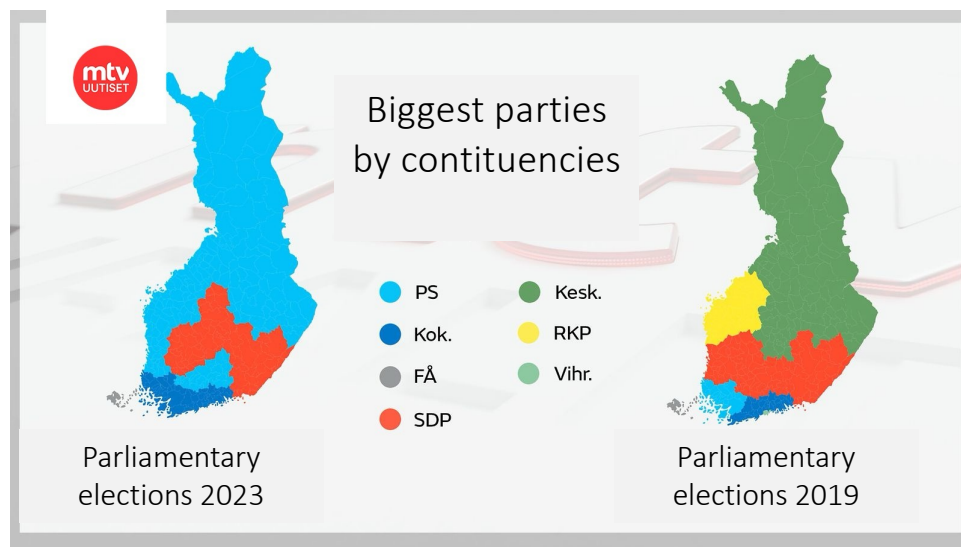
Globally selected Finland – regional development

- Spatial structure continues to centralise
 - The 'network metropolis' of Southern Finland strengthens
 - Helsinki Metropolitan Area's (HMA) share of innovation activity rises to over 70%
 - Innovation capacity may weaken even in Tampere, Turku and Oulu
 - Tampere and Turku to become satellites of the HMA?
- New development paths are mainly emerging in the 'Golden Triangle'
- Small towns and rural areas are locked into local markets and negative development paths
- Public and private investments are mainly concentrated in HMA and to a lesser extent, in other large urban areas

Globally selected Finland – political climate

- The identities of people and, consequently, of regions become more differentiated
 - Global elites vs. "left behind" Finland
 - The technological divide grows?
- Business and technology development are core of Finland's climate strategy with the idea 'save the world and prosper'
 - Technologically capable and innovative actors create new solutions while the majority of Finland cynically rebels against the chosen line

Parliamentary elections 2023 – the biggest party in a municipality



Finland of raw materials and tourism - main features

- Growing tensions between the US and China make global markets unpredictable
 - National selfishness grows as tensions within the EU and international politics become more tight
 - The vast majority of the Finnish RDI investments directed to other countries
- The ability of Finnish actors to invest in the future declines
 - Sectors that have at least some chance of being anchored in the international economy will emerge at the heart of the economy
 - Tourism, mining and the exploitation of forest raw materials, data centres and wind farms

Finland of raw materials and tourism – regional development

- The ‘winners’ in regional development will be the small towns and rural areas which are at the heart of resource and tourism regions
 - Both public and private investment is largely focused on the resource-based economy
- Increasing emigration of highly skilled workers
 - More and more young people are applying to study at universities abroad
 - The population ages faster than before

Finland of raw materials and tourism – political climate

- Nationalism grows stronger across Finland and political tensions rise
 - The gap between Finns enjoying good wages and other benefits from multinationals and the others widens
 - The relationship between Finland and the EU becomes tense
 - The EU's environmental policy emphasises the protection of northern natural environments and Finland's efficient use of raw materials
- The importance of regional policy is acknowledged, but the scarcity of public resources means that there is almost no opportunity to influence development
 - Development efforts are focused on improving infrastructure and accessibility of raw materials and tourism hubs and centres
 - Innovation policy erodes

Finland as a patchwork – main features

- Economic activities and their connections to the global economy become increasingly differentiated
 - Accessing global markets requires specialisation in narrower sectors
 - No single sector or a city drives the economy - rather, development is fragmented - dotted
- National networks remain fragile as core players orient towards international hubs
- Finland's capacity to develop and exploit new opportunities depends on the sector and will vary a lot

Finland as a patchwork - regional development

- Positive developments concentrate in places where key players are able to build a strong positions in global networks.
 - In a patchwork Finland, there are no major regional divides but many small cracks
- Competition for skilled labour is becoming more diverse and the education system is struggling to meet the more fragmented demand
 - Finland is not an attractive destination for highly-skilled professionals, except in narrow niches

Finland as a patchwork – political climate

- Finland is dependent on the policies and decisions of the EU and other supranational institutions for its climate policy
 - Finland does not have a comprehensive climate strategy, but a collection of measures based on different interests
- Political movements are largely local and national
 - Tension between local politics vs. elite
 - Policy fragmentation at national level - fragmentation of the national big picture

