



**MIGRATION INSTITUTE
OF FINLAND**

**Labour market participation of immigrants and
challenges in Finland**

Elli Heikkilä, Research Director

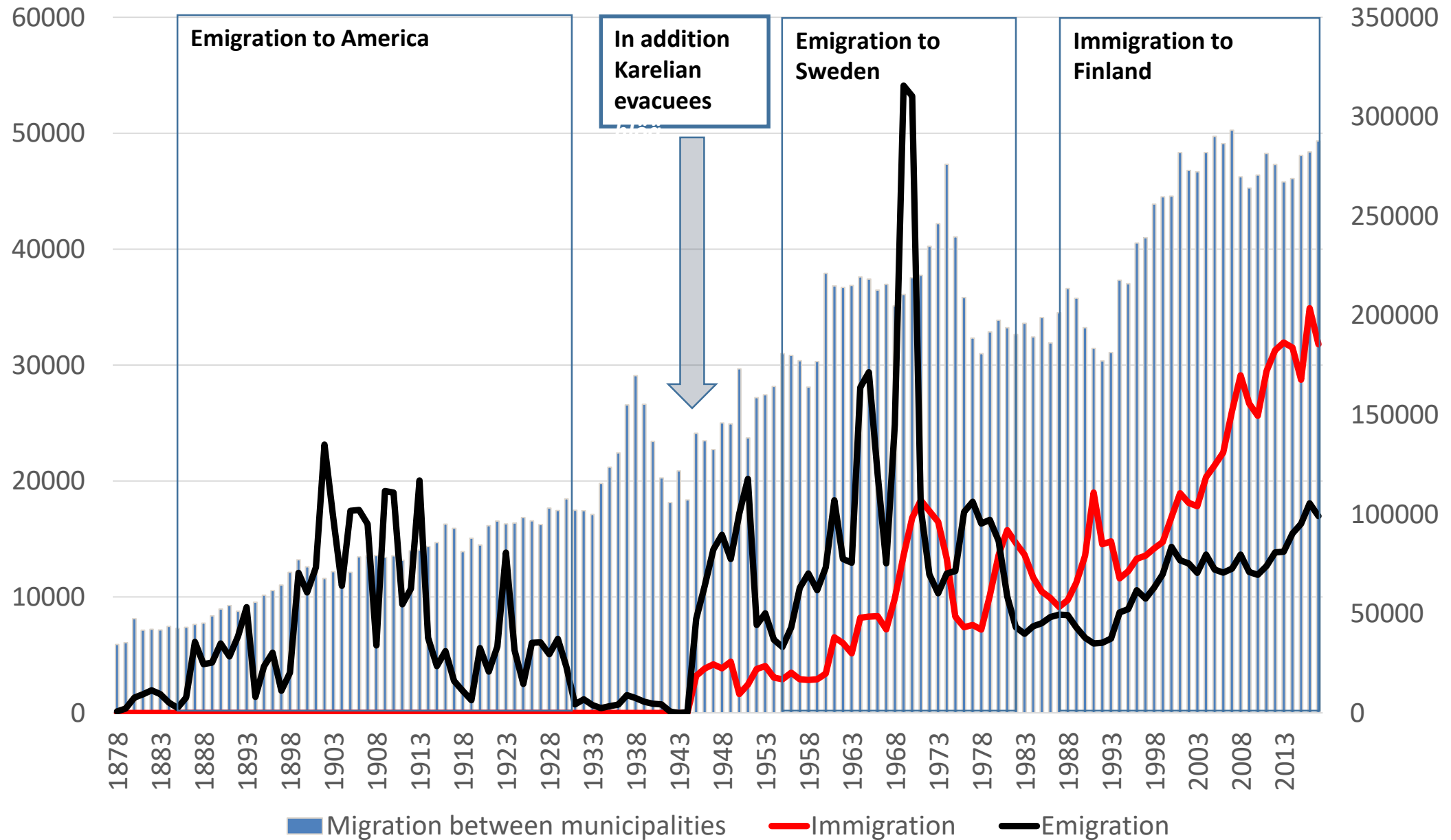
The Migration Conference 2020, 8-11 September 2020, Keynote Speech, online

Content

1. Immigration flows and immigrants in Finland
2. Labour market participation of immigrants
3. Challenges in the labour markets
4. Future prospects

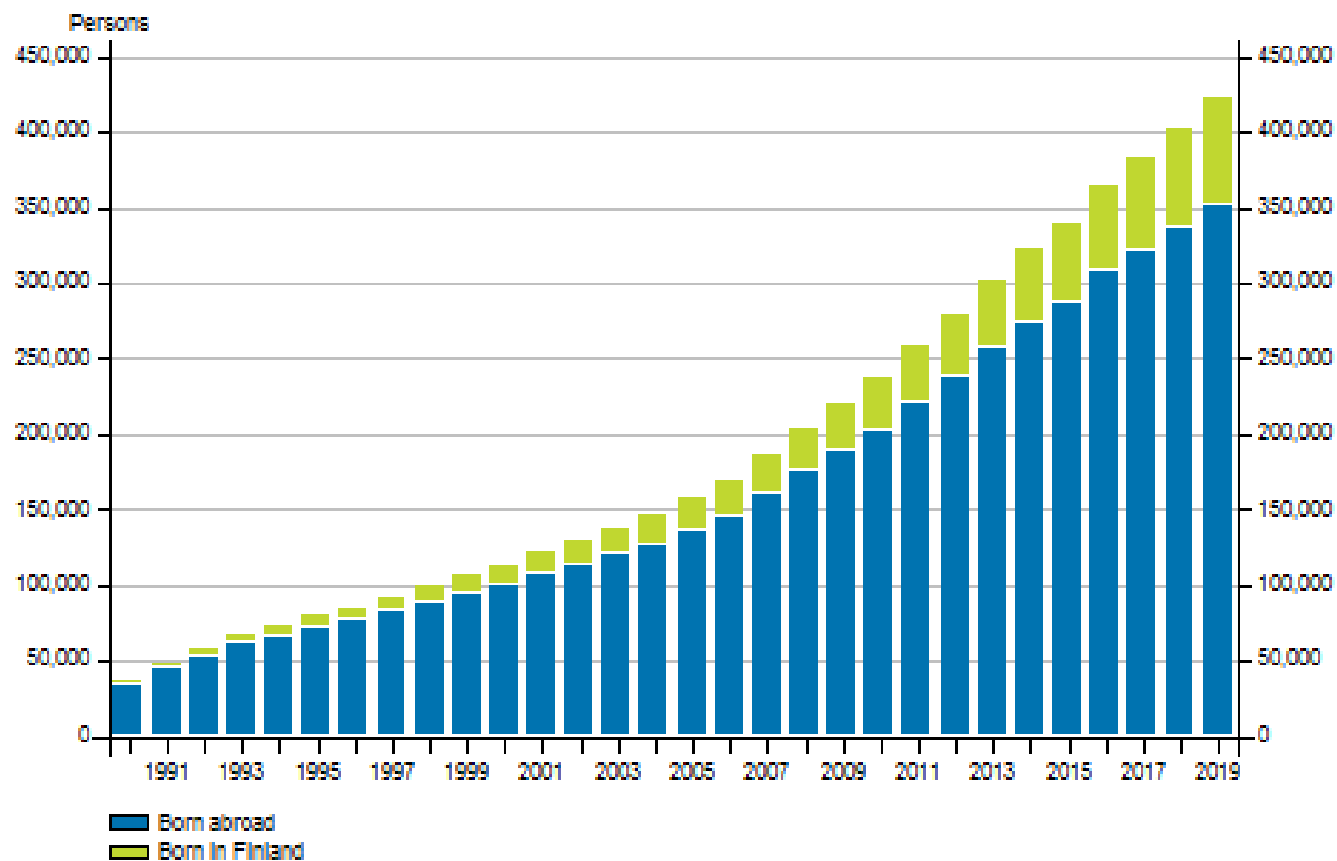
Immigration flows and immigrants in Finland

