Vitality policy as a tool to attract in-migration?
Motivation and Backgrounds
Motivation

• Rural regions suffer from structural changes leading to unemployment and out-migration

• Traditional enterprise and industrial policy (EIP) is not sufficient anymore for attracting in-migration and retaining regional economic development in rural regions

→ The Association of Finnish Local and Regional Authorities (Kuntaliitto) introduced the concept of “vitality policy” (“elinvoimapolitiikka”) in 2015 as a novel approach for regional development
Motivation

• However, there is no research evidence on the efficacy of vitality policy
  – Particularly in terms of migration
• The views of the municipalities have remained unaccounted for

  ➔ Here we scrutinize this new policy concept with empirical evidence collected from North Karelia
  • Interviews with municipal officials (20 interviewees)
Motivation

- North Karelia
  - Mainly rural/peripheral
  - Out-migration
  - Unemployment
  - etc.
Motivation

<table>
<thead>
<tr>
<th>Region</th>
<th>Population 2017</th>
<th>Change % from 2016</th>
<th>In-migration</th>
<th>Out-migration</th>
<th>Difference</th>
<th>Projection 2040</th>
<th>Difference (2017–2040)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ilomantsi</td>
<td>5128</td>
<td>-2.1</td>
<td>154</td>
<td>181</td>
<td>-27</td>
<td>3926</td>
<td>-1202</td>
</tr>
<tr>
<td>Joensuu</td>
<td>76067</td>
<td>0.3</td>
<td>4580</td>
<td>4471</td>
<td>109</td>
<td>80818</td>
<td>4751</td>
</tr>
<tr>
<td>Juuka</td>
<td>4817</td>
<td>-2.5</td>
<td>166</td>
<td>224</td>
<td>-58</td>
<td>3484</td>
<td>-1333</td>
</tr>
<tr>
<td>Kitee</td>
<td>10486</td>
<td>-2.2</td>
<td>316</td>
<td>509</td>
<td>-193</td>
<td>8066</td>
<td>-2420</td>
</tr>
<tr>
<td>Kontiolahti</td>
<td>14830</td>
<td>0.2</td>
<td>915</td>
<td>983</td>
<td>-68</td>
<td>17392</td>
<td>2562</td>
</tr>
<tr>
<td>Lieksa</td>
<td>11297</td>
<td>-2.4</td>
<td>305</td>
<td>460</td>
<td>-155</td>
<td>9633</td>
<td>-1664</td>
</tr>
<tr>
<td>Liperi</td>
<td>12150</td>
<td>-1.2</td>
<td>616</td>
<td>731</td>
<td>-115</td>
<td>12429</td>
<td>279</td>
</tr>
<tr>
<td>Nurmes</td>
<td>7765</td>
<td>-1.5</td>
<td>261</td>
<td>284</td>
<td>-23</td>
<td>6341</td>
<td>-1424</td>
</tr>
<tr>
<td>Outokumpu</td>
<td>7003</td>
<td>-1.2</td>
<td>385</td>
<td>421</td>
<td>-36</td>
<td>5923</td>
<td>-1080</td>
</tr>
<tr>
<td>Polvijärvi</td>
<td>4414</td>
<td>-2.2</td>
<td>150</td>
<td>209</td>
<td>-59</td>
<td>3969</td>
<td>-445</td>
</tr>
<tr>
<td>Rääkkylä</td>
<td>2240</td>
<td>-1.2</td>
<td>96</td>
<td>101</td>
<td>-5</td>
<td>1979</td>
<td>-261</td>
</tr>
<tr>
<td>Tohmajärvi</td>
<td>4571</td>
<td>-1.8</td>
<td>183</td>
<td>234</td>
<td>-51</td>
<td>3828</td>
<td>-743</td>
</tr>
<tr>
<td>Valtimo</td>
<td>2218</td>
<td>-1.2</td>
<td>95</td>
<td>92</td>
<td>3</td>
<td>1942</td>
<td>-276</td>
</tr>
<tr>
<td>North Karelia</td>
<td>162986</td>
<td>-0.7</td>
<td>4031</td>
<td>4709</td>
<td>-678</td>
<td>159730</td>
<td>-3256</td>
</tr>
<tr>
<td>Finland</td>
<td>5513130</td>
<td>0.2</td>
<td>287839</td>
<td>287839</td>
<td>0</td>
<td>5861491</td>
<td>348361</td>
</tr>
</tbody>
</table>
Vitality policy – The “official” story
Vitality policy as a systemic approach

