

Human migration and its effects on regional development - from global to local



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Human migration, whether on a global or local level, creates new environmental conditions anywhere in the world. Estimates suggest that 175 million people worldwide live outside their country of birth, of whom 100 million are labour migrants. Contrary to popular opinion, most migration takes place between developing countries. However, migration to Europe has grown to such an extent that migrants now make up around 20 million of the European Union's population of 380 million (Immigrant Council of Ireland, 2003; Evans, 2004).

The economic globalisation of the 1990s and the beginning of the new millennium confirmed the increasing significance of migration. A striking trend in recent years has been the rise in both permanent and especially temporary migration for employment. Competition has intensified between the Organisation for Economic Co-operation and Development (OECD) member countries in order to at-

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tract needed human resources and to retain those individuals who might consider emigration. The rise in labour migration applies not to skilled workers alone; some OECD member countries make extensive use of unskilled foreign labour, chiefly in agriculture, construction, civil engineering and domestic services. This is especially true in Italy, Spain, Portugal, Greece and the US. In some countries, a substantial proportion of these foreign workers are undocumented (Mahroum, 2001; Sopemi, 2002).

In the International Geographical Union's July 2006 conference in Brisbane, Mohammed Al-Gabani from Saudi Arabia presented a paper on brain drain in Arab countries, i.e., the emigration of professionals to developed countries for better job opportunities and higher salaries. According to study, 50 per cent of medical doctors, 23 per cent of engineers and 15 per cent of Arab scientists are lost every year to Europe and to North America. In addition, more Arab students who receive an education in Britain, the US, Canada or France, stay after completing their studies, and don't return back to home country.

Globalisation has been discussed in Finland as well, and one

phenomenon has been companies' outsourcing of jobs, for example to China and to some new EU-member states. A couple of years ago, the city of Kemijärvi in Lapland was featured in the headlines because the Salcomp company had ended its activities there and moved its facilities to China. It was shocking news that globalisation had hit a specific region in Finland and that educated people had lost their jobs – even two persons in a single family. Globalisation has other consequences for Finland. It has been noted that by investing in global markets, companies create a new demand for Finnish products, which can have a positive spiral effect.

India is also actively competing in global markets for searching new investments to the country. Western companies have received tax relief and cheap land, first, for shifting production and later, for moving research and product development to India. The Nokia company at the beginning of this year, for instance, set up a GSM factory that employs over 2000 persons in Chennai (Pietiläinen, 2006).

European integration also has an effect on migration and regional development. Huge differences in GDP exist between the EU-15

countries and the ten new EU-member states. Free movement within the EU has led to a situation in which many new EU-10 member states are losing labour to the EU-15. The English speaking countries, England and Ireland, have especially benefited. In Poland on the local level, for example, since nurses and doctors have been leaving, hospitals have had difficulty finding personnel to fill the vacancies. Also, nurses and doctors in Finland have been moving especially to Norway for job opportunities and higher earnings. Though Norway is not an EU-member state, free movement within Nordic countries since 1954 has created joint labour markets. Nowadays, the US has also had some campaigns to recruit health personnel from Northern Europe.

Finland had a two-year transition period after the expansion of the EU on May 1, 2004. The country received temporary migrants, for example in agriculture, berry picking, construct work, and the metal industry. Today the borders are open for citizens of the new EU-10 member states, but Finland has not experienced any vast flow of immigration.

The sphere of employment is central to discussion of inclusion or exclusion, or in broader terms, the vulnerability of immigrants. After all, it is through work that people earn money, and gain status, and derive any sense of job satisfaction. Employment can be considered a crucial part of integration into wider society (see Carter, 2003:9). The immigrants in Finland often face unemployment, which is the basic indicator

of exclusion and vulnerability. Unemployment is highest among the immigrants from outside Europe, and for certain ethnic groups, such as the Somalis and Iraqis, the unemployment rate is over 70 %. Upon arriving, they have had the legal status of refugees. Those from elsewhere the West have faced the same unemployment level as the native (see Heikkilä, 2005).

The immigrants' qualifications often, but not always, explain immigrants' success in the labour market. Cultural theories emphasize ethnic background and its evaluation. Positive evaluation is connected to multiculturalism and negative evaluation to ethnocentrism. The distinction between "us" and "them" is usual in the latter case.