Migration 1878-2017



Population by origin and background country 1990-2019

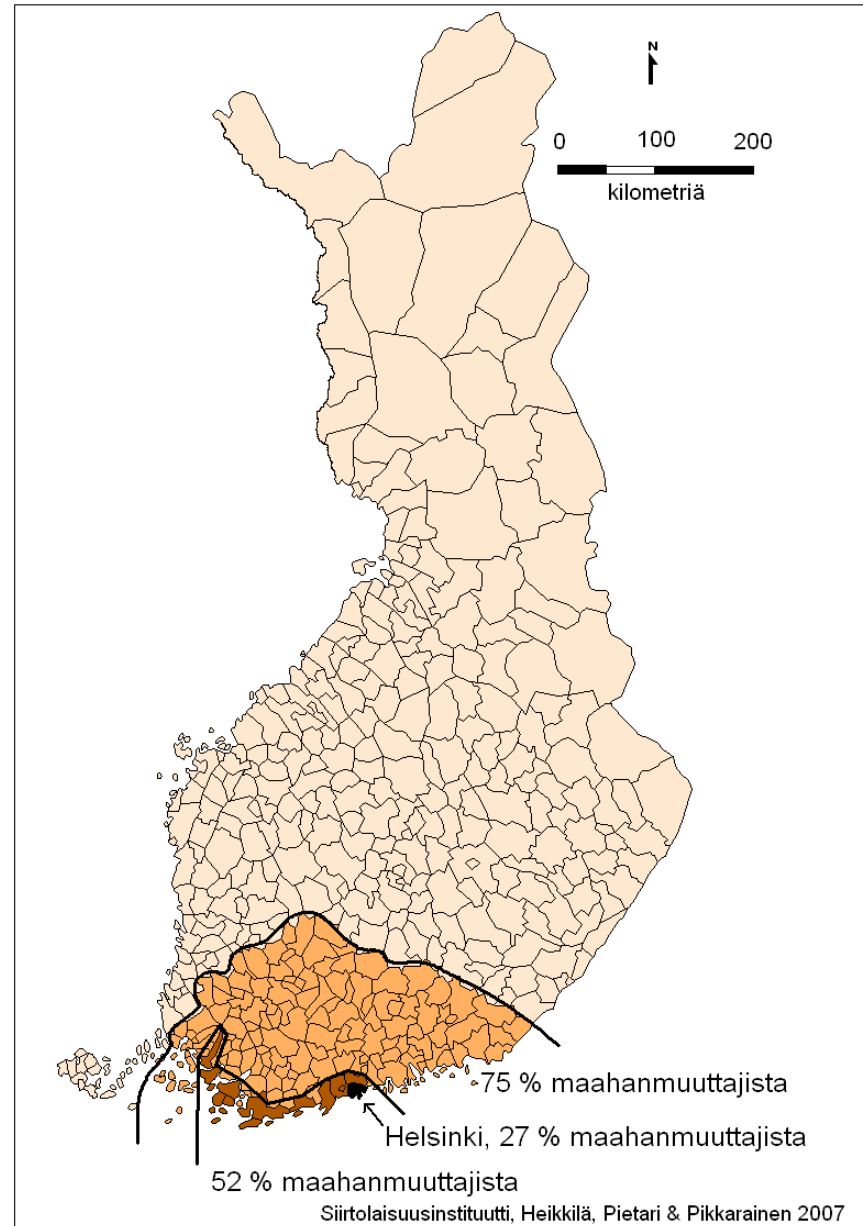
PERSONS WITH FOREIGN BACKGROUND, TOTAL



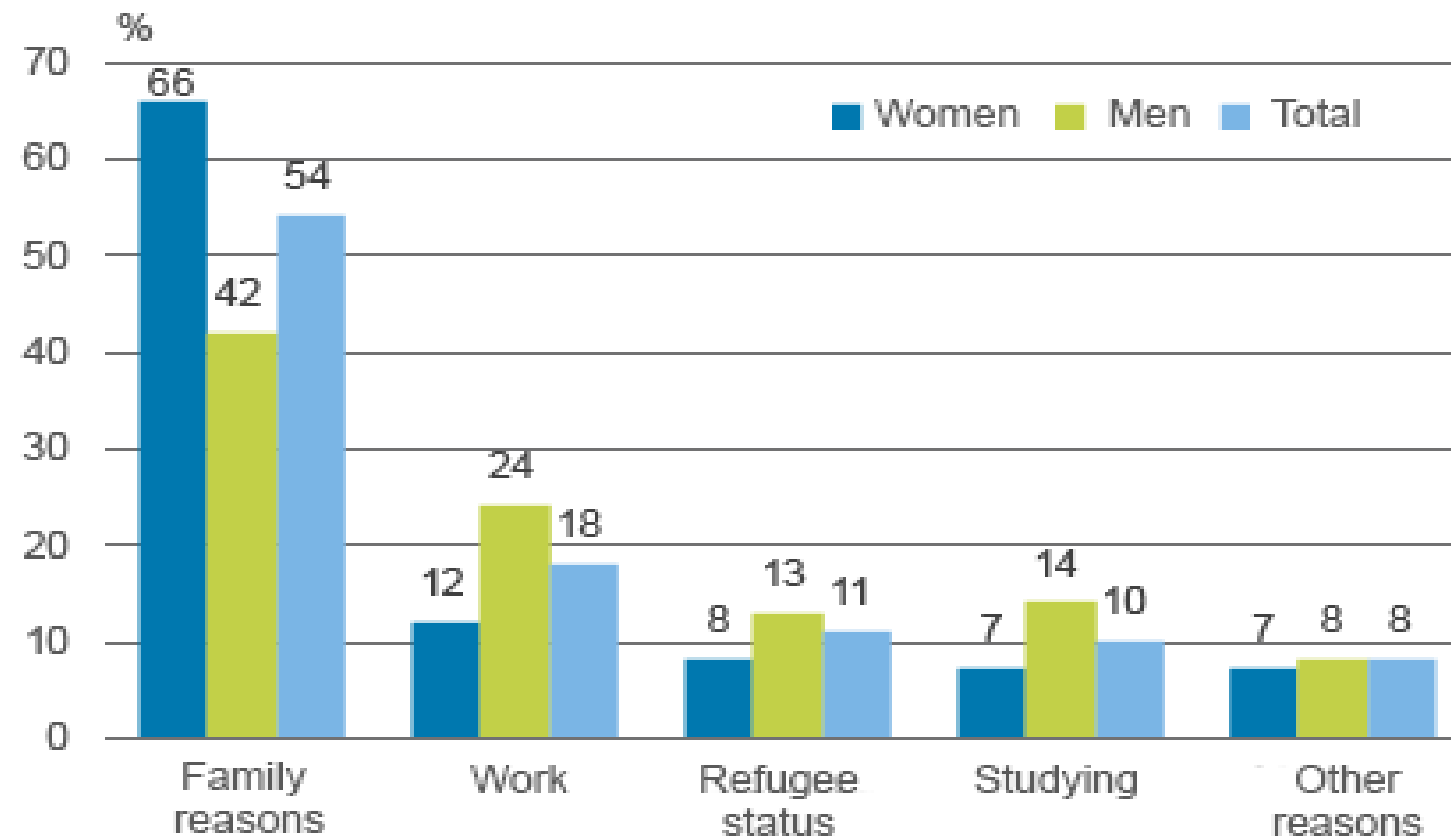
Immigration flows of foreign background persons born abroad to Finland in 2000, 2010 and 2018, top ten countries. Source: Statistics Finland.

2000	abs.	%	2010	abs.	%	2018	abs.	%
Russia	2,429	28.7	Estonia	3,856	21.3	Estonia	2,093	9.0
Estonia	745	8.8	Russia	2,239	12.4	Iraq	1,737	7.5
Former Serbia and Montenegro	363	4.3	Somalia	885	4.9	Russia	1,735	7.5
Sweden	323	3.8	Iraq	821	4.5	India	920	4.0
Turkey	300	3.5	Thailand	684	3.8	Turkey	912	3.9
Great Britain	260	3.1	China	550	3.0	China	791	3.4
United States	235	2.8	Sweden	544	3.0	Ukraine	702	3.0
Germany	211	2.5	India	447	2.5	Sweden	696	3.0
Thailand	208	2.5	Great Britain	350	1.9	Great Britain	584	2.5
China	181	2.1	Germany	344	1.9	Vietnam	551	2.4
Total, top ten countries	5,255	62.1	Total, top ten countries	10,720	59.2	Total, top ten countries	10,721	46.2
Immigration total	8,467	100.0	Immigration total	18,112	100.0	Immigration total	23,219	100.0

Concentration of immigrants to the Southern Finland in 2005 (Data: Statistics Finland)



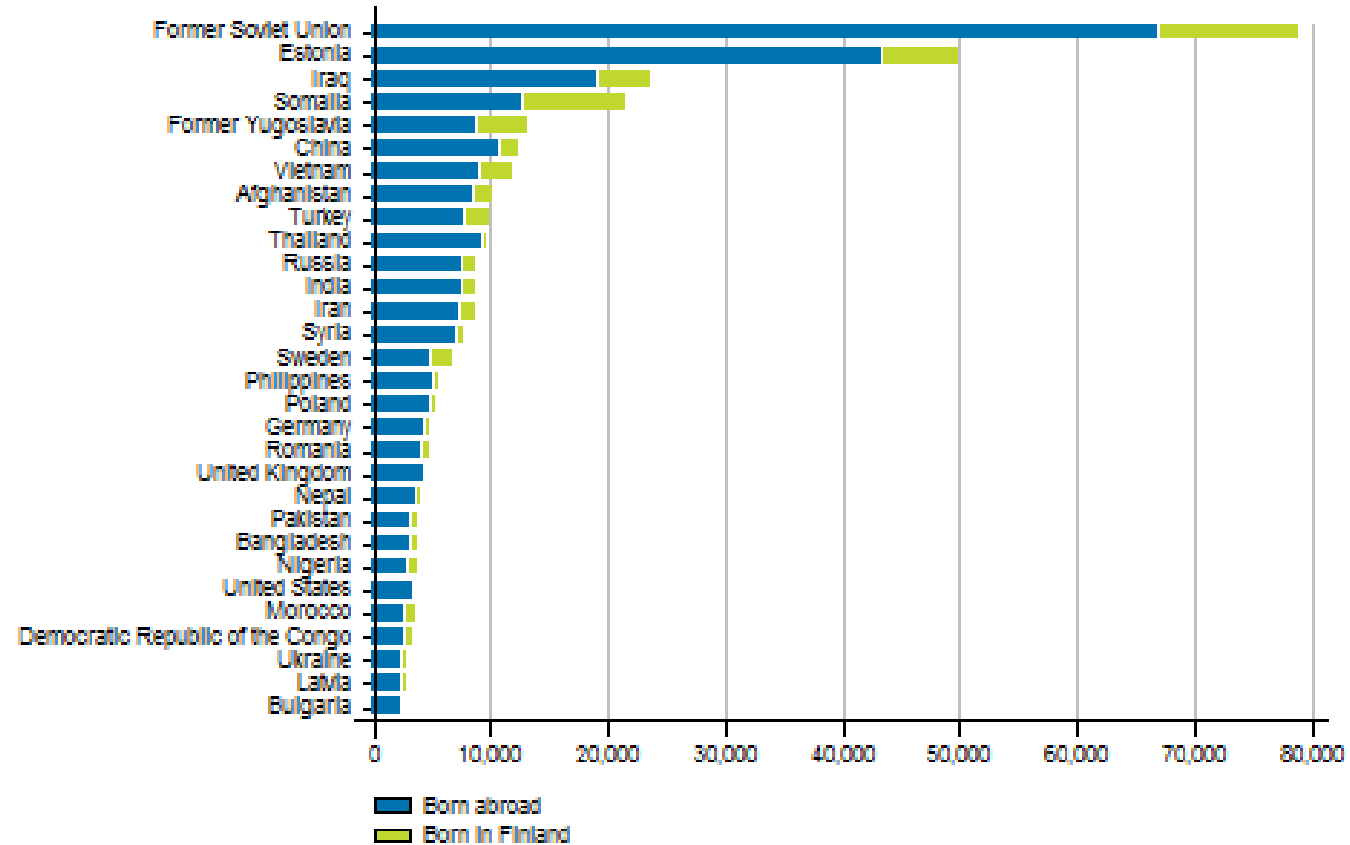
Main reason for immigration among population aged 15 to 64 with foreign background born abroad by gender in 2014, (%). Source: UTH survey, Statistics Finland.



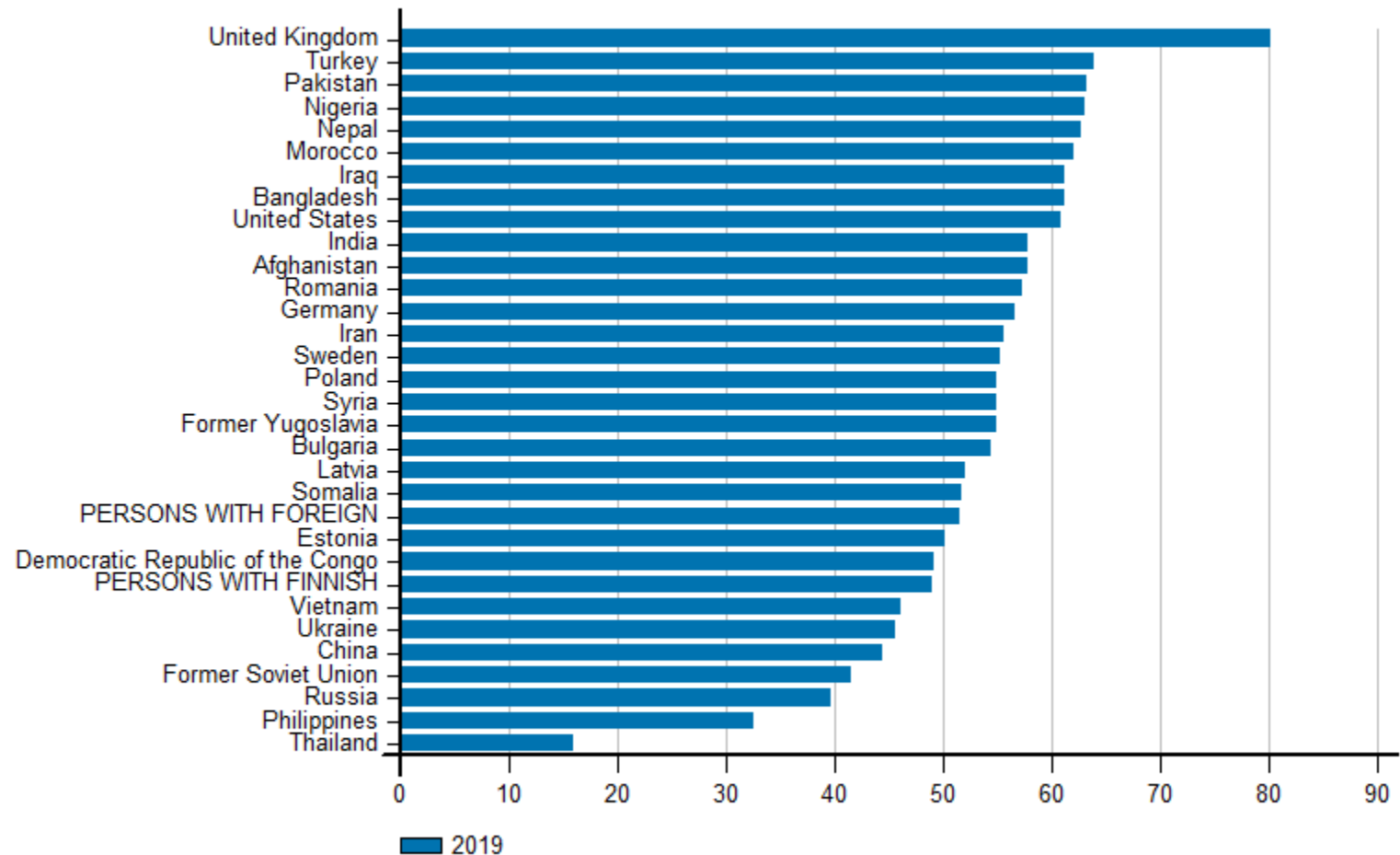
Stock of immigrants in Finland 2019

- **Foreign citizens** in Finland numbered 267,629 persons in 2019, representing almost 5 percent of the total population.
- In total, there were 404,179 persons living in Finland who were **born abroad** in 2019
- The largest groups of those born abroad in 2019 were persons born in Russia and the former Soviet Union (73,759), Estonia (46,041), Sweden (32,921), Iraq (19,008), Somalia (12,110), China (11,935) and Thailand (11,288).

