MAP Discussion Paper

LONG-TERM VISION FOR RURAL AREAS: CONTRIBUTION FROM 20 SCIENCE-SOCIETY-POLICY PLATFORMS

MAP DISCUSSION PAPER

MAP SUOMI FINLAND

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Contact information

Facilitator | Michael Kull, michael.kull@nordregio.org

Monitor | Mats Stjernberg, mats.stjernberg@nordregio.org

Support | Alicia Eggers, Alicia.eggers@nordregio.org

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1. Table of Contents

1. Introduction

The MAP and MAP members

When forming the MAP, we strove for the following:

- Equal representation of three actor groups (science, policy, society)
- Considering gender aspects (a balanced gender composition in the MAP and to involve experts on gender and rural governance)
- Age aspects (involving both older and younger people and their interests)
- Language & cultural diversity and to ensure representation of both Swedish and Finnish speaking rural areas
- Geographical aspects > involving sparsely populated areas and arctic regions

Four of our members represent "local citizens and businesses", two represent civil society / rural citizens, while one member each represents an NGO and a farmer organization. Four members represent "Science & Research". We also four public sector representatives – three represent central government and one Finnish municipalities and regions.

Geographically, the MAP covers the entire country, but we have chosen members from different parts of Finland and representing diverse aspects of culture and society. The MAP also builds on an existing network, the Rural Policy Council but includes also different members.

Rural Finland

Finland is one of the most rural country in the EU, with 95% of its land area being classified as rural. There are about 5,5 million Finns, of which 1,6 million live in rural areas. However, 2,1 million people are part-time residents in rural areas. About 40% of all companies in Finland are situated in rural areas

Based on the Eurostat typology, Finland is also the "most rural" Nordic country, with the largest share of regions being classified as predominantly remote rural region (Figure 1 & Table 1).

Figure 1 and Table 1 Nordic population by region of residence.

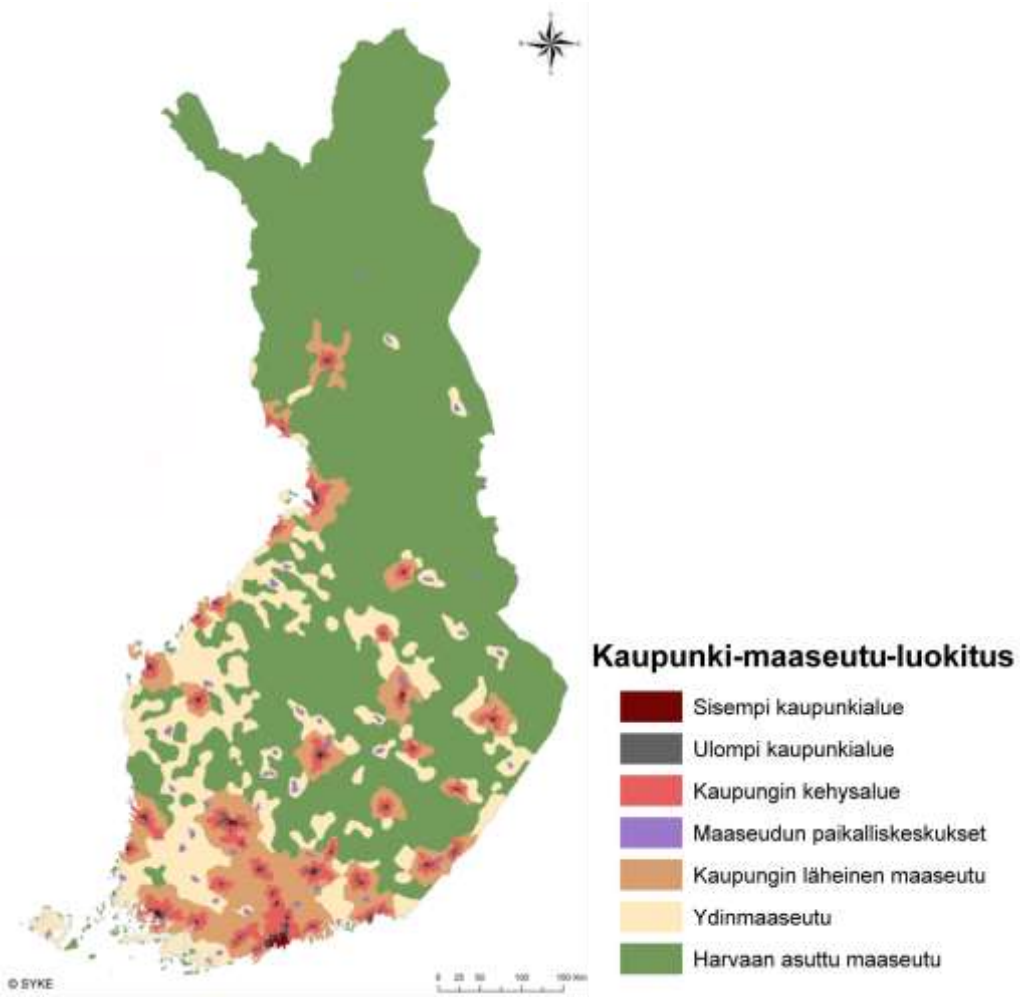
Table 1: Nordic population by region of residence, 1990 an 2017 (rounded numbers)

Urban-rural typology	1990	2017	Change in %
Predominantly urban regions ("red")	**5,364,000**	**7,009,000**	**30**
in Denmark	1,531,000	1,807,000	18
in Finland	1,220,000	1,638,000	34
in Norway	873,000	1,271,000	46
in Sweden	1,642,000	2,308,000	41
Intermediate regions, close to a city ("orange")	**7,917,000**	**9,463,000**	**20**
in Denmark	1,128,000	1,304,000	16
in Finland	1,206,000	1,360,000	13
in Iceland	146,000	217,000	49
in Norway	888,900	1,176,000	32
in Sweden	4,548,000	5,405,000	19
Intermediate regions, remote ("yellow")	**2,197,000**	**2,359,000**	**7**
in Denmark	1,140,000	1,217,000	7
in Finland	194,000	178,000	-9
in Norway	598,000	713,000	19
in Sweden	264,000	251,000	-5
Predominantly rural regions, close to a city ("light green")	**2,765,000**	**2,934,000**	**6**
in Denmark	571,000	587,000	3
in Finland	1,276,000	1,338,000	5
in Norway	377,000	455,000	21
in Sweden	541,000	554,000	2
Predominantly rural regions, remote ("dark green")	**3,160,000**	**3,310,000**	**5**
in Denmark	758,000	833,000	10
Faroe Islands	48,000	50,000	4
in Finland	1,054,000	959,000	-9
Åland	24,000	29,000	21
Greenland	56,000	56,000	1
in Iceland	110,000	121,000	11
in Norway	1,496,000	1,643,000	10
in Sweden	1,399,000	1,401,000	0
Norden – all countries and regions	**23,285,000**	**27,075,000**	**16**

Source: Own Table, based on NSIs.

In order to mobilise the full rural potential and to tackle its challenges, a sophisticated system of national rural-urban classification has been developed. This classification has additional types of rural areas compared to the EU and the OECD typologies. This enables systematic policy approaches for the distinct needs of specific areas. The new and recently updated classification (figure 2) distinguishes 4 different types of rural areas – sparsely populated rural areas, rural heartland areas, rural areas close to urban areas and local centres in rural areas.

Figure 2 Finnish national level urban-rural classification (Source: Syke 2020)[1]



A recently published study (Pyysiäinen & Vihinen 2020) based on a survey with 3070 participants from all over Finland shows that 61% of Finns, including young urban residents, relate the image of a "good life" very much to the countryside. According to this "rural barometer"-study, almost 25% of those living in the center or on the outskirts of a large city would like to live in the rural heartland or in the sparsely populated countryside.

2. Results from desk research

2.1. Review of key trends

Figure 3 shows the population development that has occurred between 2008 and 2017 in Finland and in the other Nordic countries uisng grid level statistics. An unbalanced population development can be observed, especially in Finland, where the major urban regions and certain other medium-sized city regions stand out

[1]The different types of regions in the typology table translate as follows: Harvaan asuttu maaseutu = sparsely populated rural areas; Ydinmaaseutu = rural heartland areas; Kaupungin läheinen maaseutu = rural areas close to urban areas; Maaseudun paikalliskeskukset = local centres in rural areas; Kaupungin kehysalue peri-urban area; Ulompi kaupunkialue = outer urban area; Sisempi kaupunkialue = inner urban area.

as places where the population has increased (blue areas), while population decrease (red areas) has occurred more evenly and is disperesed over more vast areas. Among all Nordic countries, population shrinkage is most pronounced in Finland, and this is particularly evident in rural areas.

Figure 3 Absolute population change at the grid level (5,000 × 5,000 m) in Denmark, Finland, Norway and Sweden between 2008 and 2017. (Source: Stjernberg & Penje 2019).