Immigrants have mentioned as one barrier to recruitment Finland's high unemployment level, which also causes, according to conflict theory, competition between majority and minority groups for limited jobs. In addition, immigrants mention that foreign work experience is not valued, and that their language skills are insufficient. Many Russians and Estonians can manage in Finnish, but nearly 90 % of Bosnia-Herzegovinans, for example, find language to be a great employment barrier. Britons and Americans can use their native English and many have found jobs as language teachers and translators. In modern sector jobs, such as in Nokia's ICT-sector, many immigrants can manage in English as well as Finnish and the company follows a "diversity management" approach (Jaakkola, 2000; Ryding Zink, 2001; Heikkilä, 2005).

Furthermore, there has been recent discussion of whether Finland should recruit labour from abroad in order to prevent a labour shortage predicted to occur in the near future due to population ageing and the retirement of the baby-boom generation. The essential commitments of the government's immigration and refugee programs are the following: on the one hand, openness, internationality, human rights, good management and legal security; and on the other hand, the prevention of illegal immigration. Immigrants can help develop Finland's economy and culture, and act as mediators in international communication. Given the current economic and social developments, the controlled promotion of immigration is desirable. Flexible and efficient integration of all immigrants into Finnish society and working life are the primary goals of Finland's immigration policy (Ministry of the Interior, 2003). Finnish society, step-by-step, is becoming a multicultural society, but there still is much to accomplish.

Turning to the subject of country-internal regional development, the regions are part of a global world, and migration waves may occur across the borders (Figure 1). Regions differ in their appeal, and in this respect some win and others lose when it comes to receiving migrants. Therefore, it is significant how regions can attract and retain human capital. The region's local development potential consists of various resources, the most important being human resources and their structure. A region needs people, both native and immigrants, of different educa-

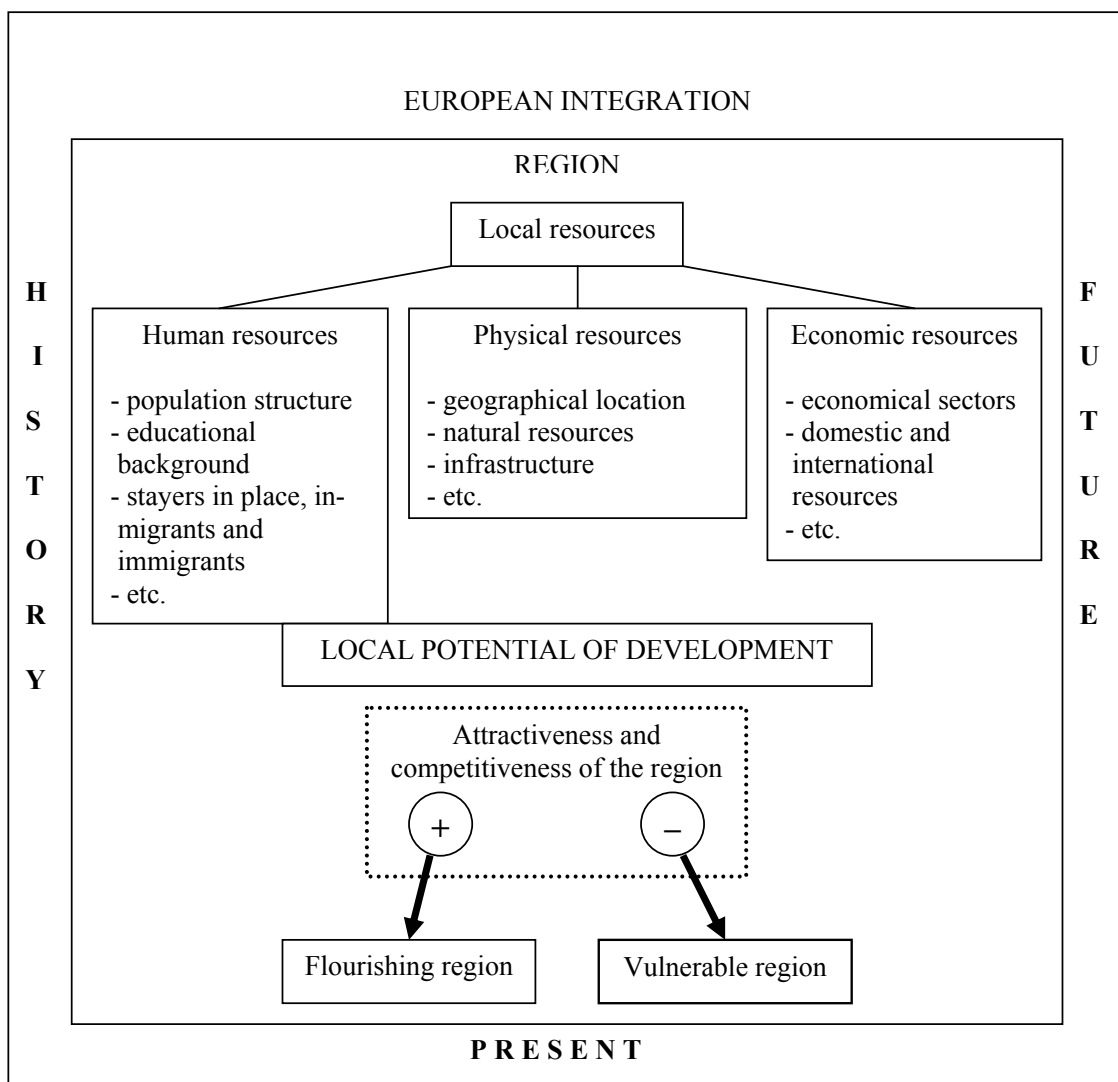
tional backgrounds, who can serve in the various economic sectors. Depending on the local resources and historical background, the local potential of development is either positive or the region is vulnerable. A region's vulnerability is not necessarily permanent; there can be a phase of positive development due to strong economic input and investment for instance, which