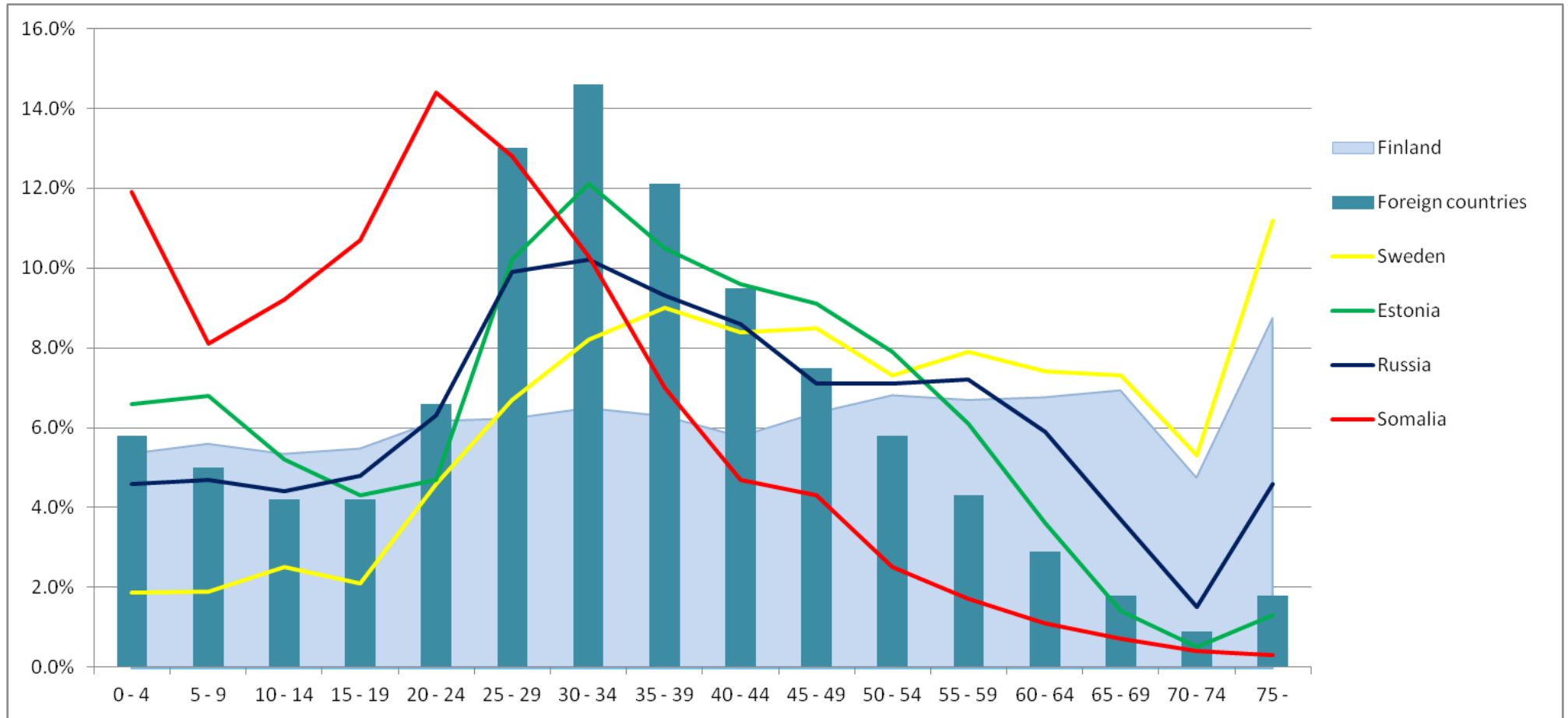
Biggest background country groups of persons with foreign background 2019



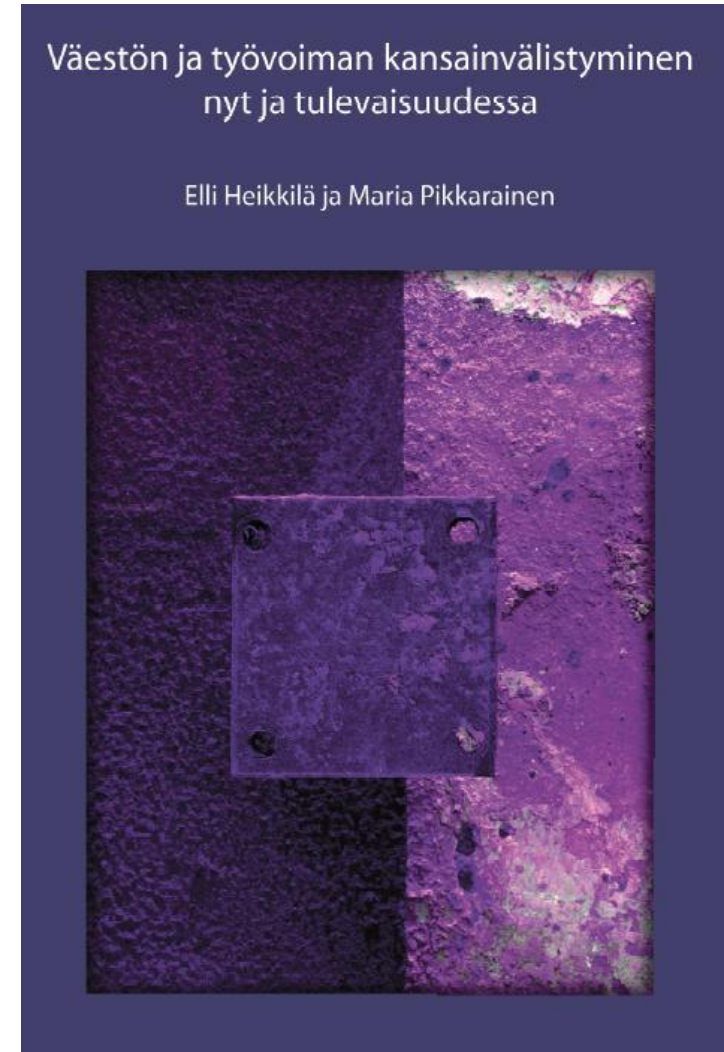
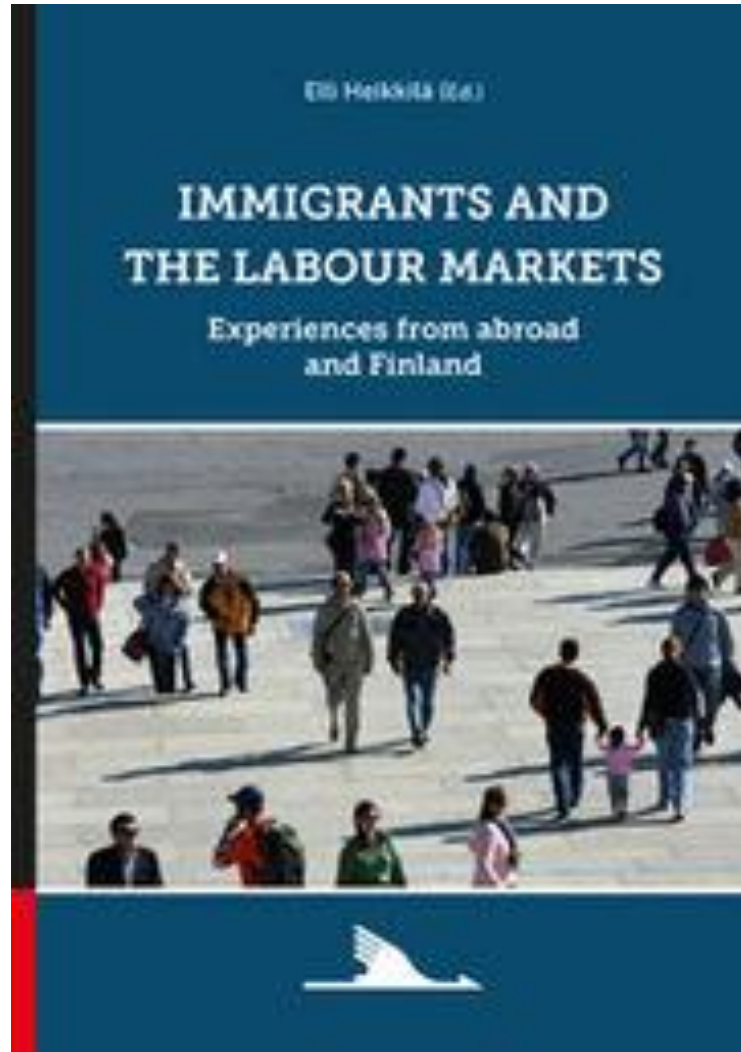
Share (%) of men by origin and background country group 2019



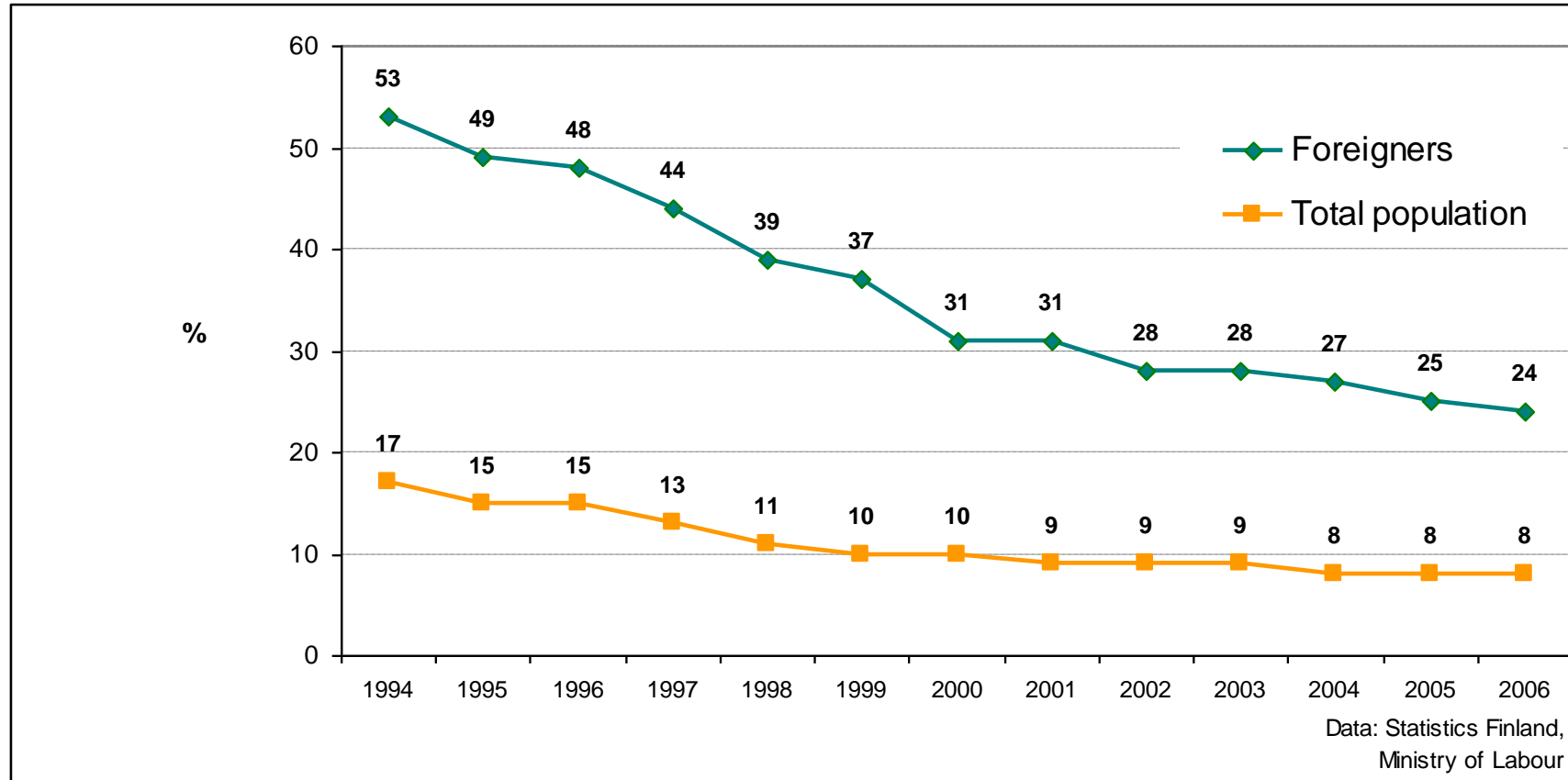
Age structure of persons residing in Finland by country of citizenship in 2015. Source: Statistics Finland.



