

## REFUGEES' GEOGRAPHIC AND SOCIO-ECONOMIC MOBILITY IN RURAL REGIONS

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Previous research has identified that an upward socio-economic mobility takes place for most immigrants over time and that some nationalities are more successful than others. However, the studies focus on the aggregate level only. The dual labour market theory predicts that low-skilled labour immigrants and refugees will pick up jobs in the lower labour market segment. If they accept their low socio-economic position, they will become 'integrated' into the host community; attempts to improve their socio-economic position will encounter obstruction. This is in line with the established-outsider theory. The solution is either to refrain from pursuing upward socio-economic mobility or to move somewhere else.



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**A**t the beginning of this year, the transdisciplinary Horizon 2020 'Matilde' project was finalised. It aimed to analyse the social and economic impact of non-EU immigrants to rural and mountainous regions of the EU as well as to improve integration and local development efforts. It is a common belief that migrations to rural and mountainous areas can revitalise local social and economic milieus, reducing territorial inequalities and reconfiguring urban-rural interconnections. In total, thirteen case study areas were analysed as part of the project, including the two rural Finnish regions of North Karelia and Ostrobothnia.<sup>1</sup> The empirical data used in the project was based on interviews with both stakeholders and immigrants and on statistical data as well as previous research.

One conclusion is that the number of examples of positive social impact by such immigration are rare. Another conclusion is that the positive economic impact is mainly found at the company level and not at a societal level. Several determinants for this development can be identified: the human capital of the immigrant, whether s/he came as a refugee or as a labour migrant, where in the country s/he settled down, language proficiency and local labour demand. In most of the case study areas, the local stakeholders reported that a significant share of the immigrants left the region as soon as they could, and it was to the regret of the stakeholders.

Hitherto, the relationship between socio-economic and geographic mobility for refugees has generally been an under-researched topic, and not only in Finland. Most immigrants begin their working life in Finland in so-called 'entry occupations' and other low-paid jobs. Over time, both the income levels and employment levels of immigrants improve. However, most research focuses on housing segregation and the socio-economic mobility of highly skilled labour migrants. Generally speaking, the median age in rural and mountainous regions is higher than in urban and metropolitan regions, while the median age of the analysed non-EU immigrants is significantly lower. The ageing population, in combination with an obsolete economic structure, discourage immigrants from staying in rural and peripheral regions. To find a job matching their competences, immigrants must move internally to a greater extent than natives, which is especially the case for immigrants who come from refugee sending

<sup>1</sup> The other eleven case study regions are Bursa (Turkey), Haskovo (Bulgaria), Huesca (Spain), Outer Hebrides (Scotland), Bavaria (Germany), Turino and Südtirol (Italy), Caninthia and Vorarlberg (Austria), Gudbrandsdalen (Norway) and Dalarna (Sweden).

regions. An explanation for this situation is the centripetal forces making qualified jobs cluster in the bigger cities.

However, many immigrants are not refugees and their settlement patterns differ. Most of the previous research has only analysed the processes at a national level, while in fact there are huge local and regional differences. This paper presents an explorative discussion of what the geographical and socio-economic mobility of refugees in rural and peripheral areas looks like in the Matilde case study regions.

### Theoretical considerations

The challenges in analysing socio-economic mobility among immigrants and refugees in different places has certainly been discussed in the theoretical literature. For instance, the dual labour market theory predicts that low-skilled immigrants will pick up jobs in the lower labour market segment, i.e. low-productive, labour-intensive jobs with few career possibilities and often on temporary contracts. So long as immigrants accept their inferior socio-economic position in the host society, they will be 'integrated' and become a part of the local community in which they live. However, attempts to climb upwards in the socio-economic hierarchy will be met with obstruction. This phenomenon is also addressed by the established-outsider theory. According to this theory, locals do not want any competition from newcomers. Instead, locals try to shun the in-movers, monopolise power and reinforce 'us' and 'them' images, which support and reinforce divisions within society. This theory is based on empirical observations of what happened when a white, English working-class population moved from London to another white, working-class town in England in the late 1950s. It is worth noting that such an exclusion process is not necessarily related to race or ethnicity; rather, there is a strong relationship to the informal institutions stigmatising people who do not belong to the 'us' or insider group. However, immigrants must decide whether or not to accept a low socio-economic position in the local community and become integrated or move somewhere else where upward socio-economic mobility is possible. Usually, this means moving to bigger cities.

### Settlement patterns

The resettling of refugees in most EU countries follows a dispersal principle: the refugees are resettled in different parts of a country. The policies of forced dispersal that refugees in many Europe-

an countries are subjected to isolate them from the social networks of previous immigrants, which may be critical for them finding a job and for social learning in general among migrants.

