People Climate and City-Regional Competitiveness in Finland

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**Abstract** 

This study approaches city-regional policymaking and fostering of international

competitiveness of city-regions in Finland in the context of people climate -concept and

attractiveness of city-regions to talented people. In the predominant knowledge-based

economy cities' competitiveness relies on their ability to attract talented employees. In 2002

Richard Florida proposed that regional economic growth is driven by the location choices of

creative people who are attracted to places that are diverse, tolerant and open to new ideas.

Florida considers that having an effective people climate is even more essential than having a

solid business climate. Florida's ideas and policy recommendations have gained interest

around the world and they have been widely applied in regional development policies. At the

same time his ideas have provoked a critical scientific discussion concerning whether they

can be applied to different regional context from USA where they were originally developed.

Finland has succeeded excellently in international comparison of global competitiveness

indexes (e.g. World Economic Forum). However, competition for talented people has become

tighter and structural change of economy has cut investments in education and research.

To keep up with international competition, Finnish city regions, together with state

administration, have launched several political acts which aim at strengthening their

international competitiveness. This study is interested in the political objectives that Finnish

city-regions have set in the political documents to attract talented people: To what extent

they are based on Florida's ideas, and on other hand, to what extent they are based on

specific regional contexts?

**Key words:** 

regional competitiveness; people climate; city-regions; Finland