Territorial Trends
in the Baltic Sea Region

8th VASAB Conference of Ministers Responsible for Spatial Planning and Development of the Baltic Sea Region
26 September 2014, Tallinn, Estonia

ESPON BSR-TeMo
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I. Snapshot of territorial trends in the BSR

II. BSR divides and territorial cohesion
I. SNAPSHOT OF TERRITORIAL TRENDS IN THE BSR
1. Increasing spatial polarisation of BSR territories

- A clear trend of increasing spatial polarisation is further aggravating already existing unbalanced regional structures
- Selected opposite trends indicate a more balanced development with increasing convergence (e.g. rapidly decreasing east-west economic divide in the BSR)
Example: migration 2005-2010

Average annual net migration rate 2005 - 2010
according to various territorial typologies in the BSR, NUTS level 3

Net migration rate, annual average in %

-0.3 %
0.0 %
0.3 %
0.6 %

Typology on urban-rural regions
Typology on metropolitan regions
External border regions
Sparsely populated regions
Coastal regions

Predominantly urban region
Intermediate region
Second-tier metro region
Non-border
Non-sparse

Capital city region
Smaller metro region
Other region
Border
Sparse

Inland
Coast

Only ten metropolitan areas swallow 47 % of all migration surplus in the BSR
Example: jobs gained and lost in the BSR – territorially specific spatial patterns

The most vulnerable areas took the worst beating of the 2008 recession
Example: jobs gained and lost in the BSR – macroregional spatial patterns

When the nr of jobs in the BSR increased, that increase was beneficial to most regions.

When the nr of jobs declined (following the credit crunch), the decline hit mostly weaker regions, resulting in increased concentration.
2. Aggravated territorial disparities

- Territorial disparities between contiguous (adjacent) regions have in the past 15 years “exploded”
- The urban hierarchy is a decisive factor in dictating the magnitude these disparities
- Corresponding analysis within a more pronounced social context shows differing patterns
Example: "On the ground" disparities analysed.
3. Specific types of territories

In the BSR, “specific types” of territories, including e.g. rural, peripheral, or border regions:

• are generally lagging behind in most aspects of socioeconomic development; and

• harnessing the untapped potential of such territories implies considerable possibilities
Example: GDP per inhabitant in the BSR subdivided by various territorial typologies

Specific types of BSR territories are generally lagging behind

Most development trends are not cohesive

<table>
<thead>
<tr>
<th>Typology on urban-rural regions</th>
<th>ca. 2005</th>
<th>ca. 2009</th>
<th>Development ca. 2005-2009: points change to EU27 average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predominantly urban regions</td>
<td>98</td>
<td>109</td>
<td>+11</td>
</tr>
<tr>
<td>Intermediate regions</td>
<td>66</td>
<td>71</td>
<td>+5</td>
</tr>
<tr>
<td>of which:</td>
<td></td>
<td></td>
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<tr>
<td>- close to a city</td>
<td>66</td>
<td>71</td>
<td>+5</td>
</tr>
<tr>
<td>- remote</td>
<td>71</td>
<td>74</td>
<td>+2</td>
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<tr>
<td>Predominantly rural regions</td>
<td>62</td>
<td>65</td>
<td>+3</td>
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<td>of which</td>
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<td></td>
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<tr>
<td>- close to a city</td>
<td>53</td>
<td>57</td>
<td>+4</td>
</tr>
<tr>
<td>- remote</td>
<td>86</td>
<td>85</td>
<td>-1</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Typology on metropolitan regions</th>
<th>ca. 2005</th>
<th>ca. 2009</th>
<th>Development ca. 2005-2009: points change to EU27 average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital city regions</td>
<td>101</td>
<td>112</td>
<td>+11</td>
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<tr>
<td>Second-tier metro regions</td>
<td>84</td>
<td>89</td>
<td>+5</td>
</tr>
<tr>
<td>Smaller metro regions</td>
<td>58</td>
<td>64</td>
<td>+5</td>
</tr>
<tr>
<td>Other regions</td>
<td>61</td>
<td>65</td>
<td>+4</td>
</tr>
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<tr>
<th>Typology on regions in external border programmes</th>
<th>ca. 2005</th>
<th>ca. 2009</th>
<th>Development ca. 2005-2009: points change to EU27 average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Border regions</td>
<td>46</td>
<td>53</td>
<td>+8</td>
</tr>
<tr>
<td>Non-border regions</td>
<td>82</td>
<td>88</td>
<td>+6</td>
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</tbody>
</table>

