

# NORDREGIO NEWS

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Fish processing factory in Iceland. Photo: Hjördis Rut Sigurjonsdottir

THEME ISSUE



# WELCOME TO NORDREGIO NEWS ON MIGRATION AND INTEGRATION

The old age dependency rate is a ticking time bomb that threatens to blow the Nordic welfare model into pieces. Old age dependency rates are rising across the Nordic countries as in most parts of Europe. Due to a selective outmigration of young people towards the cities, the dependency rates are particularly high in rural municipalities, where access to healthcare services is one of the major issues. This issue of Nordregio News focuses on recent migration flows and the Nordic societies' readiness to welcome the newcomers.

At the Nordregio workshop on social innovation in 2014, Anna-Karin Berglund from the Swedish Association of Local and Regional Authorities presented a graph illustrating the growing gap between the costs for care of elderly people and the municipalities' tax income. My interpretation of the figures that were presented is basically that my children might have to choose in the future whether to pay 80% of their income in taxes or take care of their parents by themselves.

From that perspective, today's large number of immigrants to the Nordic countries represents an interesting potential. We can learn from our history. During the 1960s and 70s, Sweden became one of the world's richest countries, thanks to successful export-oriented industrial production, which was dependent on labour immigrants from Finland, Hungary, Greece, and the former Yugoslavia. Today we have other challenges, but new Nordic initiatives for turning refugees into workers, as well as better social integration, are still crucial contributions.

However, a report from the Organisation for Economic Co-operation and Development (OECD) shows that when it comes to

differences in employment rates between local and foreign born, the Nordic countries show some of the poorest performances in all OECD countries and in Europe. Sweden, Denmark and Finland all have larger differences than the EU average, while Norway has the highest unemployment ratio compared to native citizens.

As shown in a Nordregio study by Timothy Heleniak and Nora Sanchez-Gassen, migration cannot stop the ageing process alone, but it can boost the labour market and slow down the ageing effects in the short term. In order to fulfil these functions, it is crucial that immigrants are integrated into societies as quickly as possible and particularly into the labour market. If newcomers remain outside paid employment for long periods of time, this will increase the number of economically dependent people and the burden on public security systems.

Full and successful integration at different levels requires more efforts in match-making between the Nordic labour market needs and the skills of the immigrants. Validation of skills seems in this regard to be especially problematic in some sectors (e.g. health). But first and foremost we need a change in atmosphere and attitudes. The inflow of immigrants and refugees should be seen more as a resource than a problem.

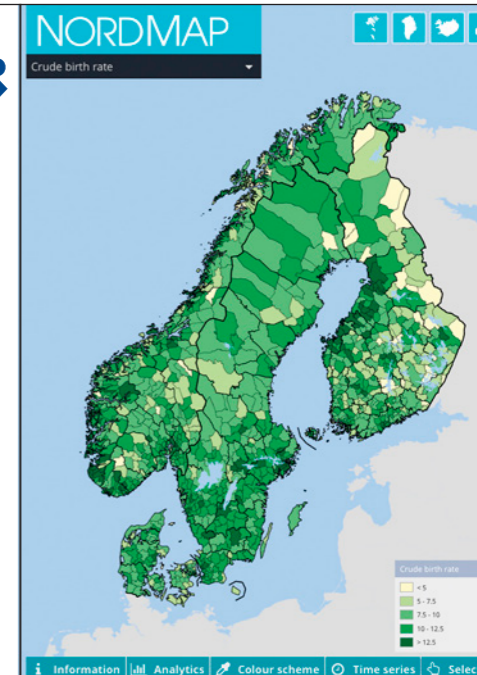
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## NORDIC WORKING GROUP ON DEMOGRAPHY AND WELFARE 2013-2016

The Nordic working group on demography and welfare under the Nordic Council of Ministers' Committee of senior officials for regional policy aims to form a joint Nordic platform for producing knowledge and exchanging experiences regarding the challenges and opportunities induced by the current demographic and labour-market related changes in Nordic regions and municipalities.

The work produced in the working group will provide new insights to the Nordic policymaking community for addressing the consequences of demographic changes in several policy fields, such as provision of welfare services, labour-market, business development, housing, and education. It will also highlight innovative national, regional and local solutions to handle demographic challenges and opportunities. [www.nordregio.se/wgdemography](http://www.nordregio.se/wgdemography)



NEW PUBLICATIONS



### SOCIAL INNOVATION (SI) IN LOCAL DEVELOPMENT IN THE NORDIC COUNTRIES AND SCOTLAND

What is Social Innovation (SI) and how can it respond to the challenges facing rural and remote regions in Nordic countries?



These regions are facing continuing rural-urban migration, which not only accentuates sparsity but also distorts the age, gender and socio-economic balance by depleting the population of young, well-educated and economically active people. At the same time, there is a growing push towards increased efficiency in the use of constantly shrinking public resources. Considered together, these trends constitute something like a "perfect storm" – demographic shifts are increasing the need for services while at the same time resourcing for services is decreasing.



This is making it incredibly difficult to maintain acceptable levels of well-being and economic vitality in rural communities. Social innovation has been suggested as a potential way to address these challenges.



