

Future challenges for small and medium-sized cities in BSR based on Nordic experiences

Vasab & BT2050 Workshop
Schwerin 22 January, 2019

Territorial Monitoring (TeMo) for the BSR

Background, aim, working process – and the 2016 update relating to the BSR Strategy

ESPON BSR-TeMo:



Nordregio (Lead Partner)
Lisbeth Greve Harbo
Gunnar Lindberg
Linus Rispling



University of Gdańsk
Jacek Zaucha



Aalto University
Tomas Hanell
Jukka Hirvonen



RRG Spatial Planning and Geoinformation
Carsten Schürmann



**Stanislaw Leszczycki Institute of Geography
and Spatial Organization Polish Academy
of Sciences**
Tomasz Komornicki
Piotr Rosik
Rafał Wiśniewski



BGI Consulting Ltd.
Inga Bartkeviciute
Jonas Jatkauskas



Geomedica LLC
Rivo Noorkõiv



More at:

<http://www.nordregio.org/temori>

Contact:

julien.grunfelder@nordregio.org



**Trends, challenges and potentials
in the Baltic Sea Region**

Indicators

Regional Potential Index (1125 points)



Demographic potential (375 points)



1. Population density
2. Net migration rate
3. Demographic dependency rate
4. Female ratio

Labour market potential (375 points)



5. Employment rate
6. Share of the age group 25-64 with tertiary level education
7. Youth unemployment rate

Economic potential (375 points)

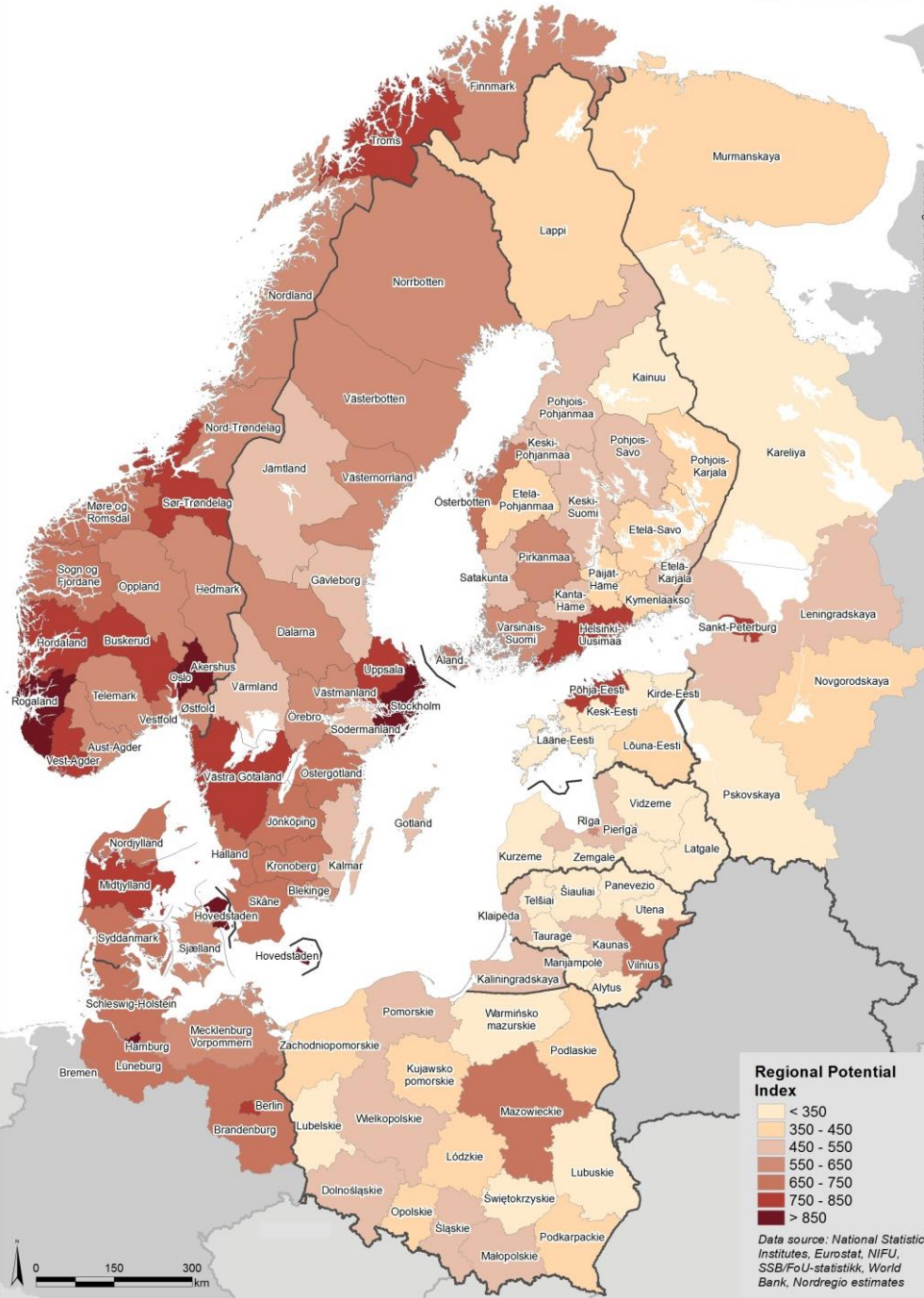


8. GRP/capita
9. Total R&D investments

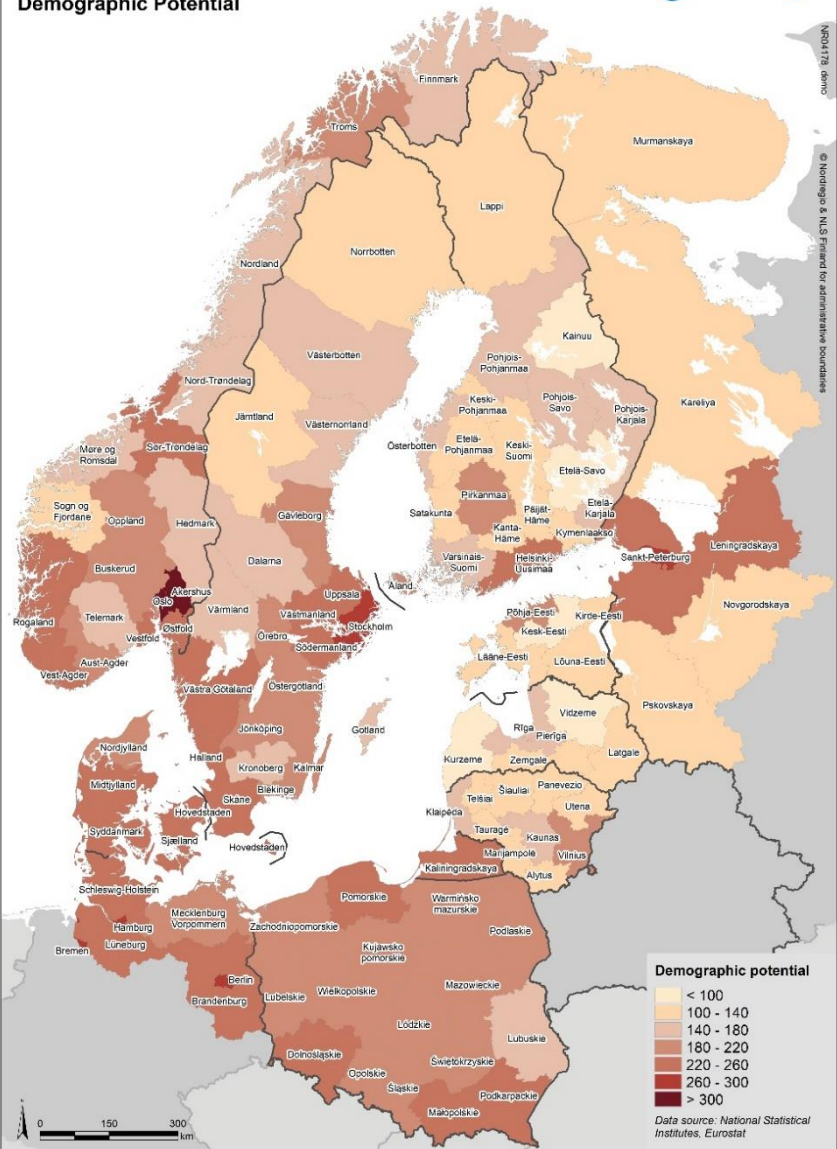
Rank	Region	Country	Largest urban area	Overall
1	Oslo	NO	Oslo	994
2	Akershus	NO	Oslo	949
3	Stockholm	SE	Stockholm	911
4	Hovedstaden	DK	Copenhagen	893
5	Rogaland	NO	Stavanger	883
6	Hamburg	DE	Hamburg	881
7	Hordaland	NO	Bergen	849
8	Sør-Trøndelag	NO	Trondheim	845
9	Berlin	DE	Berlin	811
10	Helsinki-Uusimaa	FI	Helsinki	806

