

Educated People, Migration and European Integration



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European integration has effects on migration structure and regional development. Finnish people have had the possibility to move freely within the Nordic countries since 1950's. From the point of view of European integration the principle of free movement of people is realized and then Finnish people, too, can look for a job from the countries of the European Union. Implementation of the agreement of the European Economic Area (EEA) in the beginning of 1994 has facilitated applying for jobs in foreign countries, because the citizens of the countries which have ratified the agreement no longer need a specific work permit to work in other EEA countries. The right to move freely and the equivalence of examinations in these countries will, according to estimates, accelerate emigration from Finland to other countries in the EEA.

The common labour market within Europe has not significantly increased the mobility of the labour force within the European Union and its internal flows of labour have grown more slowly than migration between the European Union and the Third World (Lumijärvi 1990, 89). In EU countries about 2 % of labour force is from other countries of the Union. These

estimates don't take into account daily movement between adjacent districts lying either side of a national border — something which is very common. It is not expected that there will be a great deal of emigration from the countries of the European Union to Finland. Geographical location, climate, cultural differences and language have preventive effects on emigration. It has been estimated that emigration will increase, instead, from East to West in future, and this will affect Finland, which is one of the Europe's gateways to the East.

Migration of educated people

According to estimates mobility from one country to another is going to increase among the highly educated and so called key persons. There are some worries in Finland that well-educated people in particular, who have a good knowledge of languages will move away from our country. Nowadays the highly educated labour force migrates from northern and peripheral areas of Finland towards the larger centres, but with the opening of the borders it is thought that this category of the population will move more often abroad (Lappalainen 1991, 26). In particular migration of young and qualified people is predicted to grow in future. Young persons have both more and longer-lasting contacts abroad than earlier genera-

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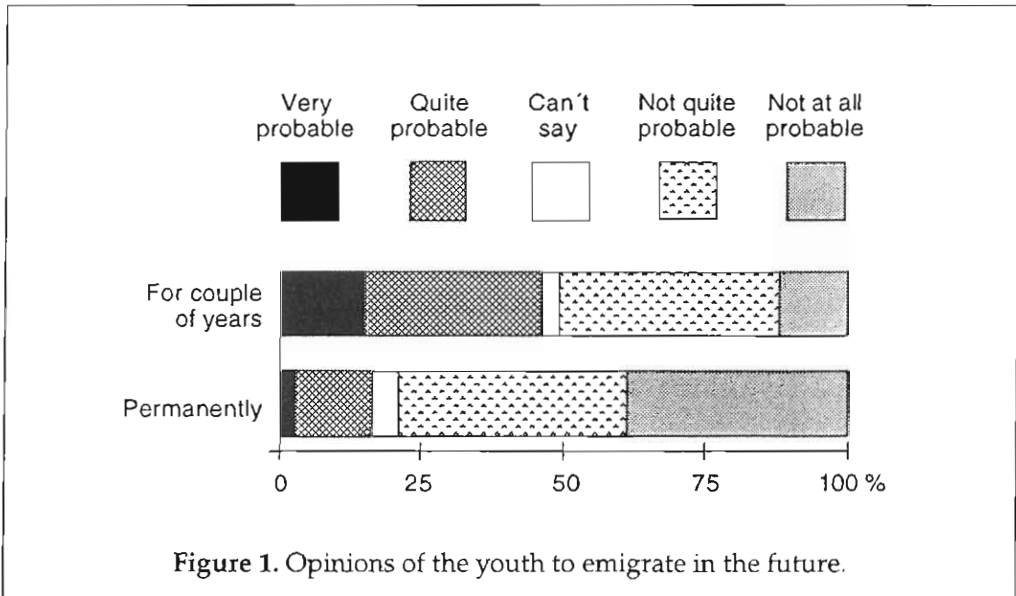
tions and because of this their propensity to migrate abroad even permanently is greater. It can be said that for this new highly educated and skilled generation the whole labour market of Europe is a reality and there will be competition between such persons among the countries of the European Union.

Like capital also human capital seeks its way into areas and duties where productivity is high and withdraws from areas where productivity is low. It has been estimated that Finland loses about 320 million FIM worth of human capital each year. The total value of human capital invested abroad is nowadays around 8–9 milliard FIM (Kärkkäinen 1993, 8, 172). It has been noticed in the analysis of the willingness of Finnish people to live, study or work in foreign countries that the greatest willingness towards internationalization was among young people (Figure 1) as well as higher clerical employees and the academically educated. There is a motivation for well-educated people to move away from Finland if the

unemployment rate is greater in our country than in destination countries. This group of the population is also more likely to migrate than are less educated people.

