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From fragmentation to integration

Dealing with migration flows in Finland

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Foreword

Sitra is a partner of the Vision Europe consortium of leading European think tanks and foundations collaborating to address some of the most pressing public policy challenges facing Europe. Through research, publications and an annual summit, we aim to be a forum for debate and a source of recommendations to improve evidence-based policy making at both a national and EU level. In 2015 we commonly worked on the future of the welfare state; for the year 2016, the Vision Europe initiative delivered policy recommendations on how to improve the response to the crisis of refugees and migrants in Europe (For further information, see www.vision-europe-summit.eu).

This year's Vision Europe work was organised into international working groups, each working to produce research and policy papers from different aspects of the migration and refugee crisis. This paper has been produced in support of the working group "From Fragmentation to Integration", led by Distinguished Senior Fellow and President Emeritus of the Migration Policy Institute (MPI) Demetrios G. Papademetriou.

One of the conclusions of this year's Vision Europe project has been that in order for Europe to develop progressive policies and build resilient systems for the future, we need to increasingly share our experiences in migration management – both our success stories and the lessons learnt - and help the best practices scale up.

The purpose of this paper is to give an overview of the situation regarding immigrant integration in Finland, and share some important lessons for the future. The paper aims to identify certain areas where Finnish integration policy has met challenges, analyse some emerging needs and opportunities from the current situation, and to assess and discuss the Finnish integration policy architecture.

The author of this paper, Senior Researcher at the City of Helsinki Urban Facts Pasi Saukkonen, has been an active member of Sitra's Vision Europe expert team this year, and we wish to warmly thank him for bringing his long experience and insight and to benefit our joint European effort.

Since the rapid growth of migration and refugee flows in 2015, responses to the migration and refugee crisis have been developing constantly. This paper was written during the summer of 2016, and may not therefore include some of the very latest developments in Finland.

In Helsinki, November 2016

Eeva Hellström
Senior Lead, Strategy
The Finnish Innovation Fund Sitra

Introduction

Finland is one of those Western European countries that became a destination for large-scale immigration relatively recently, in the late 1980s. The collapse of the Soviet Union had a particular effect on the increase in immigration. Compared with Greece, Ireland and Portugal, for example, which also started to receive more newcomers at the same time, Finland has become a host country for a relatively large number of people with a refugee background.¹ This makes Finland more similar to the other Nordic countries.

When immigration to Finland started to grow, there was an immediate recognition of the need for action by public authorities. The first national Integration Act came into force in 1999, but many activities to promote immigrant integration had already started before that. Helsinki and the other cities in the metropolitan area,² in particular, promptly recognised the need to organise reception and integration services for newcomers.

In the 1999 legislation, it was mainly refugees and unemployed immigrants who were entitled to publicly funded integration activities such as an integration plan, integration education and an integration allowance. This focus was soon seen as too restrictive, and in the legislation reform that took place in 2010 the scope of integration activities was enlarged. Nowadays, the instruments of immigrant integration are available to all those who, after initial assessment, would profit from these measures.

Finnish integration policy has used Nordic and Dutch examples and experiences as models, and can be labelled a multiculturalist policy.³ The basic principle is that people moving to Finland should integrate into society, the labour market in particular, while simultaneously being given the freedom to maintain their own language and culture. Integration is also understood as a two-way process where the host society and its institutions also have to adapt to the changing situation.

As mentioned above, the starting point of the Finnish integration policy is based on individual service needs, regardless of the reasons for moving to Finland. These needs are determined in the initial assessment that includes, for example, an examination of education, training and work experience. The assessment is always conducted on those who receive a residence permit after an asylum application procedure, on the so-called quota refugees and on those newcomers of working age that seek access to the labour market with the help of an employment agency. In these cases, the Employment and Economic Development Office (TE Office) carries out the assessment. Municipalities conduct initial assessments of those who need social assistance benefit (*toimeentulotuki*).⁴

After an initial assessment, an integration plan is normally drawn up for the immigrant. This integration plan is a mutual agreement⁵ on integration training that includes, in addition to language teaching, courses that promote access to employment and further training and that improve newcomers' social, cultural and life-management skills. Language courses are chosen after language skills tests. Most participants start courses in the

1. In 2015, the Finnish authorities issued 20,709 first residence permits, of which 1,034 were quota refugees, and 1,628 were positive decisions on international protection. In addition, 10,838 EU citizens and their family members were registered in 2015. Even though the share of humanitarian migrants of all immigrants in northern Europe is relatively high, other reasons for moving – family reasons in particular – are nevertheless statistically more important.

2. This capital region includes the cities of Helsinki, Espoo, Vantaa and Kauniainen.

3. For more information, see Multiculturalism Policy Index.

4. Initial assessment is also available to other immigrants who are supposed to profit from it. In these cases, it is either the TE Office or municipality that conducts the assessment. For a more detailed description see www.finlex.fi/fi/laki/kaannokset/2010/en20101386.pdf.

5. According to the law, the integration plan is as a rule drawn up jointly by the municipality, the TE Office and the immigrant.

Finnish language, but integration in Swedish is also possible. Usually immigrants participate in integration training provided by the labour administration but many of them seek self-motivated studies from the education market.⁶

339,925 - number of people with a foreign background in Finland in 2015.