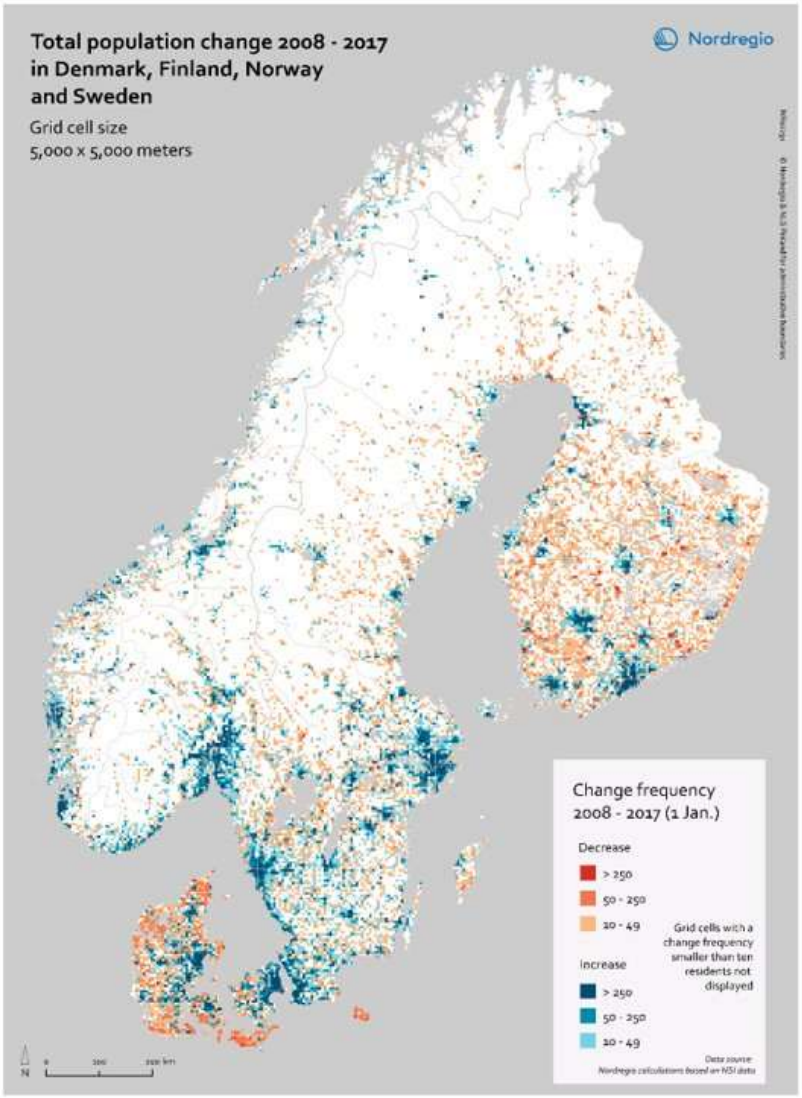
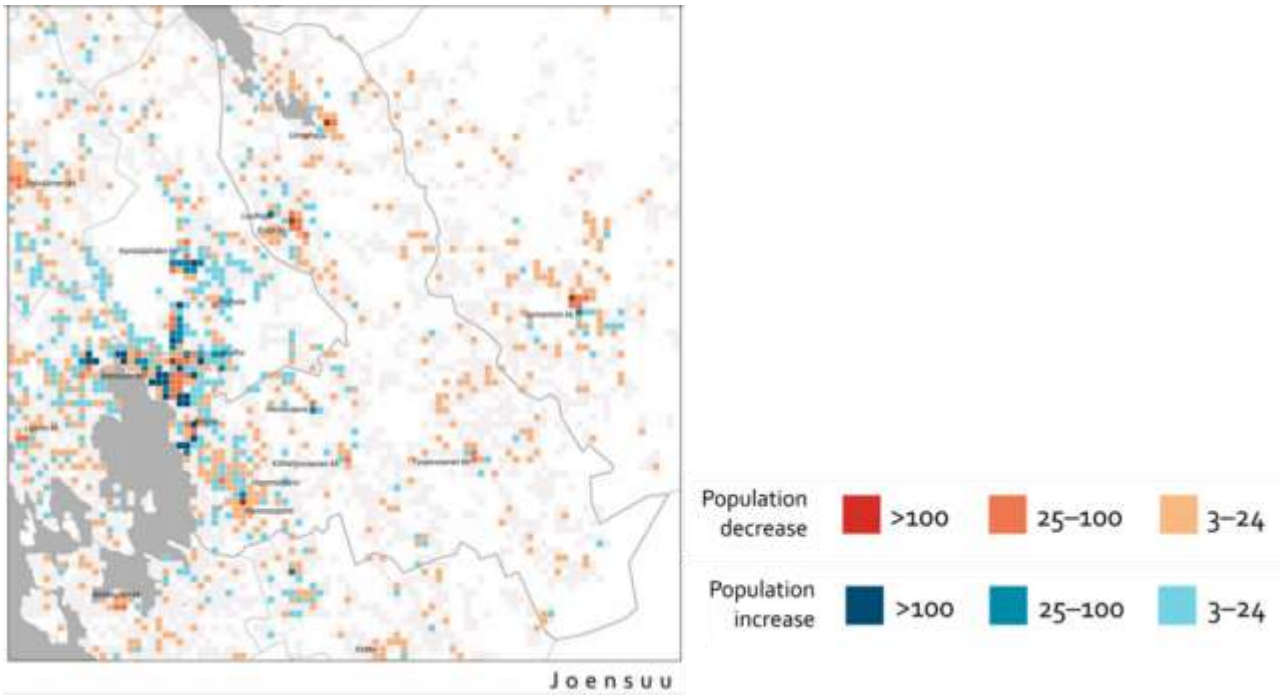


Table 2 The number of grid cells (1,000 × 1,000 m) where the population has grown and decreased between 2008 and 2017 in Denmark, Finland, Norway and Sweden. (Source: Stjernberg & Penje 2019)

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

Grid-level data can be used to acquire a more nuanced understanding of the dynamics of population change compared with using municipal-level data. As an example, figure 4 shows the population development that has occurred in the municipality of Joensuu, in Eastern Finland, between 2008 and 2017 using grid-level statistics at 1,000 × 1,000-m grid level. In the municipality overall, Joensuu has experienced a rather significant population increase of around 5% between 2008 and 2017. However, the grid-level data shows that there are significantly more grid cells where the population has decreased (270) compared to growing ones (141). The population increased by around 7,300 people in the growing grid cells, whereas it decreased by around 3,400 in the shrinking grids cells, despite there being significantly more shrinking than growing grid cells. This example shows that population growth and shrinkage can occur in the same municipality. In the case of Joensuu, as in many other municipalities in Finland, the common trend is that the population is becoming increasingly concentrated in the urban centres while population decrease generally occurs in the more remote and sparsely populated areas (Stjernberg & Penje 2019). This serves as an example that more detailed data can reveal trends that are less apparent, or not evident at all, at less spatially detailed levels of analysis. This can be considered important form the perspective of developing place-based policies that better take into consideration local conditions and specificities and highlights the importance of detailed spatial data that can be supportive of policymaking.

Figure 4 An unbalanced population development can be observed in the municipality of Joensuu. (Source: Stjernberg & Penje 2019)



2.2. Review of main challenges and opportunities

Demography & Population aging

At the sub-national level, population change is the result of the internal migration patterns of resident populations, the settlement patterns of immigrants, different birth and death rates and the age structure of the municipal populations. Figure 5 shows the total population change between 2010 and 2018, considering both natural change and net migration. Population increase is concentrated around the main urban centres and population decline being more dispersed over the country. Most of the main growth regions in Finland are the ones where the population has increased both due to natural growth (more births than deaths) and

due to a positive net migration (more people move in that out of the municipality), whereas shrinking regions are primarily ones where there is both a negative natural development and a negative net migration.

Figure 5 Total population change by main component 2010-2018. (Source: State of the Nordic Region 2020)

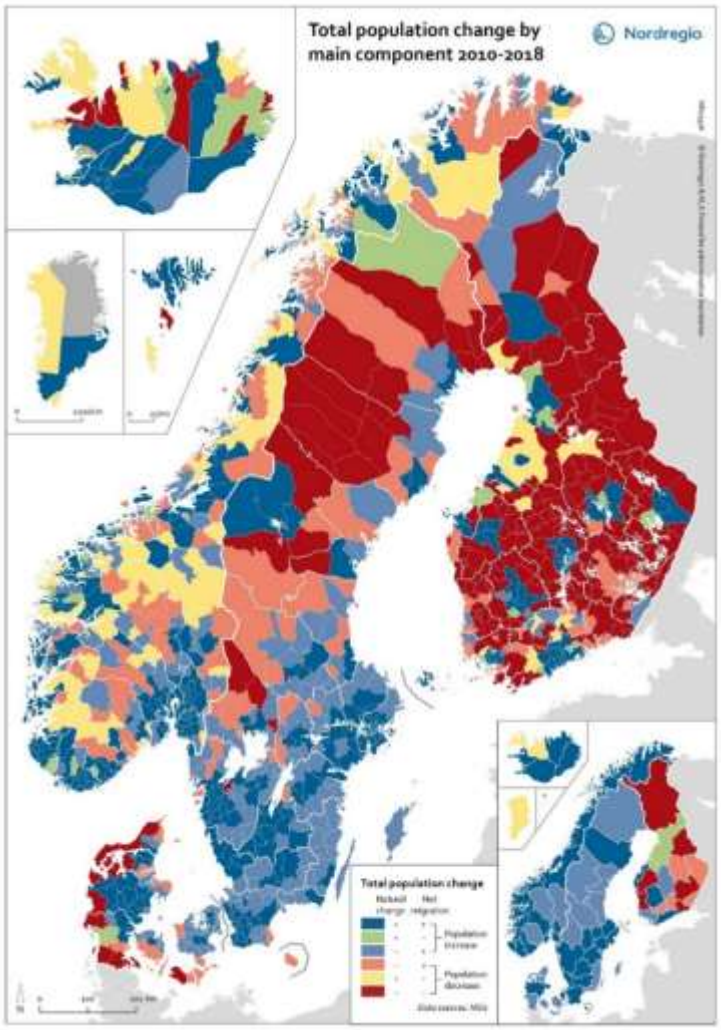


Figure 6 shows the internal net migration rate in 2018 (left map) and net migration by age group (right map) in local labour market areas of the Northern sparsely populated areas in 2018. Although many regions experienced negative net migration, this was not the case for all segments of the population. The map on the right of shows the age groups in which more people moved in than moved out, despite these regions having negative net migration overall. Among the local labour market areas, Rovaniemi is the only one that has positive net migration in all age groups. This positive development may be due to the number of governmental offices, the strength of the tourism industry and the presence of two universities. On the contrary, five local labour market areas in Finland have negative net migration in all age groups. An interesting example that can be observed in the map is Kittilä, which stands out with the highest inflow of young adults. This may be the result of the Kittilä mine (largest primary gold producer in Europe), and the tourism industry providing jobs in ski resorts.

