

# **Vulnerable regions of Finland in population and economic development**

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## **Is immigration the response for them?**

**Institute of Migration**

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**International Geographical Union, IGU 2006 Brisbane Conference**

**”Regional Responses to Global Changes.**

**A View from the Antipodes” 3.-7.7.2006, Brisbane, Australia.**

This article is based on the on-going project in the Institute of Migration:

**International migration, need of labour  
and effects of immigration on education  
supply –anticipation project**

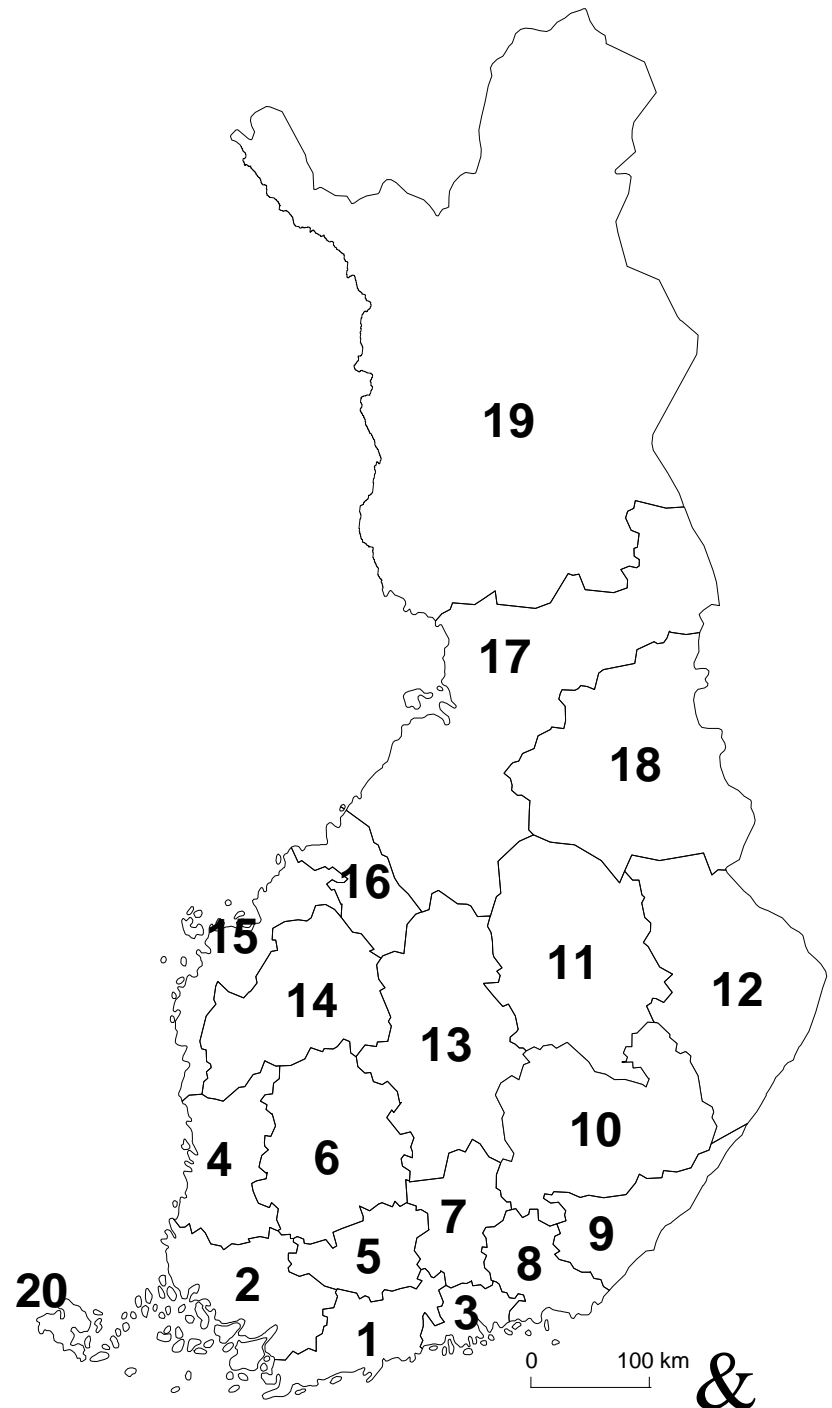
**[www.migrationinstitute.fi](http://www.migrationinstitute.fi)**

# Conceptualization of vulnerable regions

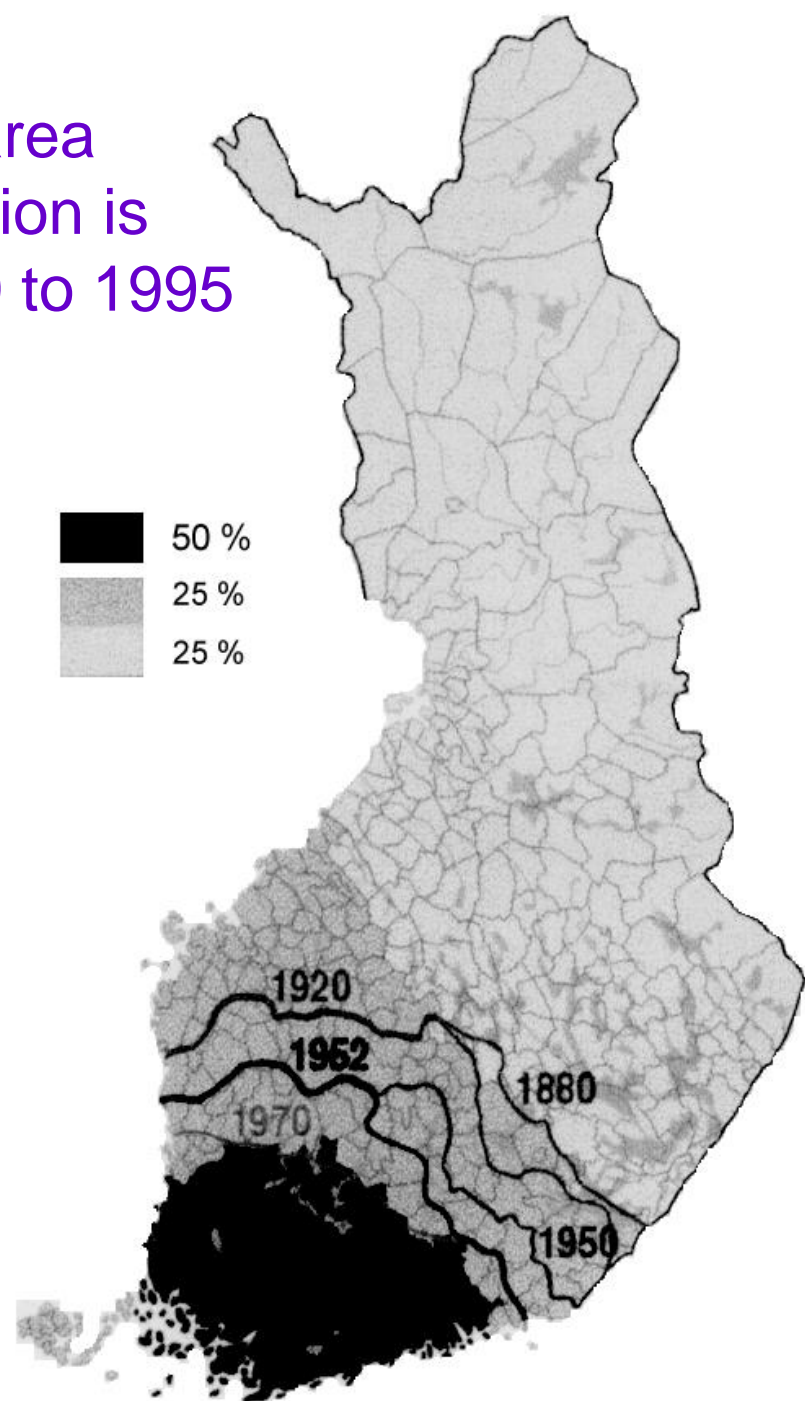
- vulnerable regions in natural population development  
=> excess of deaths
- vulnerable regions in country-internal migration  
=> severe migration loss
- double negative circles by both indicators; “end of the world regions” and “dying regions”
- population ageing and ageing in place
- winners and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

# Counties of Finland

- 1 = Uusimaa
- 2 = Varsinais-Suomi
- 3 = Itä-Uusimaa
- 4 = Satakunta
- 5 = Kanta-Häme
- 6 = Pirkanmaa
- 7 = Päijät-Häme
- 8 = Kymenlaakso
- 9 = South Karelia
- 10 = Etelä-Savo
- 11 = Pohjois-Savo
- 12 = North Karelia
- 13 = Central Finland
- 14 = Southern Ostrobothnia
- 15 = Ostrobothnia
- 16 = Central Ostrobothnia
- 17 = Northern Ostrobothnia
- 18 = Kainuu
- 19 = Lapland
- 20 = Ahvenanmaa