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#### NORDREGIO NEWS 3/2016

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# Immigration

## A solution to demographic challenges?

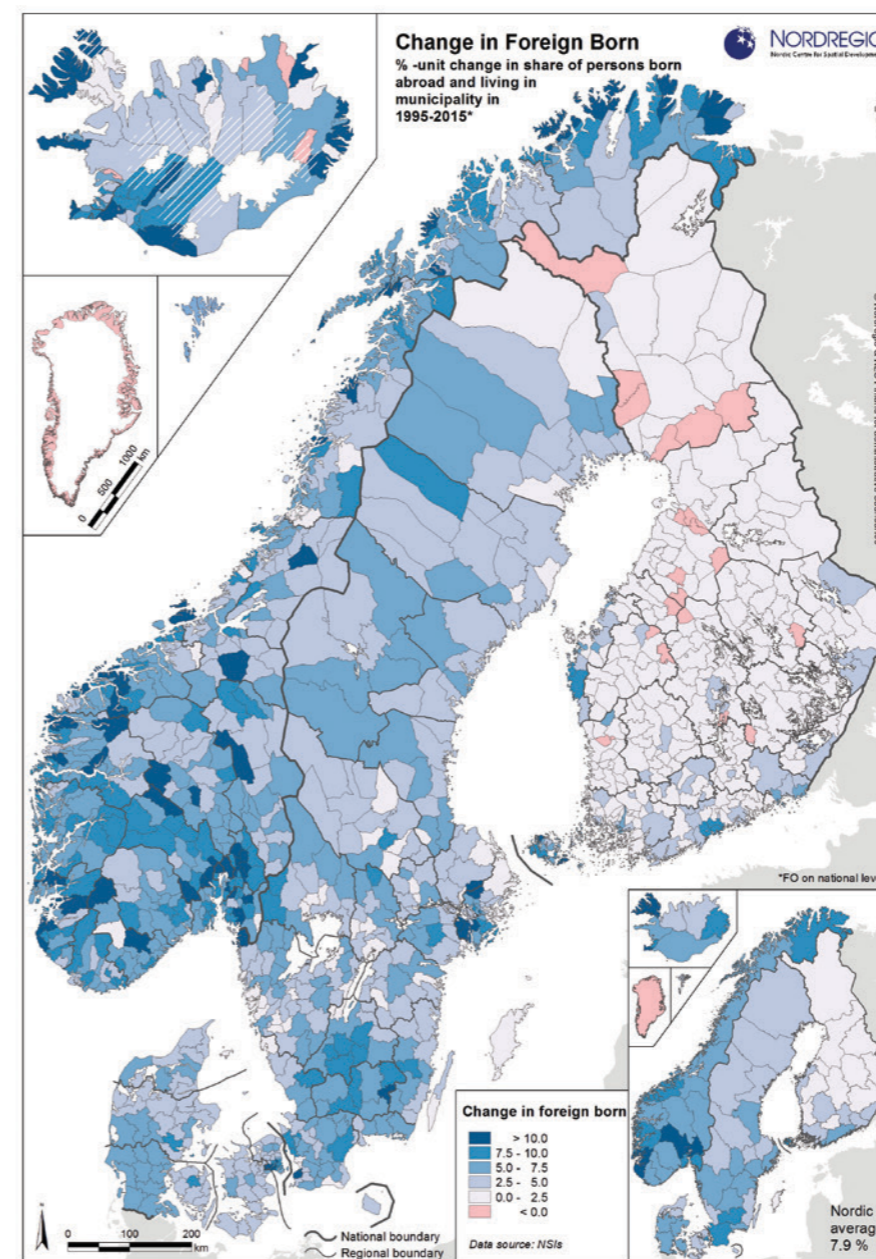
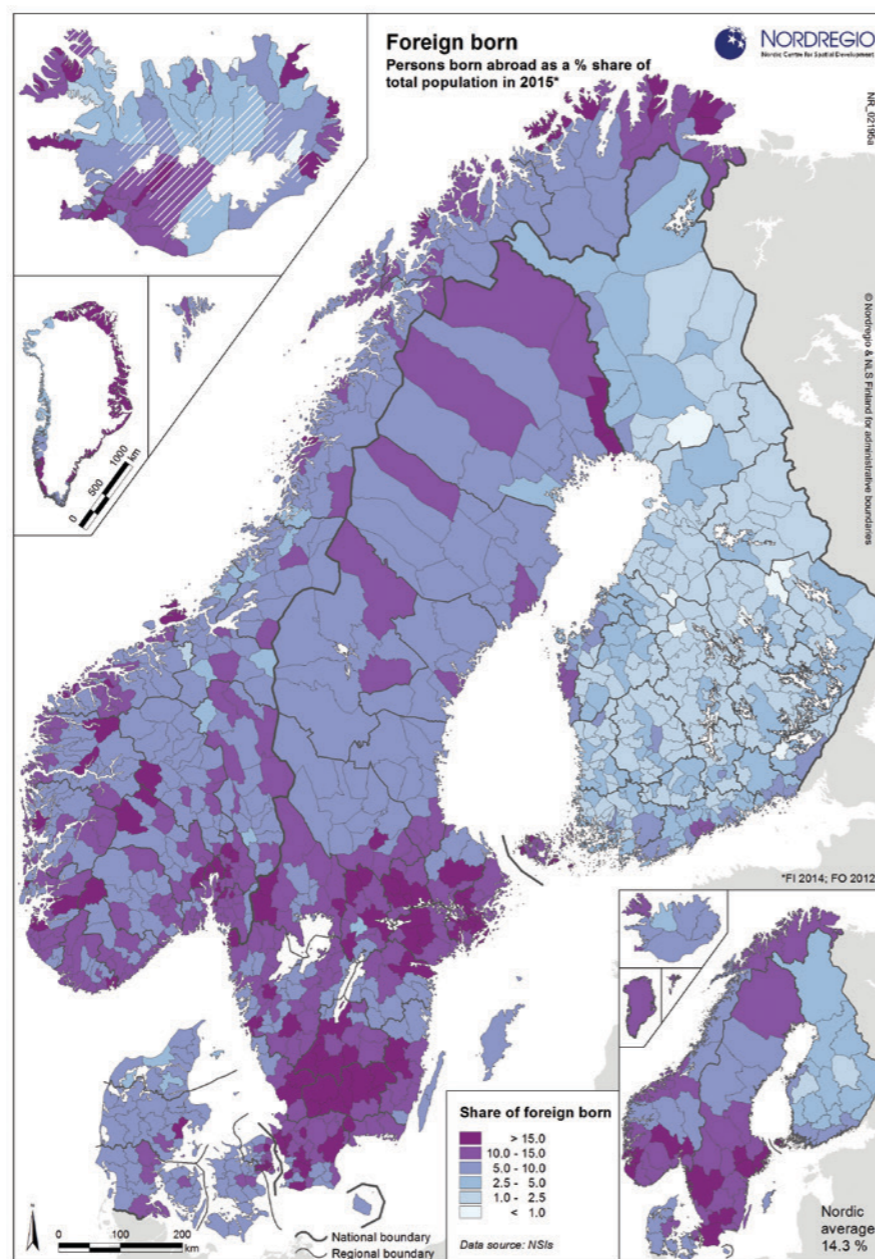
Immigration to the Nordic countries has increased considerably during recent years. The settlement pattern shows a concentration to larger cities and regions where immigrants are already established, which does not always reflect future needs in regional labour markets due to demographic change. Even though there are many challenges to resolve, especially at the local level, immigration gives us a good possibility to solve the provision of labour in the future.

BY SVERKER LINDBLAD

Migration to and from the Nordic countries has a long history and varies immensely over time and between our countries and regions. The main reasons behind migration are also varied depending on the economic and political situation in Europe and globally. Even climate-related migration might be more common in the future.

### Increase of immigration during recent years

According to statistics over the last ten years, immigration has increased considerably to all the Nordic countries, with the exception of Iceland, which experienced a more diverse situation with both high in and outmigration. Sweden and Norway in particular had an extensive increase in immigration during this period. In addition, last year's increase of refugees and asylum seekers coming to the Nordics, and especially Sweden, has made the situation even more complex. At the end of 2015, around 150 000 individuals were subject to pending asylum applications in Sweden. In Finland and Norway, the figure was around 20 000, slightly less in Denmark.



<< Almost 15% of the Nordic population is born elsewhere than in their country of residence. The highest share of foreign born population can be found in Southern and Mid-Sweden in larger city regions of Stockholm, Gothenburg and Malmö, and in larger city regions of Oslo and Bergen in Norway. On a national level Sweden and Norway have a larger share of foreign born population than the other Nordic Countries. In Finland the share of foreign born population is very low in some regions. In Faroe Islands and Greenland the share of foreign born population is relatively high, but dominated by persons born in Denmark.

< During the last 20 years the share of foreign born population in Nordic region has increased from 6.5% to 14.3%. On a national level the increase has been fastest in Norway followed by Sweden. At the regional level the increase has been fastest in Rogaland, Oslo and Akershus in Norway and in Reykjanes in Iceland.

Cartographer: Johanna Roto, Nordregio

### > Concentration of immigrants in certain regions

Looking at the regional perspective, there is a higher concentration of foreign-born people in larger cities, especially the capital regions. There are also high shares of foreign-born individuals in other regions, in many cases related to the historical needs of the labour market. There seems also to be a regional correlation between a high share of foreign-born population and an increase of foreign-born individuals. This is not surprising due to a lot of immigrants being family members or related to earlier immigrants. To settle in an area where your own population group is already established and where you can speak your native language also gives a sense of security and thereby attracts people from the same native countries.

