Finland and Helsinki between east and west – in the core of Europe

Marcus Rantala, Partner at Rud Pedersen Finland, member of the City Board and City Council



Finland – from one of the poorest to one of the richest

Finland has the third least corruption in the world. *Transparency International, Corruption Perceptions Index 2017*

Finland is the happiest country in the world. Sustainable Development Solutions Network, <u>World Happiness Report 2018</u>

Finns' trust in other people is the highest in Europe. European Commission, <u>Fairness, inequality and intergenerational mobility: Social Capital: Trust in people</u>

Finns' trust in the police is the highest and in the political system and in the legal system the second highest in Europe.

Eurostat, <u>Average rating of trust</u>

Finland is the most stable country in the world. The Fund for Peace, <u>Fragile States Index 2018</u>

Finland ranks as one of the top OECD country in education. OECD, <u>Better Life Index: Education</u>



The long history of Finland – characteristics still seen in politics and political culture

- Long time of relative isolation tribal pagan society without central government before becoming part of Sweden (1150-).
- Borderland between East and West Roman Catholic vs Greek Orthodox faith
- "Northern Poland": between two greater powers (Sweden and Russia) resulted in that several wars were fought on Finnish territory.
- Finland an integrated part of Sweden
- **Relative latecomer to European/global trends** (Christian faith, later industrialism, nationalism, urbanisation, multiculturalism)
- But: long tradition of relatively independent peasantry as opposed to Russian peasant serfdom – political rights developing
- Protestantism
- Self-sufficiency as a value (last major famines in Europe in Finland)
- Part of western sphere due to the Swedish reign.



Russian period 1809-1917 – autonomy and the idea of a nation

- Russia annexes Finland from Sweden in 1809 (Finnish War)
- Grand Duchy of Finland established, Russian Czar as the Grand Duke
- Autonomy and old laws from Swedish/Western European periphery to the most advanced part of the Russian Empire.
- Trade and economic growth (Saint Petersburg)
- Loyalty to the troubled Czars ("Leave the Finns in peace. It is my only province which hasn't produced me even a minute of worry." Czar Nikolai I 1850)
- Finnish nationalism being born but without major wishes to gain independence but to gain a more profound autonomy
- Radicalisation since 1890- when Russia tightens grip.
- General Strike 1905 and formation of the Parliament of Finland the most modern voting legislation 1906 – women allowed to vote and to be candidates in general elections



Independence, civil war and difficult first years

- German influence during WW1 (Jägers) starts the very influential German connection in Finnish history
- Russian revolution 1917, power vacuum leading to Finnish declaration of independence
- Sudden independence caused political distress. Combined with brewing societal disagreements, economic problems and famine caused by the loss of markets, radicalisation of the workers and outside pressure → CIVIL WAR (war of freedom, term still politically debated) 1918 between Whites and Reds
- Short and brutish war summary executions, 80 000 POW's, 13 000 victims in the camps, political isolation of the "red" side.
- Deep scars to the newly-independent Finnish nation divided nation
- Democratic society held all the time even though strong nationalistic currents. 1930's Social Democratic Party returned to power.



War wonder and national myths

- Molotov-Ribbentrop pact and Soviet pressure
- 1939-40 Winter War: "-105 days of glory" Finland had to give large areas to Soviet but keeps its independence. Casualties FIN 26000, Soviet figure even 10-fold.
- Key myths being born: unified Finnish spirit, "no friend left behind", success against odds, war proves, innovativeness and Marshal Mannerheim, never trust anyone else for help
- Continuation War 1941-44. German influence, alliance with Nazi Germany but separate war, idea of "Greater Finland" and occupation of Eastern Karelia. Stalingrad 1943→ Soviet major offensive 1944 – Finnish success in defence and separate peace with Soviet Union → Lapland War against Germans – peace 1945.
- Peace treaty war repayments (paid in full) and Karelia lost to the Soviets anxious relation to debt



