

Volume 3 Number 1 April 2006

# *migration letters*

An international journal of migration studies

# MIGRATION LETTERS

An international journal of migration studies

VOLUME 3

NUMBER 1

April 2006

## Contents

- Migrants trafficking and individual strategies: the formation of dynamic channels in international migration **1**
- JOÃO PEIXOTO
- Ethnic Residential Segregation and Assimilation in British Towns and Cities: a Comparison of those claiming Single and Dual Ethnic Identities **11**
- RON JOHNSTON, MICHAEL POULSEN AND JAMES FORREST
- Ethnic conflict, wars and international migration of Turkmen: evidence from Iraq **31**
- IBRAHIM SIRKECI
- Mental Health Workforce Collaboration and Partnership: Towards a response to World Health Assembly Resolution WHA 57.19 **43**
- NICHOLAS G. PROCTER
- International migration between Finland and the Baltic Sea Region **53**
- ELLI HEIKKILÄ
- Haciendo de Tripas el Corazón/Plucking Up Courage: Migration, Family Internal Conflict, and Gender in Veronica's Story **67**
- HILARY PARSONS DICK
- Where do they go? "A day without a Mexican," a perspective from south of the border **77**
- JEFFREY H. COHEN
- Book reviews
- Embracing the Infidel* by Yaghmaian, Behzad **87**

# International migration between Finland and the Baltic Sea Region

Elli Heikkilä <sup>1</sup>

## Abstract

Immigration from the former socialist countries into Western Europe generally increased after the fall of the Iron Curtain. This was also apparent with respect to the Nordic labour markets and Finland where the share of immigrants grew from countries around the Baltic Sea Region. The main immigrant groups come to Finland from Sweden, Russia and Estonia. Immigration from Poland, Lithuania and Latvia has not played such an important role. This paper analyses the volume and integration of immigrants from the selected countries of Baltic Sea Region. Integration can be measured by their performance in the Finnish labour markets.

**Keywords:** immigration, integration, employment, Baltic Sea Region.

## Introduction

European integration has effects on migration structure and regional development. Nordic people have had the possibility to move freely within the Nordic countries since 1954. Immediately after the fall of the Iron Curtain in 1991, immigration from the former socialist countries into Western Europe generally increased. This was also apparent with respect to the Nordic labour markets where the share of immigrants grew from countries around the Baltic Sea. After Finland's entrance to the single European labour market in 1995, there has been little to suggest that we are likely to see a further change in international migration patterns. As regards to the recent enlargement of the European Union, the ongoing integration of the international labour market around the Baltic Sea is seen as an important issue of major

---

<sup>1</sup> Institute of Migration, Linnankatu 61, 20100 Turku, Finland. Email: [elli.heikkila@utu.fi](mailto:elli.heikkila@utu.fi).

policy relevance. The expected shortage of labour supply, both in respect of the 'old' and the emerging 'new' economy, is thus at the core of the current debate (Heikkilä et al. 2004).

This article deals with migration flows between Finland and the selected countries of the Baltic Sea Region (BSR). The focus is placed on analysing the volume of immigration from 1989 and the integration process following immigration in the beginning of the 2000s. This study is based on data of foreigners and international migration which is published by the Statistics Finland. Data consist information of volume of immigration of different ethnic groups, their educational background and position in the Finnish labour market. .

### **International migration theory**

I would like to highlight some theories explaining international migration flows between countries. First, neoclassical economic theories emphasize wage and employment differences between countries. Individuals are seen as rational decision-makers who decide on migration on the basis of economic benefits and costs for moving between countries. One of the goals of the individual is to maximise income (Todaro 1969). Finland could be the target country because there exists higher income level compared to Russia and southern Baltic states like Estonia. Network theory connects the migration process with personal, cultural and other social bonds. In emigration countries the information on foreign jobs and living standard is mostly transmitted through personal networks, like friends and neighbours who have emigrated (Massey et al. 1993: 448–450; Oishi 2002: 7). Geographic proximity of Finland and southern and eastern Baltic states, especially to Russia and Estonia, and even the daily movement across the boundaries create the easy access to get information concerning for example working possibilities in Finland.