Labour market participation of immigrants



Unemployment rate of foreigners and total population in 1994-2006 in Finland



Primary activity of the largest top-ten countries by citizenship in Finland in 2017.

Citizenship	Employed	Unemployed	0-14 years old	Student	Pensioner	Others outside labour	Total abs.	%
Estonia	51.4	8.0	18.5	6.2	4.4	11.5	51,539	100
Russia	29.4	16.2	12.2	12.5	12.2	17.6	29,183	100
Iraq	9.7	20.0	24.4	22.5	2.7	20.8	11,729	100
China	39.6	6.2	12.1	13.0	0.9	28.1	8,742	100
Sweden	40.9	8.4	6.2	3.7	26.1	14.7	8,018	100
Thailand	40.4	16.3	7.7	14.9	1.2	19.5	7,533	100
Somalia	9.2	15.7	26.8	21.3	2.6	24.5	6,677	100
Afghanistan	10.4	15.2	20.5	25.6	2.6	25.7	5,792	100
Vietnam	40.9	7.9	9.8	25.1	2.0	14.4	5,603	100
Syria	3.6	16.0	39.3	22.2	0.4	18.7	5,290	100
All foreign citizens	38.6	11.3	15.2	11.7	5.2	18.0	249,452	100
Finnish citizens	42.5	5.1	16.2	7.1	26.6	2.5	5,263,678	100

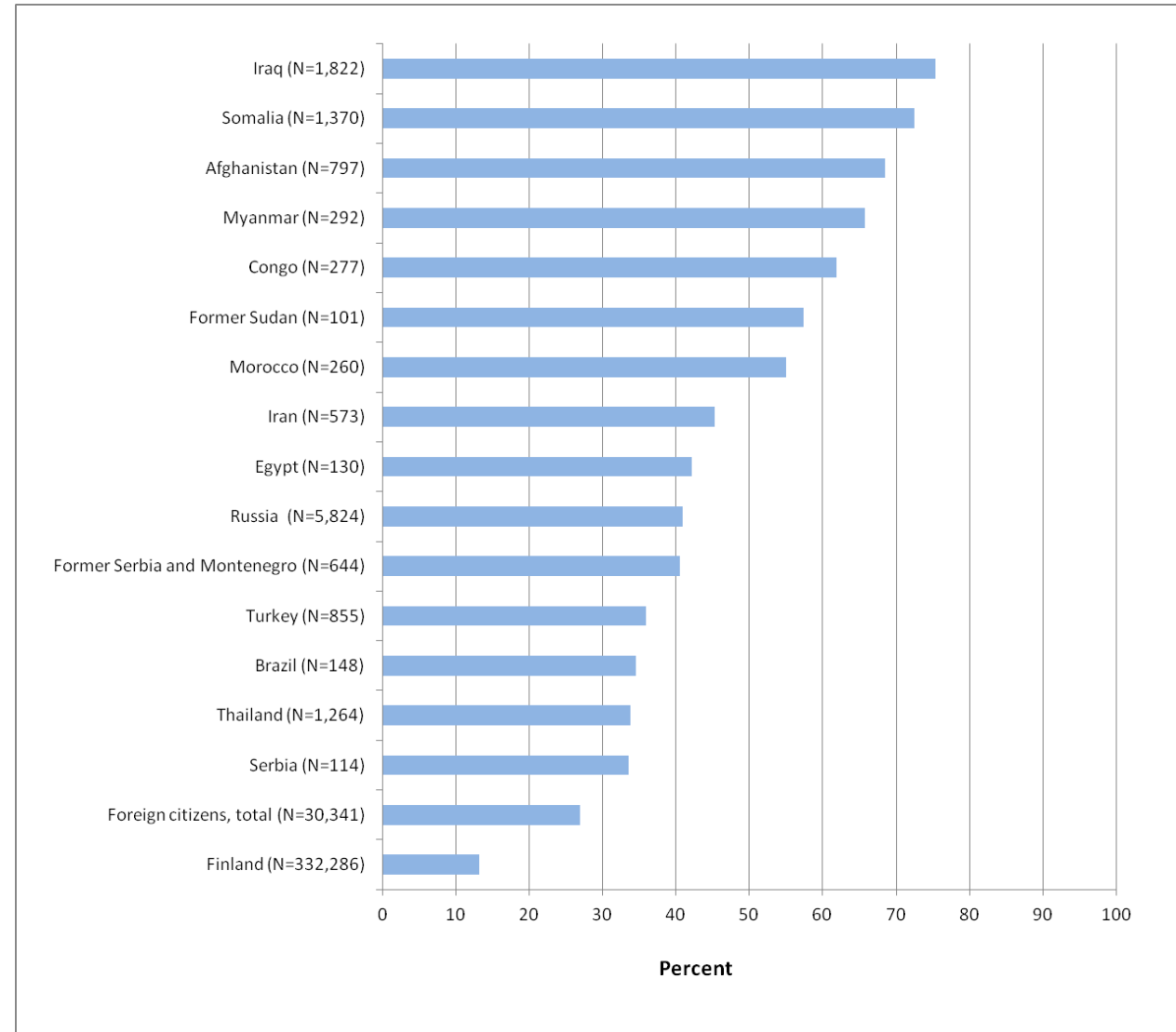
Entrepreneurs by citizenship in 2018

- 2,859 Estonian entrepreneurs (10.5 % of employed Estonians)
- 348 Swedish entrepreneurs (10.5 % of employed Swedes)
- 1,187 Russian entrepreneurs (12.2 % of employed Russians)
- 14 Somali entrepreneurs (1.9 % of employed Somalis)
- 548 Turkish entrepreneurs (30.8 % of employed Turks)
- For Finnish citizens 10.0 % of employed Finns

Highest employment rates and numbers of employed persons from the top twenty countries by citizenship in 2014. Source: Statistics Finland.

Citizenship	abs.	%	Citizenship	abs.	%
Nepal	1,521	92.0	Estonia	24,029	83.4
Germany	1,923	87.0	Russia	8,420	59.1
France	921	86.7	Sweden	3,448	81.4
Canada	297	85.6	China	2,731	82.6
Denmark	364	85.4	Thailand	2,477	66.2
Kenya	521	85.4	Great Britain	2,206	81.4
Norway	349	85.3	Germany	1,923	87.0
Philippines	1,337	84.6	India	1,727	83.3
Spain	1,110	84.0	Poland	1,665	80.9
Netherlands	689	83.9	Turkey	1,525	64.1
Australia	237	83.7	Nepal	1,521	92.0
Bangladesh	753	83.6	Vietnam	1,426	74.3
Ireland	292	83.4	Philippines	1,337	84.6
Estonia	24,029	83.4	Ukraine	1,305	77.0
India	1,727	83.3	Spain	1,110	84.0
China	2,731	82.6	Italy	1,093	81.2
Hungary	866	81.9	United States	1,032	76.8
Latvia	766	81.9	Romania	1,008	79.8
Ghana	609	81.6	Former Serbia and Montenegro	946	59.5
Britain	2,206	81.4	France	921	86.7

Highest unemployment rates in the labour force for those from the top fifteen countries by citizenship in 2014. Source: Statistics Finland.

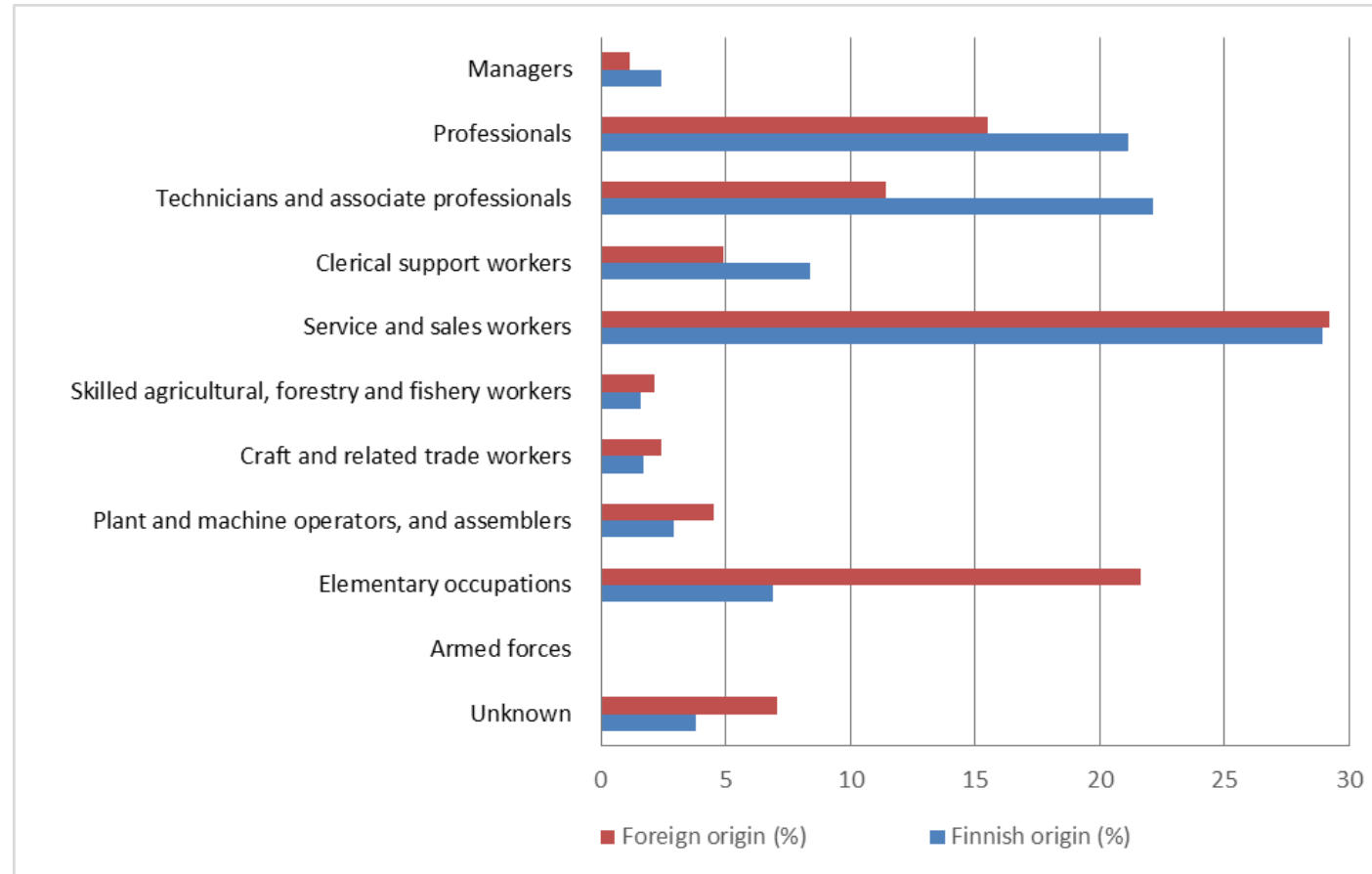


Employed Finnish-origin men (n=1,060,789) and foreign-origin men (n=74,593) by profession group in Finland 2016.

