

Mayors Dialogue on Growth and Solidarity

City profile: Helsinki, Finland



Population: 648,042 (2019)
GDP per capita: \$59,289 (2018)
Major industries: information and technology, business services
Percentage of migrants: 9.6% (2019)
Mayor's name: Jan Vapaavuori | **Next election date:** 2021

Socioeconomic profile

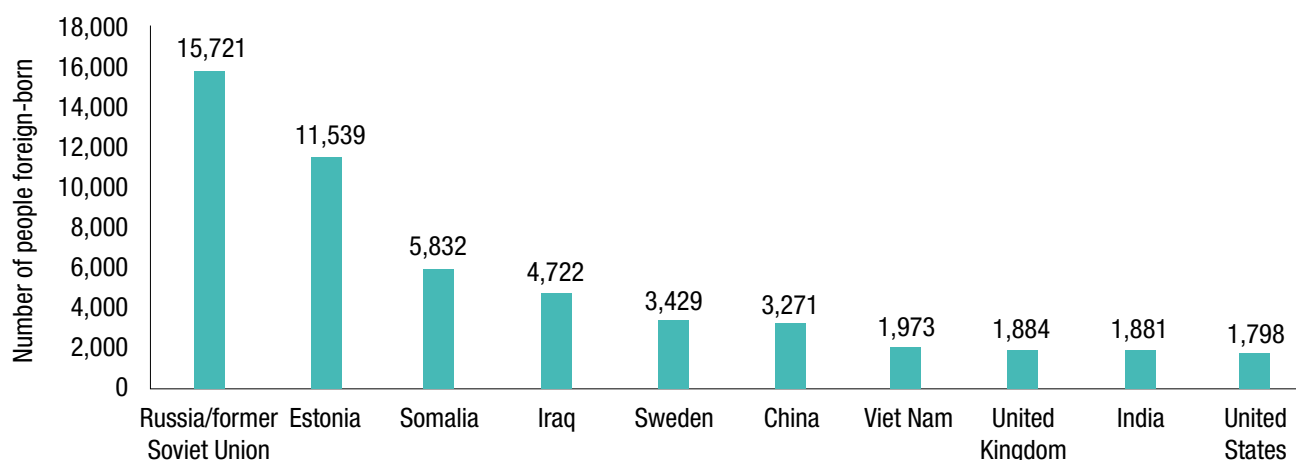
Helsinki city has a population of 648,042 which is 11.7% of the population of Finland (City of Helsinki Urban Research and Statistics Unit, 2019a). It is a youthful city, with nearly 10% of the population in the 25–29 age group. Relative to other cities in the Scandinavian peninsula, Helsinki is one of the wealthiest, with a GDP per capita of \$59,289 in 2018.¹ It is a buzzing metropolis, with its own international airport and cargo port, wherein the Port of Helsinki is the largest cargo port in terms of the valuation of goods. There are five universities in the city (ibid.). Helsinki residents also benefit from ease of access to green spaces, with about 40% of land area consisting of green spaces (more than 722 hectares) managed by the city administration (ibid.). In 2017, 87.7% of jobs in the city were in the service sector, with around 30% of service sector jobs within the public sector and related to government administration and service provision

(ibid.). In 2019, the number of employed people in the Helsinki region grew significantly in construction, and the accommodation and restaurant sector, compared with the previous year, while numbers of people employed in manufacturing also increased (City of Helsinki Urban Research and Statistics Unit, 2019b). The unemployment rate in Helsinki is 7.9% (for those aged 15–74 years), slightly higher than for the country as a whole (7.4%) (City of Helsinki Urban Research and Statistics Unit, 2019a). In 2017, 5.9% of those living in Helsinki were at a ‘prolonged poverty risk’ compared with the higher rate of 7.4% for Finland as a whole (a slight decline on figures recorded in the previous year) (ibid.).

Migration profile

In 2019, 62,079 residents (9.6%) of Helsinki held foreign citizenship (City of Helsinki Urban Research and Statistics Unit, 2019c). People with a foreign

Migrant population in Helsinki



Source: City of Helsinki Urban Research and Statistics Unit (Saukkonen, 2020)

¹ This figure is provided in nominal US\$ and is not comparable with other cities profiled. See OECD Stats (2018). Information is extracted in US\$, constant prices, constant PPP, converted into local currency using OECD PPP – local currency conversion rate, then converted into nominal US\$ using OECD’s local currency to US\$ conversion rate.

background (those with parents born abroad) are a rapidly growing group; of the city's population growth, 70% consists of growth in the non-native population (people with a mother tongue other than Finnish or Swedish) (City of Helsinki Urban Research and Statistics Unit, 2019d). The total migration gain of Helsinki in 2018 was 3,760 people: international net migration was 1,301 people and domestic net migration 2,459 people (City of Helsinki, 2019). The population in Helsinki with a foreign background increased from 6% in 2000 to 16% of total population in 2018 (Saukkonen, 2020). The chart shows the top countries of origin of migrants in Helsinki, as per latest statistics (2018). Russia and Estonia are the top countries of birth for Helsinki's migrant population – with 15,721 and 11,539 residents, respectively, in 2018.

The rise in the overall employment rate (at 74% in 2018) is also a function of the rising working-age immigrant population. However, the unemployment rate among migrants is higher than that of the native-born population (City of Helsinki Urban Research and Statistics Unit, 2019d). In December 2016, the unemployment rate of residents with a foreign mother tongue in Helsinki was 24.4% – constituting a quarter of all unemployed in Helsinki (City of Helsinki, 2020). In addition, asylum-seekers and refugees are also acutely affected by unemployment due to language barriers, legal restrictions on working and access to public funds.

Governance structure

Helsinki City Council has 85 permanent members. Municipal elections are held every four years to elect the councillors of the municipalities. Currently, the city council is made up of councillors from 13 political

parties. There are 44 male councillors and 41 female. There are four deputy mayors, working alongside the Mayor, in charge of four key portfolios: urban environment; education; culture and leisure; social services and health. Currently, all four deputy mayors are female. The city is financially self-sufficient with 80% of the total expenses of the city met through direct tax revenues.

In Spring 2019, Helsinki was the first city in Europe, and the second in the world, to report to the UN on its city-level progress towards achieving the Agenda 2030 targets for sustainable development (City of Helsinki Urban Research and Statistics Unit, 2019d). The 'Carbon-neutral Helsinki 2035' action plan was completed during 2018 and approved by the City Board in December 2018 (City of Helsinki Urban Research and Statistics Unit, 2019d). As part of this, the city and the local business community (of more than 80 large companies) co-established the Climate Partners network, and work together to mitigate climate change.

During the present council term, the city planning reserve has considerably increased and most of this growth has been in housing development – mainly development rights for blocks of flats (City of Helsinki Urban Research and Statistics Unit, 2019d). In 2018, a total of 1,453 dwellings were completed by the City itself, 39% of which were delivered by the Housing Finance and Development Centre (ARA), 38% right-of-occupancy housing and 23% Hitas- or price-controlled, owner-occupied housing. This demonstrates the city's commitment to providing affordable housing to the resident population (City of Helsinki Urban Research and Statistics Unit, 2019d).

References

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- OECD Stats (2018) 'Metropolitan areas, GDP per capita 2018' (<https://stats.oecd.org/Index.aspx?DataSetCode=CITIES> and <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm> and <https://data.oecd.org/conversion/exchange-rates.htm>).
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