The internationalization of Finnish companies also contributes towards the emigration of the educated labour force. It has increased the creation of jobs for educated people in Europe and the rest of the world. Finland is a so-called net investor in the internationalization of companies, because the number of Finnish companies and their workers abroad is three times higher than the number of foreign companies and workers in Finland (Kauhanen 1993, 14).

Interest towards foreign countries in Finland is also shown by the amount of student exchange. The internationalization of the universities has been defined as one of the most essential tasks for the 1990's. The greatest challenge to the universities in respect of student exchange is reciprocity. There are much more Finnish students going abroad than foreign stu-



dents in Finnish universities. In the university of Oulu, for example, 75 Erasmus-fellows went to EU countries in 1993, but only 10 foreign students came to Oulu within the same exchange programme. The main problems in coming to Finland have been the language and the high cost of living.

Lack of experience of immigration and the use of foreign labour force in Finland can cause problems in adaptation. There

were 62 012 foreigners in our country at the end of 1994, which is 1.2 % of population. The number of foreigners has grown rapidly during the last few years: in 1991 the growth was over 11 000 persons (Figure 2). Regional distribution of foreigners is quite concentrated, because half of them is living in the province of Uusimaa, which is situated in the southern part of Finland. The proportion of foreigners of the population is greatest in Åland Is-

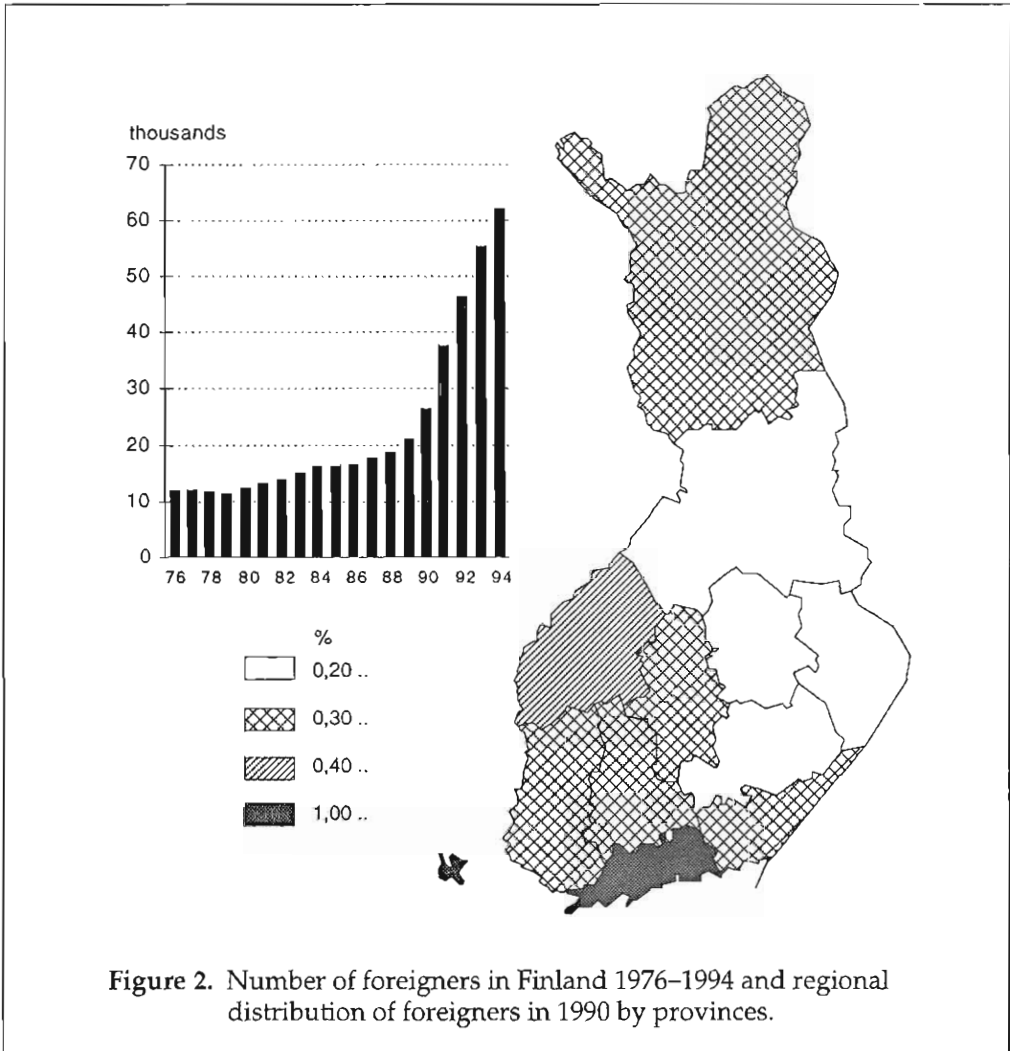


Figure 2. Number of foreigners in Finland 1976-1994 and regional distribution of foreigners in 1990 by provinces.

lands (3.4 %) and in the province of Uusimaa (1 %).

