The economic integration of immigrants in Finland

New results with FLEED and UTH data

Occupational restructuring challenges competencies-project
Helsinki – 12. February 2018
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Helsinki City
Background – economic and social change

• A very large increase in number of immigrants to Finland in recent years, and most settle in the largest municipalities

• The Great Recession starting around 2008 increased unemployment. The native population is more likely than before to take jobs previously considered entrance jobs for the immigrants with low education, or immigrants over qualified for the jobs they got

• Technological changes and automation increase demand for highly skilled well-paid jobs, and reduces the number of unskilled, low-salary jobs as well as medium-paid jobs
Population by origin and background country 1990-2015
PERSONS WITH FOREIGN BACKGROUND, TOTAL

- Born abroad
- Born in Finland

Statistics Finland / Population structure
The SHIFT project

• Part of a larger consortium

• Our aim is to generate new knowledge about the economic integration of immigrants in Finland

• Qualitative and quantitative research, the latter using register data (focus 2005-2014) and the new UTH cross-sectional survey from 2014. The UTH has questions from the Finnish health survey (2011) and Labour Force Survey (2014)

• Quantitative part ends now, but we wish to apply for more funding
Analysis – FLEED register data

• We add new variables related to migration to the Finnish employer-employee register data base FLEED, managed by Statistics Finland

• Analyzed using Statistic Finland’s Remote Access System

• Working age 20-64

• We focus on the period 2005 to 2014

• 10% of natives, all immigrants living in Finland 2005 to 2014, second generation immigrants aged 20-64 excluded
Analysis - the FLEED data

• Aggregate time series of employment status and occupational class for the period 2005 to 2014 by country groups

• The difference in employment status for immigrants living in urban versus semi-urban and rural municipalities

• For cohorts of immigrants arriving in a specific year, we look at their chances of being employed or not one versus four years later

• We are currently doing regression analyses that focus on the movement between municipalities and immigrant cohorts
The ethnic groups (country born)

- Natives
- Former Soviet Union
- Estonia
- Somalia
- Iraq
- EU15 plus EEA, Switzerland, Canada, USA, Australia, New Z
- Other EU28 plus former Yugoslavia not EU member (yet)
- Middle East and North Africa
- Other Africa
- Other Asia
- Latin America and Caribbean
Measuring economic integration

• Our dependent variable has four categories, based on whether or not the individual was registered as employed and/or unemployed in the calendar year.

  • Employed only
  • Employed and also unemployed
  • Unemployed only
  • Non-employed (neither employed nor unemployed)
Finnish (native) men and women
Former SU - men
Former SU - women
Estonia - men
Estonia - women
EU15, EEA, CH, CA, US, AU, NZ - men
EU15, EEA, CH, CA, US, AU, NZ - women
Other EU28 and former YUG - men
Other EU28 and former YUG - women
Somalia - men
Somalia - women
Iraq - men
Iraq - women
Middle East and North Africa - men
Middle East and North Africa - women
Other Africa - men
Other Africa - women
Other Asia - men
Other Asia - women
Latin America, Caribbean - men

- Employed
- Employed and unemployed
- Unemployed
- Non-employed

Graph showing employment rates from 2005 to 2014.
Latin America, Caribbean - women
Urban, semi-urban, rural

• Classification constructed by Statistics Finland

• Among the 20-64 years old, the natives have a distribution of 70, 16 and 14 percentages

• The immigrants vary from around 83-85, 6-9 and 7 percentages for former SU/Russia, Estonia and EU/EEA, to for example 95+, 4 and <1 percentages for Somalia
Results summary urban/rural

• Among native men and women employment increases from rural to urban municipalities. Among the immigrants, the pattern is reversed for both men and women.

• However, not for all countries in general. It is the ‘other countries’ (not top 30 among country of origin or the EU/EEA) that stand out in particular (15-20% of all immigrants).

• Other preliminary analyses of moving between or within municipalities that are either urban or rural/semi-urban suggest that all movement has a positive effects on employment for the immigrants, especially after 2-3 years. However, few are moving.
The occupational class structure

• Occupational class as defined by Statistics Finland (1989):

• Self employed/employers
• Upper level employees
• Lower level employees
• Manual workers
• Students
• Unemployed
• Pensioner
• Unknown (mostly homeworking plus missing occupational code?)

• Only those arriving in 2010 (age 20-60 in 2010)

• Looking at their aggregate patterns 2010-14

• Looking at their employment status or class (with non-employed categories) 2011-2014

• Men and women combined within ethnic groups (Small N)
2010 Cohort 2011-2014 Iraq & Somalia (N=1312)
Middle East & North Africa (N=691)
Other Africa (N=641)
Other Asia (N=2345)
Summary for 2010-cohort

• Large differences in employment after one year (2011)

• For immigrants from Somalia and Iraq the situation is not good after 4 years in the country: Most unemployed are still unemployed, and many among the non-employed (students?) are unemployed in 2014

• For the other groups 60-75% employed in 2011 are still employed in 2014, but a large proportion of those non-employed in 2011 remain non-employed in 2014 (students or homeworking?), and roughly 45% of the unemployed remain unemployed three years later
Remaining analysis for FLEED

• Regressions for urban versus rural and movement from one year to another; the long-term effect of moving (for example if moved between 2010 and 2011, what is the employment status is 2011 versus 2014?)