Rank Rural Typology	Rural regions	Country	Overall Rank	Overall points
1	Troms	NO	16	764
2	Møre og Romsdal	NO	20	730
3	Åland	AX	21	724
4	Österbotten	FI	24	703
5	Sogn og Fjordane	NO	28	691
6	Kronoberg	SE	31	666
7	Nordjylland	DK	32	661
8	Oppland	NO	38	638
8	Aust-Agder	NO	38	638
10	Nordland	NO	42	625

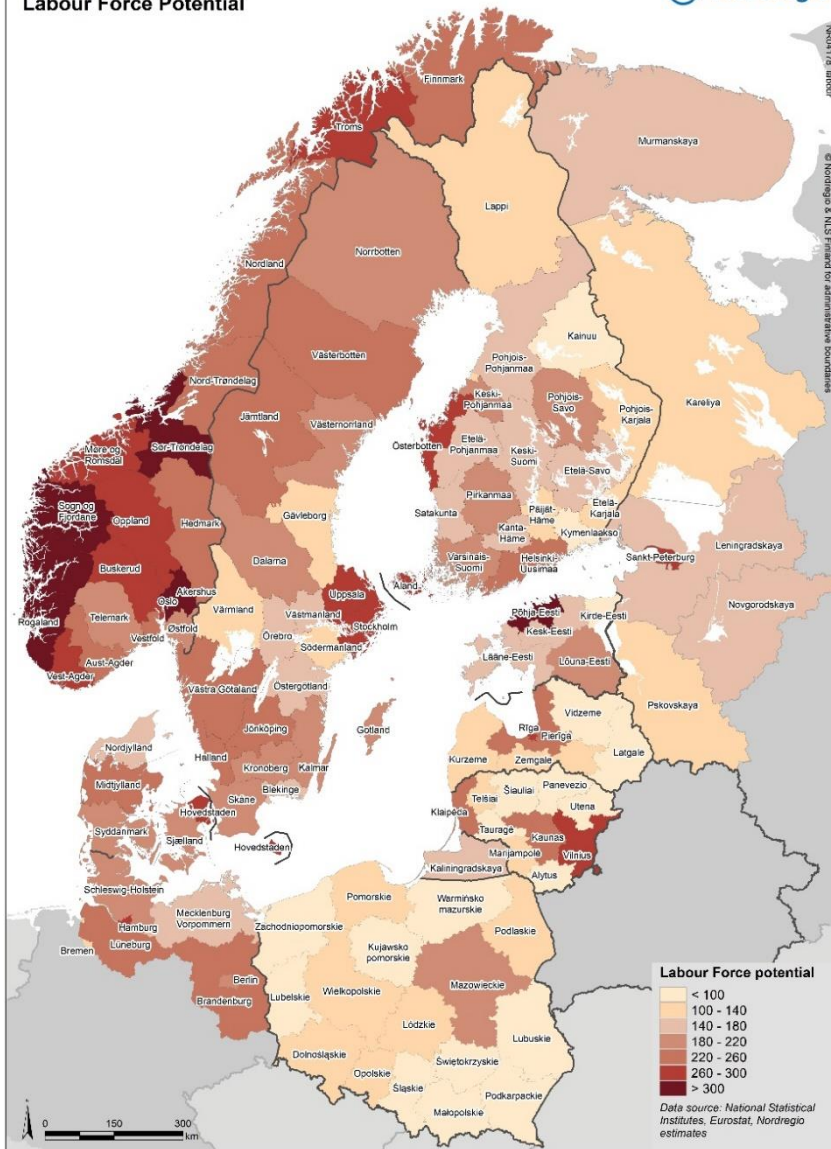
Regional Potential Index 2015



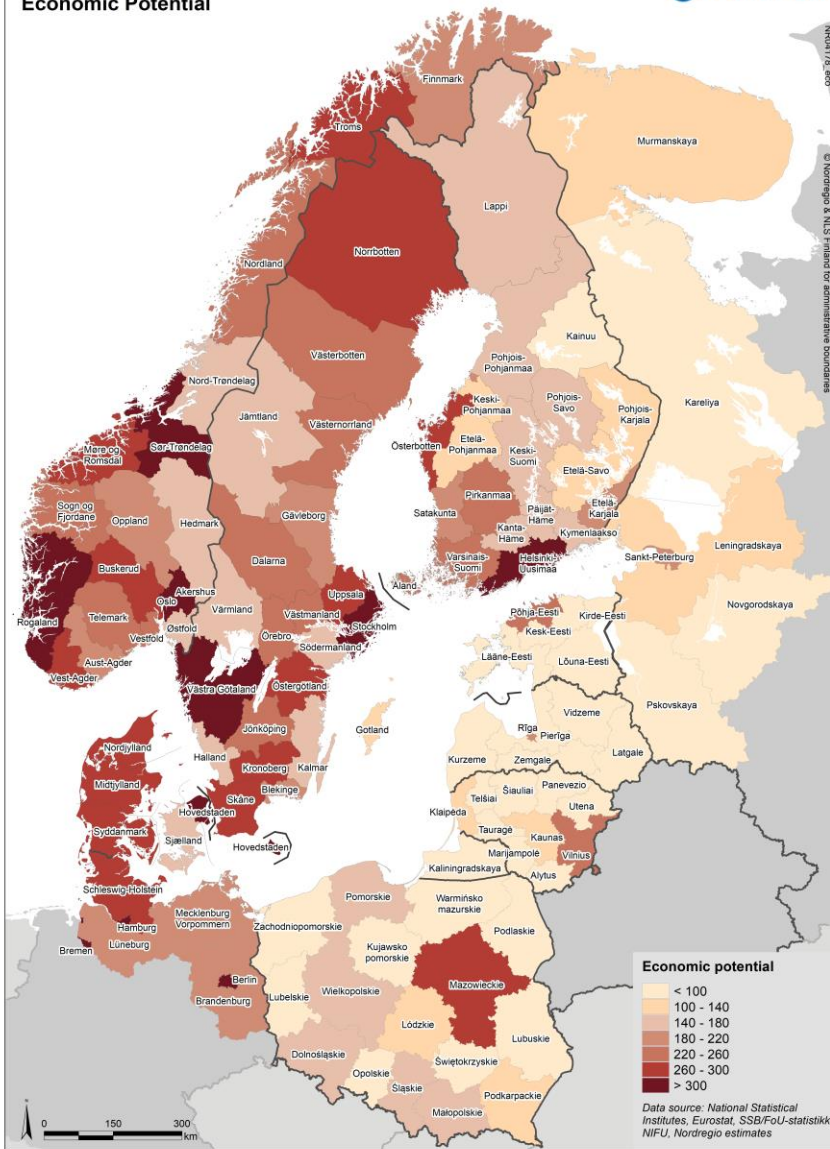
Regional Potential Index 2015
Demographic Potential

