

“Live up to the national way...”

**International (labour) migration mingled
with other emergent demography-related
political debates in Finland**

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Echoes from Switzerland, 2009



Dynamics revealed by the Swiss campaign

- a variant to be seen in Finland at the 2011 parliamentary election?

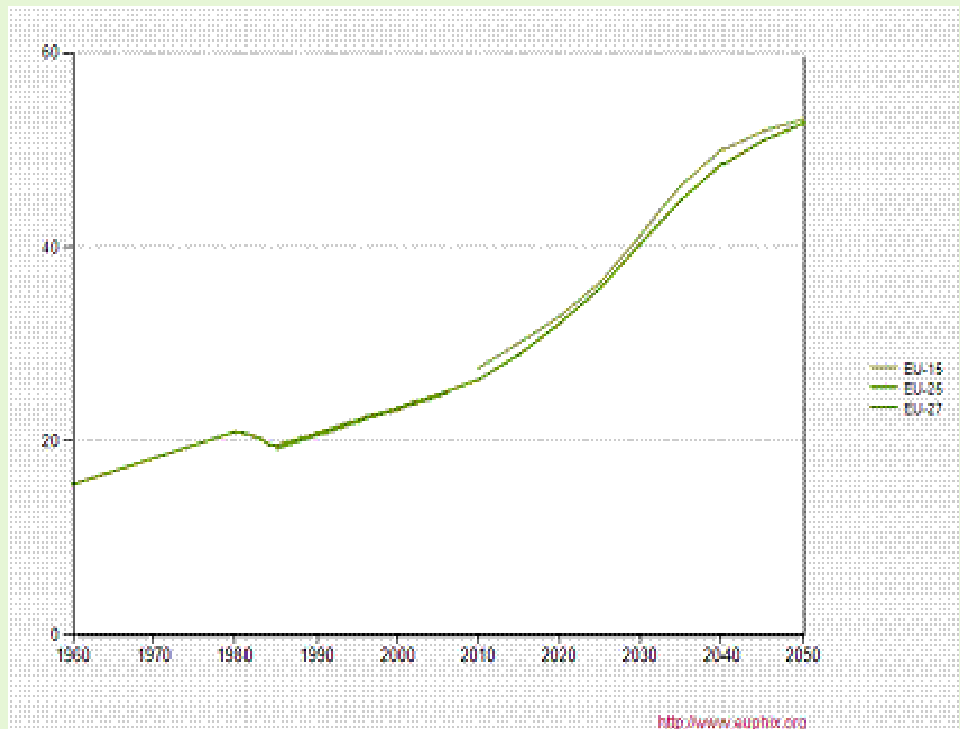
- Ageing and diminishing population in the peak working-age
- Need of finding, attracting and bringing in new immigrant workforce
- Suspicion with regard to the longer-term impact of increased immigration, multiculturalism etc.
- A civilisational challenge?

More dire messages

José Manuel González-Páramo
ECB

Europe will have to cope with...

1. High old-age dependency ratios;
2. Lower GDP growth;
3. All the more significant international capital flows from “old countries” to the “young” ones