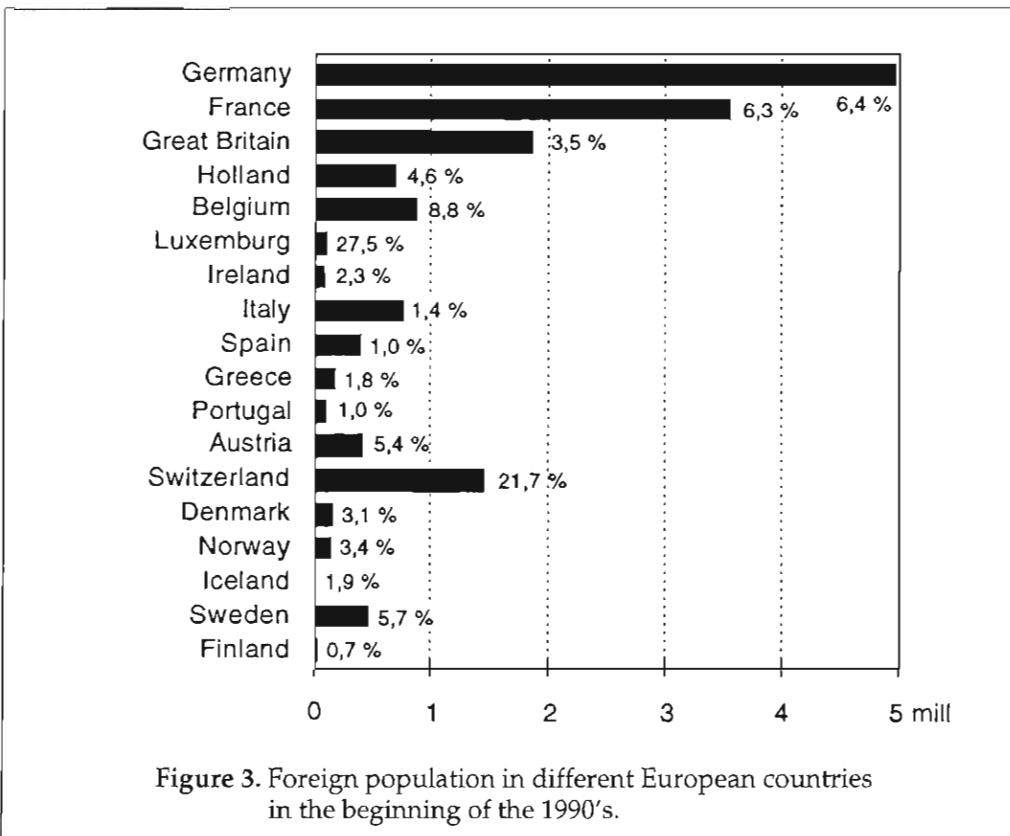
In Finland the proportion of foreigners is, however, small compared to other European countries, but it is expected to grow further in the future (Figure 3). Main part (67 %) of the foreigners in Finland is coming from other European countries, especially from former USSR. Fischer (see Penttinen 1992, 9) believes that the proportion of foreign labour within the total labour force in Finland will be up to 10 % by the beginning of 2000. This type of development brings challenges in the following areas: in education during the phase of immigration, in language education during working life, in the services of interpreters and in

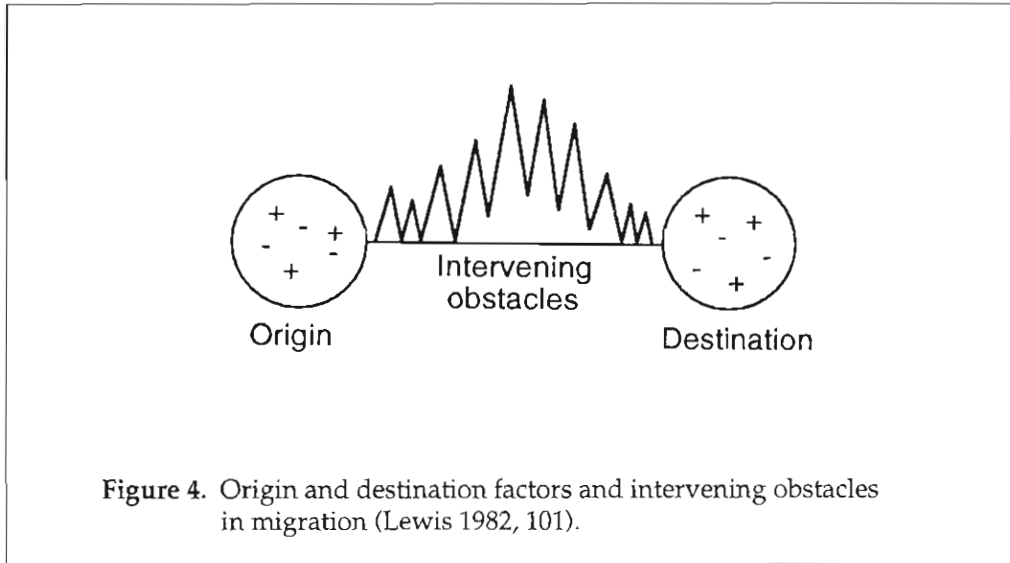
the education of foreign children and adults (Laakkonen 1992, 44).

