Development of Cities in the Baltic Sea Region, Introduction to VASAB study

VASAB Workshop “Smart urban governance in times of transition. Resilience of small and medium cities in the Baltic Sea Region”

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Liepāja, 6 Sep, 2018
7 Indicators
- Based on BSR TeMo

127 largest cities
- Population over 100,000 including suburbs (urbanised areas).
- For countries with lower population densities (NO, SE, FI, EE, LV, LT) cities with a population > 50,000

Data for 2005-2015 where available
Cities in BSR

**Global metropolises (4 – 6m)**
Saint Petersburg, Berlin

**European metropolises (1,9-2,8m)**
Warsaw, Hamburg, Katowice, Minsk, Stockholm and Copenhagen

**Regional metropolises (0,7-1,3m)**
Helsinki, Oslo, Krakow, Gdansk, Bremen, Lodz, Gothenburg, Riga, Poznan and Wroclaw

**National and regional centres of development**
Shanghai, China
municipality - 24 mil,
urban - 34 mil
Demography

Significant growth, active suburbanisation
• Bergen, Stavanger, Oslo, Stockholm, Malmö
• Cities in Poland, population around Riga, Vilnius, Tallinn and Tartu.

Moderate growth
• Warsaw, Berlin, Hamburg, Rostock, Kaliningrad

Decline
• Cities in Eastern Germany, Poland’s former industrial centers, smaller cities in Lithuania, Latvia
Economic Performance and Dynamics

**Eastern economies:** still less economically developed, but faster growth

**Western economies:** Moderate economic growth, high income levels
Accessibility

Still East-West divide Exception – Poland

A challenge for the Baltic States Less integrated in terms of high speed motorway and railway connections.

Unrealised potential of Saint Petersburg and Belarus: long and unpredictable border crossing

Improvements continue across the Southern-Northern dimension
Human Capital

Population with tertiary education

- **< 50 %**
  - Berlin, Cottbus, Hamburg, Rostock, Helsinki, Stockholm, Uppsala, Malmö, Gothenburg, Linköping, Umeå, Copenhagen, Odense, Aarhus, Vilnius

- **41-50 %**
  - Bremen, Schwerin, Kiel, Flensburg, Aalborg, Tallinn, Tartu, Helsinki, Tampere, Turku, Oulu, Klajpeda, Kaunas, Riga, Oslo, Stavanger, Warszaw, Saint Petersburg, Växjö, Västerås, Luleå etc.

- **30-40 %**
  - Joensuu, Rovaniemi, Lahti, Šiauliai, Jelgava, Bergen, Tromsø, Kraków, Kaliningrad, Murmansk, Minsk, Norrköping, Borås etc.

- **> 30 %**
  - Pärnu, Liepāja, Łódź, Katowice, Poznań, Wrocław, Opole, Gdańsk, Pskov, Petrozavodsk, Fredrikstad, Grodno, Brest etc.

Employment in technology and knowledge sectors

- **45-55 %** of all employees
  - Oslo, Helsinki, Stockholm, Copenhagen

- **35-44 %** of all employees
  - Berlin, Hamburg, Trondheim, Stavanger, Gothenburg, Uppsala, Malmö, Umeå, Aarhus, Warszaw, Tampere etc.

- **33 %** of all employees
  - Turku, Joensuu, Tallinn, Tartu, Riga, Vilnius, Kaunas, Kraków, Wrocław, Gdansk, Cottbus, Bremen, Lübeck, Rostock, Poznań etc.
Manufacturing jobs on decline

Net job creation in manufacturing in the Member States (2007-12; in thousands)

Note: Data for Bulgaria and Croatia not available.
Source: Eurostat
Poverty

Mixed results
Complex phenomenon
Need for integrated approach
Nine Gateways
• High economic performance
• Capitals with strategic positions in the service and finance economy
• Territorial polarization effects

Low vulnerability North
• Top positions in global value chains because of technological know-how
• Presence of large companies/SMEs depending on large companies

In-between East
• Converging to EU average
• Still lower labour costs + close market proximity = advantage
• Presence of non-national corporate firms
• Increasing competition from low cost economies

High vulnerability areas
• Specialized in labour intensive sectors
• Locked in on subcontracting, limited access to resources, knowledge and freedom to make decisions

Source: ESPON Tiger project (Territorial Impacts of Globalization for Europe and its Regions)
Policy Considerations ...

**Economic development**
- How to benefit from increasing openness?
- How to reinforce territorial embeddedness of capital?

**Connectivity**
- Does connectivity benefit all cities?
- How to provide efficient and affordable public transport systems?

**Human capital**
- How to deal with population decline – invest in child care, enhance job opportunities for people with reduced mobility, lifelong learning, teleworking, integration of migrants ...

**Poverty**
- How to create an integrated anti-poverty approach?

**Governance**
- How to set up tailored policies for all types of areas?
- How to manage extending urban functional areas?
- ...
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