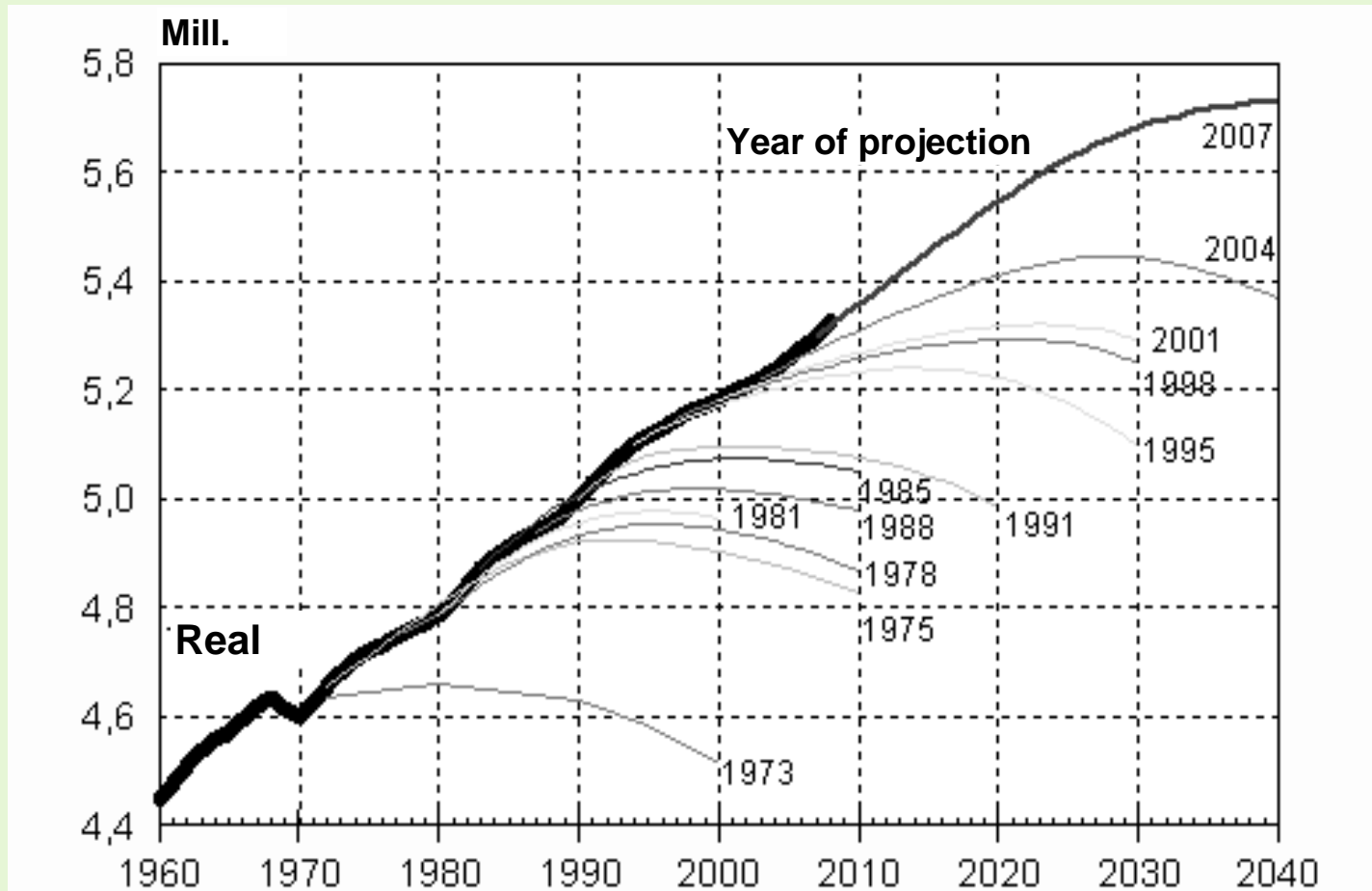


A word of warning

- Population statistics tend to prove time and again notoriously inaccurate
- Due message for policymakers:
 - as demographic developments cannot be foreseen accurately, old-age related policies must be sufficiently robust so that the unexpected developments do not undermine their foundations