It has been calculated that immigrants bring significant human capital to Finland. A person who is 20 years old brings to our country about 700 000 FIM, in terms of education paid for in his/her own country prior to arrival in Finland. If the immigrant has been trained as an engineer or a doctor then the gain of Finland is 3 to 4 times greater (Laakkonen 1992, 46).

Challenges to regions

The availability of an educated labour force is a very important factor for Finland and its regional development. From





the regional development point of view it is significant how regions can attract human capital and on the other hand how they can keep hold of their own human capital (Figure 4). It requires dynamism from the areas and also contacts to international networks. The competitive ability of a region will be defined in the future more and more according to the region's ability to attract people of special skill and competence. A clean and attractive environment is for many peripheral areas an important and powerful economic factor which increases their chances of becoming locations for new activities. Attracting foreign entrepreneurs with Finland's clean environment and highly educated labour force is in the long run one of the most effective development methods (see Keskuskauppakamari 1992, 10, 17).

Also discussed is the identity of a region, that is to say the image that makes a region into a "product". The new feature of European regional politics is that these regional "products" can be sold internationally. The emphasis is put on the level of competence within a region, to the po-

sition of the population in the region in relation to economic networks and finally to the infrastructure of capability. When we speak about population the most significant people are skilled professionals whose migration has an effect on the location of innovation centres (Sisäasiainministeriö, Kunta- ja aluekehitysosasto 1991).

It has been estimated that in competition between regions the winners are those, which have ability to innovate, good networks of transport and communications, a well developed infrastructure to keep the interest of the educated labour force within the region and finally wide-ranging educational opportunities to supply the new skilled labour force for the region. Migration can be seen as the movement of human capital from one region to another and at the same time it is a part of the growth process of human capital. From the innovation point of view migration has the effect of bringing new skills and abilities to the labour force (skills in work, language proficiency, possible foreign contacts) and modernization

(at the individual level an ability to take risks, courage, freedom from prejudice) which has influences on development trends in technology, entrepreneurship and internationalization (Pirhonen 1992, 25–26).

The integration process according to estimates affects concentration of economic activities and services (see Fischer 1992). Economically powerful regions would benefit the most in this process and weaker regions would be the losers in harder competition if different means of compensation were not employed and if development potentials were not improved (Koukkari 1991, 2–3, 37–38).

In the integration process the most powerful regions would be the Helsinki conurbation and certain other regional centres like Tampere, Turku and Oulu, where the infrastructures are strong enough and connections sufficiently well-developed to enable the enterprises situ-

ated in the sphere of influence of these regions to prosper in an international market (Mella 1991, 141).

It can be difficult to get a skilled labour force in some regions because of the increasing ease of mobility. Migration can draw away the educated labour force from less developed regions. If regions which have a large labour force and a high rate of unemployment don't manage to create new jobs migration can get a new development trend. In population and labour force forecasts regional differences in development trends are great: in less developed regions there will be a growth in the size of available workforce whereas more developed parts of the European Union face a decline in population growth and population age structure is ageing (Lumijärvi 1990, 29–31). Rapid population ageing in Western Europe causes a demand for a younger labour force (see Karjalainen 1993; Lutz 1993).

Summary

European integration has effects on migration structure and regional development. There are some worries in Finland that well-educated people, in particular, who have a good knowledge of languages will move away from our country.

Nowadays the highly educated labour force migrates from northern and peripheral areas of Finland towards the larger centres, but with the opening of the borders it is thought that this category of the population will move more often abroad. It is said that for educated people the whole labour market of Europe is a reality and there will be competition between such persons among the countries of the European Union.

The availability of an educated labour force is a very important factor for Finland and

its regional development. Like capital also human capital seeks its way into areas and duties where productivity is high and withdraws from areas where it is low.

From the regional development point of view it is significant how regions can attract human capital and on the other hand how they can keep hold of their own human capital. It requires dynamism from the areas and also contacts to international networks.

Also discussed is the identity of a region i.e. the image that makes a region into a "product". The new feature of European regional politics is that these regional "products" can be sold internationally. When we speak about population the most significant people are skilled professionals whose migration has an effect on the location of innovation centres.

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