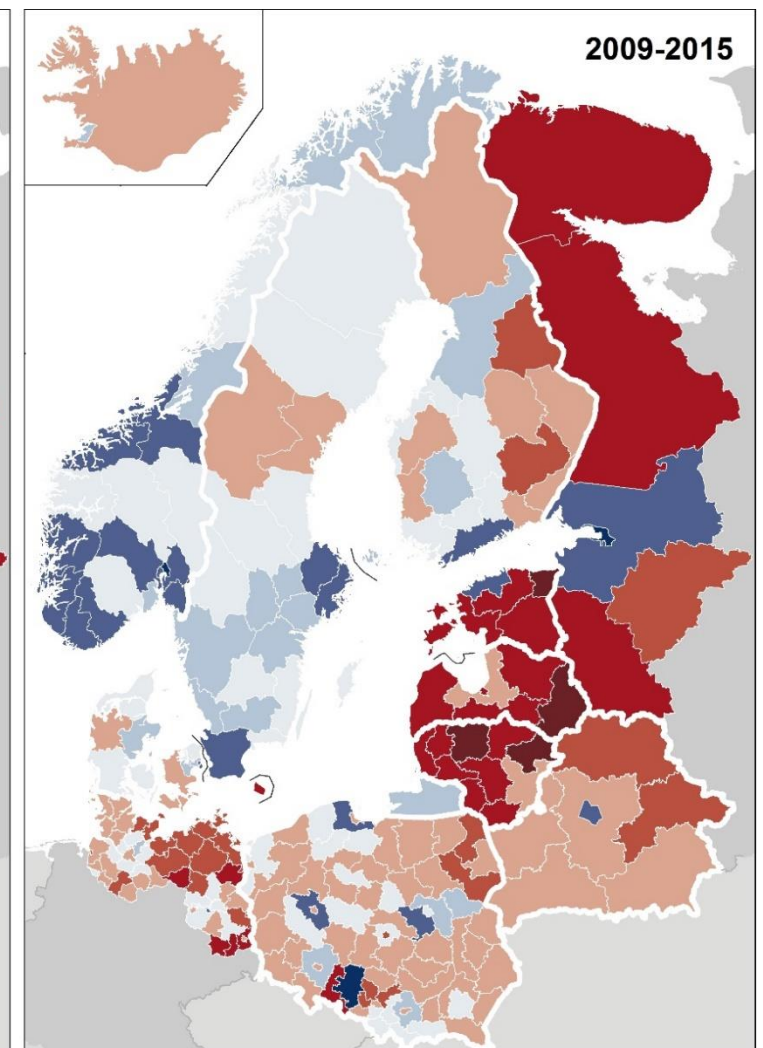
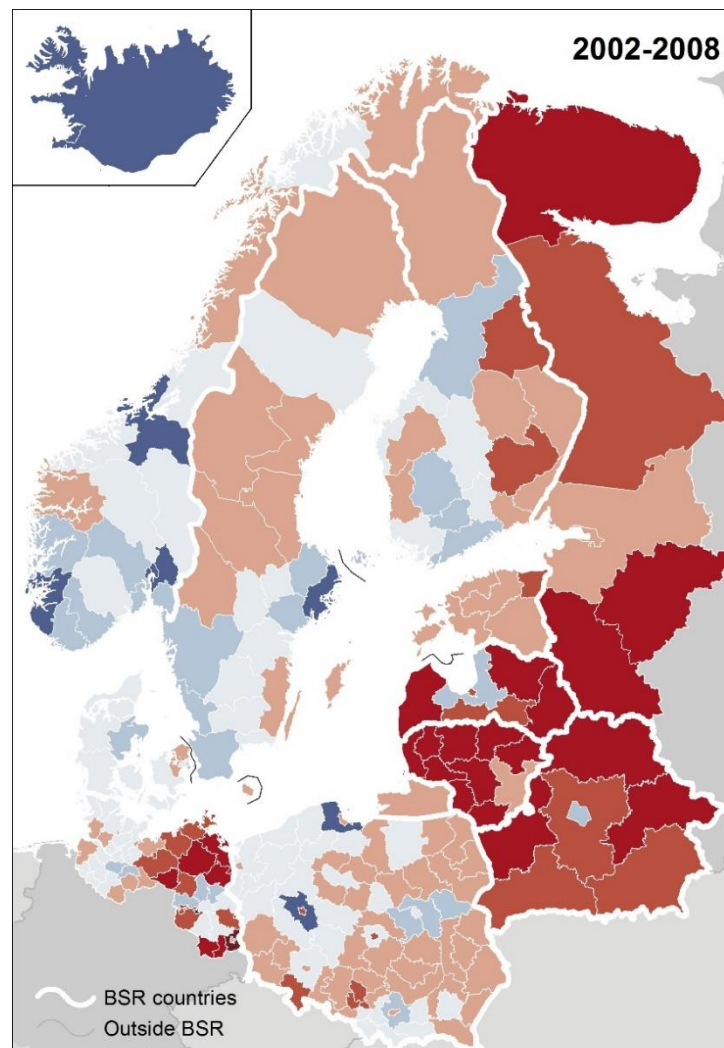


Regional Potential Index 2015
Labour Force Potential



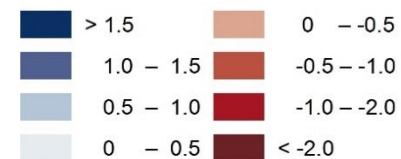
Regional Potential Index 2015
Economic Potential