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<thead>
<tr>
<th>Typology on sparsely populated regions</th>
<th>ca. 2005</th>
<th>ca. 2009</th>
<th>Development ca. 2005-2009: points change to EU27 average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sparsely populated regions</td>
<td>90</td>
<td>91</td>
<td>+1</td>
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<tr>
<td>Not sparsely populated regions</td>
<td>74</td>
<td>80</td>
<td>+7</td>
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<tr>
<th>Typology on coastal regions</th>
<th>ca. 2005</th>
<th>ca. 2009</th>
<th>Development ca. 2005-2009: points change to EU27 average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coastal regions</td>
<td>95</td>
<td>101</td>
<td>+6</td>
</tr>
<tr>
<td>Non-coastal regions</td>
<td>62</td>
<td>68</td>
<td>+6</td>
</tr>
</tbody>
</table>
4. BSR migration steered by territory

A multivariate analysis of driving forces behind migration patterns in the BSR revealed that

- handicapped socio-economic structures resulting from permanent locational characteristics play a surprisingly strong role in steering migration flows; and that

- e.g. the status as the national capital or a secondary city, being a predominantly urban or an intermediate region, as well as lying by the coast, all have stronger effect on net migration than does e.g. GDP/capita
Example, multivariate analysis, driving forces of BSR migration: four socioeconomic variables and territorial typologies

For following analysed variables, no statistical effect on migration at all (when all others held constant):

- GDP/capita
- Employment change
- Sparse region
- Predominantly urban region (urban-rural typology)
- Close to a city (urban-rural typology)
- Border region
- Secondary city region
- Smaller metro region

Above 6 variables are (statistically significantly) able to explain 52% of the variation in net migration rates in the BSR
5. Social inclusion and QoL

- The eastern BSR displays huge internal variations in e.g. life expectancy and the gap to western BSR is substantial. The development trends are however cohesive.
- In terms of subjective general health, the east-west divide is not clear-cut.
- Economic welfare only partly explains existing patterns in health.
- East-west differences in particularly absolute poverty are very large within the BSR.
Example: self-assessed general health status 2010

Light colours: better health, dark colours: worse health

Self-assessed health good measurement of effectiveness of health care system, life style, awareness, etc.

No clear-cut territorial patterns or trends, but east-west gap is somewhat apparent
Example on bivariate analysis: relative poverty and health

Bad health and poverty hand in hand in eastern BSR
II. BSR DIVIDES AND TERRITORIAL COHESION
1. Ten indicators for measuring overall Territorial Cohesion in the BSR

The ten indicators aiming at measuring Territorial Cohesion in the BSR

• target general Territorial Cohesion objectives as well as specific BSR challenges

• can be applied on *any variable* in order to highlight general mega trends in territorial cohesion in the region

• ensure a multidimensional approach in applying these, which enables coherent interpretation of mixed, often confusing, signals
## Ten indicators measuring Territorial Cohesion in the BSR

1. The Gini Concentration Ratio
2. The Atkinson index
3. The 80/20 ratio
4. Sigma-convergence
5. Beta-convergence
6. The east/west ratio
7. The south/north ratio
8. The urban/rural ratio
9. The non-border/border ratio
10. The coast/inland ratio

<table>
<thead>
<tr>
<th>Distribution/inequality</th>
<th>Convergence</th>
<th>Targeted BSR Territorial Cohesion Indicators</th>
</tr>
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![Aalto University Logo]
Example: convergence measurements

“Poorer” regions in the BSR catch up on the “richer” ones

… but simultaneously …

economic output gets increasingly concentrated (right graph)
Example: distribution measurements

Overall trend: increasing segregation among regions

Economic output more concentrated than jobs, which are more concentrated than people
2. Assessing the three principal territorial divides of the BSR

• Both the North-South gap as well as the Urban-Rural gap of the BSR is growing further still

• The East-West gap also exists, but it is changing form …

• … from having been a primarily economic gap sharpest along the former iron curtain, it has now changed into a far more multifaceted divide, where social differences today are possibly the most pronounced ones
Example: measurements addressing the three principal BSR divides

The north-south and the urban-rural gaps are growing further

The east-west gap is partially closing
Example on QoL trends: (relative) poverty and (absolute) deprivation

Differences in the at-risk-of-poverty rate in eastern and western BSR
Percentage of total population 2005-2010, NUTS 2

Severe material deprivation rate, percentage of total population

Differences in severe material deprivation in eastern and western BSR
Percentage of total population 2005-2011, NUTS 2
Key messages

- Increasing spatial polarisation
- Aggravated territorial disparities
- Specific BSR territories on the tightrope, but with much untapped potential
- For development, territory matters
- Increasing concentrational tendencies
- North-South and Urban-Rural gaps growing further still
- East-West gap also exists, but shifting form from *primarily* economic to *primarily* social
Further information: Research team & VASAB CSPD/BSR

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