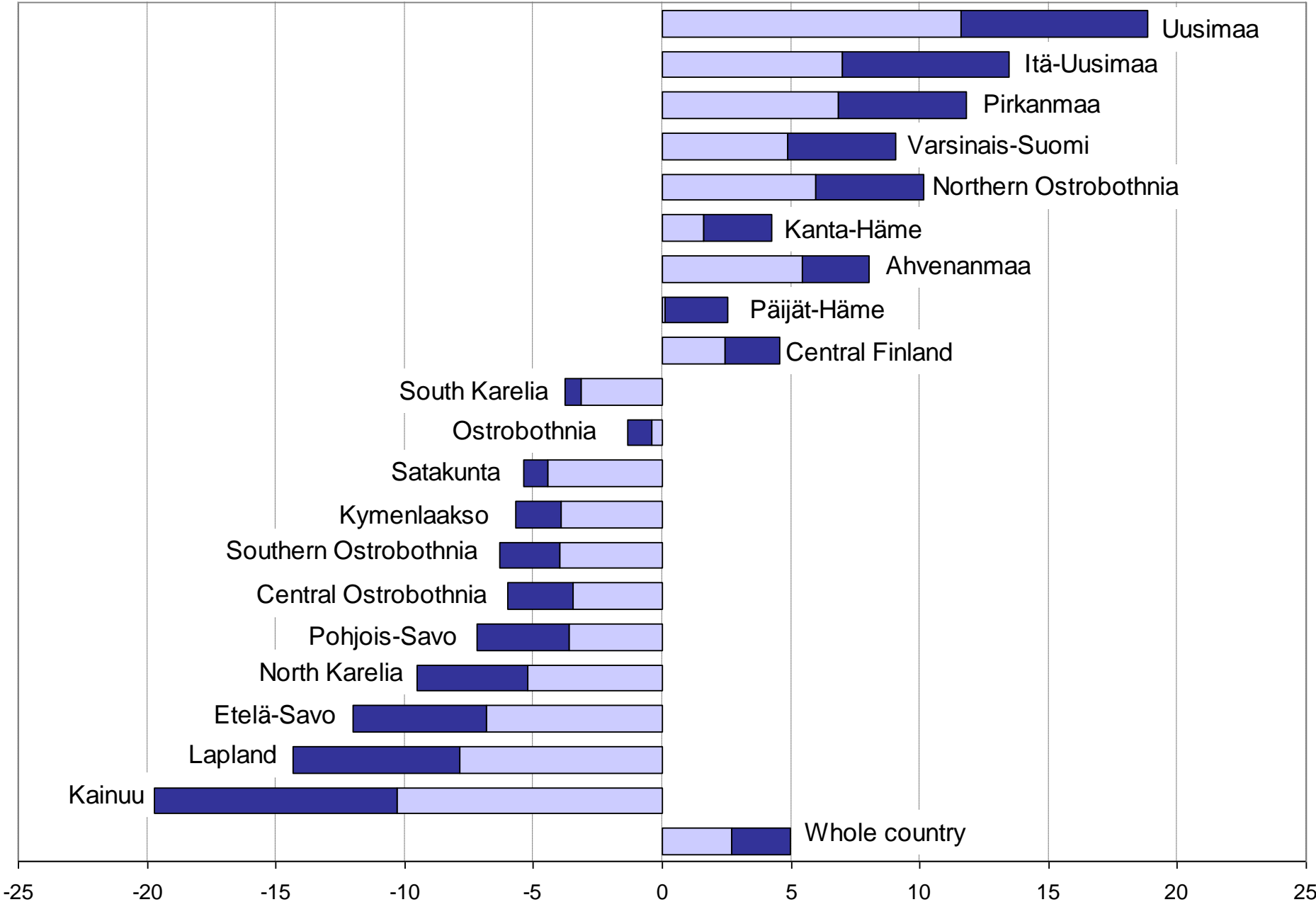


# Development of the land area where the 50 % of population is living in Finland from 1880 to 1995



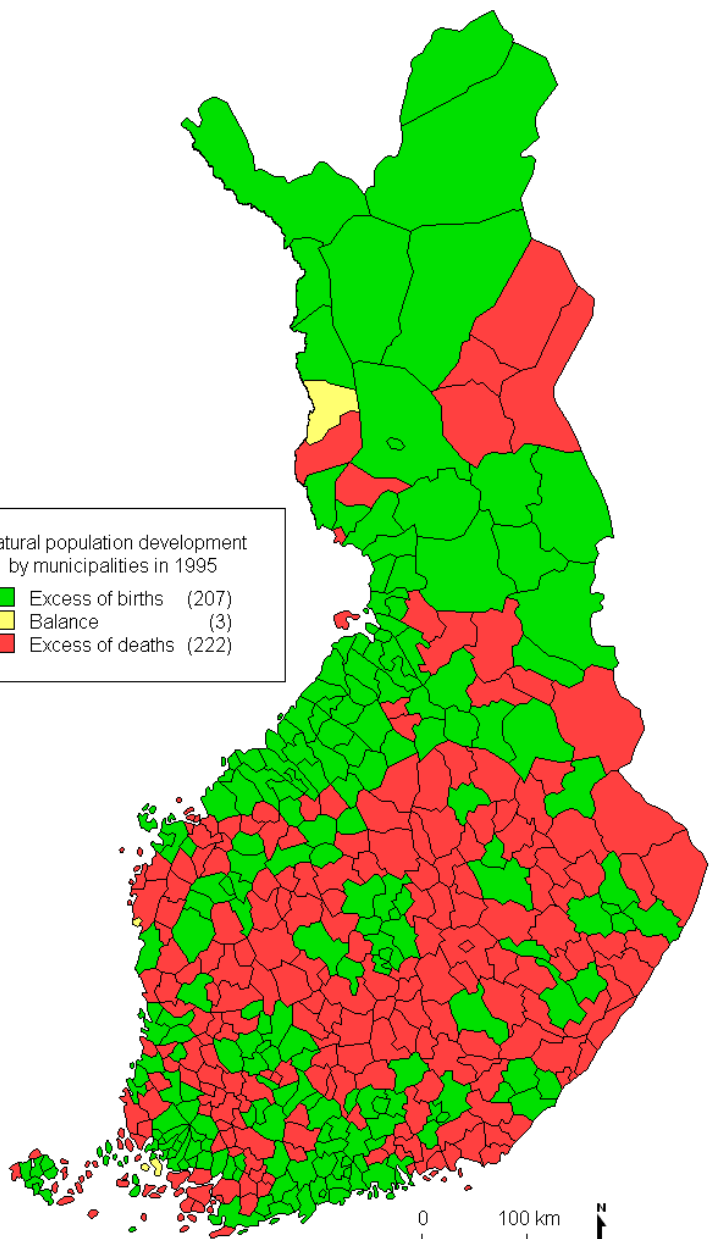
# Change of the population by counties in 1994–2004 and in 2004–2014

Change % 1994–2004    Change % 2004–2014



Natural population development  
by municipalities in 1995

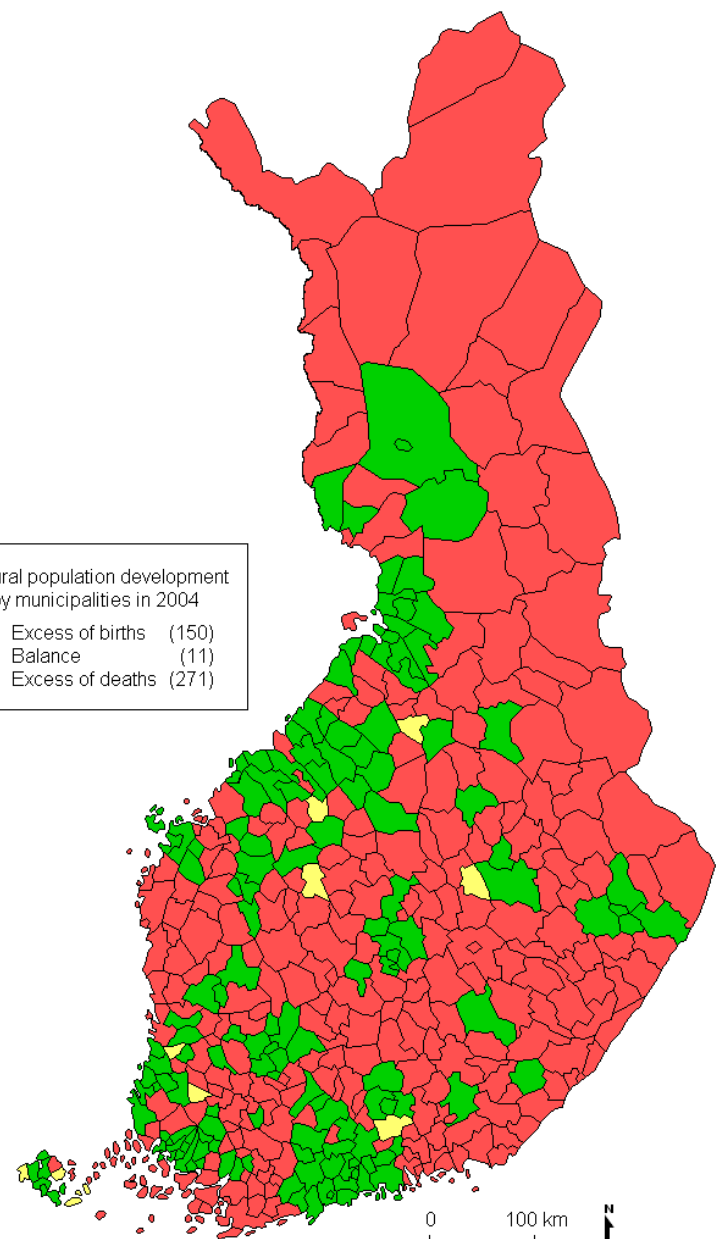
- Excess of births (207)
- Balance (3)
- Excess of deaths (222)



