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Perspectives into topical issues in society and ways to support political decision making.

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Towards sustainable multi-locality

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Multi-locality changes spatial structure

The spatial and temporal dimensions of multi-locality vary significantly. Thus in re-searching multi-locality, it is useful to focus on its different forms. The phenomenon occurs differently in different areas. Whereas leisure-related multi-locality occurs pre-dominantly on the countryside, remote working is mainly an urban phenomenon. There is also notable seasonal variance in population in different areas.

Based on the forecasting models developed in the study, the multi-local population will shift even more towards Southern Finland in areas near the largest cities. Urbanisation persists, but the multi-local population spreads itself on a wider dwelling and labour market areas. Urbanisation and ageing of the population strengthen leisure-related multi-locality. When the multi-local population is considered, in addition to the permanent population, the picture of people's mobility and service needs is modified. Hence it is important to account also for the multi-local population in planning.

Commuting is the most significant form of multi-locality in terms of economics. The effect is channelled through tax deductions on commuting. The positive effects are the largest in the commuter belt, where the increasing remote work reduces the tax deduction on commuting and increases the municipal tax income. Multi-locality transfers household consumption between regions seasonally, especially through the use of holiday homes.

The statistics and monitoring of multi-locality must be developed. The ecological sustainability of multi-locality can be promoted especially through supporting sustainable mobility and energy. The economic sustainability could be improved through the changed focus of tax deductions on commuting to long commutes and through taking into account the costs of leisure-related multi-locality in the municipalities where the holiday homes are located.

Multi-locality as a phenomenon

Multi-locality means that instead of one fixed dwelling, people spend their everyday life or leisure time in several places, transiting between them. Work-related multi-locality includes remote work, commuting and seasonal work, whereas the leisure-related version consists of spending time at a second home or tourist rental. Other forms of multi-locality relate to studies and family relations (e.g. children moving between two homes, distance care), as well as forced multi-locality such as homelessness, asylum-seeking and distance ownership (e.g. of forests).

Multi-locality is being driven by changes in the work environment in some sectors, relating in particular to a rising propensity to engage in distance work and commuting, increased spare time as well as changes in family relations. Growing urbanisation and rural-urban interaction, as well as developments in transport and communications technology also seem to play an important role here. Furthermore, the regionalisation of government agencies and public sector actions and strategies related to distance work and place-independent work support the increase of multi-locality indirectly. The different forms of multi-locality have different drivers and hindering factors.

The spatial and temporal dimensions of multi-locality vary greatly, depending on the form. Some forms of multi-locality are short in time and local, while others manifest over a long period of time and over a wide area. This is a good reflection of the diverse phenomenon of multi-location. Multi-locality also appears to vary regionally. In some areas, leisure is the strongest form of multi-locality, while in others, commuting or seasonal work can be forms of multi-locality that greatly define the area.

Due to its definitional promiscuity, there is little comprehensive information currently available on the concept. Various statistical sources and registers trace the phenomenon, albeit weakly. Official records are based on the idea that people are spatial units attached to one specific household, permanent dwelling, and municipality.

Research methods and sources

The study provides a comprehensive overview of the current state of multi-locality in Finland through reference to the existing literature, register data, statistics, surveys, mobile data and modelling. The basis for modelling of the leisure-related multi-locality and commuting was the development of permanent population as forecasted by Statistics Finland 2021. This forecast was used to model the different types of multi-locality regionally in Finland for the years 2019-2030. Register data and statistics was used as a basis for the models, which were calibrated with supplementary information from different kinds of surveys (e.g. Leisure survey).

The assessment of sustainability was based on different kinds of publications and four regional workshops (Turunmaa, Suupohja, Central Karelia, Riihimäki region), which explored the experiences in and views on economic, social and ecological sustainability. The effects of multi-locality were assessed on the basis of statistical data, register data, different publications and earlier literature.

The assessment of steering mechanisms was based on statistical data, documentary analysis and three national workshops, which focused on scenarios of multi-locality and steering mechanisms for sustainable multi-locality.

Research results and conclusions

Current state and future of multi-locality

Leisure housing is one of the most significant forms of multi-locality in terms of overnight stays (see Figure 1).