An example of how demographic statistics err

Taken from Population projection 2009-2060



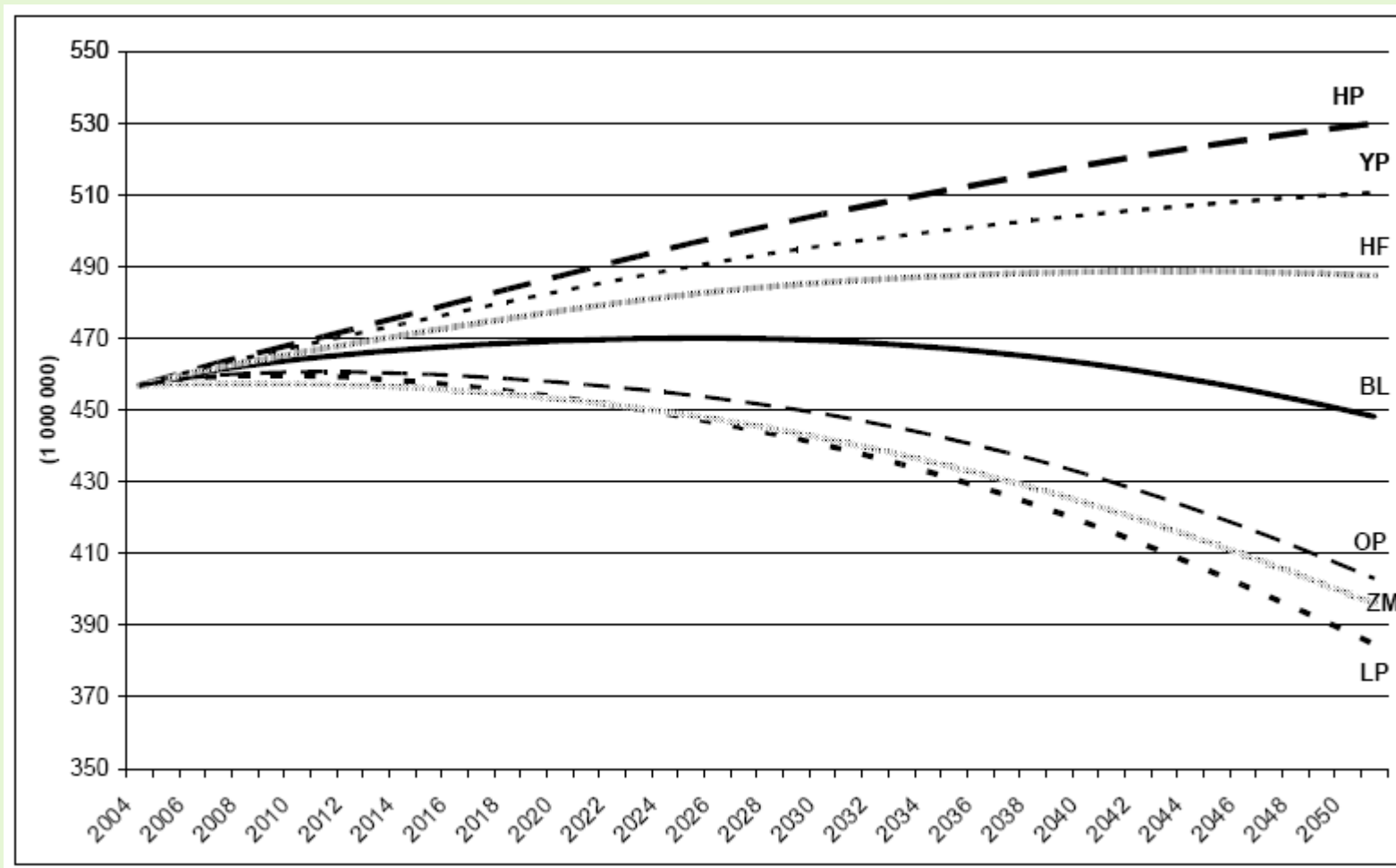
Projection errors in the first two years

Population projection made in 2007

		2007	2008
Population 31.Dec	Projected	5 296 897	5 316 800
	Actual	5 300 484	5 326 314
	Difference	-3 587	-9 514
Change of population	Projected	19 942	19 903
	Actual	23 529	25 830
	Difference	-3 587	-5 927
Births	Projected	59 181	59 379
	Actual	58 729	59 530
	Difference	452	-151
Deaths	Projected	49 232	49 471
	Actual	49 077	49 094
	Difference	155	377
Net immigration	Projected	10 000	10 000
	Actual	13 586	15 457
	Difference	-3 586	-5 457

European population trend?

The multiple components of demographic change...



... based on the following estimates

		Total Fertility Rate	Life Expectancy	Net Migration
Baseline	BL	Base	Base	Base
High Population	HP	High	High	High
Low Population	LP	Low	Low	Low
Younger Age Profile Population	YP	High	Low	High
Older Age Profile Population	OP	Low	High	Low
High Fertility	HF	High	Base	Base
Zero Migration	ZM	Base	Base	Zero

Migration in Finland

Year	Type of migration				Net migration
	Inter-municipal	Within one municipality	Immigration	Emigration	
2000	243 472	544 252	16 895	14 311	2 584
2001	264 468	594 130	18 955	13 153	5 802
2002	256 810	577 460	18 113	12 891	5 222
2003	255 987	593 104	17 838	12 083	5 755
2004	265 669	598 982	20 333	13 656	6 677
2005	275 208	616 761	21 355	12 369	8 986
2006	272 791	592 775	22 451	12 107	10 344
2007	279 376	588 894	26 029	12 443	13 586
2008	269 032	561 041	29 114	13 657	15 457
2009	264 144	571 119	26 699	12 151	14 548