Figure 6 Internal net migration by age group in the Northern sparsely populated areas 2018. (Source: State of the Nordic Region 2020).

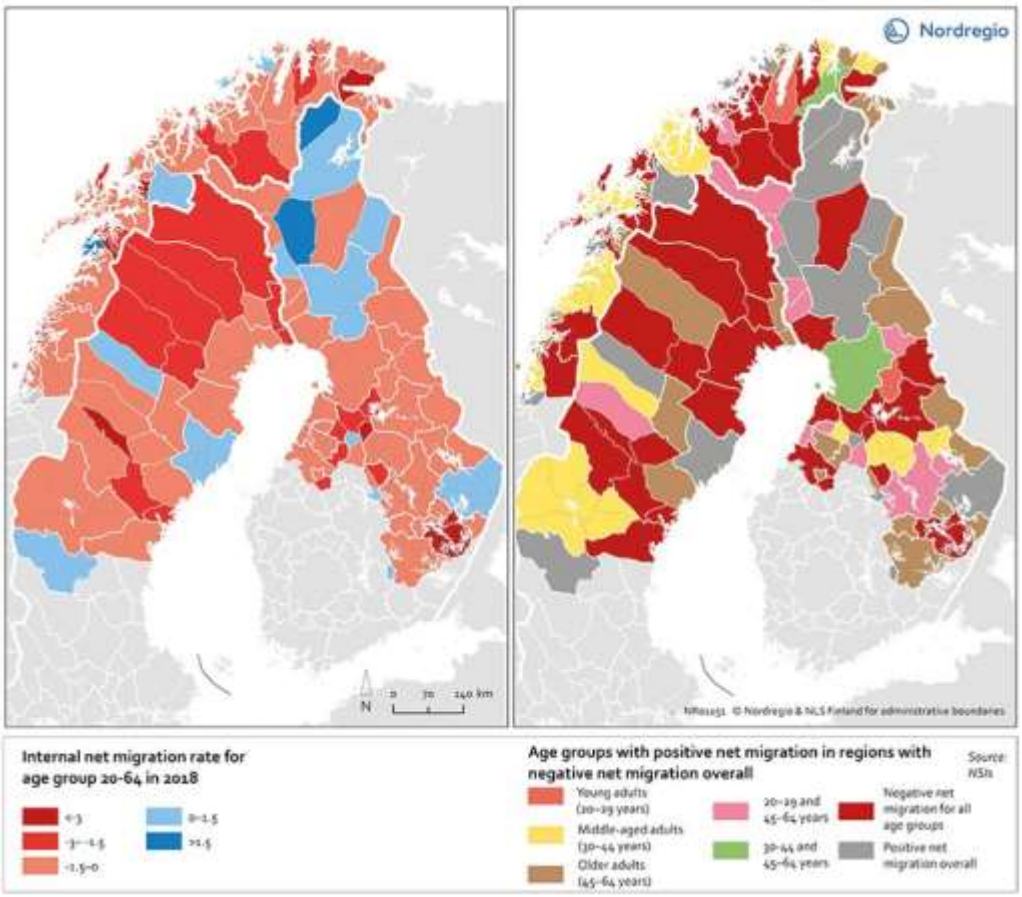
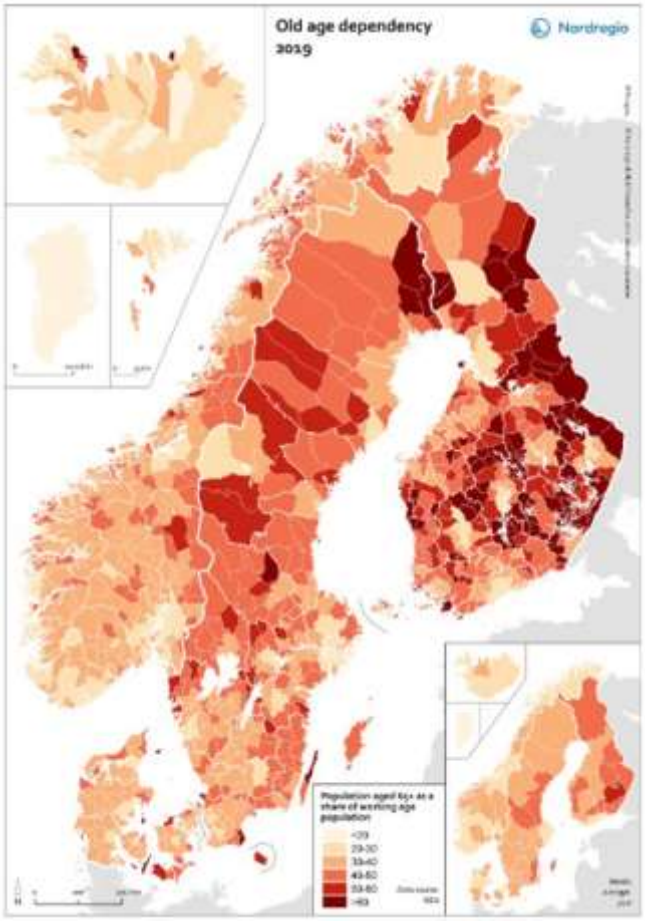


Figure 7 portrays the difference that can be seen in the age structures of Nordic municipalities according to their old-age dependency ratio, i.e. the size of age group 65 and older as a share of the working-age population between 15 and 64 years. Finland stands out as the Nordic country with the oldest age structure and especially the eastern and northern parts of the country stand out as areas where the proportion of people aged 65 and over is especially high. In general terms, rural regions have older population age structures than urban regions in all Nordic countries, but this urban-rural divide is most expressed in Finland (Stjernberg 2020).

Figure 7 Old-age dependency in the Nordic countries in 2019. (Source: Nordregio 2019).



Climate change

In Finland, the share of renewables of total primary energy increased from 27% in 2010 to 37% in 2019. Greenhouse gas emissions, CO2 eq., mil. Tonnes were reduced from 71.2 in 1990 to 56.4 in 2018.

Economy and production shift

In 2017, 17.1% of the working population in the Nordic countries was employed in the bioeconomy (Refsgaard et al 2020). Spatial and statistical analyses show that across the Nordic Region, most of the bio-based jobs were in other sectors than agriculture, forestry and fisheries (Figures 8 & 9, left maps).

Figure 8 People employed in the agriculture, forestry and fisheries sector (NACE Sector A) 2017 and 2009-2017 change (Source: Refsgaard et al. 2020).

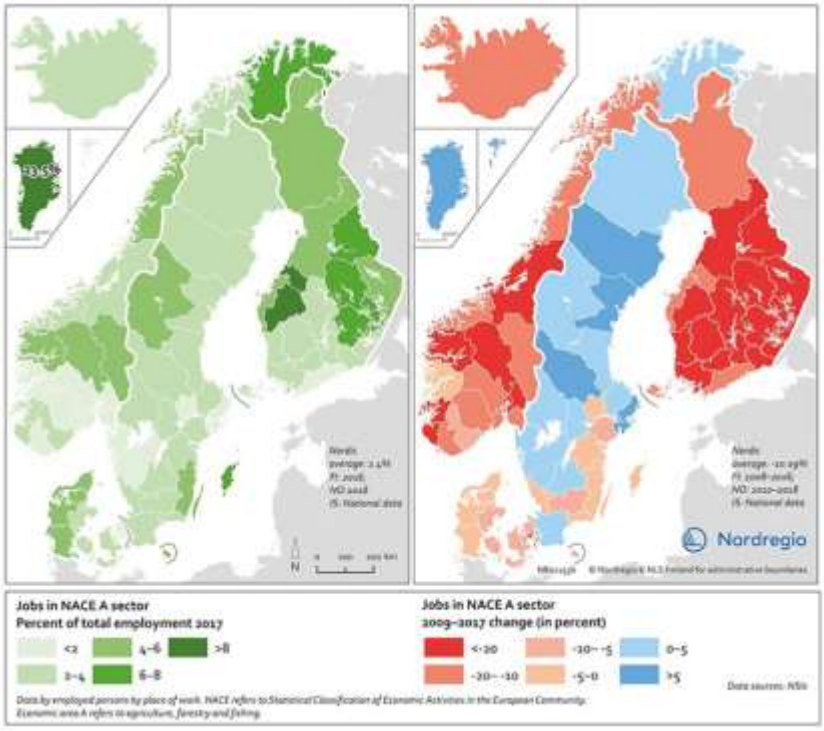
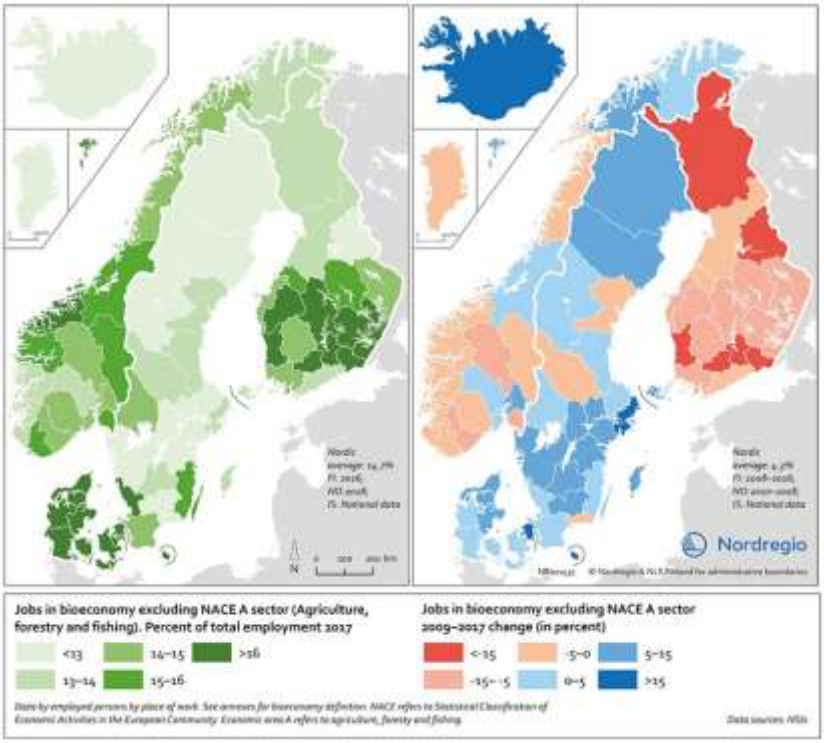