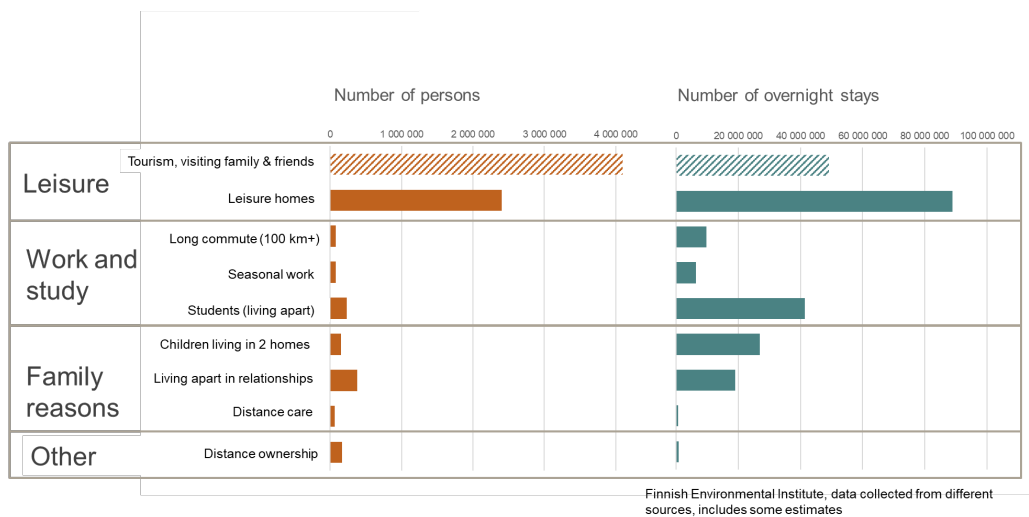


Figure 1 Relative significance of different forms of multi-locality

There are more than two million regular users of leisure homes each year. Based on the modelling carried out in the project, the time spent in leisure homes transfers the use of time between different municipalities by about 175 000 person-years. In terms of population, tourism is the largest in terms of population, but it does not fully fulfil the definition of multi-local living. Hundreds of thousands of Finns are affected by work-related multi-locality affects hundreds of thousands. According to the forecast model, work-related second housing due to long commutes transfers about 23 000 person years between different municipalities each year. Family-related multi-locality, such as living apart in relationships, or children with two homes, are also significant phenomena.

The impact of multi-locality is particularly evident in municipalities with a large number of leisure homes. In these municipalities, the population base may multiply during

some months. Overall, leisure living reduces the annual number of inhabitants in urban areas by about 3% and increases it by about 7% in rural areas. Correspondingly, work-related multi-locality, commuting and remote working, have a significant impact on the number of day and night populations, especially in large employment areas. Remote work increases the daily population, especially in the urban commuter belt and the surrounding countryside, by a maximum of 2–4%. In addition, seasonal work brings a lot of labor seasonally, especially to certain rural municipalities and (Lapland) tourist municipalities.

Based on the forecasting model, the multi-local population will grow moderately in the future at the national level. However, the most significant changes will take place in the age structure and in the amount of multi-local population in different regions. The Finnish population is aging, as a result of which the multi-local population is also aging. This has an impact on the leisure population in particular: the multi-local leisure population over the age of 75 will grow by up to 100 000 by 2030. The strong growth of the permanent population in the largest urban areas, especially in southern Finland, is reflected in the growth of the multi-local population in the large urban areas of the region and in their commuter belts. On the other hand, the population is declining more rapidly in more remote areas than in large cities.

The urbanisation of permanent population raises the importance of multi-local living in large urban areas. This is reflected in the increased mobility in the vicinity of these areas due to the increase in both leisure-related multi-locality and commuting between cities. The commuter traffic will grow especially between and within the so-called growth triangle (e.g., the triangle encompassing Helsinki, Turku, and Tampere), although the increase in remote work can reduce traffic flows at the same time. The concentration of commuter traffic to these areas can increase the ecological sustainability of commuting significantly.

The expected growth in the multi-local population both evens out and differentiates the already polarised population trends in Finland. When the multi-local population is accounted for in the regional population estimates, the differences between the forecasts for large cities and the rest of the country are evented out slightly. Yet, the impact is small in comparison to the demographic changes of the permanent population, unless multi-locality becomes significantly more popular in the future. Multi-locality does not treat all regions and areas equally. Rather, a relatively small geographical area reaps the greatest gains from increased multi-locality in Finland. The effect is big especially in those areas of Southern Finland which have a lot of leisure houses. On the other hand, the impact of multi-locality in Southern and Northern Ostrobothnia is expected to be marginal. Thus, multi-locality and its opportunities can diversify especially rural areas even stronger in the future.