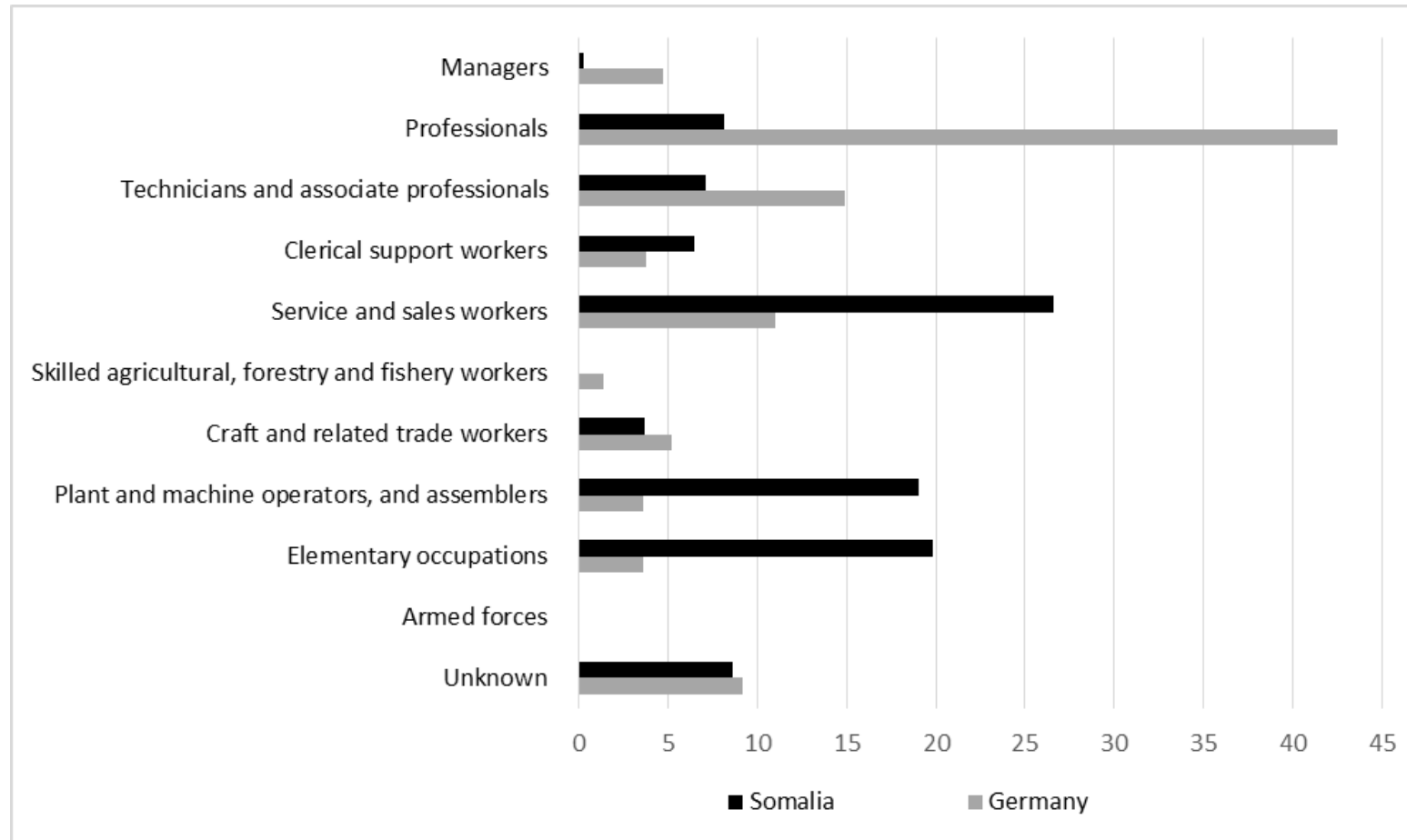
Source: Statistics Finland.



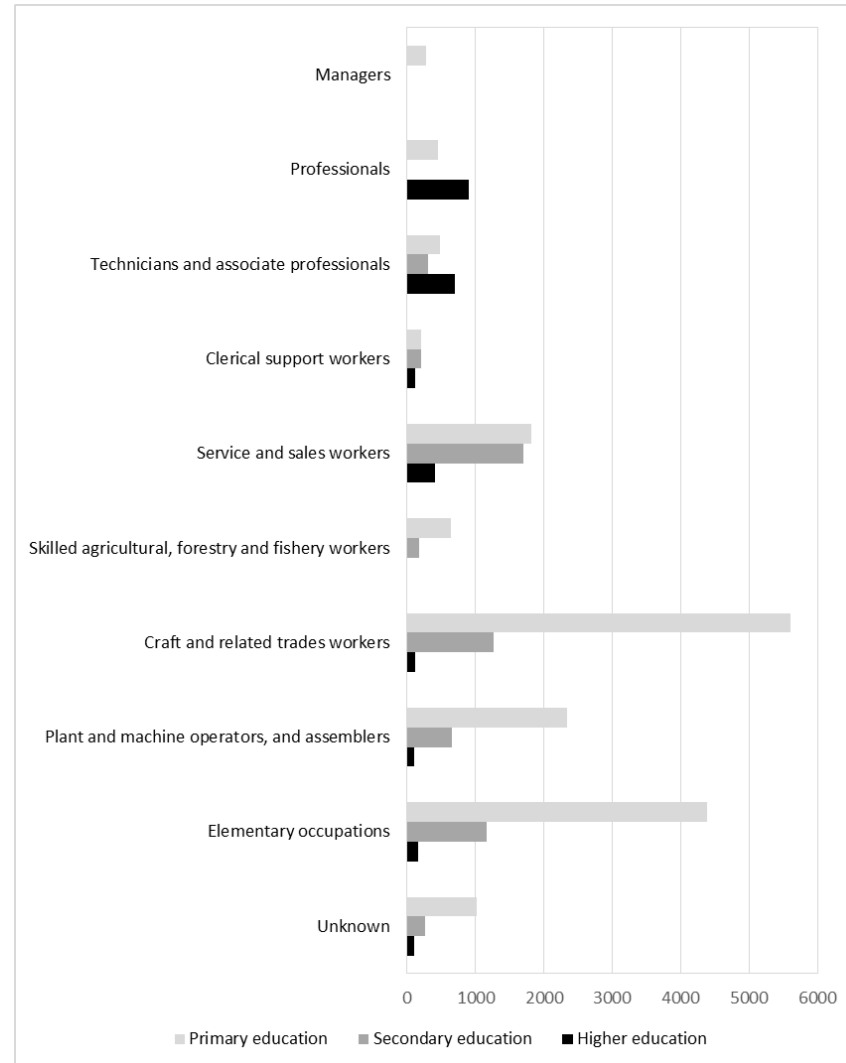
Employed Finnish-origin women (n=1,081,436) and foreign-origin women (n=58,860) by profession group in Finland 2016. Source: Statistics Finland.



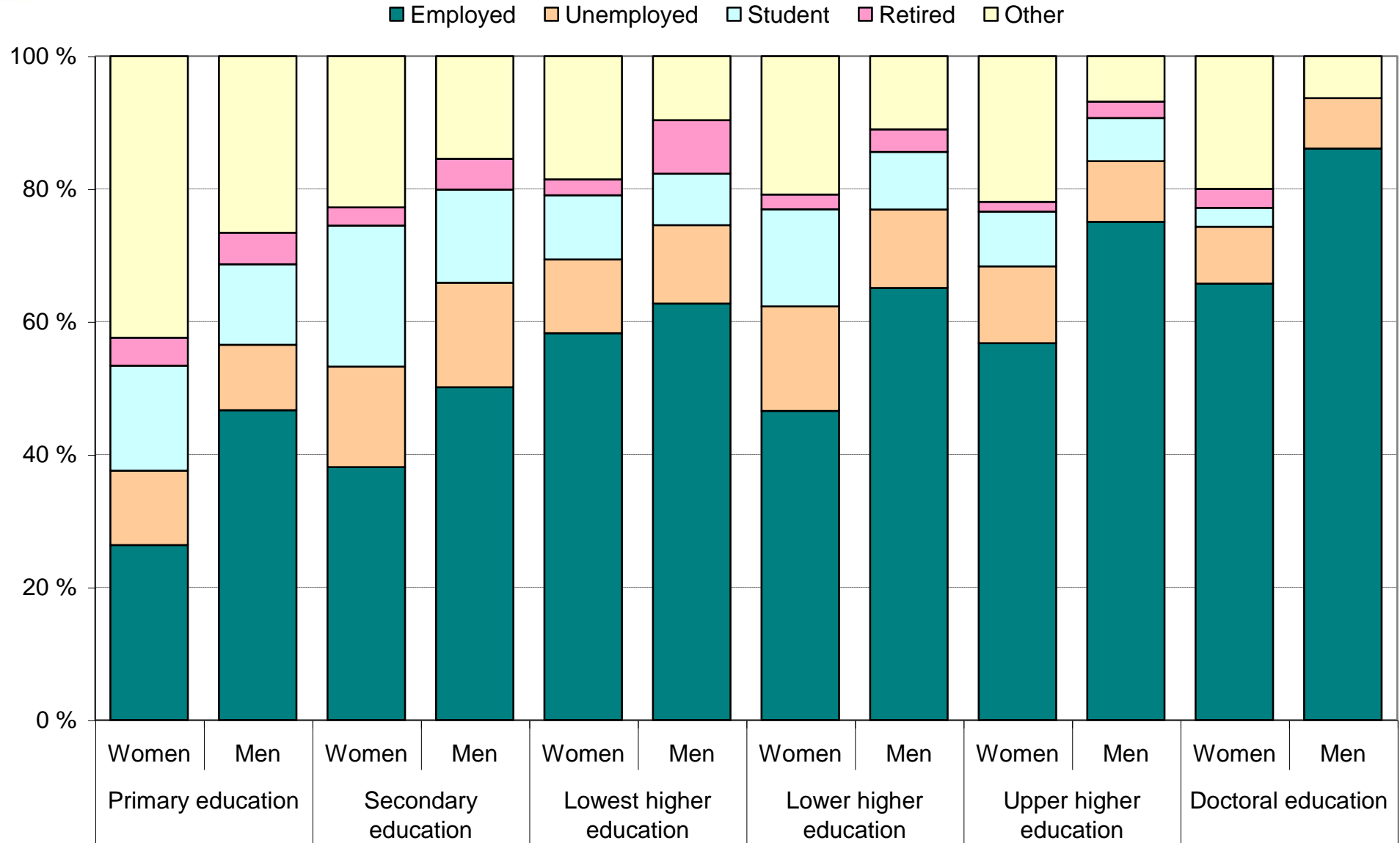
Employed German-origin workers (n=2,076) and Somali-origin workers (n=2,527) by profession group in Finland 2016. Source: Statistics Finland.



Number of employed Estonian citizens by occupational group and education level (n= 25,845) in Finland 2016 (Source: Statistics Finland).



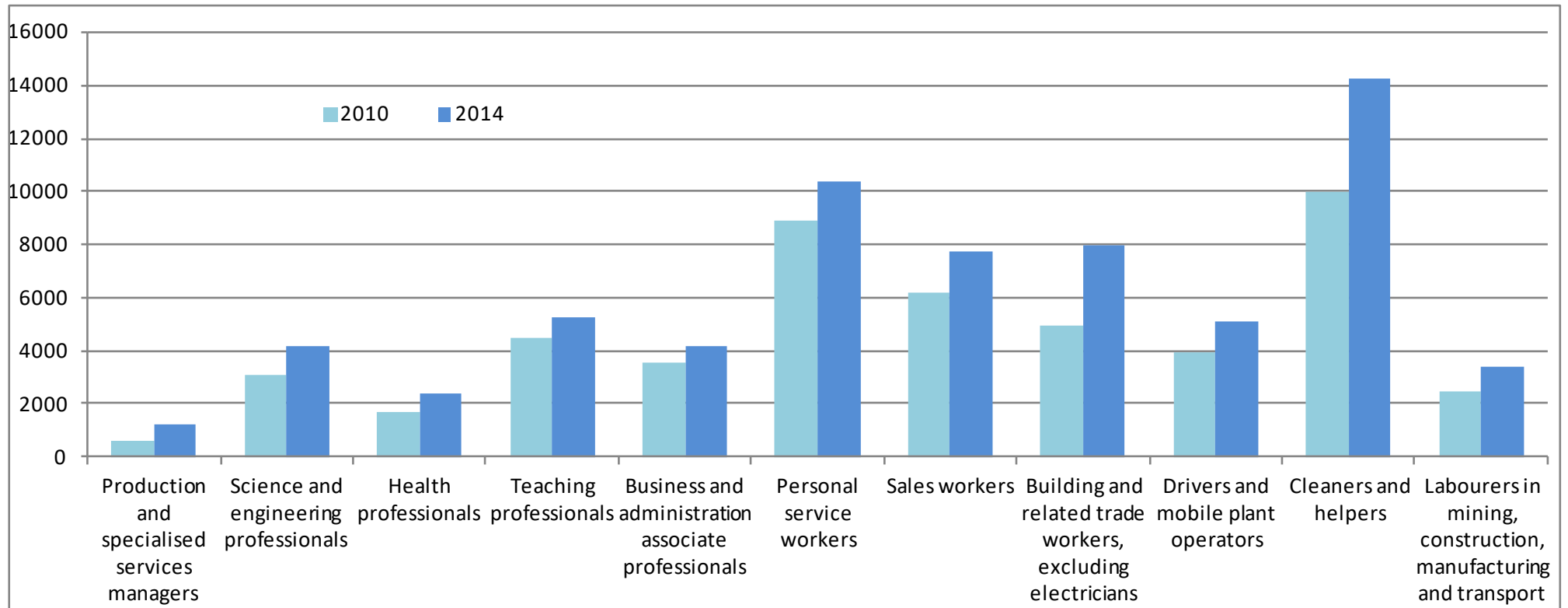
Immigrant women's and men's main activity by education level a year after immigrating to Finland (2003)





Top-professions men and females Turvapaikanhakijat työmarkkinoilla

Number of foreign workers employed in selected profession groups in 2010 and 2014. Source: Statistics Finland.