World system theory sees migration as a natural consequence of economic globalisation and markets transcending national borders (Massey et al. 1993: 444–448). According to Wanner (2002: 11) there are four explaining factors for migration in Europe: (1) historical bonds, which have formed

during e.g. the colonial era or for East Europe as political alliances, (2) geographic proximity, which is especially important in the Mediterranean countries and in Scandinavia, (3) a common language, and (4) immigration policy, which defines how open the country is for immigration. The last factor is especially important during the coming decades considering demographic development in the ageing societies, like Finland. In the Baltic Sea Region, geographic proximity and in some cases common language is found; for example Finland has two official languages Finnish and Swedish.

Dual labour market theory links immigration to the structural requirements of modern industrial economies. According to Piore (1979), immigration is not caused by push factors in sending countries (low wages or high unemployment), but by pull factors in receiving countries (high wages and need for foreign workers). In the dual labour market theory, labour markets are split into two non-competing blocks: primary and secondary labour markets. Minorities, and immigrants, are more concentrated on the secondary labour markets than on the primary labour markets (Massey et al. 1993: 442–443). High wages and need for labour in certain sectors, like in construction, can be pull effects to Finland.

Part of the human capital, like language skills, customs knowledge and contact nets usually are seen as tied to a certain country. Because of this immigrants can in the beginning be presumed to be less employed and earn less than the native population in a similar situation or than those who have lived long in the country. When skills, mastering of the language and knowledge of the labour markets improve, their social status is likely to improve and they can take higher productivity jobs (Chiswick 1978).

### **Migration flows from the BSR to Finland**

The total number of immigrants coming to Finland was 17 838 in 2003. The main immigrant groups come from Sweden, Russia and Estonia. Immigration from Poland, Lithuania and Latvia has been in a very low level over the years

## FINLAND AND THE BALTIC REGION

(Table 1). The structures of the immigrant populations and the reasons for their arrival in Finland have, however, changed over time. In the 1980s, people moved to Finland because of a specific job or for family reasons, such as marriage to a Finn. In the 1990s, majority of the immigrants has been Ingrian Finnish returnees, an ethnic group who speak a dialect of Finnish language and have traditionally inhabited the area called Ingria situated between what is now Saint Petersburg and the northeastern border of Estonia. After the collapse of the Soviet Union a significant number of them have moved to Finland, where they are eligible for automatic naturalization in the Finnish Law of Return and refugees who commonly did not have a job pre-arranged, nor could they benefit from the existing social networks that promoted employment and integration (see Jaakkola 2000).

### **Labour market integration of the BSR immigrants**

The unemployment rate of all immigrants in Finland was almost three times higher (53%) than the rate of the total population in 1994 (20%). Unemployment has decreased both among total population and foreigners after the economic recession at the end of the 1990s. More than 240,000 new jobs were created in Finland during the economic boom of 1995-1999. The growth was proportionally greatest in the jobs requiring a higher education (Helsingin Sanomat 2002). One growth sector has been ITC-sector and for some regions Nokia-effect has had a great importance.

The relative difference between the groups, however, was still three times that of the total population in 2003 (immigrant unemployment was 29% and the total population 12%).

There is a large difference in the degree of unemployment between different ethnic groups among the Baltic citizens (Figure 1): the unemployment rate for the Russian/former USSR origin has been 40% in 2003 while the rate was 12% for Poles and 11% for Swedes.