Net migration in urban and rural localities of Finland

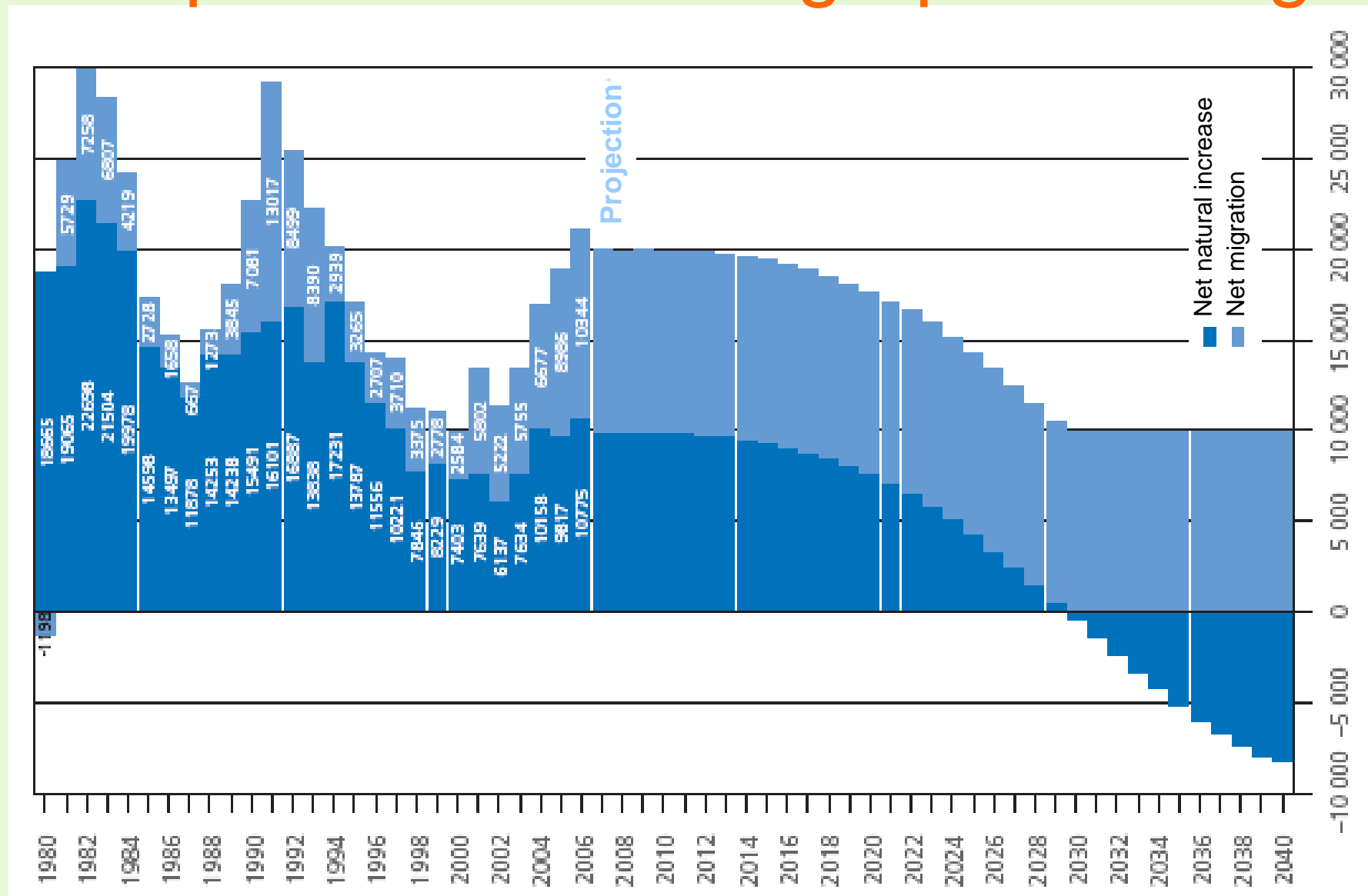
Year	Area of migration		
	Entire country	Urban localities	Rural localities
1997	3 710	13 366	-9 656
1998	3 375	14 184	-10 809
1999	2 778	12 750	-9 972
2000	2 584	12 638	-10 054
2001	5 802	15 433	-9 631
2002	5 222	10 893	-5 671
2003	5 755	9 749	-3 994
2004	6 677	9 092	-2 415
2005	8 986	11 815	-2 829
2006	10 344	13 864	-3 520
2007	13 586	15 889	-2 303
2008	15 457	18 711	-3 254
2009	14 548	16 713	-2 165

EU enlargement, years of strong immigration
...