Experiences to work in Finland

Research data (research published in 2008)

- the University of Oulu (10/2005): 63 persons answered the survey (response-% 50)
- for Orion Pharma (2/2006) the survey was sent to 40 persons and of them 18 returned the fully-filled form (response-% 45)
- The total number of persons, who have responded, was 81 persons
- Besides the survey, nine employees of foreign background at the University of Oulu were interviewed

Some characteristics of employees

- Of the employees who answered to the survey one was a student, one has completed the upper secondary school, five respondents had attended vocational school, 4 altogether had accomplished the candidate examination, 27 of the respondents were masters, 6 respondents were licentiates and 37 were doctors.
- Most of respondents were from engineering (17 %), biochemistry (12 %), biology (11 %) and computer science fields (10 %).
- The most common profession has been a researcher (33 %) but the diversity is wide.
- Among the employees of foreign background, most were Germans (14 %), Chinese and Russians (both 10 %), but altogether there were 27 nationalities represented.
- The average age of the respondents to the questionnaire was 37,5 years. The answerers had lived in Finland 7 years 4 months on an average and had been working a little shorter time, meaning 6 years 8 months. At their current job at the University of Oulu and Orion Pharma, they had been working approximately 6 years and one month.

Reasons for immigrating to Finland

- The most traditional reason for the foreigner's immigration to Finland has likely been that he/she has met a Finnish spouse and has immigrated to his/her country of residence.
- Among the interviewees of foreign background at the University of Oulu, one model for coming to Finland has also been that the spouse of the same origin has first found work from Finland and the interviewee has followed later when the time has suited him/her better or when he/she has found a job, too.
- The interviewee has perhaps also been in Finland in the Erasmus program and has been charmed with our country so much that he/she has wanted to return either once to pass the degree or later to do graduate studies or to work.
- Some have been looking possible study or working places internationally before moving to Finland. The most attracting study or workplace has been found exactly in Finland, and it has affected conclusively the making of the decision to immigrate.

- In pondering the possible immigration destination, the interviewees have compared particularly on the level of wages, the meaningfulness of the job, the research standards of the university, the facilities of the welfare societies and the environment.
- Interest for migration has also arisen by the thought of the experience of living in a different culture.
- Arrival to Finland has of course been made easier if there already are new contacts ready in the new country, and the immigrant doesn't feel like he/she is entering a completely strange land. This kind of contact can be for example a Finnish spouse or a relative who has moved to Finland, or other acquaintances.

Staying in Finland

- About a third let know of staying in the country permanently
- The meaningfulness of the job, advancement and development in it, as well as work environment are mainly the reasons that have an effect on staying in Finland for the interviewees.
- Also the spouse met here or other close relatives are important influences. This also works the other way, meaning if the relationship with the Finnish spouse ends, the inclination for leaving Finland also rises. The person has perhaps imagined himself/herself staying in Finland for longer, but because of the break-up, the decision to emigrate has arisen quickly.
- One interviewee notes that the taxation is high and continues that if the system of taxation would change and there would be more left for him/her, it would just by itself make this person stay in Finland.

- A couple of interviewees have already the opinion that if the Finnish language skills were better, the likelihood of staying in Finland would grow. They like their current work and social life but are disturbed by the hole in communicating caused by imperfect language skills.
- Especially among the interviewees with a family, staying in Finland has been affected by the school attendance of the children. The children of the family have started their school in Finland, and the parents have not wanted to move away in the middle of the schooling because the systems in other countries are different, and they are afraid that the school attendance of the children would suffer from the change.
- Many think of Finland's school system being so good that in their opinion it is not sensible to move away from Finland and transfer the child to another kind of school.
- Personal background has also been of importance for staying in Finland, because if the person has got used to, for example, the big city life, he/she may not be able to think of staying in a quiet environment for particularly long time.

- Besides this, family living in the home country is important to interviewees. If something happens to the family and they need help, most of the interviewees are ready to return and help their close relatives.
- Many interviewees tell of watching constantly for open vacancies abroad. If an interesting place is open, they put an application there and then watch what happens.
- If their job in Finland becomes monotonous and not developing, one starts looking more actively for a job elsewhere.

Experiences of Finland as a country to work and working life

- The working conditions got the most favorable mentions in the opinions (40 % of the respondents). These respondents see the work they do as meaningful and the working environment pleasant. Co-workers, relaxed work atmosphere and the work rhythm are seen as agreeable. The resources and equipment of the workplace also get praise.

- ”I appreciate Finnish working style which is professional, efficient and organized, and individuality and private life is respected.” (man, Romania)*

- “There is a good atmosphere at the working place, no stress and you are very free to decide on the hours when you work.” (man, Germany)*

“Well-organized work-related things and break-rooms, workplace is clean and pleasant, good atmosphere.” (woman, Russia)

“People are very nice, technical equipment is really good. Also the environment helps in concentrating on the work.” (woman, Russia)

“I have always been treated fairly, and I feel that the colleagues and the superiors respect me.” (woman, Great Britain)

“Superior-subordinate -relations are better than they have been in my home country.” (woman, Russia)

“Even as a foreigner I feel myself accepted in my work and living environments.” (man, Poland)

- In Finnish work-life the interviewees praise for example the freedom and flexible system. There is a good atmosphere at the workplaces, well-functioning equipment and everyone has their own working space. Others praise productive team work, others emphasise the possibility of private working. In many persons' opinions there is a lot less competition in Finland than in other countries.
- The answerers to the survey appreciate that in Finland there is free-time left even on weekdays, when one can have hobbies or spend the evening with the family. Among the answers as positive things are emphasized the functionality of the Finnish systems, safe and clean environment and the acceptance of foreigners. Every tenth of the answerers mention that the good experiences in Finland are connected to the people met there. They are thought of as helpful and friendly.

- As for the bad experiences of the foreign workers answering the survey were connected mostly to the language and communication problems (28 % of the answerers). The Finnish language is thought hard to learn and people are thought of as too quiet. The co-workers' lack of talking can be interpreted as secretive, which gives it a negative tone.
- “For many professionals imperfect Finnish language skills are a big obstacle to manage. This is accurate among people from any country.” (man, Great Britain)*
- “The difficult language severely limits the chances of integration into the local culture.” (man, Romania)*
- “The Finnish language is still an obstacle.” (woman, United States)*
- “Generally one doesn't talk much, which again for a German easily feels like concealing of information.” (man, Germany)*

- The survey analysis tells that among the answerers (17 %) the bad treatment of the foreigners and the situations for example at the working market is criticized. They feel that the foreigners have lesser chances than the Finnish-born citizens, harder to find work or advance at least in the academic world. Payment is inferior on the part of the foreigners working in the same type of job as the Finnish worker. Negative comments on the climate dominant in Finland and location also occur. In addition among the answerers are criticized high prices and high taxation and difficulties in entrepreneurship.

“The most negative [experience] is that you were not given the chances to be a fully equal person, worker, Finnish citizen. I have been, am now, and will be a foreigner, an immigrant, and because of that can’t be equal with the Finnish-born citizens, regardless of education and working experience.”
(woman, Russia)

“The system is hostile towards foreigners, especially towards the spouses of the foreign workers.” (man, Ireland)

“Many Finns in basic tasks are not used to work with foreigners and don’t appreciate what added value it brings along – for chief management the situation is different.” (man, Germany)

“The foreigners have it harder to find work” (woman, Germany)

“The lack of good politics that would attract and keep high level of research workers in Finland.” (man, Canada)

- One interviewee notes that in Finland only a highly educated immigrant can find work, but for example non-academic spouse has to face many difficulties in finding employment, especially in their own field.
- Some accuse Finnish working atmosphere as pretty reserved in a multicultural sense, because according to them the Finns are not ready to hire foreign workers. Others emphasise that finding work in Finland is not more difficult than anywhere else in Europe and that depends on applicant's attitude: if one really wants a job, one also finds it.
- As Finland's advantage can be counted that most businesses accept English as working language thus the foreigner doesn't have to necessarily learn fluent Finnish.
- In the interviewees' opinion there are a lot of opportunities for foreign workers especially in technology, electronic and research fields.
- A few of the interviewees remind that welfare system can however be lenient and encourage some jobless people from searching for work at all.

- Integration to Finland progress in different ways. Some had visited Finland a few times already before immigrating, so the basic information exists and it helps in getting started
- In-house training in Finnish working life and other usual activities
- Cultural interpreters
- Mentors
- Those who had got help from their working place for example through tutoring are really grateful about it and say that it has helped them to get quickly started on a normal life. Others have sought support from fellow countrymen who have immigrated earlier or other foreigners and together they have found out information on Finnish society and culture

- In Henna Kyhä's (2011) dissertation "Educated immigrants in employment markets. A study on higher educated immigrants' employment opportunities and career starts" a positive finding was that if higher educated immigrants succeeded at finding employment in Finland, the work was usually completely or partially relevant to their degrees.
- Higher educated immigrants' career starts in Finland can be categorized into three groups, each of which is further divided into two subgroups so that there are altogether six different types of career starts:
 - stable and stabilizing career corresponding to education
 - mixed career and declining career partially corresponding to education, as well as
 - entry career, not corresponding to education, and unemployment.