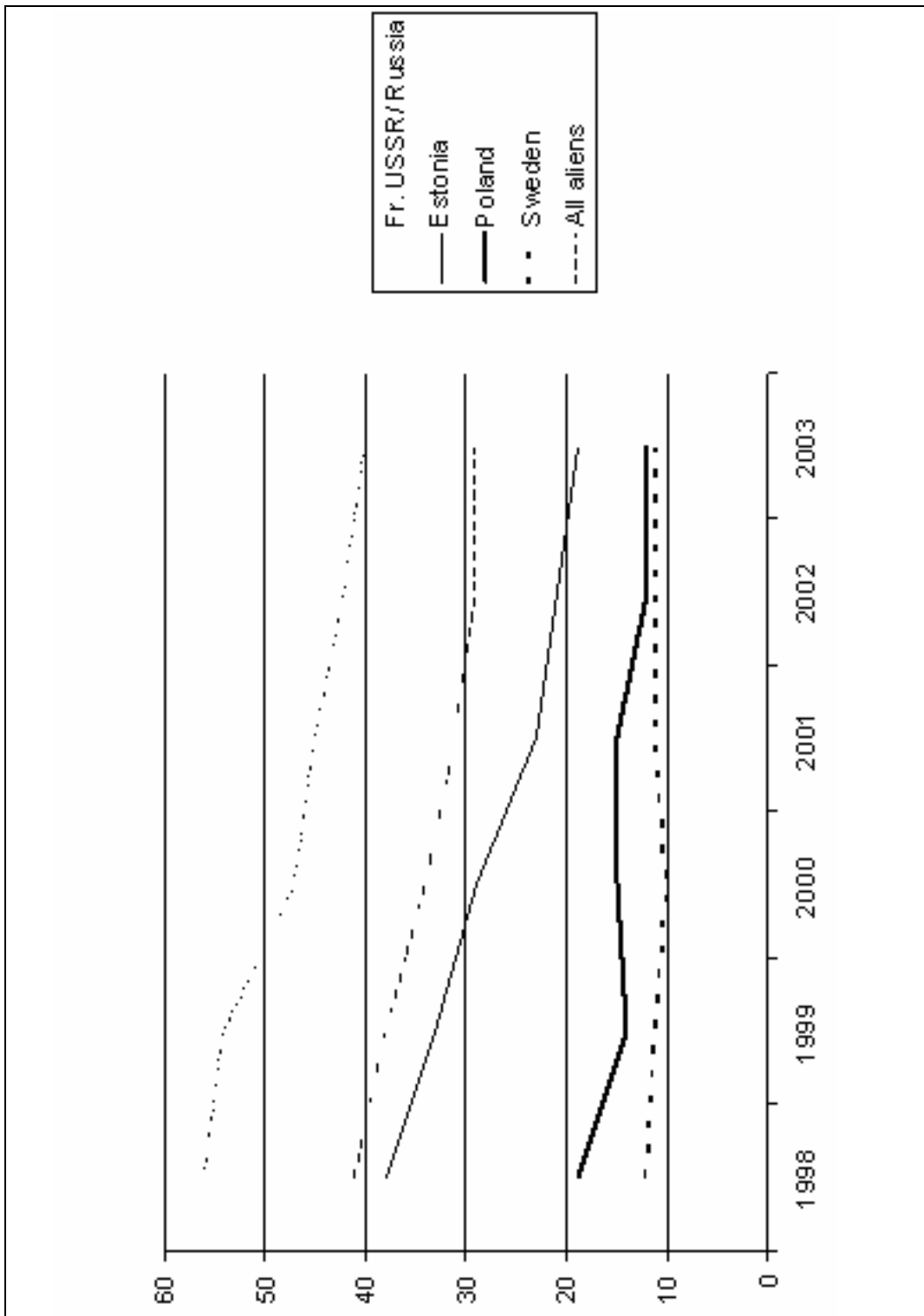
<b>Table 1. Migration of east-BSR citizens from/to Finland 1989–2003.</b>															
	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03
	<b>Polish</b>			<b>Lithua- nian</b>			<b>Latvian</b>			<b>Estonian</b>			<b>Russian</b>		
	imm.	emig.	net	imm.	emig.	net	imm.	emig.	net	imm.	emig.	net	imm.	emig.	net
	114	191	176	66	40	39	24	27	23	28	39	41	62	61	73
	10	8	39	48	15	26	21	61	21	13	16	53	14	28	12
	104	183	137	18	25	13	3	-34	2	15	23	-12	48	33	61
	-	-	6	12	9	15	12	44	34	18	18	20	39	62	33
	-	-	*	*	*	*	*	*	*	*	*	14	-	12	14
	-	-	-	-	-	-	-	-	-	-	-	6	-	50	19
	-	-	7	26	32	27	11	24	31	33	36	35	62	38	46
	-	-	*	*	*	*	*	*	*	*	14	*	11	11	8
	-	-	-	-	-	-	-	-	-	-	22	-	51	27	38
	-	-	862	2134	1981	1361	951	690	629	675	587	655	1090	1163	1102
	-	-	*	31	85	154	166	326	148	159	152	337	131	209	171
	-	-	-	2103	1896	1207	785	364	481	516	435	318	959	954	931
	-	-	-	2946	2169	1901	1958	2012	2387	2463	2180	2516	2539	2039	1665
	-	-	-	25	44	83	67	148	109	78	127	241	148	240	184
	-	-	-	2921	2125	1818	1891	1864	2278	2385	2053	2275	2391	1799	1481