At the end of 2015, the number of people with a foreign background⁷ in Finland was 339,925, about 6% of the population (Figure 1). Of these, the great majority were also born abroad, whereas some 53,000 were born in Finland to two parents born abroad.⁸

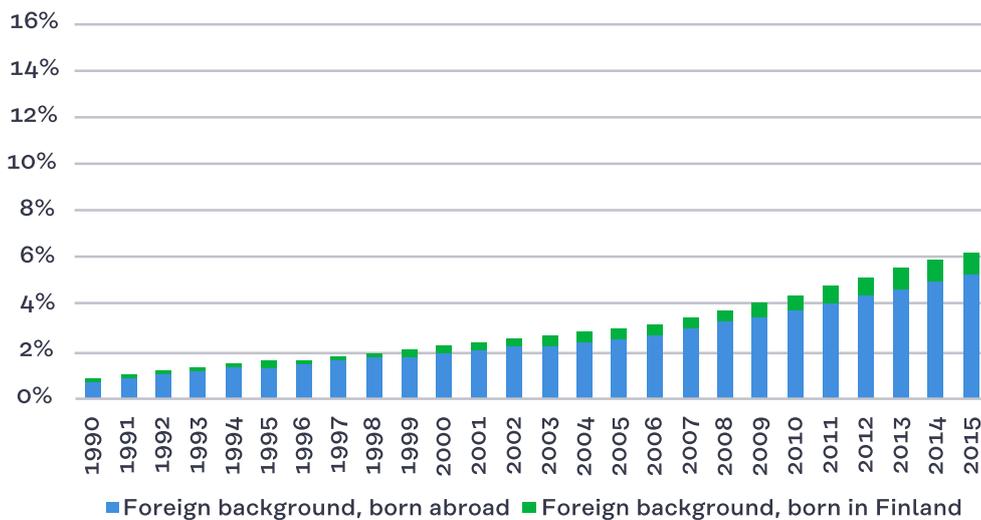


Figure 1. Population with foreign background in Finland 1990-2015, the percentage of the whole population. Source: Statistics Finland.

The main countries of origin among the foreign-born are Russia and the former Soviet Union,¹⁰ Estonia, Sweden, Somalia and Iraq (Figure 2). More than two thirds of immigrants originate from countries with a high Human Development Index (HDI). The share of people whose background is from low HDI countries is much higher in the second generation, i.e. children of those born abroad. In the city of Helsinki, 35% of those born in Finland to parents born abroad have parents born in Africa, mainly in Somalia (21% in the whole country).¹¹

Roughly half of immigrants and their offspring are living in the Helsinki capital region, and half of those in the city of Helsinki.⁹ In this metropolitan area, the share of people with an immigrant background is close to 15% of the whole population. Their share is, however, significantly higher in the younger age groups.

6. European Migration Network – The Finnish National Contact Point 2016a, 4-6.

7. In the Finnish official statistics, people whose parents (or the only known parent) have been born abroad are considered to be people with a foreign background. People of foreign background thus include both people born in Finland and abroad. A relatively similar classification is used in the other Nordic countries.

8. In addition, there are some 120,000 people born in Finland with one parent born in Finland, the other abroad (Statistics Finland 2014).

9. The capital region has altogether 1.4 million inhabitants (about one quarter of the whole population of Finland). The city of Helsinki has some 630,000 inhabitants.

10. Those born in the former Soviet Union do not comprise those born in the Estonian Soviet Socialist Republic.

11. City of Helsinki Urban Facts 2016, 11.

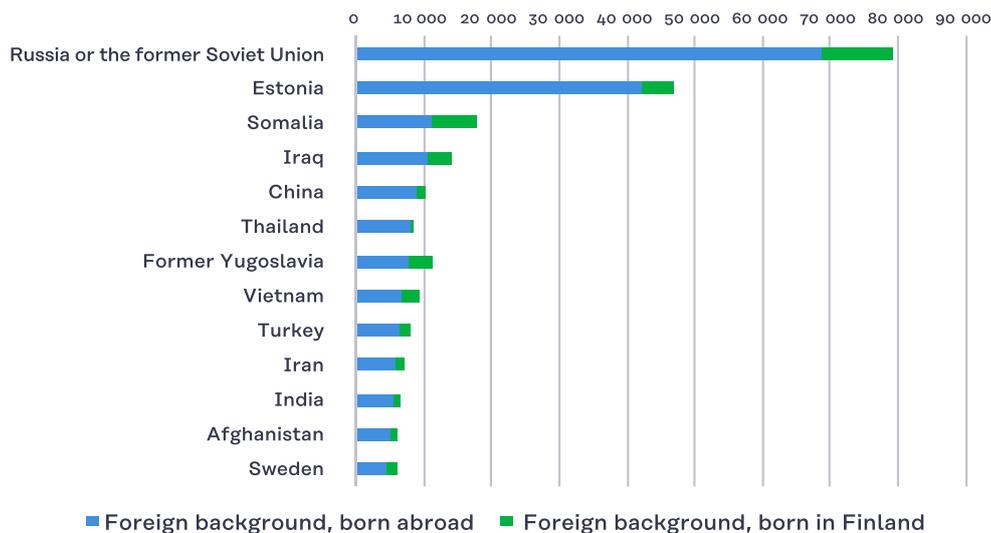


Figure 2. Stocks of population with foreign background in Finland 2015 by country of origin. Source: Statistics Finland.

