Contextualising ethnic residential segregation in Finland: migration flows, policies and settlement patterns

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Country Report for Finland
Published December 2010

This study is part of a four-year comparative research project on Nordic welfare states and the dynamics and effects of ethnic residential segregation (NODES)

The project is funded by NORFACE's Research Programme on Migration

Contents

Preface

This research paper is part of a comparative Nordic research project "Nordic welfare states and the dynamics and effects of ethnic residential segregation (NODES)", funded by NORFACE's Research Programme on Migration. NODES is a four-year research project which involves a team of fourteen researchers and six partner institutions from Sweden, Denmark, Norway and Finland.

The NODES project comprises five multidisciplinary subprojects that aim to capture the links between the Nordic welfare state policies and trajectories of social and spatial integration. The main research question is: How are the Nordic welfare states shaping the conditions for ethnic residential segregation and de-segregation, and how are the patterns and processes of segregation affecting the wider social and spatial developments in the different host societies? The underlying causes and impacts of ethnic segregation are explored from the perspectives of both individual migrant families and the receiving society.

This research paper is part of the first subproject, which analyses differences and similarities in policy frameworks, immigration flows and settlement patterns in the Nordic countries. The specific research questions are: 1) How do welfare, housing, immigration and integration policy goals and practices differ between the countries, and what are the most prominent policy practices with regard to immigrant settlement patterns?, 2) What are the characteristics of immigrants and their migration flows into and out of the countries, and the major urban regions?, and 3) What characterises settlement patterns of different immigrant groups?

These questions are discussed in four individual country reports that comprise of case studies from Sweden, Denmark, Norway and Finland. The country reports function as background reports to contextualise the policy framework, and migration and settlement patterns that we hypothesize to shape and affect the processes of ethnic residential segregation in our countries. Each country report comprises five chapters focusing on recent changes in the policy goals, practices and structures of welfare (chapter 1), housing (chapter 2), immigration (chapter 3), integration (chapter 4), and segregation and settlement patterns (chapter 5). The main findings are summed up and discussed with reference to ethnic residential segregation in a concluding chapter.

The four country cases and comparative cross-country conclusions are published in a joint book, titled "Immigration, Housing and Segregation in the Nordic Welfare States". The book can be downloaded on the NODES webpage http://blogs.helsinki.fi/nodesproject/publications/.

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1. The Finnish welfare system

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1.1. The birth of Finland – the youngest of the Nordic welfare states

Finland has been an independent nation for less than one hundred years. Before that, it was a Grand Duchy of the Russian Empire from 1809 to 1917 and part of the Swedish Kingdom from the 12th century onwards. Its peripheral location between the two big powers has been interpreted as a significant societal factor and as a major boost to its efficiency, its early internationalization and even the growth of the telecommunications sector (Vaattovaara 2009).

The egalitarian tradition dating back to the beginning of the last century has a profound influence not only on income distribution, but also on the educational ethos. The Finnish educational system has never been as selective as the British, French or German systems with its principle of equal opportunities for all social classes throughout the country (Mäkelä 1999: 157). The results are particularly impressive, as Finland has been ranked first in the OECD's PISA evaluations. Furthermore, the participation of females in education and work is among the highest in Europe. This is considered a unique phenomenon, and has again been related to the small size of the country and its specific location between two great powers. Finland as a nation, cannot afford to exclude any stratum of the population (Jutikkala 1965; Kuusi 1968; Alapuro 1985; Mäkelä 1999).

National-level politics have thus had a profound influence on the Finnish political system. The very existence of the welfare state relies on a kind of national uniformity – equality being understood in the framework of cultural uniformity, or even like–mindedness. Thus, the top-down political approach to issues related to welfare, segregation and housing is deep-seated and has a long tradition in the political system of the country. In a situation in which the nation has been able to raise the level of education and the standard of living and improve housing conditions and the quality of available services for all, national political guidance has not met with any strong resistance.

Finland has experienced rapid changes in the decades since the 1960s. These developments were triggered by extensive societal changes. The first of these relates to the late but rapid industrialisation accompanied by the relatively fast growth in wealth. The subsequent rapid process of urbanisation and the improvement in housing standards provided a good basis on which to reinforce the structures of the welfare state. Unlike in many European countries, most people in Finland lived in the countryside until the 1950s. At that time the private sector employed more than half of the working population and accounted for 40 per cent of the national output. At the same

time, GDP per capita (5,782.72 dollars) was less than two thirds of that of Sweden (9,113.92 dollars).

Overall, investments in the welfare model were made at a time of rapid urbanisation, internationalisation, and growth not only in public services but also in trade. The share of trade in the GDP grew fivefold, and that of industry threefold in 50 years. However, Finland has never experienced a phase in which industry was the biggest employer, and this has affected the demand for labour in different parts of the country. Agriculture had become more effective by the 1960s, and there were fewer job opportunities in rural areas. This led to massive internal migration as well as to emigration. Within ten years, about one million of the 4.5-million population had moved away from rural areas to the bigger cities. Moreover, tens of thousands of people a year emigrated to Sweden in the late 1960s and early 1970s (see Chapter 3.1.1 for more about labour migration to Sweden).

There were also major changes in the GDP, which grew at an average annual rate of 5.2 per cent from 1950 to 1974. The achievement of prosperity made the extension of the welfare state possible in the 1960s and smoothed out the inequality until the end of the 1980s. The proportion of social expenditure of the GDP increased from 9.4 per cent to 24.6 per cent between 1960 and 1990. The rapid increase was attributable to the expansion of social rights and services, and this phase could be called the “construction” phase of the Finnish welfare state.

In sum, Finland’s development into a Nordic welfare state happened late, but relatively rapidly compared to the other Nordic countries. Finland had reached the average Nordic level by the end of the 1980s.

1.1.1. The basic postulations of the Welfare state – small income differences and full employment

The Finnish welfare system provides a wide range of public services and a relatively high level of income security to all permanent residents (see Sarvimäki 2008). In most cases, eligibility for benefits does not depend on nationality or residence status. Residence-based benefits include the national pension, labour-market subsidy (unemployment allowance unrelated to previous employment), housing allowances, family benefits and minimum-level sickness insurance and parental allowances. Some benefits have further conditions, mainly related to residence duration.

Overall, the scope of the social policy is broad. The model implies a strong public-service sector distributing welfare services and benefits to all families in need. The welfare system is based on a high degree of universalism, which means that residents are entitled to basic social-security benefits and services regardless of their background and socio-economic position (Kautto et al. 1999). These benefits include health care, child day care and free education. The ideological cornerstone behind the welfare state is equality among individuals regardless of their demographic, socio-economic or ethnic characteristics. As Magnusson Turner (2010: 12) points out, the welfare policy is "comprehensive, i.e. it includes everybody in contrast to residual welfare regimes". It is said that strong universalism is behind the strong public support of welfare policies. However, some benefits such as labour-market subsidy, housing allowance and social assistance, are means-tested, meaning that the financial situation of the household affects the level of benefit.

One of the basic postulations of the welfare system in Finland has been the assumption of almost full employment. Everyone is supposed to have a positive relation to work and consequently a right to social security. The social-security benefits are designed to give support during short periods of unemployment, but not for longer periods and not for more widespread unemployment-related

problems. Many benefits, such as the basic pension, parental allowances and unemployment allowances are earnings-related. The income differences have been kept moderate through progressive taxation and income redistribution.

The Finnish welfare system is also characterised by the prevalence of dual-career households. Unlike in most European countries, where the increase in women's employment-participation rate has explained much of the growth in labour supply, women in Finland have enjoyed high levels of employment for quite some time and there are no differences between married and single women[1]. Women's participation in working life is facilitated by an extensive day-care system that guarantees a place for children under school age. The right to day care applies to all children regardless of their parents' employment situation and it is therefore seen as a way of providing equal developmental opportunities to all children.

Housing has also traditionally had a central role in the Finnish welfare state. According to the Finnish Constitution, it is the duty of the public authorities to promote everyone's right to housing, and to support attempts by individuals to find housing on their own initiative. The state has had a strong influence in the formation of the housing market and not only in establishing the high-standard home-ownership system but also in the social-housing sector. Over half of the rental dwellings in Finland are state-subsidised in terms of construction.

Social welfare is financed from different sources. In 2008, employers' earnings-related payments made the biggest contribution (38.4 per cent). The state finances the basic social-security benefits and gives funding to the municipalities (25.1 per cent of the expenditure). The municipalities share in the financing of social expenditure has been increasing (18.6 per cent in 2008). The municipalities finance social and health services and certain social-assistance benefits through taxation, central government transfers and fees paid by clients. The insurance contributions paid by employees accounted for 11.2 per cent of the costs (see Lehto et al. 2002; Characteristics of… 2007; Arajärvi and Palotie-Heino 2010).

Thus, the inputs to the welfare system, in other words the means of supporting the model, are manifold, with strong state involvement. The political commitment to full employment, together with high female employment, universal and free education up to the university level, health care, and a relatively even income distribution in terms of both wages and disposable income is strong.

1.2. Changes in the welfare state and economic structures

The golden years of the Finnish welfare state were during the 1980s. There was almost full employment and the standard of living was rising quickly. This positive economic development was combined with annual increases in most indicators of welfare-state expenditure. Prior to the economic restructuring of the 1990s, the problems related to unemployment were structural and affected the rural areas. Due to the rapid industrialisation and urbanisation, unemployment remained low in the urban areas, the rates in the various neighbourhoods of Helsinki varying between 0.4 and 2.1 per cent in 1990, for instance.

1.2.1. Economic restructuring and changes in the labour market

At the beginning of the 1990s, Finland faced the worst recession to affect the OECD countries since the Second World War. Within just a few years, the unemployment rate was the second highest in

[1] However, there is a wage gap between the genders, which increases significantly during the first ten years after labour-market entry and accounts for most of the life-time increase in the gender wage gap (Napari 2008).

the EU. The main reason for this was the collapse of the Soviet market, which had accounted for 20 per cent of Finnish exports. GDP declined by 12 per cent over the period 1991–1993, and the unemployment rate, measured as the per centage of the labour force claiming unemployment benefits, rose from four per cent to 21 per cent between 1990 and 1994. This situation led to a financial crisis and large cuts in public expenditure. There is no longer full employment, unemployment has stagnated at the EU average level, and seems to have become permanent. Men were more severely affected than women during the recession years of 1990–1994, unemployment being more severe for men on account of differences in the various employment sectors (Table 1). According to the Labour Force Survey, the unemployment rate peaked from 3.6 to 18.2 per cent for men, and from 2.7 to 14.9 per cent for women.

Table 1. The labour-market position, 1989–2009 (Statistics Finland, Labour Force Survey 2010).

		1990	1991	1992	1993	1994	1995	2000	2005	2009
Population, 15–64 years (1000)	Total	3 351	3 367	3 383	3 393	3 403	3 409	3 465	3 496	3 547
	Men	1 688	1 696	1 704	1 711	1 717	1 720	1 751	1 767	1 793
	Women	1 664	1 671	1 679	1 682	1 686	1 689	1 714	1 729	1 754
Unemployment rate (%)	Total	3.2	6.7	11.8	16.5	16.7	15.5	9.8	8.5	8.4
	Men	3.6	8.1	13.7	18.2	18.3	15.8	9.1	8.3	9.0
	Women	2.7	5.2	9.6	14.5	14.9	15.1	10.6	8.7	7.6
Employment rate (%)	Total	74.1	70.0	64.7	60.6	59.9	61.1	66.9	68.0	68.3
	Men	76.7	71.5	65.7	61.5	61.1	63.1	69.4	69.5	68.8
	Women	71.4	68.4	63.8	59.6	58.8	59.1	64.3	66.5	67.9

The recession, together with changes in the economic structure and the arrival of immigrants, resulted in the proliferation of short-term employment. Unfortunately, the employment statistics prior to 1997 do not cover that. Table 2 traces the recovery and reveals the gender differences. The proportion of people in permanent employment increased from 82 to 85 per cent after the recession. However, the increase for men was five per centage points but less than three per centage points for women. There is a general upward trend of part-time working among both men and women, which increased from six to eight per cent, and from 15 to 18 per cent, respectively.

The continuous high unemployment rate is problematic for the Finnish economic structure. To some extent it is due to the restructuring and the rapid changes in skill requirements. Increased productivity reduces the demand for labour in many traditional industries. The forest industry is a good example of this. The companies may continue to grow, but nowadays the growth tends to be in their overseas operations. The Finnish economy is export-intensive: exports accounted for 36 per cent of the GDP in 2008, whereas the average in the Euro area was 17 per cent (OECD 2010). However, the export fields are not labour-intensive.

Table 2. Employees by gender and type of work contract, yearly averages, 1997–2009 (Statistics Finland 2010).

		1997	2000	2005	2009
employees total (1 000)	Total	1846	2016	2098	2123
	Men	925	1011	1038	1029
	Women	922	1006	1060	1094
permanent work total (%)	Total	81.6	83.5	83.4	85.4
	Men	84.3	86.9	87	89.4
	Women	78.9	80.1	79.9	81.6
temporary work total (%)	Total	18.3	16. 4	16.5	14.6
	Men	15.6	13.0	12.9	10.6
	Women	21.0	19.9	20.0	18.4
	Women	5.8	5.2	5.4	5.0
part-time work total (%)	Total	10.4	12.0	13.1	13.3
	Men	5.9	7.2	8.0	7.9
	Women	15.0	16.9	18.1	18.4

Trade unions and employer organisations have a strong influence in the Finnish labour market. There has been a tradition of cooperation between the major players – trade unions, employer organisations and the government – in the development of working life and technological reforms. Since 1968 they have followed a comprehensive incomes-policy agreement, TUPO, the aim of which is to control the development of wages and employment terms. The TUPO agreements used to include social-policy reforms such as the development of private employee pension schemes, extended annual holidays and shortened working hours, but these old-style agreements are not likely to continue. The challenges for the future include increasing flexibility and diversity within the labour market and in collective-bargaining practices.

1.2.2. The knowledge-based society

There was a rapid turnaround in the Finnish economy in the mid-1990s, following the end of the recession. However, this rapid recovery differed from earlier periods of rapid growth in at least two ways. Firstly, the new economic growth is regionally selective: the strong population and job increases have taken place only in a few *urban regions* – first and foremost in the Helsinki region.[2]. The annual increase in employment at the end of the 1990s was four per cent, which at the time put Helsinki among the three fastest growing metropolitan areas in Europe. Despite the slight slow-down, the region remains among the fastest growing in Europe, measured in terms of population, employment and Gross Value Added per capita (Laakso and Kostiainen 2007; Vaattovaara 2009).

Secondly, the areas of economic growth have changed. The net growth in employment from 1960 to 1990 was based on an increase in the number of jobs in the public sector, which tripled. The private sector declined, in relative terms. The new economic growth, from the 1990s onwards, is based on growth in the private sector – in knowledge-intensive industries, telecommunications and business-to-business services. These industries have been largely responsible for the growth in GNP (5.1 per cent a year on average), at a speed that clearly exceeds that in the US (3.1), Japan (4.4 per cent) and

[2] The Helsinki region consists of the municipalities of Helsinki, Espoo, Vantaa and Kauniainen in the metropolitan area, and the municipalities of Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Mäntsälä, Nurmijärvi, Pornainen, Sipoo, Tuusula and Vihti.

the EU (2.6). The leading edge of the growth has been the ICT sector, led by Nokia, which has become the world market leader in mobile communications. Indeed, Helsinki and Finland, on account of Nokia, have been held up as one of the best examples of the development of an information society (Castells and Himanen 2002). According to Statistics Finland, up to one third of wage earners were engaged in information-related occupations in 1980, increasing to 44 per cent in 1995 but then levelling off. Consequently, Finland has transformed from a northeastern periphery, largely dependent on the forestry, pulp and paper industries, and public services, to one of the world's leading information societies by any standards[3].

The positive economic development of Finnish society has its foundations in the education system, which is based on the Nordic welfare model. The main form of national policy to support the development of industrialisation and the creative and knowledge industries has been to raise education levels. The main aim until 1975 was to create an industrial society, and thereby to advance economic growth through industrialisation. This was followed by the introduction of regional policies, from 1976 to 1988, and the creation of a strong, equal welfare society. As a result, educational institutions were spread regionally as part of a strong regional policy. The expansion of the university network from three to twenty universities in various cities and towns helped to establish public financing institutions for business-oriented research and development (Vartiainen 1998).

The Finnish educational ethos is part of a long egalitarian tradition dating from the beginning of the last century. Finns tend to value education highly, regardless of their socio-economic background. Consequently, whereas teachers in many European countries are faced with attendance resistance from disadvantaged segments of society, the resistance in Finland has so far been similar in comprehensive schools across all social strata (Jutikkala 1965; Alapuro 1985; Mäkelä 1999). Whether there have been any changes in attitudes towards education due to the recent societal changes remains an open question.

1.2.3. Income inequality and poverty

The new economic growth emphasises the role of high-level education as a labour-market resource. With new growth at the upper end of the social scale, new social and spatial divisions are emerging. As a result, some population groups benefit, but the less-educated, working-class groups are left behind. Earlier educational differentiation in the Helsinki region, for example, is thus gradually breeding both unemployment and income differentiation (Vaattovaara 1998; Vaattovaara and Kortteinen 2003). As Vaattovaara and Kortteinen (2003: 2142) note: "The bimodal growth is not a sign of a new bimodal tendency of development in the use of labour but, rather, is the result of a phase of development linked with a structural shift in the demand for labour. According to this interpretation, it is currently a period of economic restructuring and a structural shift during which the demand and the supply of labour only poorly meet". There is a clear contrast to the former historical shift away from agriculture to industrial work during the 1960s and 1970s in that the rural population was able to move to the new occupations with little or no additional education. This appears not to be the case in the current situation – the educational gap is too wide. Thus, a new kind of polarisation is emerging: there is simultaneous growth in the non-working population and in the highly skilled (Vaattovaara and Kortteinen 2003).

[3] The United Nations Technology Advancement Index (TAI) puts Finland in the leading position in technological development. Finland has also been at the top of the International Data Corporation's information society index (ISI) as long as it has existed.

Regardless of the measure, income polarisation declined during the 1960s and 1970s, and remained almost constant during the1980s until the turning point in the 1990s (Table 3). There was a modest increase in equality during the depression years of 1990–1994 when the Gini coefficient of disposable income rose from 20.2 to 21.1 per cent and the unemployment rate increased rapidly from 3.2 to 16.6 per cent. The modest increase in inequality is attributable to the fact that although the depression caused a distinct fall in real household income, government income transfers almost fully compensated for the shortfall (Mattila-Wiro 2006: 3).

Table 3. Income dispersion in Finland since 1966, including capital gains, in decile groups according to disposable income per consumption unit (Statistics Finland 2010).

Year	Gini coefficient, %, Disposable income	Interquintile share ratio (S80/S20)	Income shares, Decile 1+2	Income shares, Decile 10
1966	30.9	4.9	8.0	23.8
1971	26.7	3.9	9.1	21.4
1976	21.5	3.0	10.7	18.4
1981	20.5	2.9	10.6	17.5
1987	19.7	2.7	11.3	17.6
1990	20.2	2.8	11.4	18.1
1992	19.9	2.7	11.6	18.2
1994	21.1	2.9	11.4	19.1
1996	22.3	3.0	11.0	19.8
1998	24.8	3.4	10.3	21.5
2000	26.7	3.7	9.9	23.3
2002	25.6	3.6	9.9	22.0
2004	26.6	3.8	9.7	22.8
2006	27.3	3.9	9.5	23.3
2008	26.8	3.8	9.5	22.8

The inter quintile ratio, in other words the ratio of incomes in the highest quintile to those in the lowest, shows the same trend as the Gini coefficient. The disposable income of the upper quintile declined from five-fold to three-fold versus the lowest quintile, but then increased back to a ratio of almost four to one (see Table 3).

The proportion of total income in the upper decile has increased over the last ten years. The increase in disposable income is, in fact, concentrated within the top one per cent, amounting to 122 per cent from 1990 to 2001. The comparable growth rate was only one per cent in the first decile, and seven per cent in the second. The overall growth rate was 19 per cent. The income inequality has thus far persisted in the 2000s (Riihelä 2009: 27, 32). Although poverty in Finland remains low compared with other OECD countries (Figure 1), it has worsened during the last twenty years, and there are wider regional disparities to the benefit of the metropolitan area (OECD 2010: 113–115).