• Regressions for the panel analysis of migration cohorts

• Data prepared but with no time for analysis include the effect of different active labour market policy initiatives, and measures of standard of living (overcrowded housing, car and housing ownership) in relations to employment over time
UTH Survey (2014)

• A national representative survey of immigrants in Finland

• Questions from the Labour Force Survey and the Finnish Health Survey (enables comparisons with natives)

• N=2968 for age 20 to 64 years (LFS component, N drops when including questions from the Health survey due to two stages sampling)

• Cross-sectional analyses about employment (ELO definition), health, language, outgroup friend, Finnish education and various measures of precarious work
UTH survey (continued)

- Includes variables not found in the register data
  - Health
  - Social capital
  - Reason for migration
  - Language skills
  - Education
Age-adjusted health prevalences

• To be included in the same article as the regression analysis predicting employment

• Health capital in the labour market (e.g. Becker 2007)

• Does it vary across male and female groups, by country group and by reason for migration?
Summary LLSI, SRH and work ability

• Almost without exemption, the refugee/asylum seekers category stand out as worse off on all three measures among both men and women, suggesting that they have a health disadvantage in the labour market. The migrants who had a job offer prior to moving stand out with the overall best work ability.

• Between the country groups there is more variation among the men with men from Somalia and Iraq standing out negatively. The other country groups from Africa, Asia and America are on par with immigrants from Western/developed countries.
Social integration and Finnish education

• Language skills (beginner or less; medium; advanced; fluent)

• Have an outgroup friend? (I.e. at least one native Finnish friend)

• Who studies for a Finnish secondary or tertiary degree?
Language skills

• Multinomial logit regression

• Age adjusted, with years lived in Finland and either country group or migration reason

• Results (with interaction term between migration reason and years lived in Finland) presented with effect plots

• Refugees/asylum seekers stand out among both men and women, especially learning the language to advanced or fluent level (they seem to stop at the intermediate level)
Have an outgroup friend or not

• Logistic regression

• The same simple models, with age, years lived in Finland, and either country group or migration reason

• Interactions tested between years lived in Finland and the country group and migration reason in each separate model

• Again, refugees/asylum seekers stand out, and also immigrants from Somalia and Iraq
Predicted probabilities outgroup friend. Men by migration reason.

Pred. prob. outgroup friend. Men by country group. (p=0.050)

Pred. prob. outgroup friend. Women by migration reason. (P=0.003)

Pred. prob. outgroup friend. Women by country group. (p=0.007)
Secondary or tertiary Finnish education

• Multinomial logit regression presented with effect plots by reason for migration, total sample only because results looked very similar for men and women

• Those with only primary education does not seem to progress to attain more education in Finland

• Instead, it seems like those who already have secondary or tertiary degree from before who study in Finland

• Worriedly few with refugee/asylum seeker reason for migration obtain a tertiary degree. Most seem to stagnate with a secondary Finnish degree
Employed or not

• Employment defined as in the Finnish Labour Force Survey (ELO definition – employed at the time of interview)

• A cross-sectional analysis but with many variables expected to be associated with employment, going further than the register data analysis

• Especially the social capital and health capital are important additions to previous research
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Note: *p < 0.05, **p < 0.01, ***p < 0.001
Table 1. Logistic regression employment. Men. UTH Survey. Odds ratios

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Table 2. Logistic regression employment. Women. UTH Survey. Odds ratios

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<td></td>
</tr>
<tr>
<td>Other</td>
<td>4.76</td>
<td>2.86</td>
<td>2.34</td>
<td>2.94</td>
<td>2.65</td>
<td>2.30</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: p < 0.05, p < 0.01, p < 0.001
Partner and parental status

• An additional model was estimated with partner status and number of children aged 0 to 7 years (0, 1, 2, 3 or more)

• Significant drop in N, unknown why (from 1291 to 1049 for women and from 1079 to 726 among men)

• Neither variable was significant in the full model for men

• Both variables were significant for women. Partner OR=1.68* and number of children OR 0.41***
Interactions and total sample

- A total sample model with gender showed that for the full model women had 47% less odds of being employed (OR=0.53)

- Interactions were tested between years living in Finland and education, work ability, country group and migration reason, and also between education and work ability

- Years lived in Finland and work ability was significant for the total sample
Interaction years lived in Finland and work ability

Interaction education by years living in Finland (ns)

Interaction education by work ability (ns)

Total sample interactions
Summary employment

- Stronger curve-linear age association among men
- Weak effect of tertiary education in full model
- Years in Finland same weak effect for men and women
- Work ability same weak effect for men and women
- Some effect of much LLSI and bad SRH among women
- Significant effect outgroup friend among men
- Significant effect language skills among women
- Large variation in full model for migration reason for both men and women, but only large variation in country group among women
Precarious work (UTH)

- Atypical working hours (evening shift, night shift, Sunday work)
- Fixed contract
- Work part time
- Want to work more hours
- Feeling overqualified
Precarious work (continued)

- Descriptive analysis shows that compared with natives, the immigrants are much more likely to have part-time work, fixed contracts, want to work more hours (an indication of in-work poverty) and feel overqualified (and among men, twice as much if having Finnish secondary or tertiary degree).

- Not so big differences in shift work and Sunday work.

- A gradient between the immigrants with the non-western immigrants being worse off than the EU15/EU28/YUG/NA/OC.

- Descriptive analyses also show that among women, immigrant women are much more likely to work in the private sector.
The way forward

• The results will be published in three articles

• The first is to be submitted after invitation to the Journal of Refugee Studies by 15 March

• The data management is complete for both FLEED and the UTH, and we have a lot of data not (yet) analysed

• We are looking for alternative funding sources to continue the research
Thanks!

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