Figure 9 People employed in the bioeconomy, excluding NACE sector A 2017 and 2009-2017 change (Source: Refsgaard et al. 2020).



While in 2009-2017 the jobs in the Nordic bioeconomy increased by 2% on average there is a clear decrease in the agriculture, forestry and fisheries sectors (NACE-A), in all regions in Iceland, Norway, Finland, and Denmark (figures 8 & 9, right maps).

It is worth considering the development of farms and agriculture in the Nordic countries, which partly explain the employment figures and development in the NACE-A sector:

- Denmark 2005-2018.[2] More than 16,000 farms stopped operating: 51,680 (2005) down to 34,114 (2018). Utilised agricultural area reduced by 75,000 ha but profitability increased.
- Finland 2005-2019.[3] Almost 24,000 farms stopped operating: 70,620 (2005) down to 46,716 (forecast for 2019). Utilised agricultural area reduced by 66,000 ha. (2005-2016) and profitability increased.
- Norway 2005-2019.[4] More than 14,000 farms stopped operating: 53,000 (2005) down to 38,938 (2019). Utilised land reduced by 39,000 ha but profitability increased.
- Sweden 2005-2016.[5] Almost 13,000 farms stopped operating: 75,810 (2005) down to 62,940 (2016). Utilised agricultural area reduced by almost 180.000 ha and profitability increased.

Both, digitalisation and automatization within the NACE-A sectors are among the plausible reasons of the average decline of 10.9% in these sectors in the Nordic region (Refsgaard et al. 2020).

The analyses of jobs show that the 2% average increase in jobs in the Nordic bioeconomy between 2009-2017 is found in other jobs than those traditionally perceived as being part of the rural economy (NACE-A).

The largest decrease of biobased jobs in the Nordic Region in 2009-2017 was in Finland and Norway. Most of the Finnish regions, 17 out of 18 regions, had a decrease in biobased jobs between 2009-2017. A total of 11 out of 18 Finnish regions had a reduction in biobased jobs of more than 15%. These regions are located in northern and mid-eastern Finland and have had a decrease in the total number of jobs. The region saw an increase in biobased jobs in 2009-2017 is the autonomous, self-governing Åland region. The number of biobased jobs increased by 3.4% during this period. This increase is foremost due to increased jobs in bioeconomy sectors outside of agriculture, forestry and fisheries.

In Finland, there were 408,397 jobs in the bioeconomy in 2016, which is almost 18 % of the total number of jobs in the country. There were 68,601 jobs in traditional bioeconomy sectors (NACE-A), and 339,796 persons in other bioeconomy sectors.

Infrastructure: services, digital infrastructure and housing

Services

From the perspective of ensuring the liveability of different types of areas, the level of services of different type play an important role. A challenge from the perspective of rural policy is that the level of services is generally weaker in rural areas than in urban areas, while service delivery is also more costly in rural areas (OECD 2020). At the same time and according to a recent study, 63% of Finns do not consider it appropriate to restrict public services in remote areas (Pyysiäinen & Vihinen 2020). Table 3 shows the distance to five different service types in Finland overall and in different types of areas, based on an urban-rural classification. The distance to health care facilities, pharmacies, grocery stores, libraries and post offices, is considerably longer in rural areas than in urban areas.

[2] See EUROSTAT (2020) and Statistics Denmark (2020).
[3] See EUROSTAT (2020) and Luonnonvarakeskus (2020).
[4] See EUROSTAT (2020) and Statistics Norway (2020).
[5] See EUROSTAT (2020).

Table 3 Distance from home to main local services based on urban-rural classification of areas in 2016 (km). (Source: Statistics Finland 2018).

	Health care centre		Pharmacy		Nearest grocery store		Library		Post office	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Finland overall	3.8	1.9	3.4	1.5	2	0.8	3.2	1.6	2.9	1.5
Urban areas	2.3	1.8	1.8	1.3	1	0.6	1.9	1.4	1.9	1.4
Inner urban areas	1.4	1.2	0.9	0.8	0.5	0.4	1.2	1	1.2	1.1
Outer urban areas	2.6	2.4	1.9	1.8	0.9	0.8	2.1	2	2	1.8
Peri-urban areas	5	4.4	4.7	3.8	2.8	2	4.2	3.2	3.8	2.9
Rural areas	7.2	3.4	7	2.8	4.5	1.8	6.1	2.5	5.4	2.4
Local centres in rural areas	2.4	1.9	2	1.5	1.2	0.9	2	1.6	1.9	1.6
Rural areas close to urban areas	8.4	6.2	8.1	6.4	5.3	3.4	7	4.8	6.6	4.7
Rural heartland areas	6.1	3	6.2	2.9	4	1.8	4.9	2	4.2	2
Sparsely populated rural areas	14.3	14.2	13.6	12.5	8.8	7.3	13	11.5	10.9	9.3

Important from the perspective of families with children are comprehensive schools. The general trend is that the number of comprehensive schools has decreased quite significantly in the whole of Finland, from 3,347 to 2,187 between 2005 and 2019 (table 4). However, there are noticeable differences between different regions in Finland, and especially sparsely populated regions have seen the most significant decrease in the number of schools. For instance, while the number of schools decreased by 19% in the Helsinki-Uusimaa region, in South Karelia, there was a 56% decrease. The table also shows a similar decreasing trend in the number of public libraries in Finland and its different regions. Also, this service type has decreased most noticeably in regions that are sparsely populated and that are witnessing population decline. The most significant decrease occurred in Lapland, where the number of public libraries in 2018 was roughly half of the number in 2002.

Table 4 Change in the number of comprehensive schools and public libraries in regions in Finland. (Source: Statistics Finland 2019, 2020a).

	Number of comprehensive schools			Number of public libraries		
	2005	2019	Change (%)	2002	2018	Change (%)
Finland	3,347	2,187	-35%	1006	753	-25%
Helsinki-Uusimaa	600	484	-19%	156	127	-19%
Southwest Finland	269	191	-29%	111	76	-32%
Satakunta	166	105	-37%	57	41	-28%
Kanta-Häme	118	80	-32%	23	18	-22%
Pirkanmaa	258	160	-38%	78	59	-24%
Päijät-Häme	108	57	-47%	25	19	-24%
Kymenlaakso	110	76	-31%	32	18	-44%
South Karelia	81	36	-56%	30	24	-20%
South Savo	139	68	-51%	35	29	-17%
North Savo	177	110	-38%	42	35	-17%
North Karelia	129	71	-45%	36	30	-17%

Central Finland	197	106	-46%	69	52	-25%
South Ostrobothnia	209	128	-39%	45	30	-33%
Ostrobothnia	163	113	-31%	59	51	-14%
Central Ostrobothnia	69	54	-22%	18	13	-28%
North Ostrobothnia	311	197	-37%	90	71	-21%
Kainuu	62	32	-48%	17	12	-29%
Lapland	156	93	-40%	63	32	-49%
Åland	25	21	-16%	20	16	-20%

Digitalisation

In the Nordic countries, there is a remarkable variation in the percentage of households with access to a broadband connection of at least 100 Mbps (Randall et al 2020; Figure 10). According to Randall et al. (2020), whilst a substantial proportion of households in Denmark (>75%) have access to 100 Mbps in most Danish municipalities, the poorest coverage can be found in Finland and parts of Norway. We can see also variation within Finland. Åland has the highest percentage of highspeed broadband availability among households in Finland (In 2018, 97% of all households had access to fixed broadband with a minimum speed of 100 Mbps). Finland's national broadband target is to provide 100 % coverage of 100 Mbps by 2025.

Figure 10 Household access to fixed broadband at download speeds >100 Mbps, 2018. (Source: Randall et al. 2020).

