11 Russian second home owners in Eastern Finland

Involvement in the local community

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Introduction

Transnational second home migration has become a topic of increasing academic interest (Williams and Hall 2002; Hall and Müller 2004; Gallent, Mace and Tewdwr-Jones 2005; Hall 2006, 2011; McIntyre, Williams and McHugh 2006; Paris 2011), particularly in the European context where mobility and foreign property ownership have become easier as a result of European Union policies (O’Reilly 2000, 2007; Breuer 2005; Åkerlund 2011; Janoschka 2010; Lamič and Mrak 2012). However, despite the general interest in second home tourism and mobility there are only a limited number of studies that look specifically at cross-border second home tourism. These include studies of Germans in Sweden (Müller 1999); British in France (Hoggart and Buller, 1995; Puzzo 2007; Benson 2009) and in Spain (O’Reilly 2000, 2007; Casado-Díaz 2009; Janoschka 2010; Haas 2012); US citizens in Mexico (Truly 2002; Torres and Momsen 2005a, 2005b; Janoschka 2009); Hong Kong Chinese second homes in the Chinese mainland (Hui and Yu 2009); Norwegians in Sweden (Müller 2011); and Russians in Finland (Lipkina 2011 in press; Pitkänen 2011).

Cross-border second home destinations are often studied from the perspective of reasons for the destination choice, activities at the site of the cottage and impact, while life in the host society and experiences at foreign second homes are still largely neglected. Few studies illuminate the attitudes and relationships between hosts and newcomers (Müller 2002; Müller and Hall 2004), and discuss the participation of foreign second home owners in the local community (Müller 2011). Participation of transnational retirement migrants at their new place of residence has received academic attention (see O’Reilly 2007; Casado-Díaz 2009; Janoschka 2009, 2010; Haas 2012). However, there is clearly potential for differences in relationships between migrants and host communities depending on whether migrants are regarded as permanent residents or as ‘permanent visitors’, with the latter potentially being the case with respect to second home purchase (Hall 2011). The aim of this chapter is therefore to further the discussion on foreign second home owners’ participation in the host communities, as they do not permanently reside at their second homes, but instead visit them occasionally. Russian second home ownership in Finland is used as an example.
national trauma in Finland. Thus, Finnish national identity has been constructed through portraying the Soviet Union as the ‘other’ (Paasi 1999). The Finnish–Russian border became a point of contact between the two neighbouring states only after the Soviet Union’s collapse. Within 20 years of a relatively open border crossing, mutual visits to Russia and Finland have become a growing trend (Tilastokeskus 2011), with recent Russian transborder tourism also now including second home ownership.

Tight control of property purchases by foreigners in Finland lasted from Finnish independence from Russia in 1917 until EU accession in 1995. From 2000 there were no restrictions on second home property purchase for foreigners in Finland (except for the Åland Islands) (Hedström 2011). Despite the short period in which Russians have had the right to property ownership, they have increased the extent of annual foreign real estate purchases in Finland threefold, from 267 in 2005 to 913 in 2008 (see also Pitkänen 2011). Russians constitute the absolute majority among foreign property buyers in Finland, and account for about 70 per cent of the total annual foreign purchases according to the National Land Survey of Finland (own calculations; see also Maanmittauslaitos 2008). However, in terms of total national property purchases the phenomenon is relatively small, and only accounts for approximately 1 per cent of the total Finnish real estate market (own calculations; see also Maanmittauslaitos 2008; Brax 2010).

The growing number of Russian second home owners has been evaluated both positively and negatively by local inhabitants in Finland (Kotilainen, Piipponen and Pitkänen 2010; Lipkina and Pitkänen 2010). Fears and concerns related to Russian second home ownership has received great media coverage that is dominated by negative views of the phenomenon (Pitkänen 2011). These negative Finnish attitudes towards Russians are still affected by the historical memory (Paasi 1999; Pitkänen 2011). The controversy surrounding Russian second home ownership in Finland suggests that the topic requires further examination from the perspective of participation in the host society, as Russians represent a culturally and linguistically distant group of foreigners, as well as the possibilities and obstacles for involvement, since Russian second home ownership is not welcomed by most Finns (Pitkänen 2011). Therefore this chapter addresses the problem of participation and its possible outcomes for Russian second home owners.

Why Finland?