In addition to nationality (citizenship) and country of birth, the Finnish population register also includes information about the mother tongue. By far the largest language group after Finnish speakers and Swedish speakers¹² are the Russian speakers (72,436 in 2015), followed by Estonian speakers (48,087) and Somali speakers (17,871). Russian speakers are a relatively heterogeneous group with origins mainly in contemporary Russia, the former Soviet Union and Estonia. Some of them are known as Ingrian remigrants, who were granted residence permits as ethnic Finns after 1990 if they were willing to move to Finland.

In 2015, Finland received 32,476 asylum applicants, which is about 10 times the figure in 2013 and 2014. Some 20,500 of these were of Iraqi origin, and 5,214 came from Afghanistan. Among the latter group, there were almost two thousand unaccompanied minors. Of the asylum seekers 4 out of 5 were male. Many asylum reception centres were established to manage the situation and to try to distribute asylum seekers relatively evenly across the country.¹³

Developments in the latter half of 2015 took the Finnish government by surprise, as it did most European governments. Most of those that came had first arrived in Sweden but, instead of applying for asylum there, as had usually been the case, they continued to travel to the northern city of Haparanda, crossing the border into Finland there. A specific “hotspot” refugee centre¹⁴ was established in the Finnish border town of Tornio to improve reception co-ordination. Refugee flows had actually started decreasing by late September, and when Sweden tightened control of its southern borders, reaching Finland from the west became quite difficult.

A new route however emerged in December 2016 in the north-east, where asylum seekers entered the country from Russia, using the two northernmost border stations. During a meeting between the presidents of Finland and Russia in March 2016 an agreement was made to temporarily limit the use of these border stations to the citizens of

12. Finland is officially a bilingual country where the number of Swedish speakers is close to 300,000, about 5.2% of the whole population (5.5 million in 2015).

13. European Migration Network – The Finnish National Contact Point 2016b, 18-19.

14. In this refugee centre, asylum seekers were registered before moving into a conventional reception centre.

Finland, Russia, Belarus and their family members. Asylum migration to Finland has since been relatively low, some 50 to 100 applications per week.

In December 2015, the right-wing coalition government¹⁵ issued a government action plan on asylum policy¹⁶ with the primary aim, in its own words, of stemming the uncontrolled influx of asylum seekers into the country. Finland has already tightened requirements for issuing residence permits to asylum seekers. The legal provision allowing asylum seekers to be granted a residence permit on the basis of humanitarian protection, mainly issued because of poor security situations in the countries of origin, has been repealed. The Finnish Immigration Service has also updated its assessments of the security situation in Afghanistan, Iraq and Somalia, which means that these countries are now regarded as being safe to return to. The government has also drafted a bill to significantly restrict conditions for family reunification in the Finnish Aliens Act. There are also initiatives to decrease the social benefits of asylum applicants and to issue only temporary residence permits to those who need international protection.

The aim is to make the integration system more flexible and better oriented towards the immigrants' individual needs.

In May 2016, the government also published an action plan regarding the integration of immigrants, and later also accepted the official integration programme.¹⁷ The main purpose is to get those that have a residence permit in Finland into normal accommodation, education and training as soon as possible, and subsequently into the Finnish labour market. The aim is to make the integration system more flexible and better oriented towards the individual needs of immigrants.

The measures include, for example, conducting initial assessments immediately after a positive decision on the asylum application at the reception centre.¹⁸ There is also an intention to improve the recognition of skills and competences with the help of knowledge and experiences in the other Nordic countries. Furthermore, the opportunities for adults to reach a level of basic education will be enhanced.

15. The centre-right government of Prime Minister Juha Sipilä consists of the Centre Party, the Finns Party and the National Coalition Party.

16. Government of Finland 2015.

17. Government of Finland 2016a; Government of Finland 2016b.

18. Asylum seekers often also have to stay in the reception centre following a positive decision because they are not able to move to normal accommodation. Many municipalities have been reluctant to provide accommodation and services to people who have been granted international protection. The lack of agreement-based municipality placements is probably (as of June 2016) the most pressing issue in Finnish integration policy.

Where is integration not working?

Data from the Finnish Population Information System and other registers allows us to look at integration processes and integration outcomes in different areas and from different perspectives. There are also results available from a recent survey on work and well-being among people of foreign origin.¹⁹ Furthermore, the joint co-operation between the European Commission and the OECD, looking at the outcomes for immigrants and their children across EU and OECD countries, provides data that enables a comparison to be made between Finland and other countries.²⁰ On the basis of these and other statistical sources and research findings we can make some observations regarding what has and what has not worked in the field of immigrant integration.

Before starting, it is useful to reflect briefly on the evaluation of integration in general. In public discussion, the integration of immigrants into host societies is often considered to be a failure. Critical perspective and interpretations are of course legitimate, and

It is an idealistic assumption that integration could happen immediately.

in the following analysis I will mainly concentrate on the different kinds of problems and shortcomings in the case of Finland. However, a recurrent problem with these approaches is that one tends to expect integration to take place immediately, straightforwardly and simultaneously in all areas of social life. This is, however, a very idealistic assumption that inevitably “produces” failures in integration. What we need is more analysis based on realistic expectations, more comparisons between countries, regions and local communities, more studies on integration processes, and more inquiries that also better take changes in the operative environment into account.