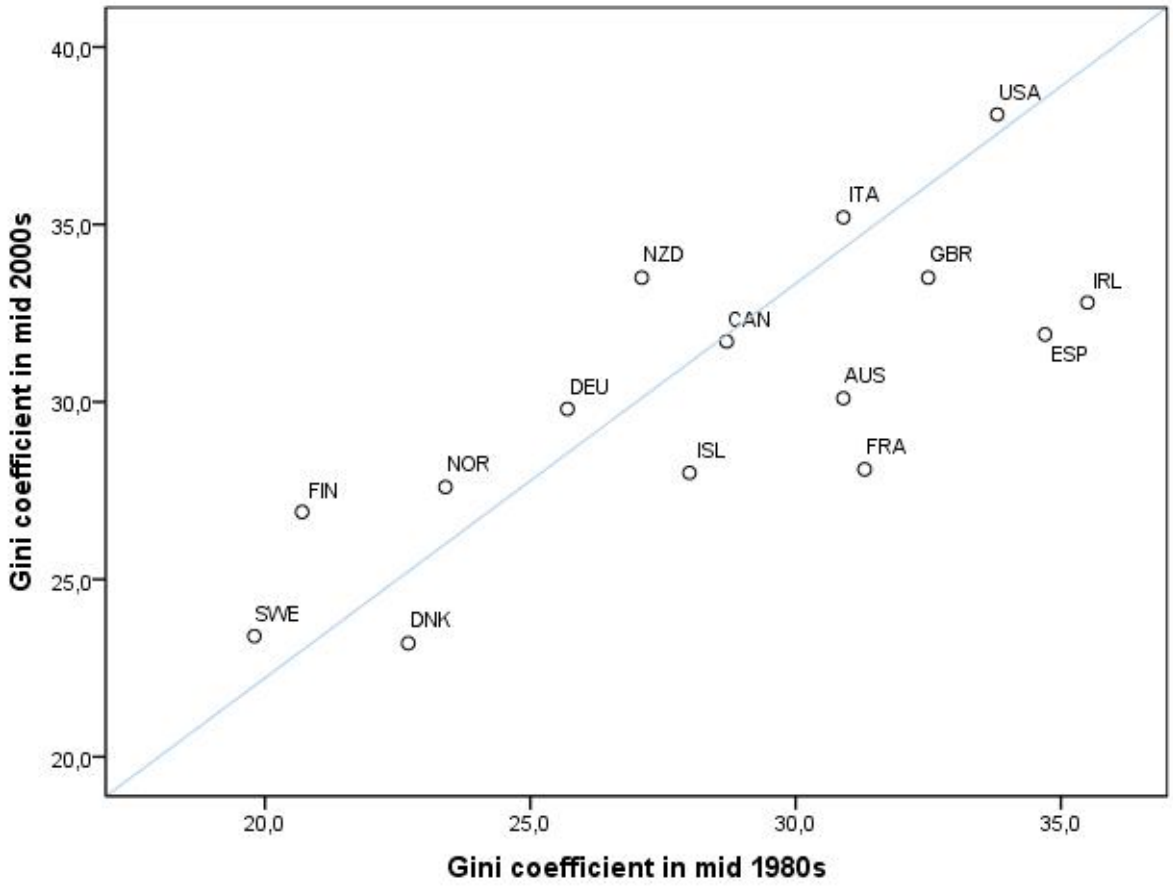


Figure 1. Income inequality from the mid-1980s to the mid-2000s (OECD 2010).

The main factor that has driven up the relative proportion of top incomes since the mid-1990s is the increase in importance of capital income. The 1993 Finnish tax reform is one of the key factors responsible for this trend. The differential taxation of labour and capital income created a situation in which the share of top capital income increased and progressivity declined. The relative poverty rate has increased over the same period, while top incomes have soared (Mattila-Wiro 2006: 3; Riihelä 2009). The increase in capital income also increased inequality in Sweden in the 2000s (see Swedish chapter 1.2.3).

The proportion of people on a low income has increased regardless of the poverty line. With the low-income line at 60 per cent of the median equivalent income, poverty increased from eight per cent in 2000 to 14 per cent in 2008 (Eurostat 2010). The relative poverty rate has thus almost doubled during the last 15 years, the fastest rate of increase in all the OECD countries (Moisio 2010; OECD 2008). However, the earnings of the poorest group, i.e. the first income decile, increased by nine per cent between 2000 and 2007. Moreover, if poverty is measured on indicators that reflect the relative deprivation of commodities regarded as necessary by the majority (CONCE), or on indicators measuring respondents' subjective feelings of problems in making ends meet (SCARCITY), there seems to have been a diminishing trend over the years 1995, 2000, 2005 and 2010 (Ritakallio 2010). A sensible explanation for these contradictory findings is based on the nature of the growth in poverty: growth in relative income poverty is not linked primarily to deprivation in consumption either objectively or subjectively, but to growth in income differentials, especially between middle-income and low-income households. Overall, income transfers and taxation have been effective in reducing income differentials in the Nordic countries, and have

helped to reduce poverty rates even if these countries are close to the OECD average in terms of factor income (Kautto et al. 1999). The reduction is losing ground, however, as the increase in the level of basic social benefits has lagged 30–40 per cent behind the increase in the general income level (Moisio 2010). The result is that a bigger proportion of people living on social benefits has slid beneath the relative poverty threshold tied to the median income (ibid).

Relative income poverty has become more severe. The biggest change in the composition is the deterioration in the position of unemployed households and families with small children (Riihelä 2009). A turning point was the reform of unemployment insurance in 1994 (see the section on social welfare), which is also visible in Figure 2. Incomes have risen in all socio-economic groups, but more among employers and the self-employed.

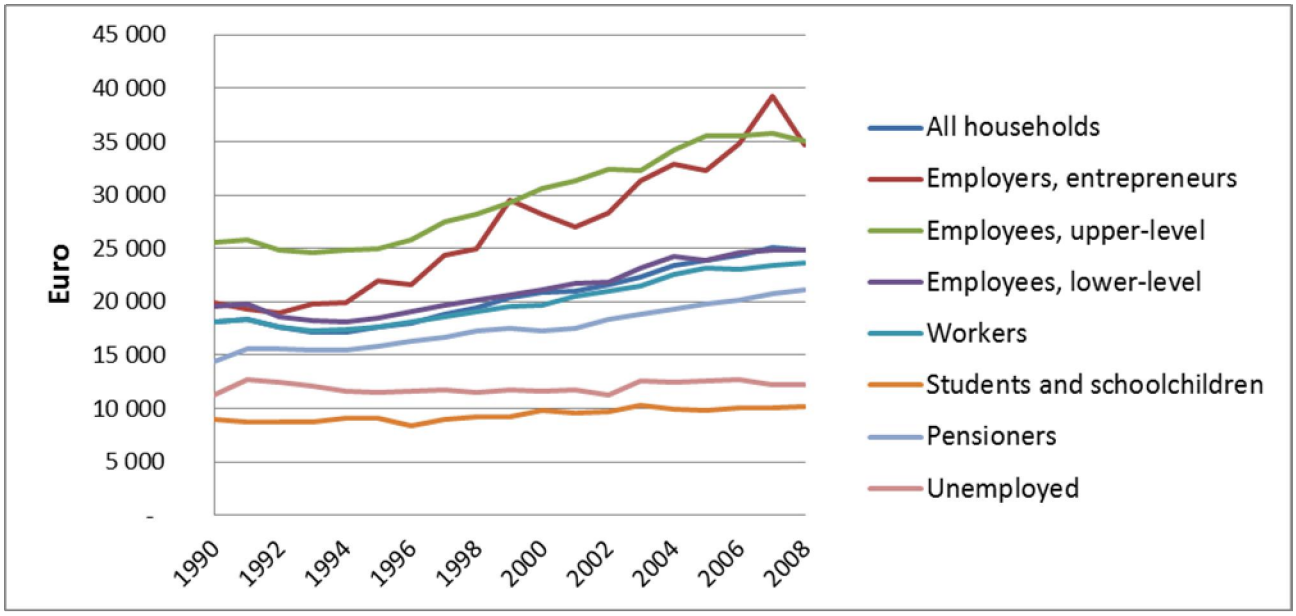


Figure 2. Household disposable income by socio-economic group[4], in euros at the 2008 value (Statistics Finland 2010).

The risk of poverty differs by population group. It is more than 40 per cent for the elderly (Table 4), an increase on the 24 per cent recorded in 1996. The differences between single women and single men are only minor, but single people as a group face a high risk (33 per cent). Single parents with dependent children are also severely at risk (25 per cent). The proportion of children living in households vulnerable to poverty was a little under five per cent of all children in 1990, rising to as high as 13 per cent in 2008 (Eurostat 2010).

According to Suoniemi and Rantala (2010), the distribution of lifetime income has widened, and income mobility decreased between the late 1990s and the early 2000s. The drop in mobility is largest among the youngest age groups and the probability of staying in the lowest income decile has increased.

[4] Household members are placed in a socio-economic group on the basis of their activity in the previous 12 months. Upper-level employees are in administrative, managerial, professional and related occupations, and lower level employees are in clerical and sales occupations.

Table 4. The per centage risk of poverty among different household types in 2008: on the scale this means more than 60 per cent below the median income (Eurostat 2010).

Household type	Finland	EU27	Sweden	Norway	Denmark
TOTAL	13.6	16.5	12.2	11.3	11.8
One adult older than 65 years	40.3	28.0	26.8	31.7	21.3
Single female	33.2	27.8	27.4	35.2	25.5
Single male	32.5	23.0	22.3	23.2	24.7
One adult younger than 64 years	28.9	24.2	24.0	28.1	26.8
Single parent with dependent children	24.9	35.2	26.8	21.5	16.0

Riihelä (2009) found substantial regional convergence in relative income levels from 1966 to the mid-1980s. Since then the relative regional disparities have remained constant. He also noted the same U-shaped regional pattern of inequality over the period as in the whole country. The relative regional differences have diminished, and individual income inequality has become the dominant feature of the overall income distribution.

1.2.4. Social welfare

The construction of the Finnish welfare state benefitted from a long period of favourable economic development and stable public economy from the 1960s until the 1980s. These conditions changed dramatically when Finland experienced an exceptionally deep economic recession during the first half of the 1990s (see Kalela et al. 2001). The 12-per-cent decline in GDP over the period 1991–1993 and the dramatic, rapid increase in the unemployment rate raised the GDP share of social expenditure by one third (Figure 3). The financial crisis required extensive cuts in public expenditure, a major proportion of which concerned social services and health. The basic social-welfare structures were largely untouched, but there were reductions in most benefits and services (Lehto et al. 2002). One of the consequences was that Finnish social insurance became increasingly employment and earnings-based (Niemelä and Salminen 2006).

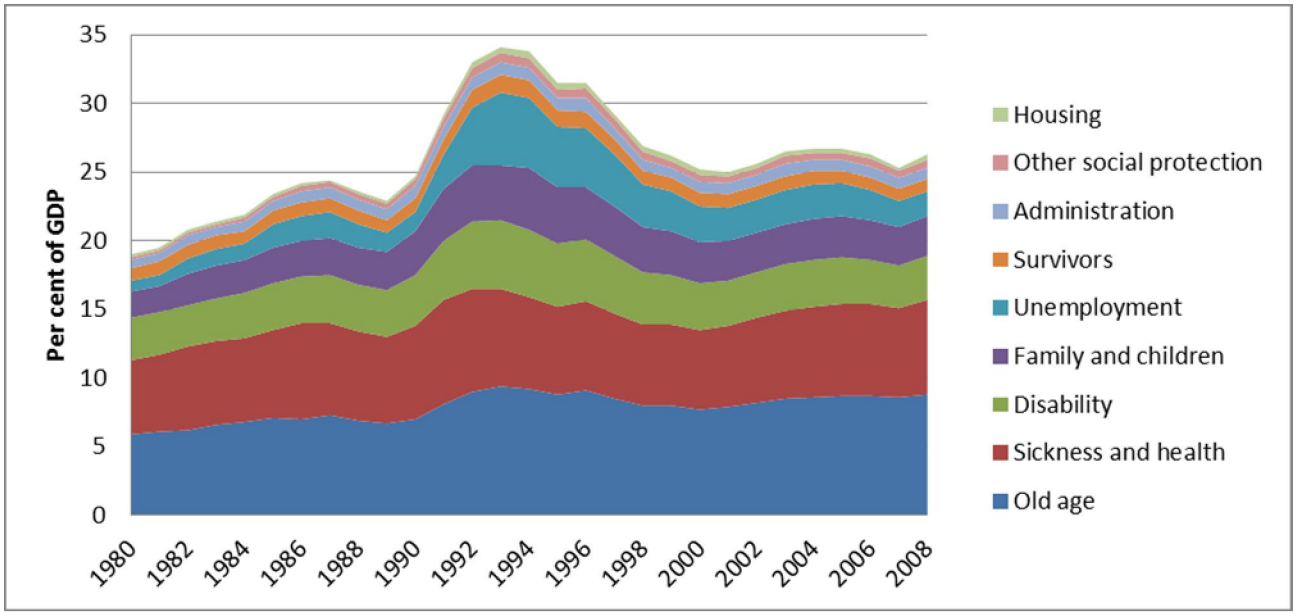


Figure 3. Social-security expenditure in 1980–2008 as a proportion of GDP (Arajärvi and Palotie-Heino 2010).

Finnish social expenditure amounted to 48.6 billion euros in 2008. Without taking inflation into account there was a 2.3-per-cent increase in expenditure over the previous year. Over the long term, pensions have accounted for the largest increase in expenditure (Figure 4). Old age accounted for the largest share of social expenditure followed by sickness- and health-related spending. The proportion of social expenditure of the GDP has been slightly below the average of the EU15 countries since the turn of the century, below Sweden and Denmark but above or at a similar level with Norway (26.3 per cent in 2008). However, social-protection expenditure per capita in terms of purchasing power has been consistently lower than in Sweden, Denmark and Norway (Arajärvi and Palotie-Heino 2010).

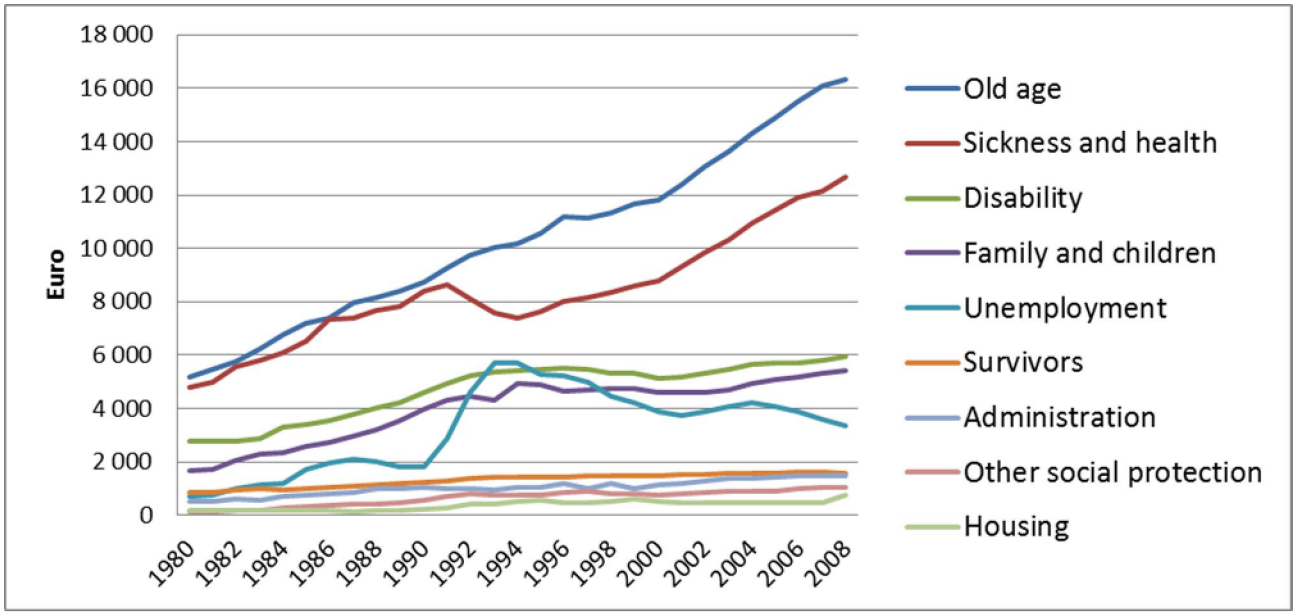


Figure 4. Social-security expenditure by category in millions of euros, at 2008 prices (Arajärvi and Palotie-Heino 2010).

As a result of changes introduced since the recession of the 1990s there is an increased level of means testing in the provision of welfare benefits. Figure 5 illustrates this in the case of unemployment benefits. In 1993, the basic flat-rate unemployment benefit was divided into a basic allowance that was not means tested for those fulfilling the employment conditions, and a means-tested job-seekers allowance for those who did not, or who had received the earnings-related or the basic allowance for the maximum 500 days. The change was of particular relevance to the long-term unemployed and those without work histories, such as young people and immigrants.

Social welfare has also been tightened by increasing the use of ‘activation’ policies. The rapid economic recovery in the mid-1990s did not lead to a corresponding decrease in unemployment, which was becoming increasingly long-term. This, in conjunction with membership of the European Union, brought about a new activation discourse in Finnish employment and social policy (Keskitalo 2008). This stronger emphasis on activation – removing work disincentives and enforcing the unemployed to work – came to Finland at the turn of the century, which was later than in many other European countries. In the case of social welfare, basic benefits have increased slowly in comparison to the development of earnings, which has led to increased income poverty. New eligibility rules have also been introduced. For example, recipients of unemployment benefits may be required to take activation courses or to seek further education. These rules target the young and the long-term unemployed in particular. However, some of the recession-related cuts were mitigated in the 2000s, and social welfare in Finland is still on the average European level.

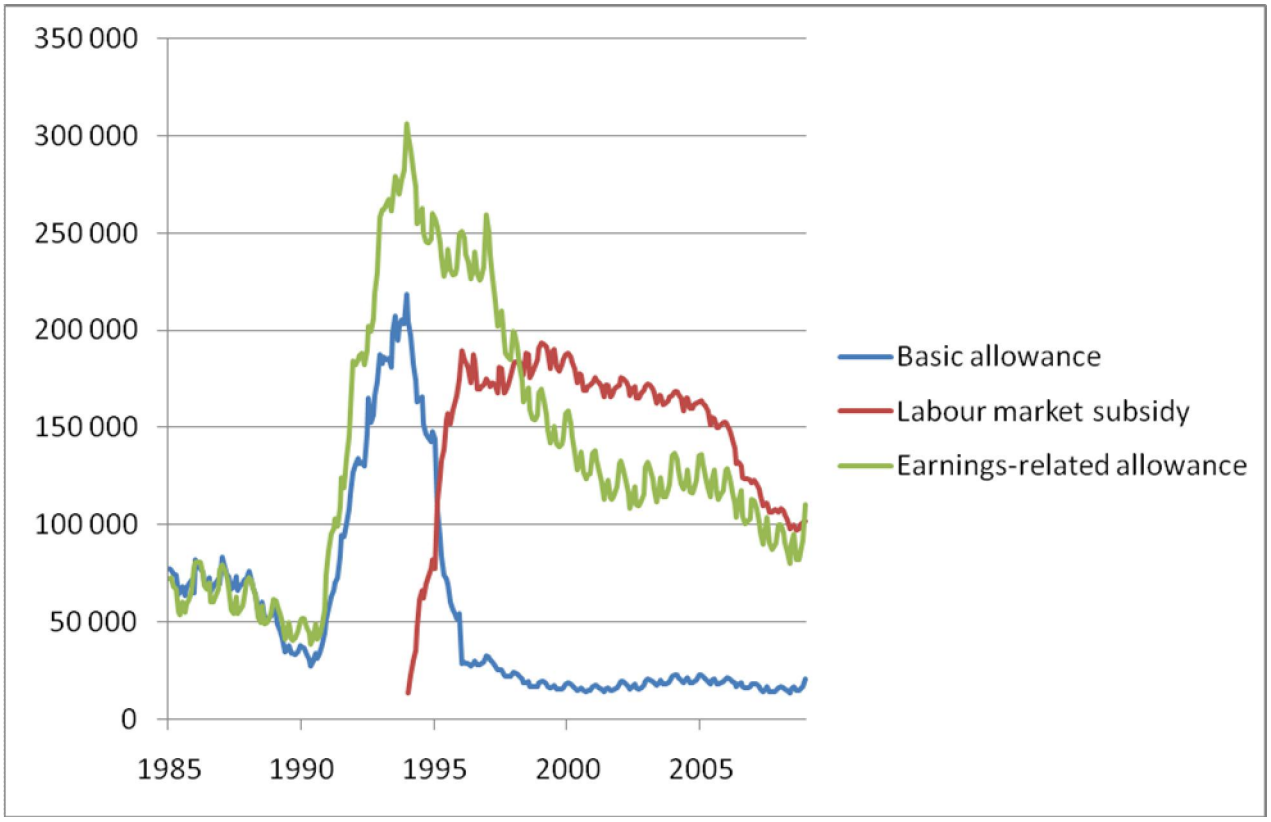


Figure 5. Recipients of different types of unemployment allowance per month, January 1985–December 2008 (The Social Insurance Institution of Finland and the Financial Supervisory Authority)

The aging of the population will place additional demands on the social-welfare system in the future. The proportion of employed persons was at its highest in 1950. It has decreased since then, and the proportions of students and pensioners in particular have grown. The national dependency ratio[5] during the worst years of the depression in 1994 was 1.5, which means that there were 150 outside of the labour force per 100 employed persons. The current the ratio is 1.2 on average (Table 5), ranging from around one in the main city regions to above two in areas of high unemployment.

Table 5. Dependency ratios in 1940–2009, with predictions until 2030 (Statistics Finland 2010)

	1940	1950	1960	1970	1980	1990	1992	1994	2000	2009	2020	2030
Economic dependency ratio*		1.0	1.2	1.2	1.3	1.0	1.3	1.5	1.2	1.2		
Dependency quota**	74.5	79.7	84.8	74.8	67.1	63.5	64.4	65.6	65.2	66.3	81.1	91.2

*The ratio of those dependent on social welfare to the numbers employed.
**The ratio of the naturally dependent (0–19 years and 65+ years) to the working-age population (20–64 years).