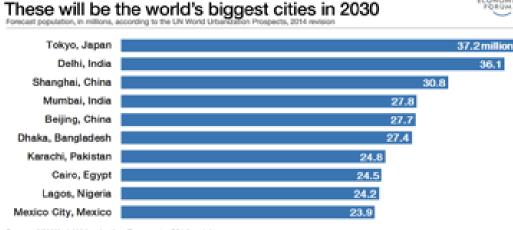
From *"Finnlandisierung"* to Europe and world

- New foreign policy doctrine (Soviet interest taken always into account, neutrality, good relations to Soviets, trust) → Finlandization.
- Nordic cooperation as means to modernise economy and internationalize also towards the West (European integration with Finnish characteristics) – using neutrality to gain international recognition (CSCE 1975 → OSCE).
- Fast economic growth industrialisation, devaluations, building of the welfare state from 1960's onwards. From the poorest to the richest.
- Long reign of President Urho Kekkonen (1956-1982) exceptional for Western democracies.
- Ripening of Finnish welfare state in the 1980's, industrial champions.
- Soviet disintegration 1989-91, deep economic recession 1991-94, Finland joining the EU in 1995 and euro in 1999. "Golden decade of the Finnish economy 1995-2008".
- Rise and fall of Nokia as a landmark of an era, OECD Pisa Survey and Finnish school.
- Star pupil of EU and German apprentice.



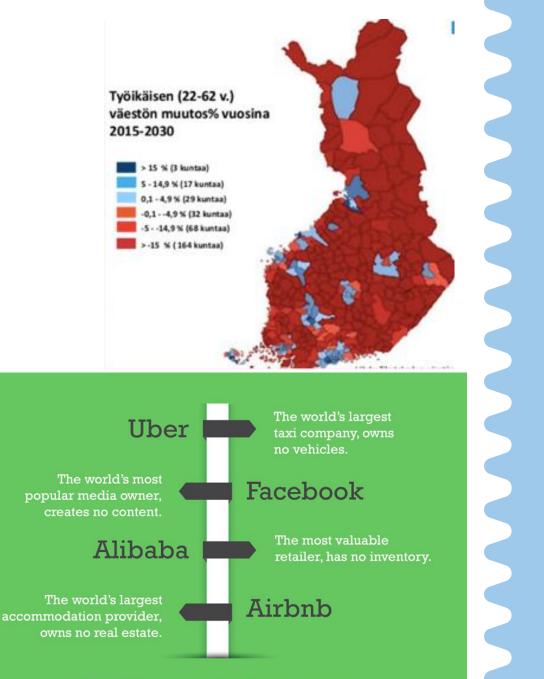
Global trends and Finland

- Climate change
- Ageing and urbanisation
- Digitalisation, technological change and Globalisation
- Individualism and Multiculturalism



Source: UN World Urbanization Prospects, 2014 revision

Helsinki



The time of threats?

- Democracy in crisis? Rise of populist/nationalist movements.
- Cyber threats; information war, fake news and hybrid warfare.
- Immigration and experience of "cultural warfare"
- Uncertain and unbalanced economic possibilities between population groups in the society.
- Current political institutions lack capability and competence to control these phenomena.
- All this combined lack of trust towards institutions, multipolar organisations (as EU) and each other.
- Also traditional military threats occupation in Europe.

Finland now and in the future

- Strongly part of EU, Finland wants European leadership Macron?
- Brexit UK has been a like-minded country new partnerships?
- France new bilateral defence agreement: Finland ready to participate in the intervention force.
- Can Europe be trusted? A successful Europe needs responsibility and leadership from France and Germany
- NATO-membership not a political option at the moment strong relationship to USA emphasized in the defence sector, but for how long?
- Pragmatic relationship towards Russia in favour of EU sanctions
- Strong own defence procurement of 64 fighters, new corvettes to the Navy
- Extremely dependent on export free trade and more EU in the right places
- Education, education and education key to success
- Safety has become a new topic of interest
- Politically dominated with long-term compromises and coalitions
- General elections in April 2019



Helsinki



Success from around the world

Most livable cities in the world

9

Most livable Cleanest capitals in the world

8_

The Telegraph 2017

Most popular congress cities in the world

15.

Union of International Associations 2017

r, 4

Supporting innovations and entrepreneurship

3.