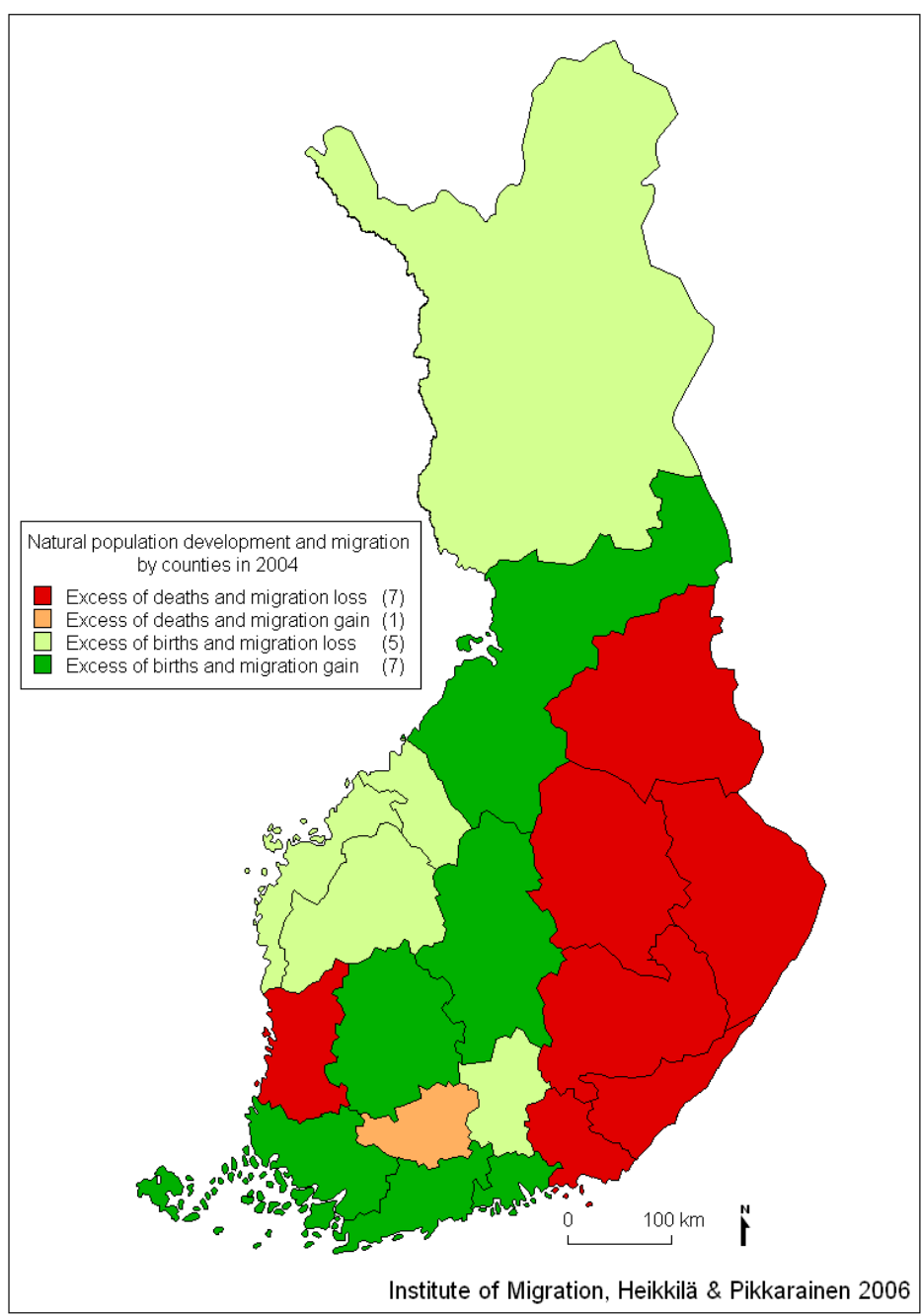
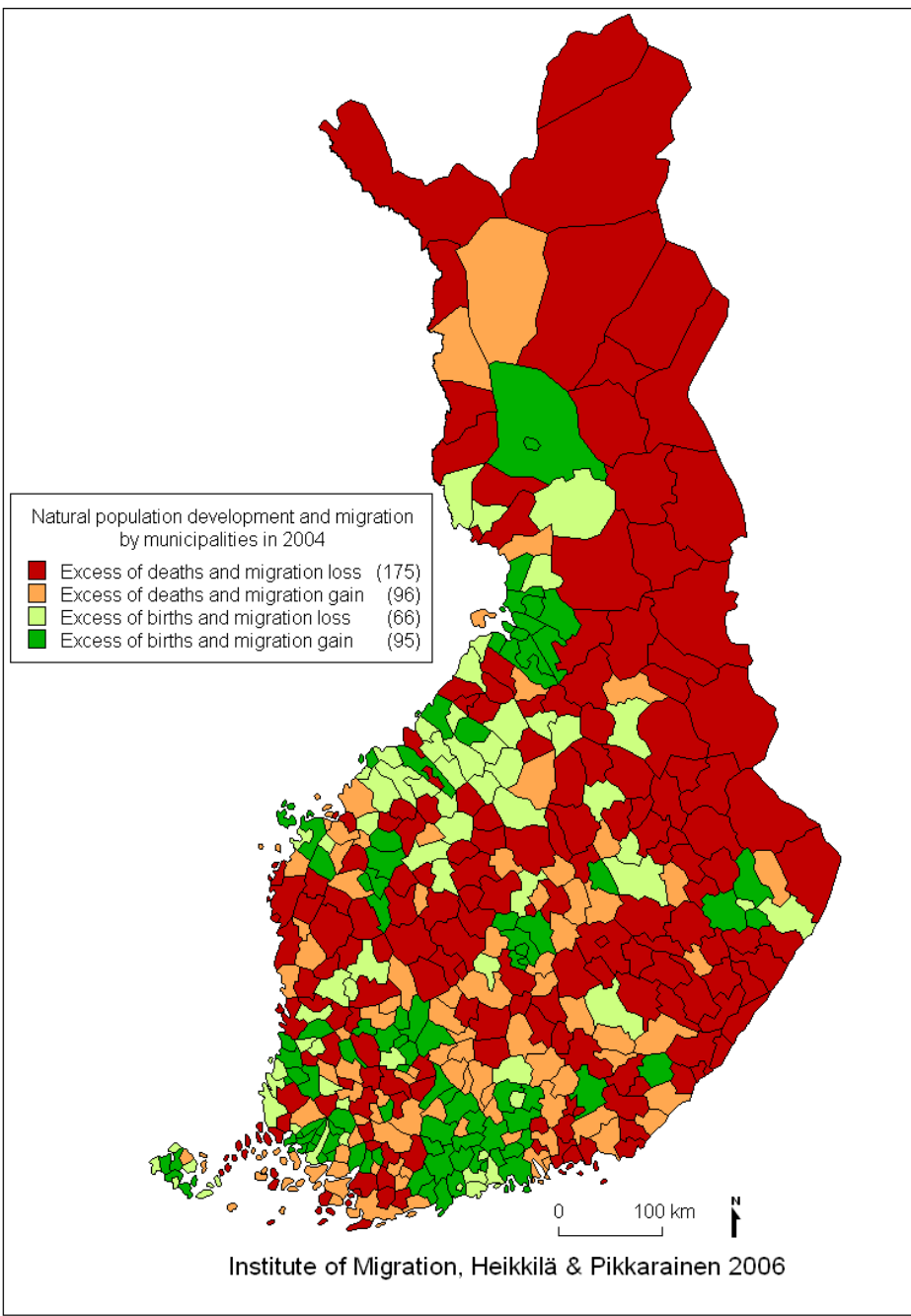
Institute of Migration, Heikkilä & Pikkarainen 2006