The age-group-related dependency ratio, or the dependency quota, expresses the relation between the naturally dependent and those usually in employment (20–64 years). The dependency quota was exceptionally high (85) in 1960 because of the effects of large-scale emigration on the population

[5] The economic dependency ratio describes how many people are dependent on benefits per those who are productive in the labour force.

structure. Currently it is around 66. Rapid changes are predicted: the dependency quota is expected to be as high as 81 in 2020 and more than 91 in 2030. This will put further pressure on the structure of social welfare in general.

1.3. Future challenges

The Finnish welfare state is currently facing new challenges related not only to income differences, unemployment and social welfare in general, but also to the additional structural changes to the welfare model that will come about in the near future. International migration is a case in point. Immigration has been increasing in the major Finnish cities since the 1990s, and this has influenced the social and spatial differentiation processes within these regions. This trend is predicted to continue, and to have tremendous effects on the population composition of the largest cities. According to the new population forecast, there will be 186,000 more inhabitants in the Helsinki metropolitan area by 2030, of which 130,000 are predicted to be native speakers of foreign languages (Vieraskielisen väestön... 2010: 6, 14).

Secondly, there is the ageing of the population, which in per centage terms will be a faster process than in any other European country during the next 20 to 30 years. According to the Ministry of Finance (2006: 14), not only will the dependency ratio change, the number of people of working age will start to decrease in 2010, and the number of people in employment will start to decline in 2015.

The ageing of the population is increasingly challenging in terms of the financing of welfare policies as the demographic and economic-dependency ratio becomes more unfavourable. Major external threats include the impact of globalisation on the labour market, and the development of European integration (Niemelä and Salminen 2006).

2. Finnish housing markets

Saara Yousfi, Katja Vilkama & Mari Vaattovaara

2.1. The Finnish housing stock

Finland has about 2.8 million dwellings, which is about 522 dwellings per 1,000 inhabitants. Single-family houses make up nearly half of the housing stock, attached dwellings (terraced or town houses) account for 14 per cent, and dwellings in multi-storey residential blocks for 44 per cent (Statistics Finland 2010).

Owner-occupancy and rental are the two main forms of housing tenure. Owner-occupancy is the most common type, accounting for 59 per cent of the housing stock in 2008, whereas rental accounted for 30 per cent. Home ownership is either direct, generally referring to detached housing[6], or indirect in the form of housing-company shares in the case of apartment blocks. In the latter case, the owner of each individual apartment is a shareholder in the housing company, which manages the property and is a self-governing economic unit. Shareholders are entitled to decide about matters affecting the control and use of the apartment block in accordance with the number of shares they own. Despite the formal legislative differences, the ownership of shares in a housing company is generally considered equivalent to direct ownership in the Finnish housing market (Karlberg and Victorin 2004: 58). Detached property constitutes slightly over half (55 per cent) of all owner-occupied housing, and condominiums amount for 45 per cent.

The rental-housing sector comprises private rental accommodation and state-subsidised social housing. There is a relatively small amount of private rental accommodation, only 13.5 per cent of the housing stock, whereas social housing accounts for 16.8 per cent. The proportion of social housing is among the highest in Europe: the median for the EU-27 countries is 9.4 per cent, and in only seven countries, including Finland, does it exceed 15 per cent (Eurostat 2010; see Whitehead and Scanlon 2007).

Two per cent of the Finnish housing stock comprises right-of-occupancy and part-ownership dwellings, which lie somewhere between rental and owner-occupied housing. Both are rather new forms of tenure, which were introduced on the Finnish housing market at the beginning of the 1990s and the beginning of the 2000s, respectively.

Table 6 shows the distribution of tenure types on the national level and in the Helsinki region. There are significant differences between the rural and urban areas. The proportion of owner-occupied housing is notably smaller in the major urban areas, and particularly in Helsinki, than on the national level, and the proportion of rental housing is correspondingly higher: only 45 per cent of the housing stock in Helsinki is owner-occupied, including condominiums and detached housing. Social housing accounts for up to 22 per cent of the entire housing stock. The proportion of owner-occupied housing in the metropolitan area is close to 50 per cent, and as high as 67 per cent in the Helsinki region. Almost a quarter of the Finnish housing stock is situated in the Helsinki Region.

[6] Detached housing is generally in private ownership, but can be also owned by a housing company.

Table 6. Dwellings according to tenure type, 2008 (Statistics Finland 2010).

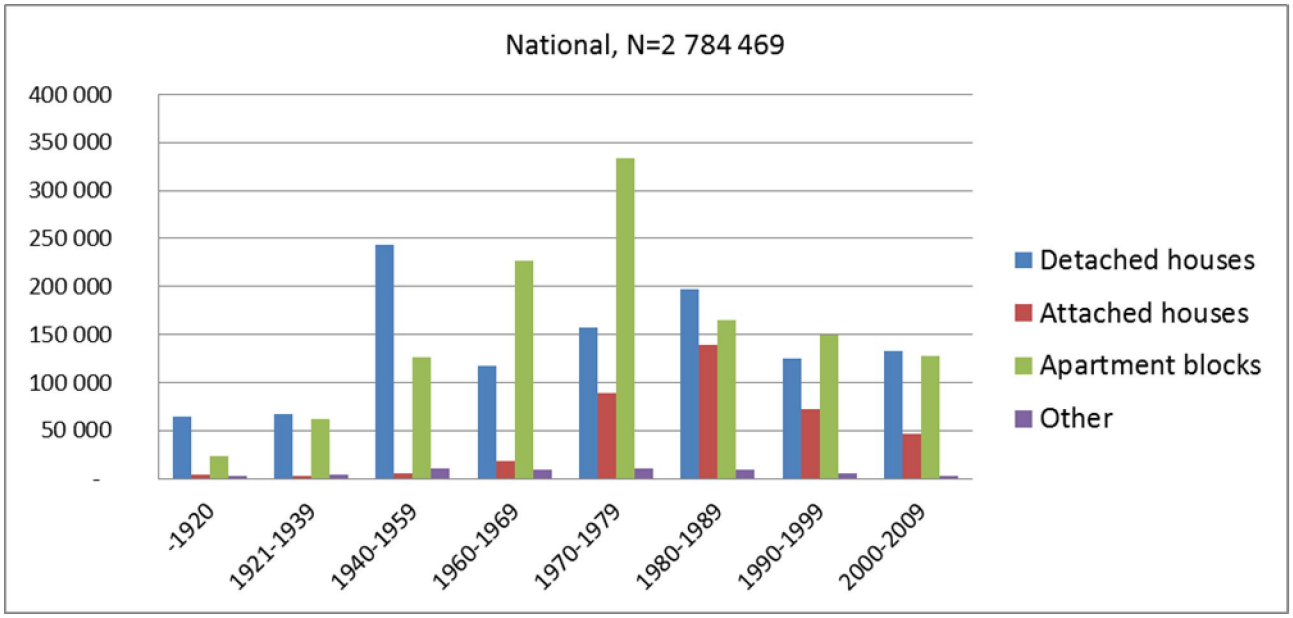
	National		Helsinki		Helsinki Metropolitan Area		Other Helsinki Region	
Tenure	N	%	N	%	N	%	N	%
Owner-occupied	1 638 732	59	144 977	45	263 614	49	90 372	67
A house	*894 960*	*32*	*11 192*	*3*	*38 162*	*7*	*48 583*	*36*
A flat	*743 772*	*27*	*133 785*	*41*	*225 452*	*42*	*41 789*	*31*
Rented	824 164	30	144 351	45	213 991	40	31 087	23
Private rental	*374 803*	*14*	*73 771*	*23*	*98 788*	*19*	*12 924*	*10*
Social rental	*449 361*	*16*	*70 580*	*22*	*115 203*	*22*	*18 163*	*13*
Right of occupancy	32 308	1	6 632	2	13 871	3	2 952	2
Other	272 721	10	28 150	9	41 127	8	10 691	8
Total	2 767 925	100	324 110	100	532 603	100	135 102	100

The late urbanisation of Finland is evident in the housing stock (Figure 6). The overwhelming majority of Finnish housing (90 per cent) was built after the Second World War, and particularly since the 1970s. The mass migration from rural to urban areas in the 1960s created an increasing housing shortage and a growing need to develop state-led housing construction. Construction, in terms of volume of completed dwellings, peaked in the 1970s and 1980s: almost one third of the multi-family housing blocks were built during the 1970s. The peak was a decade earlier in Helsinki, in the 1960s, when large new residential areas began to spring up along the city borders. Almost 20 per cent of Helsinki's housing stock was built in the 1960s.

Unlike in Norway, where housing production has adjusted to a series of changes in housing preferences (e.g., from large-scale to small-scale construction, see Norwegian chapter 2.2), large-scale high-rise building has been predominant in Finland, and especially in the metropolitan area.[7] The bulk of housing production in the 1960s and 1970s comprised multi-family apartment blocks (61 per cent and 56 per cent of the new dwellings, respectively; see Figure 6), and in Helsinki as much as 92 per cent of all housing construction in the 1960s, and 83 per cent in the 1970s, comprised apartment dwellings. This stock is currently by far the least energy-efficient in the entire housing stock. The investments required to reconstruct the whole stock were enormous.

There is increasing interest in smaller-scale housing, particularly in the metropolitan area, according to research findings on people's preferences and the continuous and rapid growth in peripheral areas – the suburbanisation process. However, the vast majority of the housing stock in the metropolitan area still comprises multi-family dwellings.

[7] However, most of the housing built immediately after the Second World War was detached housing. The war had resulted in a housing shortage together with a lack of resources. A standardised, simple detached house model was created to provide a quick solution.



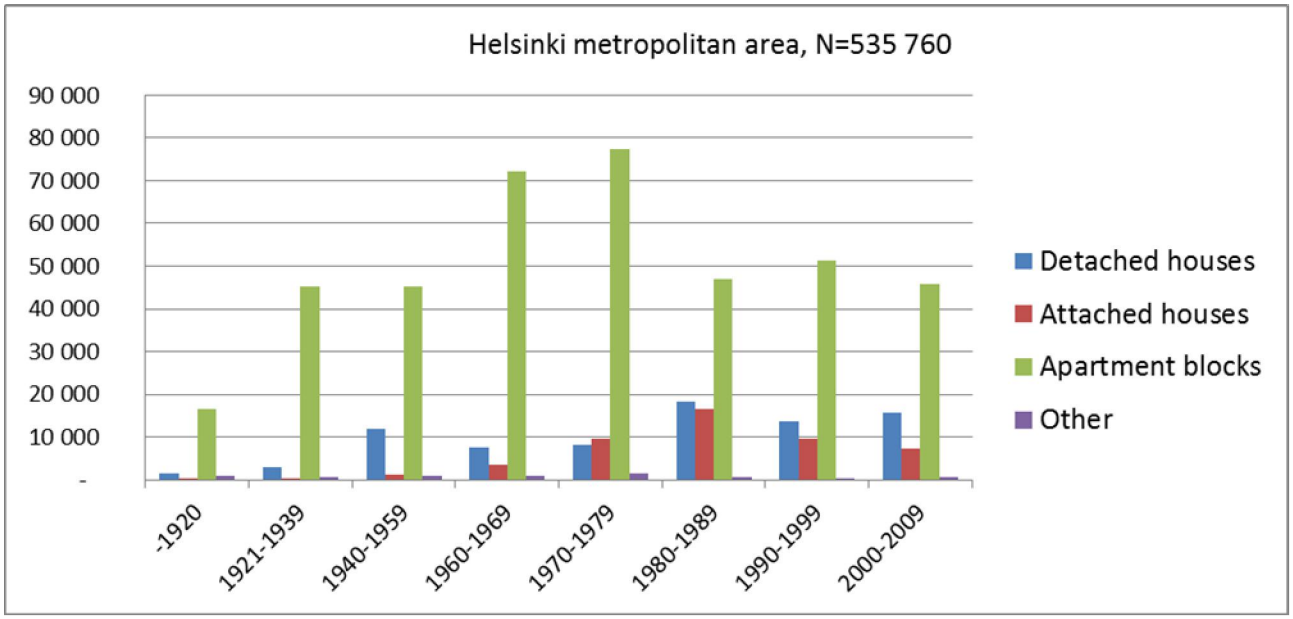


Figure 6. Finnish housing stock by type of building and year of completion (Statistics Finland 2010)

2.2. Access to different types of tenure

2.2.1. Owner-occupied housing

There are no specific rules determining access to owner-occupied housing in Finland, the determining factor being the prospective buyer's purchasing power.

Unlike in many other EU member states with their special mortgage institutions, owner-occupied housing consumption in Finland – in terms of renovation and acquisition – is financed largely by private banks and the owners' own resources. The most common way of obtaining finance is to take out a bank loan, which the state subsidises through reduced tax liability on the interest. The state also eases access to owner-occupancy through special savings programmes and guarantees, which are targeted at young, first-time buyers (see subsection 2.3.2 for more details). The banks have the

right to assess the financial standing of prospective buyers and to determine their eligibility for a housing loan.

Owner-occupied detached housing is taxed in accordance with a property-value taxation scheme, which adds to overall acquisition and living expenses. Residents of owner-occupied flats pay a monthly maintenance charge that covers maintenance and heating costs, and water supply.

Prices of owner-occupied housing have increased significantly since the latter half of the 1990s. This has made it increasingly difficult for families to buy owner-occupied flats, not to mention detached property, in urban areas. There are wide differences in property prices between the major urban areas, smaller cities and rural country towns. Price differentials have also increased within the urban areas since the end of the recession of the early 1990s (for the outcomes of the price differentiation see subsection 2.4.1).

The typical amortisation period for personal housing loans increased during the 1990s, and nowadays is between approximately 20 and 25 years, against around 30 years in Denmark, for example. There are also notable differences in the interest on housing loans: 75 per cent of housing loans in Denmark are at fixed interest rates, whereas 97 per cent of Finnish loans are tied to floating interest rates (Housing market... 2010; Kannas 2010).

2.2.2. Private rental housing

Providers of private rental accommodation include private companies, banks, insurance companies, and foundations or non-profit associations. However, individuals who buy property as an investment and rent it out on the open market own about two thirds of the private rental stock (Housing market... 2010). Rented units are therefore often located alongside owner-occupied units in buildings owned by housing companies.

Rent control was gradually relaxed in the private sector in the early 1990s, and was abolished in 1995. However, according to the Act on Residential Leases (1995/ 481), the amount of rent should be reasonable. The act also specifies responsibilities and rights between property owners and tenants.

In general, access to private rental accommodation is not regulated. Owners have the right to allocate their rental dwellings according to their own criteria, as long as they are not in conflict with anti-discrimination legislation. In most cases, a refundable deposit, often equivalent to two months' rent, is required as a prerequisite for signing the contract. Owners of private rental accommodation also have the right to check the credit rating of prospective tenants beforehand.

In many cases, the advertising and distribution of vacant rental dwellings is in the hands of estate agents hired by the owner. Individual access to private rental accommodation is thus influenced by several potential gatekeepers, not to mention income level and the ability to pay the required rent and deposit.

The increasing level of rents and the need to pay a deposit restrict access to private rental accommodation among lower-income households, particularly in the major urban areas. There may be other more direct forms of discrimination, but there has been no systematic study on ethnic and socioeconomic discrimination in the private rental market in Finland.

2.2.3. Social housing

How social housing is defined varies widely in different European countries (see e.g., Whitehead and Scanlon 2007). In Finland it is a question of the state-subsidised provision of rental housing though public and private non-profit organisations for people who meet the eligibility criteria. The dwellings are generally owned and managed by municipalities, social-housing companies owned by the municipalities, or non-profit housing companies[8] and organisations. By law, there are no differences in the allocation of dwellings among the different providers, although the municipalities and companies owned by them tend to carry the biggest responsibility for providing housing for the most marginalised low-income households.

Access to social housing is means-tested. Eligibility depends on the social and financial circumstances of the applicant in terms of household income, assets and the urgency of the need for housing. The Council of State sets the upper income limits annually in relation to family size and region of the country. The limits were rather generous, and approximately 75 per cent of the population qualified (Varady and Schulman 2007: 321). Compared with other European countries, the upper income limit was relatively high, and upwardly mobile tenants were allowed to remain in social rental accommodation even if their income later exceeded the set limits.

Income limits were abolished in April 2008, and the selection of tenants is now based solely on the urgency of the housing need. The first priority is given to applicants with the most acute need, including homeless persons and families, households living in extremely crowded conditions, and people moving home to start a new job. The Housing Finance and the Development Centre of Finland advises municipalities and other providers of social housing on the categorisation of applicants into one of three groups according to their housing need. If two or more households have similar needs, priority is given to those with less income. Capital assets are also taken into consideration, and there are still upper limits that restrict the eligibility of wealthier households.

According to the legislation, the allocation of accommodation should aim to create and maintain socially balanced living environments in social-housing estates. Several “hard-to-let” households should therefore not be placed in the same building, or in the same neighbourhood (Arava- ja korkotuki… 2008: 18). In some cases therefore, the principle of prioritisation is neglected in order to prevent the spatial concentration of the most vulnerable households in the same estates. This has significance particularly for the residential patterns of immigrants, as the municipalities may use their right to breach the principle of urgency in order to prevent residential segregation. Applicants for social housing are not put in a queue, which makes the selection of tenants less transparent. Accommodation is usually allocated on a case-by-case basis, which leaves much room for discretion on the part of individual social-housing providers.

As in Denmark, the level of rents in the Finnish social-housing sector is based on the cost-recovery principle, meaning that all maintenance and capital construction costs are covered by tenants’ rents. Rent levels therefore vary significantly depending on the age, location and construction costs of the housing estate. Some municipal social-housing companies adjust the rents in order to keep them at a reasonable level in all of their estates. Unlike in some other European countries (see e.g., Whitehead and Scanlon 2007), Finnish social-housing rents are thus not linked to the income of the residents. The non-profit principle guarantees that the state subsidy covering the production of social housing ends up with the residents.

[8] Many non-profit housing companies also own and manage accommodation rented on the private market (for profit).

In general, rents in the social-housing sector have remained below the level of rents in the private sector. Many municipalities have a renovation schedule that keeps the dwellings in a relatively good condition. Pre-rental deposits are also usually much lower, or non-existent, for social housing, which makes it more accessible to low-income households. Furthermore, social housing is a more secure form of tenure than private rental accommodation: once a dwelling has been allocated the tenants are entitled to reside in it as long as they wish, provided that they pay the monthly rent and do not disturb their neighbours.

Social housing is the best option for many immigrant households whose level of income and assets may not enable them to rent from the private sector, or to buy into owner-occupancy. According to the legislation on refugee reception, municipalities are specifically obliged to assist refugee households to find accommodation. In practice, this usually means assigning them a dwelling in social housing owned and managed by the local municipality.

According to the Housing Finance and the Development Centre of Finland, more than 200,000 households annually apply for social housing, and almost one third of the applications are successful. In Helsinki however, where the housing market situation is very tight, the success rate is less than 20 per cent (Housing market... 2010).

2.2.4. Part-ownership and right-of-occupancy housing

Part-ownership and right-of-occupancy housing lie somewhere between owner-occupancy and tenancy. The purpose of these two new tenure types is to bring home ownership within the reach of lower-middle class families that could not otherwise afford to buy into owner-occupancy in the private market.

Residents in these dwellings initially purchase a small proportion of the shares, usually up to 15–20 per cent, and the remainder are held by the housing company (Laki vuokra-asuntojen... 232/2002). The main difference between the two new tenure types is that in the case of part-ownership residents may later purchase the rest of the shares, after a fixed period, and thus become owner-occupants, whereas right-of-occupancy dwellings cannot be transformed into owner occupancy (Housing market…2010), although residents have the right to reside in them as long as they wish.

In addition to buying into the scheme, residents pay a monthly charge that covers the maintenance costs of the building. The charge is based on the cost-recovery principle as in the case of social housing, and is often equivalent to a monthly rent. Both of these new types of housing have been criticised on account of the cost to residents, who may end up paying more for their housing than if they lived in their own property or in social housing.

When residents of right-of-occupancy dwellings move out, the sum they paid to ‘buy into’ the scheme is redeemed, with appropriate adjustments according to the construction cost index. In the case of part-ownership, residents have the right to sell their apartments on the private market once they have achieved full owner-occupant status. The price is then no longer regulated (Osaomistusasunnot 2010).

Access to part-ownership and right-of-occupancy housing is means-tested in accordance with the same legislation that applies to social housing. Eligibility is therefore based on the social and financial circumstances of the households and the urgency of their housing need. In general, would-be residents are not eligible for right-of-occupancy or part-ownership housing if they own a dwelling that meets reasonable housing standards in the same municipality, or have the means to

acquire one (Housing market... 2010). Eligible residents are selected from a waiting list on the basis of their requirements in terms of the size and location of the desired dwelling.

2.3. Policies focused on accessibility, affordability and creditworthiness

Housing has been an integral part of Finnish welfare policies since the 1960s. The aim has been to provide affordable, decent-standard housing for all residents. According to the Constitution of Finland, the municipalities have the duty to promote everyone's right to housing, and to support attempts of individuals to find housing on their own initiative (Ministry of the Environment 2010). The state has a strong influence on the housing market, not only in supporting the high-standard home-ownership system, but also in the area of social housing. Over half of the rental accommodation is state-subsidised.