The regional distribution of last year's inflow of refugees might diverge a little from the picture given above, at least in the short term. Many small and medium-sized municipalities have during the last year accommodated a higher share of refugees. The ability for municipalities to offer temporary accommodation and school places to their children has been an additional factor behind the asylum seekers settlement pattern. However, in these cases, there seems also to be a specific movement to larger city regions and municipalities that already have a high share of immigrants. So far, little attention has been given to the future needs of regional labour markets in relation to demographic challenges and the correlation with immigrant's settlement patterns.

### Demographic challenges and needs in regional labour markets

An underlying report to the Swedish Long Term Survey 2015 (Bilaga 7 till Långtidsutredningen 2015) shows that demographic development will lead to considerable shortages of labour in many parts of the country until the year 2040. The supply of labour will not fulfil needs due to an unbalanced age structure with too few individuals of working age. This will especially be the case in sparsely

populated regions at further distance from larger cities.

The national population forecast for 2040 shows that 63 percent of the population increase in the age group 16–74 will come from countries with low or medium-high development levels according to the UN Human Development Index. Later forecasts have shown that a higher immigration might lead to lower shortages of labour, but the proportion of individuals from countries with a high or medium-high development level will increase.

### Important steps to unleash the potential

This leads us to some implications and conclusions about immigration as a potential to solve future labour market needs at a regional level:

- We need to know more about who is coming, where they settle and what skills they have.
- The immigrant's education and skills have to be validated according to national requirements and criteria. Also, informal skills and practices need to be validated.
- Complimentary education and language courses have to be provided for those not fulfilling national labour market requirements.
- Matchmaking with local labour markets has to be analysed. Are the immigrant's education and skills conforming to the local labour market needs?
- Affordable housing and schools have to be provided where people are needed.

All levels, from national to regional and local, have their specific roles in relation to the steps mentioned above, but the municipalities obviously have some crucial responsibilities that treated correctly can help them in solving demographic challenges and labour market needs. In the Nordic Working Group on Demography and Welfare the project "From Migrants to Workers" will analyse the situation, but also show some good examples from municipalities in the Nordic countries. ★

labour-associated immigration, but also among new refugees. There has also been a change from a dominance of refugees and their families towards labour immigrants and their families, where family reunion with labour immigrants exceeds the family reunion with refugees since 2007. Individuals with a background from Poland clearly dominate the number of immigrants. This group comprise of over twice as many individuals as the next country on the list, Lithuania. Refugees and their families show the strongest tendency to stay in Norway after immigration, while people from other Nordic countries



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# From migrants to workers in the regional labour markets of Norway

Immigration to Norway has increased strongly since the turn of the millennium and especially since the eastward EU enlargement.

BY LASSE SIGBJØRN STAMBØL

The immigration has changed from being gender balanced during the first years of the 2000s towards a clear male dominance after 2005, mostly due to increased



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and people that immigrate for education show less probability of staying in Norway and thus have higher emigration.

### Strong increase of labour immigrants in jobs

There has been a strong increase in the proportion of immigrants in the labour market. Simultaneously, a reallocation of employment has taken place where immigrants to some extent replace non-immigrants, but also previously employed immigrants.

Investigations indicate, however, that labour migrants have been an important resource for filling a necessary demand of labour in the regional labour markets, especially in the western and south-western parts of Norway, but also in the north. The net supply of labour migrants did, however, decline during the last couple of years. Weaker economic growth in the wake of lower oil prices and a weaker Norwegian currency (krone), combined with large waves of new asylum seekers from regions at war, may again alter this balance between labour immigrants and their family reunions and refugees and their family reunions.

### High gross flows of immigrant labour

Immigrants also have accounted for a growing proportion of the gross flows in the labour market, especially to employment, but gradually also to the increased number out of employment, especially among labour immigrants. Interestingly, when immigrants leave a job, they have a tendency to leave the labour force altogether, rather than registering as unemployed. The labour force is normally defined as the sum of employed and unemployed. Therefore, if a person fails to register as unemployed, they not only miss out on receiving benefits but also disappear from the labour force statistics. There are many possible explanations for this situation. They may have left registered employment for a temporary or permanent stay abroad without notifying the emigration office. They may have left a job to other support outside the labor force. They may also have left a registered employment place to take a job that is not registered (e.g. black market). These were just a few examples. The important thing to note, however, is that many immigrants go directly from being outside the registered labour force to getting a registered job.

### Immigration is important for several regional labour markets

Several of the regional labour markets in Norway, however, have changed considerably during the last decade, largely due to very strong increases in petroleum investment, while the traditional domestic migration patterns largely have remained unchanged. A nearby conclusion to draw is a deterioration in the explanatory power between regional employment trends and regional net migration as a result of changes in the regional labour market, while the domestic movements have not changed significantly.

To resolve this inexplicable "dilemma", the very strong net immigration has filled parts of the demand for labour that the domestic migration patterns have not been able to cover.

To further emphasise this relationship, there has been a strong domestic relocation of the already small birth cohorts of the 1970s and 1980s away from the petrol investment areas in the western and northern parts of Norway that have increased the regional demand for labour even more. This is also one of the main reasons why the capital region of Oslo has reduced its share of new immigrants to Norway from about a third to nearly a quarter during this period.

### Labour participation varies by the reason for immigration

Immigrants that have migrated due to labour and education and Nordic immigrants show generally the highest labour participation rate, while the lowest work participation is to be found among immigrants with a family as the reason for immigration and among refugees. We can see that the main trend is a clearly increasing participation rate among immigrants with increasing duration of residence in Norway. Labour immigrants and Nordic immigrants have a relatively high labour participation rate even in their first years as residents, while refugees and family immigrants show a very low labour participation rate during the first three years after immigration. The same is the situation for education immigrants since they are mainly in education. However, refugees, family and education immigrants increase their labour participation over the following three years of residence.

### Domestic relocation increases transitions both to and from jobs among immigrants

New investigations also indicate that domestic migration is partially beneficial for immigrants to obtain employment or to carry out an education. The effect of relocation with the ease of access varies according to the immigrants' reason for immigration. Immigrants who remain outside employment or education are mostly to be found among refugees, family immigrants and immigrants with a non-specified reason for immigration, while education and labour immigrants and Nordic immigrants show the strongest tendency to enter a job or start an education.

The main trend is that immigrants who move between labour market regions show a somewhat stronger tendency to enter activity statuses than immigrants who do not relocate, so they have a slightly higher tendency to start a job or an education than those who do not move. When talking about people quitting work or education, those who do not move domestically have a higher tendency to remain in a job and or continue education than those who move.

Among immigrants who are already in employment or education, the education and labour immigrants and Nordic immigrants show a higher tendency to maintain such "activity" statuses than refugees, family immigrants and immigrants with a non-specified reason for immigration. ★

"LABOUR MIGRANTS HAVE BEEN AN IMPORTANT RESOURCE FOR FILLING A NECESSARY DEMAND"

# Immigrants contribute to the Finnish labour market

Finland has traditionally been a country of emigration. People have left for other Western countries to find better job opportunities and have especially preferred Sweden. Finland became a country of immigration in the beginning of the 1980s when the balance of international migration switched to positive. The most noticeable wave of immigration occurred in the 1990s when Ingrian Finns received returnee-status. The reception of refugees, for example, Somalis during the first half of the 1990s, has further increased the flow of immigration to Finland.

BY ELLI HEIKKILÄ

## From an emigration to an immigration country

The year 2015 represents a remarkable immigration year as Finland received a total of 32 476 asylum seekers. This was ten times higher than the previous year of 3 651 asylum seekers. Reception centres have been established all over the country for these newly arrived asylum seekers. There were 28 refugee reception centres functioning in 2014 and 212 centres in 2015.