CITIF 2015

Best European cities in supporting digital enterprises and entrepreneurs

Nesta 2016

National Geographic 2017

Lonely Planet 2016

3.

Top 10 Smart City in Europe

Economist Intelligence Unit 2017

Fastcoexist 2014

Most content residents among the EU capital cities

European Commission 2015

Top 3 tourist **Best European cities in** attracting skillful labour force destinations

INSEAD 2017

City of Design since 2014

Unesco Creative Cities

World Design Capital 2012

ICSID



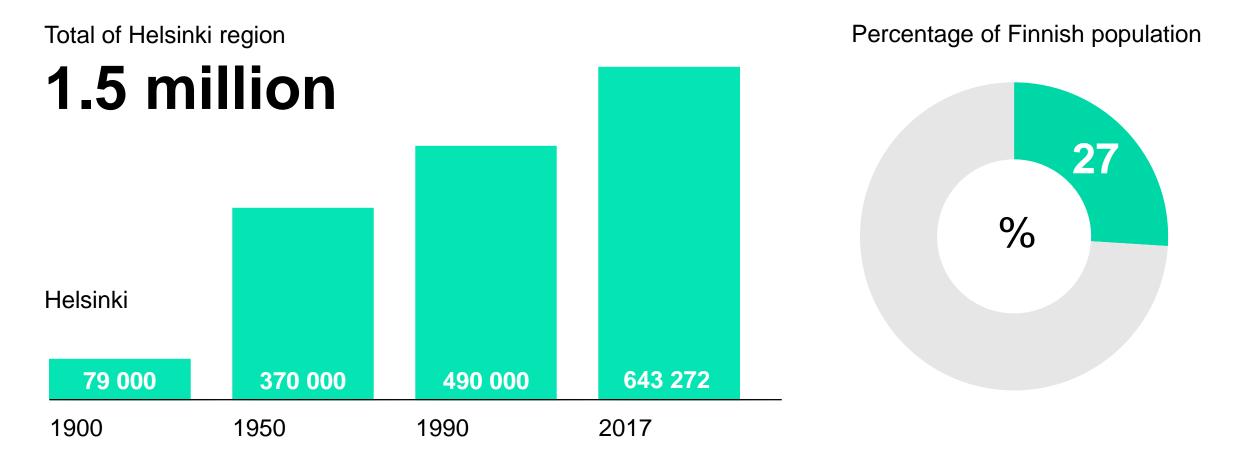
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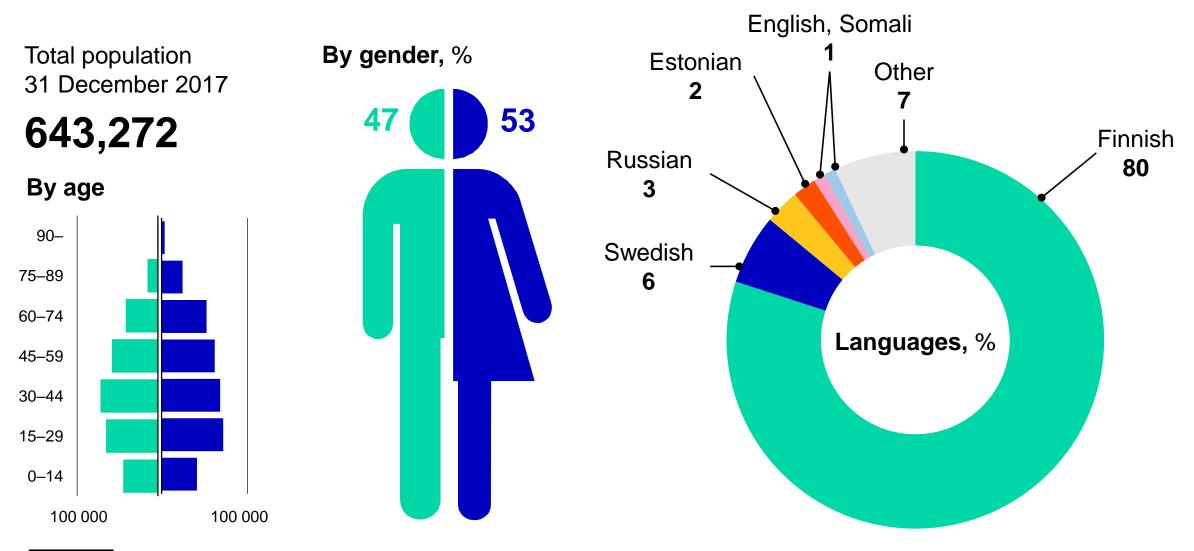
Europe