Natural population development  
by municipalities in 2004

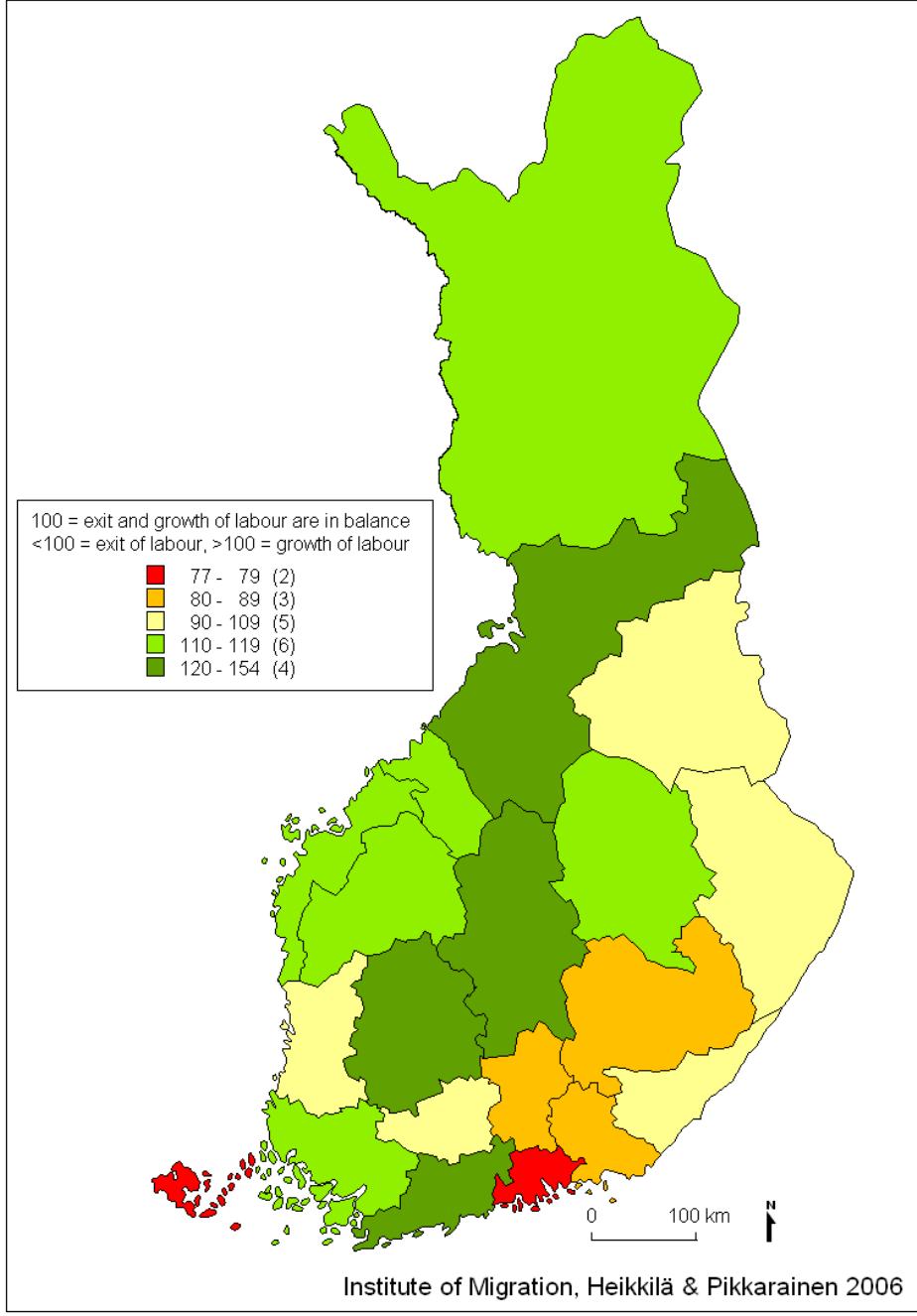
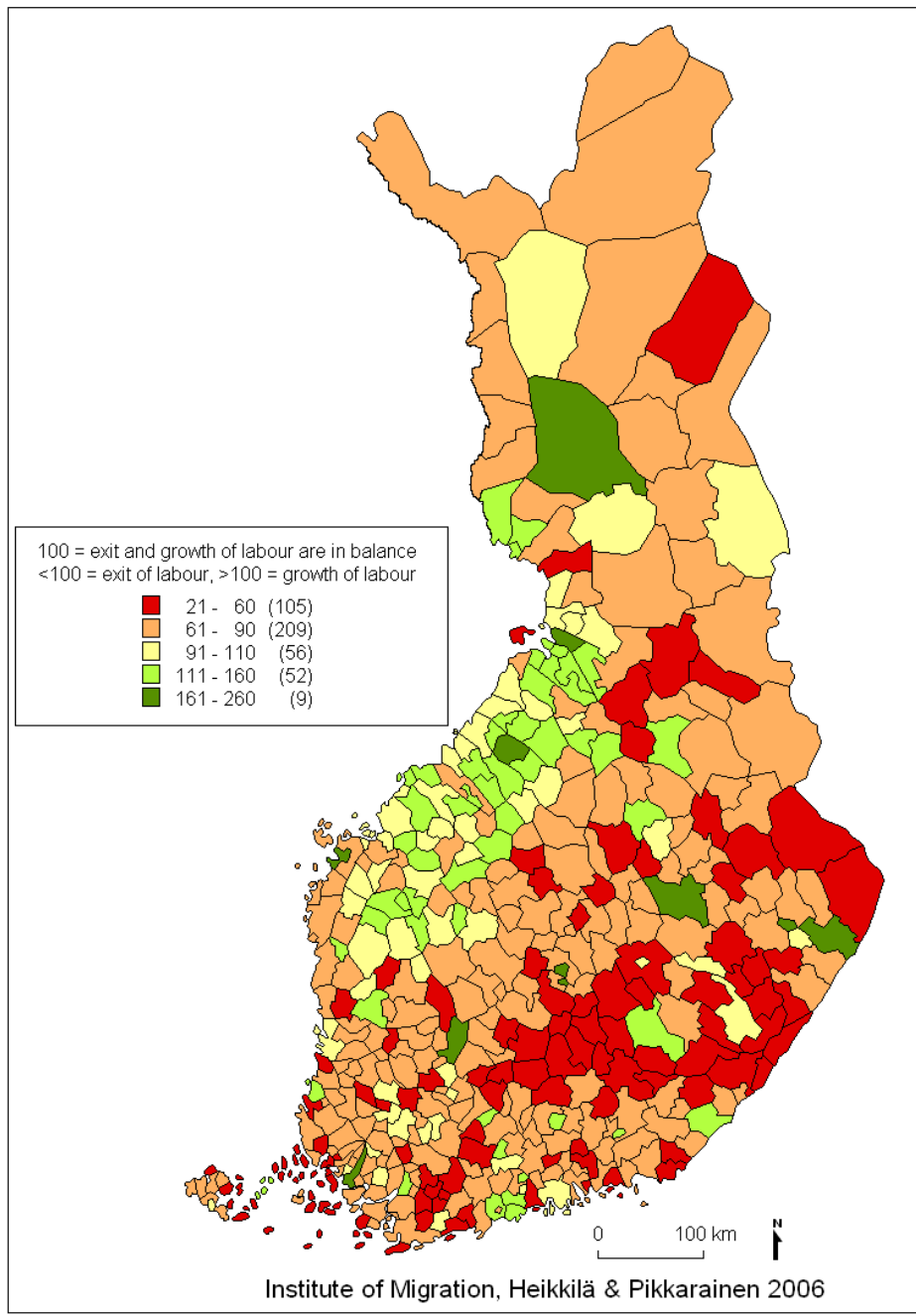
- Excess of births (150)
- Balance (11)
- Excess of deaths (271)

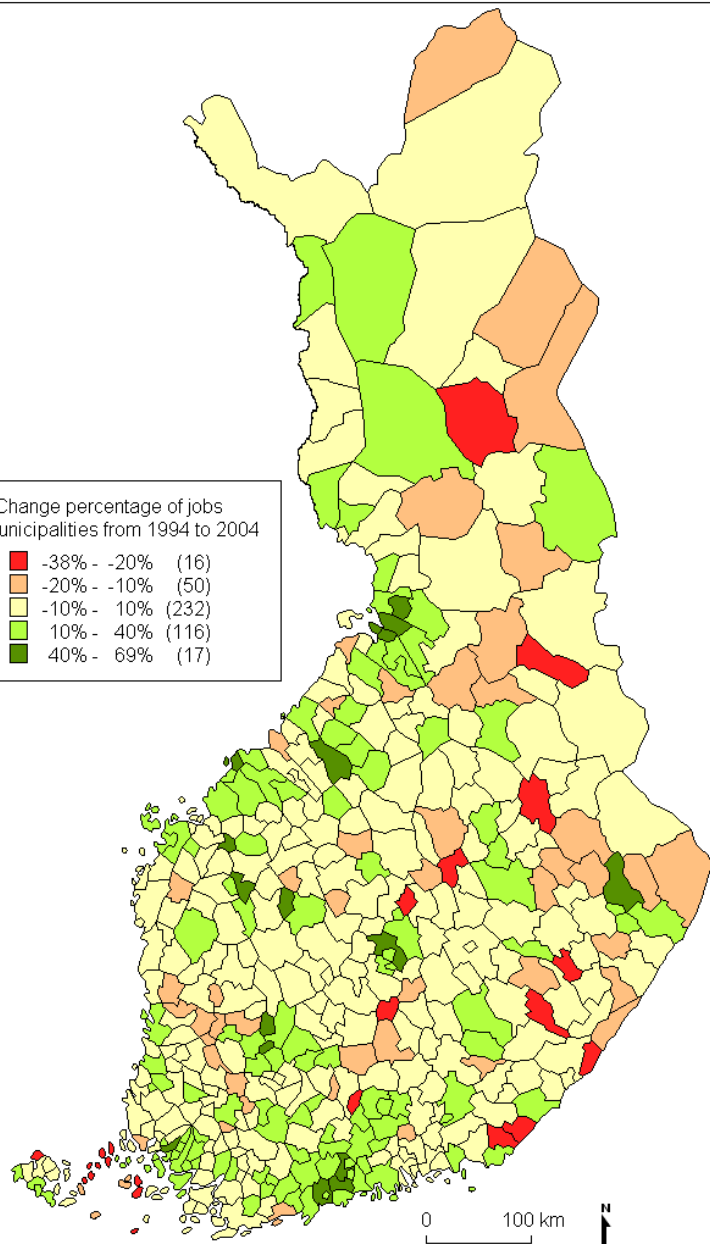
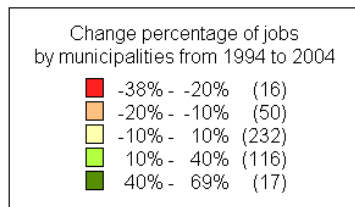