The number of those born abroad was 337 162 individuals in 2015. This represents six percent of the total population. In Finland, the proportion of immigrants is, however, small compared to other European countries, but it is expected to grow further in the future. The prevalent countries of birth have been Russia, Estonia, Sweden, Somalia and Iraq.

The most common motive for moving to Finland is connected to family reasons, for example finding a Finnish spouse and facing marriage migration. International students and labour migrants also form important immigrant groups, as well as humanitarian migrants and return migrants.

## Unemployment rate still high among immigrants

The position in the labour market is a central indicator of the social status of immigrants and ethnic groups and employment is thus the foundation for the successful integration of immigrants. Both in Finland and in other industrialized countries, it is more difficult for immigrants to find work than for the native population. The result is that the former often have several times higher unemployment rates than the latter.

The employment rate for immigrants has improved with the economic cycle in Finland. For example, during the deep economic downturn in 1994 the unemployment rate for foreigners was 53 percent and for the total population

it was 17 percent, i.e. the rate was three times higher for the former. The unemployment rates in 2014 were 27 percent for foreign citizens and 13 percent for Finnish citizens. There are huge differences in unemployment rates by citizenship: the unemployment rate for Estonians has been 17 percent, for Russians 41 percent and for Somalis as high as 73 percent in 2014.

The number of employed foreign citizens was 82 188 individuals in 2014. This represented 3.6 percent of all employed. Immigrants tend to be concentrated in certain branches of activity and immigrant employment sectors showed some gender differences in the 2000s and the 2010s. Trade has been the most important sector to employ both immigrant men and women. The finance, insurance, real estate and business activity sectors have especially employed men. For women, education and research have been important, and also employment in health and social work. Transport, communication and construction sectors have been important for immigrant men. Industry has employed many men, and the manufacture of electrical machinery has been especially important. It is clear that the proportion of the employed has grown with better education among both males and females. When looking at entrepreneurship, 11 percent of employed Finns have been entrepreneurs in 2014 but among Turks, it is very common: 37 percent of employed Turks have been entrepreneurs.

Immigrants are sometimes ready to take a job not corresponding to their education just to get on the first step of the labour market and through this integrate into society. Another problem for immigrant job-seekers is that foreign degrees are not valued by employers, despite the fact that they are officially recognised. Also, learning the Finnish or Swedish language is an essential key factor for successful entry into the labour market.

Migration decisions are often linked to economic opportunities. Economic migrants move to the host country



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because they want to improve their own opportunities. Migrants are unlikely to return home unless they believe their prospects there are substantially better. Immigrants who intend to immigrate permanently are less likely to return home for example during a recession. Also, strong family ties in the host country will discourage return migration. It is worth noting that many also work in sectors such as health and social services and education which are not traditionally cyclical.

## Need for immigrants in an ageing society

The changing age structure of the population strongly affects the supply of labour over time. Labour leaving the labour market is not a problem if this is compensated by adequate workforce entering the labour market. In ageing societies, complementing reproduction of the population by immigration has been considered an option.

Finland will need immigrants to compensate for the

labour deficit due to the baby-boom generation having left the workforce during this decade and in the future. Finland needs immigrants for a variety of sectors, and competes for them with other ageing societies. In population age structure, the share of individuals aged 20–44 is greater among foreign citizens than among Finnish citizens. The immigrants are thus in a favourable working and family formation age.

Immigration can be seen as the movement of human capital from one country to another and at the same time it is a part of the human capital growth. From an innovation point of view, immigration is seen as the effect of bringing new skills and abilities to the labour force (skills in work, language proficiency, foreign contacts) and modernisation (at the individual level an ability to take risks, courage, freedom from prejudice) which has influences on development trends in technology, entrepreneurship and internationalisation. ★

*A worker from Myanmar assembling coffins in Punkalaidun (see more in the next article).  
Photo: Timothy Heleniak*



CASE PUNKALAUDUN, FINLAND

# The Immigrant Villages Project: a recipe for integration

The refugee centre at Punkalaidun in the province of Western Finland has accommodated thousands of asylum seekers over the years. The local community together with local companies and organizations were willing to collaborate to help the newcomers. The aim of the Immigrant Villages Project was to show solidarity with people who had left their homes and risked their lives in order to find a fresh start.

BY PETRI RINNE & PIPSA SALOLAMMI

In Punkalaidun, local agricultural businesses and small companies require seasonal labour. Moreover, the local population is both decreasing and ageing – this worked as a good motivation to keep the immigrants. The town is also able to offer suitable housing and public services (schools, health services, etc.) for the newcomers.

The project hired an immigration co-ordinator, Maarit Tiittanen, to solve basic problems and build bridges between the newcomers and Punkalaidun residents, and she has played a key role in establishing mutual trust and respect. The personal skills and qualities of the co-ordinator are the main factor behind the success of the Punkalaidun integration project. Maarit Tiittanen not only works in this position, she dedicates herself wholeheartedly to the task, 24/7.

In 2012–2015, the integration project was assisted and supported by the Joutsentenreitti ry LAG (LEADER Local Action Group, funded by the European Union) in the municipality of Punkalaidun. The LEADER group can provide financial resources as well as promote international good practice and networks to support Tiittanen's challenging role, explains Petri Rinne, the director of Joutsentenreitti ry.

In accordance with a strategy that seeks to provide education for all, the municipality has organized education for preschool and school-aged children. The Western Finland Sastamala College and the Education Centre in Satakunta provide educational services for adult asylum seekers. Training begins while the asylum application process is ongoing.

Since the project is a Leader-funded non-profit development project, private funding was needed. Private funding covered 20% of the financing of the plan and some work was also provided free of charge through voluntary work; this often entailed unpaid work by volunteers, for example in organizing events such as Christmas parties and family gatherings, and football coaching, homework support, etc.

There is even a football team, FC Vartiola, which is led by a 71-year-old Italian football coach.

The project aims to promote employment opportunities for immigrants on farms, in small businesses and in the third sector. Petri Rinne comments:

- We need better matchmaking and knowledge of the newcomers' backgrounds. With quota refugees in Punkalaidun, it has been easy to integrate people who were born, lived and worked in rural areas of Myanmar or Syria. Newcomers from Bagdad tend to move to cities, which is only natural. Entering a training institution or the labour market as early as possible is also crucial.

The Immigrant Villages Project consciously promotes the integration of immigrants into Finnish society through flexible and practical measures. Effective integration of immigrants provides a future for immigrants to stay in the community for a number of years. There were once 24 immigrants housed locally, and now there are over 120. This increased interaction at the same time supports the vitality of the villages, the potential of the business sector and the uptake of leisure activities. Co-operation with local business has helped increase rural employment.

Petri Rinne finds this model very functional: -We strongly recommend this model to other Nordic municipalities. The immigration co-ordinator is the key to a smooth integration experience – in terms of both social and economic aspects. The co-ordinator knows the backgrounds of the newcomers, and can help meet their needs with the local services, as well as match their skills with the local labour market. There is a strong need for more projects that share good practice at both a national and a European level. The European Commission, for example, has given widespread publicity to the Punkalaidun project. The Village Action Association of Finland has implemented projects on a national level with the aim of disseminating good practice. ★



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”WE NEED BETTER MATCHMAKING AND KNOWLEDGE OF THE NEWCOMERS’ BACKGROUNDS”

Dance with the Syrian family that arrived to Punkalaidun in February 2016. Photo: Maarit Tiittanen



# The labour market integration of refugees in Sweden

Sweden is one of the few countries in Europe to provide protection to a large number of refugees fleeing war and conflict zones in Syria, Afghanistan and Iraq. Despite its relatively small population of about 10 million, it had the highest number per capita of individuals seeking asylum (163 000) in 2015.