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Population of Helsinki



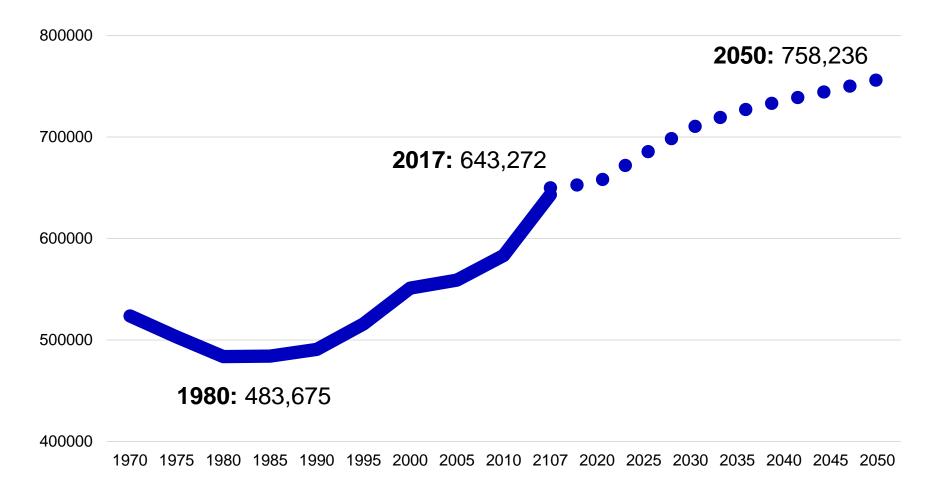
Population of Helsinki





Helsinki is a fast-growing city

Helsinki population 1970–2017 and forecast to 2050





Employment

Total jobs, 2017

426,500

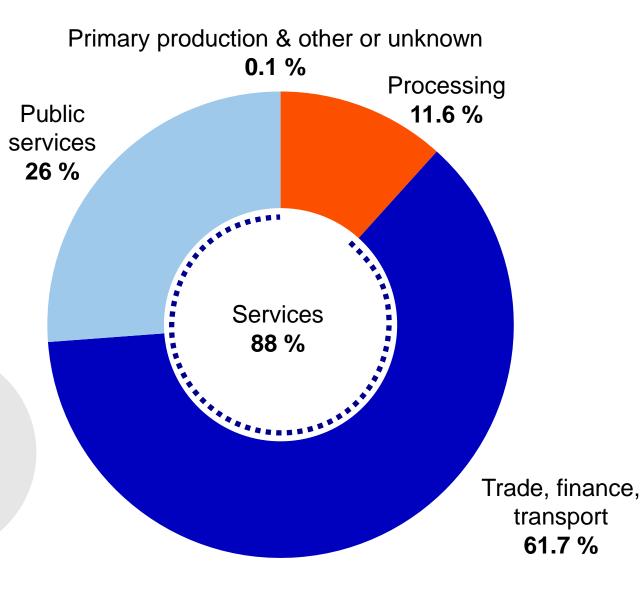
Employment self-sufficiency

130 %

Unemployment rate

8.4 %

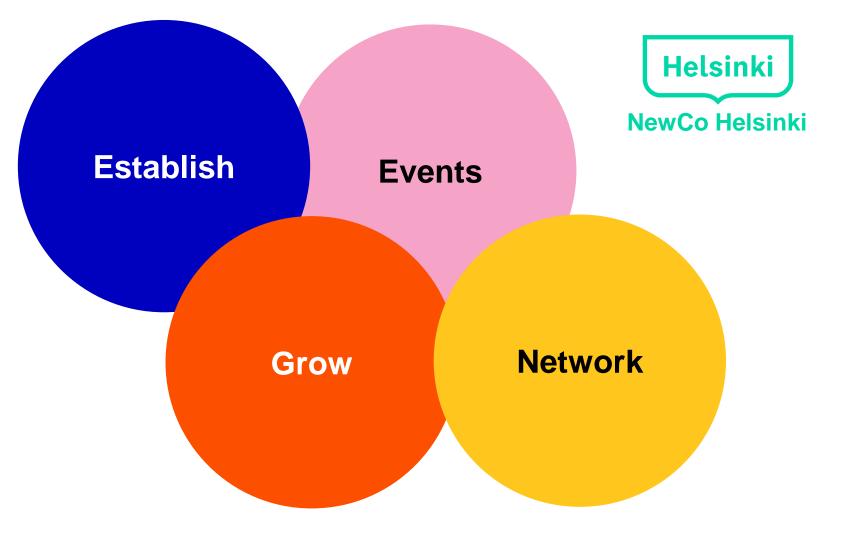
Information sector jobs **10 %** of all jobs





Business-friendly Helsinki

Services and support to new and already existing companies.



Business-friendly Helsinki



The Helsinki region's share of the turnover of all companies in Finland is 43 %. (2016)

Companies generally see Helsinki as a good location:

- Skilful work force.
- Extensive market.
- Good connections. Helsinki Airport.
- 92 % of the companies want to collaborate with the City of Helsinki.
- Especially research, development and innovation collaborations with the City interests.

Source: Taloustutkimus Oy's corporate interview study 2016.

The City of modern climate responsibility

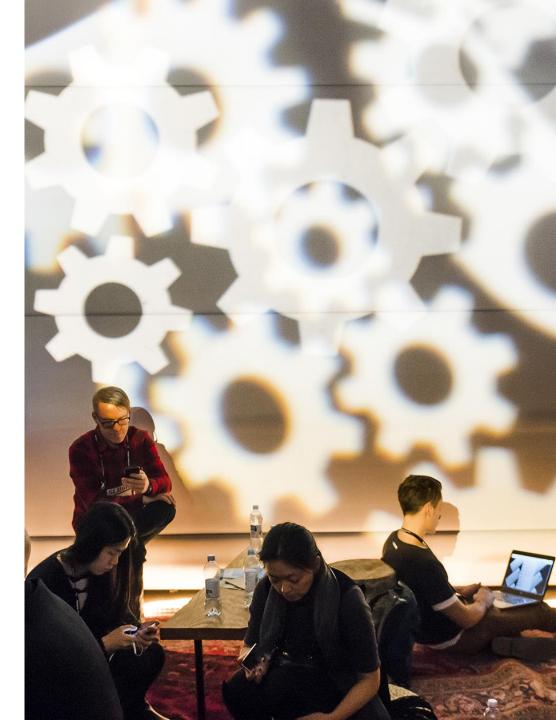
- Helsinki takes its responsibility in the prevention of climate change seriously and prevents climate change ambitiously.
- Helsinki brings forward its carbon neutrality objective from 2050 to 2035.





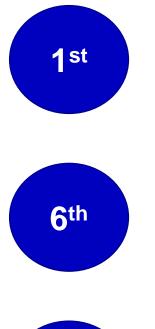
The most functional smart City in the world

- The Helsinki region is the world's best test platform for interesting and profitable smart and cleantech innovations.
- The best solutions create successful business activities in Finland and are exported abroad.
- New services for movement and housing improve the quality of living and curb climate change.





Helsinki is placed



Combined Heating & Cooling System *Global District Energy Climate Awards 2015*





The Cleanest Cities In The World

The Telegraph, 2017

Three priority areas for Helsinki's economic policy 2018–2021

Internationally attractive Helsinki

We strengthen Helsinki's international recognition and advance the export of Helsinkian knowhow to the world. During the strategy period, the tourism to the city grows sustainably, and foreign investments generate new job opportunities.

City with a skillful work force

We meet the skill needs of the changing labour market of the future, make Helsinki an attractive place for the world's leading experts, and increase the Helsinkians' ability to work. During the strategy period, education leads to employment in Helsinki, and work-related immigration allows for Helsinki-based companies to grow.