Source: Statistics Finland

\* Magnitude zero: < 6 moves per value

- Data not available or no data

**Figure 1. Unemployment rate among Baltic foreigners by citizenship in 1998-2003.**





Unemployment rate and the duration of unemployment are correlated; those nationalities having high unemployment rate have also longer duration of unemployment. Refugees have longer unemployment periods and the proportion of not unemployed is smaller in 2000. For example, the citizens from former Yugoslavia 47% belongs to long term unemployment, 29% to the short term unemployment and 24% are not unemployed. The situation is the opposite for EU-citizens like for the French: 5% long term unemployed, 16% short term unemployed and 79% not unemployed (see Heikkilä et al. 2004). Those immigrants who have distant culture are facing difficulties in finding a job and thus they are more vulnerable than those with cultural proximity. Refugees and asylum-seekers have more problems in finding a job because they represent usually different cultural background than the natives (see Heikkilä 2005).

The length of unemployment in 2000 among Baltic citizens arrived to Finland in 1991–1994, the proportion of not unemployed people, which consists of employed, children, students, pensioners and others outside of labour force, is the smallest among Russians. The duration of unemployment is quite equally distributed for short and long term unemployment among Baltic citizens.

Employment situation is close to the Finnish level among Baltic citizens, except for Russians (Table 2). The highest proportion of students is among Russians which is double compared to the Finnish average. There is exceptional high proportion of pensioners among the Swedes that can be explained by the return migration of Finnish people who have taken Swedish citizenship after emigration from Finland to Sweden during the boom emigration in the late 1960s and the early 1970s.

The immigrants from Russia have a little bit higher proportion of highly educated than the Finnish average (Table 3). According to Malaha (2003) the share of high skilled specialists among Russian emigrants is 2.3–4.6 times higher than it is among the population in Russia. At the beginning of the 1990s, Moscow and St. Petersburg were the regions which

## FINLAND AND THE BALTIC REGION

lost the intellectual potential most intensively. About a half of emigrants originated from Moscow and more than 40% of emigrants originated from St. Petersburg had high education whereas only 5-12% of emigrants from other regions of Russia had this level.

**Table 2. Type of the activity of Baltic citizens in 2002.**

Citizenship	Employed	Unemployed	0-14 -years old	Students	Pensioners	Others	Total
Russia	25,9	16,3	17,3	16,5	4,3	19,7	24 336
Estonia	41,7	9,3	18,3	9,0	4,1	17,5	12 428
Sweden	38,0	7,5	9,3	5,7	26,2	13,2	8 037
Finland	43,3	5,7	17,8	7,6	21,2	4,4	5 102 613