ICT bubble years

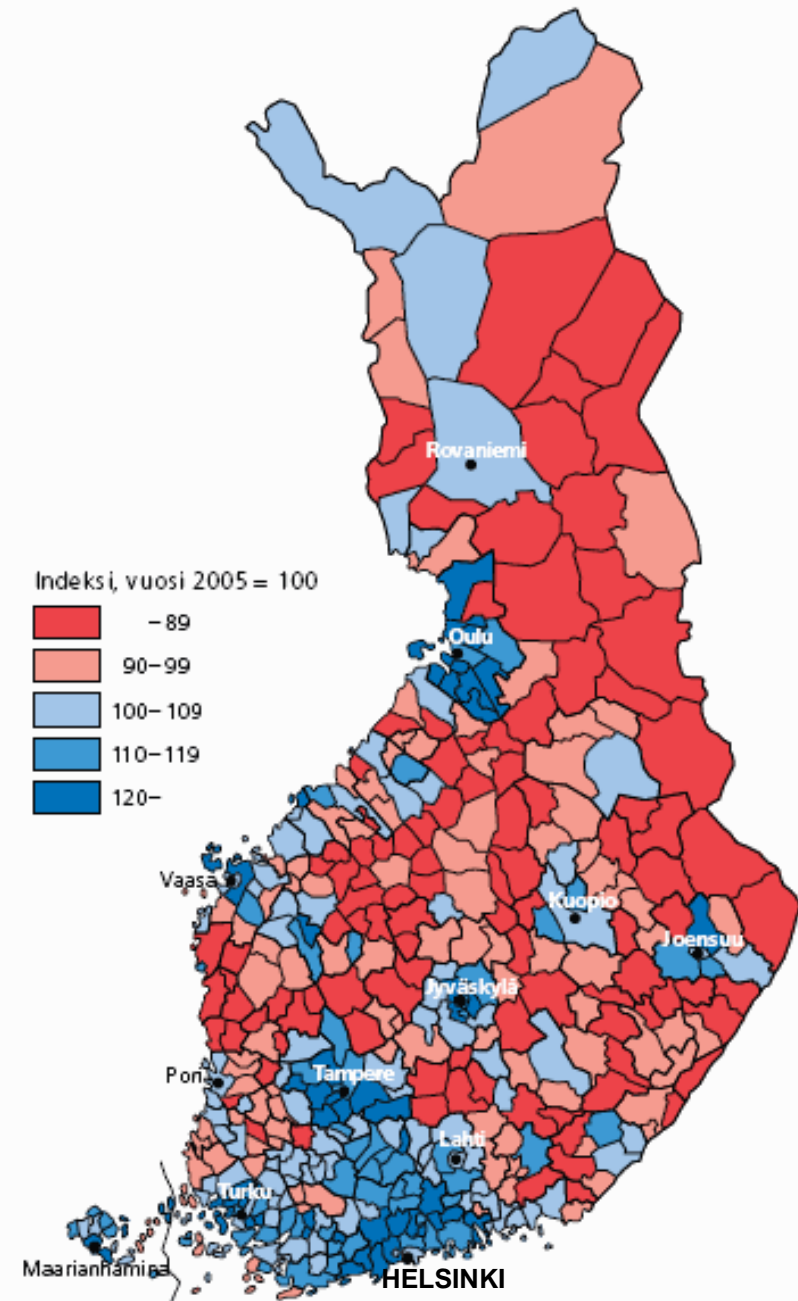
... with flight from the rural areas seemingly at bay.