Platform for new and growing business activities

By 2025, we open up Helsinki and make it Europe's leading platform for experimentation and innovative entrepreneurship. During the strategy period, the experiment platforms are established as the city's way of working with enterprises and other organisations developing new solutions.



Helsinki administration

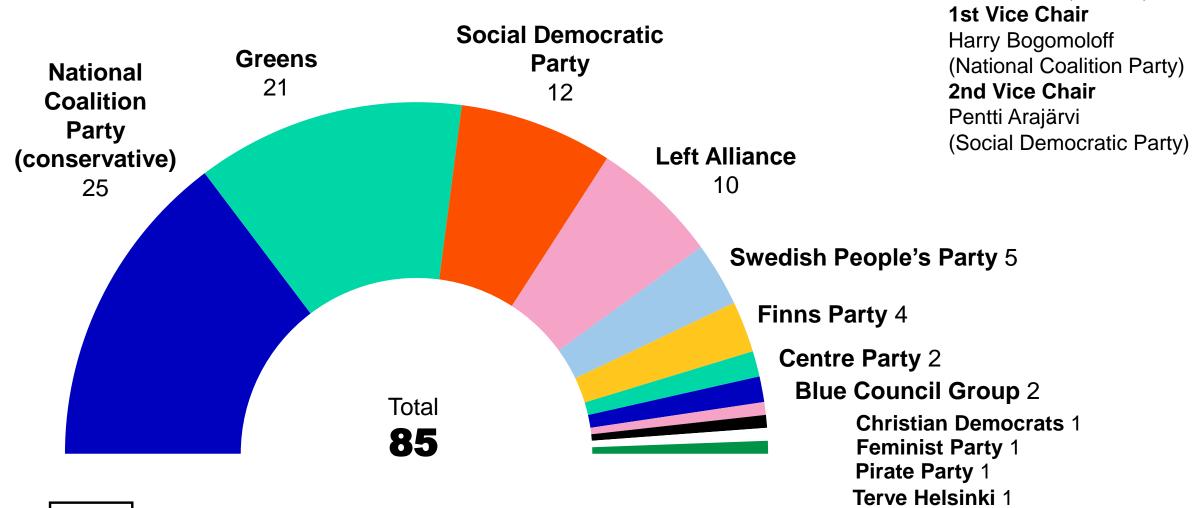
City Council 85 councillors

City Board Mayor chair, 4 Deputy Mayors + 10 members

> Central Administration Chief Executive Officer

Education division	Urban environment division	Culture and leisure division	Social services and health care division
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Helsinki City Council



Helsinki

Chair

Tuuli Kousa (Greens)



Helsinki is carrying out some of Europe's largest construction projects.



Housing production targets and project development

- A goal of building 6,000 housing units annually. Furthermore, work will be done to enable a raise of the goal to 7,000 housing units.
- A major part of the construction carried out in the major project development areas: Länsisatama, Kalasatama and Kruunuvuorenranta. Other significant sites in Pasila, Kuninkaantammi and Honkasuo.
- The target is that 40 % of the construction will be carried out as complementary construction.

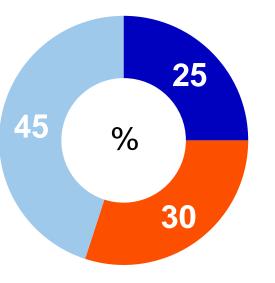
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Housing policy objectives