**Table 3. Education among Baltic groups in 2003.**

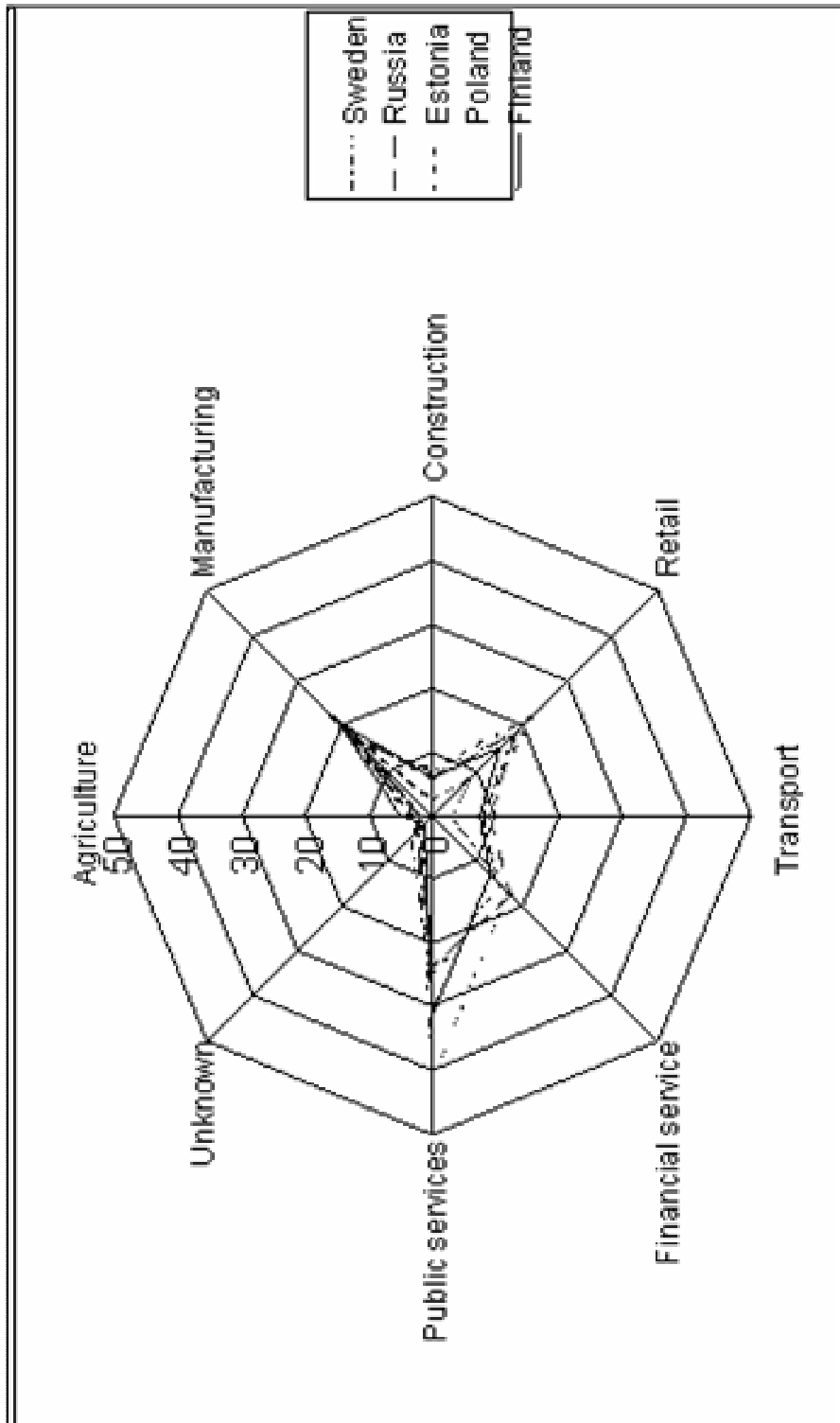
Citizenship	Lower secondary education/ Unknown	Upper secondary education	Tertiary education	Total
Russia	45,8	26,5	27,7	100
Estonia	59,2	26,7	14,1	100
Poland	59,6	16,2	24,2	100
Sweden	56,3	28,7	15,0	100
Finland	31,8	41,3	26,9	100

Table 3 shows further that among Polish immigrants in Finland, the tertiary education is almost at the same level compared to the Finnish level. Upper secondary education is not so common among Baltic groups than in Finland. Instead, lower secondary education is highly represented as education background for immigrants. Data on education are incomplete, since this information is lacking for many immigrants, or education and examination are not compatible with the Finnish education system. As a result, e.g. a well-educated immigrant might count as having only lower

HEIKKILÄ

secondary education if he/she has no verified record of his/her achievements.

Figure 2. Employed Baltic citizens by industry in 2000.



## FINLAND AND THE BALTIC REGION

Public services are employing the highest proportion of the employed Baltic citizens in Finland in 2000. Among the Polish origin immigrants, the proportion is as great as 41% (Figure 2). Also manufacturing, retail and financial service have importance in employment of immigrants. Among men there are double more Baltic men (excluding Swedish men) working in public services than men in Finland do in 2000. For women, the picture is reverse: for example only 12% of Russian and Estonian women are working in public services while the average proportion for women in Finland is 47%. It is a surprise that in construction, works more Estonian (15%) and Russian (9%) origin women than Estonian (1%) and Russian (2%) men in Finland. Some reasons which might explain this phenomenon is that there are more temporary workers and "grey" (undocumented labour force) labour markets which employ mostly men.

### **Conclusion**

Neoclassical economic theories emphasize differences between countries in wages, employment and standard of living as initiating factors for international migration. This kind of economic gap exists between Finland and the southern and northern countries around the Baltic. The gap in standard of living is largest between Finland and Russia. Similarly, the difference in GNP between Finland and Russia is one of the largest - if not the largest - in Europe, and it increased during the 1990s. Compared to Estonia, Finland has three times higher wages with respect to purchasing power (Heikkilä & Järvinen 2004: 14-15). There exist the push effects from Russia, Estonia and pull effects to Finland in economic terms and it can be recognized in quite high immigration flows from these lower wage countries. Latvia and Lithuania are exemptions and there are only few immigrants in Finland from these two countries.