The Finnish housing policy supports both the supply and the consumption side of the housing market. The provision of state subsidies is the most visible mechanism used by the national and the local governments to increase the production of reasonably priced housing, and to support the renovation of the existing housing stock (see Huovinen et al. 2010).

2.3.1. Production-support mechanisms

The main mechanisms through which the housing policy supports production include government loans, guarantees and interest subsidies. State-subsidised housing production is financed through loans from the state or private financial institutions at favourable state-subsidised interest rates. This form of support is nowadays mainly directed towards the building of social rental dwellings, right-of-occupancy dwellings and part-ownership housing. The construction of owner-occupied housing and market-oriented rental dwellings is privately financed (Housing market… 2010).

The state-subsidised housing loan system, called ARAVA, dates back to 1949. The goals of the initial legislation were not social, but rather aimed at increasing housing production and reflected the notion of filtering (Bengs and Loikkanen 1987: 83). The idea was that support of the wealthier upwardly-mobile households would indirectly benefit lower-income households as the previous dwellings of the wealthy became vacant. Thus, in the early years, eligibility for state-financed dwellings was not restricted by income, and as a result about half of the population in partly state-financed condominiums belonged to the highest social groups (ibid). Almost 70 per cent of state-financed loans were given to owner-occupiers during the first two decades of the scheme (Table 7).

Table 7. Dwellings financed by state-subsidised loans, 1949–2007 (Statistics Finland 2008).

	1949–1970	1971–1980	1981–1990	1991–2000	2001–2007	Total
Housing corporations	106 798	103 048	42 271	6 486		258 603
Detached private houses	54 471	70 612	38 901	7 735		171 719
Social rental housing	66 205	113 960	80 854	55 608	9 768	326 395
Dwellings for the elderly	..	22698	11833	8634	2 641	45 806
Other special housing	2 535	1 248	1 420	2 444	2 776	10 423
Right-of-occupancy dwellings	..	..	..	23 314	4 894	28 208
Student dwellings	2 700	11 897	11 048	7 068	3 062	35 775
Total	**232 709**	**323 463**	**186 327**	**111 289**	**23 141**	**876 929**

Social-housing administration and regulations were revised in the mid-1960s, and eligibility for state loans was broadened (Bengs and Loikkanen 1987: 87). There was a significant increase in the production of rental dwellings, the aim being to build 500,000 dwellings in the following ten years. The objective was not only to serve the needs of the industrialisation and urbanisation process, but also to support the construction industry *per se*. The decision to distribute housing production to all parts of Finland was an integral part of the regional industrial policy (Hainari 2010), the success of which is reflected in the high GDP-investment ratio. State support of housing production was significant during the urbanisation and construction boom of the late 1960s and early 1970s, and covered some 70 to 80 per cent of all housing production (Juntto 1990: 257–258). It was a period in which there were significant changes in construction methods and building types throughout Europe, and much of the new production constituted high-rise multi-family apartment buildings (see Table 7).

There has been a substantial reduction in state-subsidised housing production since the 1980s (Table 7 and Figure 7), meanwhile state-subsidised construction is being channelled almost entirely to social housing, and right-of-occupancy and part-ownership housing.

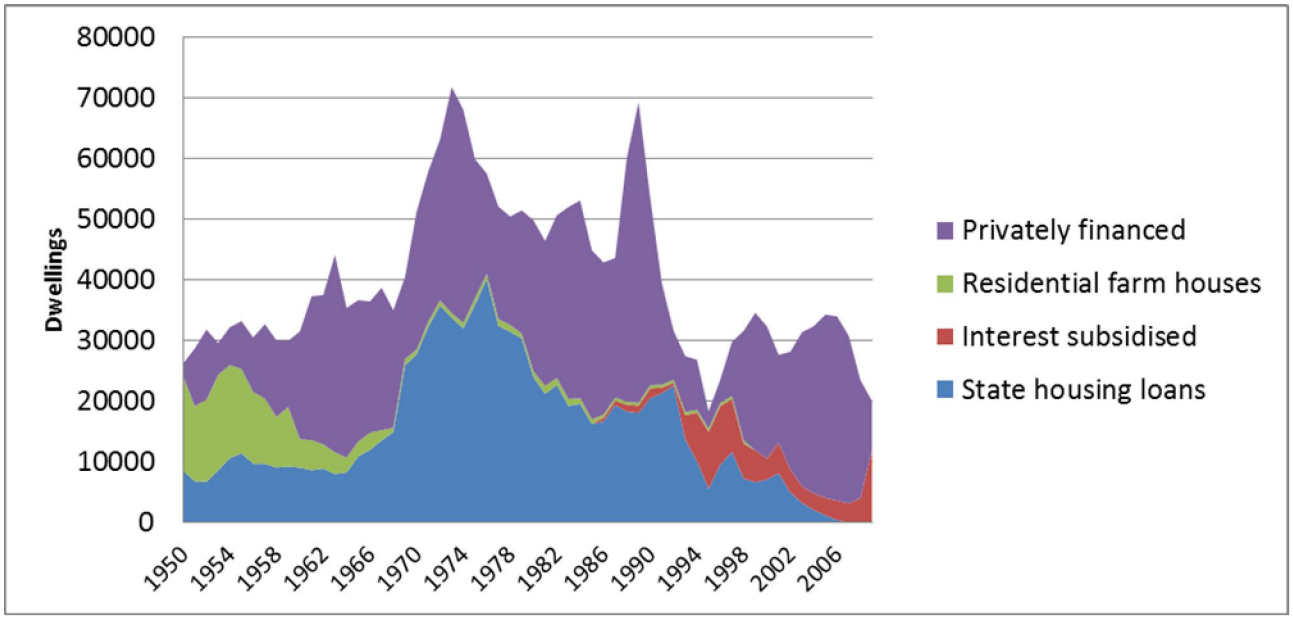


Figure 7. Housing production in Finland since 1950, number of starts (Laine 2010).

There was a further increase in state-financed social-housing production in the 1990s in support of the construction industry. The industry was hit hard by the severe economic depression of the early 1990s, which had led to a sudden fall in the prices of owner-occupied housing and a subsequent dramatic drop in housing production. The state support of the social housing saved the construction industry from a complete shutdown.[9] Deregulation of the tenant relationship, which started at that time, increased the supply of private rental dwellings. By 1995, rents were no longer regulated. The per centage of social-housing production, decreased again after the economic recovery, reaching a low of ten per cent in 2007. However, in 2008 the state decided to increase subsidies for housing production again in order to boost the economy during the recession years.[10] In total, 42 per cent of

[9] State-subsidised construction accounted for 31 per cent of total housing construction in 1990. This figure increased to 84 per cent five years later despite the significant decrease in absolute numbers.

[10] State-subsidised housing production covered 19 per cent of the construction of new dwellings in 2008, and peaked at 63 per cent in 2009.

all housing currently in use was financed with the help of state-supported loans. A large proportion of these dwellings, namely those built in the 1960s–1970s, will be released from the rent restrictions during the next couple of decades as their loans are paid off. This may reduce the size of the social-rental stock in the future.

Housing policy since the 1990s has focused more on the renovation and restructuring of older estates, and unlike in many other European urban areas, demolition is rare in Finland. In recent years, state-financed and interest-subsidised housing production has been channelled mostly to regional growth centres, and is targeted on housing provision for special groups such as the homeless, the elderly and people with mental or physical disabilities. The emphasis has also shifted from direct state loans (stopped in 2007) to interest subsidies, and to state guarantees for private loans.

The support for social-housing construction has directly affected the most vulnerable groups, and those in the greatest need, through the increased supply of rental accommodation. Cost and quality control are inherent in the scheme: the Housing Finance and Development Centre of Finland has to approve all proposed construction and renovation development in order to safeguard standards of architectural design and quality, and to promote geographical and social integration with the environment (Housing market… 2010).

2.3.2. Consumption support

Finnish government support of housing consumption is in the form of housing allowances, tax incentives, tax relief on mortgage payments, and various grants and guarantees.

Housing allowances

The purpose of the housing-allowance schemes is to ensure that housing costs remain at a reasonable level for the whole population. Housing support includes an allowance for pensioners, a housing supplement for students and a general housing allowance, and is available to households in need, regardless of the tenure type.

The general housing allowance is means-tested and is intended to give low-income households access to affordable housing. The upper income limits that determine eligibility are rather low. For instance, a single person living in Helsinki is not eligible if his or her gross income exceeds 1,575 euro per month. The income limits vary according to family size and region, and are set annually by the national government.

The amount of the monthly allowance depends on housing costs, the size and age of the dwelling, family size, and the household's income and assets. In any case, it is at most 80 per cent of what are considered reasonable housing costs, the maximum limits of which are set each year by the government. Twelve per cent of households received the general housing allowance in 2008, one per cent less than in 2000. Of the recipients, 94 per cent lived in rented accommodation and six per cent in owner-occupied dwellings (Kelan asumistukitilasto… 2009).

Social assistance provided by the municipalities supplements housing allowances and is intended to help low-income households to manage their housing costs. The general allowance in larger cities, especially in the Helsinki region, typically covers such a small proportion of housing costs that low-income households need further assistance. The municipalities apply discretion in giving assistance and the rules regarding 'reasonable' housing costs differ.

Tax incentives and special incentives for young first-time buyers

State support for homeowners is largely in the form of tax incentives. The State subsidises personal housing loans through tax relief on mortgage interest. A personal housing loan from a bank typically covers approximately 70 per cent of the price of the dwelling (Housing market... 2010), although there are various guarantees available that make it possible to finance a higher proportion.

There are also tax incentives for first-time buyers wishing to move up the housing ladder in the form of exemption from the asset transfer tax that is usually payable on all transfers of housing or property ownership. Young first-time buyers are eligible for extra state support through the ASP saving scheme. Anyone aged between 18 and 30 years who does not own a home may join the scheme, which entails saving at least ten per cent of the acquisition price of their prospective dwelling over a period of at least two years. The state then subsidises the interest on the housing loan for the first ten years (Housing market... 2010).

Other incentives

The Housing Finance and Development Centre of Finland also gives repair and energy grants for the renovation and repair of individual apartments and apartment buildings. The grants are mostly for renovation that caters for the needs of the elderly and disabled, lift construction and improvements in energy efficiency.

Figure 8 illustrates the total amount of state support for housing production and consumption in Finland during the years 1991–2009. In monetary terms, housing allowances made the biggest contribution to housing affordability in Finland.

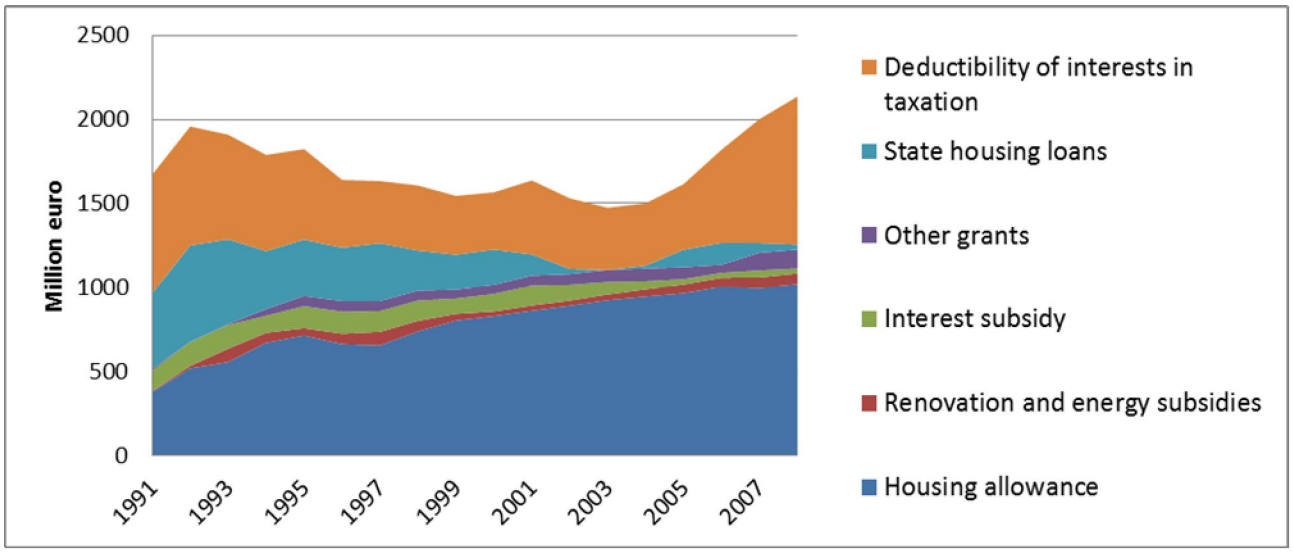


Figure 8. State expenditure on housing support, 1991–2009, in millions of euros (Laine 2010).

2.4. Housing outcomes

2.4.1. Affordability

House prices have increased significantly in Finland in recent years, most notably in the metropolitan area. Nevertheless Finnish housing costs are around the average European level (Table 8). The increase in prices has led to severe housing-affordability problems among some low-income and newly established households, particularly in the major growth areas of the country.

Table 8. Harmonised indices of consumer prices (HICP): housing costs including water, electricity, gas and other fuels (Eurostat 2010).

	2000	2005	2010
European Union (27 countries)	156.34	146.31	152.75
European Union (15 countries)	153.26	143.18	:
Denmark	182.60	193.47	176.89
Finland	158.31	151.56	155.62
Sweden	194.49	181.69	167.16

Until the end of the 1980s, housing costs accounted for about 20 per cent of household expenditure, then increasing to an average of 25 per cent by 1994. The increase affected all income groups at the turn of the century, but particularly those in the first quintile who were faced with housing costs amounting to over 40 per cent of their disposable income, a level that has persisted (Table 9). At the same time, households in the highest quintile spend, on average, 18 per cent of their disposable income on housing, the national average being 17 per cent (Table 10). Housing expenses in the metropolitan area are about 1.3 times the national average, and are most favourable in rural municipalities.

Table 9. Housing costs as a proportion of disposable income by income group (Statistics Finland).

	1. income quintile	2. income quintile	3. income quintile	4. income quintile	5. income quintile
1985	28.92	22.97	19.61	17.76	15.76
1990	31.41	24.62	20.65	18.85	16.42
1995	32.25	25.44	21.39	19–00	15.96
1998	40.62	30.29	25.73	22.44	17.63
2001	39.02	30.24	23.97	21.37	16.40
2006	37.11	29.25	25.03	22.40	17.61

Tenants spend a higher proportion of their income on housing than homeowners. The oldest and youngest age groups spend, on average, 27–33 per cent of their disposable income on housing, which is more than the other age groups (Statistics Finland 2010). The elderly and single-parent families spend over 31 per cent, and households with two adults with or without children around 20 per cent. Without the general housing allowance housing costs would account for 61 per cent of disposable income among those in rented accommodation, but with the support the figure is 28 per cent.

Table 10. Household housing costs by tenure type and region in 2006 (Statistics Finland 2010b).

	Disposable income, €	Housing costs, €	Shortage of debts, €	Housing loans, €	Housing costs' share of disposable income, %
All tenure types					
Whole country	22 847	3 894	1 066	15 478	17.0
Helsinki metropolitan area	27 491	4 999	1 464	19 416	18.2
Owner-occupied					
Whole country	25 533	3 442	1 476	22 031	13.5
Helsinki metropolitan area	33 256	4 305	2 411	33 642	13.0
Rented housing					
Whole country	17 150	4 797	203	1 669	28.0
Helsinki metropolitan area	20 545	5 786	312	2 086	28.2

The unevenly distributed increases in housing costs have also influenced the spatial patterns of tenure segmentation in the major urban areas since the mid-1990s. According to Lönnqvist and Vaattovaara (2004), for instance, the prices of shareholder apartments in the cheapest housing areas of Helsinki are, in real terms, lower than they were in the 1960s, whereas prices in and around the centre have increased sharply. City-centre housing was three times as expensive as housing in the cheaper suburbs in 2001 (Lönnqvist and Vaattovaara 2004). There has also been a change in the relationship between house prices and the distance from the centre, which is no longer directly proportional. Prices have increased significantly not only in the centre, but also west of the centre, and along the border with Espoo, where many high-tech companies have set up offices (ibid). This has increased segmentation in the housing market, and influenced the patterns of socio-spatial and ethnic segregation in the metropolitan area (see also Chapter 5).

2.4.2. Tenure segmentation

The distribution of households across housing and tenure types is affected by income and family composition. About 37 per cent of owner-occupied property comprises two-person households, and 31 per cent single-person households, whereas the corresponding figures in the rental sector are 25 and 59 per cent. The majority of people living alone (62 per cent) are housed in apartment blocks, whereas detached housing dominates among all other household types. However, 85 per cent of households in Helsinki live in apartments, including 61 per cent of families comprising four or more people.

There are differences in tenure segmentation between foreign nationals and Finnish citizens. This is partly attributable to differences in age and family structures, and partly to differences in income levels. High immigrant concentration in major urban areas also helps to explain the proportion of immigrants in rented accommodation, which is in any case the most prevalent housing type in urban areas. How much of the segmentation is caused by discrimination and the role of different gate-

keepers are open questions. However, there are also clear differences in tenure distribution among the immigrant groups (Table 11).

Tenure-type distribution among Nordic and West European immigrants closely resembles that of Finnish nationals: 56 per cent of Nordic migrants and 53 per cent of West Europeans own their homes. The most noticeable difference appears among immigrants from Sub-Saharan Africa: less than seven per cent are owner-occupiers, and a smaller proportion live in private rental accommodation than among the other groups. In fact, most of them (74 per cent) live in social rental dwellings. Within this group, the division is even more clear-cut: almost 80 per cent of Somalis live in social rental housing, and more than 95 per cent altogether live in rented accommodation, whereas 60 per cent of North Africans and West Asians live in social rental housing (Table 11).

Table 11. Tenure segmentation in 2008 by nationality (Statistics Finland 2010c).

	Tenure type in 2008					
Nationality	Owns a house	Owns a flat	Private rental	Social housing	Other	Total
Finnish	46.4	26.8	10.6	12.6	3.5	100
Foreign nationals in total	*13.8*	*17.4*	*20.8*	*43.1*	*4.9*	*100*
Nordic	35.0	21.0	20.5	17.2	6.3	100
West European	23.3	29.9	23.2	17.0	6.7	100
East European	13.6	15.7	19.8	46.3	4.6	100
North African or West Asian	3.6	9.4	22.3	60.4	4.3	100
Sub-Saharan African	1.8	4.8	16.8	73.6	3.1	100
Asian (other than West Asia)	11.6	23.1	21.9	38.5	5.0	100
Latin American	13.7	28.5	25.7	27.1	5.0	100
North American & Australian	21	30.2	26.2	16.3	6.2	100
Total*	**45.5**	**26.6**	**10.9**	**13.4**	**3.5**	**100**

* Excluding institutionalised and homeless persons

Housing segmentation among immigrants tends to change the longer they stay in their new host country. In 2008, only 14 per cent of all foreign nationals owned a house, and 17 per cent owned a flat (see Table 11). However, the corresponding figures for people born outside of Finland but who had been in the country long enough to gain Finnish citizenship were 28 and 25 per cent. This suggests that the prospects of home ownership among immigrants improve over time. Recent research conducted by Linnanmäki-Koskela and Niska (2010) supports this assumption: the longer immigrants stay in Finland, the more likely they are to change from rental housing to owner occupation (ibid.)[11].

[11] According to the research findings, of the immigrants who had arrived in Finland between 1989 and 1993, only 24 per cent were living in owner-occupied accommodation in 1997, rising to 30 per cent in 2004, and 40 per cent in 2007. Ascent up the housing ladder is thus slow, and the speed varies among the different nationalities (Linnanmäki-Koskela & Niska 2010).

The income level of households living in rental housing is notably lower than those living in other types of accommodation (Figure 9). The segmentation of the housing market is more marked among non-Finnish households, which are over-represented in social-rental accommodation in all income groups. Even among the highest income decile almost ten per cent of households with foreign members live in social rental housing, compared with only two per cent of native households (Table 12). Home ownership is more rare among the fifth decile group of households with foreign nationals than among the lowest two deciles of native households, both on the national level and in the Helsinki metropolitan area. Thus, income level is not the only factor explaining the differences in tenure segmentation between immigrant and native populations.