Components of demographic change

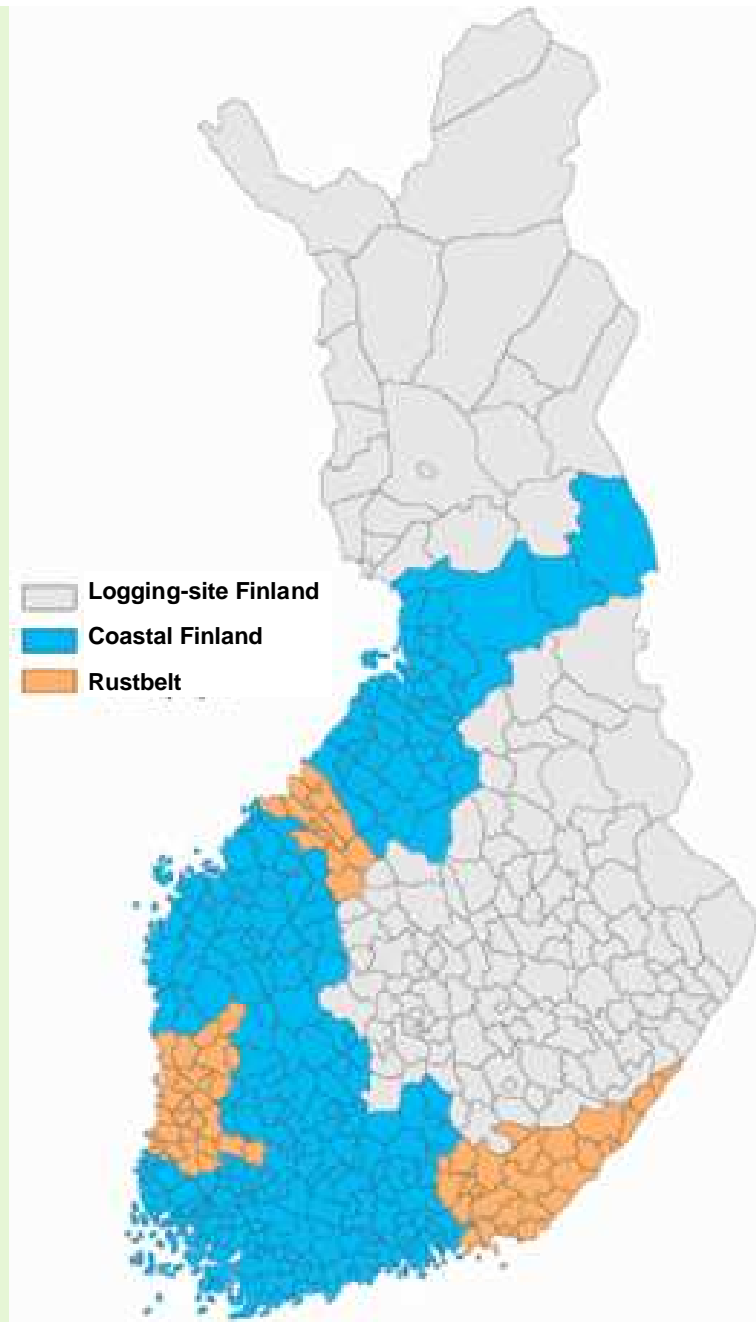


And, eventually,
the thinner stock of
population is about
to take its toll

Projected population
change in the Finnish
localities,
2005-2025



Regional division of labour in Finland: broad historical patterns



Has the Finnish urban system reached its maturity?

