1. The Helsinki Metropolitan Area: an area with many jobs

The Helsinki Metropolitan Area consists of three big (on a Finnish scale) cities, namely Helsinki (561 000 inhabitants), Espoo (232 000) and Vantaa (187 000). Tiny Kauniainen (8 400 inhabitants) is an enclave in Espoo. In Finland, the significance of the region is obvious: one-quarter of the population lives in it, about one-third of all jobs are located there, and one-third of the GDP is generated in the region.

In addition to the above mentioned cities, the Helsinki Region includes the surrounding suburban/rural area, which consists of eight municipalities. The peripheral zone is important to the Helsinki Region as a residential area for many employees. Public transport to the central parts is smooth. Over the period 1993-2002, the number of people who travelled on weekdays from Espoo, Vantaa and Kauniainen to Helsinki grew by 28%. From the peripheral municipalities, commuting grew by 30 %, with about 152 200 employees travelling daily to work in Helsinki in 2002. Today, about 200 000 people go to work in Helsinki daily. At the beginning of last September a new rail route from Helsinki to Lahti was opened, and travelling time between these cities shortened from 1 h 40 minutes to 50 minutes. Lahti is situated about 100 km north of Helsinki.

Self-sufficiency in workplaces was 134 % in Helsinki in 2004. In Vantaa it was 100 % and in Espoo 93 %.
Figure 2. **Commuting in southern Finland.**
Source: Statistics Finland, Helsinki Metropolitan Area Council (YTV).

Figure 2. **Employment growth in selected European metropolises in 1995-2003.**
Source: Cambridge Econometrics and The Urban Research TA Ltd.
In the whole of Finland the 1990s was quite extraordinary in an economic sense. In the early 1990s, Finland went through a very severe recession. For example, the unemployment rate was 1\% in the Helsinki Region and 3.4\% in Finland at the beginning of the decade. Four years later unemployment reached 20\% in the whole country and 15.2 \% in the Helsinki Region. In the first quarter 2005 the corresponding figures were 8.4 \% and 6.0 \%.

Up until 2001, the growth rate of industrial output used to be higher in the Helsinki than in the whole country. The situation then changed dramatically, and the situation changed for the better for the Helsinki Region again only in the third quarter 2003.

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**Figure 4. Economic development in the Helsinki Region, in Finland and in the Euro-zone, 1996-2006**

Source: Statistics Finland, The Urban Research TA Ltd and Eurostat.
There are many possible alternatives for measuring economic growth and making comparisons. In Finland we have databases for diversified quarterly or yearly data on, for example, the number of enterprises and their establishments, share of export, total industrial output and value added, turnover, paid salaries and working hours. Here, we will focus on the labour market and especially the number of employees and jobs in different industries.


The main difference in the economic structure between Helsinki and the rest of the country is that manufacturing is a more important industry in the whole country. In the first quarter 1997, for example, almost 22% of employees in Finland worked in manufacturing, while in the Helsinki Region the proportion was 15%. During the first quarter of 2006 (Q1 2006), the corresponding shares were 19% and 13%.
Already nine years ago, ‘public and other services’ was a very important industry in the Helsinki Region and in the whole country. Today, it is even more important. As many as 80% of employees work in services. Only about half a per cent of employees work in the primary sector.
In the industry ‘real estate, renting and business activities’ the number of employees fell dramatically during 2002-2003. It did not rise until the first quarter 2004 and even then increase was not significant. In other sectors, the up- and downturns in percentages were much milder.

Figure 5. Jobs by industry in the Helsinki Region, 1997 and 2004.
Source: Statistics Finland, Employment Statistics (based on register data).
Figure 6. Change in the number of employees in industry K (real estate, renting and business activities) in the Helsinki Region, %, Q1 1998 - Q1 2006.

Figure 7. Change in the number of employees in the Information Sector and other sectors as a whole in the Helsinki Region, moving average (%), Q1 1997-QII 2006.
4. Factors affecting the growth in the Helsinki Region and jobs creation on a global scale

The economy of the Helsinki Region is dependent on the business cycles of the global information sector. And that is why the branch is so significant in the economy of the region. There are also many other factors influencing the rate of growth in the region. Some of them are gathered in Table 2. They at least partly explain the difference between growth rates in Helsinki and the rest of the country.

- Information sector (Nokia)
- Services (telecommunication and data processing)
- Almost 50% of national R&D conducted in the region
- Employees highly educated in the region
- Logistic centre of the country
- Business incubators supported by the Government and by local authorities

Table 2. Some factors affecting the growth of the Helsinki Metropolitan Area.

The success story of Nokia is common knowledge in Finland. Here are some details: in 1983 the number of employees at Nokia was 23 651, of which 17.5 percent worked abroad. In 2005 the number of staff was 58 874, of which 60% worked abroad.

<table>
<thead>
<tr>
<th>Country</th>
<th>Employees</th>
<th>Full-time</th>
<th>Part-time</th>
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<td>513</td>
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</tr>
<tr>
<td>Denmark</td>
<td>1 362</td>
<td>1 342</td>
<td>20</td>
</tr>
</tbody>
</table>

Table 3. Measuring the impact of globalisation on the urban labour market, case Nokia.
Source: www.nokia.fi

Globalisation in this case has meant ‘exporting jobs’ or ‘creating new jobs’. This example raises the issue of whether to measure growth by jobs or by employees on a global scale. We measure output at the domestic and global level i.e. GDP and GNP. Would it be worth considering to measure jobs and their creation also at domestic and national levels, too? That would be an interesting question for further research. Looking ahead, the forecast made by the Urban Research TA Ltd and Cambridge Econometrics shows that employment growth in European metropolises scale will be fastest in Dublin, with Helsinki coming second. According to the forecast it will be about 1.7% during 2003-2009 in Helsinki.