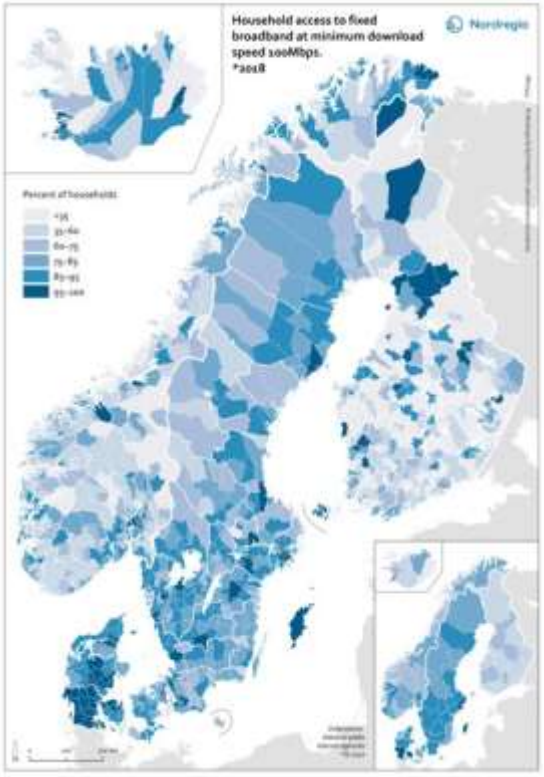
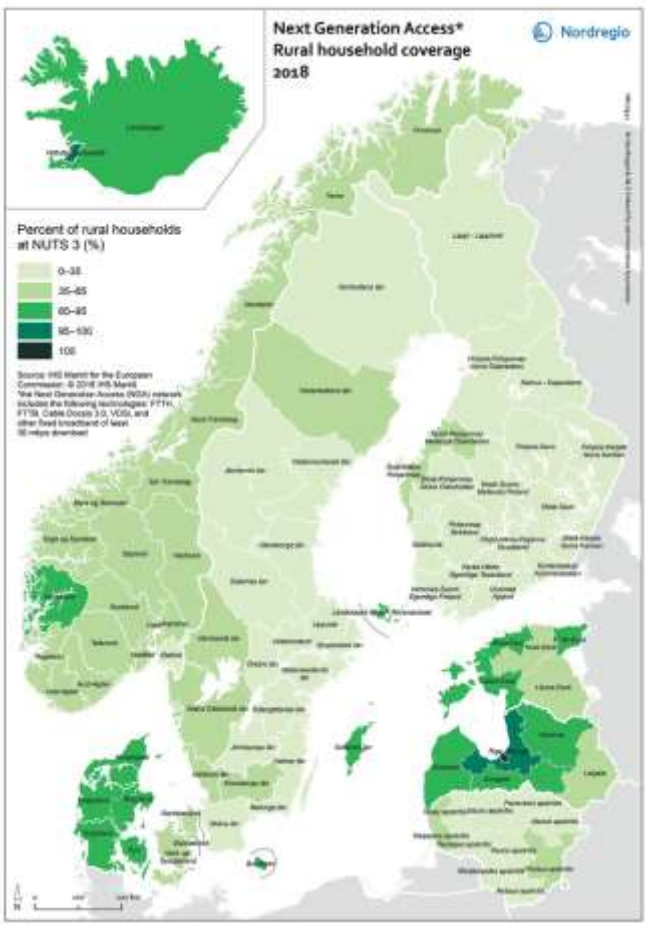


Figure 11 shows rural household coverage with Next Generation Access in the Nordic and Baltic countries – again displaying noteworthy variation. In most parts of rural Finland and Lithuania, as well as many regions

in Sweden, less than 35% of rural households have access to NGA coverage (see also Randall et al 2020)[6]. The highest shares of rural household coverage in Finland are found in the regions of Åland (65-95%), Keski-Pohjanmaa and Österbotten (35-65%).

Figure 11 Next Generation Access. Rural household coverage 2018. (Source: Randall et al. 2020).

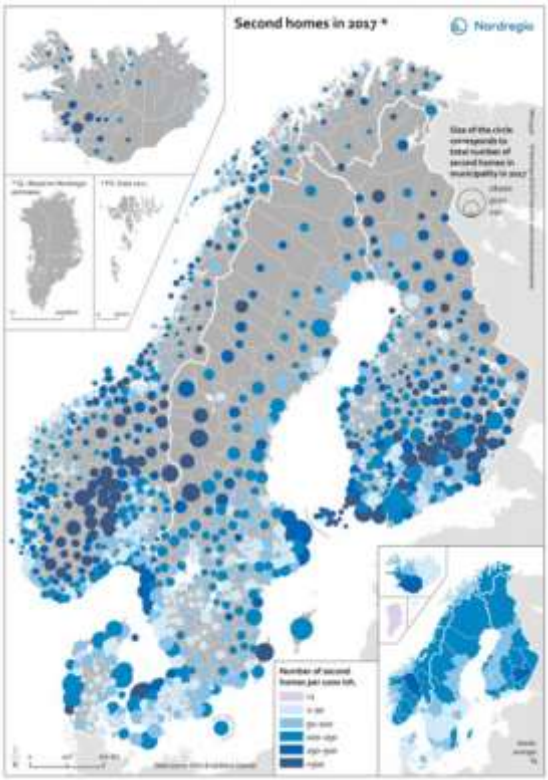


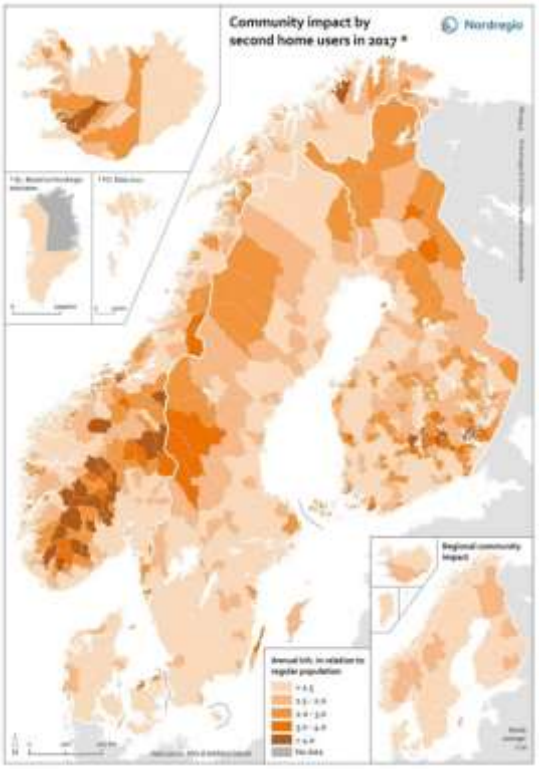
Second homes & Community Impacts

Figure 12 displays the change in the number of second homes in Nordic municipalities in 2017. In Finland, the highest concentrations of second homes can be found in the mid-eastern lake areas (South Savo and the south-west archipelago including Åland). Figure 13 shows the community impact of occasional second home visitors in Nordic municipalities. Community impact is defined as the ratio between annual inhabitants and regular population (see Slätmo et al. 2019). In Finland, South Savo is the region with highest regional community impact in 2017, while also many other regions in the northern and eastern part of the country had comparatively high community impacts.

[6] It is important to consider that the authors of the map define rural households as 'households in square kilometres with a population of less than one hundred'. Thus, the map displays rural household coverage only including households in areas with a density of less than one hundred houses per square kilometre.

Figures 12 and 13 Number of Second homes in Nordic municipalities, 2017; Community impact by second home users, 2017. (Source: Slätmo et al. 2019).





The trend of multi-locality living is continuing, according to a recent study (Pyysiäinen & Vihinen 2020).

Housing market

Table 5 show changes in housing prices in dwellings in the existing housing between 2015 and 2019. Uusimaa, Varsinais-Suomi and Pirkanmaa stand out as the only regions where prices have increased during these four years. Housing prices have decreased in the rest of the regions, and for instance in Northern Karelia, Northern Savo, Central Ostrobothnia and Kanta-Häme, housing prices have increased by around 13-14 percent.

Table 5 Price index of old dwellings in 2015 and 2019. (Source: Statistics Finland 2020b).

	2015		2019	
	Price per square meter (EUR/m2)	Index (2015=100)	Price per square meter (EUR/m2)	Index (2015=100)
Finland overall	2,018	100.0	2,077	103.2
Uusimaa	3,036	100.0	3,261	108.2
Varsinais-Suomi	1,672	100.0	1,796	108.7
Satakunta	1,280	100.0	1,239	93.8
Kanta-Häme	1,583	100.0	1,455	87.5
Pirkanmaa	1,974	100.0	2,105	104.4
Päijät-Häme	1,520	100.0	1,470	94.3
Kymenlaakso	1,215	100.0	1,133	90.6
South Karelia	1,456	100.0	1,322	90.2

Pohjois-Savo	1,523	100.0	1,393	87.3
Northern Karelia	1,420	100.0	1,354	87.2
Central Finland	1,492	100.0	1,469	94.1
Southern Ostrobothnia	1,477	100.0	1,432	91.6
Ostrobothnia	1,604	100.0	1,545	91.1
Central Ostrobothnia	1,629	100.0	1,574	86.2
Northern Ostrobothnia	1,550	100.0	1,583	98.5
Kainuu	1,189	100.0	1,158	93.2
Lapland	1,215	100.0	1,230	94.9

2.3. Summary of existing foresights

According to Sanchez-Gassen and Heleniak (2019) around 23% of municipalities in predominantly rural regions in the Nordic countries are expected to experience strong population decline (table 6).

Table 6 Proportion of municipalities expected to experience growing, declining or stable population numbers between 2017 and 2040. (Source: Sanchez-Gassen and Heleniak 2019).