Institute of Migration, Heikkilä & Pikkarainen 2006

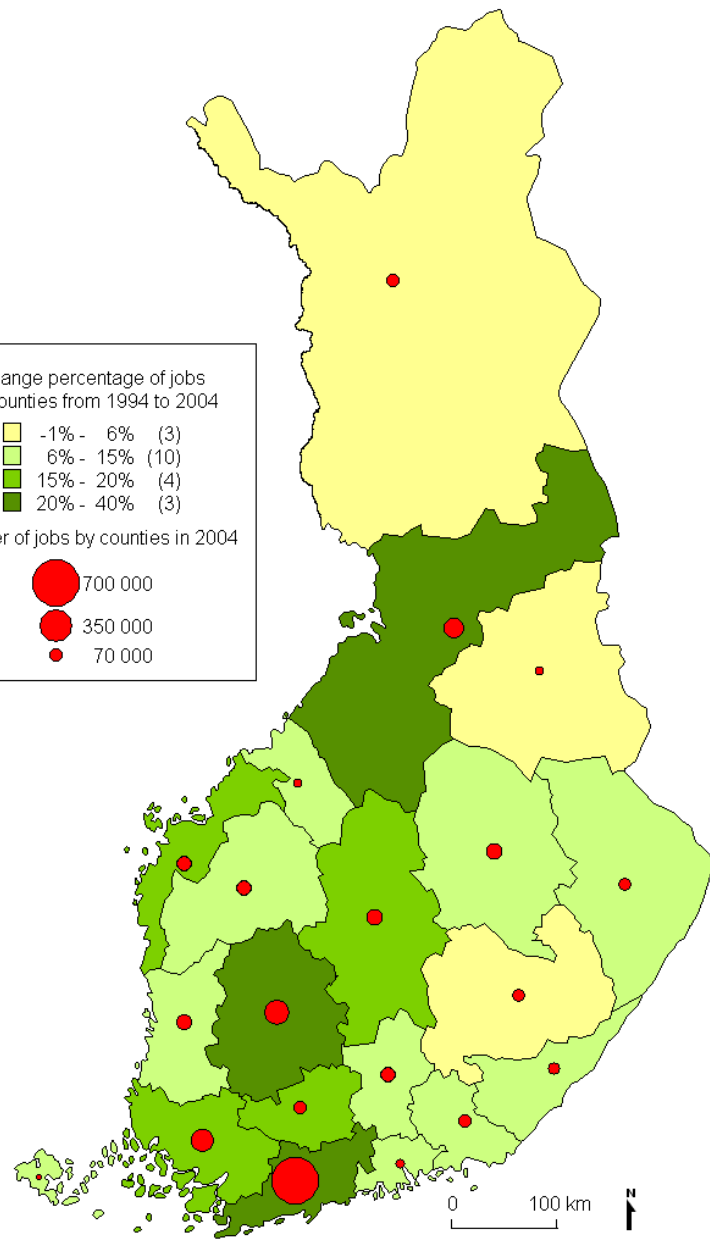
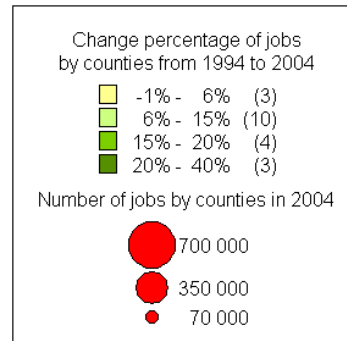








Institute of Migration, Heikkilä & Pikkarainen 2006



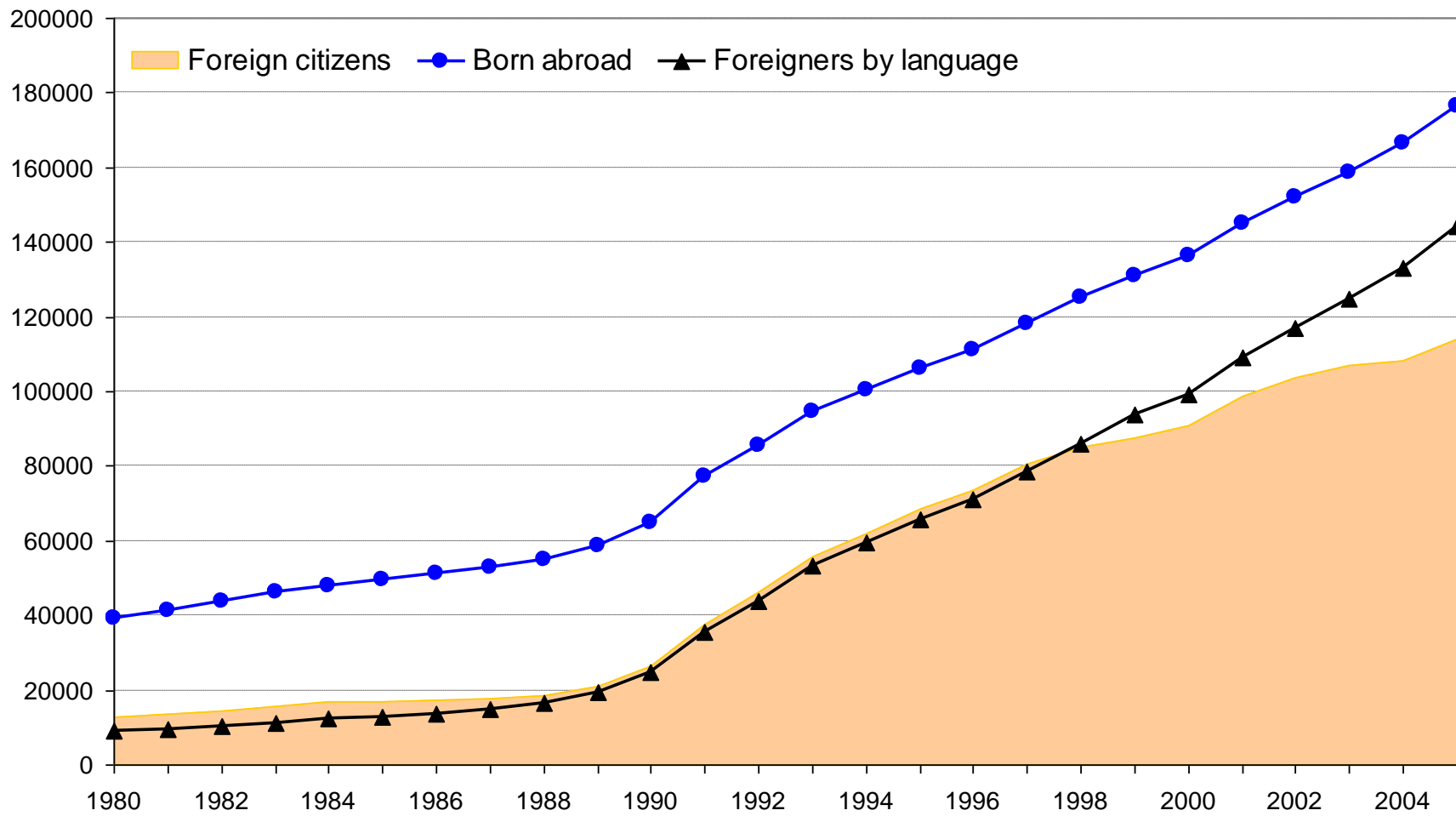
Institute of Migration, Heikkilä & Pikkarainen 2006

## **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).

persons

### Immigrants in Finland in 1980–2005

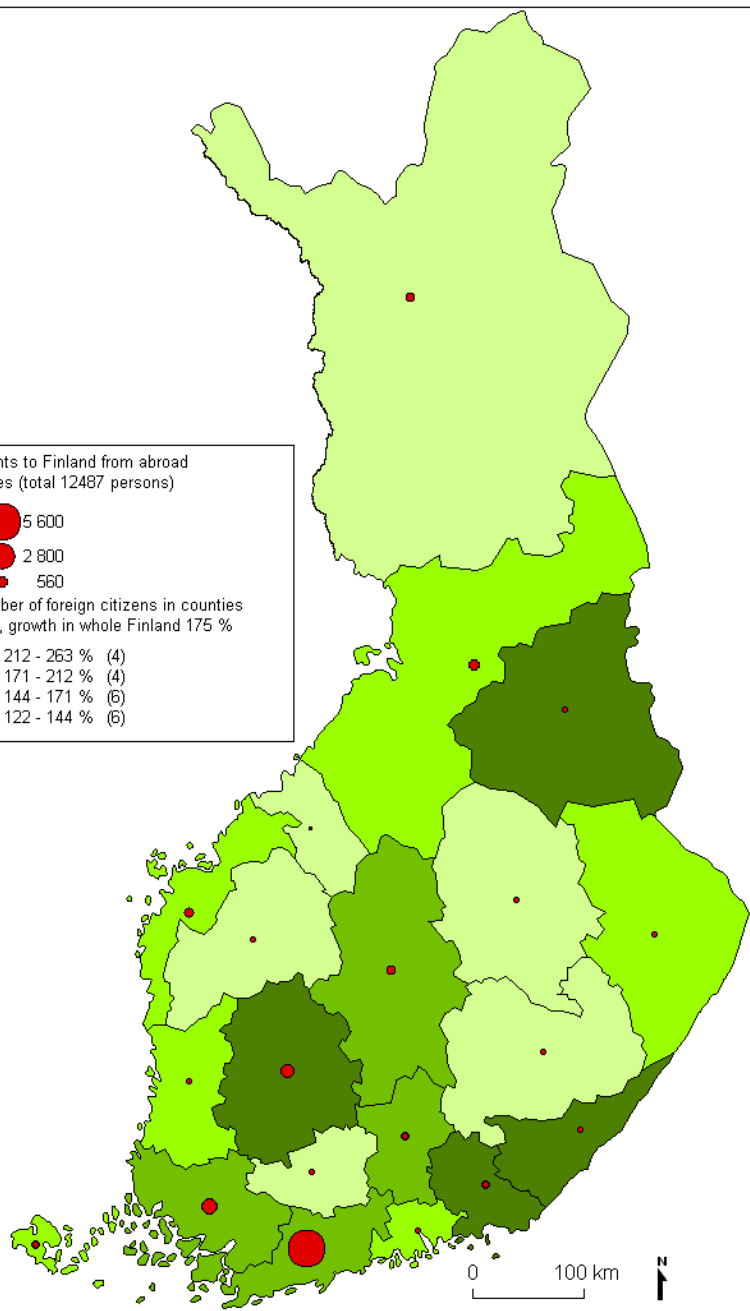


Number of immigrants to Finland from abroad in 2002 by counties (total 12487 persons)