Bearing these thoughts in mind, one might also say that in Finland the integration of immigrants has succeeded relatively well. Despite two economic recessions during the last 25 years, despite general developments in the labour market that have not favoured new job seekers with few qualifications, and despite the inexperience of Finnish society in receiving larger numbers of immigrants, quite a lot of newcomers have succeeded in finding their place in the new host society. Ethnic segregation is modest, and there are also few signs of social and cultural isolation or religious radicalisation. The Finnish neo-nationalist and xenophobic movement has been, at least so far and in comparison with much of Europe, quite moderate.

Labour market integration

The main aim of Finnish integration policy is to get newcomers to enter the labour market as soon as possible. Based on survey results, the employment rate of those with a foreign background was in 2014 about 63,7%, which is 10% lower than that of the native population (73,7%) of a similar age (20 to 64) (Figure 3).²¹ Accordingly, unemployment among

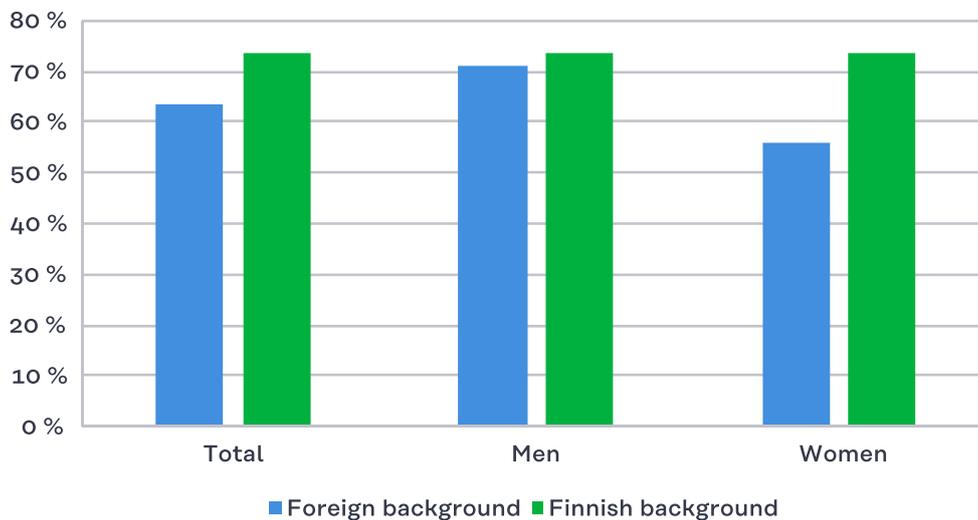
19. Nieminen, Sutela and Hannula 2015.

20. OECD/European Union 2015.

21. Nieminen, Sutela and Hannula 2015, 72. According to official employment statistics, the gap between those foreign-born and those native-born is much higher (18.9%). It is, however, probable that official statistics do not properly recognise all the work that is being done by immigrants (lack of formal work contracts, periodic work, etc.) (ibid, 73).

immigrants is also more common than among the native-born, even though a significant number of newcomers are also not included in the labour force because they are still in school, studying or otherwise outside the labour market. The most important integration policy objective has thus not been wholly achieved.

Figure 3. Employment rate (%) by gender and background, population aged 20 to 64



in Finland in 2014. Source: Nieminen, Sutela & Hannula 2015, 72.

Weak labour market participation is also reflected in income structure and social assistance benefit dependency.²² This, in turn, has consequences for the housing situation. The housing market in Finland is strongly based on home ownership. Living in a privately owned apartment is much more unlikely for those born abroad than for those born in Finland.²³ The move from renting an apartment to home ownership has been especially slow for those born in Sub-Saharan Africa.²⁴ In the city of Helsinki, the most common housing form among households with a foreign mother tongue was state-subsidised housing (42%), known as Arava rented housing.²⁵ The availability of these apartments in different parts of the city is also a major factor behind ethnic segregation.²⁶

How is Finland performing compared to other countries? There is an even greater difference between the employment rate of the foreign-born population and that of the native-born population in many Northern European countries such as Denmark, Sweden and the Netherlands. However in these countries, the overall employment rate of the working-age native population is much higher than that of Finland. In Norway, even those born abroad have a higher employment rate than those born in Finland.²⁷ In terms of unemployment, it nevertheless seems that countries in Northern Europe are facing

22. Yijälä 2016.

23. More than two thirds (68%) of the whole population live in privately owned apartments. In the case of those born abroad, the percentage is 39%. Nieminen, Sutela and Hannula 2015, 138.

24. Kauppinen and Vilkkama 2015.

25. City of Helsinki Urban Facts 2016, 23.

26. In the Helsinki region, however, non-Western immigrants are less concentrated in socio-economically disadvantaged areas than in other Nordic capital regions. This difference has been at least tentatively attributed to the deliberate policy of mixing different ownership structures within urban areas. Kauppinen and Vilkkama 2016, 48.

27. OECD/European Union 2015, 83.

relatively similar challenges in that there are clear differences between the foreign-born and the native-born populations, with a distinct disadvantage to the former group.²⁸

The foreign-born workforce is not a homogeneous group, quite the contrary. Gender, in particular, plays an important role. In all groups defined by the country of origin, the employment rate of women was lower than that of men in 2014. Furthermore, the

difference between sexes in the employment rate was greater among the foreign-born population than among the native population.²⁹ In the Nordic countries, the labour participation rate of women has traditionally been relatively high.