Setting a Nordic context

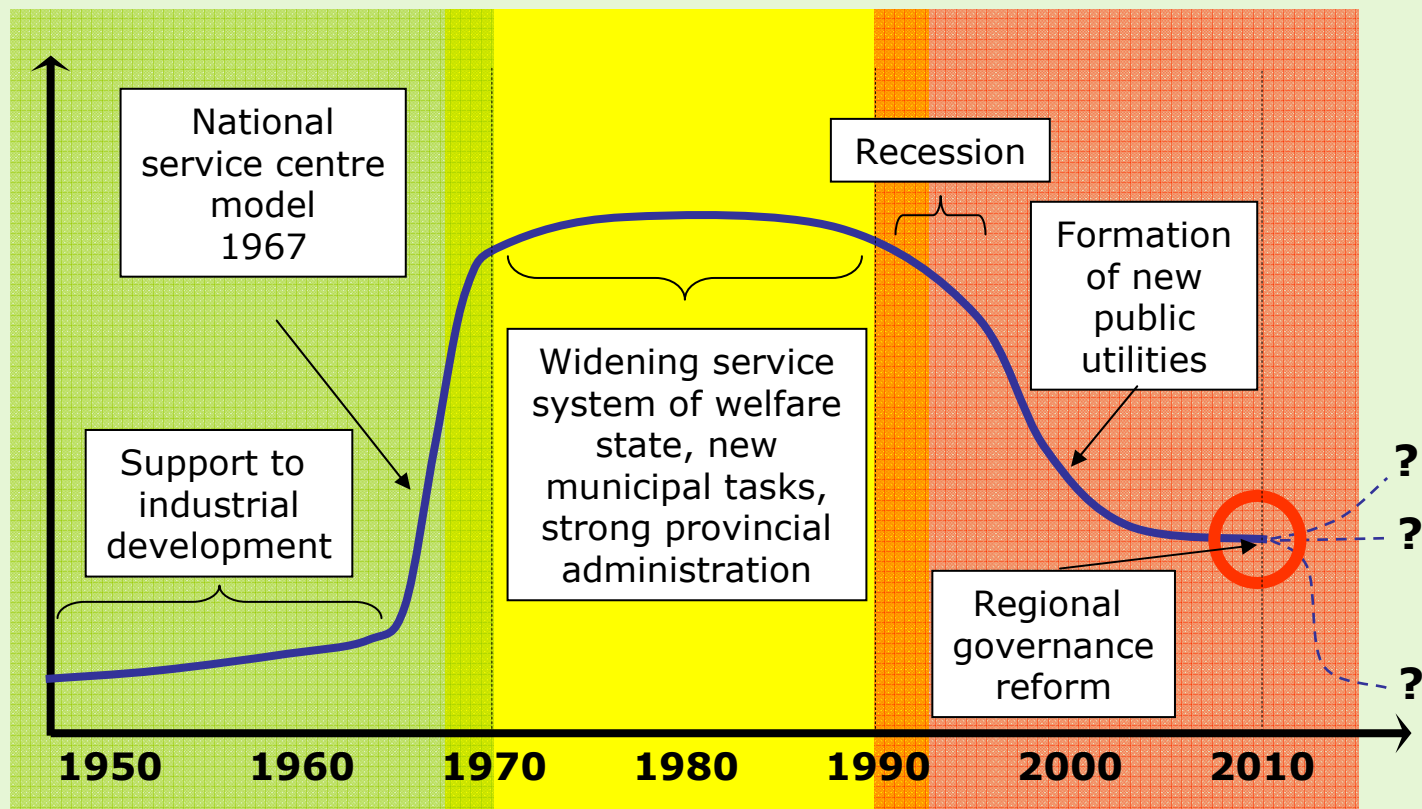
HDI Rank		Urban population as % of total		Annual population growth rate, %		Net international migration rate, %	
		1990	2010	1990–95	2005–10	1990–95	2005–10
1	Norway	72,0	77,6	0,4	0,4	0,2	0,6
3	Iceland	90,8	92,3	1,1	0,9	-0,1	1,3
7	Sweden	83,1	84,7	0,3	0,2	0,3	0,3
12	Finland	61,4	63,9	0,3	0,2	0,2	0,2
16	Denmark	84,8	87,2	0,1	0,1	0,2	0,1
VHD/ave		73,7	78,4	0,4	0,3	0,3	0,3

Source: UNDP,

How has Finland managed to remain so un-urban?

- Deliberate regional/cohesion policy responsibilities
 - welfare state
 - education
 - agriculture
 - defence, etc.
- The basic mindset of why and how the (state) administration is to be present in the regions
 - spin-off of the welfare state creation
 - optimal distribution of centres to deliver public services
- Winds of change making themselves heard
 - major political struggle to be anticipated – here too

Changing policy environment?