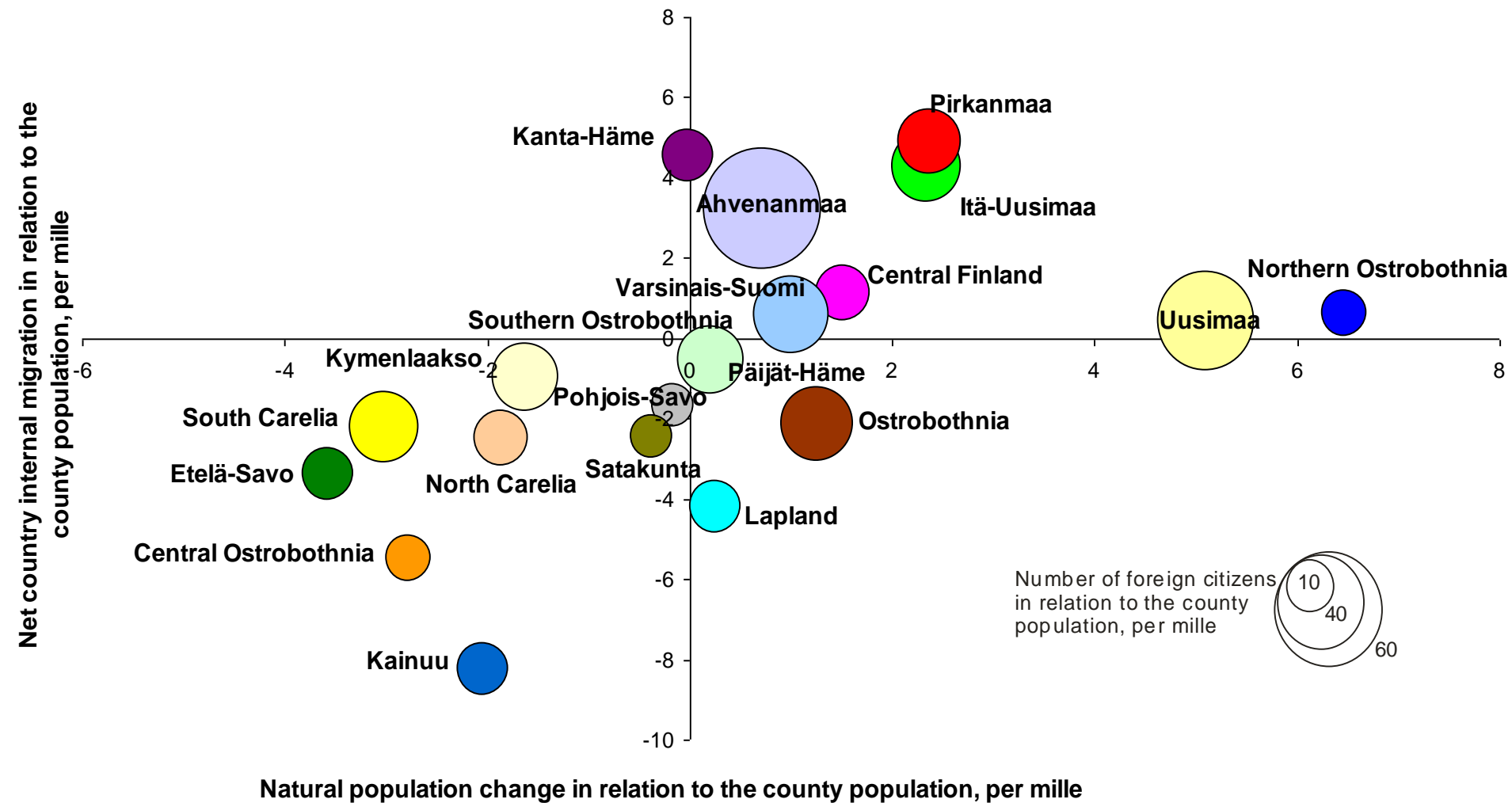
5 600  
 2 800  
 560

Increase in the number of foreign citizens in counties from 1994 to 2004, growth in whole Finland 175 %

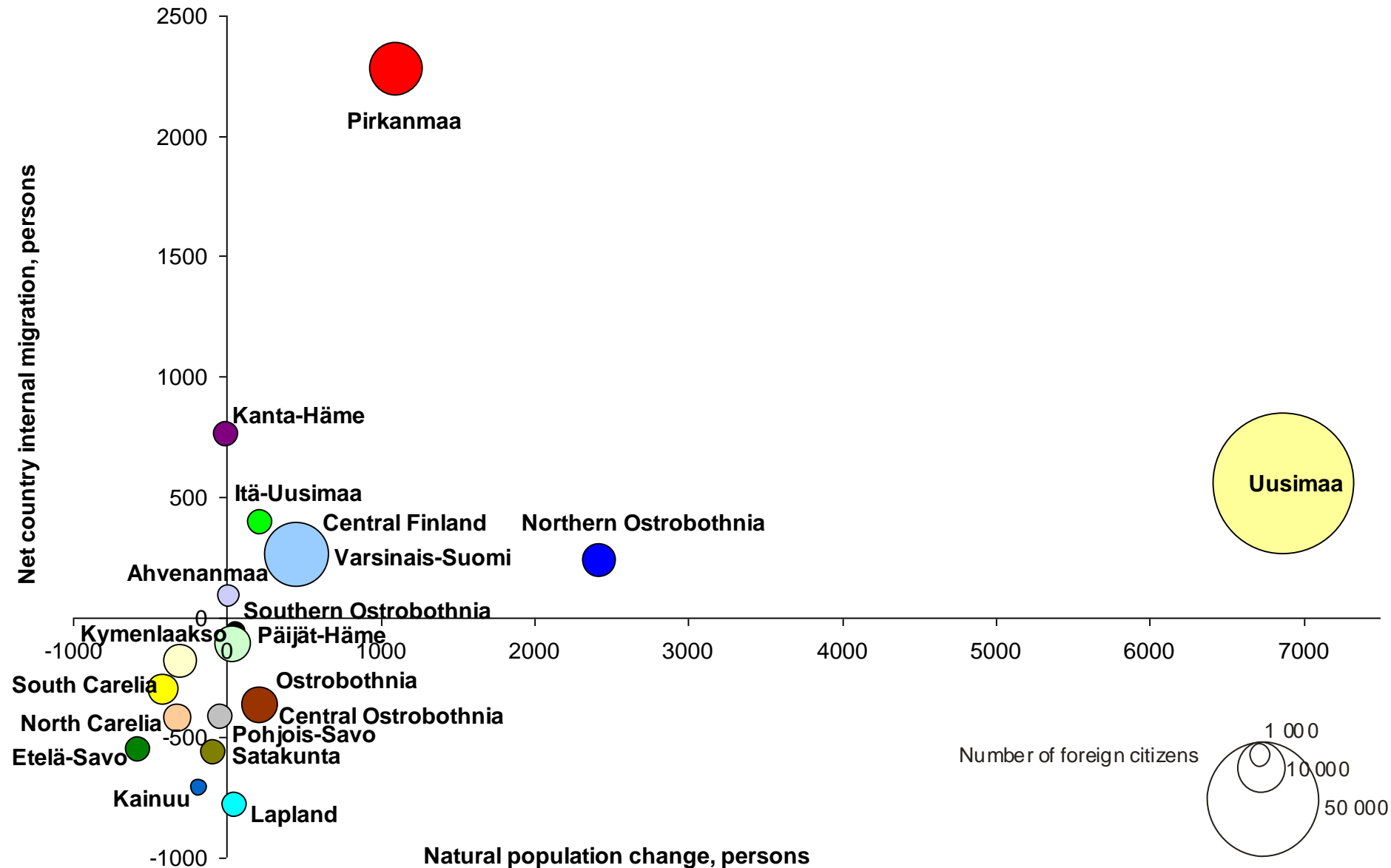
212 - 263 % (4)  
 171 - 212 % (4)  
 144 - 171 % (6)  
 122 - 144 % (6)