The employment rate of those who were born in the Middle East or in African countries was much lower than that of the native population. This finding has been made in many other countries as well, and it has usually been related to the low level of education of people arriving from these areas and

The foreign-born workforce is not a homogeneous group. Gender, in particular, plays an important role.

to the personal experiences of people seeking asylum before and during the journey from the country of origin.

In Finland, the difference between men and women among those born in the Middle East or in Africa is greater than among those born abroad but with origins elsewhere. Therefore, much of the overall difference in the employment rate can be explained by the low employment of women of working age from Africa and the Middle East. Many women in this category are actually not unemployed because they stay at home taking care of children, especially during the first years of their stay in Finland, but are also not included as part of the labour force.

Indeed, when the duration of the stay in Finland is included in the analysis, the gap between foreign-born men and women also gets significantly smaller. Among those born abroad that have lived in Finland six years or more, the difference between men and women has greatly diminished, albeit men still have a higher employment rate than women.³⁰ Concerning the integration of immigrants into the labour market and, as a consequence, the overall success of Finnish integration policy, the situation would look much better if women from the above-mentioned backgrounds started working earlier.

We have also recently received robust scientific evidence of the existence of discrimination in the Finnish labour market. An empirical study showed that having a Russian name and accent significantly decreased a job applicant's chances of getting interviewed for a vacant position. The authors of the study assume on the basis of other research that applicants with Arabic- or African-sounding names would face even more discrimination.³¹

28. OECD/European Union 2015, 89.

29. Nieminen, Sutela and Hannula 2015, 62-63.

30. Eronen et al. 2014, 34.

31. Larja et al. 2012, 179-185.

Young people with an immigrant background

The number of people born in Finland to parents born abroad (second generation) is still quite small and most of them are of school age. The significance of this group to the labour market cannot be properly measured for another 10 years. However, there are already some unsettling signals about a lack of equality and the future prospects for young people with a foreign background.

According to a recent study based on a biennial school health survey³² in the city of Helsinki, young people with a foreign background have more welfare-related problems compared with those from a native background. These problems appear both in statistical data measuring welfare and well-being and in personal experiences among young people. The second generation is doing better than those that migrated themselves, but the difference compared to young people with a native background remains: they perform weaker at school, have fewer intimate friends, experience more physical threats and confront more problems in education. Household poverty and unemployment in the family also appear more frequently.³³

As a nation, Finland has performed very well in the triennial international PISA³⁴ assessments. For the PISA 2012 data, students with an immigrant background were over-sampled to make the findings on their school performance statistically more representative. A special report was published on students with an immigrant background and their achievement in mathematics, science, reading and problem solving. The study also concentrated on commitment to school and schooling, motivation and desire for learning, self-conception as learners, and views about the learning environment.

The findings gave a worrying picture of the difference between the learning achievements of students with an immigrant background and other students. Despite much good motivation and a high level of commitment, immigrant students were, for example, lagging about two school years behind in mathematics.³⁵ Students representing the second generation did better but they were also almost two school years behind native students in mathematics. In science, reading literacy and problem solving, the results were largely similar. Students who performed best in mathematics had a background from the region near Finland (Russia, Estonia, Sweden) or had arrived in the country before school age.³⁶

The differences in PISA scores between students with an immigrant background and other students were greater in Finland than the average in OECD countries. In mathematics, only in Greece and in Sweden did students with an immigrant background perform worse than in Finland, which means that the gap cannot be solely explained by the good performance of native students in Finland. The difference between first generation immigrant students and native students is also big in Denmark and in Sweden, but in Sweden the second generation performs significantly better. Similar or even more worrying results can be found in the field of literacy.³⁷

32. The School Health Promotion (SHP) study monitors the health and well-being of Finnish 14-20-year-olds. The aim of the SHP study is to strengthen the planning and evaluation of health promotion activities at school, municipal and national levels.

33. Ranto et al. 2015.

34. The OECD-based PISA (Programme for International Student Assessment) is an international survey which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students.

35. In other words, the difference in the scores between immigrant students and other students correspond to the progress during two school years.

36. Harju-Luukkainen et al. 2014, 105-107.

37. Valtiontalouden tarkastusvirasto 2015, 2015, 43-48.

Poor school performance is a serious problem because it hampers the transition from basic education to higher levels of education. There is also statistical evidence that young people with an immigrant background continue in the upper secondary education (general or vocational) less frequently than those with a native background, in particular in the general upper secondary schools that provide the main route to university education. The share of early school leavers is much higher among young people of immigrant origin than among native youngsters. It was particularly frequent among those whose country of origin was in the Middle East or North Africa (19%) or the rest of Africa (25%).³⁸ The NEET rate (not in education, employment or training) of those with an immigrant background is higher than the EU average. In comparison with the native population, young people with a migrant background in Finland are again performing weaker than the same group in the other Nordic countries.³⁹

Symbolic inclusion and multiculturalism

The starting point for Finnish integration policy has, from the very beginning, been the idea of integration as a two-way process: newcomers are supposed to learn how to live in the new country of residence, but the host society and its inhabitants should also accept immigration and diversity as the new norm. Social institutions such as schools, the police and health services must adapt to new circumstances so that everyone living in Finland can be treated equally irrespective of ethnic background or cultural identity.⁴⁰