Table 4: Proportion of municipalities expected to experience growing, declining or stable population numbers between 2017 and 2040, by type of region and country

Proportion of municipalities with expected trends:	Expected population change between 2017 and 2040		
	Strong decline (<-15%)	Smaller changes (-15% and +15%)	Strong increase (>+15%)
Predominantly urban regions	0%	48%	52%
in Denmark	0%	72%	28%
in Finland	0%	69%	31%
in Norway	0%	26%	74%
in Sweden	0%	19%	81%
Intermediate regions, close to a city	6%	72%	22%
in Denmark	5%	79%	16%
in Finland	12%	83%	6%
in Iceland	0%	0%	100%
in Norway	3%	55%	42%
in Sweden	5%	78%	17%
Intermediate regions, remote	**8%**	**74%**	**18%**
in Denmark	0%	100%	0%
in Finland	0%	100%	0%
in Norway	2%	62%	36%
in Sweden	43%	57%	0%
Predominantly rural regions, close to a city	**25%**	**66%**	**9%**
in Denmark	0%	100%	0%
in Finland	33%	63%	4%
in Norway	11%	62%	28%
in Sweden	28%	72%	0%
Predominantly rural regions, remote	**23%**	**62%**	**16%**
in Denmark	0%	88%	12%
Faroe Islands	33%	67%	0%
in Finland	49%	48%	3%
Åland	0%	56%	44%
Greenland*	50%	50%	0%
in Iceland	37%	30%	33%
in Norway	11%	70%	19%
in Sweden	22%	78%	0%
Norden – all countries and regions	**20%**	**65%**	**16%**

Source: Own Table, based on NSIs, Tillväxtverket (SE) and Byggðastofnun (IS).
**Figure includes projected population data for Greenland for the year 2030.*

The table shows that the proportion of municipalities with expected population loss is particularly large in Finland (49%) and Greenland (50%). According to the authors, most of Finland's rural regions close to a city will witness smaller changes ranging between -15 and +15 percent. Yet, there are also remarkable regional

variations in the country with the proportion of strongly growing municipalities being particularly high on Åland (44%).

Figure 14 visualises the regional differences for population projection (increase or decline) for all Nordic municipalities in 2017-2040. In rural regions ("light green" and „dark green"), and according to the authors of this study (Sanchez-Gassen & Heleniak 2019), "population growth largely remains concentrated in larger towns and their suburbs, particularly in Sweden and Finland". There will be differences again. "While the regional capital of Seinäjoki in South Ostrobothnia (FI) is expected to have a larger population in 2040 than today, most other municipalities in this region will decline. Lappi is an exception in Finland - population growth is also expected in several less populated municipalities outside of the city and municipality of Rovaniemi." (Sanchez-Gassen & Heleniak 2019).

Figure 14 Population projection 2017-2040 (Source Sanchez-Gassen and Heleniak 2019).

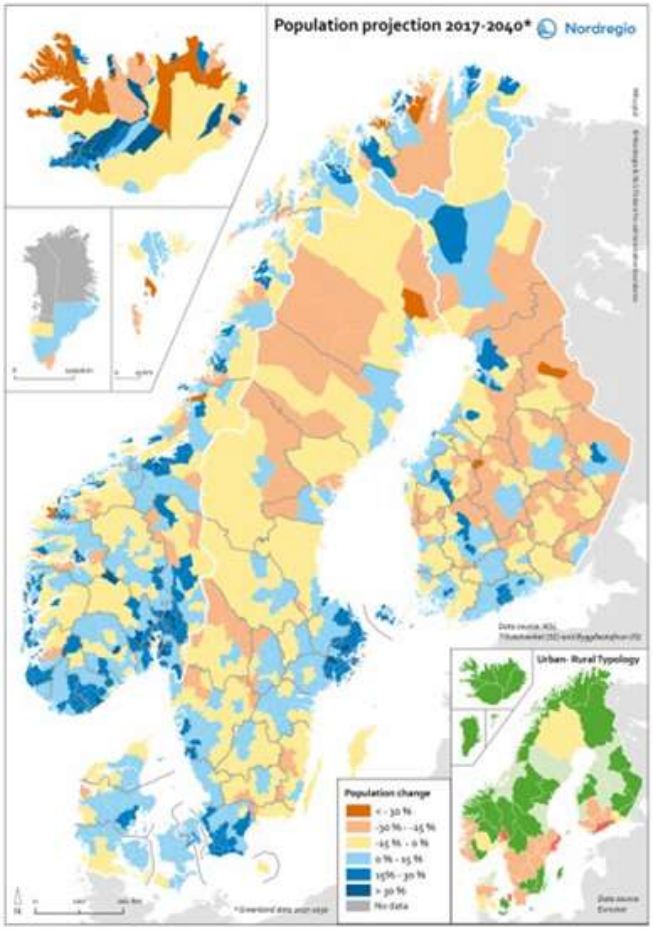


Table 7 shows the size of the working-age population living in urban, intermediate and rural regions in the Nordic region in 2017 and its projected size in 2040. The trends observed in the past decades may largely continue in the future. The number of people between ages 15 and 64 is expected to increase particularly strongly in predominantly urban regions, but also in intermediate regions that are near a city. In all other types of regions, the working-age population is expected to decrease, and the decrease will be strongest in the rural and remote regions. There, the number of inhabitants aged 15 to 64 years is expected to decline from currently 3.3 million people to 3.1 million in 2040. Åland is an exception to the general trend as the entire island region is classified as remote and rural, but here - in contrast to all other regions of the same category – the number of people in the core working ages projected to increase from currently 18.000 to 20.000 people in 2040. In all other rural and remote regions, the working-age population will be smaller in 2040 than it is today.

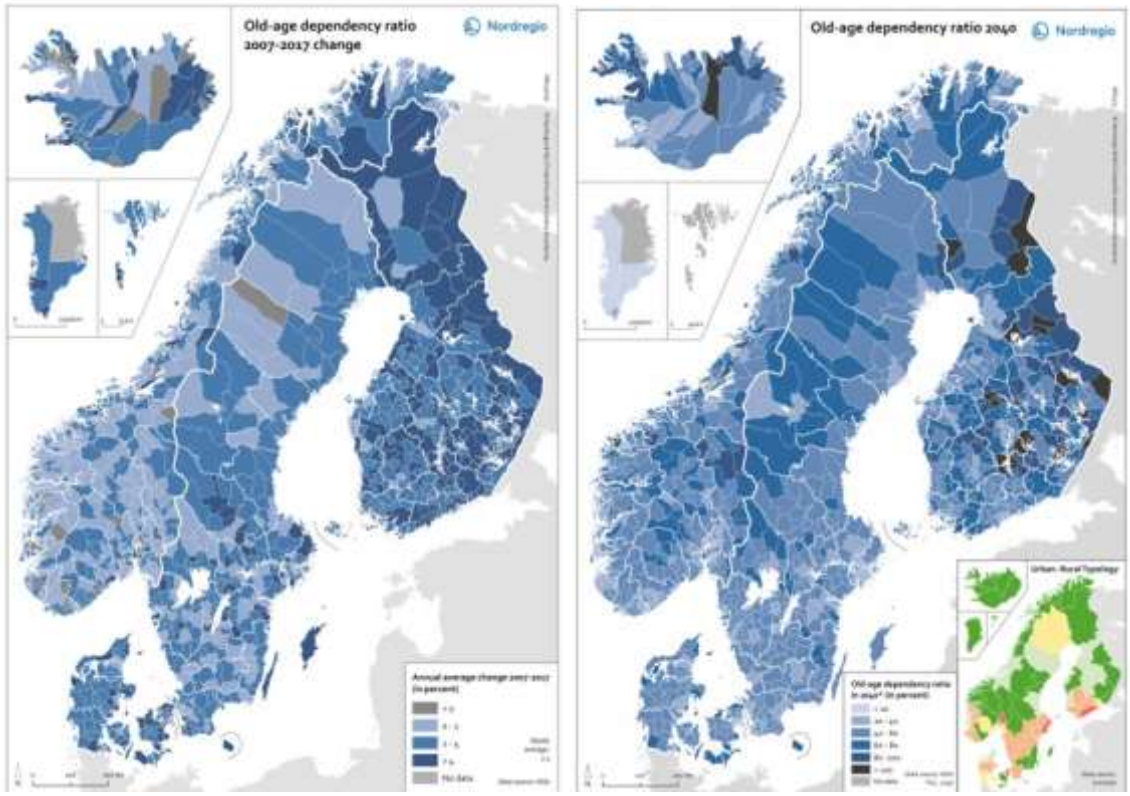
Table 7 Working-age population by type of region and county, 2017 and 2040. (Source: Sánchez Gassen & Heleniak 2019)

Urban-rural typology	2007	2040	Change in %
Predominantly urban regions	**4,663,000**	**5,247,000**	**12.5**
in Denmark	1,200,000	1,276,000	6.3
in Finland	1,088,000	1,201,000	10.3
in Norway	864,000	993,000	15.0
in Sweden	1,510,000	1,777,000	17.7
Intermediate regions, close to a city	**5,965,000**	**6,210,000**	**4.1**
in Denmark	839,000	836,000	-0.4
in Finland	847,000	840,000	-0.8
in Iceland	145,000	190,000	31.3
in Norway	773,000	814,000	5.3
in Sweden	3,361,000	3,529,000	5.0
Intermediate regions, remote	**1,483,000**	**1,420,000**	**-4.3**
in Denmark	765,000	713,000	-6.8
in Finland	107,000	91,000	-14.7
in Norway	458,000	477,000	4.1
in Sweden	153,000	139,000	-9.3
Predominantly rural regions, close to a city	**1,828,000**	**1,766,000**	**-3.4**
in Denmark	372,000	345,000	-7.1
in Finland	821,000	791,000	-3.6
in Norway	297,000	311,000	4.5
in Sweden	338,000	319,000	-5.8
Predominantly rural regions, remote	**3,271,000**	**3,061,000**	**-6.4**
in Denmark	515,000	488,000	-5.2
Faroe Islands	31,000	30,000	-3.1
in Finland	578,000	510,000	-11.7
Åland	18,000	20,000	8.9
Grenland	40,000	34,000	-14.1
in Iceland	80,000	75,000	-6.3
in Norway	1,053,000	1,039,000	-1.3
in Sweden	957,000	865,000	-9.6
Norden	**17,211,000**	**17,704,000**	**2.9**

Source: Own Table, based on NSIs, Tillväxtverket (SE) and Byggðastofnun (IS).

