



**BeMInE**  
**Jyväskylä University School  
of Business and Economics**

**Urbanisation  
and mobility**

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# Urban growth processes and mobility

"The Big Picture"	
Problem to be solved	Urbanization is a large, multifaceted phenomenon - JSBE produces understanding on the dynamic interconnections between agglomeration processes, migration and mobility in Finland.
Prior Knowledge	Self-reinforcing forces; "locational hysteresis" / path-dependency - development will lock in some regions - one of several equilibria will be reached; history matters, also expectations; in Finland, urban structure has been fairly solid (Tervo 2005; 2010; 2014)
Contribution	Evidence-based and societally significant results on (A) urban growth processes, innovation activity and entrepreneurship in Finland and on (B) the nature of mobility and its consequences in urban and other regions.
Implementation	Diverse econometric and micro-econometric methods; comprehensive data sources

# Illustration of the State of the Art and its two main themes

	Problem to be solved	Prior Knowledge	Contribution	Implementation
<b>Theme A: Urban growth processes</b>				
<b>A1. Urbanization and surrounding regions</b>	Relationship between the development of cities and their hinterlands	Remote regions do not (inevitably) gain from urban growth; Tervo 2009; Tervo 2010	Rare design; implementing method with new, recent data and regional classifications; Finland	Granger causality tests; regional panel framework; data from Statistics Finland and SYKE
<b>A2. Urbanization and employment-population relationship</b>	People follow jobs or jobs follow people?	Results about the nature of regional growth processes vary greatly among different studies; Tervo 2014	Bidirectionality between creative class jobs and highly educated people; their role in urban growth; cross-country comparison	Data from Finland, Sweden and Norway; diverse regional data and methods
<b>A3. Firm-level analysis: innovation activity and dynamic capabilities</b>	How innovation activity and dynamic capabilities of Finnish urban enterprises are formed?	Innovation activity among rural SMEs is primarily a result of differences in the firms' rates of growth, networking and strategies; Storhammar and Tohmo 2013	Finnish urban enterprises; Are regional differences in innovation activities of SMEs? Identifying dimensions of dynamic capabilities	Surveys will be used to measure the innovation activity and dynamic capability of Finnish companies
<b>A4. Entrepreneurship and the role of subsidies</b>	Determination of academic and senior entrepreneurship; effectiveness of business environment subsidies	Entrepreneurship in urban and rural areas; e.g. Tervo 2008; Haapanen and Tervo 2009; Tervo 2015	Develop adequate policies that support individuals and firms to succeed and therefore regions to grow	Micro-econometric methods and register-based longitudinal data sets
<b>Theme B: Nature of mobility and its consequences in urban regions</b>				
<b>B1. Migration in urban areas</b>	Who move to urban regions and who move to rural regions, and what are the consequences of this mobility at the individual, regional and national levels?	Migration is important mechanism equilibrating the regional labor markets; e.g. Tervo 2000; Berck, Tano and Westerlund 2014; Haapanen and Tervo 2012	In- and out-migration by city size. Changes in school grade distributions in urban regions and the contribution of migration flows to these changes.	Micro-level and regional level econometric analyses; large register data from Statistics Finland
<b>B2. Triple Helix labour mobility</b>	The relationships between universities, industries and government under the concept of triple helix	Highly educated workers move to KIBS sectors more often than to other sectors, and that HT sectors attract workers with high income; Mukkala and Tohmo 2013	Characteristics of workers moving from universities to government jobs or to private sector jobs? What adds to the appeal and competitiveness of cities?	Micro-level register data

## Theme A: Urban growth processes

A1. Urbanization and surrounding regions	
A1. Urbanization and surrounding regions	<p><b>Problem to be solved</b></p> <p>Relationship between the development of cities and their hinterlands</p>
	<p><b>Prior Knowledge</b></p> <p>Remote regions do not (inevitably) gain from urban growth; Tervo 2009; Tervo 2010</p>
	<p><b>Contribution</b></p> <p>Rare design; implementing method with new, recent data and regional classifications; Finland</p>
	<p><b>Implementation</b></p> <p>Granger causality tests; regional panel framework; data from Statistics Finland and SYKE</p>

## Theme A: Urban growth processes

A2. Urbanization and employment-population relationship	
Problem to be solved	People follow jobs or jobs follow people?
<b>A2. Urbanization and employment-population relationship</b>	
Prior Knowledge	Results about the nature of regional growth processes vary greatly among different studies;
Contribution	Bidirectionality between creative class jobs and highly educated people; their role in urban growth; cross-country comparison
Implementation	Data from Finland, Sweden and Norway; diverse regional data and methods

## Theme A: Urban growth processes

A3. Firm-level analysis: innovation activity and dynamic capabilities	
Problem to be solved	How innovation activity and dynamic capabilities of Finnish urban enterprises are formed?
A3. Firm-level analysis: innovation activity and dynamic capabilities Prior Knowledge	Innovation activity among rural SMEs is primarily a result of differences in the firms' rates of growth, networking and strategies; Storhammar and Tohmo 2013
Contribution	Finnish <i>urban</i> enterprises; Are there regional differences in innovation activities of SMEs? Identifying dimensions of dynamic capabilities
Implementation	Surveys will be used to measure the innovation activity and dynamic capability of Finnish companies

## Theme A: Urban growth processes

A4. Entrepreneurship and the role of subsidies	
Problem to be solved	Determination of academic and senior entrepreneurship; effectiveness of business environment subsidies
Prior Knowledge	Entrepreneurship in urban and rural areas; e.g. Tervo 2008; Haapanen and Tervo 2009; Tervo 2015
<b>A4. Entrepreneurship and the role of subsidies</b>	
Contribution	Develop adequate policies that support individuals and firms to succeed and therefore regions to grow
Implementation	Micro-econometric methods and register-based longitudinal data sets

## Theme B: Nature of mobility and its consequences in urban regions

B1. Migration in urban areas	
Problem to be solved	Who move to urban regions and who move to rural regions, and what are the consequences of this mobility at the individual, regional and national levels?
Prior Knowledge	Migration is important mechanism in equilibrating the regional labor markets; e.g. Tervo 2000; Berck, Tano & Westerlund 2014; Haapanen & Tervo 2012
Contribution	In- and out-migration by city size; Changes in school grade distributions in urban regions and the contribution of migration flows to these changes – comparisons between Finland and Sweden
Implementation	Micro- and regional level econometric analyses; large register data both from Finland and Sweden



## Theme B: Nature of mobility and its consequences in urban regions

B2. Triple Helix labour mobility	
Problem to be solved	The relationships between universities, industries and government under the concept of triple helix
Prior Knowledge	Highly educated workers move to KIBS sectors more often than to other sectors, and that HT sectors attract workers with high income; Mukkala and Tohmo 2013
Contribution	Characteristics of workers moving from universities to government jobs or to private sector jobs? What adds to the appeal and competitiveness of cities?
B2. Triple Helix labour mobility	Implementation Micro-level register data