PIETER BEVELANDER & NAHIKARI IRASTORZA

The large number of refugees and their families who were granted residency in Sweden over the last few years constitute a major challenge to Swedish society and, in particular, to the labour market. According to a recent report from the OECD, only 22 per cent of newly arrived males had employment after one or two years of introductory programmes. For women, this percentage was as low as 8 per cent (OECD, 2016). However, the long-term employment rates of previously arrived refugees in Sweden are more favourable and lead us to believe that the numbers presented above will grow within the next few years. As reported by the Swedish Migration Delegation (DELM), only 30 per cent of refugees who arrived between 1997 and 1999 were employed after two years of residency in Sweden, whereas this number increased to about 65 per cent after 10 years in the country. Despite the fact that this figure is still below the Swedish average employment rate of about 80 per cent (including both males and females), it is illustrative of the gradual (slow) growth in employment rates experienced by refugees, as found in the literature.

According to Eurostat, the number of first-time asylum applicants in Europe for the year 2015 reached 1.3 million, over three times more than in 2013. However, the number of first-time asylum seekers dropped by 33 per cent during the first quarter of 2016 compared with the fourth quarter of 2015. Whether or not this heralds the beginning of a decreasing pattern in the inflow of people seeking asylum in Europe, the large number of arrivals during this period has put significant pressure on receiving countries and the resources allocated by them in order to integrate the refugee population. The main focus of introduction programmes in Sweden and other European countries has been the labour market integration of refugees, being a key aspect for their social and economic integration in their new countries of residence.

While current figures on asylum seekers and refugees seem to have hit the roof, it is not the first time in history that Sweden has received asylum seekers and tried to incorporate them into the labour market. During the Second World War and directly after, Sweden accepted about 200,000 refugees from Poland, Finland and the Baltic states as well as Jewish refugees from the neighbouring countries

of Denmark and Norway. The Swedish policy at that time was to integrate these refugees as soon as possible into the labour market and resettle them in those parts of the country where there was a high labour demand. Another account of the importance of the labour market integration of refugees in earlier days is that of the integration of Hungarian refugees in Sweden in the 1950s.

Since then, and especially over the last three decades, Swedish integration policies on refugees have gradually continued developing to become more encompassing and ambitious than ever before. The current policy was adopted in 2010 and it focuses on the first two years after gaining a residence permit. Refugees are offered an introduction programme that includes basic Swedish language training and access to labour market services. According to the Ministry of Labour, this policy aims at creating more opportunities for newcomers to quickly get into work or education. Furthermore, the ministry states that “all steps in the refugee settlement process shall be aimed at finding employment.”

Despite these efforts, the labour market integration of asylum seekers who receive refugee status in general, and of those deemed quota or resettled refugees in particular, has been characterized by having a slower pace, compared with that of family reunion migrants and labour migrants. The reasons behind such differences need to be further investigated.

A number of factors are cited in the literature regarding this question. One of the reasons for this slower adaptation process is the depreciation of human capital, skills and credentials due to the asylum and skill accreditation processes. Another reason discussed in the literature is the negative selection of refugees. In other words, refugees – unlike labour migrants – are not selected primarily for their labour market skills and, therefore, it will take longer for them to match the demand in the host labour market. Moreover, there is reason to believe that refugees are treated less favourably than labour migrants or family reunion migrants by their host countries. Refugees arrive under different circumstances and are admitted using alternative criteria. For example, both the migration process and the admission process may be drawn out and cumbersome and affect the integration process. Finally, health-related issues and the loss of human capital can also be important reasons that may hinder a successful labour



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market integration of the refugee population.

Empirical studies on the labour market integration of refugees living in Sweden report similar findings to those conducted in other immigrant-receiving countries such as the Netherlands, the UK and Canada. As reported by Bevelander and Pendakur in a comparative study of four refugee groups who moved from the former Yugoslavia, Afghanistan, Iraq and Iran to either Sweden or Canada, while there were small differences in employment rates between these two destination countries, the salary increase over time was higher for refugees to Canada than for those to Sweden. This study also revealed substantial differences among immigrants based on their country of birth, both in Sweden and Canada, as well as among subcategories of refugees: asylum-seeker refugees versus resettled refugees. The difference between these categories

could be a product of integration policies that vary by entry path. Resettled refugees are mostly, on arrival, located in municipalities where housing is available but where employment opportunities are lacking. Asylum-seeker refugees often draw on personal resources that help them to both settle and adapt to the new environment.

The current refugee inflow to Sweden has put extra pressure on local labour markets. Integration policies should address the specific knowledge gaps of the current flow in relation to the labour market demand, so that a better match is obtained. Specific policy initiatives to speed up the labour market integration of newly arrived refugees, such as placing them in municipalities with low unemployment rates, faster skill-level evaluation and improved language courses would be beneficial, not only for refugees but also for the whole of Swedish society. ★

## DEFINITIONS

**Asylum seeker**  
Person who seeks asylum but has not obtained residence permit (refugee status) yet.

**Asylum refugee**  
Refugee that gained refugee status by seeking asylum

**Refugee**  
Refugee can be an asylum refugee as well as a resettled refugee (refugees that gained access through the UN resettlement process and host countries have annual quotas for them.).

## Developments in immigration in Iceland during the last decade

BY RÚNAR HELGI HARALDSSON [RUNAR@MCC.IS]

During the last 15 years or so, the influx of immigrants to Iceland has mainly been driven by the needs of the economy and people coming to Iceland either as a spouse or for family reunification. The post-2000 to 2008 era saw unprecedented growth in the Icelandic economy ending in a dramatic collapse of the Icelandic banking sector. The history of migration to Iceland during the last decade is heavily influenced by the boom, and then the bust. In 2000 the number of foreign nationals in Iceland was 7,271 according to Registers Iceland. This number grew steadily until 2009 when 24,379 foreigners were living in the country. The years 2011–2013 saw a decrease in the number of foreign nationals in Iceland (men in particular) but after that, the numbers began to rise again, along with the economy. In 2015, 22,744 foreign nationals were living in Iceland.

The high number of people coming to Iceland has created some challenges that the government and the private sectors need to address. Perhaps the situation can be best summed up by describing it as growing pains, not only when it comes to integration issues such as providing education for children who do not speak Icelandic, translation services, etc., but a host of other issues, housing for example.

The policy of the Icelandic government with regard to immigration is reflected in a 4-year integration action plan 2016–2019. The overall aim of the action plan is to ensure that all inhabitants of Iceland have equal opportunities irrespective of individual factors such as origin and circumstances. Currently, the next 4-year plan is before parliament, it contains five main groups of concern and several action points within each group. The groups are social inclusion, family matters, education, job market measures and refugees. ★

### The Multicultural and Information Centre

## INFO BOX

The Multicultural and Information Centre (MCC) is a sub-institution of the Icelandic Ministry of Welfare and has a wide mandate to collect and distribute information on immigration issues. It is tasked to serve the needs of individuals, private companies, public institutions and the government.

These are of course very different needs to be served. Therefore, the MCC has to adopt different tactics in its efforts to distribute information efficiently.