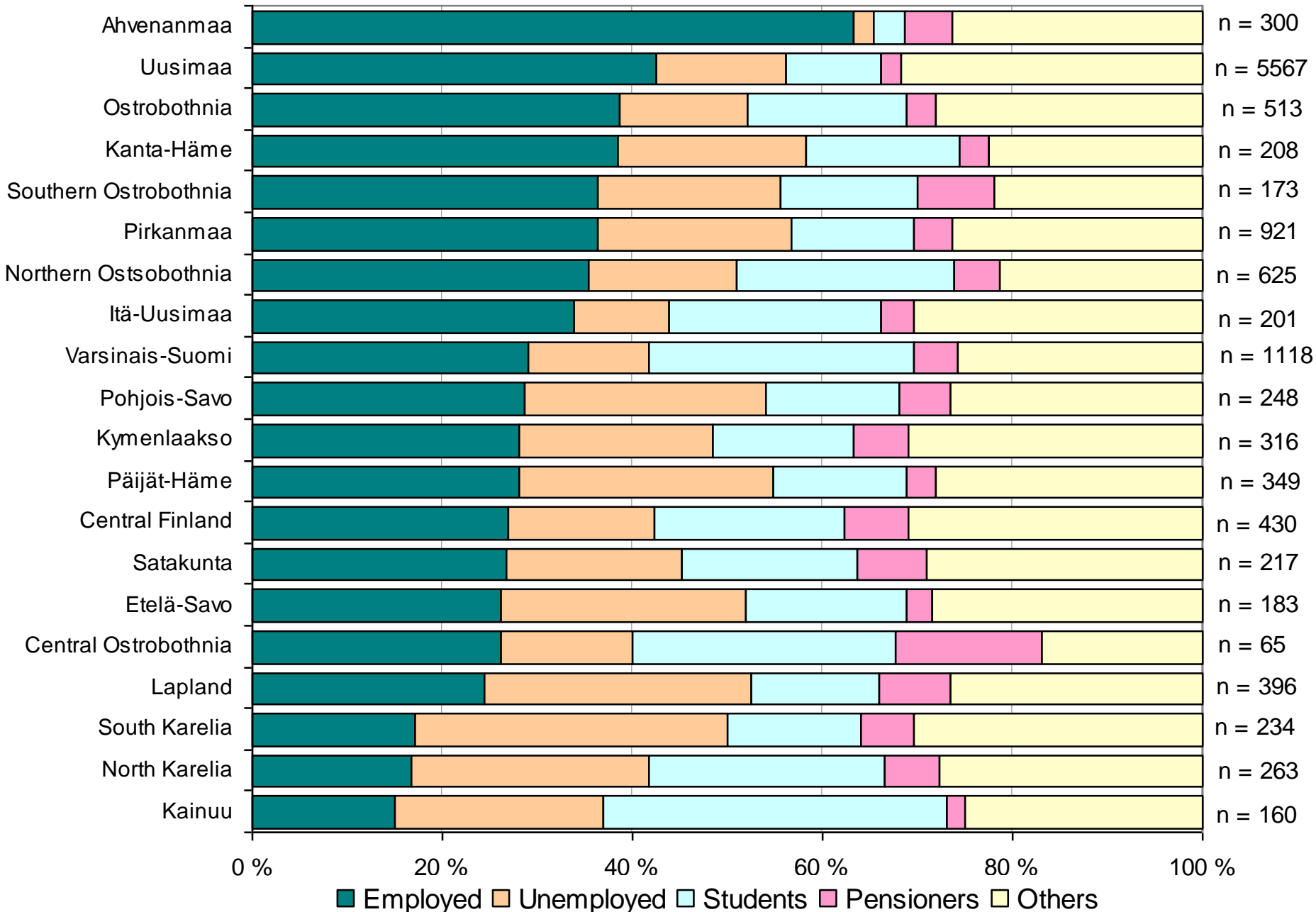
## Population changes by counties in 2004