Geographical proximity and a common language, as world system theory points out, make it easier for newcomers to choose a neighbouring country, Finland, as a destination. Quite many immigrants from Russia and Estonia know Finnish language but during the recent years, for example

from Russia, there are more and more of those who cannot speak Finnish language. It is affecting the possibilities to find a job from the Finnish labour markets because employers require, in many cases, the Finnish language skills. Also immigrants themselves perceive language skills as important qualification in getting a job (see Jaakkola 2000; Heikkilä 2005).

If individuals decide to migrate in order to maximise income and welfare, i.e. on rationally calculated reasons, as economic theories propose, the goals of migration are not always achieved. One supportive evidence for this could be the high unemployment rate among immigrants in Finland. There are, however, huge differences among Baltic origin immigrants and their performances in the Finnish labour markets: Poles and Swedes have the national average level unemployment rate but for example Russian/former USSR origin immigrants have faced 40% unemployment rate in 2003. The Swedes represent the western immigrants and the westerners have commonly the same level of unemployment rate as the natives in Finland. Those who have moved from non-EU countries, they have experienced higher unemployment rates. At the time of this analysis, the southern Baltic countries were not yet members of the EU. The good performance of the Poles is reflected in their wage level in Finland: in the highest income level (200 000 FIM, i.e. 33 000 €) to which 14 % of the Poles belong is almost the same proportion as in Finland (16 %) in 2000. They have very high proportions in public services sector (41%) and many Poles have tertiary education (24%) in 2000. However, Russian immigrants, despite having good educational background, have not performed well in the labour markets.

Finland has two years restriction on the free movement from new EU countries. It has been, however, free to come to work in Finland, from 1.5.2004 onwards, as long as the working period is not more than 3 months. Many of these temporary immigrants work in agriculture (e.g. berry picking) and construction. Following this two years transition period, Finland will allow free movement from the 10 new member states.

## FINLAND AND THE BALTIC REGION

Finland needs increasing numbers of immigrants, first to fill the open positions as the post-war generations reach retirement age, and second to provide these pensioners with adequate care. Nevertheless, it is unlikely that there will be significant migration flows to Finland from new member states of the EU. Immigration from Russia will, however, form the largest single group (see Heikkilä & Järvinen 2004).

### References

- Chiswick, B. R., (1978), "The Effect of Americanization on the Earnings of Foreign-born Men", *Journal of Political Economy* 86(51): 897-921.
- Heikkilä, E., (2005), "Mobile vulnerabilities: perspectives on the vulnerabilities of immigrants in the Finnish labour market", *Population, Space and Place* 11: 485-497. John Wiley & Sons, Ltd.
- Heikkilä, E. & T. Järvinen, (2004), "Muuttoliike Suomen ja Itämeren maiden välillä", *Talous ja Yhteiskunta* 2004 (1): 13-17.
- Heikkilä, E., T. Järvinen, J. Neubauer and L. O. Persson, (2004), *Labour Market Integration in the Baltic Sea Region: Before and After EU Enlargement*. Institute of Migration, Web Reports 3. 35 p.
- Helsingin Sanomat (2002). Helsinki region attracts large numbers of highly educated Finns. <http://www2.hs.fi/english/archive/news.asp?id=20020313IE2>
- Jaakkola, T., (2000), *Maahanmuuttajat ja etniset vähemmistöt työhönottossa ja työelämässä*. Työministeriö, Työpoliittinen tutkimus 218. 138 p.
- Malaha, I., (2003), External migrations in Russia in 1992-2000: evaluation of educational structure. Lecture presented in the Institute of Migration, Turku, Finland 20.10.2003. Manuscript.
- Massey, D. S., J. Arango, G. Hugo, A. Kouaouci, A. Pellegrino and E. J. Taylor, (1993), "Theories of International Migration: A

## HEIKKILÄ

- Review and Appraisal", *Population and Development Review* 19(3): 431-466.
- Oishi, N., (2002), *Gender and Migration: An Integrative Approach*. University of California. The Center for Comparative Immigration Studies, Working Paper\_49. 18 p.
- Piore, M. J., (1979), *Birds of passage: Migrant labour in industrial societies*. Cambridge, UK: Cambridge University Press.
- Todaro, M. P., (1969), "A Model of Labour Migration and Urban Unemployment in Less Developed Countries", *The American Economic Review* 59: 138-148.
- Wanner, P., (2002), *Migration trends in Europe*. Council of Europe, European Population Papers Series 7. 26 p.