Half of the non-EU immigrants to the Finnish region of North Karelia come from Russia (and the former Soviet Union). There are also small groups of labour migrants from China and Bangladesh. Other major immigrant groups include Kurds, Somalis, Syrians, Afghans, Thais, Iraqis and Vietnamese peoples. Many of the groups arrived as refugees. It is worth noting that illiteracy is prevalent among some migrant groups, e.g. asylum seekers from Afghanistan. In the Finnish region of Ostrobothnia, roughly the same refugee groups dominate, but the share of labour immigrants among the non-EU migrants is higher there, especially Ukrainians. Moreover, many women from Thailand and the Philippines have also immigrated to form a family with locals. About half of the refugees have primary school as their highest educational attainment level. The diaspora networks among labour migrants and marriage migrants are active.

### Labour market demand

Generally speaking, the labour demand in the Matilde case study areas follows the demand described in the dual labour market theory. The jobs in the lower labour market segment offered to refugees in the case study regions require low skill levels, pay a low wage, are easy entry, include job impermanence (seasonal or fixed-term contracts) and have low returns on education or experience. There is no or little prospect of career advancement. The upper labour market sector contains highly skilled jobs and requires specialist competence. Such jobs have a high productivity rate, and they are characterised by higher wages, job security and prospects for advancement. From the case study research, it is obvious that not many such jobs are available in the case study regions (not even for the natives!).

Conventionally, having a job and income are seen as prerequisites for becoming integrated. When integrated, the immigrants build social networks. However, approximately 75 per cent of all vacancies are filled through one's own networks, and hence, immigrants need networks before they will find any matching jobs. Therefore, getting a job is a sign that the immigrant is successfully integrated rather than marking the starting point of the integration process. The 'iron law' of the labour market is that you need to have a job to get a job. However, this requires that there is an

entry level job for you and that you have realistic opportunities to change to a better job. In most cases, the jobs open for refugees in the Matilde case study regions are in the lower labour market segment. This is also the case in North Karelia and Ostrobothnia.

### Upward mobility

While resettled refugees often have not had any other choice but to accept being dispersed into rural and peripheral regions, many labour migrants have consciously chosen to take jobs in those regions. Such labour migrants have also accepted the conditions at the lower labour market segment. Despite the hopes of local and regional stakeholders and authorities that the refugees would stay, so as to revitalise the regions, many of the refugees usually leave as soon as they can, making such areas scenes of transitory migration for non-EU citizens. The transitory character of the rural and peripheral regions generates a lack of place attachment. However, the lack of place attachment then reinforces the transitory character of those regions. Many refugees feel that building a sense of place attachment, including social networks, does not pay off; if there are any jobs available for them, it will be in the lower labour market segment. Refugees with ambitions of finding better jobs will leave the rural and remote areas as soon as they can. In the case of the Scottish fishing sector, previous migrants have left as soon as they can because employers 'cannot guarantee the fixed salary which is requested for [a working] visa' (Caputo et al., 2021: 322). This situation is indeed indicative of the profound challenges in finding decent jobs in the lower labour market segment.

The two Finnish case study regions focused on in the Matilde project display both similarities and differences. According to the dual labour market theory, no integration problems are expected so long as immigrants take the jobs that the natives do not want, especially in the lower labour market segment. However, when the immigrants and their children demand higher education opportunities and try to climb upwards in the socio-economic hierarchy, integration problems emerge. In North Karelia, the number of jobs available for refugees are limited. The natives are generally not friendly nor welcoming towards the newcomers. This finding was expected in line with the established-outsider theory; namely, that natives would not appreciate competition from any in-mover for the few existing job vacancies. Refugees who belong to visible minorities especially face significant

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problems in establishing themselves in the local labour markets in North Karelia. To find jobs and escape xenophobia, many of the visible minorities (especially Somalis) have left North Karelia for the bigger cities in southern Finland.

A number of available jobs exist in Ostrobothnia for refugees. However, the jobs are typical lower labour market segment jobs: low-productive, labour-intensive, temporary and not well-paid jobs; natives or EU citizens fill the vacancies in the upper labour market segment. The welcoming and hospitable attitude by the natives of Ostrobothnia towards the refugees indicates that the refugees do not disturb the established socio-economic hierarchy. This may change if they try to advance upwards; that the upper labour market segment is closed for refugees can be explained by the established-outsider theory. Refugees who are happy to have a job at the bottom of the social hierarchy and happy to have a home and live in a peaceful corner in the world report that they are integrated. Those refugees with higher ambitions apparently leave Ostrobothnia for the bigger cities in the south at the earliest opportunity. In such places, they also have networks to help them find more desirable jobs. Leaving the case study area for cities in southern Finland can be interpreted as an easier way to move upwards in the socio-economic hierarchy than would be the reality if they remained in Ostrobothnia.