create new conditions in the region (Heikkilä & Pikkarainen, 2006).

Country-internal migration is a dynamic variable affecting population, which changes regional structure: some regions lose part of their population, while others are winners in terms of the change in the number of residents. When migration occurs alongside natural change in population, there is

a multi-dimensional picture of the region's situation in which either process is negative or positive. Regional vulnerability may culminate in a situation that, in extreme cases, can be called regional death. This concept is consistent with Myrdal's (1957) theory of cumulative causation. Observing that regional growth patterns are unbalanced, Myrdal pointed out

Figure 1. Framework for local resources and potential of development (Heikkilä & Pikkarainen, 2006).



vicious circles of cumulative interactions – for instance, the fact that negative development in migration balance creates, in cumulative terms, negativity in other indicators. Cumulative causation in the nuclear area is driven by raw materials, population flows and capital flows. Findlay (2005: 431) reveals that populations are often exposed to multiple vulnerabilities, one dimension of vulnerability often increasing the likelihood of another. In other words, various indicators may lead to a culmination in vulnerability.

Regions are active players that represent their own interests while striving to preserve or enhance their competitiveness. Their collective strategies can influence the outcome of their competition, but some regions, due to their relative location or economic histories, provide more opportunities than do others for successful policy-making. Regions always carry with them a past that can affect their firms' competitiveness. (Boschma, 2005: 11).

According to Florida (2002), talent does not simply exist in a given region; rather, a region attracts it under certain conditions. In other words, certain regional factors create an environment that tends to attract and retain talent, or human capital. Paramount among these is openness to diversity and lower entry barriers for talent. Regions may benefit significantly by creating a "people" climate in addition to the more traditional "business" atmosphere. Diversity also appears to have significant impact on a region's ability to attract talent and to generate high-technology industries. Zach-

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

Smaller, more peripheral cities compete quite differently from large cities, since the former have a more restricted set of policies and lack the chance to match national capitals and world cities. The fact that places compete does not imply that they compete equally. Because the playing field is uneven, negative attitudes often accompany competition, especially within the disadvantaged places (Malecki, 2005: 28).

As a whole, the dynamics of regional development – the positive side being regional appeal and competitive ability, and the negative side being vulnerability in these respects – consist of many elements, which Figure 1 illustrates. In this broader context, the degree of vulnerability varies over time and space: a region's present-day standing is linked to its past, which forms the basis for its current situation and its future. A region consists of its own variety of resources. Some, such as location and natural environment, are simply given, while others, such as population structure due to human migration, always vary (Heikkilä & Pikkariainen, 2006).

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Research Director of the Institute of Migration Received Award of International Distinction

Research Director Elli Heikkilä has been awarded the 2006 *International Prize of Environmental Creation* for her significant contribution entitled, "Urbanization and Migration in Europe based on Model Reference Adaptive Theory". The prize was presented by

Professor Emeritus Etsuo Yamamura, Executive Director of the Institute of Environmental Creation International, Hokkaido University, Japan. A festive ceremony was held at the Institute of Migration on 27.9.06. In addition, for Heikkilä was decided to confirm to

dedicate the position as a Professor and Editor of Nordic Countries and Baltic States of the *Journal of Institute of Environmental Creation International*. This year's prize was the twelfth to be awarded since 1995.

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