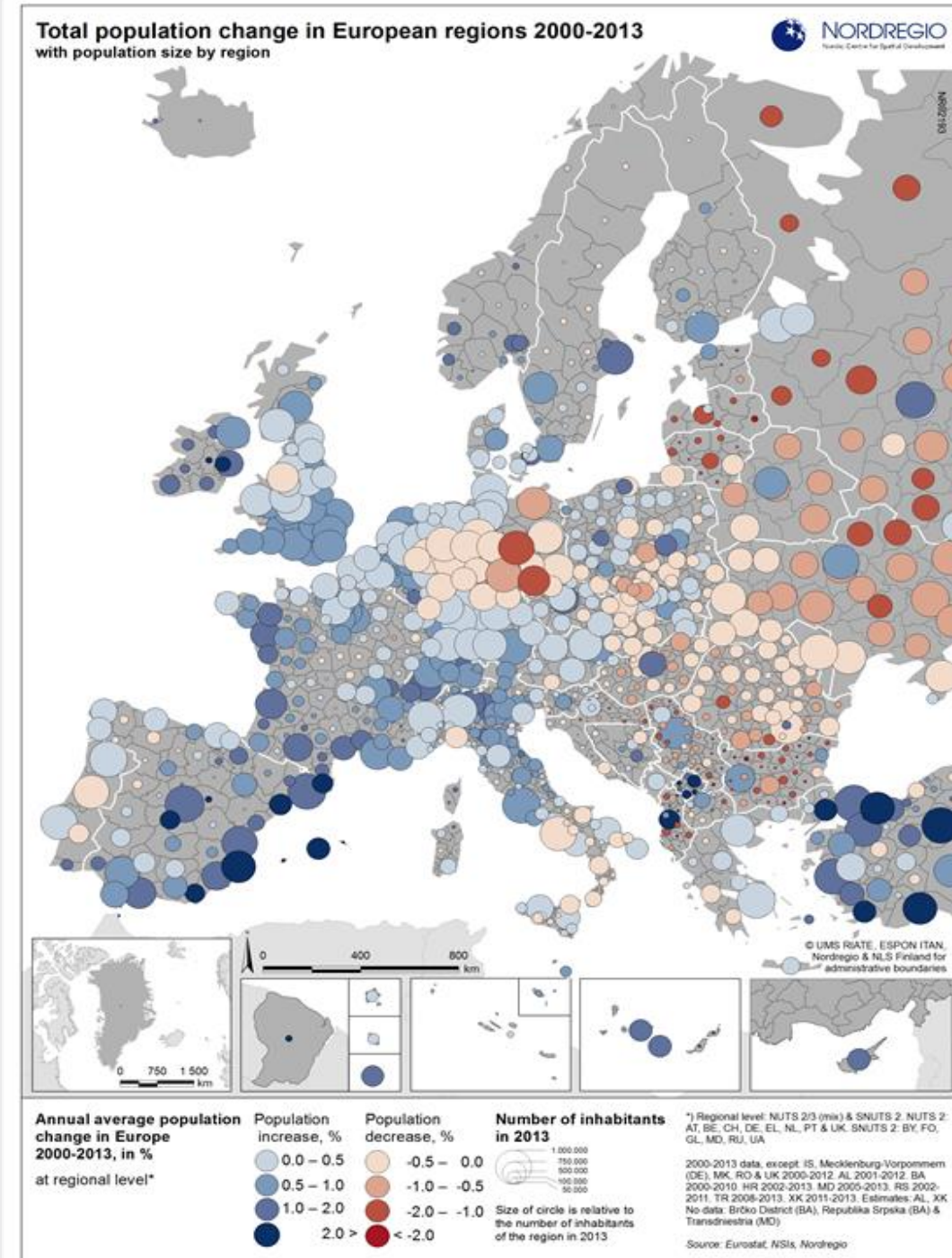
Total population change

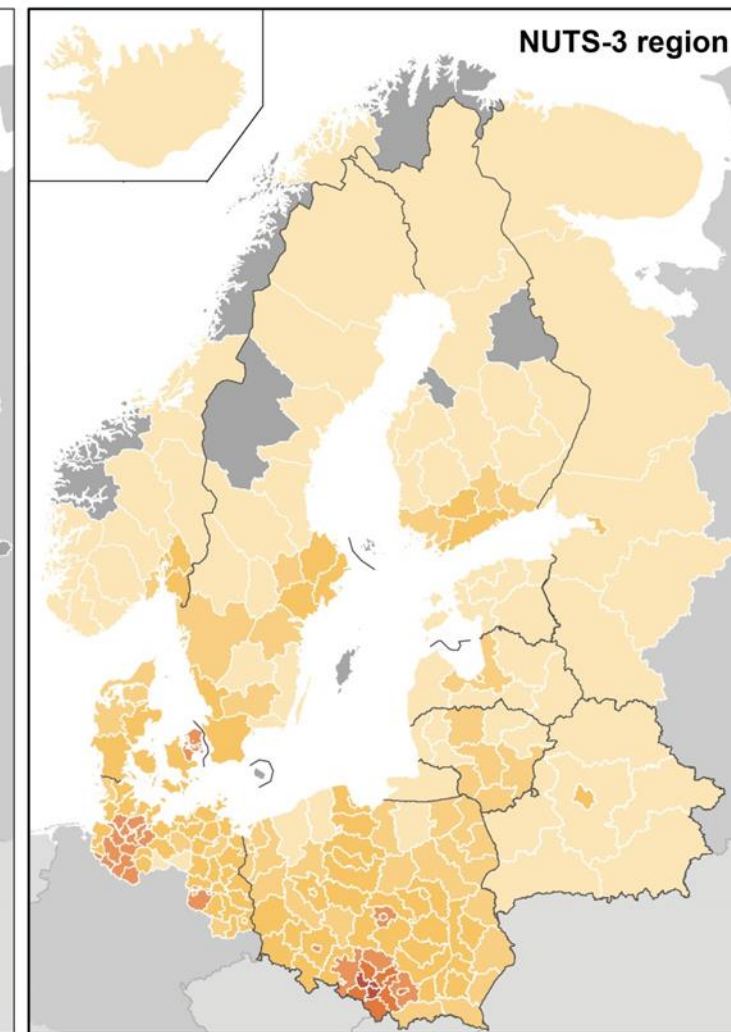
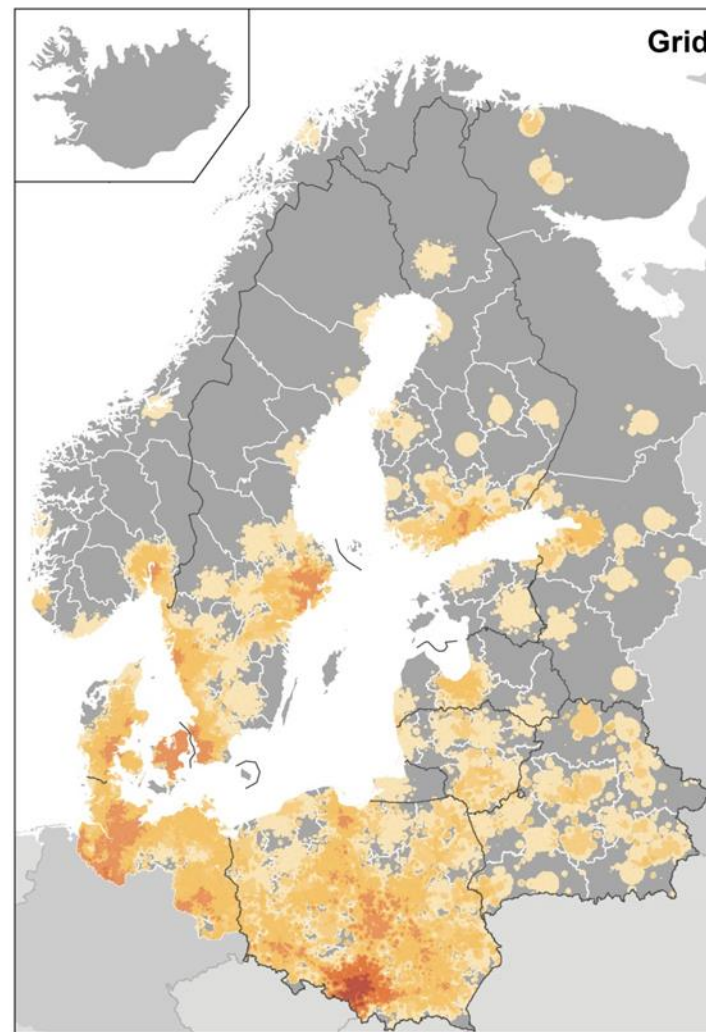
Average change (%)



Total population change in European regions 2000-2013 with population size by region

- Long-term, annual average population change in Europe's regions between years 2000 and 2013 (blue/red)
- Furthermore, the map shows the population size of each region (size of circle)
- In Europe there is an east-west divide with many regions in especially the Baltic countries, Russia, Ukraine, Bulgaria, and Romania experiencing a population decrease, while there is a population increase in many regions (especially the more populated regions) in the Western part of Europe
- However, this pattern might dissolve since the map of population change in European regions 2000-2013 with population size by region there is also an east-western belt of regions with population decline in Germany, and many smaller regions in for example France and Sweden have a declining population.
- Furthermore, the Balkan countries display a more diverse pattern with some larger regions growing (see for example Albania and Macedonia) and smaller declining





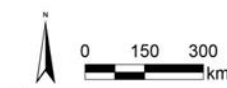
Functional areas 2014

Indicator defined as the number of cities > 50,000 inhabitants that can be reached within 60 min car travel time

Cities within reach

0	6 - 10
1	11 - 25
2	26 - 50
3 - 5	51 - 77

Data source:
ESPON Up-TeMo 2014.
RRG, 2014.
Origin of data:
RRG Accessibility Model,
RRG GIS Database, 2014.



BSR countries
Outside BSR

STATE OF THE NORDIC REGION 2018



Demography

Main trends

The current demographic situation in the Nordic Region is characterised by four main trends:

- The Nordic population is growing, driven to a large extent by immigration
- Increasingly concentrated in urban settlements
- The average age of the population is also increasing
- Growing share of people have a foreign background.

All of these trends are expected to continue in the years to come.

	Total population size		Population change, 2007-2017 (in percentage)		
	2007	2017	Total	Natural increase	Net migration
Nordic Region	24,931,018	26,949,609	8.1	2.3	5.8
Denmark	5,447,084	5,748,769	5.5	1.3	4.2
Finland	5,250,032	5,474,083	4.3	1.4	2.9
Sweden	9,113,257	9,995,153	9.7	2.4	7.2
Iceland	307,672	338,349	10.0	8.0	2.0
Norway	4,681,134	5,258,317	12.3	4.0	8.4
Faroe Islands	48,268	49,864	3.3	5.3	-1.9
Greenland	56,648	55,860	-1.4*	6.6*	-7.5*
Åland	26,923	29,214	8.5	0.6	7.8

Table 2.1 Population change, 2007–2017.

* Natural increase and net migration values do not add up to the total population change (in %) shown here. This is due to a correction term that Statistics Greenland uses in updating its statistics (not included in the table).



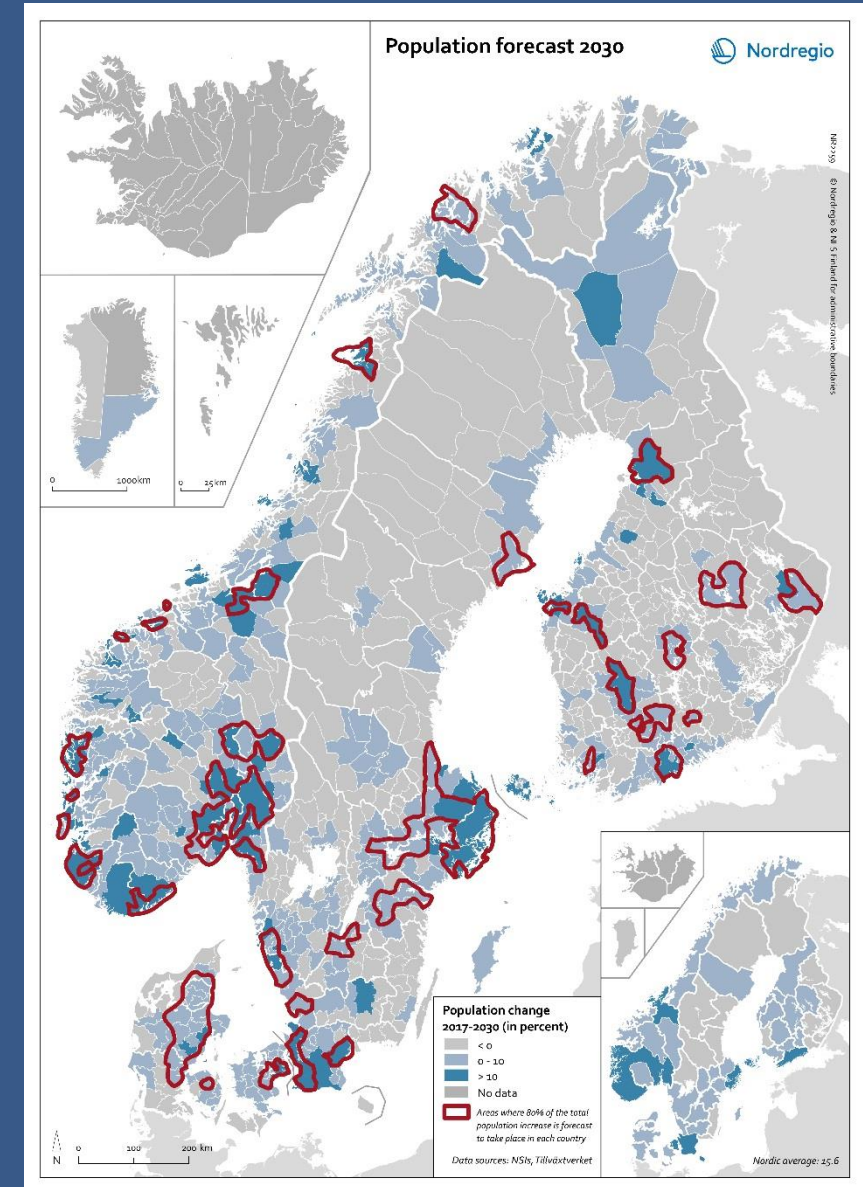
Demography

Population forecast

By 2030, the Nordic Region is expected to have almost 30 million inhabitants, an increase of more than 10% from the current 27 million.