Figures 15 and 16 show that population ageing has been a major demographic trend throughout the Nordic region during the past decade and that this trend is expected to continue. Between 2007 and 2017, population ageing has been most pronounced in Finland, and projections indicate that this trend will continue particularly in the northern and eastern parts of Finland, where many municipalities are expected to have the highest old-age dependency ratios in the Nordic Region in 2040.

Figures 15 and 16 Old-age dependency ratios in the Nordic Region in 2007, 2017 and 2040 (Source Sanchez-Gassen and Heleniak 2019).



3. Results from interviews with MAP members

An interview with 4 MAP members was carried out on June 4. The members represented civil society / village movement, research as well as the public sector. Questions were sent to the interviewees in forehand, to be better prepared for the interview. Interviewees received results in form of the discussion paper and we adjusted it according to those comments.

Finnish Rural Areas and the Corona Crisis

We started the interview with reflections on the Corona Crisis and two interrelated questions:

1) How has COVID-19 affected rural Finland?

2) How resilient are rural regions? Both to acute shocks as the pandemic and more long-lasting developments, "slow burns" like outmigration?

All interviewees stated that daily life in rural areas is affected by the COVID-19 situation in many different ways.

One of the main trends, that seem to play an especially important role within rural areas, is **distance work** (people work remotely from home). About 1 million Finns are teleworking at the moment and around half of them would like to continue working from home at least part-time, as one interviewee from the village

movement points out. This results in **higher demands on rural infrastructures**, as another interviewee from the MAP continues. A reduction in travel time and office costs are other consequences for the employees and employers. In the long-term, the interviewees agreed, distance work has the potential to increase well-being for parts of the working population. The advantages of distance work for rural development have been recognized within Finnish authorities for quite a while, as one interviewee representing civil society, adds. Nevertheless, different **teleworking** programs, which were implemented after Finland joined the European Union in 1995, vanished. With Corona, "the situation has changed radically overnight – now we see that it is possible" she tells. The interviewees stressed the importance of supporting that "jobs follow people", as those developments "could boost the development of rural areas" in the future.

Connected to the topic of **distance work**, the interviewees point out **multi-locality** as well as **digital infrastructure** as topics, that have gained importance due to the COVID-19 situation. Developing a network of high-speed internet connection for rural areas further has been a big issue in policymaking for quite a while. The Covid situation adds pressure and incentives for further development of digital infrastructure, as one interviewee from the Ministry of Agriculture and Forestry states. A member representing research has conducted a study (not yet published), showing that in Finland when comparing one Monday before and one Monday during the crisis, **only 20 municipalities increased their daily mobility** and all these municipalities were **core rural or sparsely populated rural municipalities.**

Furthermore, the interviewees also discussed the **economic impacts of COVID-19**, which seemed to be somewhat ambivalent. On the one hand, the consequences for the **agricultural labour market** seem to be severe, as one interviewee from the village movement explains. The needed **flows of foreign seasonal labour** are hampered due to travel restrictions. On the other hand, local businesses profit from a much **higher appreciation of and people choosing local products**.

All interviewees also stressed that **rural areas get more attention in the national media**. "Rural areas have got more focus and attention than perhaps never before" as one interviewee, representing the research perspective, stated. "People are more aware of rural issues", the interviewee from the Ministry of Agriculture and Forestry added. This tendency can be seen when looking at the **market for second homes** in rural areas: "70 % of customers in Helsinki are now looking towards more sparsely populated areas to buy a second home", the interviewee from the village movement explains. Moreover, likely i**ncreasing domestic travel** in the summertime might be a benefit for rural areas.

Overall, all four interviewees assessed Finnish **rural areas as being quite resilient** during the COVID-19 crisis, especially when looking at **local food production and adaptation to digital solutions**. Furthermore, the third sector has found to be very active in rural territories. "People living in rural areas are willing to help each other", states the interviewee from the village movement, "NGOs have learned to activate volunteers to help others".

Another important point raised by the interviewee from a research institution raised, is that it might be easier to deal with **daily life** in times of COVID-19 when living rural areas and compared to urban centres.

Altogether, the current COVID-19 situation is seen as momentum for rural areas, holding **several chances for future rural development**. One challenge, according to the interviewee from the Ministry of Agriculture and Forestry, is to make use of "the good things that we have learned now for the future" and to ask the question on how rural areas can benefit from those impacts after COVID-19 times.

The main current themes for Finnish rural areas

At the kick-off meeting on 10 March 2020, we discussed some of the main current themes for rural areas in the Finnish MAP region. In the focus group interview, MAP members gave quick comments on the list of topics and adjusted it (table 8).

Table 8 Main current themes for rural areas in the Finnish MAP region.

- **Demographic development / aging**
- **Smart shrinkage/adaptation**
- **Multi-locality ("monipaikkaisuus"), service provision & infrastructure**
- **Place-based development**
- **Ensuring wellbeing / quality of life and vitality without growth**
- **Employment and transition of industries**
- **Economic situation of small municipalities**
- **Education and educational service**
- **(Labour-based) immigration**
- **Skills**
- **Digital transformation**
- **Climate change, carbon neutrality & SDGs**

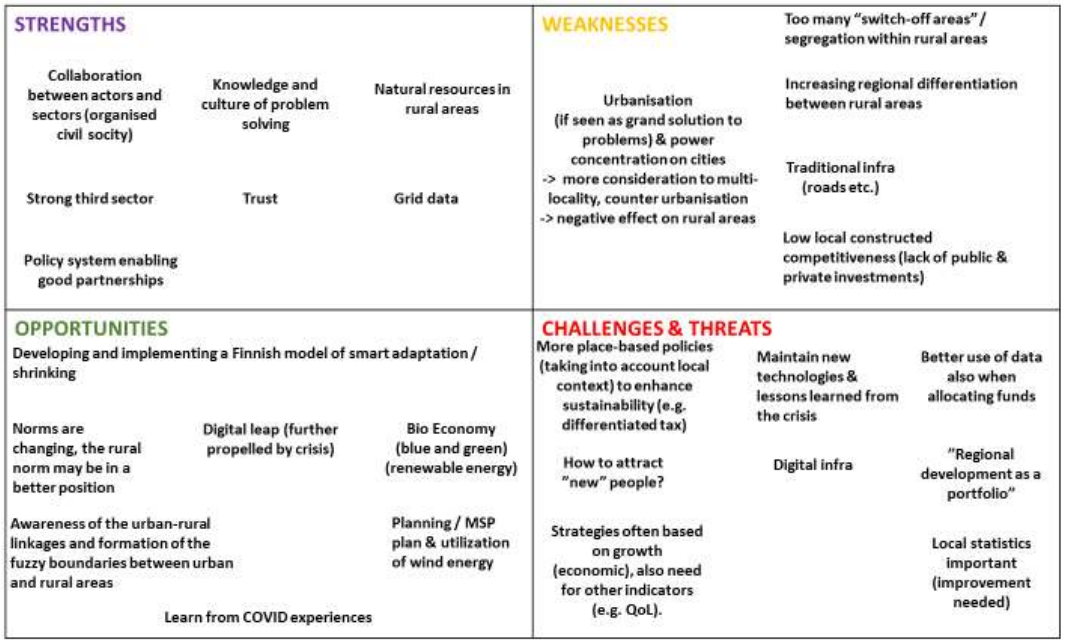
Added to the list were education, and labour based migration. One interviewee (research) was concerned that if the current trend in school closures continues (see also table 4 above on change in comprehensive schools) "the last elementary school will be closed in 2032". On labour-based migration and to satisfy the needs of rural businesses and to attract skilled labour migrants, one interviewee from the village movement argued that more "attractive welcoming policies" are needed since, "currently, Finland is not attracting people like Norway and Sweden."

Interviewees stressed that all themes are connected to each other. The interviewee from the Ministry of Agriculture and Forestry argued that "ensuring well-being, quality of life and ensuring vitality without growth is central for smart shrinkage or adaptation". One of the key questions according to her for the upcoming years is how the Finnish model of adaptation could look like? Connected to adaptation and referring back to the COVID-19 discussion, another interviewee (civil society), raised a question on how the perception of density might have changed due to COVID-19. In her opinion "there might be a shift to a more positive way of looking at sparse population distribution."

3.1. Challenges and opportunities in the next 20 years

For the discussion of opportunities and challenges for Finnish rural areas in the next 20 years, a SWOT was used and interviewees invited to discuss STRENGTHS, WEAKNESSES, OPPORTUNITIES and CHALLENGES & THREATS. The main points are summarised in figure 17.

Figure 17 Opportunities & challenges for Finnish rural areas in the next 20 years?



Strengths & Opportunities

In total, seven **strengths** of Finnish rural areas were identified by the interviewees. Existing networks and collaborations between different actors were pointed out as very important. Connected to this, a high level of trust and a policy system enabling good partnerships, while recognizing the strengths of the civil society were highlighted. Furthermore, Finns tend to have a "problem solver mentality", as one interviewee stated. Other strengths lie within a strong third sector and the availability of natural resources as the base for developing the bioeconomy. Local knowledge and data are important prerequisites for developing and implementing place-based policies. Therefore, the availability of grid data (detailed spatial statistics) is a major asset for the governance of rural areas.