Balanced Finland – main features

- Finland emphasises national cohesion and does not want to let the global forces direct economic development
 - Not very responsive to market pressures or changes
 - Development is strongly path dependent and the creation of new development paths is not seen as important
- The economic growth is flat, slower growth than in peer countries
 - No single sector is emerging as a driver of the economy
 - The higher education system is developing steadily but no discipline is at the forefront of international developments
- As economic development is levelling out, labour supply and demand are reasonably well matched

Balanced Finland – regional development

- There is a relatively good balance between the regions
 - The importance of the metropolitan area and other large urban areas will not become more dominant than in the past
 - Balanced regional development is at the heart of social policy and place-based programmes are of great importance
- The capital region and regional centres form the backbone of Finland's spatial structure
 - Urbanisation is becoming more evenly spread and more widely distributed throughout the urban system
 - Knowledge is not particularly concentrated - R&D is dispersed in many places
 - Supports balanced regional development but not scalable, internationally strong clusters of talent, knowledge and resources.

Balanced Finland – political climate

- Political tensions do not escalate, many regions and sectors doing well enough and no one is doing "too well".
 - Tensions between political extremes do not arise in the public debate when people are fed up with a divisive political climate.
- Finland continues to pursue an active climate policy. The climate strategy is developed and implemented in cooperation between the state, regions and municipalities.
 - Climate policy remains lame without ambitious key themes or strong core competences