In Sweden, almost 80% of the population increase is expected to occur in the densely populated urban areas in the southern half of the country.

In the other Nordic countries, population growth remains more decentralised and in many cases medium-sized towns may grow faster than capital areas.



Demography

Population forecast

Over the past ten years, the population of the Nordic Region has grown quicker but also aged faster as a whole than in many other European regions.

Nordic municipalities and regions experience very different, often contrasting, demographic trends, presenting specific opportunities and challenges to each:

- Population growth is largely concentrated in the urban areas
- Many remote and sparsely populated areas face population decline and high rates of population ageing.

By 2030, large parts of northern and eastern Finland are expected to have 50% of people over 15 are aged 65 or more.



Demography

International migration

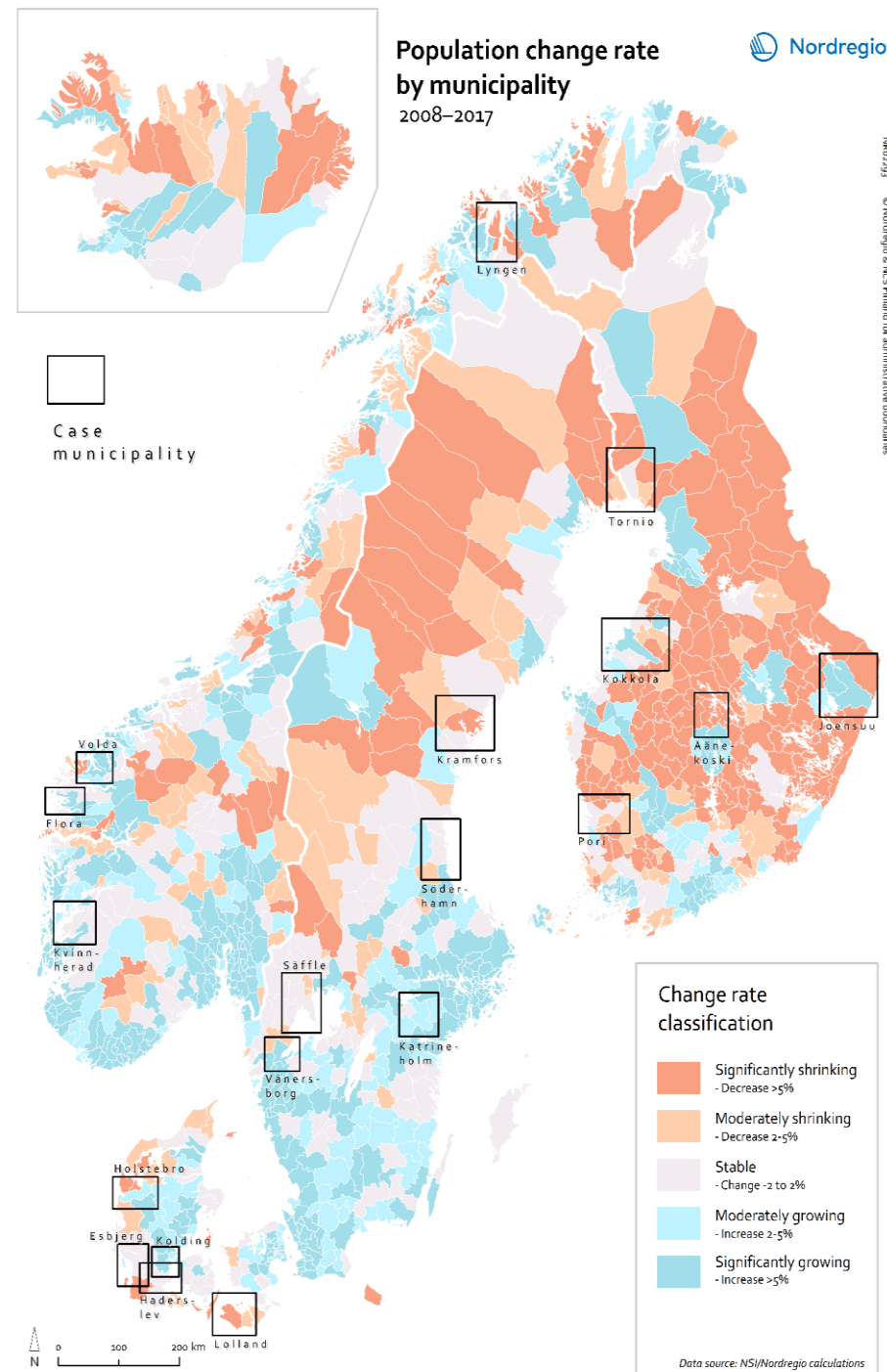
Roughly 26% of all Nordic municipalities increased their population between 2011 and 2016 only due to international migration.

As of 2017, one in eight Nordic residents were identified as having been born abroad, either in another Nordic country or outside the Nordic Region.



The share of different types of municipalities classified according to relative population change (2008–2017)

	Denmark	Finland	Iceland	Norway	Sweden
Significantly growing (pop. increase 5% or more)	32.3%	18.0%	31.1%	46.0%	38.6%
Moderately growing (pop. increase 2–5%)	22.2%	8.0%	6.7%	14.2%	20.7%
Stable (pop. change between -2%–2%)	25.3%	12.9%	18.9%	18.7%	23.1%
Moderately shrinking (pop. decrease between 2–5%)	9.1%	10.9%	16.2%	12.1%	9.7%
Significantly shrinking (pop. decrease 5% or more)	11.1%	50.2%	27.0%	9.0%	7.9%



Population growth

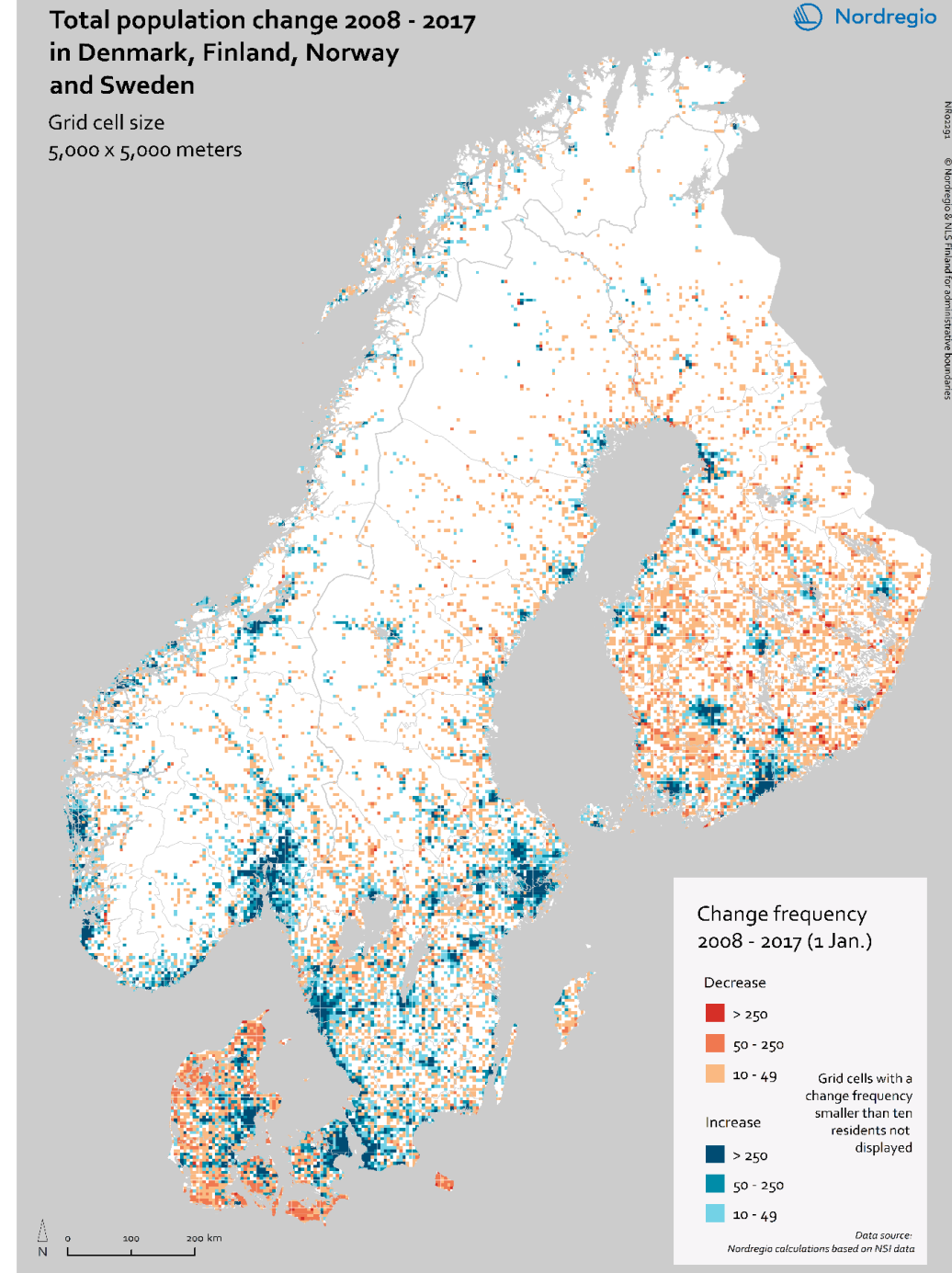
The major urban regions stand out as concentrations of population growth in all four countries.
The capital city regions and certain other medium-sized city regions.