The internet (both the conventional website and Facebook) is, of course, one of the main mediums available to the MCC. Visits to the MCC website have increased from 53,080 in the year 2012 to 160,126 in the year 2015 (<http://www.mcc.is/>).

In addition to the use of internet-based solutions, the MCC has published various pamphlets and booklets, sometimes independently but often in cooperation with other government institutions or NGOs, the booklet “First steps” being the most noteworthy. “First Steps” was first published in cooperation with the Icelandic Immigration Board and the Ministry of Welfare in 2011. The booklet gives detailed information about many things concerned with migrating to Iceland. The booklet can be obtained in an online publication and a printable version. Separate editions are available for EEA/EFTA citizens and non-EEA/EFTA citizens. “First steps” is available in eight languages and in two versions, one for citizens from inside the EU and another for citizens of regions outside the EU. “First Steps” is currently under revision and soon to be republished.

The MCC also processes requests for information in a more direct manner, through telephone, email, Skype and walk-ins. These direct information requests totalled 304 in 2010 but rose to 1,350 in the year 2015.

Keeping track of developments with regard to immigration is an integral part of the MCC’s mandate. The MCC has published various reports in the past few years, ranging from custody statistics of children with a foreign background to survey reports, the most recent one being a survey on origin and multiple discrimination published in 2014. The MCC also publishes an annual statistical report covering a wide range of immigration issues; population, nationalities, citizenship, education, etc.

# The Cool Embrace: Recent Migration Trends into the Nordic Region

In recent years, migration flows into the Nordic countries have been at historically high levels, with many of the recent arrivals coming as refugees or asylum seekers. This has challenged the well-established integration programs that the countries have in place.

BY TIMOTHY HELENIAK

**Immigration into the Nordic countries reaches historical highs**  
Over the twenty-six year period from 1990 to 2016, the population of the Nordic countries has grown by 15 percent from a combination of both natural increase (more births than deaths) and positive net immigration (more immigrants than emigrants). Over this period, net immigration has accounted for about two-thirds of total population increase and natural increase one-third. Since 2007, net migration has increased considerably in Norway, Sweden, Finland, and Denmark and has become the major source of population increase, far exceeding that of natural increase. Thus, since 2007 in the four Nordic countries making up the bulk of the population, adding new people through immigration has been the primary source of population increase thus contributing to increasingly diverse populations.

Unlike the other Nordic countries, Iceland has vacillated between being a country of net emigration and net immigration since 1960. From 1960-1996, there was a net emigration of 9,000 persons. During the boom years of 1997-2008, there was a huge net inflow of 20,000 followed by a net outflow of 6,000 during 2009-2014 following the banking crisis. In the early 1990s, the volume of new people coming to the country only amounted to just over 1 percent of the total population. This small inflow had minimal impact on the economy and society. At the peak of immigration in 2007, this inflow represented over 4 percent of the Icelandic population.

**The population of foreign origin in the Nordic region**  
The Nordic countries define and tabulate data on the immigrant or foreign-origin populations differently.

However, the data reveal a trend of rapid increases in the foreign-origin populations in all of the Nordic countries. Iceland collects quite detailed data on the population of foreign origin. People are divided into those with no foreign background, those born abroad with an Icelandic background, and immigrants, which are further divided into first and second generation immigrants.

In 2015, the sum of those with no foreign background and those born abroad with an Icelandic background had declined to 85 percent of the total population and immigrants had increased to 9 percent. Thus, the total share of the population with some foreign background is now 15 percent of the Icelandic population, a significant increase from twenty years previous when it was just 5 percent.

For Finland, data are collected on persons with Finnish background and persons with foreign background. These are disaggregated into those born in Finland and those born abroad. Finland has had less immigration than the other Nordic countries and thus has a smaller foreign-origin population. However, there has still been a considerable increase of the foreign-origin population within the country since 1990.

Norway has the most detailed data on the foreign-origin population. Statistics Norway collects and compiles data on the place of birth of all people, their parents, and their grandparents. This results in thirty different categories of foreign-born based on three generations.

In 1990, the immigrant population made up 7.1 percent of the population, half of which were first generation immigrants without Norwegian background. Most of the rest were persons born in Norway with at least one foreign born parent – second generation immigrants. The immigrant population has grown steadily so that in 2016, it made up 22.4 percent of the population. Of the total population, 13.4 percent were first-generation immigrants >

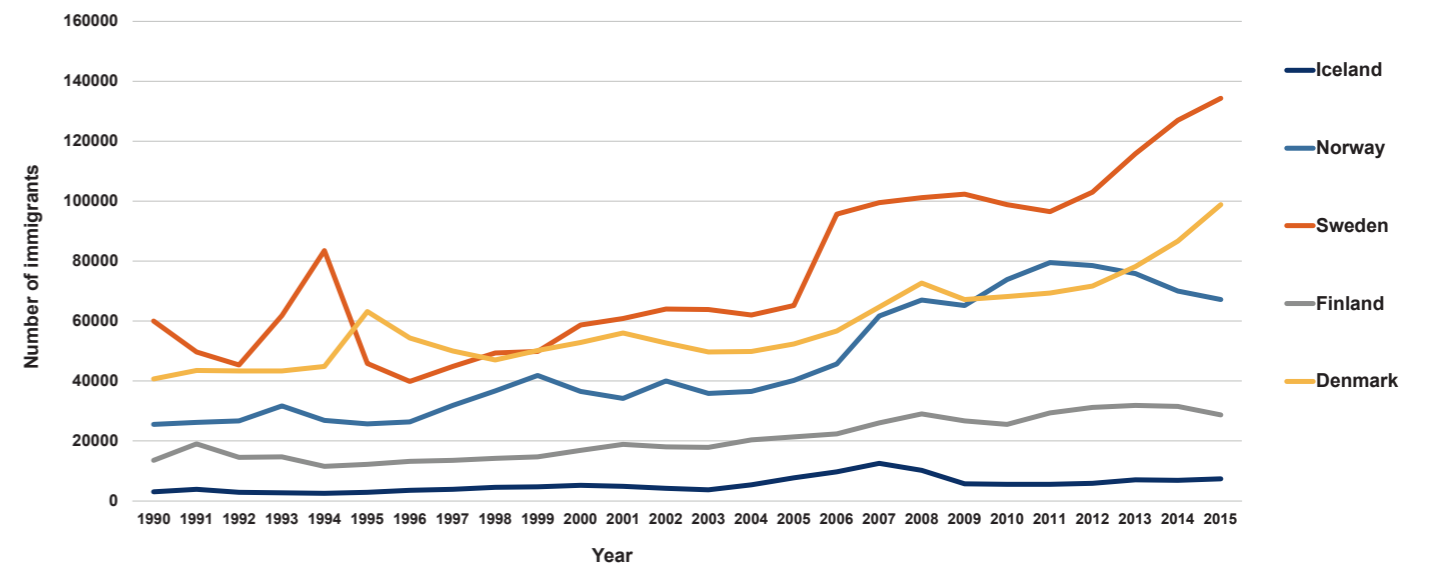


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“SINCE 2007, NET MIGRATION HAS INCREASED CONSIDERABLY IN NORWAY, SWEDEN, FINLAND, AND DENMARK AND HAS BECOME THE MAJOR SOURCE OF POPULATION INCREASE, FAR EXCEEDING THAT OF NATURAL INCREASE.”