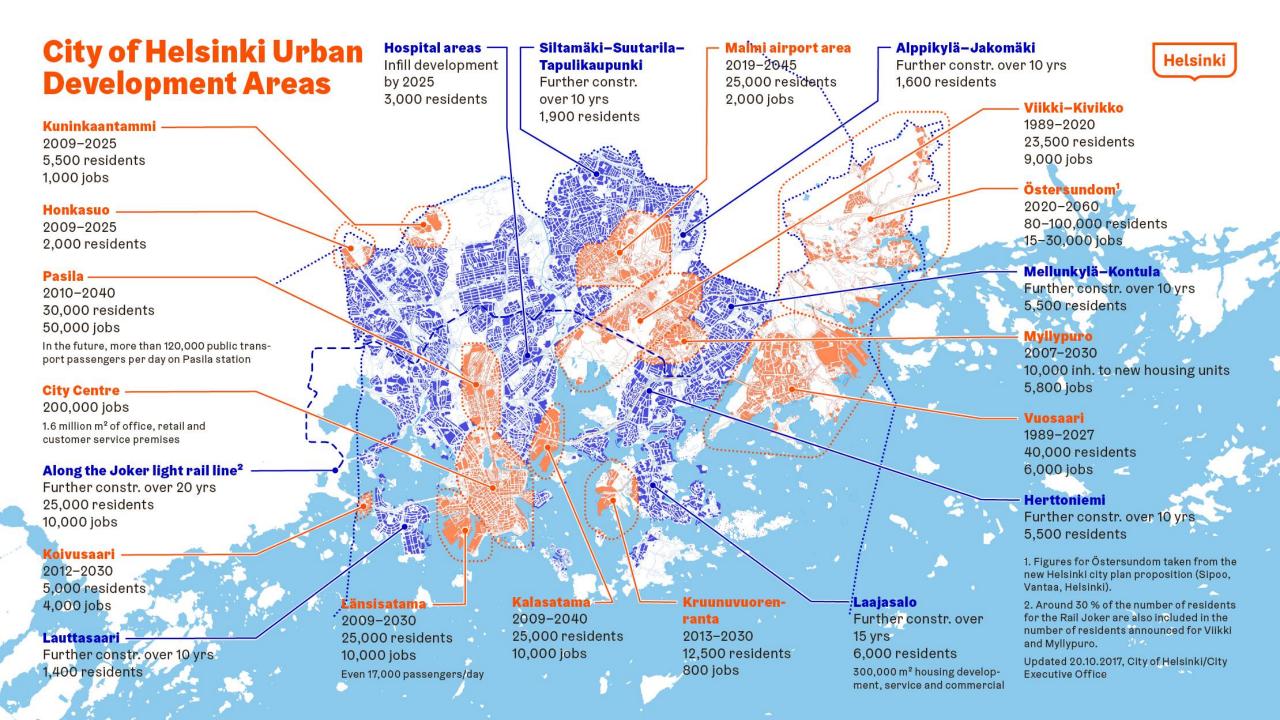
Well-balanced urban development and diverse housing alternatives for different life situations.

The City cares for the condition of its housing stock and, through its measures, promotes e.g. energy-efficient residential construction, construction of elevators in the old housing stock and carrying through different kinds of housing concepts. Objectives for forms of ownership and financing in annual housing production:



- ARA rental housing (including student and youth housing) 25 %
- Intermediate housing (e.g. Hitas and right-of-occupancy housing) 30 %
- Non-regulated owner occupied and rental housing 45 %





The most satisfied passengers in Europe Public transport 2015

Journeys, million

- Extensive, reliable and fast public transport
- 88 % of passengers rate public transport either *good* or a *very good*
- Helsinki is also a cyclingfriendly city with a cycling path network of 1,200 km

Schools and universities

Aa

(**x+y**)²

48,700 students in 132 comprehensive schools 7–16-year-olds

59,000 students in

59 upper secondary schools

High schools and vocational

schools

11,000 students in vocational training

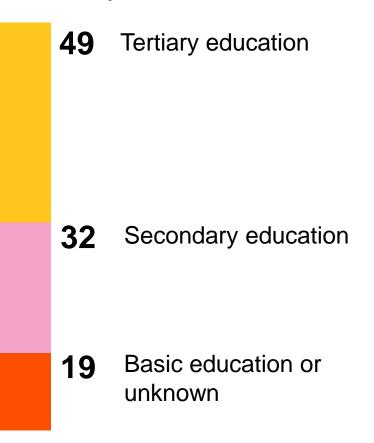
23,000

students in polytechnics

42,000

students in universities

Educational structure, % of 25–64-year-olds





A living urban culture

The urban culture in Helsinki has taken some giant leaps during the last few years. This change has been visible especially in the food and restaurant culture.