Challenges in immigrants' employment

-employment rate of immigrants rises after living longer time in Finland but is lower than that of the natives

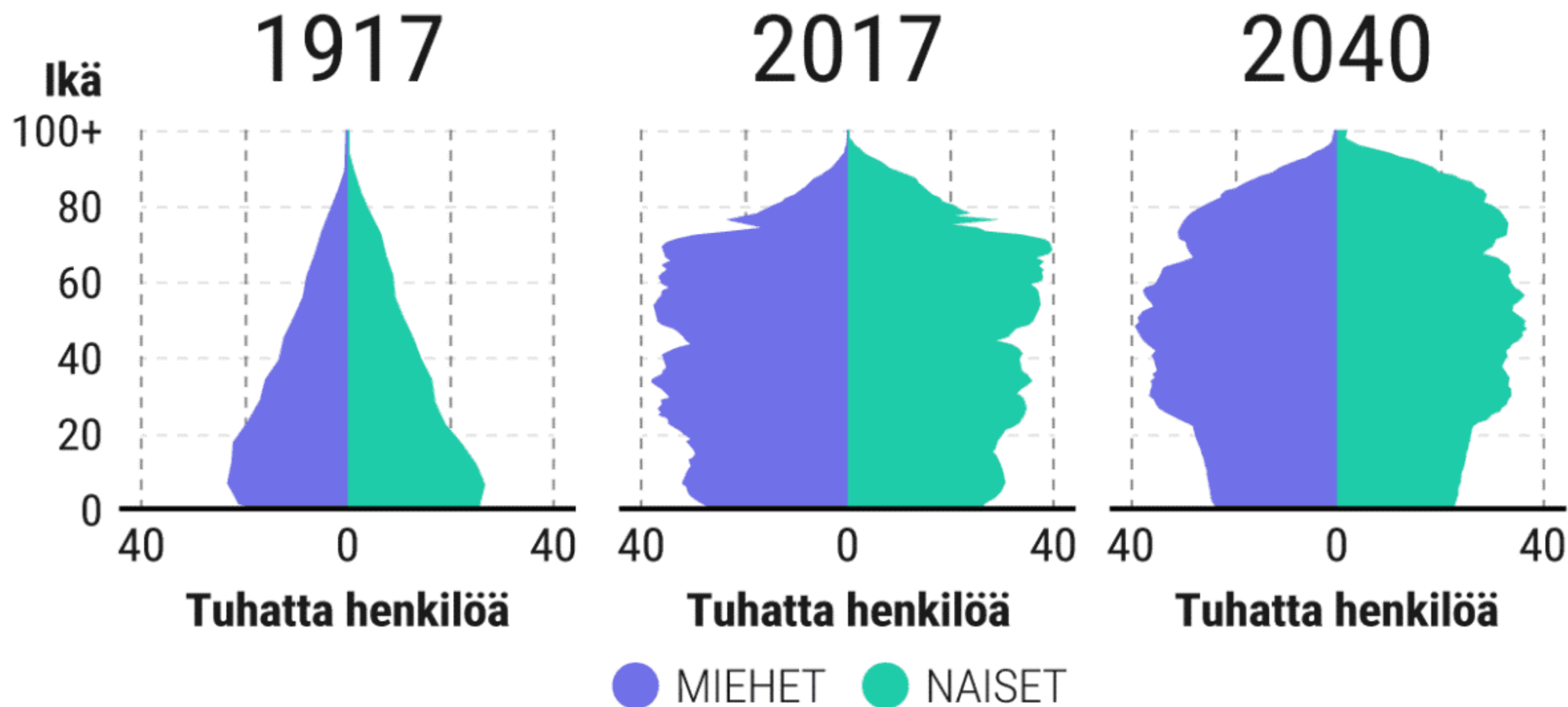
OECD recommendations:

- evaluation and follow-up of the integration actions
- support for starting the working life
- support for the vulnerable immigrants

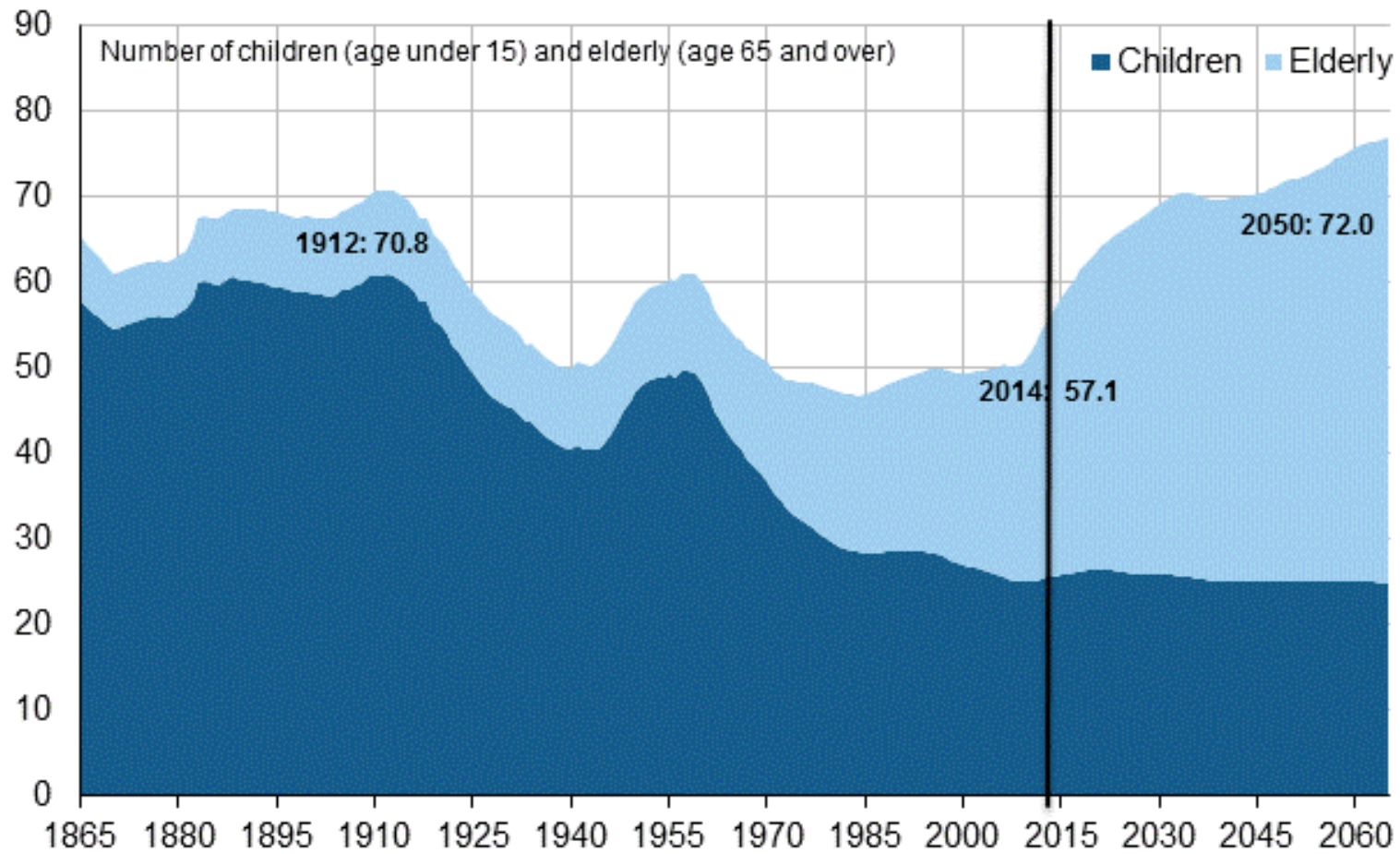
Future prospects

Väestö iän ja sukupuolen mukaan

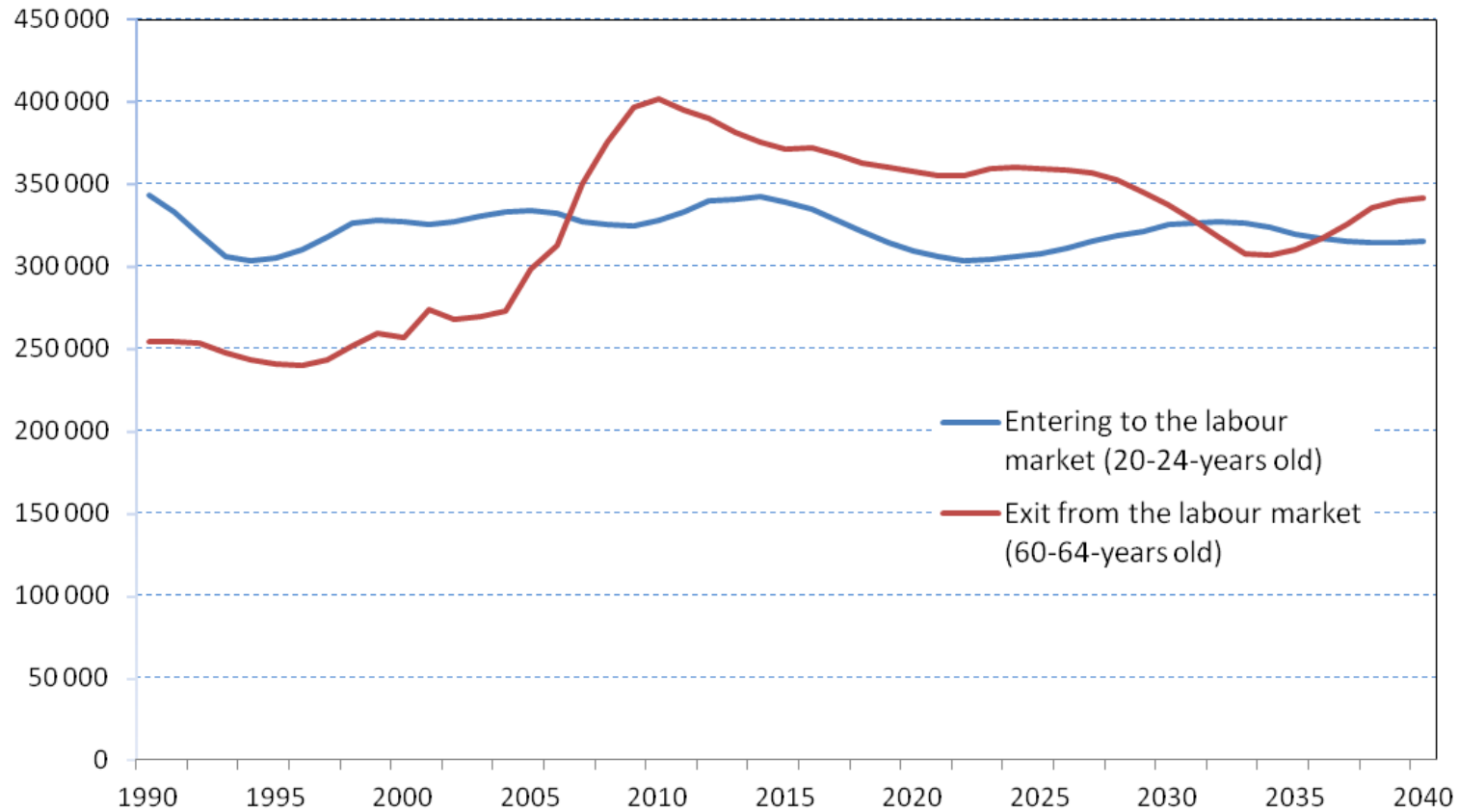
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Demographic dependency ratio in Finland for the years 1865–2065 (Statistics Finland 2015).



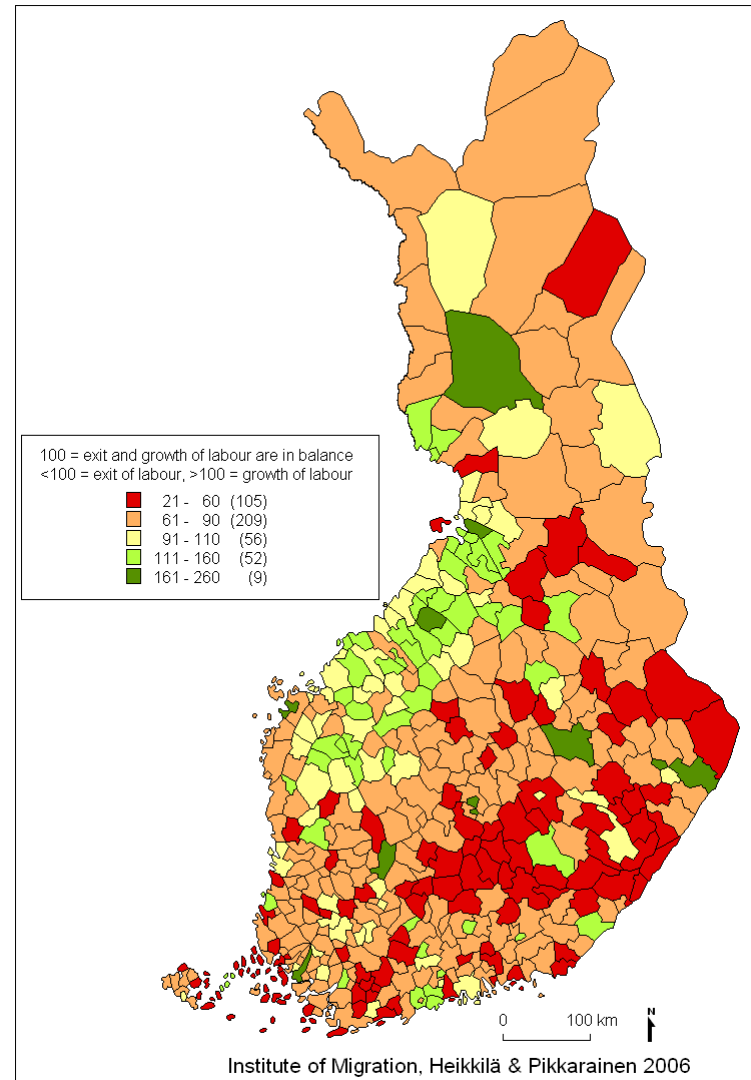
The number of 20–24 years olds entering the labour market compared to 60–64 years olds exiting the labour market in 1990–2040. Source: Statistics Finland.