• Combines existing systemic policies
  – Regional innovation systems; Innovation ecosystems; Quadruple helix

• Stresses the role of public-private-third-sector networks
  – Municipalities have a role in steering these networks, but they are not the only engines for rural development

• Underlines the importance of communality
  – Importance of active citizens
    • Resource for rural development particularly in terms of attractiveness (events; sport and cultural facilities/activities; environmental clean-ups; etc.)
Vitality policy as a systemic approach
Vitality policy as a place-based approach

• Municipal strategies need to be embedded in place-based strengths
• There is a need for innovative local policy approaches
• Rural development needs to be led by local actors
Vitality policy as horizontal cooperation between varying policy branches

• Underlines the importance of cooperation between policy branches
  – Not just EIP, but also employment, educational and social policies, etc.
  – If one aspect of rural development is not functioning well, the other aspects will also suffer

• Underlines the importance of facilitating competitiveness and attractiveness in the municipality as a whole
  – Competitiveness (EIP)
  – Attractiveness (Active citizens/Communality & Wellbeing of citizens)
Vitality policy as horizontal cooperation between varying policy branches
Vitality policy as a trigger to “virtuous cycle” of migration and regional economic development
Vitality policy – The view of municipalities
EIP is outdated

• Firms do not locate (just) based on EIP factors

“In earlier times when trying to get new firms here, the only things contemplated were whether we have a functional infrastructure, available industrial plots or offices. These kinds of things. But now we consider that we also need to have good municipal services and attractive living environments for firms to locate here.”

“We cannot anymore consider that the only role of the municipality is to cater to the infrastructure: production and industrial facilities and roads. This is the way I perceive traditional enterprise and industrial policy, and it does not suffice anymore!”

• People do not migrate just based on employment

“If we considered, for example, the situation in our municipality: Companies are growing and we have workplaces, but other elements are lagging. Our vitality does not grow since families and young working-aged people do not move here”
Vitality policy – Pros and Cons

• Mainly a rhetorical move
  “Well this discussion about vitality policy, that the work of the municipality is now directed towards its vitality, it is mainly rhetoric garbage. Municipalities have already and always done this work.”

• Has increased municipal competition
  “It is a bit worrying, that if we do not cooperate anymore and only compete against each other.”

• Used as a buzz-word
  “All the municipalities now use these same terms. One should find something to stand out, otherwise we all look the same.”
Vitality policy – Pros and Cons

• Has led to a change from strict economic growth targets to softer and more sustainable development goals
  “You cannot separate the wellbeing of the citizens from the vitality of the municipality.”

• Has increased the cooperation between policy branches
  “Vitality policy is a wider approach than EIP, and its implementation is the responsibility of the whole municipality group.”

• Has triggered the “virtuous cycle”
  “We develop the vitality of our municipality through a virtuous cycle: vitality brings in more vitality.”
Conclusions
Conclusions

• An approach that encompasses earlier systemic and place-based policies for rural development
  – A rhetoric move with limited novelty

• A feasible approach for rural development in countries with sufficient regional autonomy and budget
  – Broadens the focus from strict economic growth (competitiveness) targets to the well-being of citizens and communality (attractiveness)
  – Encourages cooperation between policy sectors
  – Can trigger the “virtuous cycle” of rural development leading to in-migration
How? Development goals

**Competitive business environments (through EIP)**
- Providing business information services
- Ensuring well-functioning infrastructure, incl. broadband connections
- Ensuring the availability of industrial plots and office space
- Ensuring the availability of skilled workforce
- Activating entrepreneurship
- Supporting competitive firms, via e.g. small grants, loans and allowances
- Supporting local products and services through municipal procurement
- Active lobbying towards the state

**Attractiveness as places to live**
- Providing attractive living environments
- Providing different forms of housing
- Ensuring comprehensive municipal services
- Providing culture, sports and other hobby facilities
- Organising attractive local events, such as fairs and music festivals
- Marketing the municipality, particularly in social media
- Activating citizens
- Supporting communal work
Thank you!

teemu.makkonen@uef.fi
https://www.uef.fi/web/spatia/puhti-hanke
https://www.uef.fi/web/spatia/julkaisut