Three of the **opportunities** included in figure 18 can be related to the discussion on COVID-19 (see above). As already stated, the interviewees see changing norms away from density and growth and the digital leap as important opportunities, which are accelerated due to the COVID-situation. Taking these experiences into account when developing future policies can, according to the interviewees, be a major opportunity for the future of rural areas. Other opportunities are related to the strong Finnish Bioeconomy sector (see section 2 above). Using the Blue and Green Bioeconomy strategy in a broader way, e.g. for energy production, can be a great chance to develop the rural economy further. An overarching opportunity, combining economic and social thinking is the development and implementation of a Finnish model of smart adaptation / shrinking. As an interviewee from the Ministry of Agriculture explains, this "requires a new way of making policy, taking into account a place-based policy. It also places aspects of social sustainability equivalent to economical sustainability aspects. It is important to have a sustainable economic growth in areas, but a good life and wellbeing is equally important. As is of course also the aspect of ecological sustainability."

Weaknesses, Challenges & Threats

Changing norm and thinking that "more densely population patterns are better" is seen as an opportunity for future rural development by all interviewees. Nevertheless, the current strong focus on urbanisation "as a grand solution to problems" and the concentration of power in cities, has, according to the interviewees, negative effects for rural areas and is therefore seen as a **weakness**. Furthermore, the interviewees point

at segregation tendencies in Finnish rural areas (so-called "switch-off" areas), with some rural territories having more severe problems, than others. Overall, traditional infrastructure, such as roads, is still very important in terms of the distances to be travelled. Unfortunately, this traditional infrastructure is often in a poor condition.

As the discussion on place-based policies to enhance sustainability was a central part throughout the whole interview, its development and implementation are seen as one of the key **challenges**. One MAP member stressed the need for specific policy tools to foster place-based development in rural areas, such as the Norwegian model in taxation / differentiated pay roll tax (see also Kull et al 2020). "Finland is not there yet", one interviewee from the Ministry of Agriculture and Forestry reminded us and added that "local strategies still rely on continuing economic growth and population increase". One further step for change might be to use other indicators, such as well-being (Quality of Life) for local planning. Overall, the interviewees agreed, that the way of thinking needs to be changed. Data sources should be improved and need to be used more efficient (also as a basis for allocating funds). The expansion of the digital infrastructure is seen not only as an opportunity but as a challenge at the same time (see also figures 12 & 13 above). Therefore, it is especially important to maintain new technologies and lessons learned from the current COVID-19 crisis.

Even if rural areas adapt to population decline, they are still in need to attract "new" people, in order to still be functioning (see also figures 5 & 6; tables 6 & 7). This becomes not only urgent due to outmigration, but also due to population ageing (see also figures 7, 15, 16 and 17).

3.2. Desirable future for 2040

MAP members were asked to describe their desirable future for rural areas in 2040. Four questions were formulated to lead and structure the discussion.

1) How is it to live, work and study in rural areas?

2) Who lives there?

3) What is happening in rural areas – culture and other amenities?

4) How would the rural areas ideally be like?

The interviewees' visions for Finnish rural areas did not differ fundamentally from each other. One MAP member (research) envisaged rural areas to be more densely connected to the knowledge economy, being more innovative, digitalised and based on a fossil-free economy. Furthermore, he imagines increasing interaction between urban and rural areas to take place, which is also incorporated in policies. These interactions support rural development in a positive way. Due to this interconnectedness, the division between urban and rural could become less important, decreasing the need for urban-rural classifications.

The interviewee from the village movement hopes to see more young people living in rural areas. "Smart", according to him, becomes the new keyword for rural development, as the economy and daily life are more digitalized ("smart villages" and "smart specialisation"). Policies are based on bottom-up approaches and rural development is based on place-based strategies. Furthermore, he pictures Finnish rural areas to look more outwards, strengthening European integration.

A very detailed picture was drawn from the interviewee from the Ministry of Agriculture and Forestry, as she speaks of a "radical countryside". Rural areas will become more sustainable, the circular and bio-based economy will boost the countryside. Moreover, the people living in those areas will form a vital and active rural society. Justice, tolerance and innovation will be the key characteristics of this society, which will see a mix of older and younger people.

The other MAP member representing civil society sees a new rural lifestyle emerging, which she described as "glocal". People living a "glocal" life combine local and global lifestyles while living in a rural area. This might be especially interesting for younger generations. Furthermore, the importance of agriculture changes

and farmers become a combination of farmers and businessmen. In this regard, opportunities within the bioeconomy are very important, the interviewee explains.

Last but not least, it is interesting to reflect that a recent study revealed that 85 percent of Finns believe that they should have the right to live wherever they want (Pyysiäinen & Vihinen 2020).

3.3. Challenges in reaching the vision

The challenges in reaching the vision are similar to the challenges the MAP members have raised while doing the SWOT analysis (see chapter 3.1). The need for more and further developed place-based policies was one of the central issues the MAP members stressed, implying a change in policymaking. Plans and strategies at the municipal level are typically made for both economic growth and population increase. In order to adapt to local developments, the municipal level is important to target with tailored policies. A challenge hereby is, "to change our way of thinking towards methods and approaches of smartly adapting to change", one MAP member representing civil society explains. Overall, there is a need to change towards a more sustainable society for the vision to become a reality.

Interviewees stressed that SWOT analysis may be used for this.

4. Conclusion and next steps

Through desk research, we identified a number of trends:

Population development:

- Among all Nordic countries, population shrinkage is most pronounced in Finland, particularly in rural areas.[7]
- Rural regions have older population age structures than urban regions in all Nordic countries - this urban-rural divide is most expressed in Finland (Stjernberg 2020).
- Finland is the Nordic country with the oldest age structure. Especially in the eastern and northern parts of the country the proportion of people aged 65 and over is especially high.

Economic development and the bioeconomy

- Across the Nordic Region, most of the bio-based jobs were in other sectors than agriculture, forestry and fisheries.
- In Finland and in 2005-2019,[8] almost 24,000 farms stopped operating - there were 70,620 farms in 2005 and only 46,716 in 2019 (forecast).
- Finland and Norway witnessed the largest decrease of biobased jobs in the Nordic Region in 2009-2017.
- There were 408,397 jobs in the Finnish bioeconomy in 2016 = almost 18 % of the total number of jobs in the country.

Service availability, housing and digital infrastructure:

[7] Shrinking regions are primarily ones where there is both a negative natural development and a negative net migration.

[8] See EUROSTAT (2020) and Luonnonvarakeskus (2020).

- Distances to health care facilities, pharmacies, grocery stores, libraries and post offices are considerably longer in rural than in urban areas.
- Finnish sparsely populated regions have seen the most significant decrease in the number of schools in the country.
- The percentage of households with access to a broadband connection of at least 100 Mbps in the Nordic countries varies remarkably (Randall et al 2020), the poorest coverage can be found in Finland and parts of Norway
- Housing: except from the regions of Uusimaa, Varsinais-Suomi and Pirkanmaa, housing prices have decreased in Finland in 2015-2019

Future development

- The proportion of municipalities with expected population loss is particularly large in Finland (49%)
- The working-age population is expected to decrease, and the decrease will be strongest in the rural and remote regions
- Population ageing – a major demographic trend throughout the Nordic region during the past decade – is expected to continue
- Municipalities in the northern and eastern parts of Finland are expected to have the highest old-age dependency ratios in the Nordic Region in 2040.

These **trends above were also mirrored in the focus group interview and reflected upon** in the perceived strengths, weaknesses, opportunities and challenges as well in the future visions of the interviewed MAP members.

The need for **more and further developed place-based policies** was one of the central issues the MAP members stressed, including specific policy tools to foster place-based development in rural areas. This would help addressing increasing differentiation between rural areas and the many "switch off" areas. Strategies to **attract new people** are needed, including those that are based on **other thinking than simply economic growth, including, for instance, quality of life**.

There is a solid foundation for this, and our interviewees painted **a rich picture of what makes rural regions strong**:

- Existing networks and collaborations between different actors
- high level of trust and a policy system enabling good partnerships,
- recognised and strong civil society
- availability of natural resources as the base for developing the bioeconomy

To fully utilise and propel the strengths and opportunities, the **development and implementation of a Finnish model of smart adaptation / shrinking** was seen as an overarching opportunity. This implies combining economic and social thinking, taking into account a place-based policy. In this model, **social sustainability should be equivalent to economical sustainability**. While sustainable economic growth is important, living a good life and wellbeing were seen as equally important. **Ecological sustainability** needs to be considered as well. Interviewees also challenged the norm and thinking that "more densely population patterns are better" and painted a picture of a "**radical countryside", more equal, innovative, vital and tolerant**.

The next steps after the interview (table 9) serve to share the findings so far with a much broader pool of people and to collect further ideas.

Table 9 Next steps after the interview.

WHEN	WHAT	REMARKS
May - June	Analysis of interviews & preparation of survey & Discussion paper	All 20 MAPs
June 15	Draft Discussion Paper send to interviewees	
June 23	Feedback from interviewees	No must but welcome
3 July	First contribution: MAP Discussion Paper as input for the EU MAP discussion	Facilitators send to Ecorys Based on the desk study and interview
July – August	Implementation of a survey (and analysis of its results)	Facilitators w. support of monitors
September	Consensus meeting	All 20 MAPs
30 September	Second contribution: MAP position paper as input for EU MAP discussion	Facilitators to send to Ecorys

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Annex 2. Survey Questionnaire

The link to our survey

https://www.surveymonkey.com/r/ruralFinland