Rugged Capital by the Sea



Transparency and democracy

- By law, municipal records are public in Finland. Anyone can request any public document.
- The City's policy is to communicate proactively and anticipatorily about decision-making.
- Finland ranked 3rd in World Press Freedom Index (2017)
- Finland ranked 3rd by Transparency International





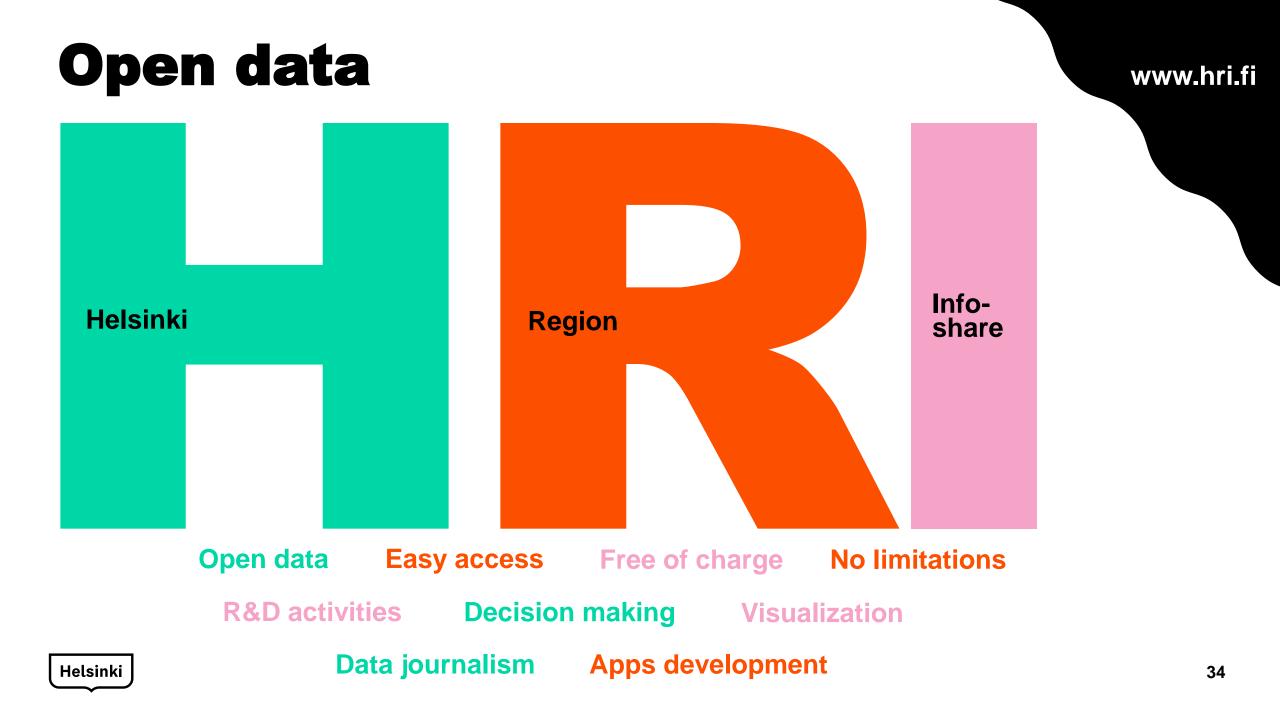
Local democracy and participation

Tools and measures:

Helsinki

- Digital channels for participation and interaction: "Kerro kantasi" - "Have Your Say", Service Map, feedback, Ruuti.net, social media
- Resident evenings and city planning events for the residents
- Initiatives from residents
- Borough Liaisons and participatory budgeting
- Co-operation with the third sector and neighbourhood associations
- Development of local democracy





Helsinki in the future?

- Though international competition knowledge about Helsinki to be increased.
- Bridge between east and west Russia, growing traffic to Asia.
- High education and knowledge.
- New traffic investments; tunnel to Tallinn, rail-link between the Arctic Ocean and Berlin via Helsinki?
- Housing prices growing rapidly, problem for economic development
- Segregation, especially in the eastern parts of Helsinki; positive segregation
- Young men in the risk zone to be socially excluded.

Thank you!