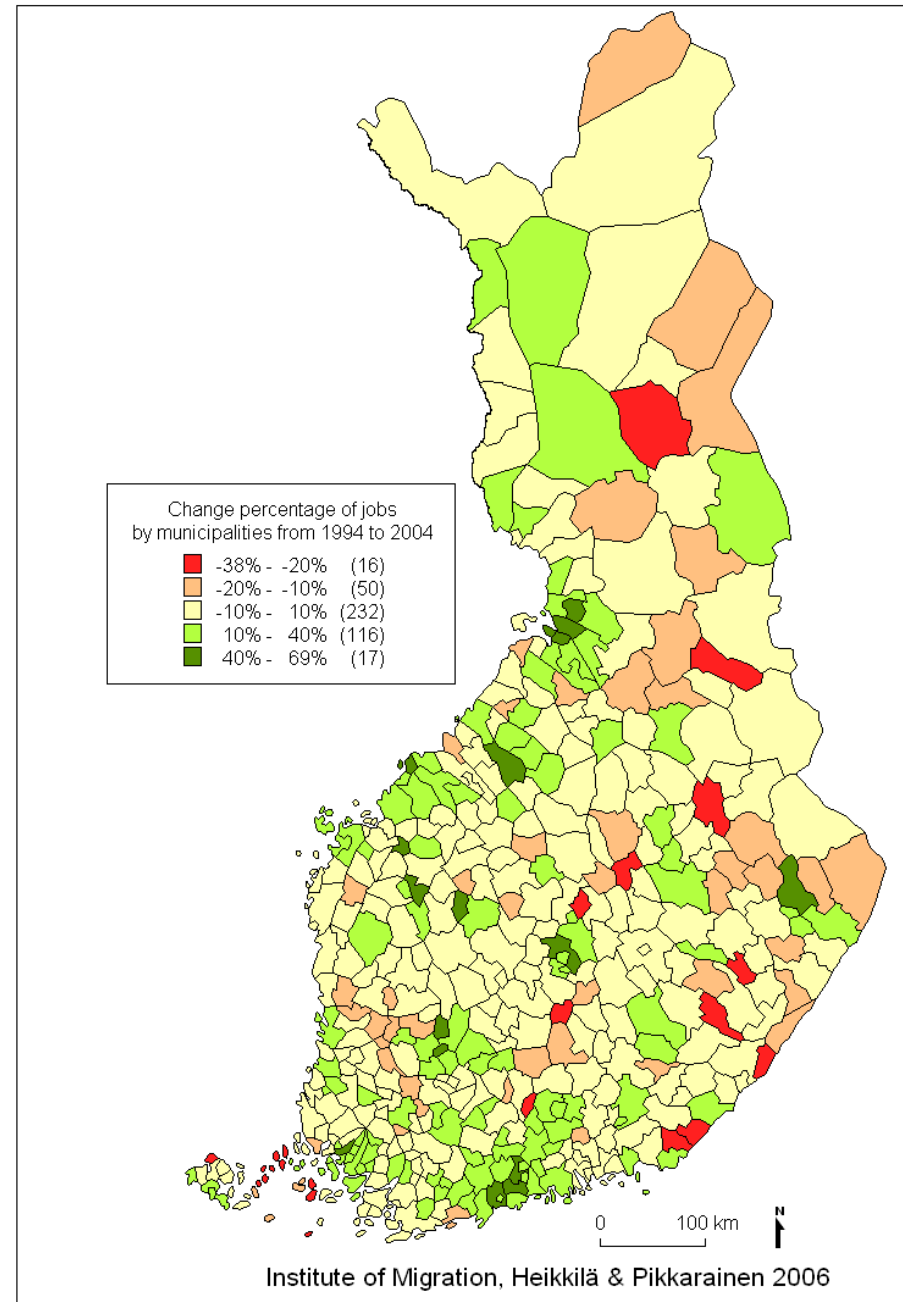




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Potential labour force 20-24-years old persons entering to the labour market and 65+ exiting from the labour market in Finland in 2006





Demographic dependency ratio based on the lowest and highest shares of population in the top ten municipalities, in relation to other demographic indicators, in 2014. Source: Statistics Finland.

Municipalities	Demographic dependency ratio		Medium age of population	Natural population change	Net migration in country-internal migration	Net international migration	Foreign background persons, %
		65+, %					
Helsinki	44	16.6	40.5	1,881	3,564	1,983	14.3
Tampere	47.2	18.4	40.7	623	938	563	6.9
Vantaa	49	14.8	39	1,208	1,417	1,303	15.8
Turku	49.2	20.1	41.7	193	1,137	687	10.4
Jyväskylä	49.7	17	39.4	595	723	292	4.5
Espoo	50.2	13.9	38	1,853	1,238	1,175	14.3
Oulu	50.6	14.4	37.6	1,294	506	456	3.6
Järvenpää	50.8	16.1	40	208	265	50	4.6
Joensuu	51.8	19.8	41.7	-5	343	174	4.3
Kuopio	52.1	19	41.4	42	591	192	3.5
Perho	88.9	20.8	38.8	22	17	2	0.7
Hailuoto	89.1	34.3	50.6	0	-1	-1	1.1
Kivijärvi	89.6	34.3	50.1	-14	-30	-1	0.9
Sysmä	89.7	37.2	53.2	-47	-22	6	1.8
Pielavesi	90.4	32.8	49.5	-55	3	9	1.7
Vesanto	90.9	36.7	52.6	-25	-25	-1	1.5
Savitaipale	91.1	35.7	51.6	-34	-21	0	1.1
Enonkoski	91.3	35	51	-15	-9	-1	2.1
Luhanka	100.3	39.4	54.2	-11	11	0	0.4
Kuhmoinen	102.8	41.6	55.1	-40	6	-3	1.2
Total	58.2	20.5	42.3	2,980	0	12,441	6.2

Geographical concentration of economic activity

The classic concept of agglomeration economies emphasizes the “positive externalities”, or external economies of scale, scope and complexity, that follow from co-location of many businesses. For example firms gain from access to a more extensive labor pool, which makes it easier to find specialist skills. Workers also benefit from a bigger choice of potential employers and better career prospects (Turok 2005).

Regional competitiveness and attractiveness

Key regional “externalities” or “assets” that benefit local firms and businesses, and hence are **major aspects of regional competitive advantage**, consist of:

The ability of regions

- to attract skilled, creative and innovative people
- to provide high-quality cultural facilities
- to encourage the development of social networks and institutional arrangements that share a common commitment to regional prosperity

(Kitson et al. 2005)

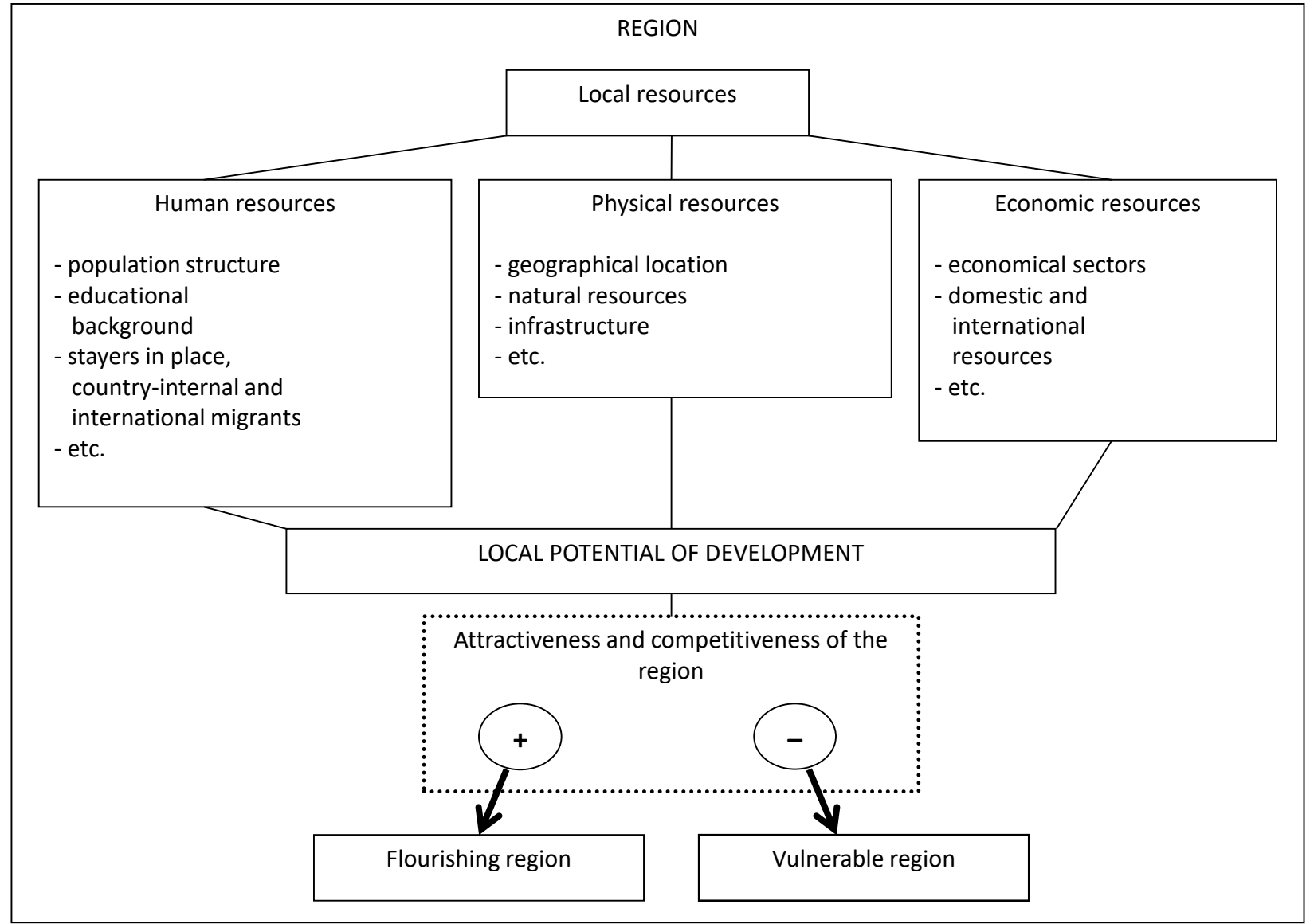
According to Florida (2002) talent is not just an endowment or stock that is in place in a given region, but that certain regional conditions are required to attract talent, ie. certain regional factors appear to play a role in creating an environment or habitat that can attract and retain talent or human capital. Paramount among these factors is openness to diversity or low barriers to entry for talent. Regions may have much to gain by investing in a “people climate” as a complement to their more traditional “business” climate strategies. It also appears that diversity has significant impact on a region’s ability to attract talent and to generate high-technology industries.

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P R E S E N T

Conceptualization of vulnerable regions

- vulnerable regions in natural population development
=> excess of deaths
- vulnerable regions in country-internal migration
=> severe migration loss
- double negative circles by both indicators; “end of the world regions” and “dying regions”
- population ageing and ageing in place
- winners and losers in international migration

Flourishing regions in Finland are especially the growth centres which locate in the southern Finland, except Oulu in the northern part of Finland. They spread the economic activities and positive impulses to the close-by labour market areas. These growth centres attract not only the natives but also immigrants.

Vulnerable regions in different parts of Finland in population and economic terms are thus not attractive destination areas for newcomers and it looks like the development trend is hard to turn into positive development phase which creates a vicious circle functioning in their regions.

European Web Site on Integration (EWSI)

<https://ec.europa.eu/migrant-integration/>

Thank you!

www.migrationinstitute.fi

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