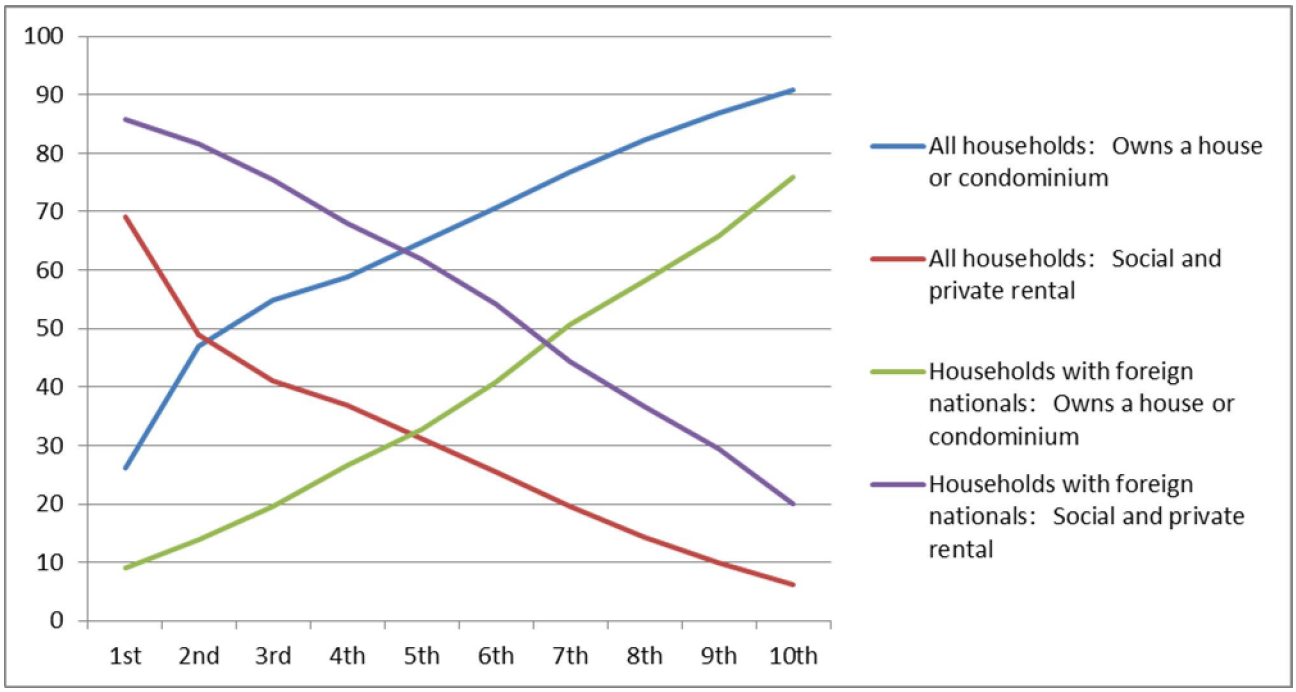


Figure 9. Tenure types by income deciles among non-Finnish households and all households (Statistics Finland 2010c).

Table 12. The representation of income groups in different types of accommodation among native households and households with foreign nationals (Statistics Finland 2010c).

WHOLE COUNTRY							
Native households	Owns a house	Owns a flat	Social rental	Private rental	Other	Total	(N)
(N)	880 117	726 066	366 314	339 171	705 485		2 403 059
1st and 2nd	17,1	20,5	32,4	25,6	4,4	100	476 668
3rd	25,5	30,5	20,9	18,9	4,2	100	240 011
4th	28,0	31,8	18,5	17,6	4,1	100	241 160
5th	31,2	34,4	15,1	15,3	4,0	100	241 063
6th	37,7	34,0	11,9	12,5	3,9	100	240 124
7th	45,4	32,2	9,2	9,6	3,6	100	240 062
8th	52,1	30,8	6,7	7,0	3,4	100	240 999
9th	56,4	31,1	4,0	5,3	3,2	100	241 711
10th	55,2	36,1	1,6	4,3	2,8	100	241 261
Households with foreign nationals	Owns a house	Owns a flat	Social rental	Private rental	Other	Total	(N)
(N)	13 045	16 132	29 244	16 888	3 933		79 242
1st and 2nd	5,0	5,7	57,8	26,6	5,0	100	19 820
3rd	9,1	10,5	50,5	25,1	4,9	100	8 207
4th	12,0	14,6	43,2	24,9	5,3	100	7 067
5th	14,6	18,1	38,3	23,6	5,5	100	7 173
6th	18,5	22,2	33,5	20,7	5,1	100	8 102
7th	22,6	28,0	26,8	17,5	5,1	100	8 159
8th	25,6	32,6	20,7	16,1	5,0	100	7 234
9th	29,0	36,9	14,9	14,5	4,7	100	6 513
10th	33,5	42,5	7,0	13,0	4,1	100	6 967
THE METROPOLITAN AREA							
Native households	Owns a house	Owns a flat	Social rental	Private rental	Other	Total	(N)
(N)	36 934	216 398	94 513	87 381	9 743		457 842
1st and 2nd	2,0	23,7	30,3	39,3	3,2	100	69 530
3rd	3,2	38,2	24,3	29,9	2,5	100	41 318
4th	3,6	37,3	25,3	28,9	2,1	100	43 948
5th	4,3	42,6	23,3	24,6	2,0	100	46 344
6th	5,6	48,0	20,6	20,3	1,9	100	47 223
7th	7,5	51,8	17,6	17,9	1,8	100	43 623
8th	9,6	55,2	14,1	15,4	1,8	100	42 209
9th	13,1	60,3	11,4	9,6	1,7	100	48 419
10th	19,1	66,8	7,3	2,9	1,9	100	75 228
Households with foreign nationals	Owns a house	Owns a flat	Social rental	Private rental	Other	Total	(N)
(N)	1 152	8 357	13 822	8 108	1 147		33280
1st and 2nd	0,8	7,0	58,2	28,7	4,4	100	7520
3rd	1,0	10,2	56,7	27,4	4,0	100	3229
4th	1,1	14,7	49,7	29,3	3,6	100	2841
5th	1,2	17,6	47,3	27,7	4,0	100	2868
6th	2,2	22,1	45,6	24,8	3,3	100	3366
7th	3,4	31,0	37,6	21,8	2,8	100	3422
8th	4,0	38,6	30,4	20,8	2,6	100	3180
9th	6,1	45,7	22,8	19,3	2,5	100	3072
10th	12,9	56,6	9,3	16,1	2,8	100	3782

2.4.3. Housing quality

Overcrowding and occupant density

There have been dramatic decreases in occupant density in Finland. However, Finnish dwellings are relatively smaller than dwellings in other European countries. The average area of the Finnish housing stock in 2002 is 77 m² – falling to 71 m² in the Helsinki region and 68 m² in the metropolitan area. By way of comparison, the average area in Denmark is 109 m², and 98 m² in the Netherlands (Lappalainen et al. 2002). These differences persist even though there are no real differences in household size.

In 2008, the average living space per person in Finland was 38.6 m², or 1.8 rooms . This is mostly attributable to the high proportion of smaller housing units in the housing stock: 24 per cent of all homes had just one or two rooms, and 44 per cent had three or four rooms, excluding the kitchen (Table 13). There are also differences in occupant density between family types. In Helsinki, for instance, the decrease in occupant density has not been as marked in larger families as in single-person households (Lankinen and Lönnqvist 2010).

Table 13. Occupant densities, 1950–2008 (Statistics Finland).

Year	Persons per 100 rooms	Floor area per dwelling, m2	Floor area per person	Number of rooms 1 – 2	3 – 4	5 +
1950	152	. .	. .	57.3	33.2	9.4
1960	131	51.0	14.3	48.6	41.8	9.6
1970	103	60.0	18.9	37.2	45.8	16.5
1980	78	69.0	26.3	29.8	46.6	23.1
1990	67	74.4	31.4	25.0	46.2	28.1
2000	60	76.5	35.3	24.5	45.0	29.5
2002	58	77.0	36.3	24.5	44.6	29.9
2003	58	77.3	36.7	24.4	44.5	30.1
2004	57	77.6	37.1	24.4	44.3	30.3
2005	57	78.1	37.5	24.1	44.2	30.6
2006	57	78.4	38.0	24.0	44.0	30.9
2007	56	78.8	38.3	23.9	43.8	31.2
2008	55	79.1	38.6	23.8	43.7	31.4

Housing standards and amenities

In general, the standard of housing is very high in Finland compared to the EU average (Table 14). A very small per centage of Finnish households live in conditions of severe deprivation in terms of overcrowding and poor amenities,[12] and the numbers have continued to fall since the turn of the century. Deprivation is very rare among owner-occupiers, amounting to only 0.4 per cent among those with a mortgage or housing loan (Eurostat 2010). The rate of severe housing deprivation is slightly higher among households living in private rental accommodation, but still only 1.9 per cent. What is noticeable is the lower rate (1.4 per cent) among households living in social housing than

[12] Poor amenities include a leaking roof, the lack of a bath/shower or indoor toilet, and a lack of light.

among those in the private rental market (1.9 per cent). The Finnish policy of state-subsidised housing construction has thus kept the standard of social housing high.

Table 14. Severe housing deprivation by tenure status (Eurostat 2010).

	Owner occupied, no mortgage or housing loan	Owner occupied, with mortgage or housing loan	Private rental	Social housing
2004	0.5	0.7	2.2	1.4
2005	0.7	0.1	2.9	2.3
2006	0.3	0.3	2.2	2.3
2007	0.5	0.3	1.9	1.6
2008	0.2	0.4	1.9	1.4
EU15	*1.2*	*2.4*	*8.2*	*7.4*
EU27	*1.8*	*8.9*	*9.2*	*12.2*

On the Nordic level, Finland has lower rates of deprivation than Sweden, for instance, where 3.4 per cent of private tenants and 6.6 per cent of state-subsidised tenants live in conditions of severe deprivation. These rates are partly attributable to the overcrowded immigrant households with poor amenities.

Table 15. Dwellings by amenities in 1960–2008 (Statistics Finland).

	1960	1970	1980	1990	2000	2008
Dwellings total	100	100	100	100	100	100
Sewer	52	74	90	97	99	98
Piped water	47	72	89	95	98	98
Flush toilet	35	61	84	93	95	97
Warm water	23	52	80	90	96	97
Bathing facilities	16	39	68	88	99	99
Central heating	31	56	80	89	92	93
Sauna	..	..	30	42	48	53

2.5. The current housing policy

When Finland became a welfare society the state input in housing policy started to increase, reaching peak levels during the construction boom of the 1960s and 1970s, and the recession years of the early 1990s. There have been changes in state control of the housing markets, and in support for housing construction since the 1990s. Regulation of private rental markets was abolished in the early 1990s, and the production of social housing has been concentrated more in economic growth centres, and targeted mostly at groups in special need. The policy emphasis has shifted to questions related to climate change and the aim to create and maintain socially, economically and environmentally sustainable residential areas. The growing need to increase housing production in urban areas, to promote the energy-efficient and socio-economically sustainable renovation of the housing stock in the suburbs and to prevent further urban sprawl has been a topic for lively discussion in the 2000s.

According to current government policy, "*The aims of the housing policy are to ensure a socially and regionally balanced and stable housing market, to eliminate homelessness and to increase the supply of moderately priced land for construction*" (Ministry of the Environment 2010). The programme for tackling long-term homelessness in 2008–2011 has been very successful. The concrete and quantitative target to build 1,250 new homes for the long-term homeless has been met and even exceeded – approximately 1,600 new homes are expected to be available by the end of 2011.

In 2007, the Government launched a new policy covering the development of the Helsinki metropolitan area. The major plans include increasing housing production, enhancing the international competitiveness of the Helsinki region, and coordinating a coherent immigration policy. This is the first time that immigration issues have been discussed in conjunction with the wider questions of housing and urban development on the national level. Unlike the other Nordic countries, Finland has, until recently, lacked a national "Big City" policy.

3. Finland – immigration flows, policies and practices

Hanna Dhalmann & Saara Yousfi

3.1. The development of immigration

3.1.1. A country of emigration until the 1980s

Due to its late industrialisation and relatively strict migration policy after the Second World War, Finland has not experienced major immigration flows. Changes in the political climate and the labour-market situation in recent decades have resulted in increasing foreign migration, but the proportion of residents born outside of Finland, at just 4.4 per cent in 2009, is still considerably lower than in the other Nordic countries.

Finland's immigration history has been affected, first of all, by its geopolitical position between the East and the West (Paananen 1999; Forsander et al. 2004). There were relatively many foreign residents during the first decades after independence in 1917, most of whom came from Russia/ the Soviet Union and other nearby countries such as Sweden and Germany (Lepola 2000: 40). However, the number of foreigners started to decline after World War II. Finland also protected itself actively from new foreign migration. In particular, the refugee policy was viewed as a sensitive foreign-policy issue that was part of the power struggle between the East and the West, and it was therefore better not to get involved (ibid: 44–45).

Another reason for the low level of immigration flow was the constant over-supply of domestic labour, which was attributable to high labour-force participation among women, large age groups after the Second World War, and economic restructuring from agriculture to industry and services. Finland lost a substantial part of its territory to the Soviet Union as a result of the war, and needed to resettle nearly 10 per cent of its population. These evacuees were given agricultural land, which resulted in small farm sizes and threatened the livelihood of people living in the countryside. Mechanisation in the agriculture and forestry industries in the 1950s and 1960s further decreased the demand for labour in these sectors, leaving a large proportion of the population to seek a living elsewhere.

The above-mentioned developments contributed to the mass emigration of tens of thousands of people. This labour migration, mostly to Sweden, was facilitated by The Common Nordic Labour Market Act signed in 1954. On average, almost 21,000 people a year emigrated in 1960–1979. The most intensive period was 1969 and 1970, when more than 53,000 people left, resulting in net population loss of around 40,000 (Figure 10).

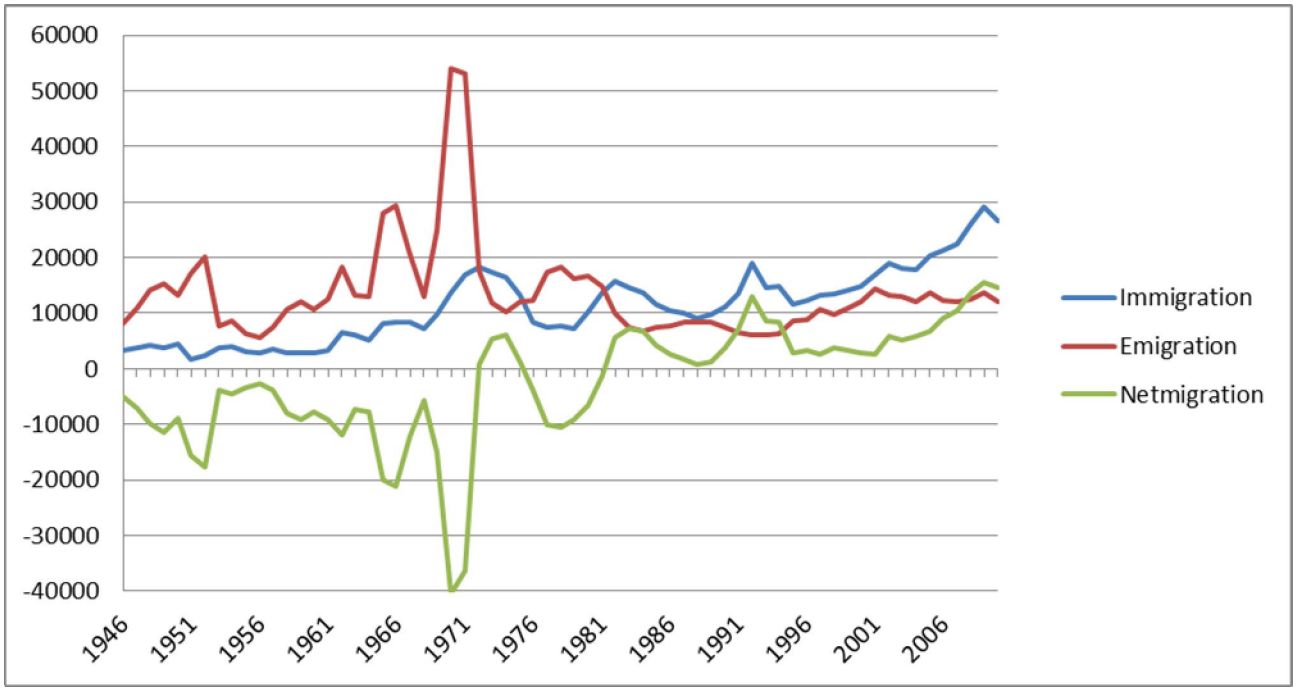


Figure 10. The migration balance (Statistics Finland 2010c).

Even in the 1970s, out-migration from Finland followed the employment trend in Sweden. Many migrants returned after a couple of years and immigration to Finland consisted mainly of these Finnish returnees. In fact, there were more immigrants from the Nordic countries than from the rest of the world. The focus of the Finnish migration policy was therefore on reducing emigration and attracting Finnish returnees. Finland received its first refugees in the 1970s when around 200 people from Chile and 100 people from Vietnam were allowed into the country for humanitarian reasons at the request of UNHCR.

3.1.2. Changing migration flows – from emigration to immigration

The direction of migration changed in the 1980s when Finland started to receive more immigrants than it lost through emigration (see Figure 10). An average 12,000 people a year came into the country, but it should be noted that most of these were still Finnish returnees from Sweden. Remigration and marriage to a Finnish citizen were the main reasons for moving to Finland (Forsander 2002). Humanitarian immigration from South-East Asia continued, and in 1986 the Finnish Parliament set a quota limiting the number of refugees Finland would commit to receiving annually to 100, although this was raised to 500 per year in 1989. Refugees were also admitted through an asylum procedure, but the number of applicants was rather insignificant (Mykkänen 1998).

The proportion of immigrants in the total population was still low in the mid-1980s, at only one per cent. Changes in the migration policy, mostly resulting from the changes in the political climate and the labour-market situation, led to rapid growth in foreign immigration in the 1990s. The biggest changes compared to the situation in the 1980s were in the structure of the immigration. In other words, the flow from the Nordic countries slowed down whereas there was a substantial increase in numbers from Africa, Western Asian and, in particular, Eastern Europe (Figure 11).

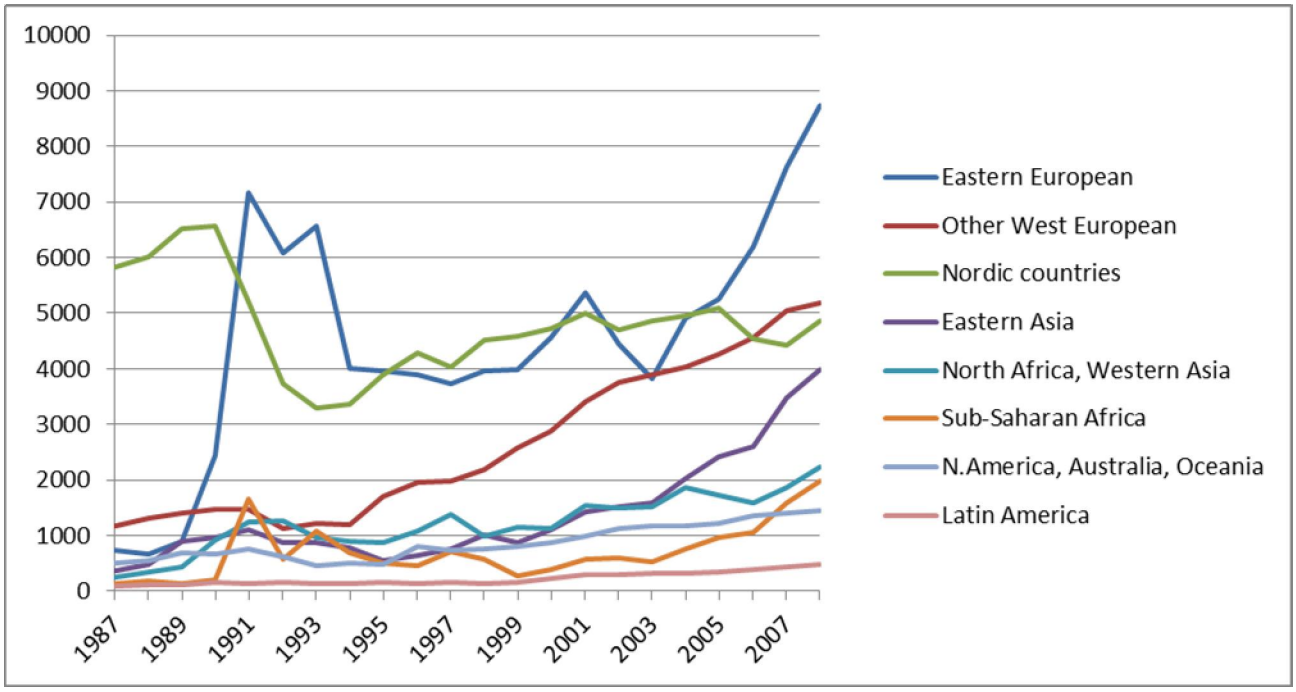


Figure 11. Immigration to Finland in 1987–2008, volumes by regions of origin (Statistics Finland).

The disintegration of the Soviet Union had a big impact on Finnish foreign and migration policy (see Lepola 2000: 46). It meant opening the eastern border to immigration and establishing more active relations with other European countries. There were also signs of a labour shortage in the biggest Finnish cities at the end of the 1980s, which further boosted the demand for a more liberal migration policy. Finland's accession to the Council of Europe (1989), the European agreement on human rights (1990) and membership of the European Union (1995) all affected Finnish legislation concerning immigrants.

One notable alteration to the migration policy concerned the remigration of Ingrian Finns. In 1990, President Koivisto issued a statement granting returnee status to ethnic Finns living in the Soviet Union. This mainly concerned Ingrian Finns whose ancestors had moved to 'Ingermanland', a region in North-West Russia, in the 17th century. They were thus acknowledged as ethnic Finns, but were not descendants of Finnish citizens. Nevalainen (1991: 297) assigns labour-force related motives to the changes in official opinions concerning the remigration of Ingrian Finns. He mentions the pressure to liberate Finnish migration policy, glasnost in the Soviet Union and the topicality of "the Ingrian issue" as reasons affecting the decision.