As mentioned in the introduction, the Finnish integration policy has been multiculturalist in the sense that immigrants have been granted the right to maintain their language

The differences in PISA scores between students with an immigrant background and other students were greater in Finland than the average in OECD countries.

and culture while finding their way in Finnish society. The Finnish state is expected to support the realisation of this right. This approach was chosen in the 1990s partly for instrumental reasons. It was assumed that newcomers would integrate faster and more smoothly if their right to maintain their original identity and cultural practices (within the framework of Finnish legislation) was safeguarded. Children were also supposed to learn Finnish (or Swedish) easier if they learned their home language properly at the same time.⁴¹

However, on these two accounts Finnish integration policy has in practice achieved less than officially assumed. A relatively large share of the

population has remained suspicious if not overtly hostile towards immigration and cultural diversity. Attitudes towards two large groups in particular, Russians and Somalians,

38. The reason for leaving school or not continuing education was often the willingness to start working. Among young women, however, an important reason was the establishment of a family.

39. OECD/European Union 2015, 255.

40. Saukkonen 2013, 271-275.

41. In Finland in the 1990s, cultural rights were generally considered important and worth supporting. After joining the Council of Europe in 1989, Finland ratified the two important minority policy treaties, the Framework Convention for the Protection of National Minorities and the European Charter for Regional or Minority Languages. Sami self-government was also established in the early 1990s.

have been overwhelmingly negative.⁴² The Finns Party (Perussuomalaiset), which registered a remarkable victory in the 2011 parliamentary elections and entered government in 2015, made its political breakthrough partly by mobilising anti-immigration and anti-multiculturalist sentiment.⁴³ In a survey conducted in August 2015, a notable share of respondents agreed with racist statements.⁴⁴ Therefore, we can conclude that many Finns have also failed in their integration processes.

The measures for carrying out immigrant multiculturalism have been small and fragmented.

Finnish nationalist populists have strongly criticised Finnish multiculturalism. However, their judgment is based on policy objectives rather than policy implementation. In reality, the measures for carrying out immigrant multiculturalism have been small and fragmented. Mother tongue instruction at school for children with immigrant or minority backgrounds is relatively limited and not accessible for all. The state subsidies for which immigrant and minority associations have been entitled to

apply, in order to help preserve language and culture, have also been very modest in size. Therefore, Finnish multiculturalism has left two groups unsatisfied: for immigrants and minorities it has promised more than it actually achieved; for nationalists it has already promised too much.⁴⁵

Emerging needs and opportunities

The number of asylum seekers arriving in Finland in the last 25 years was relatively low, varying from 1,000 to 5,000 applications per year. In 2015, this figure increased markedly, and this has already put much pressure on the national system of refugee reception. At the time of writing this case description, most applications made in 2015 are still in the decision-making process.⁴⁶

The “official” estimate, based on decisions made in previous years, is that roughly one third of applicants will be granted permission to stay in Finland. If that is the case, the Finnish system of integrating newcomers will face many challenges. Those with a residence permit will, to begin with, be relocated from a reception centre to housing which meets normal living standards. There will also be a notable increase in the demand of integration services. However, in the past, Finnish municipalities have been quite reluctant to receive refugees even though the state contributes financially to the integration process for the first three years.⁴⁷

42. Pitkänen 2006.

43. A neo-nationalist movement was incorporated into the party just before 2011 election. In 2011 election, the Finns Party received 19% of the votes, in 2015 close to 18%.

44. Penttilä 2015.

45. Saukkonen 2013.

46. A significant number (5,250 by mid-April 2016) of mainly Iraqi asylum seekers have withdrawn their application.

47. In the case of quota refugees, this contribution lasts for the first four years.

Many of those who stay will be young men of working age and as such they offer great potential to society. However, entering the labour market in the current circumstances will probably not be easy. Finland is a post-industrial country with a relatively compressed wage structure. The labour market is dominated by the service sector and characterised by high demand for skills and competence. In Helsinki in 2014, the share of services of all jobs was as high as 88 per cent.⁴⁸ It has been estimated that the labour market as a whole will soon undergo significant changes. Particularly endangered are

The rapid integration of newcomers into the Finnish labour market seems optimistic. We need to develop other channels for people to find their place in our society.

low-wage industrial jobs with moderate education requirements. Since 2008 the Finnish economy has also stagnated, and the unemployment rate has risen steadily.

Taking into account the background, human and social capital and personal experiences of many recent newcomers, their rapid integration into the Finnish labour market seems optimistic. To succeed in this situation as well as is reasonably possible, it is necessary to invest in the education of those who come to Finland. Language learning must be promoted, as well as the system of recognising existing skills and the availability of further education and training. The government's idea of

greater integrating language education with work apprenticeship is welcome.⁴⁹ There has also been some discussion about labour market reforms that would facilitate employment (for example, "minijobs") but it is as yet uncertain if such innovations are politically plausible.⁵⁰

Realistically speaking however, it is likely that many if not the majority of the 10 thousand or so people that arrived to Finland in 2015 and who will receive a residence permit⁵¹ will not be fully employed during their first years in Finland. Therefore, Finland needs to invent and develop other channels for the newcomers to find their place in the host society. There should be opportunities to learn the language and the Finnish way of life and to establish social contact with the native population outside the labour market. Leisure activities, voluntary work and the third sector more generally can play a crucial role here. There is also a brand new partnership programme that aims at improving co-operation between those involved in integration policy in the public sector, the private sector and civil society.⁵²

Many newcomers will also be of school age. Those that came to Finland in their adolescence have turned out to be especially vulnerable. In addition, many of those who came in 2015 arrived as unaccompanied minors, which usually makes the situation even more

48. Helsingin kaupungin tietokeskus 2015, 3.

49. In the current system, language courses and work orientation periods have usually been quite separate modules during the integration process. It is yet not completely clear how this incorporation will finally take place.