Sustainability of multi-locality

Economic sustainability

The assessment of economic sustainability was carried out from the perspective of both the place of departure and the place of arrival. This is because at the level of the national economy, these effects largely cancel each other out and are often negligible when consumption and cash flows only change places. Multi-locality improves economic sustainability by leveling out economic activity between regions: increasing demand diversifies the economic structure and improves employment. In addition, seasonal work enables economic activity in rural areas, especially in tourism, as well as in horticulture, agriculture and forestry. The economic sustainability of multi-locality is undermined by the increasing use of goods and services due to multi-locality, for example in the form of new buildings. The ways to improve sustainability of multi-locality include the strengthening the sharing economy, use of existing and underutilized buildings, as well as the focus on sustainable construction and mobility practices.

The project examined the inter-municipal net cash flows, which were caused by multi-locality¹. There are large regional differences in the effects of multi-locality on the municipal economy. The rural areas close to the cities benefit most from the cash flows between municipalities due to commuting. Municipalities in sparsely populated rural areas, on the other hand, benefit mostly from leisure houses. The losers in terms of municipal cash flows are the cities.

Of the various forms of multi-locality, cash flows between municipalities are most affected by commuting. Tax deductions related to multi-locality focus on tax deductions related to commuting expenses that support short commutes within the travel-to-work area. Other forms of multi-locality are insignificant from the point of view of the municipal economy. For example, the net income flows arising from leisure housing between municipalities are insignificant as the share of property taxes for leisure houses is not significant in the municipal economy. The finding is somewhat surprising given the size of the seasonal population associated with multi-locality.

The multi-locality related net cash flows between municipalities do not balance regional income disparities. Rather, they increase regional imbalances. The net income from commuting creates a zone around cities where a significant part of the municipal funding base comes from employment in other municipalities. Instead, multi-locality causes costs (building inspection, infrastructure, and an increase in demand for first

¹ The increased demand of goods and services, as well as their movement between regions were not included

aid and rescue services due to seasonal population fluctuations) in municipalities with a lot of leisure homes.

Social sustainability

The social sustainability of multi-locality varies between the different forms of multi-locality. Thus, the benefits and disadvantages are concentrated in different regions and populations, and different forms of multi-locality may have unequalising effects. For example, the multi-locality related to long-distance commuting is concentrated in certain sectors (wholesale and retail trade, industry and construction) and thus in certain socio-economic groups. Instead, the possibility of remote working focuses on the highly educated part of the population and on expert tasks, while it is not possible to do much of the low-paid work in the service and care sector remotely. The leisure-related multi-locality on the other hand, is typical of older and wealthier people. These factors must be taken into account in the reform of legislation governing multi-locality, as well as in talking about multi-locality and its various forms as a phenomenon that is changing society as a whole.

The well-being effects of spending time in leisure homes are largely positive, which has also been found in a study on the well-being and public health effects of Finnish leisure home stays (Pitkänen et al. 2020). The location of leisure homes in the vicinity of nature is linked to the observation of the connection between the rural environment and higher life satisfaction. The leisure-related multi-locality is connected to social sustainability, especially through the (possible) interaction of leisure residents and permanent residents. The forms and volumes of the interaction vary in different areas. Thus, the opportunities for leisure residents to participate and have influence in the municipalities of their leisure homes are a key for social sustainability.

Ecological sustainability

Multi-locality increases the mobility between places and correspondingly the emissions from traffic. Daily commuter traffic accounts for about one-fifth of all kilometers traveled by car. Leisure-related multi-locality is based almost exclusively on private cars. Remote work can reduce the mobility needs related to multilocality.

Multi-locality increases the total energy consumption as people are using several dwellings simultaneously. The living space of the permanent residences and leisure homes has increased in the last decades in Finland. The energy consumption of leisure homes has increased with the increase in their average size, electrification and the spread of year-round usage. On the other hand, the growth of emissions has been curbed by the introduction of renewable energy sources in leisure homes.