Ingrian Finns were regarded as normal returnees at first, not subject to any special legislation, but a law was introduced in 1996 setting out more detailed criteria (Laki ulkomaalaislain… 511/1996): at least two of the returnee's grandparents had to be ethnic Finns. Against all expectations, the returnees' knowledge of the Finnish society, culture and language was often inadequate. In order to promote integration and to facilitate their reception in municipalities, since 2003 Ingrian Finns have been required to complete a re-entry orientation programme prior to their arrival in Finland, and to have proficiency in Finnish or Swedish equal to the A2 level (basic ability) of the European Council's Common European Framework. They must also have prearranged accommodation in Finland.

Returnees from the former Soviet Union, Russia and Estonia formed a significant proportion of the 'supply-driven' immigration in the recent flow (see Figure 11), and by 2004 Finland had received

approximately 25,000 Ingrian returnees (Tanner 2004: 3). Remigration among ethnic Finns has thus created a sizable Russophone minority in the country. Applications for residence on the grounds of Ingrian returnee status are no longer accepted, but outstanding applications are processed according to the old law.

The first group of asylum seekers arrived in Finland from Somalia in 1990 followed by groups from other countries: there were 18,292 applications for asylum between 1990 and 1999. By far the biggest groups came from the former Yugoslavia, Somalia and the former Soviet Union, and some hundreds came from Iraq, Turkey and Iran. The annual refugee quota was raised from 500 to 650 at the end of the decade.

Even if the immigrant population grew notably in the 1990s, it remained considerably smaller than in the other Nordic countries. For example, around 14,700 people obtained a residence permit through Finnish refugee and asylum procedures or related family reunification in 1987–1997, compared to 37,300 in Norway, 61,700 in Denmark and 200,800 in Sweden (Lepola 2000: 49). It should also be noted that the first policy definition and long-term political White Paper on immigration and refugee policy were published as late as in 1997 (Hallittu maahanmuutto… 1997: 93; see also Leitzinger 2008).

3.1.3. A continuing increase in immigration

The number of immigrants has continued to grow significantly in the 2000s. The annual number of arrivals is almost 22,000 with net migration rising to 15,000 in both 2008 and 2009. The proportion of immigrants in the population therefore doubled from 1.3 per cent at the beginning of the 1990s to 2.6 per cent in 2000, and 4.4 per cent in 2009. The bulk of them settled in the Helsinki region and other major urban areas, where the proportion was higher than the national average: in Helsinki, for instance, the share of foreign citizens in 2009 was 6.7 per cent.

There were also some changes in the structure of immigration in the 2000s. There has been little labour migration to Finland compared with many other western industrial countries. The recruitment of foreign labour started on a small scale during the 1980s, but stopped on account of the deep recession of the 1990s (Forsander and Ekholm 2001: 112–113). It started again at the beginning of the 2000s when ICT-driven economic growth and the ageing population structure resulted in labour shortages in certain trades (e.g., ICT, construction and health care). This also shifted the orientation of the migration policy towards attracting foreign labour. For the first time the labour-market goals in the Immigration Policy Programme that became effective in October 2006 were consonant with views supporting migration for humanitarian reasons. Foreign students were also considered potential members of the labour force. In line with the new immigration policy, labour migration to Finland started to grow in 2007–2008, but the volumes decreased again in 2009 due to the economic recession (Table 16).

Despite the changes in political attitudes towards encouraging labour migration, it is still highly regulated. Foreigners who are not EU citizens or the equivalent and intend to take up paid employment in Finland need a residence permit for an employed person. They have to apply for and receive the permit abroad. Eligibility for such permits is assessed in accordance with the need for foreign labour for the work in question. If it is a field in which there is domestic unemployment it might be rejected. This consideration of labour availability in the domestic market does not apply to upper or middle managers, various experts or seasonal workers, for example. The assessment also covers the adequacy of the working conditions, whether the potential employer is authorised to employ people, and the adequacy of the foreigner's livelihood, especially in the case of part-time work. The Finnish work-permit procedure has recently been the subject of political debate, viewed

in some quarters as complicated and obscure (Government migration …2006), and in others such as the trade unions, as necessary.

Table 16. Granted residence permits by category in 2006–2009 (Maahanmuuttoviraston… 2010).

	Employed persons	Self-employed persons	Of Finnish origin	Students	Other grounds	Family tie	Family to Finnish citizens	Total
2006	2 872	58	368	3 196	2 186	3 495	621	12 787
2007	5 280	68	374	3 810	2 710	4 321	708	17 287
2008	5 930	67	395	4 496	2 934	5 069	715	19 606
2009	2 883	57	474	3 993	2 497	4 574	730	15 208

The amount of humanitarian immigration also increased slightly in the 2000s. The annual refugee quota was raised to 750 in 2001, but was not filled every year. The number of asylum seekers grew from a yearly average of 1,800 in the 1990s to almost 3,300 in the 2000s. However, there has been a decrease in the proportion of positive decisions (from 36 per cent to 22 per cent) (Finnish Immigration Service 2010). In general, Finland has tried to weaken its attraction as a destination country in order to minimise groundless applications. One motivating factor in this was the notion that asylum seekers receive more financial support in Finland than in the other Nordic countries (see Näkökulmia...2009: 28).

All in all, the number of granted asylums has been very small in Finland, only 508 during 1990–2009 although over 13,000 have been given a residence permit on protection and several other grounds. The main countries of origin of these people are Afghanistan, Iraq and Somalia: those granted asylum, and their reunified family members, 28 per cent originate from North Africa and East Asia, 28 per cent from Sub-Saharan Africa, 22 per cent from Eastern Europe, and 20 per cent from other Asian countries.

Family formation continues to be a significant factor in attracting foreigners to Finland in the 2000s, as it has been throughout Finland's immigration history. Between 25 and 33 per cent of immigrants arriving during the 1990s were married to a Finn by the end of their first year. This applied especially to those coming from OECD countries (47 per cent of the men and 32 per cent of the women), and only to a minor extent to those from Finland's neighbouring countries (five per cent) and third-world countries (five per cent of the men and one per cent of the women) (Hämäläinen et al. 2005). The annual number of marriages between Finnish and non-Finnish citizens remained constant during the 1990s and 2000s: between 1,200 and 1,400 Finnish women and 1,300–1,600 Finnish men married a foreign partner. Nevertheless, only about 700 new residence permits were granted each year as a result of these multicultural marriages (Statistics Finland 2010).

3.2. Features of the immigrant population

3.2.1. Countries of origin

The notable growth in immigration to Finland has resulted in some changes in the structure of the immigrant population. There has been a slight increase in numbers from the other Nordic countries, but in relative terms there was a sharp decline from 45 per cent in 1990 to only 15 per cent in 2009 (Figure 12). The biggest relative growth was in immigration from other European countries, from 33 to 50 per cent, and the proportion of non-European immigrants increased from 22 to 35 per cent.

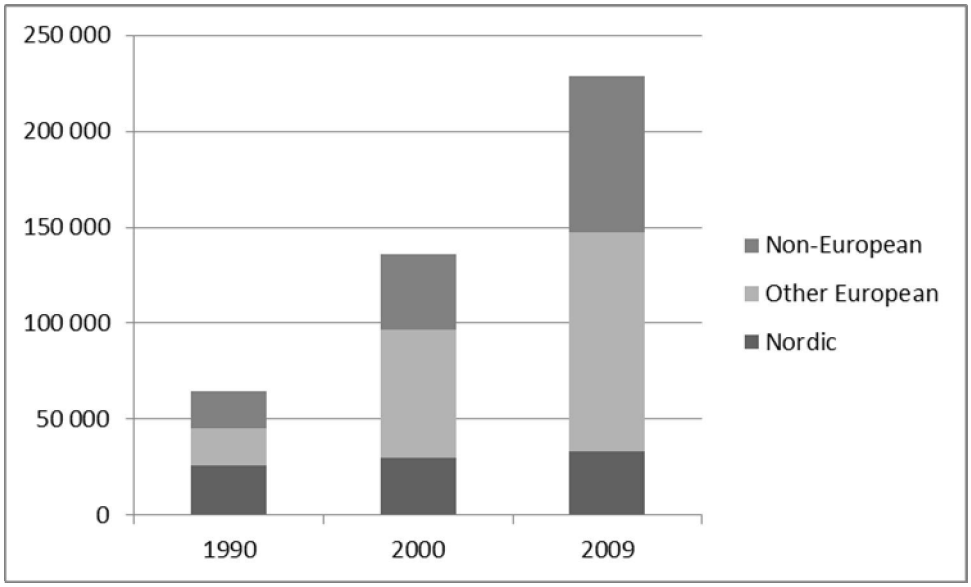


Figure 12.The geographical composition of Finnish residents born abroad, 1990–2010 (Statistics Finland).

The highest proportion of immigrants comes from Sweden, Russia, Estonia and the former Soviet Union (Figure 11, Table 17). This has been the case since 1992 when they comprised 60 per cent of all arriving immigrants, although this has fallen to 35 per cent in recent years.

There has been less of an immigration flow from Germany, Norway, the USA, Great Britain and Spain, and the further away the country, the smaller is the stream (e.g., China, Thailand and Somalia). The net migration figures are somewhat different, however. Most permanent foreign residents come from Russia, Turkey and Somalia, whereas most of those from other countries are passing through. For example, since Finland joined the EU, remarkably large numbers of West Europeans have come and gone making Finland a net loser in terms of population flow (Table 17). The differences in the length of stay are mostly attributable to the differing reasons for moving to the country.

Table 17. Received immigrants and net migration during 1987–2009 from the main countries of origin (Statistics Finland 2010)

Top 20 immigration countries			Top 20 net migration countries	
Sweden	87710		Russia	36194
Russia	40362		Estonia	25928
Estonia	34140		form. Soviet Union	8725
Germany	14293		Sweden	7564
USA	13762		Turkey	7047
Norway	13731		Thailand	6920
Britain	13468		China	5765
form. Soviet Union	9557		Somalia	4731
Spain	8568		Iraq	3857
China	8421		India	3397
Thailand	8034		Ethiopia	2837
Turkey	7785		Vietnam	2664
Denmark	7161		form. Serbia, Montenegro	2563
Somalia	5479		Iran	2528
France	5055		form.Yugoslavia	2258
India	4556		Ukraine	2195
Iraq	4011		Poland	1833
Italy	3851		Bosnia and Hertsegovina	1787
Holland	3586		Pakistan	1693
Canada	3180		Philippines	1506

Parental country of birth is not included in the official statistics. Information covering the whole population of foreign origin, including the descendants of immigrants, is thus currently best obtained from statistics on the foreign-language-speaking population. These statistics do not include Swedish speakers, however, as Swedish is the second official language of Finland. The biggest foreign-language-speaking groups are Russians (51,683) and Estonians (25,096), followed by English and Somali speakers (about 12,000). A comparison of the immigrant and the foreign-language-speaking populations shows that in 2009 there were at least 26,000 people who were born in Finland but had a non-native mother tongue (Table 18). However, these figures include children with at least one native Finnish parent who are registered as having a language other than Finnish as their mother tongue, as registration is based solely on parental declaration. The registration of language matters mostly when the child starts school because the law guarantees the right to learn one’s mother tongue.

Table 18. Population composition in Finland in 2009

Country of birth, total	5 351 427
Finland	5 118 244
Foreign country total	233 183

Languages, total	5 351 427
Finnish	4 852 209
Swedish	290 392
Foreign languages total	207 037

The groups with more than 4000	
Former Soviet Union	47 307
Sweden	30 966
Estonia	21 761
Russian Federation	7 339
Somalia	7 110
China	6 591
Iraq	6 180
Thailand	6 108
Former Yugoslavia	6 074
Germany	5 770
Turkey	4 890
United Kingdom	4 367
Viet Nam	4 251

The groups with more than 4000	
Russian	51 683
Estonian	25 096
English	12 063
Somali	11 681
Arabic	9 682
Kurdish	7 135
Chinese	7 078
Albanian	6 736
Vietnamese	5 313
German	5 276
Thai	5 143
Turkish	5 068
Persian	4 548
Spanish	4 252

3.2.2. Demographic features

The age structure of immigrants differs from that of native Finns. Around 17 per cent of residents born in Finland are over 65 years of age, the proportion dropping to five per cent among those born abroad, and only one per cent among groups from Asia and Africa. The proportion of working-age people is 19 per centage points higher among immigrants than among the Finns, and there are big differences in age structures among the immigrant groups (Figure 13).

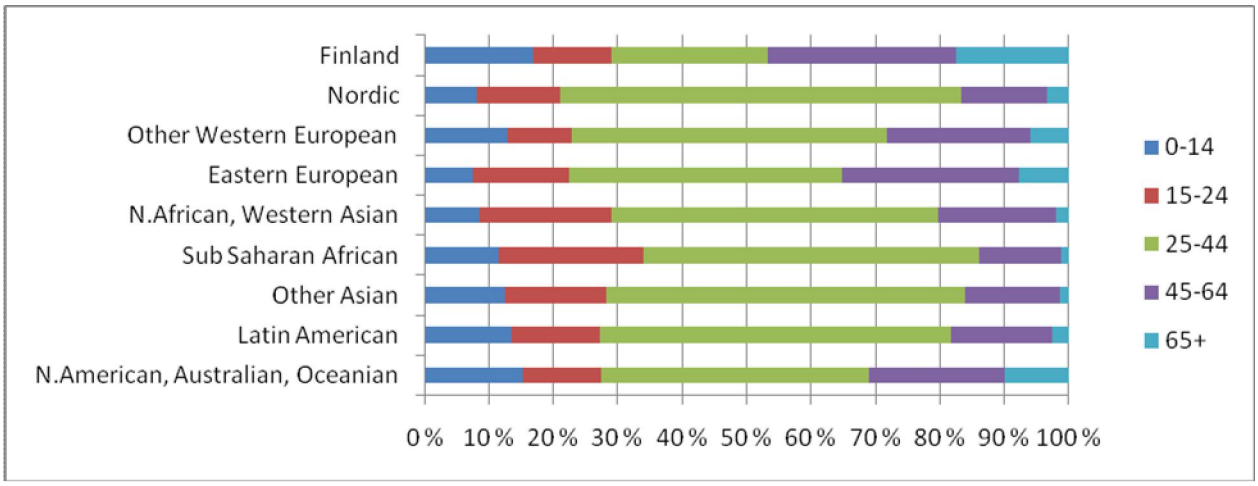


Figure 13.The age distribution of immigrants by region of origin in 2009 (Statistics Finland 2010c).

In terms of gender, the structures of the immigrant and the Finnish population are quite similar. However, in contrast to Sweden and in line with the common gender composition among international immigrants, there are slightly more male than female foreign citizens living in Finland. One reason for the difference is that the immigrant population is small in number, and the reasons for immigration are country-specific and partly related to gender. There are more males among the immigrants from Western Europe (70 per cent), North America and Oceania (64 per cent), as well as from North Africa and Western Asia (63 per cent). However, females dominate in the main immigrant groups: 59 per cent of Russians and 53 per cent of Estonians, thereby stabilising the aforementioned bias. Of the female immigrant groups, Russians (16,617) and Estonians (13,443) remain the biggest but Thais (3,895) stand out in third place. The highest proportion of foreign women marrying Finnish men come from these groups.

3.2.3. Socioeconomic features

At the end of the 1980s, the socioeconomic position of immigrants was, on average, better than that of native Finns: they were relatively more likely to work as officials, entrepreneurs or experts. Moreover, the first refugees found employment relatively easily: 93 per cent of the adult refugees admitted in 1979–1986 were employed after the integration training.

The situation changed in the 1990s with the increase in immigration and the coincident economic recession and mass unemployment (Forsander 2001: 60–61). Relatively unstable jobs replaced the more stable ones, and immigrants were at the forefront of this development (Forsander 2002: 140–144). As a result, the employment situation declined quickly among both established and more recent immigrants. The unemployment rate among foreign nationals rose to three times as high as the overall rate (Salmenhaara 2008: 15). The situation has improved somewhat in recent years (around 18 per cent in 2008) on account of the economic recovery, but the unemployment rate is still more than double that of native Finns (around 8 per cent in 2008).

In addition to having a higher unemployment rate, immigrants are more likely than native Finns to work in jobs that do not correspond to their educational level, and in low-wage sectors such as cleaning, transportation and catering. Their labour-market position is also often volatile: fixed-term contracts, part-time jobs and discontinuous careers are common, particularly among women (Forsander et al. 2004). Immigrants are also more likely to be outside of the labour force: 60 per cent of those of working-age had jobs in 2008, the relative per centage among native Finns being 75 (Figure 14; Table 19).

There is an ethnic hierarchy in the labour market. People born in Nordic and other Western countries are the most successful, whereas those moving to Finland mainly for humanitarian reasons have the highest unemployment rates. In addition, the employment rate, in other words, the proportion of those of working age in employment, is highest among immigrants from Nordic (71 per cent) and Western European (61 per cent) countries, and lowest among those from Africa and Western Asia (slightly over 40 per cent). The generally improved economic situation in the 2000s had a positive effect on the employment situation among all immigrant groups. Eastern Europeans and Sub Saharan Africans faced the biggest change with a 20-per centage-unit reduction in unemployment (Table 19).

Even if immigrant entrepreneurship is low in Finland in international terms, it is on a higher level (16 per cent) than among natives (10 per cent). Immigrant entrepreneurs are typically in the wholesale trade, professional services or the food and restaurant business. The higher levels of entrepreneurship are attributed to the employment difficulties on the open labour market

innovativeness, and the willingness among immigrants to take risks (Maahanmuuttajayrittäjyys… 2007: 22–25).

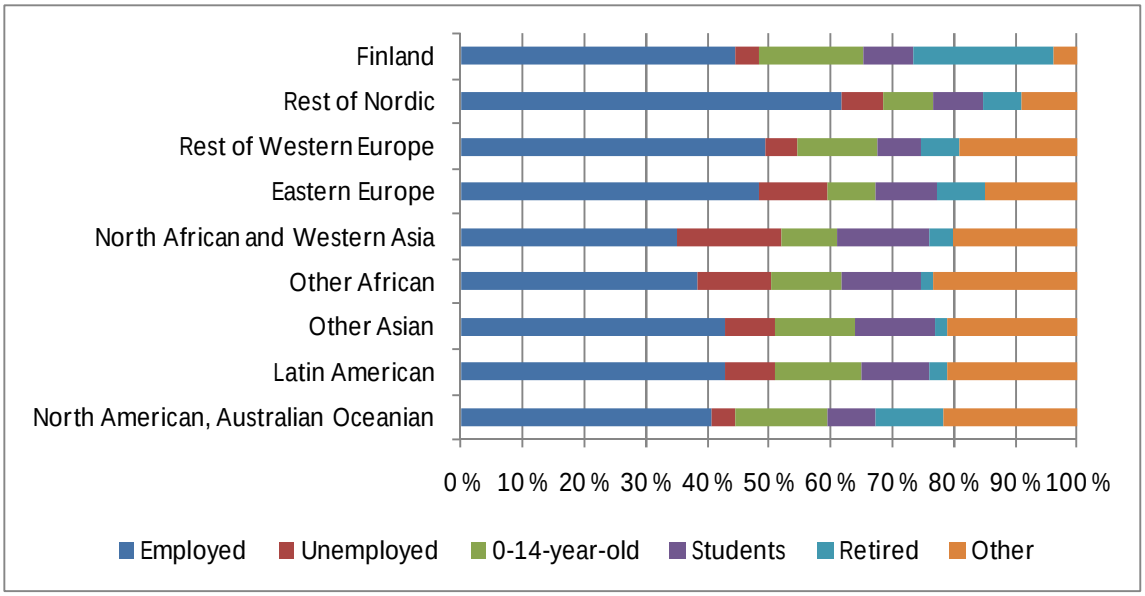


Figure 14. The main types of activity by country group in 2008 (Statistics Finland 2010c).

Table 19. The main types of activity in 1999 and 2008 (Statistics Finland 2010c).

Country of birth	Years	0-14- year-olds (%)	Students (%)	Retired (%)	(N)	Employment rate (%)	Unemployment rate (%)
Total	1999	19	8	21	4 979 723	66.7	17.9
	2008	17	8	22	5 326 314	73.8	8.2
Finland	1999	19	8	22	4 851 852	69.5	14.6
	2008	17	8	23	5 107 688	75.0	8.2
Rest of Nordic	1999	15	19	4	28 867	54.3	18.5
	2008	8	8	6	33 040	70.9	10.3
Rest of Western	1999	13	9	6	11 192	55.6	13.5
European	2008	13	7	6	19 049	60.5	9.3
Eastern European	1999	15	11	8	48 577	35.1	41.3
	2008	8	10	8	88 356	58.3	18.3
North African and	1999	18	12	2	11 152	31.3	47.9
Western Asian	2008	9	15	4	23 535	40.2	32.7
Sub-Saharan African	1999	20	13	1	7 073	26.6	46.2
	2008	11	13	2	14 389	43.7	24
Other Asian	1999	15	10	2	10 269	39.8	28.3
	2008	13	13	2	25 360	50.6	15.7
Latin American	1999	21	10	3	1 909	39.5	25.0
	2008	14	11	3	4 163	51.8	15.7
North American,	1999	13	7	19	4 796	48.5	10.8
Australian, Oceanian	2008	15	8	11	6 226	55.4	8.9
Unknown	1999	7	4	43	4 036	66.0	17.5
	2008	21	4	26	4 508	71.7	9.5

The relatively weak employment situation of immigrants naturally affects their economic well-being. Approximately half of immigrant families with children were on a low income in 2005, compared with 20 per cent among native Finns (Hämäläinen et al. 2005; Lapsi- ja… 2007). The prevalence of single parenthood and large families also increases the poverty risk among certain immigrant groups. For example, single motherhood is significantly more common among Somali (43 per cent), Vietnamese (40 per cent) and Russian (27 per cent) women than among native Finns (17 per cent) (Martikainen 2007).