Population decrease

Population decrease has occurred more evenly and is dispersed over more vast areas.
Clear concentrations of population shrinkage can be found especially in Finland and Denmark, but to a lesser extent in Sweden, but especially in Norway.

The number of growing and shrinking grids in each country

	Growing grids (n)	Shrinking grids (n)
Denmark	14 000	20 333
Finland	26 781	46 793
Norway	23 123	23 329
Sweden	52 093	46 867



The share of growing and shrinking grids in different types of municipalities, classified according to relative population change (2008–2017) in all four countries (DK, FI, NO and SE)

	Growing grids (%)	Shrinking grids (%)
Significantly growing municipalities (pop. increase 5% or more)	46.4%	37.7%
Moderately growing municipalities (pop. increase 2–5%)	39.4%	42.3%
Stable municipalities (pop. change between -2%– 2%)	35.7%	44.1%
Moderately shrinking municipalities (pop. decrease between 2–5%)	29.6%	45.8%
Significantly shrinking municipalities (pop. decrease 5% or more)	21.0%	46.2%

Joensuu, a rapidly growing municipality

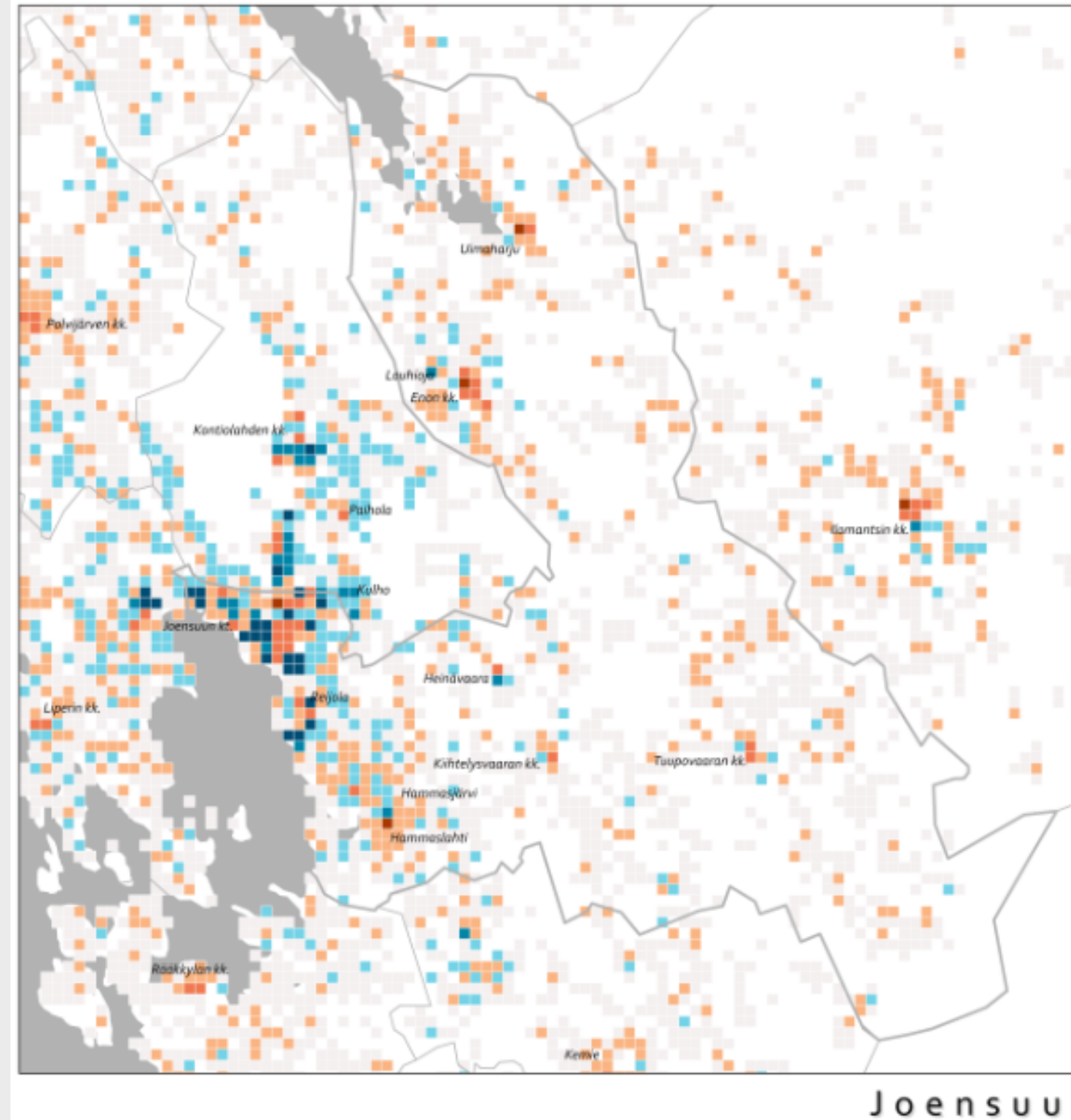
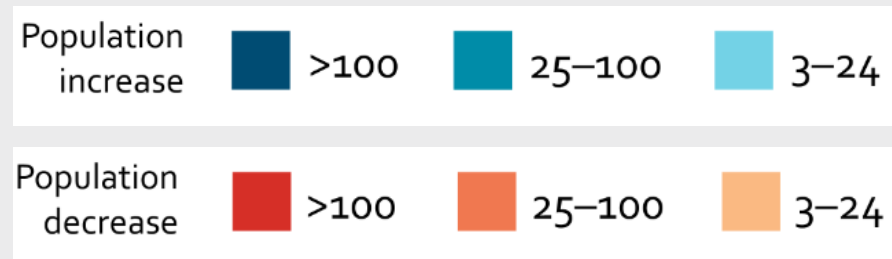
- Population in 2008: 72 105
- Population in 2017: 75 848
- Population increase of 5.2 percent

....but with a high share of shrinking grids

- 141 growing grids vs. 270 shrinking grids
- Population increase in growing grids 7 336
- Population decrease in shrinking grids 3 394

Population growth occurs unevenly

- Growth and shrinkage in the same municipality
- A concentration of population can be detected