Within the spectrum of motives for second home ownership two major groups can be identified (see Jaakson 1986; Kaltenborn 1998; Müller 1999; Hall and Müller 2004; Van Patten and Williams 2008): motives for having a cottage and the driving factors for a destination choice. The second group of motives represents a particular interest in terms of transborder second home ownership. Four main motives for Russian second home ownership in Finland have been identified (Lipkina, in press). First, an extremely positive image of the
Involvement in the local community through service use and activities is important for the development of rural communities (Sievänen, Puota and Neuvonen 2007; Hall 2008). Thus, involvement in the local community and the economic impact of second home owners are strongly interrelated. As Manzo and Perkins (2006: 339) pointed out: ‘those who are more attached to their neighbourhoods are more likely to invest their time and money into the neighborhood’.

Second home owners are often considered to be a source of economic revival in rural areas due to their recurring visits (Müller 1999; Müller, Hall and Keen 2004; Sievänen et al. 2007; Hui and Yu 2009; Hoogendoorn and Visser 2010, 2011; Hall 2011; Hiltunen, Pitkänen, Vepsäläinen and Hall 2013). Even though their visits are rather short, rural areas can significantly benefit from second home owners’ expenditures. The key factor that affects expenses at the site of a second home is the distance or separation between the primary residence and the summer cottage (Müller et al. 2004; Hoogendoorn and Visser, 2010, 2011; Hall 2011). The longer the distance from the permanent home, the higher are the per day expenditures at the second home location. Other aspects of the second home owners’ economic impact include municipal rates and taxes and payments for utility services. Second home owners also support local businesses, such as shops, restaurants and local farms. However, local economies usually do not specialise solely in the needs of second homes (Müller et al. 2004; Hoogendoorn and Visser 2011) unless they are highly specialised resort communities (Hall 2011; Hiltunen et al. 2013). Second home purchase in rural areas can also facilitate entrepreneurship, as newcomers may lead to the establishment of new economic networks, and see possibilities for development in the area or implementing business ideas (Williams and Hall 2002; Fountain and Hall 2002; Hoogendoorn and Visser 2011).

Alongside the positive impact of second homes, some negative economic consequences for rural areas have also been identified. Among them are demands for additional services and infrastructure, displacement of local inhabitants, and localised inflation of goods and services (Müller et al. 2004; Janoschka 2009; Hoogendoorn and Visser 2010, 2011; Hall 2011; Paris 2011). In circumstances where the overall housing stock is constrained, the relative affluence of in-migrants along with the overall demand for second home properties may also drive up property values creating pressures on local affordable housing (Flora and Flora 1996; Hall 2011; Paris 2011) as well as on the relative allocation of central budgets to regions (Müller and Hall 2003). Participation in and interactions within the community can lead to greater involvement of newcomers in local life as well as mutual better knowledge. In the longer term, involvement may encourage social and economic investment in the community. However, language and cultural barriers can also lead to alienation of foreign newcomers, who are usually perceived negatively by locals due to fear of price hikes and xenophobia. As a result, locals usually do not recognise the economic importance of new inhabitants,
or committees? Do you know any of your neighbours or local residents? How often, on average, are you in contact with them? In what kind of circumstances/situations have you been in contact with them? Interviews were analysed by examining the answers of the specific section from the interview guide. Survey data were analysed using descriptive statistics, highlighting opinions and attitudes of local inhabitants and Finnish second home owners towards Russian second home owners in the area.
desire to overcome existing poor contacts and the informational vacuum. They have plans to learn Finnish, with a third of respondents having already started or intending to start learning the language. Russians have plans to integrate more in the new society, and to get to know their neighbours and the cultural particularities of Finland.

Finnish second home owners from the area and local citizens show less interest in Russian owners in the area. Fifty-six per cent of locals and 52 per cent of Finnish cottage owners have Russian second home owners in the same neighbourhood or village. However, 65 per cent of locals and 77 per cent of cottage owners say they have never been in contact with a Russian second home owner. Moreover, more than half of the respondents want to have very little or no contact with Russians (51 per cent of locals and 61 per cent of cottage owners). Despite such personal opinions and attitudes towards Russian second home owners, almost half of the respondents (49 per cent of locals and 47 per cent of cottage owners) think that it is fairly or very important to have good relations with the Russians.