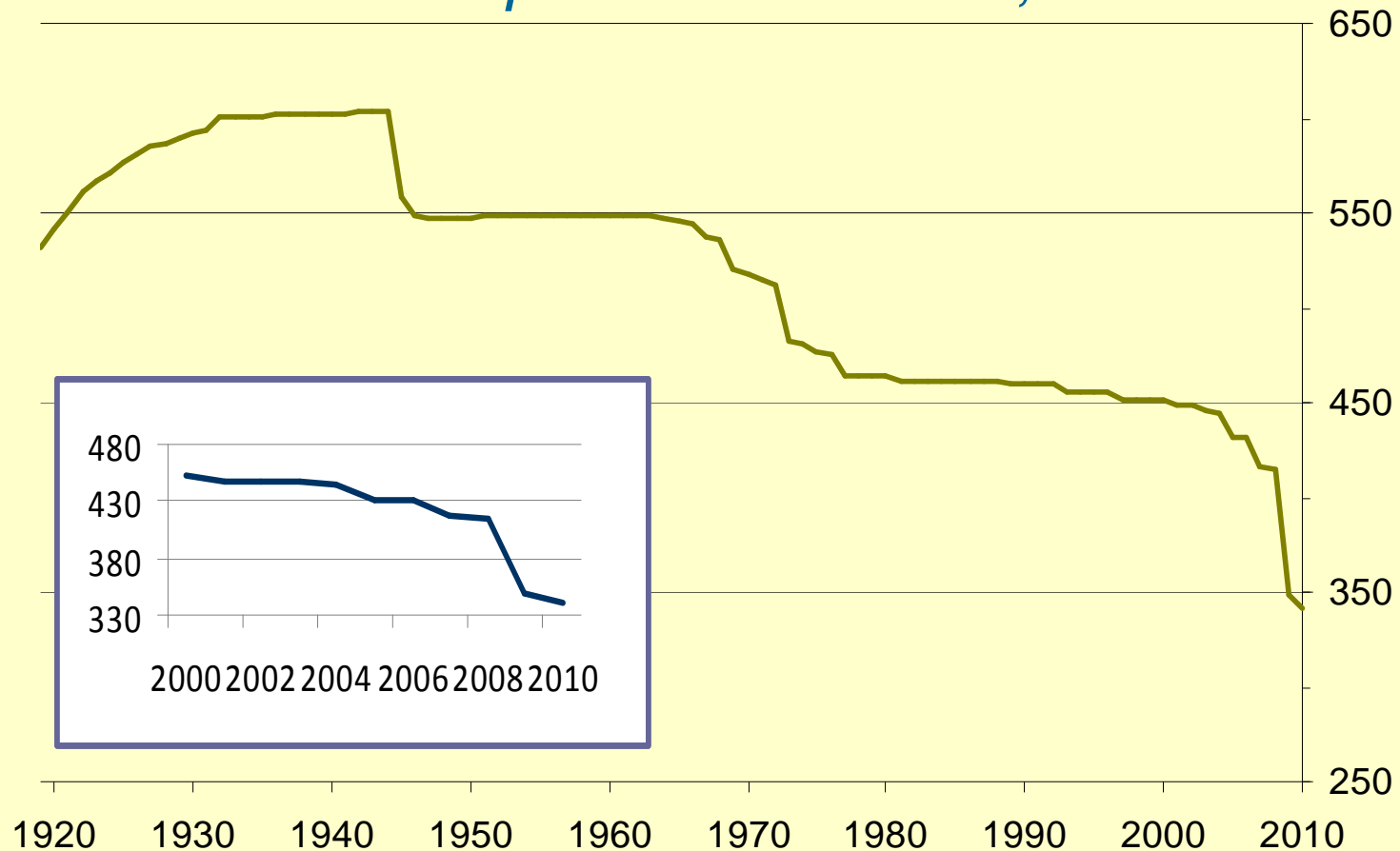


Policy/governance challenges

- Diversified developmental patterns and trends
=> cohesion challenges
- Public finance facing a need to enter an austerity regime => challenges of alleviation
- Labour market bottlenecks and high unemployment simultaneous phenomena
=> challenges of managing the new labour market regime with
 - increasing immigrant labour force
 - higher participation rate = higher retirement age
 - hastening the high school graduates' enrolment to higher education and particularly university students' graduation

More policy/governance challenges 2/a

Number of municipalities in Finland, 1917-2010



SOURCE: Association of Finnish Local and Regional Authorities

More policy/governance challenges 2/b

A thinner administrative net emerging

- “Political economies of scale”
 - restructuring of municipalities and services
 - single municipality or co-operation area with 20 000 inhabitants for health care and social services
 - 50 000 inhabitants for vocational education
 - network of universities and polytechnics/universities of applied sciences to be scaled down
 - Now: 130 localities around the country to offer degree programmes
 - Target: 50 localities with degree programmes
 - From 20 to 15 universities
 - From 25 to 18 polytechnics

Within sight?

- The entire Finnish society governed from smaller number of larger growth centres
- Greater emphasis to accessibility
 - Road and other infrastructure – business logistics
 - Electronic – preconditions for active citizenship
- Development paradigms to be thought anew
- Changes in basic parameters
 - International: Finland's position in Europe and globally
 - National: Urbanisation on different scales continues
 - Cultural: Comprehension, *Weltanschauung*
 - Political: Fundamental transformations in the traditional structures and bases of support

Thank you!