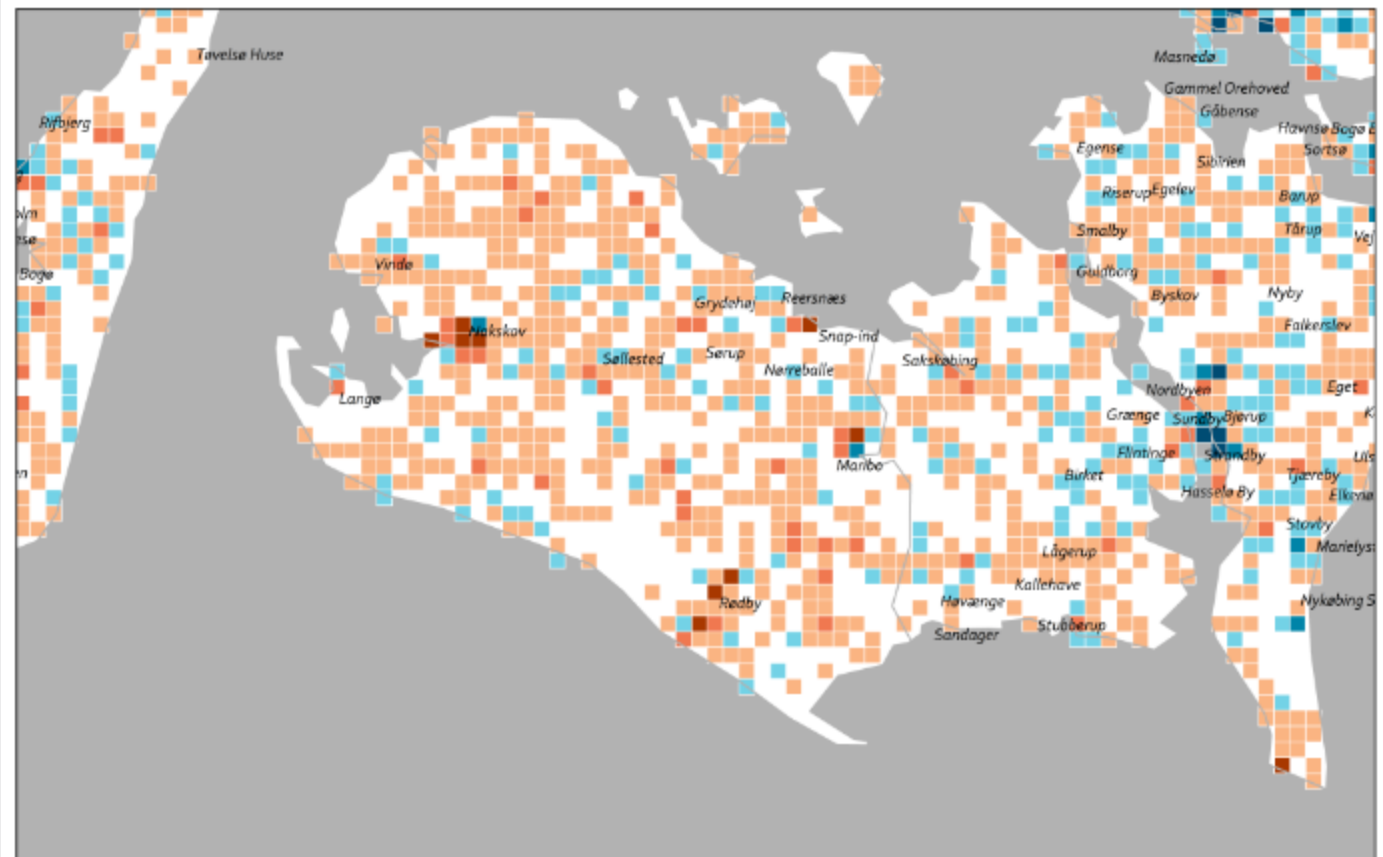
Lolland, a rapidly shrinking municipality

- Population in 2008: 48 203
- Population in 2017: 42 285
- Population decrease of 12.3 percent

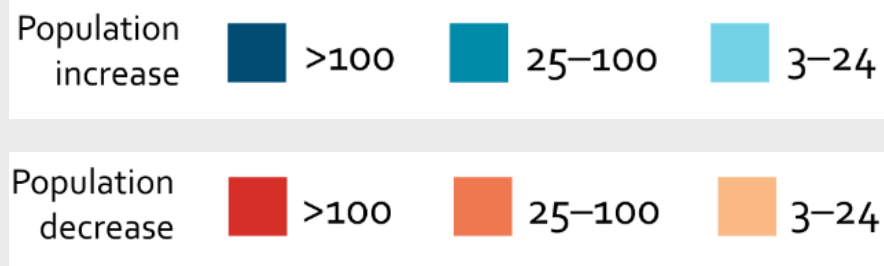
....and where the clear majority of grids have lost population

- 66 growing grids vs. 427 shrinking grids
- Population increase in growing grids 440
- Population decrease in shrinking grids 6 075

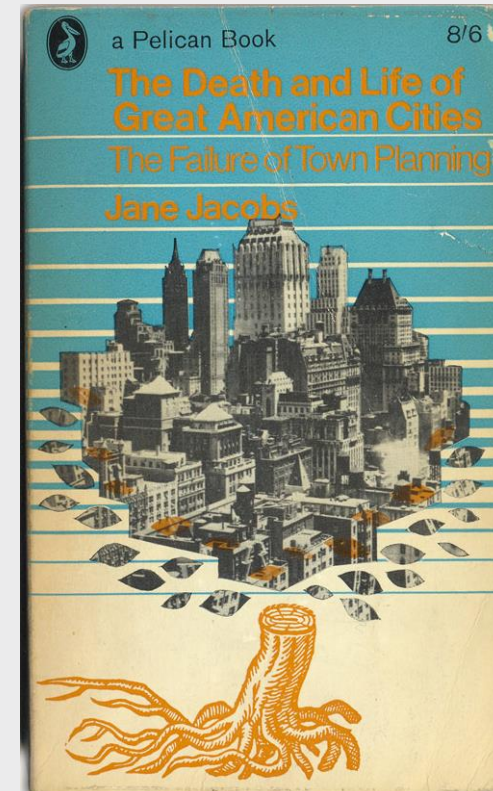
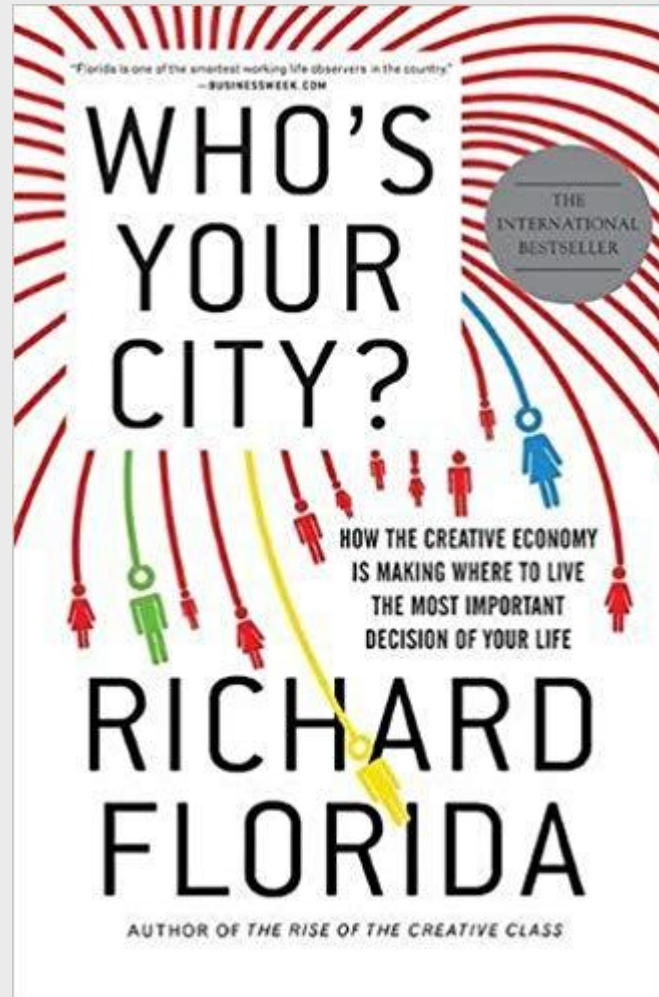
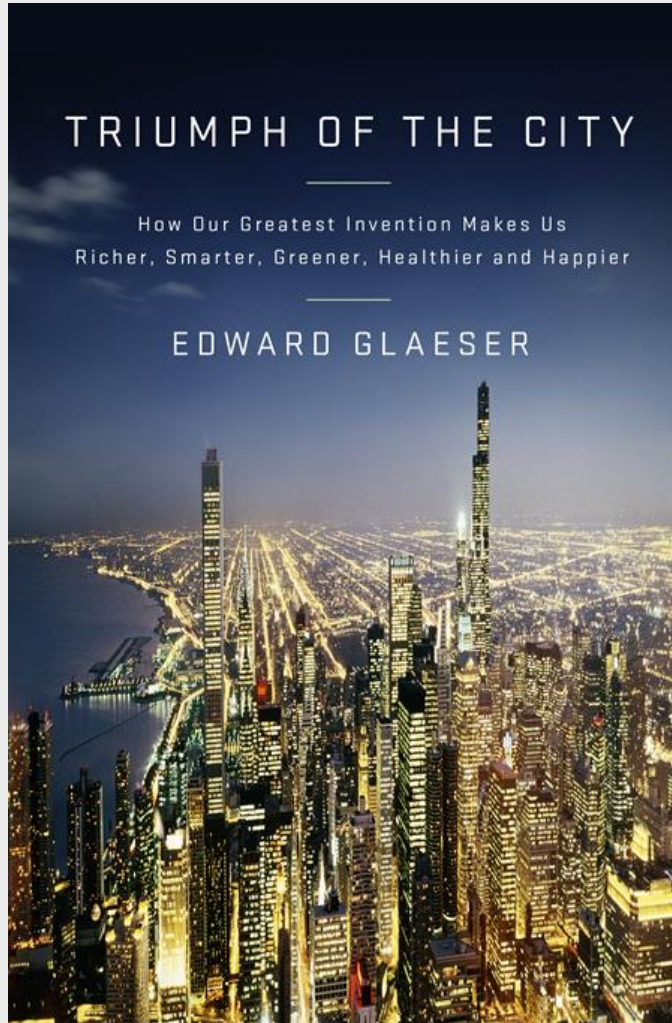
One of the most extreme cases of shrinkage in the Nordic region, where most of the geographical area is losing population.