Immigrants with a refugee background have significantly lower incomes than both the native population and immigrants from Nordic and Western European countries (Table 20). This concentration in the lowest income groups is also evident in the statistics on social assistance: around 10 per cent of Estonians, 21 per cent of Russians, and 38 per cent of the immigrants with a refugee background were in receipt of it in 2000, compared with only four per cent of the overall population (Hämäläinen et al. 2005; Paananen 2005).

Table 20. Work-income deciles in 2005 and 2008: per centages of people by national decile groups (Statistics Finland 2010c).

Country group		Income deciles									
	Year	1+2	3	4	5	6	7	8	9	10	Total (N)
Total	2005	20	10	10	10	10	10	10	10	10	2685582
	2008	20	10	10	10	10	10	10	10	10	2793940
Finland	2005	20	10	10	10	10	10	10	10	10	2637580
	2008	20	10	10	10	10	10	10	10	10	2725099
Nordic countries	2005	19	12	12	10	9	9	9	8	11	4672
	2008	18	11	12	10	9	10	11	9	10	4905
Other Western European	2005	18	12	11	9	7	7	8	10	20	6565
	2008	18	11	11	8	8	7	8	11	20	8194
Eastern European	2005	26	15	17	13	8	7	6	4	4	22734
	2008	21	15	19	14	9	8	7	5	4	33330
North Africa, Western Asia	2005	48	17	14	7	4	3	3	2	2	3614
	2008	41	18	17	8	5	4	3	2	2	5415
Sub Saharan Africa	2005	42	20	17	8	5	4	3	2	1	2773
	2008	35	19	20	10	6	3	3	2	1	4757
Rest of Asia	2005	30	17	16	10	5	4	4	4	9	4954
	2008	29	17	19	10	5	4	5	5	6	8756
Latin America	2005	35	18	14	8	7	4	3	4	7	757
	2008	31	17	16	9	6	5	5	5	7	1189
North America, Australia, Oceania	2005	21	11	12	8	6	6	7	11	18	1457
	2008	21	12	11	8	6	6	7	10	19	1641

4. Integration policies and legislation in Finland

Katja Vilkama & Saara Yousfi

4.1. Integration policy

The Finnish integration policy was developed to provide national guidelines for the local procedures supporting the integration of the increasing immigrant population. The drafting of the policy was in line with Finland's responsibilities as a new EU member state since 1995. The Integration Act (Act on the Integration… 493/1999) came into force on 1 May 1999, and has been modified several times in the past ten years. Prior to 1999, Finland had no official, national integration scheme and immigrants were dealt with according to existing legislation.

The Finnish Integration Act defines integration as "*the personal development of immigrants, aimed at participation in working life and society while preserving their own language and culture*", and as including "*the measures taken and resources and services provided by the authorities to promote and support such integration, and consideration for the needs of immigrants in planning and providing other public services and measures*" (Amendment 1215/2005).[13]

The Finnish integration policy could be characterised as pluralistic. However, it has also been criticised for its implicit assimilative goals (see e.g. Kerkkänen 2008). The main responsibility for adaptation is placed on the immigrants. The authorities have a duty to pursue the realisation of equal opportunities and to promote ethnic equality in their work, but there is much less focus on the adaptive role and responsibilities of the majority population in the processes of structural, cultural and social integration.

The Integration Act defines the duties and responsibilities of different actors, and the practical implementation takes place at national, local and personal levels. The state lays down the overall guidelines and provides financial resources for the implementation of the policy. Municipalities are requested to draft their own local integration programmes, specifying the action plan and the goals on the local level. The integration plans of individuals and families are the key tool on the personal level. All immigrants who are registered in a Finnish municipality, have been in the country for less than three years and are not gainfully employed have the right to an individual integration plan for three years (since 2006, for five years in special cases). In practice, refugees, approved asylum seekers and Ingrian returnees have been the three main target groups.

The local immigrant offices draw up the personal integration plans in cooperation with the individuals concerned, the local social office and the local employment office. The plans usually include information on Finnish society, and give guidance on how professional or degree qualifications obtained abroad can be updated to meet the requirements of the Finnish labour market. Different types of job training and language instruction form the key elements in updating existing skills and qualifications and facilitating entry into Finnish working life. In special cases the integration plan also include instruction in reading and writing, or independent studies for a comprehensive-school or upper-secondary-school diploma or a professional qualification. Obtaining employment and achieving financial independence from the state – through various kinds

[13] This dual scope of integration (responsibilities and the acculturation of immigrants, and the responsibilities and procedures provided by the authorities) is differentiated in the original Finnish version.

of courses and training – are the main aims of the integration policy. The Integration Act is less explicit in other domains such as housing and culture (Government Report 2002: 43). Local programmes take a more diverse approach, however, including both employment-related measures and the provision of other services.

The integration of children usually happens through normal school activities and day care. However, the municipalities are obliged to organise special tuition for immigrant children to prepare them for the basic education, and to provide instruction in their own native language and religion if their parents so request. Immigrants have also been given preparatory training for basic vocational education since 1999, the aim being to give students the linguistic, cultural and other skills required in the transition to vocational education.

According to the Integration Act, integration procedures should start as soon as possible after the immigrant has arrived in Finland, ideally within two-to-three months. This is very difficult to comply with in practice, however, and there is often another long wait for language courses.

4.2. Settlement and spatial dispersal policies

Whereas the national integration policy emphasises the pluralistic goals of maintaining immigrants' and ethnic minorities' own languages and cultural traits, the settlement policies are more assimilative in nature. Immigrants are free to choose their place of residence, but the state and many municipalities are quite explicit in wishing to avoid ethnic residential segregation and to promote spatial assimilation.[14] The government advises the municipalities on the desired policy goals and sets the legal framework, but the municipalities independently decide on policy implementation.

The government drafted a framework policy on immigration and refugee reception in 1997 advising the municipalities to prevent residential segregation. The municipal authorities were asked to ensure that the allocation of social housing would not lead to overly dense, or very small residential concentrations of immigrants, and that all neighbourhoods would maintain a socially and ethnically mixed population structure (Valtioneuvoston periaatepäätös…1997: 20). The same featured in the 2006 Immigration Policy Programme (Government Migration policy… 2006: 28).

All the major cities have incorporated the national guidelines on spatial dispersal into their local integration programmes, although the municipalities differ in their approach to how vigorously the goal is pursued. The spatial dispersal of immigrants is realised through municipal housing policies and urban planning. The allocation of social and public housing is the strongest direct measure influencing immigrant residential patterns, whereas town planning and zoning, in other words, land-use allocation and other housing-policy measures (see Chapter 2), are more indirect.

Refugees and asylum seekers are the two groups most strongly targeted by the state and the municipalities with regard to their accommodation[15]. Other immigrant groups fall within the scope of spatial-dispersal policies in a more indirect way.

The state provides accommodation for asylum seekers at refugee reception centres (dispersed around the country) until their application is processed.[16] Those who are granted a residence permit

[14] However, in most cases there is very little explicit reasoning on why dispersal is a major target.

[15] Ingrian Finns used to be included in the groups receiving special treatment, but since 2003 proof of accommodation has been a prerequisite for receiving a residential permit.

are directed to a specific municipality and entitled to integration measures. The Finnish policy since 1988 has been to disperse refugees throughout the country. It was a measure that was introduced as a solution to the growing problem of finding suitable housing in the Helsinki metropolitan area and Turku (the major receiving cities) (Pakolaisten kuntiin...1988; Kokkarinen 1993). The numbers of refugees remained small in the 1970s and 1980s, and there was no need to settle them outside of the biggest cities until then. The aim of the dispersal policy was to make refugee reception services an integral part of the mainstream social services in the municipalities. It was also emphasised that municipalities receiving refugees should be able to provide adequate services to support integration, including opportunities for education and work. However, the sudden increase in the numbers of refugees and asylum seekers created a need to open up the policy and to include all Finnish municipalities. As a result, some refugees have been settled in small rural municipalities with few job opportunities and inadequate integration measures. Some researchers claim that the wider objectives of the regional policy have influenced the decision to disperse refugees and refugee reception centres throughout the country (Ahlberg-Leinvuo 2005). The Finnish dispersal policy is akin to the Swedish "Whole of Sweden" policy, which influenced its design in the first place (Kokkarinen 1993: 35). However, the Swedish policy was relaxed in July 1994, having failed to deliver the desired outcomes.

4.3. Citizenship and naturalisation

Finnish citizenship can be acquired at birth by descendants of Finnish citizens (jus sanguinis) and, under certain circumstances, through being born in Finland, regardless of parental nationality (jus soli). It is also possible to apply for citizenship through naturalisation based on residence in Finland (jus domicili).

In the case of naturalisation, the applicant must provide reliable proof of identity and meet the following six general requirements, namely that he or she:

- has reached the age of 18 or was married before doing so,
- has been permanently resident and domiciled in Finland for the last six years without interruption, or for eight years after reaching the age of 15, the last two years without interruption,
- has not committed any punishable act nor had a restraining order issued against him or her (integrity requirement),
- has not materially failed to provide maintenance or to meet pecuniary obligations under public law,
- can provide a reliable account of his or her livelihood,
- has satisfactory oral and written skills in the Finnish or Swedish language, or instead of oral skills similar skills in the Finnish sign language.

The Nationality Act (359/2003) contains certain provisions granting exceptions to these requirements. Such exceptions are frequently applied: in January 2008, exception to the residence, language or integrity requirement was granted in over 35 per cent of the cases, most frequently to the integrity requirement. On the other hand, even if someone meets all the requirements, naturalisation will be refused if it conflicts with the best interests of the Finnish State.

[16] Asylum seekers are free to find other accommodation outside the reception centre if they wish, but in that case (starting 2010) they do not receive help with their living expenses.

The 2003 Nationality Act allows dual or multiple nationality. However, someone with dual nationality may lose Finnish citizenship at the age of 22 if he or she lacks sufficiently close ties to Finland. The number of applications for Finnish citizenship increased sharply when the new Nationality Act came into force. Those who had lost Finnish citizenship or who were descendants of Finnish or former Finnish citizens were given until May 2008 to regain it by making the appropriate declaration.

Table 21 shows the number of successful applications for Finnish citizenship in 1990–2008 by country of former citizenship. The impact of the allowing of dual citizenship since 2003 is clearly visible in the figures. The table also indicates the different migration histories (the length of stay) of the immigrant groups. The number of naturalisations increased in each group after the required six years of residence. The number of applications for citizenship declined significantly in 2009. One reason for this may have been the new stricter language requirements, which resulted in more negative decisions with regard to citizenship applications in the preceding years. Ten per cent of applications were rejected in 2009 (Maahanmuuttoviraston…2010).

Table 21. Successful applications for Finnish citizenship by former citizenship, 1990–2008 (Statistics Finland)

	Nordic countries	Other Western European	Eastern European	North Africa, Western Asia	Sub-Saharan Africa	Other Asia	Latin America	North America, Australia, Oceania	Total
1990	1 139	147	154	92	34	72	41	50	1 729
1991	1 542	225	206	151	28	122	45	67	2 386
1992	1 039	51	293	85	40	119	48	11	1 686
1993	954	42	293	81	34	166	39	6	1 615
1994	745	36	212	60	27	121	32	11	1 244
1995	772	31	200	90	20	115	27	3	1 258
1996	1 092	18	238	176	31	239	30	6	1 830
1997	1 545	38	366	246	55	367	46	8	2 671
1998	4 170	68	1 025	657	600	829	70	13	7 432
1999	4 824	66	1 452	388	1 330	343	34	11	8 448
2000	3 032	65	1 267	491	452	378	68	14	5 767
2001	2 783	70	1 062	482	324	428	80	11	5 240
2002	3 116	60	1 180	557	326	537	92	5	5 873
2003	4 626	91	2 705	630	338	437	63	61	8 951
2004	7 035	170	3 951	1 201	312	601	105	168	13 543
2005	5 897	140	3 211	918	544	325	64	157	11 256
2006	4 628	99	2 149	993	579	217	35	82	8 782
2007	4 994	118	2 389	1 038	592	303	45	84	9 563
2008	6 967	160	3 303	1 479	764	346	69	163	13 251

The requirement to have satisfactory written and oral skills in Finnish or Swedish in order to be granted Finnish citizenship puts pressure on the providers of the language courses that are an important part of the integration scheme. The language requirements also put some immigrant groups in a disadvantaged position, specifically illiterate refugees and single stay-at-home mothers of large families.

4.4. The rights and benefits of immigrants

Over and above its official integration policies, Finland also complies with international agreements concerning the rights of foreign residents. The Non-Discrimination Act, effective since 2004, forbids all kinds of discrimination. The Act applies not only to recruitment and working conditions, but also to career advancement, training, access to self-employment and other means of livelihood. In order to ensure that they receive the services to which they are due, and that they will be fully understood, immigrants have the right to use an interpreter in administrative matters. Linguistic equality is also promoted through producing and translating brochures and forms covering the services offered by the various authorities in the main minority languages.

Political rights

Nordic and EU nationals have the right to vote in municipal elections. Nationals of all other countries may vote if they have lived in Finland for more than two years before the election. They are also eligible to stand for election as members of the municipal councils (Kuntalaki 365/1995). Voting in parliamentary and presidential elections is restricted to Finnish citizens.

Immigrants have the right to join and establish associations, and to apply for and receive public funding for their non-governmental organisations or associations. The state is committed to supporting immigrant initiatives and to promoting the civic activities of cultural minorities (Gov. Immigration Policy 2006: 16).

The right to work

All foreigners who have a permanent residence permit are entitled to work in Finland. Integration measures introduced by the state and the municipalities support immigrant entry into the labour market.

Non-Finns who have been granted a temporary residence permit are entitled to work, although there are certain restrictions covering degree students, as well as asylum seekers with a temporary residence permit issued on the basis of the Aliens Act (301/2004), section 51[17] (Issuing residence permits in cases in which aliens cannot be removed from the country), for example.

Asylum seekers have the right to work outside of the refugee reception centre after three months have passed since the submission of the application for asylum. The aim is to encourage active participation and to prevent marginalisation during the application process.

The Aliens Act (301/2004) was amended in 2006 in order to promote the entry of students from the so-called third-world countries into the Finnish labour market, making it easier for those who graduate to obtain a temporary work permit.

Foreigners have the same rights and duties as Finns in working life. However, there have been a number of cases in recent years in which the legal rights of foreign workers have been violated by private entrepreneurs.

[17] Prior to 2009, asylum seekers who were allowed to stay on a temporary basis because it was not possible to send them back to their countries of origin (Aliens Act 301/2004, section 51) had no right to work at all. This strongly affected their chances of integrating into Finnish society, and left them dependant on social assistance.

Rights to housing

Immigrants and foreign nationals living in Finland have the same rights to housing as Finns (for more on the functional structure of the housing market in Finland see Chapter 2). All residents are entitled to apply for social housing, regardless of their nationality. Foreign nationals have been able to buy and possess property and apartments since the turn of the 1990s.

Rights to social security and other social services

Eligibility for Finnish social-security benefits provided by the Social Insurance Institution of Finland (KELA) is based on residence in Finland. All permanent residents are eligible regardless of their nationality. Immigrants or asylum seekers who have been granted a temporary permit (e.g., degree students, exchange students and asylum seekers with temporary permits on the basis of the Aliens Act's section 51), are not usually eligible, although there are some exceptions. KELA issues a decision on eligibility for social-security benefits when someone moves to Finland (Act on the Implementation of the Social Security Legislation 1573/1993).

The reception of refugees, asylum seekers and beneficiaries of temporary protection includes accommodation, social assistance, essential social and health-care services, interpretation services and other help to cover their basic needs. Work and study activities may also be arranged.

Immigrants who have not been able to find gainful employment are, with certain exceptions, entitled to integration assistance, which consists of financial support of those who cooperate in the drawing up of an individual integration plan and participate in the measures and services agreed upon. The aim is to ensure that the immigrant has a secure means of support for the duration of the plan (see the section on integration policy). The assistance consists of labour-market support under the Unemployment Security Act, and social assistance under the Act on Social Assistance (1292/2002). Immigrants are not entitled to general labour-market support during the three-year period, except in the form of integration assistance. Table 22 shows the amount of monthly integration assistance granted. In addition, immigrants are usually entitled to the general housing allowance if they meet the relevant requirements.

Table 22. Finnish welfare support for unemployed immigrants and asylum seekers from 1.2.2010 onwards (Amendment to the Act on the Integration of Immigrants and Reception of Asylum Seekers 65/2010)

€/month	Basic welfare support, i.e. integration assistance	Asylum-seeker support (reduced by 30 per cent)	Asylum-seeker support when food is offered (reduced by 79 per cent)
Single adult	417	292	88
Married, co-habiting	355	248	75
Child allowance, differs with number and age	263	184	55

Financial assistance for asylum seekers decreased by 30 per cent of the minimum amount of the regular integration assistance in February 2010. The cut was introduced in an attempt to discourage groundless applications. For example, a single adult asylum seeker could now be granted € 292 per month in social assistance, which is supposed to cover food, clothes, transport and other daily expenses. If he or she is entitled to have meals at the refugee reception centre the financial

assistance is reduced by 79 per cent of the general integration assistance, even if he or she does not live or eat at the centre (Table 22).

The cut in integration assistance has been criticised on the grounds of false reasoning (see e.g., Thors 2009; Turvapaikanhakijoiden…2010). Despite the relatively generous support for asylum seekers compared with some other European countries, Finland has received relatively few: 1,505 applications were received in 2007 compared with 36,207 in Sweden, with its lower financial support (Sutter 2009). The reduction in financial support may well make asylum seekers more passive by forcing them to stay at the reception centres and restricting their opportunities to integrate into society (Thors 2009; Turvapaikanhakijoiden…2010).

4.5. The effects and monitoring of the integration-policy practices

On the European level, Finnish policies and integration legislation rank well above the EU average (see Migrant integration policy index 2007). The policy goals are certainly quite ambitious, but the implementation varies greatly among the local municipalities. In many cases the funding is insufficient, which has had an impact on the quality and scope of the integration measures provided for unemployed immigrants (see Valtioneuvoston selonteko kotouttamislain…2002; Männikkö 2010). The monitoring of the outcomes of the measures has also proved to be inadequate, although some municipalities have been very proactive in developing monitoring mechanism (Männikkö 2010).

According to the questionnaire[18] sent to the municipalities by the Ministry of the Interior in 2009, the use of individual integration plans that should, by law, be drafted for unemployed immigrants varies, and some municipalities do not prepare them at all. In general, if the plans exist, they usually focus on the needs of an individual migrant, rather than the whole family (Männikkö 2010). Co-operation between different administrative sectors within the municipalities has sometimes also influenced the effectiveness of the integration measures, given the possible fragmentation of knowledge about them over different sectors. In general, the municipalities that responded to the questionnaire considered the programmes to be a relevant part of their overall decision-making. At best, they appear to increase awareness of the importance of integration, and to enhance the shared commitment to consider the needs of immigrants in the production of public services (Männikkö 2010; see also Valtioneuvoston selonteko kotouttamislain... 2002).

The Ministry of the Interior has worked to improve the monitoring of the effects of integration programmes and policy practices. In 2009 it launched a project to develop a set of indicators that could be used in the future to measure the policy impacts in the field of integration and ethnic relations (Kotouttamisen ja etnisten... 2009). Other European and Nordic experiences were closely monitored in the development of the indicators. A survey of existing immigrant services and their use was carried out in order to assess the municipalities' experiences and development needs. With regard to housing, approximately 60 per cent of the municipalities rated their housing services and their capability to respond to immigrant needs as good or very good, whereas around 20 per cent found them to be quite poorly or very poorly organised (Kotouttamisen ja etnisten... 2009: 48).

[18] The questionnaire was designed to assess the quality and scope of local integration programmes and practices in different-sized municipalities. It was sent to a sample of 30 municipalities, of which 28 responded and had written local integration programmes.

Immigrants were also surveyed regarding their own experiences of the integration procedures[19]. According to the results, many do not know enough about the meaning and purpose of the practices. However, those who had taken part had found them quite helpful, particularly for learning Finnish or Swedish, and getting to know Finland and the Finnish people. A smaller minority, 32 per cent of the respondents, had managed to get work through the integration measures (Maahanmuuttajabarometrin loppuraportti 2009: 41–44). Although immigrants' employment opportunities have increased in Finland, in general, unemployment is still considerably higher and employment rates lower among many immigrant groups than among native Finns (see Chapter 3, Table 19; Myrskylä 2010). This indicates that the current integration measures are not sufficient to promote labour-market integration among immigrants. Nevertheless, recent research has shown that the measures introduced since 1999 have had positive outcomes on the earnings and employment opportunities of immigrants who have taken advantage of them (Sarvimäki and Hämäläinen 2010). Research also shows that immigrants' employment opportunities tend to improve over time (Forsander 2002; Linnanmäki-Koskela 2010).