50. An asylum seeker is allowed to engage in gainful employment in Finland without a residence permit once three months has passed from the submittal of an asylum application provided that he or she has a valid travel document. Without such a document, an asylum seeker may start working after six months. The Finnish Government has had plans to allow asylum seekers to start working earlier. Other plans to speed up entry into the labour market are still somewhat unclear.

51. The Finnish government has drafted a bill to restrict the possibilities for successful asylum seekers to bring their families to Finland. If the bill is accepted in parliament, the income requirements will make it much harder for those that receive their residence permit under subsidiary protection to get their families to Finland.

52. See www.kotouttaminen.fi/kumppanuuksiohjelma.

challenging. It will therefore be a particular task to promote their school performance and enhance transitions in the education system. The Finnish education system has been much praised for its emphasis on equality of opportunity for all irrespective of social, economic and geographical background. The system is now being put to the test to see whether it can provide equality also for those with a different ethnic and/or cultural background to the native population. In the Finland of the future, there will probably not be many jobs left for those without sufficient language proficiency and vocational qualifications.

Problems with Finnish integration policy

The Finnish integration policy has received much credit in international comparisons. In the latest MIPEX (Migrant Integration Policy Index 2015), Finland's total score ranked it fourth, after Sweden, Portugal and New Zealand. Its overall score is the same as Norway's and much higher than Denmark's.

Indeed, on paper the policy framework looks fine. Finland also deserves acknowledgement for having a relatively consistent policy that has not changed much according to shifts in the political balance of power. Nevertheless, everything might not be as fine as it seems. Most importantly, it is not certain that the policy is properly implemented and that the system functions well in practice. In recent years, the following problems or shortcomings have often been highlighted.

1. **Complicated system.** The organisational structure of integration policy is complicated: a composition of many government sectors on the one hand, and of all levels of public authority, central, regional and local government on the other. The Ministry of Employment and the Economy is responsible for the overall development, planning and steering of the integration policy but in integration practice responsibilities are divided between many relatively independent actors.
2. **Diverse approaches.** Finland has a large number of municipalities and they have a high degree of autonomy. Local authorities are relatively free to decide how they organise decision-making, administration and service production in the municipality. As a consequence, there are almost as many ways to deal with immigrant integration as there are municipalities.⁵³
3. **Lack of transparency.** As a result, the overall co-ordination of the policy is problematic. Because the provision of integration services – integration education in particular – is fragmented, it is also difficult to create a general overview of the policy.
4. **Insufficient resources.** There have not been enough resources for the implementation of the policy. Integration education and training have particularly suffered from the lack of financial means.
5. **Problems with education.** Integration education paths have lacked coherence, clear objectives and proper attachment to existing labour market needs. There is also variation in the quality of education.
6. **Outside labour force.** Many newcomers who are outside the labour force but in need of integration activities, especially housewives and homemakers, have not been reached as well as intended. After returning to the labour force, they are often no more entitled to integration services.⁵⁴
7. **Deficits in monitoring.** It has been difficult to get reliable data on the main instruments of immigrant integration such as initial assessments, integration plans, integration education and local integration programmes. The lack of data regarding integration measures in turn makes it difficult to analyse the causal mechanisms between policy implementation and policy outcome.⁵⁵

53. Municipalities are responsible for arranging several services for citizens, including day-care and schools, health centres and dental care, and social welfare services. Therefore, they play a central role in the Finnish welfare state.

54. The need to better reach housewives was recognised some time ago. The task was included in the Participative Integration in Finland project (2011-2013), and since then there have been both national-level and local-level efforts to provide education for those outside the labour force. The system is, however, not very well designed for these purposes. For example, the integration plan has to be agreed upon within three years from the residence permit or registration, and the right to integration services is normally limited to three years. Housewives who stay longer at home therefore fall outside the scope of normal integration procedures.

55. The OECD is currently preparing a country report on Finnish integration policy but its results and recommendations are not yet available.

As a result, the Finnish integration policy framework should be developed to meet the requirements and challenges of the present. The easiest way to improve would be to construct a database that contains all the elementary information concerning the implementation of integration policy in Finland. Knowledge about these measures would offer new opportunities for evaluating the impact of different policy instruments.⁵⁶ This would also enhance the dissemination of best practices.

Another task which is in principle simple but in practice politically difficult is to raise the financial resources of integration up to a level that guarantees complete and high-quality implementation. This money should be seen as an investment for the future instead of as public spending. With sufficient resources authorities and service providers would also better reach those groups that so far have for a large part been excluded from integration services, such as immigrant mothers that stay at home.