The study shows that the multi-locality of people's lives and work should be better taken into account when developing solutions to sustainability challenges, such as measures to reduce emissions from transport and solutions for energy consumption in housing. The environmental impact of multi-locality should be better monitored. Citizens should be made more aware of the sustainability of a multi-local life and the means to reduce their own emissions.

Multi-local living compensates for regional differences in demographic development and increases the interaction between urban and rural areas. These mitigate the disadvantages of differentiation in regional structures and enhance the utilisation of regional resources. Multi-local living can loosen the community structure when people divide their time between several places and dwellings are underused for part of the time. On the other hand, especially in areas that are losing population, multi-locality brings use on the emptying and underused buildings and supports the survival of local services. Construction and road networks related to multi-locality have a significant impact on land use, especially in coastal areas and lakeshores. Multi-locality can also have direct local effects on biodiversity and habitats of species, as well as on the quality and pollution of waters.

Multi-locality increases the responsibility of municipalities to prevent the fragmentation of the community structure and the adverse environmental impacts. The information needs of regions and municipalities in relation to multi-locality should be supported. Construction and permissions to changes of use related to leisure houses (upgraded as permanent dwellings) could be facilitated, for example, in village areas where they support the existing infrastructure and service structure. However,

However, development efforts should be based on a realistic view of the potential of different forms of multi-locality. Namely, different areas may be of interest to different multi-local populations. In land use management and legislation, it would also be good to prepare for a more decentralised and multi-local scenario.

Steering mechanisms

To date, fostering multi-locality has not been seen as a direct policy goal. Therefore, there exist no consistent set of policy instruments promoting it and there are no defined strategic objectives. Policies and steering mechanisms that directly promote multi-locality apply mainly to work (commuting and teleworking) and they are administered through personal taxation. In addition, the Seasonal Labour Act has a direct steering mechanism designed to obtain foreign labour for seasonal work. In contrast, there are no specific steering mechanisms promoting leisure-related multi-locality. There are numerous indirect steering mechanisms e.g., public support for the construction of broadband links

and the improvement of mobile connections, public transport and working time legislation. The Local Government Act 410/2015 and the Municipal Residence Act 201/1994 are steering instruments that affect multi-locality both directly and indirectly, in part in a restrictive way.

The tax deductions related to commuting expenses, work-related second housing, and home office or rented office have a direct steering effect related to multi-locality. The tax deduction related to commuting expenses is most common in rural areas adjacent to cities. Tax deductions in respect of work-related second housing and maximum commuting allowances are most common in sparsely populated rural municipalities. Remote work is most commonly done in cities and thus the home office or rented office deductions are most commonly used there. Tax deductions contribute to encouraging multi-locality, but their impact on the individual level is not that large. The availability and size of tax deductions can however act as positive or negative incentives. The Working Time Act 872/2019, on the other hand, is a steering mechanism that can directly affect the conditions for work-related multi-locality.

Summary of recommendations

Statistics related to multi-locality should be developed at the national level. The knowledge base on multi-locality must be comprehensive in order to improve the awareness of the phenomenon and expand the knowledge base in relation to decision-making around the phenomenon.

The importance of multi-locality and multi-local population will increase in the majority of the country. The development and impact of multi-locality on the regional population base should be taken into account more closely as a part of the regional operating environment and the need for services, and thus in the planning and scaling of policy measures. It is important to think how especially the leisure-related multi-locality could be taken into account better in the state contribution system to municipalities.

In addition to the permanent population aging, the multi-local population will also age considerably in the future. This will have an impact on the demand for services, service network and the new welfare areas, which are responsible for the social and health services in different regions. These impacts should be evaluated more closely.

Multi-locality should be considered at a systemic level, taking account the sustainability effects. Namely, the different forms of multi-locality have different sustainability impacts (economic, social, and environmental sustainability). The multi-locality of peo-

ple's lives and daily activities should also be taken into account in meeting sustainability challenges. Design, research and development of policies should not be based on the assumption of single-locationness of people.

The ecological sustainability of multi-locality can be improved, in particular by promoting sustainable modes of transport and travel chains, and by supporting energy solutions and efficiency in leisure homes.

According to the forecast models, the working population will concentrate on urban areas in the future. Thus, as a means of guiding sustainable multi-locality through increased labour mobility, the reduction in travel costs between home and work should be targeted at longer commutes, while the level of public transport services in urban areas should be safeguarded.

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