# Population changes by counties in 2004

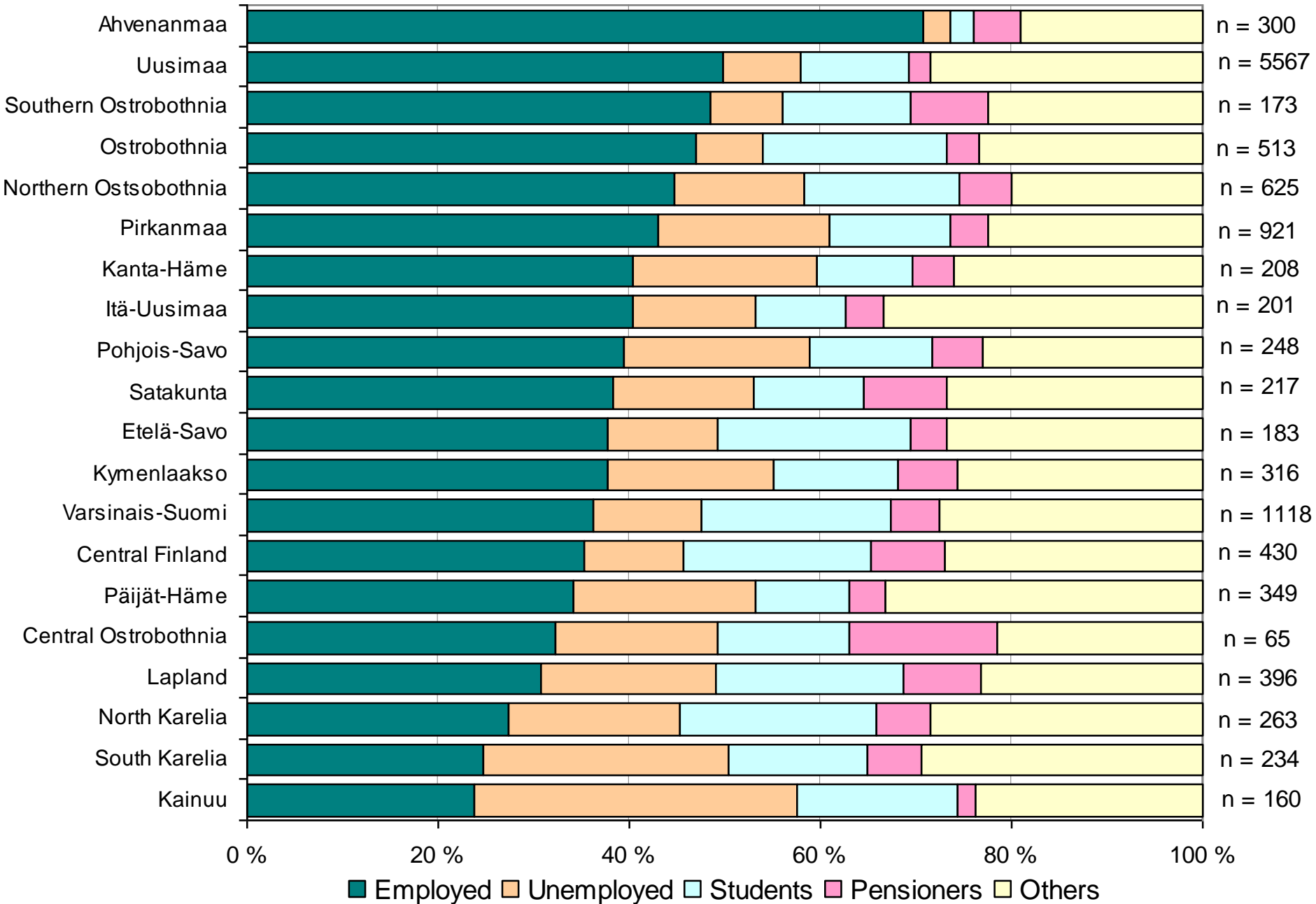


## Persons immigrated in Finland in 2002 by county of residence and main activity at the end of 2002

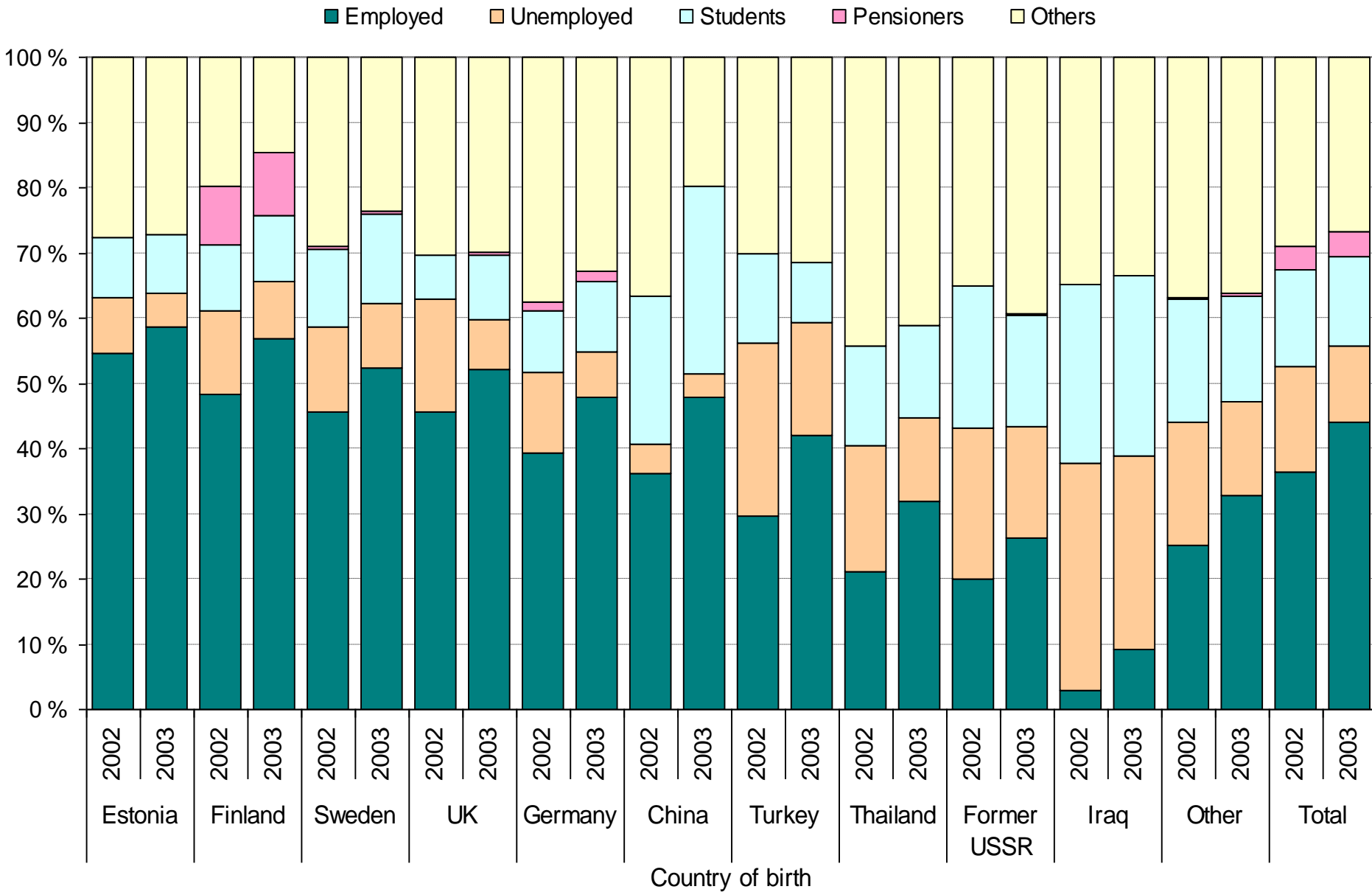




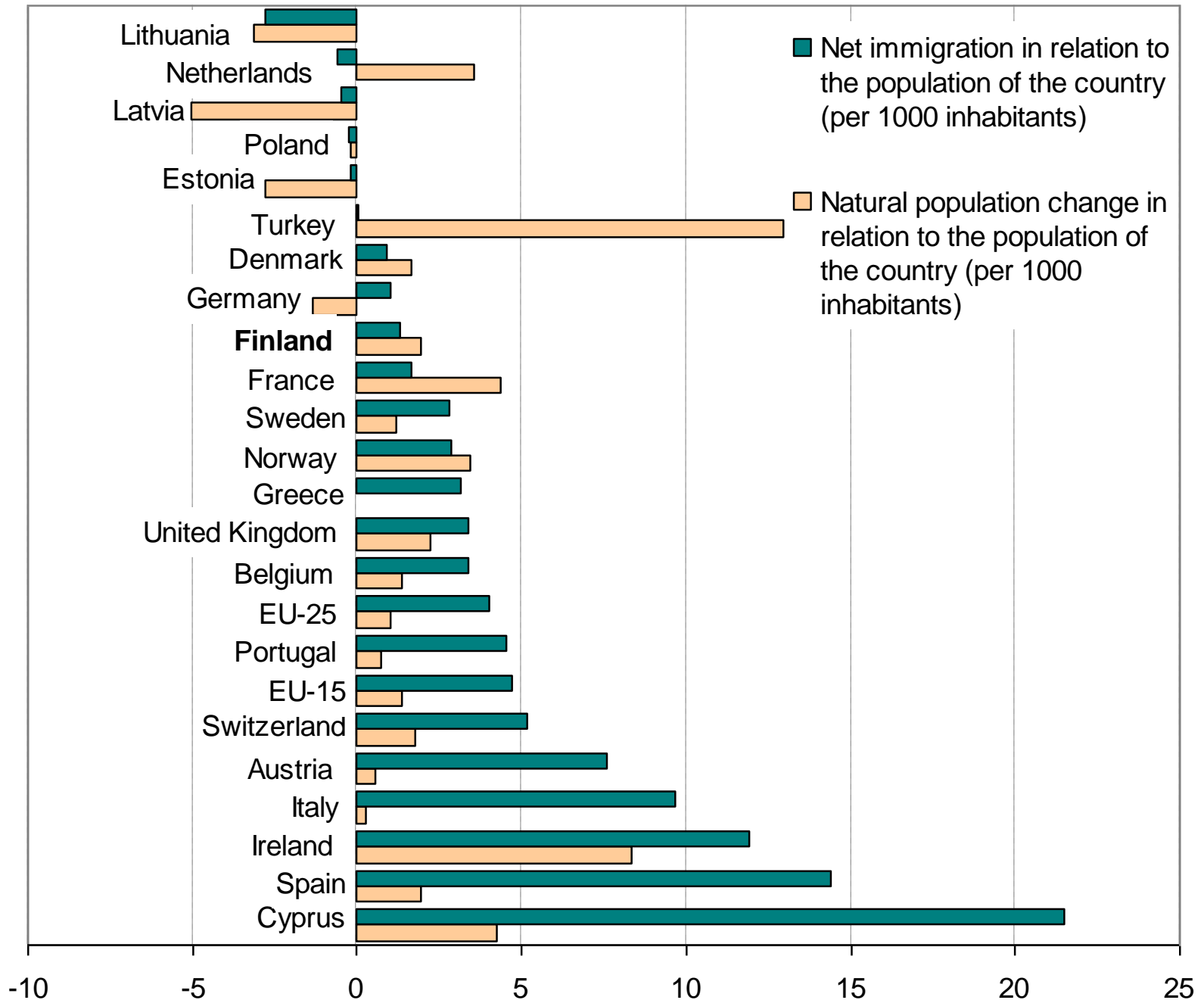
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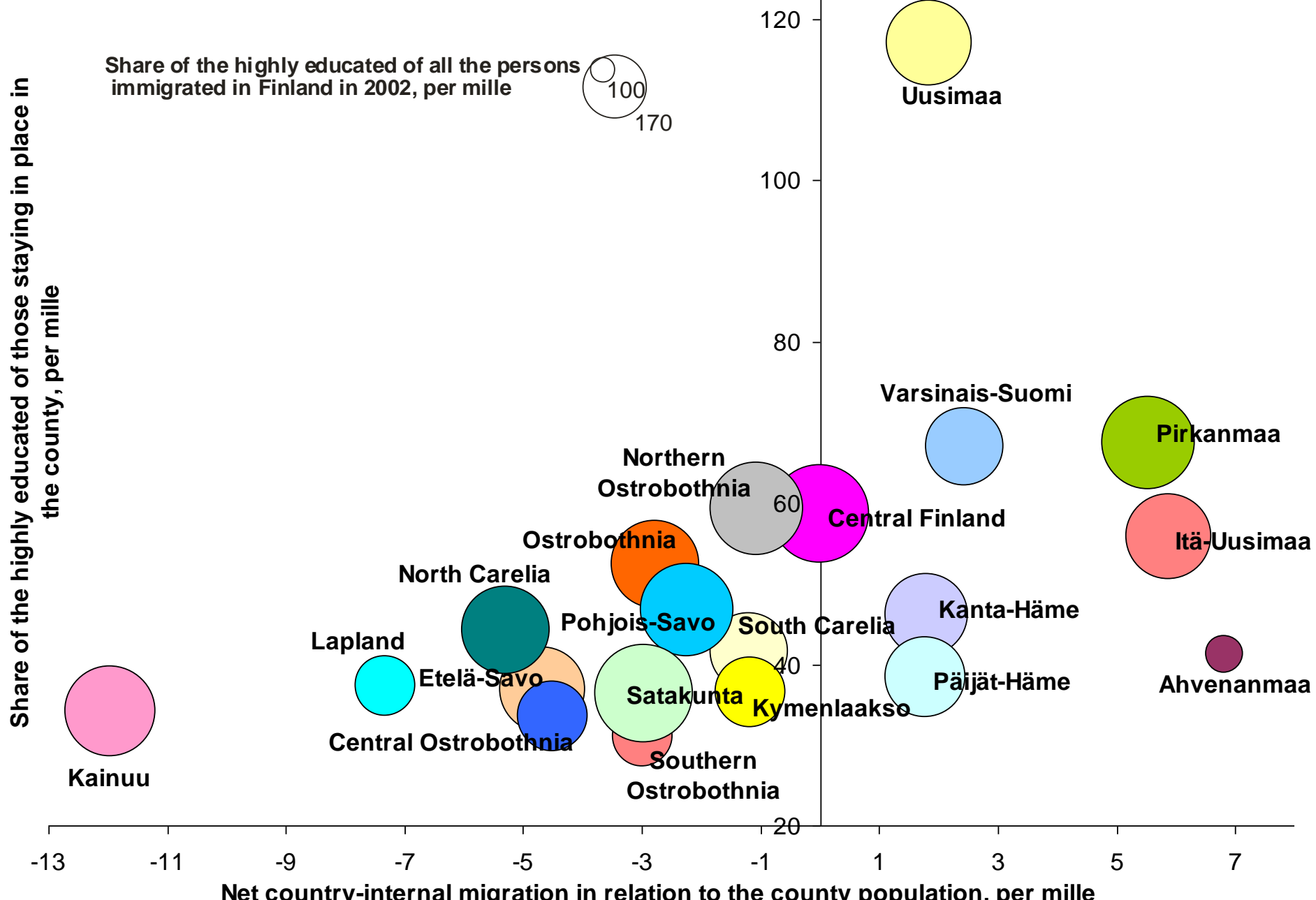
## Main activity in 2002 and 2003 of persons immigrated in Finland in 2002 by country of birth



## Population change in EU countries in 2004



# Population dynamics of the highly educated in Finland in 2002: those who are staying in place, country-internal and international migrants



# 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.

Zachary (see Florida 2002) argues that openness to immigration is a key factor in innovation and economic growth.



• Finland not only needs the highly educated but due to the population ageing there will be a need for replacing labour into different branches, for example to social and health care sectors



• Finland is competing of immigrants with other countries to full-fill the lack of labour in the near future

**Competitive 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.