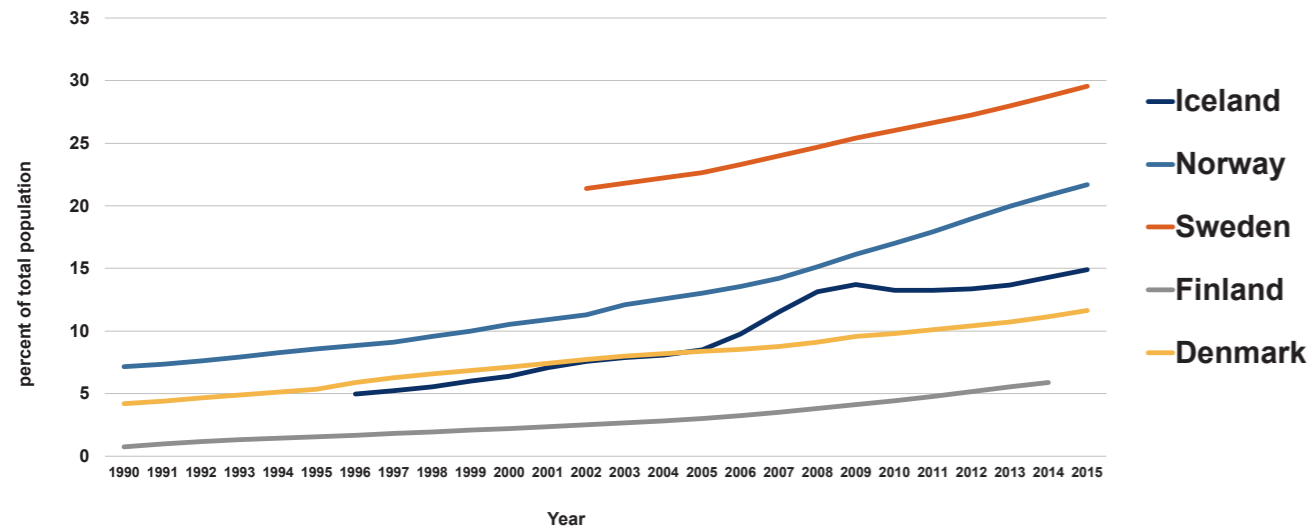
International migration into the Nordic countries, 1990 to 2015



Source: National statistical offices.



Foreign-origin population in the Nordic countries, 1990 to 2016



Source: National statistical offices.

**”SINCE 2007, NET MIGRATION HAS INCREASED CONSIDERABLY IN NORWAY, SWEDEN, FINLAND, AND DENMARK AND HAS BECOME THE MAJOR SOURCE OF POPULATION INCREASE”**

> without Norwegian background. The share of second-generation immigrants had grown to 4.7 percent of the total population from 2.4 percent in 1990, most obviously concentrated in the younger ages.

For Sweden, data are presented on the foreign born and native born. The native born are then further divided into those born in Sweden with two foreign born parents, those born in Sweden with one parent born in Sweden and one foreign born parent, and those born in Sweden with two parents born in Sweden.

By 2015, the percent foreign born had increased to 17 percent from 12 percent in 2002. This percent foreign-born is higher than the United States, a traditional immigration country. The share of people born in Sweden with two parents born in Sweden declined to just 70 percent of the population from 79 percent in 2002. Second generation

immigrants increased to 5.2 percent of the total population from 3.4 percent in 2002. The increase in the second-generation is most telling when focusing on school-age children. Among children ages 0 to 14, second-generation immigrants increased from 9 to 14 percent of the population causing many necessary adjustments in the school system.

Denmark provides data on the population by place of birth, which are then further disaggregated into immigrants and their dependents. The enormous increase in the population of foreign origin in Denmark since 1980 is evident. In 1980, only 3 percent of the population was of foreign origin, 2.6 percent were immigrants and 0.4 percent were children of immigrants. Denmark was still an extremely homogenous society with 97 percent of the population being of Danish origin.

**The need for integration**

The influx of people from outside the Nordic region over the past several decades has resulted in a rapid transition of these societies. All of the Nordic countries have well-established and generally well-funded integration programs which will be severely tested with these large and increasingly diverse populations of newcomers. However, if done properly these new populations can become a significant demographic, economic, and cultural asset. ★

**Mind the data gap: which groups of people are measured when measuring different types of migration?**

BY LISBETH GREVE HARBO

When assessing migration trends from register data, the definition of how a migrant is categorised becomes crucial in the understanding of which types of flows and migrants are actually measured.

An overall distinction is made between international migrants and domestic migrants. Crudely speaking, this distinction is related to the type of border the migrants move across rather than a characteristic of the migrants themselves. In other words, if the movement happens across a national border, this is termed international migration, while migration across regional or municipal borders within the same country are domestic migrants. Thus the term international migration is not necessarily as closely linked to nationality as the name may seem to imply. This depends on whether the international migrants are determined by last point of residence, by birthplace or perhaps by nationality (-ies). In practice, this means that the flow of people from for example the UK to Sweden, if measured by last point of residence, contains also the return migration of Swedish nationals. If the same UK to Sweden flow is measured by either place of birth or nationality, it will be possible to distinguish the share that Swedish nationals constitute of these UK-SE flows, as well as any other nationals. Whether to favour place of birth or nationality for this, relates both to a frequent question of data availability but also what is the most relevant characteristic to measure as people may change their citizenship during their lifetime while place of birth is a fixed variable.

If all types of variables are available for the migration flow, one would like to measure, the selection of data comes down to a question of what we want to measure: is it the sum of flows of people between two countries; the flow of certain nationalities between these two countries; or is it the composition of this flow with regard to nationality and/or birth place that is interesting?

Another aspect of the birthplace versus nationality issue is that also countries change. One popular example is the breaking up of the Soviet Union whereby migrants that had left during the Soviet times, would have been registered with ‘Soviet Union’ as their place of birth, while they may actually have been born in, for example, present-day Estonia. Some national statistical offices have chosen to correct these Soviet migrants’ place of birth in retrospect but not all, so this is an important issue to be aware of.

Yet another aspect is the situations where there is no distinction in nationality between two countries/regions. One

Nordic example is the flows between Greenland and Denmark, where all have Danish nationality but place of birth registration makes it possible to distinguish between people born in Denmark and people born in Greenland. However, due to the special administrative division between Denmark and Greenland, the Nordic statistical offices registers are not in unison about how to publish data on the Greenlandic population. For example, Statistics Norway separates Denmark, Greenland and the Faroe Islands, while Statistics Sweden does not.

One desire that often arises for those concerned with measuring migration flows is even more detailed socio-economic information on the migrants as well as the motivations behind the migration decisions. Some attempts are made in the Nordic countries where immigrants by surveys are asked to characterise themselves (e.g. by education level) and/or their motivations for migration (e.g. asylum, work, study, family) but this is not systematic nor practised across time, countries and regions. Another weakness of this type of registration is that such characterisations are not fixed: education level may change shortly after the migrants’ arrival, just as it can be difficult to validate their selected motivation category. For example, while the initial motivation for immigration - and more importantly the permit for entry - may be study and/or work, the underlying motivation for applying to a specific country could rather be a desire to move to the country of a significant other. Thus, the primary reason for the individual may more appropriately be termed ‘family reasons’ and the study/work just the tool that made such a unification possible, and in general the motivations behind migration are often more blurred than a simple reply to such a survey question would imply.