### Looking onwards and outwards

Based on the dual labour market theory and the established-outsider theory, it is possible to outline the causality between the ambitions of a non-EU immigrant to climb upwards socio-economically in the local community in which s/he resides and his/her geographic mobility. If the refugee accepts a job in the lower labour market segment and has no ambition to advance socio-economically, then the chances of becoming 'integrated' are favourable. The immigrant will not constitute a threat to the current socio-economic hierarchy in the local community. Hence, over time s/he will become established at a lower position in the socio-economic hierarchy.

However, refugees with ambitions to climb upwards socio-economically in the local community in which they reside risk a backlash. Since their ambitions challenge the socio-economic hierarchy, they may find their efforts to climb the socio-economic ladder being obstructed. They can either accept that they will not be allowed to advance socio-economically or they can voice their dissatisfaction. In both cases, they will re-

main outsiders in the local community in which they reside. The third option, to leave, means that they move away from the community in which they are residing for a place where it is possible to climb upwards socio-economically, i.e. bigger cities. Networks within their own ethnic group can provide information, jobs and so forth to facilitate this process. The result is that such immigrants may find a job that better fits their competence and preferences, one that also brings a higher income. If this happens, the socio-economic move upwards has been successful.

Since refugees have not been selected for economic reasons, like labour immigrants have, their labour market situation is fundamentally different from that of labour immigrants. The outcome for them is discouraging. Kordel and Weidinger (2018, p. xix) conclude that,

[a]lthough local stakeholders, such as politicians or entrepreneurs, have high expectations in terms of demographic stabilization and the mitigation of labour shortages, there is little evidence of the integration of refugees in rural employment markets.

According to them, refugees are usually pushed into self-employment for survival. However, in regions without cities or urban agglomerations exceeding 250,000 inhabitants, self-employment appears not to be a way out of their marginalised position. A negative correlation between company start-ups and a non-EU population exists in rural and/or peripheral regions of the EU. In metropolitan regions, ethnic markets generate a demand for goods and services by fellow nationals, but such a market is too small and the population too scattered in non-metropolitan regions. This reduces the possibilities for immigrants to re-vitalise the non-metropolitan regions economically (see Rauhut et al., 2023). While self-employment may offer income possibilities in the metropolitan regions, this is not automatically the case in non-metropolitan regions.

Non-EU citizens have started companies in both North Karelia and Ostrobothnia, however they are 'forced' entrepreneurs, meaning the decision to start a company was made because the owner failed to acquire a job in the regular labour market. Usually, such immigrant companies are low-productive and labour-intensive enterprises, such as pizzerias, hairdressers, shops and cleaning services. The incomes are usually low and unstable.

If a local or regional economy does not have sufficient savings to invest in capital or infrastructure, or if its market is too small, then its productivity level will remain low, fuelling a vicious circle

of underdevelopment. Limited market expansion, low savings and means for consumption, a reduced stock of capital in the economy and low income are all influential factors, and both supply and demand will be too low to trigger any expansion of the local or regional economy. The result is a vicious circle of underdevelopment. However, immigrant entrepreneurship and innovations by immigrants can break this cycle. This is the case when it comes to goods, but also to some services. In cases where the produced services are highly productive and capital intensive, then they can stimulate regional economic growth and development. Even though the companies started by 'forced' entrepreneurs and by social entrepreneurship in North Karelia and Ostrobothnia are low-productive and labour-intensive enterprises, the importance of such companies for the local communities may be high in terms of service provision, but they are insufficient to re-vitalise the regions economically on their own.

### Concluding remarks

This paper provides an exploratory discussion of what the geographical and socio-economic mobility of refugees in rural and peripheral areas looks like in the Matilde case study regions. The qualitative evidence suggests that refugees in rural regions opt for one of two strategies. Those who decide to stay do not see any major potential socio-economic gains in moving, while those who move foresee chances for greater upward socio-economic mobility in a larger urban area. Rural areas may offer housing and employment, but no prospects for upward socio-economic mobility. By linking socio-economic upwards mobility with geographic mobility, we can uncover important aspects of how immigrant integration takes place and where it takes place.

Future research should focus on following immigrants – e.g. labour migrants, refugees, marriage migrants – longitudinally as well as spatially. By using register data (microdata for individuals),

we can identify, for instance, which nationalities are most easily integrated into the labour market and what differences and challenges exist for integrating refugees and immigrants into the labour market in relation to other reasons for immigrating somewhere (tied movers, studies, job change after arriving as a labour immigrant). By using this type of empirical material, we can then control the extent to which geographic mobility stimulates socio-economic mobility among immigrants. The necessary register data exists in Finland. In the case of Sweden, previous research has identified that immigrants must move more and across larger geographical distances to achieve the same upward socio-economic mobility as natives. However, these research findings are some 25 years old and things may have changed. Linking the incomes of individuals to certain geographical places, and how the incomes change due to geographical moves, will shed light on the social processes underlying immigrant integration. Such knowledge is both needed and welcome.

### Suggested reading

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