The improvement of policy co-ordination and coherence is a more complicated challenge because integration policy arrangements have to take the often legally regulated general divisions of labour within the Finnish government and public administration into account. However, the co-operation between the regional and local units of employment administration and Finnish municipalities in particular should and could function much better than it does now. The current effort to reorganise Finnish regional administration, the reform of county government, could in principle solve many problems. At the local level, there have also already been initiatives to simplify the system and to concentrate integration services upon a more limited number of service spots.

The Finnish government and local authorities have already relatively well incorporated civil society into integration policymaking and policy practice. In the future, it would also be good to better engage the private sector, such as companies and entrepreneurs and representatives of migrant groups and minority communities, into these processes. Many migrant associations have shown lots of energy and commitment, and it is important to incorporate the experiences that many new Finns have into integration policy preparations and implementation. In the private sector, there are also some promising new initiatives that try to combine technology and entrepreneurship with integration processes.⁵⁷

56. A specific Centre of Expertise on Immigrant Integration (Kotouttamisen osaamiskeskus) was launched in 2014 within the Ministry of Employment and the Economy. Monitoring integration policy is one of the tasks of this unit.

57. The Shortcut, which tries to promote integration through technology and entrepreneurship: <http://theshortcut.org/>. An interesting initiative is also the one provided by Integrify, which aims to help refugees, asylum seekers and recent immigrants to Finland through education in programming: <https://integrify.fi/>. The Helsinki Region Chamber of Commerce runs a COME project (Chamber of Multicultural Employments) that focuses on counselling and guiding companies and employers, running The EntryPoint mentoring programme, implementing company and working life-related surveys, and providing versatile marketing communications operations: <http://helsinki.chamber.fi/en/international-business-and-networking/come-chamber-multicultural-enterprises/>.

Aiming to employ thousands of immigrants using a SIB model

The Ministry of Employment and the Economy and Sitra's objective is to train and employ at least 2,000 immigrants over the next three years. The performance-based project funded with private capital is due to begin in September. On 28 June 2016, Epiqus Oy was appointed project coordinator.

The project offers immigrants work-life oriented training that will support their future employment. The objective is for immigrants to enter the labour market on average four months after training has begun. The training will continue on-the-job and include language, culture and professional skills studies.

The project will be implemented nationally in cooperation with separately selected TE Offices. The project will continue until the end of 2019.

The project will be implemented with a performance-based funding agreement i.e. the Social Impact Bond (SIB), which Sitra has introduced in Finland as part of impact investments. Investors fund activities and carry the involved financial risks. The public sector needs only pay, if the employment objectives are met. The SIB will help the public sector purchase results without taking on financial risks. Investors have the opportunity to impact on the social issues they feel are important. The strength of the model is that it sets specific, formal targets for impact and economic results, the realisation of which are also regularly monitored.

The quick employment of immigrants will save the State costs involved in the payment of labour market support and integration education for adult immigrants and bring in tax income. If the project's objectives are met, the Ministry will pay part of the achieved savings into a fund from which the investors will be paid back their capital as well as a reasonable profit.

Sitra introduces impact investing model in Finland

The Finnish Innovation Fund Sitra is introducing the impact investment model in Finland and acting as a consultant in the first SIB pilots. Finland's and, at the same time, the Nordic countries' first SIB was launched last autumn. Its objective will be to promote occupational wellness in the public sector. The funders for the first stage of the project will comprise the We Foundation, Sitra and private finance investor Henri Kulvik. Epiqus will act as fund manager and project coordinator in this project as well.

Conclusion

Many newcomers to Finland who have arrived as asylum seekers or as their family members will make a great career, fulfilling their own dreams and benefiting greatly the whole of society. Many others with a similar background will find their place in Finnish society and local communities relatively easily, getting a job that reasonably matches their skills, qualifications and personal interests. There will also be many new arrivals that settle in their new home country in a satisfactory way, even though they see their degrees discounted and have to struggle harder to stay employed. Finnish integration policy can support these developments with policy measures.

Nevertheless, past experience from Finland and other countries compels us to admit that many of those who have applied for asylum in 2015 and 2016 will have great difficulties in finding a job. Staying un- or underemployed for many years to come will be the fate of numerous men of working age with origins in Iraq, Syria, Somalia or Afghanistan. Many women will spend many years at home, taking care of children and family, often without learning the language or otherwise educating themselves. It is one task for the Finnish government to help the labour market integration of these people as much as possible. Another, and no less important mission, is to develop ways for them to find their place in society, learning language, understanding the customs and building social networks even though they are not working. Civil society should be given a full role in this work, and new technologies should be applied whenever possible to provide information, to assist learning and to connect people.

All this will be very difficult if the general atmosphere in society does not support integration of the whole society in new, more ethnically and culturally diverse circumstances. Therefore, the fourth task of public authorities is to encourage the native population to better accommodate new arrivals and accept the coexistence of "old" and "new" Finns and people with different backgrounds and identities. The reconstruction of the nation does not mean that national traditions or European values regarding the rights of women and children, for example, have to be abandoned. However, national identities have to be rebuilt in such a way that as many members of society as possible can feel included.

The risk of societal fragmentation in economic, political and cultural terms still exists, and it has to be taken seriously. But the opportunity to manage a successful and comprehensive integration is also there, awaiting the right action to support its realisation.

About the author

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