Domestic migration is mainly assessed as flows across regional and/or municipal borders, in other words permanent moves between local administrations within the country. As the aim is often to assess the stock of population and the population development in these administrative regions, accounts of net-migration are often sufficient. However, this does not reveal anything about the composition of the people moving between regions/municipalities, and therefore inquiries into age or gender compositions can in most Nordic countries be assessed on rather detailed level while inquiries into these domestic migrant’s nationality and/or place of birth are not nearly as readily available. ★

# Labour mobility in the Nordic-Baltic region

The Nordic and Baltic countries share many similarities when it comes to negative demographic tendencies, particularly in the rural areas, as consequences of population ageing, lowering of birth rates, gender imbalance and outmigration. These challenges are highly complex in nature and difficult to mitigate and adapt to, and call for concerted actions at the national and local levels.

BY LISBETH GREVE HARBO & ANNA BERLINA

Given the geographical proximity and the close historical ties between the Nordic and Baltic countries, the Nordic Council of Ministers' Offices in the Baltic States have taken an interest in labour mobility issues and conducted a demographic vulnerability assessment in the Nordic-Baltic region. The project "Enhanced Nordic-Baltic co-operation on challenges of labour mobility in the Nordic-Baltic region 2014-2015" (BLAM) was realized in co-operation with the Nordic Council of Ministers' Offices in the Baltic States and Nordregio.

One of the outcomes of the BLAM project has been the visualization of the complexity of the demographic dynamics at the municipal level in the Nordic-Baltic region. The Baltic countries have experienced significant outmigration in the last decades (see map illustrating only the migration indicator out of the 10 vulnerability indicators, the whole vulnerability map can be found on the project website). This demographic vulnerability assessment map shows that the majority of municipalities in both Nordic and Baltic countries are experiencing negative demographic tendencies. At the same time, more positive demographic tendencies can also be observed within the countries, primarily in the capital areas and the more dynamic, growing city-regions. The map helps to identify municipalities that share common demographic development opportunities, as well as the complexity of specific challenges for each municipality.

The remaining parts of the project have focused on migration, given that it is one of the most significant factors influencing the demographic structure in the Nordic-Baltic region. While migration in the Nordic countries has exceeded the natural population increase as the most prominent driver of population growth, the Baltic countries have experienced significant outmigration in the last decades. In the context of the Nordic-Baltic region, migration is primarily understood as a cross-border labour

movement; the current refugee issues have consequently been outside the scope of this project.

Some of the key policy findings of the project are as follows.

- Despite the fact that the Baltic States share many similarities related to outmigration, the focus of migration policies is quite different among them when it comes to the target groups and measures implemented. While all three Baltic countries are interested in encouraging return migration, there is a strong focus on strengthening ties and developing social and economic co-operation with the diaspora from Latvia and Lithuania, while Estonian politicians are primarily focusing on (re-)attracting a highly skilled labour force and thus branding Estonia internationally as a desirable place to work and study.
- The Nordic and Baltic countries have different approaches to their work with labour migration issues. While labour migration is largely a municipal task in the Nordic countries, migration policy in the Baltic States is controlled and formulated by the central governments with limited involvement of the local governments in the process. As long as the responses to coping with the demographic and labour-related challenges vary across the municipalities due to different place-based characteristics, it might be beneficial to increase the involvement of local and regional actors in migration policy in the Baltic States and encourage the local level to develop its own agendas.
- There is significant potential for the Baltic and Nordic countries to exchange experiences and good practices on how to address both demographic challenges and labour mobility issues.

For more information on this project, and to access the project publications and maps, visit [www.nordregio.se/BLAM](http://www.nordregio.se/BLAM).



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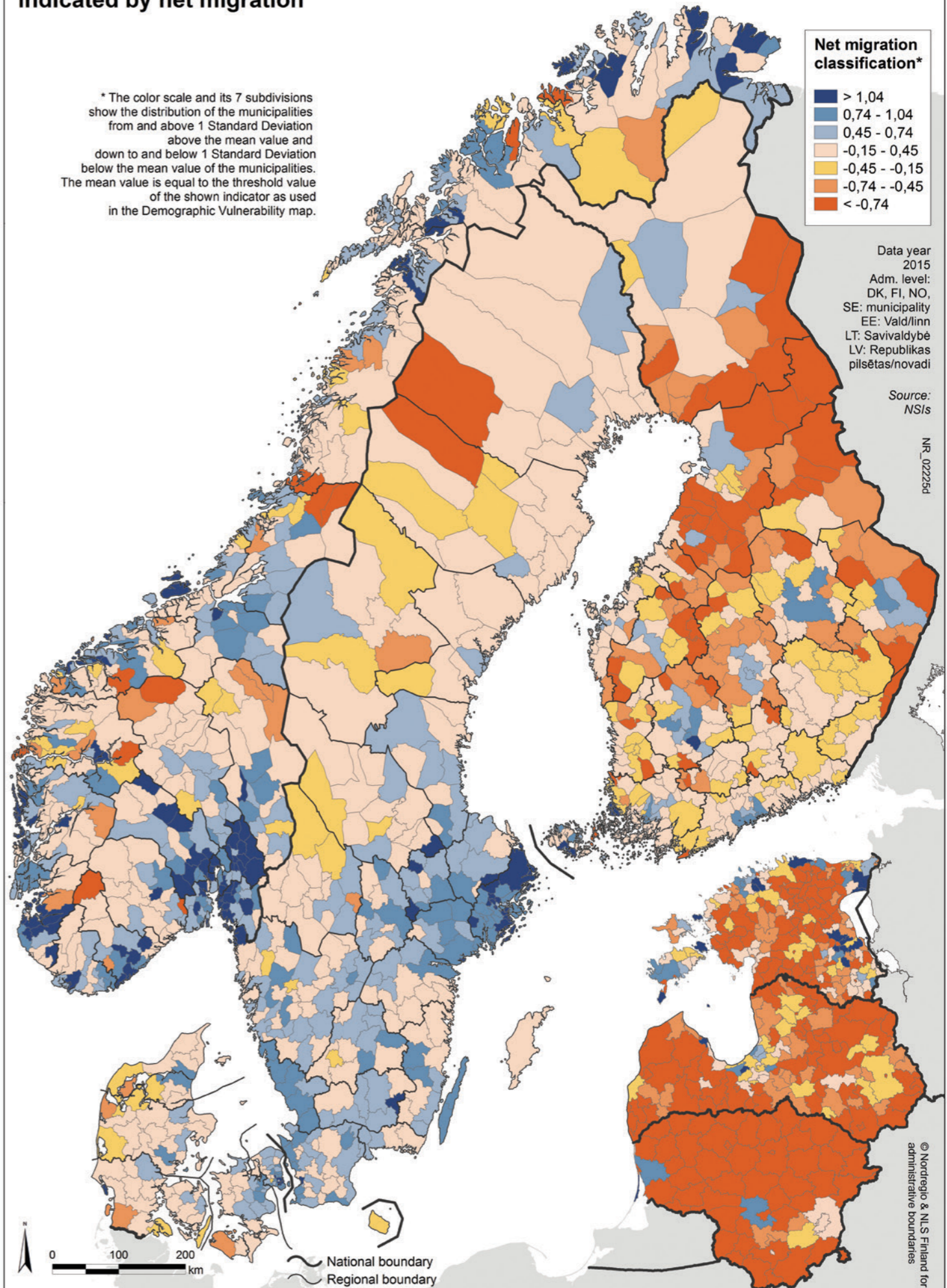


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## Nordic - Baltic Vulnerability indicated by net migration



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