Regional development scenarios 2040





Scenarios for the Finnish Archipelagos and Islands 2045



Maa- ja metsätalous
ministeriö

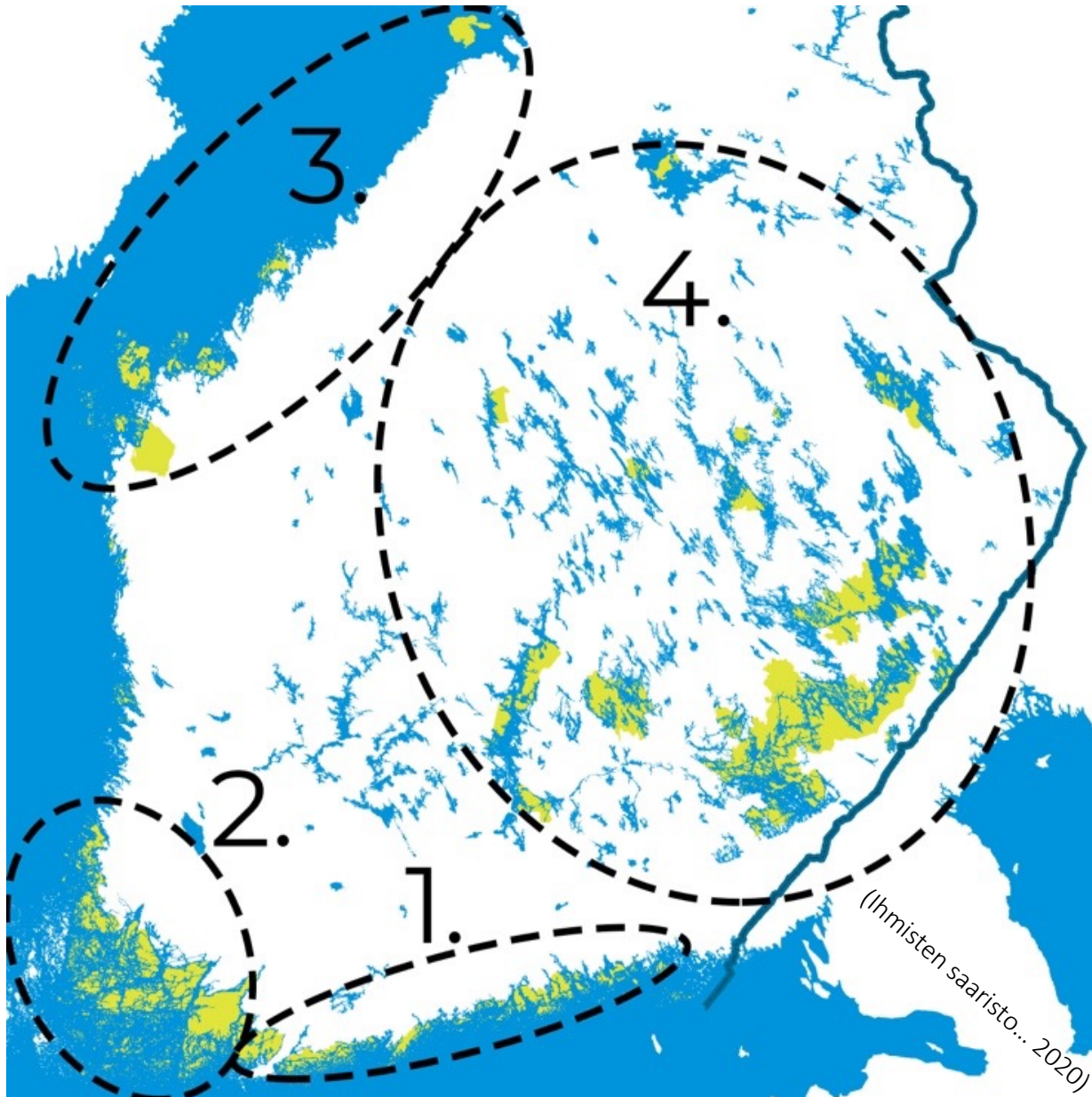
MARKKU SOTARAUTA
NINA SUVINEN

Ministry of Agriculture and Forestry

Suomen saaristojen skenaariot 2045

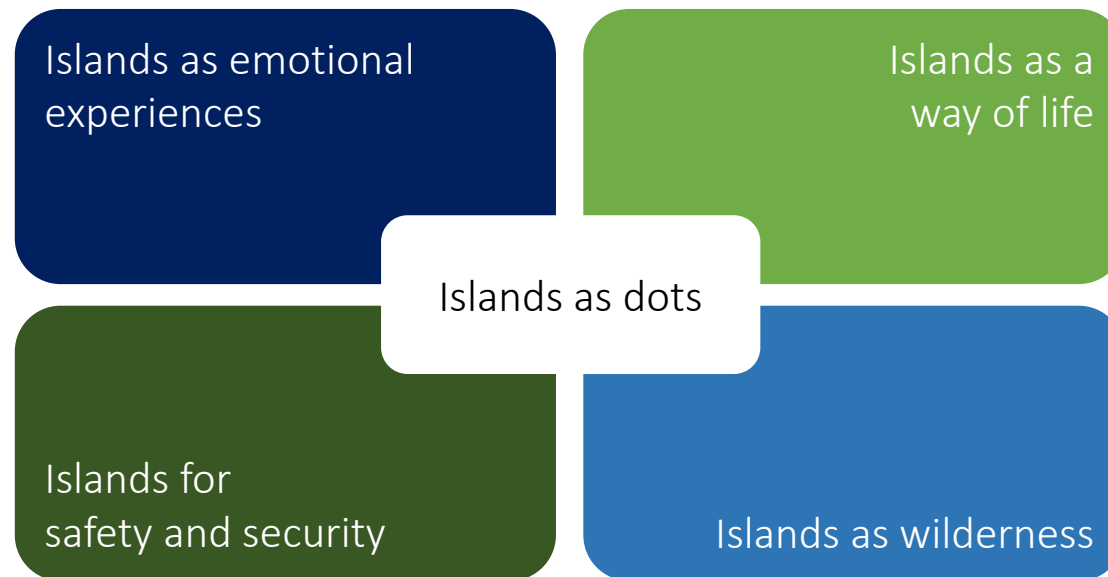
MAA- JA METSÄTALOUSMINISTERIÖN JULKAISUJA 2024:7

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- Sweden: 267,000 islands
- Norway: 239,000 islands
- Finland: 198,150 islands
- Among European countries, only Finland and Croatia has a strategic (state-led) policy for archipelagos and islands (including law)
- Scotland (incl. the Islands Act), and the largest islands of Italy, Spain and Portugal have strategic development.
- Ireland, Estonia, Greece and the Italian Small Islands have some development activities at a state-level.
- Sweden, Denmark and the Netherlands have regional level development activities (Antikainen et al., 2019).

The scenarios



Islands as emotional experiences

Place	Time	Leading actors
Commercialising the unique natural and cultural heritage of islands in a new way.	<p>Pandemic and technological advances raised interests towards islands and opened up the opportunity to challenge prevailing thinking and develop new services.</p> <p>The growing interest in islands created pressure to 'do something'.</p> <p>The islands realised that a positive image is not eternal.</p> <p>Islands will not develop without professional service packages, stories and storytellers.</p>	<p>Entrepreneurs played a big role in changing the mindset.</p> <p>The example of successful entrepreneurs showed that the islands have experiences to offer, as long as they are well marketed.</p> <p>A handful of local government officials steered the public debate and led the way in thinking alongside entrepreneurs</p>

Islands as a way of life

Place	Time	Leading actors
History and traditions of the islands	New technology has made teleworking possible	In mid and outer islands, individuals and communities
The ruggedness of the outer islands	The rise of new traditional and historical communities	Municipal planning in inland islands
The potential of the inland islands for maritime urban life		

Islands for safety and security

Place	Time	Leading actors
Southwest Finland and the Gulf of Finland archipelago as Finland's security zone Experience tourism in the archipelagos of Ostrobothnia and Lake Finland	Russia's war of aggression in Ukraine and subsequent NATO membership changed the way the future of islands is viewed	Defence Forces Border Guard Entrepreneurs and municipalities in Ostrobothnia and Lake Finland

Islands as wilderness

Place

The diluted exoticism of islands and the continuing deterioration of water have reduces in islands.

Time

The windows of opportunity opened by Covid-19 close over time.

Leading actors

No single body has taken responsibility for the development of any island or part of an island.

Leadership is fragmented and no single body is taking the lead in island development.

Islands as dot

Place

The different locations of the islands offer different opportunities.

Development is very place-sensitive.

Time

Different windows of opportunity for different things.

Leading actors

In some places, municipalities, in others the armed forces or entrepreneurs.

The scenarios