Lolland



The strong urban norm – a challenge for smaller cities



The city centre in small and medium sized cities

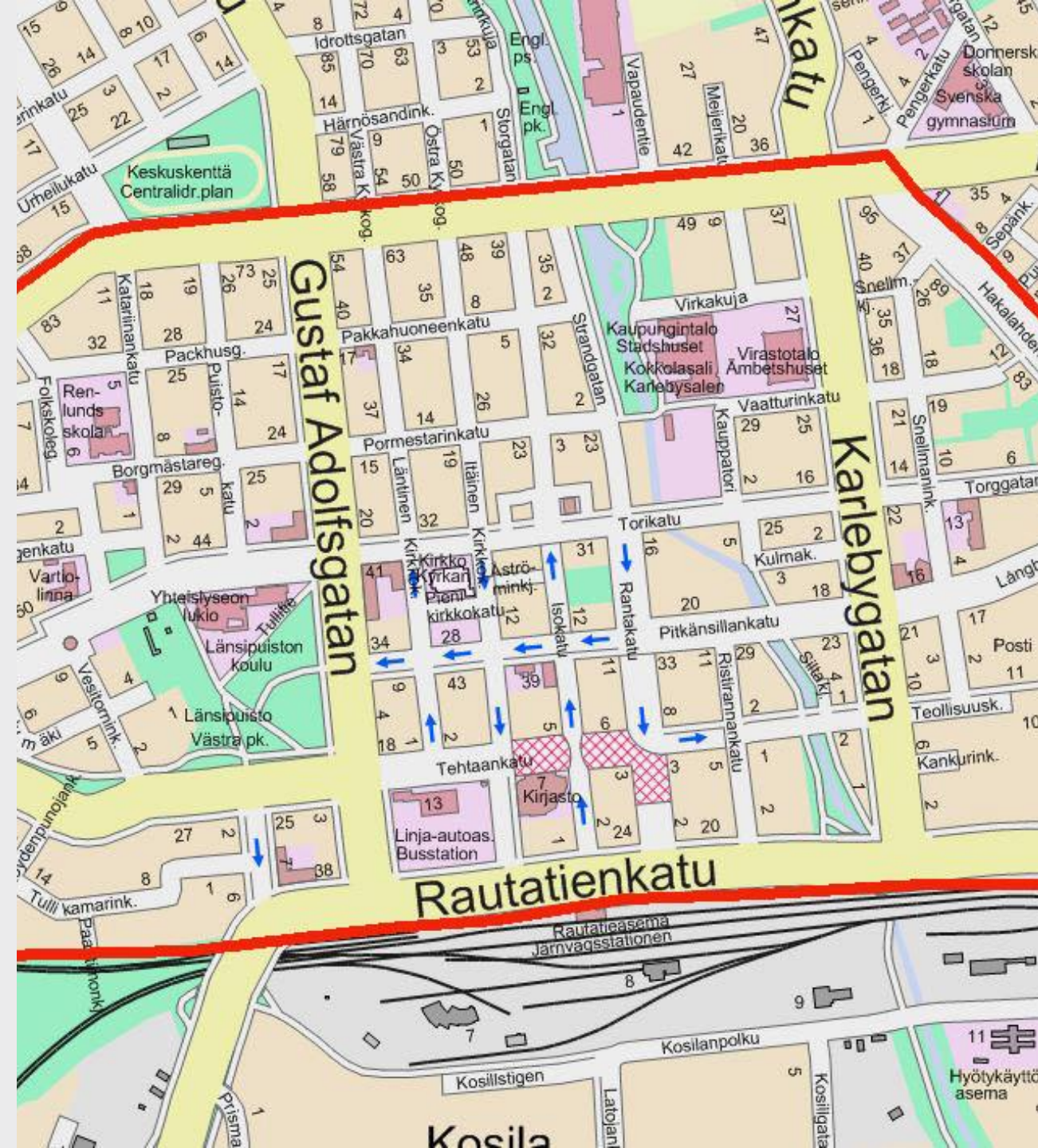
Small/medium sized cities are dealing with challenges related to the development of the city centre. What is the role of the city center today? How should it be developed? What does “the compact city” mean in smaller cities? What can we learn from different ways of approaching city centre development across the different Nordic countries?

Case studies of city center development in Västervik (Sw), Kokkola (Fi), Mariehamn (Åland), Bodø (No), Sorø (Dk), Mossfellsbaer (Is) using key person interviews, observations and policy documents.



Challenges to lively city centres

- External shopping centres that originally unburdened the city centre, are now strong competitors
- Plans limit housing development in the city centre
- Cities have a regional role (as consumption space, entertainment space, transport node, labour market etc) that generates commuting, parking and car use
- The surrounding natural landscape limit outward growth



Strategies for development

- Local actor collaboration (PPPs) for lively public spaces (Västervik, Mariehamn)
- Entertainment, culture (Bodø, Sorø)
- Change planning regulations to make new centrally located housing possible (Bodø)
- (Small scale) densification with housing (see table)
- Workshops, seminars and networks for new ideas and learning from other cities (Bodø, Mosfellsbær)



	Number of new dwellings or residents the city centres in the near future
Mosfellsbær	~250 dwellings
Sorø	~20 dwellings
	~2,200 dwellings (of which 1,600 in the commercial city core)
Bodø	~800 dwellings are already under construction in the commercial city core.
Västervik	Some here and there
Kokkola	The ambition is to increase the number of residents from 3,900 to 6,000 within 1–5 years
Mariehamn	~1,200 residents

Lessons learned

1. **Actor collaboration** is central for city centre development
2. The city needs **flexible spaces**
3. Do not forget the **non-commercial spaces** when developing a lively city centre
4. **Hope for changed ideals:** The compact city is a strong contemporary planning ideal, but it is not always a response to an existing demand
5. Small and medium sized cities in the Nordic Region are still to a high degree planned with **the car as a central actor**.



NTG3: Urban-rural flows of seasonal tourists - local planning challenges and strategies

- Seasonal tourism and second homes have positive influences on regional and local economies.
- But it demands high investments, and must trust mobile residents that are not necessary local tax payers. The continuous stream of people from urban to rural locations is a great seasonal counter-urbanization.
- But current administrative practices in population statistics place rural municipalities at a financial disadvantage.



Urban-rural flows: preliminary results (1/2)

Planning challenges

- Adapt the welfare system to annual population using it (infrastructure, water, sewage, waste, wifi, health care, child care, library etc). *To include also the seasonal population.*
- Income taxes from seasonal workers do not reach municipalities with tourist destinations.
- Local administrative planning models do not formally promote participation of seasonal residents. *Hard to get seasonal population engaged in spatial planning.*
- Need to change the focus in policy and planning. *To adapt to current Airbnb-situation.*
- Foreign second home ownership perceived as a threat to landownership rights and national identity? *Full media focus on the small but existing Russian seasonal population in Finland. In Denmark legislation is in place to regulate foreign second home ownership.*

Urban-rural flows: preliminary results (2/2)

Planning strategies

- Recognition of the significance of seasonal tourism and second homes in rural areas in terms of economic strategies.
- Communication and collaboration between tourist sector and local administration (e.g. health care system)
- Engaging the seasonal population in local planning and policy work.
- Taxes to meet increased expenses for welfare services.
- Tourist taxes. Not in Nordic countries. Inspiration from e.g. France possible.
- Increase municipal property taxes (/fees) on second homes? All 5 countries have today different models and rates.
- Stop large capital gains on sales of second homes this capital can be taxed. As in Finland and Iceland.

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