The results indicate that these three groups in the Savonlinna region have different attitudes and expectations towards each other. A lack of understanding and absence of communication prevents Russian owners from participation in local life and utilising local services. On the other hand, Finns are not eager to communicate and have common activities with the Russian newcomers.

Economic impact or inaction?

Second homes in Finland make an important contribution to the rural economy. Because of the decline of rural populations in Finland, the relative number of persons occupying second homes is growing: about 70 per cent of unoccupied houses in rural areas are used as second homes (Pitkänen, Sikiö and Rehunen 2012). As in other Nordic countries, second home owners are becoming a new source of life in rural Finland, as they use the existing infrastructure and support local services, and thus contribute to the local economy (Hall, Müller and Saarinen 2009). Russians are a new group of second home owners in Finland. However, their share in the real estate economy has already become very significant in some municipalities (Figure 11.1). Russians accounted for 0.56 per cent of activity in the Finnish property market in 2003–10. In the study region of Savonlinna, the economic impact accounts for 15 per cent for the same period (own calculations). This percentage indicates only the investments in second homes in Finland. Other economic impact, such as use of services has mostly been seasonal in character and primarily supports local businesses: restaurants and shops, and leisure activities (sport equipment, fishing license and others). In addition to these services, economic impacts include monthly contributions to the local economy such as payments for water, electricity, municipal rates and refuse removal. Other services, such as public transport, medical treatment,
community participation (Manzo and Perkins 2006) that has not yet developed among Russian second home owners. Second, cultural differences and language, which are usually major obstacles in community involvement (Umemoto 2001; Casado-Díaz 2009), are the biggest barriers to participation by Russians in local life. The absence of a common language prevents the understanding of norms and rules, as well as the culture and values of the host society. In the end, these can lead to alienation of foreigners since they cannot participate in local activities due to language barriers (Umemoto 2001). To make the situation worse, Russian second home owners are afraid to be proactive and they are not aware of rules and cultural particularities. Not all the Russians are eager to participate in local life, but a basic knowledge of rules and knowledge about the Savonlinna region is what everybody wishes for. Third, planning strategies which could enhance community dialogue (Flora and Flora 1996; Umemoto 2001) are not applicable for second home owners in Finland, as they stand back from participation in decision-making at the community level (Nylander and Leppänen 2006; Hall 2008).

One of the possible ways to support community participation is through informal personal networking with inhabitants (Flora and Flora 1996). The unofficial supply of services by local inhabitants to Russian second home owners could be viewed as a possible way to get Russians more involved in the community. However, these types of contacts have a purely economic base, and currently do not often lead to deeper relationships between Finns and Russians. Other contacts occur mostly through occasional greetings. Moreover, rare contacts are partially a result of the spatial distribution of second homes in Finland, where distance between second homes can vary from a hundred metres to several kilometres. As a result, despite an intention to study Finnish and integrate more, Russian second home owners are still quite alienated from the local community. Other studies show that foreign second home owners engage in activities with their own nationals in the area and get some knowledge about the area through these social contacts (British in Spain, Americans in Mexico to name a few) (Casado-Díaz, Kaiser and Warne 2004; Casado-Díaz 2009; Haas 2012). However, in case of Russian second home ownership, social ties with their own nationals also remain undeveloped. There are no organisations for integration into a new society as in mature destinations such as Spain (see Haas 2012). Most of the Russians do not know other Russian second home owners in the area, and those who do happen to have a Russian neighbour do not actively socialise with them.

Russian second home owners in Finland account for about 1 per cent of the Finnish property market, and Russians have a share in the value of Finnish property purchases up to 0.56 per cent (see Figure 11.1), and 15 per cent in the study region of Savonlinna. Thus, the economic impact is unevenly distributed and is only significant in specific areas. At the moment the Russian owners’ economic impact is distinguishable only in second home investment (including any construction activities) and compulsory monthly payments to the local economy (municipal tax, water, electricity and garbage
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led to an informational gap, which blocks wider service use and investments in leisure activities and other needs. Russian second home owners show weak participation and very limited selection of services that they use. Despite a common border, cultural and linguistic differences remain a major obstacle to reducing the knowledge gap between Finns and Russians (Paasi 1999; Pitkänen 2011). As this chapter illustrates, despite intense cross-border interactions the permanent presence of Russian second home owners in the Savonlinna area, and the occupation of a common leisure space, Finns and Russians do not know much about each other.

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Bibliography


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