The Finnish government is currently discussing new amendments to the integration law that would extend the services to all immigrants – currently they are available mainly to recent arrivals who are unemployed. The outcomes of the policy of spatial dispersal have also raised political discussion. The current voluntary basis of refugee reception in the municipalities has led to problems because the number of refugees and asylum seekers who have been granted a residence permit based on subsidiary or humanitarian protection has exceeded the number of placements offered by the municipalities. This has led to homelessness and longer waiting times at the refugee reception centres, which in turn has limited the availability of integration assistance. At the beginning of 2010 there were almost 600 asylum seekers with residence permits waiting to be allocated to municipalities. Having received their residence permit, refugees are supposed to move from the centres to municipal placement organised by the state. They are free to look for accommodation themselves, but it has proved difficult to find housing in the private market without the help of the authorities. Attempts were made in 2010 to solve the problem by increasing the level of financial reimbursement to the municipalities (Männikkö 2010: 5). The aim is to encourage more municipalities to take refugees from the reception centres, but the voluntary basis of refugee reception as such has not changed.

Overall, Finland has been relatively late in developing its integration and settlement policies in comparison with the other Nordic countries. To a large extent the policies were formulated in response to a changing societal situation, and in that sense the approach has been reactive rather than proactive. The latest Government Migration Policy Programme, launched in 2006, is a clear exception in its proactive approach. In general, the experiences and examples of other Nordic and European countries, Sweden in particular, have influenced Finnish integration and settlement policies.

[19] A questionnaire was sent to 300 individuals of Russian, Chinese, Thai and Turkish origin, of which 94 responded. Snowballing techniques produced an additional 87 respondents through members of the regional advisory boards of ethnic relations.

5. Regional characteristics and migration dynamics among immigrants in Finland

Saara Yousfi & Katja Vilkama

5.1. Settlement patterns

The rapid increase in international migration flows has influenced the ethnic and linguistic structures of the population in Finland. However, there are clear regional differences in settlement patterns. The majority of immigrants and their descendants are concentrated in the main cities and along the southern and western coasts, and to the east along the Russian border (Figure 15). In terms of numbers, 51 per cent of foreign nationals live in the county of Uusimaa, nine per cent in Varsinais-Suomi and seven per cent in Pirkanmaa. In total, 67 per cent of all foreigners lived in these three counties comprising the three main urban regions in 2009, compared with only 44 per cent of Finns.

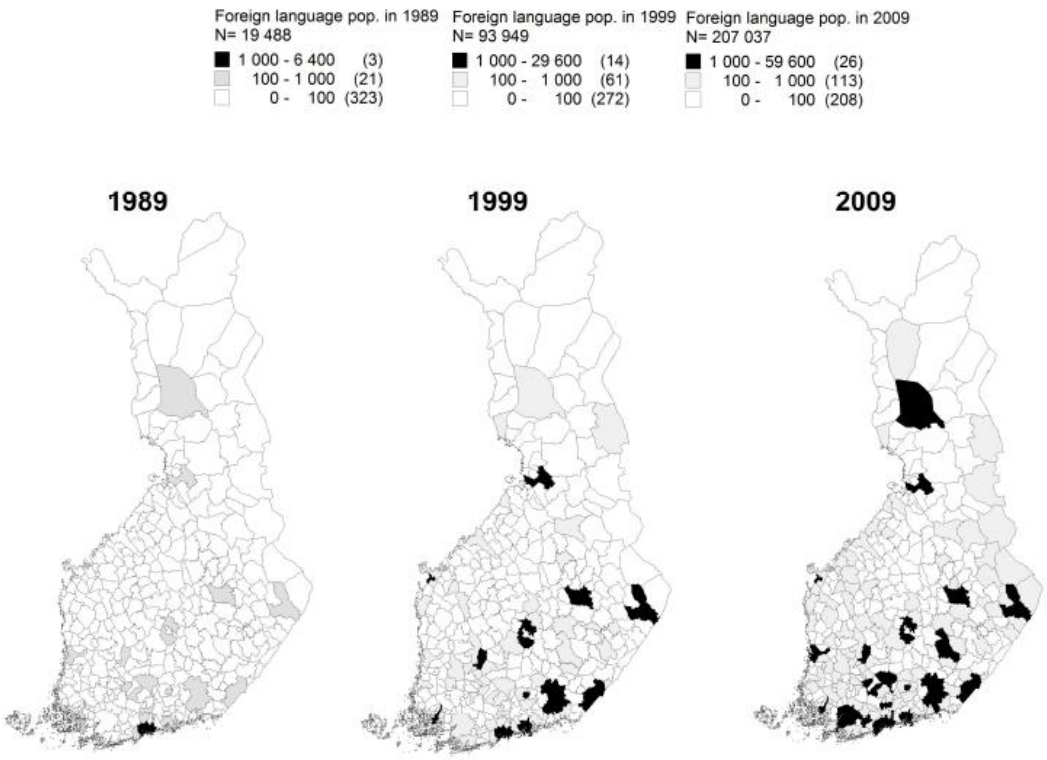


Figure 15.Settlement patterns among the foreign-language-speaking population, total volumes in 1989, 1999 and 2009 (Statistics Finland 2010).

The regional patterns of immigrant settlement have changed somewhat in the last two decades, a development that can be best described in terms of the changes in the numbers of foreign-language speakers: there has been more than a tenfold increase from 19,488 in 1989 to 207,037 in 2009. All Finnish municipalities had some non-native speakers in 2009, and 26 had more than 1,000[20]. At the same time, less than one per cent of the population in 137 municipalities were immigrants, which is

[20] In total, there were 348 municipalities in Finland in 2009, of which 108 were categorised as cities and 240 were other types of municipalities.

significantly less than ten years previously, when 277 municipalities belonged to this category, and three municipalities had no immigrants.

The regional distribution of immigrants has followed the same pattern as the general urbanisation process. The foreign population in the main regional centres, particularly university cities of innovation, is above the national average (Figure 16). Population growth has been the most rapid in Uusimaa, where natural growth, internal secondary migration and immigration have increased the population by over 15,000 people from the year before. Growth in the Tampere region, Eastern Uusimaa and Tavastia Proper is mainly due to internal migration, and in Northern Bothnia to the high birth rate. The economic recession has recently weakened the demand for labour, and the mobility of the labour force, resulting in a slump in interregional migration.

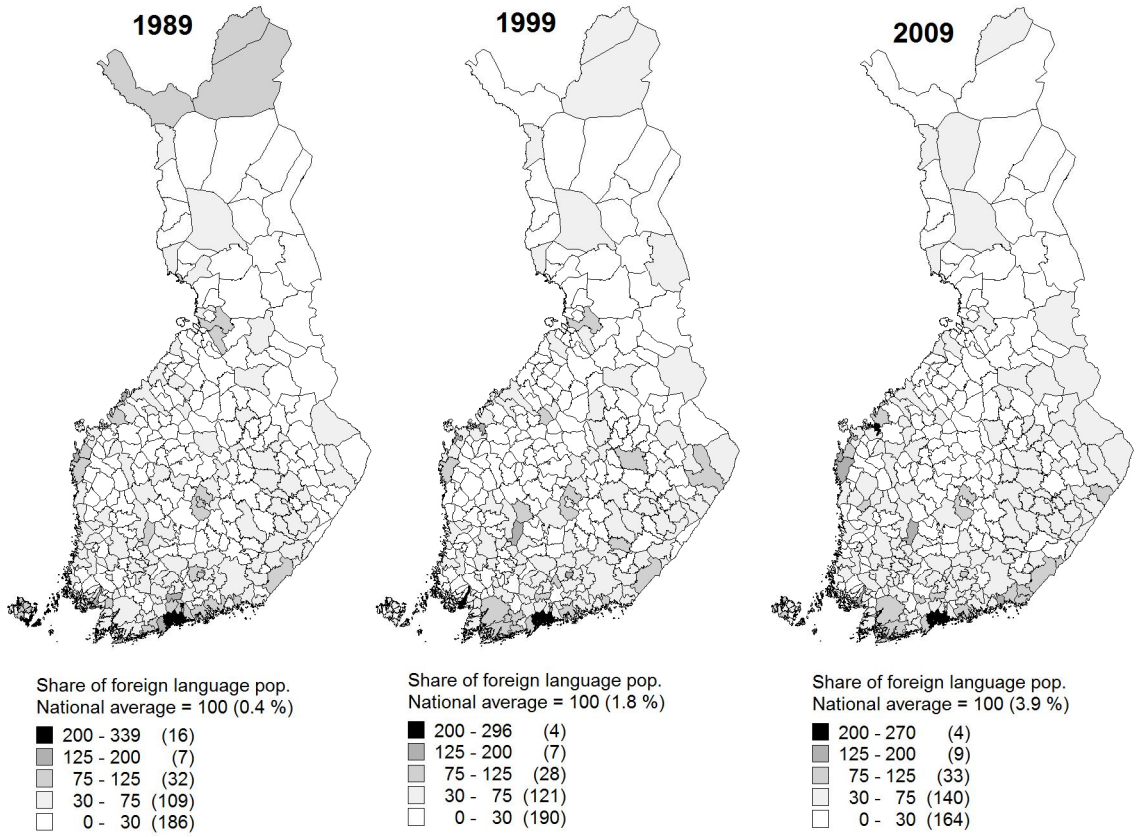


Figure 16.The distribution of speakers of languages other than Finnish, Swedish and Saami relative to the national average in 1989, 1999 and 2009 (Statistics Finland 2010).

The proportional settlement structure of the foreign-language-speaking population has developed quite evenly since 1990, even though the total number of immigrants has increased (Figure 16). Figure 17 shows the relative change in settlement patterns. However, it should be borne in mind that the relative change may give an exaggerated picture given the fact that the absolute numbers of immigrants are small.

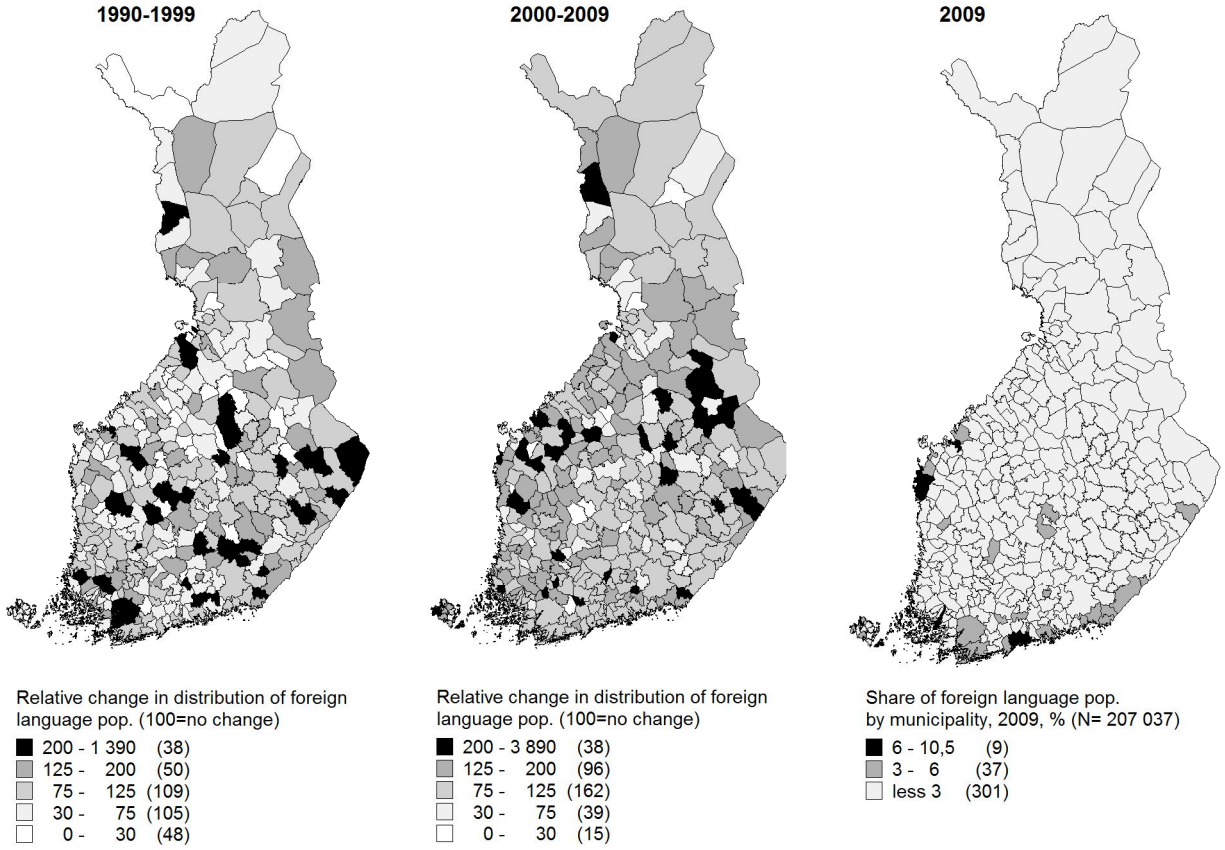


Figure 17.Changes in the relative distribution of the foreign-language-speaking population in 1990–1999 and 2000–2009 and the proportion of foreign-language speakers in 2009 (Statistics Finland 2010c).

Overall, the geographical distribution of immigrants is primarily determined by the location of the major urban areas, although the refugee-dispersal policy has also had a clear impact on the regional distribution, as Figures 15–17 show. The policy has extended the spatial distribution to the more sparsely populated regions, which might not otherwise have attracted immigrant households. There are refugee households in all regions, although the total numbers vary.

The southern counties of Uusimaa, Varsinais-Suomi and Pirkanmaa, as well as the sparsely populated northern and eastern counties of Lappi and Kainuu, were the most active providers of municipal placements for refugees in 2008 (Table 23). The biggest cities refused to offer any placements, or drastically reduced the number in 2009 compared to previous years. The main urban areas have taken in rather high numbers of immigrants through secondary migration from smaller municipalities, and this has affected their capacity to take refugees from the reception centres. Consequently, many municipalities have criticised the policy of spatial dispersal because of the effects of secondary migration. The state subsidises the costs of refugee reception for the first three years, but no longer than that, even though integration takes a much longer time (Männikkö 2010, 5). Relocation to bigger cities may also mean starting the integration process from scratch.

Table 23. Refugees received by the municipalities by region, 2008.

	Refugees by quota	Applicants for asylum, favourable decisions	Family reunifications	Total
Uusimaa	65	345	223	633
Itä-Uusimaa	16	9	11	36
Varsinais-Suomi	-	119	42	161
Satakunta	-	5	-	5
Kanta-Häme	34	4	1	39
Pirkanmaa	39	29	91	159
Päijät-Häme	17	19	4	40
Kymenlaakso	44	79	23	146
Etelä-Karjala	7	27	-	34
Etelä-Savo	65	1	1	67
Pohjois-Savo	31	5	1	37
Pohjois-Karjala	17	36	47	100
Keski-Suomi	39	9	9	57
Etelä-Pohjanmaa	-	-	1	1
Pohjanmaa	92	14	36	142
Keski-Pohjanmaa	10	-	-	10
Pohjois-Pohjanmaa	9	90	33	132
Kainuu	72	72	8	152
Lappi	127	42	26	195
Ahvenanmaa	21	3	-	24
Whole country	705	908	557	2 170

5.2. Migration within Finland

There has been more migration activity among the non-native than among the native population during the last 20 years (Table 24), although the rates have increased among both groups since the mid-1990s. The migration rate among immigrants has been 1.5 to 5.0 times higher than among native Finns since 1990 onwards, in terms of movement over municipality borders. The recession period in the early 1990s, together with the arrival of many new immigrants, gave a strong push to inter-municipality immigrant migration, whereas the native Finns had a more stable period. The migration rates of native Finns have varied in the past ten years from 4.6 to 5.2 per cent, the corresponding figures among immigrants being 7.4 and 8.1 per cent. The overall rate has remained stable in the 2000s despite the economic turbulence.

Data from Statistics Finland gives more detailed information about the internal migration of immigrants on the regional level (NUTS 3). It summarises inter-municipal migration by country groups for the periods of 1999–2003 and 2004–2008, and provides separate data on out- and in-migration flows for the county capitals and regions. County capitals refer to the major cities, 20 in total. Some of them are too small to have surrounding urban regions, however.

Table 24. Inter-municipal migration by country of birth in relation to economic changes (Statistics Finland 2010).

	Native Finns		Immigrants	
	Internal migrants (N)	Migration rate (%)	Internal migrants (N)	Migration rate (%)
1990	174 875	3.3	3405	5.2
1992	148 171	3.0	12705	14.8
1994	193 733	3.9	7143	7.1
1996	210 244	4.2	7657	6.9
1998	229 556	4.6	9562	7.6
2000	234 099	4.6	10034	7.4
2002	245 344	4.9	12125	8.0
2004	253 318	5.0	13029	7.8
2006	258 594	5.1	14944	8.0
2008	252 003	4.9	17789	8.1

There are notable differences in migration rates between the different country groups and in the direction of internal migration. In general, the migration patterns of the natives and non-natives differ significantly, with the exception of the other Nordic groups whose migration behaviour resembles that of native Finns. Among all of the immigrant population, 42 per cent of the inter-municipal migration has been between county capitals, compared with 25 per cent among native Finns. Similarly, 64 per cent of the migration within Finland has been to county capitals, as opposed to 50 per cent among the native Finns. These capitals are growth areas that receive various kinds of regional support and have specialised labour markets with more job and training opportunities that attract immigrants. However, at the same time they also lose residents, mainly to the surrounding regions. In other words, there is a process of regionalisation, which is much stronger among native Finns than among immigrants.

Half of the inter-municipal migration of Finns and other Nordic people is to the county capitals, and 30 per cent to rural municipalities, compared with about 63 per cent and 23 per cent, respectively among other Western and Eastern Europeans. The differences between Western and Eastern Europeans are small, but Western Europeans are slightly more urban-oriented. North Africans and Asians move predominantly (75 per cent of the time) towards the county capitals, and only 15 per cent to rural areas, whereas North and Latin Americans are a little more likely to move to the surrounding regions of the county capitals. The biggest difference appears among those born in Sub-Saharan Africa: 88 per cent of their moves are to the county capitals and only four per cent to the surrounding regions (Table 25).

The inter-group differences in migration are partly attributable to the initial placement of immigrants and asylum seekers. The dispersal policy and the problems with municipality placement despite having a residence permit have forced asylum seekers to move to remote locations with limited job opportunities for short periods of time. Many quota refugees have also been initially settled in smaller municipalities throughout the country. Secondary migration from rural towns to major urban areas has been common among refugee households (Kokko 2002; Ahlgren-Leinvuo 2005). The dispersal policy has thus encouraged the active migration of some immigrant

groups. The social networks, and the better study and work opportunities have attracted immigrants from smaller municipalities to urban areas, as they attract young people in general.

Table 25. Inter-municipal migration during 2004–2008 by country group, per cent (Statistics Finland 2010c).

	From	To county capitals	To county-capital regions	To other county regions
Finland, N= 1 289 231	County capitals	25	12	14
	County capital regions	10	4	4
	Other county regions	16	3	13
Other Nordic, =17 145	County capitals	25	12	15
	County capital regions	9	3	3
	Other county regions	16	3	14
Other Western European, N=5 668	County capitals	42	12	12
	County capital regions	8	2	2
	Other county regions	12	2	7
Eastern European, N=26 247	County capitals	40	9	11
	County capital regions	8	2	2
	Other county regions	16	2	10
North American, Oceanian, N=2 454	County capitals	49	12	10
	County capital regions	9	2	2
	Other county regions	11	2	4
All foreign born N=76 488	County capitals	42	9	11
	County capital regions	8	2	2
	Other county regions	14	2	9
North African, West Asian, N=8 880	County capitals	54	8	8
	County capital regions	8	1	1
	Other county regions	15	1	5
Other African, N=5 293	County capitals	70	3	6
	County capital regions	9	0	1
	Other county regions	9	1	1
Other Asian, N=8 302	County capitals	56	8	9
	County capital regions	7	2	2
	Other county regions	10	1	5
Latin American, N=1 416	County capitals	50	10	10
	County capital regions	9	2	2
	Other county regions	13	2	4

In conclusion, the main destinations for internal migrants are the metropolitan area including the Helsinki region and the rest of Uusimaa, followed by Turku, Tampere and Oulu and the surrounding regions. Nordic immigrants are concentrated in the main cities, and also in Swedish-speaking regions such as the Åland Islands and along the western coast. Eastern Europeans are the most widely dispersed groups, but even then, 65 per cent of them are concentrated in ten cities. The

most highly concentrated are the Somalis, 74 per cent of them living in the metropolitan area. Russians are concentrated in the biggest cities and in small municipalities close to the Eastern border, whereas Estonians favour more southern locations. Marriage with Finnish spouses has a strong influence on the regional location of immigrant groups, thereby functioning as a distributive factor (Figure 18).

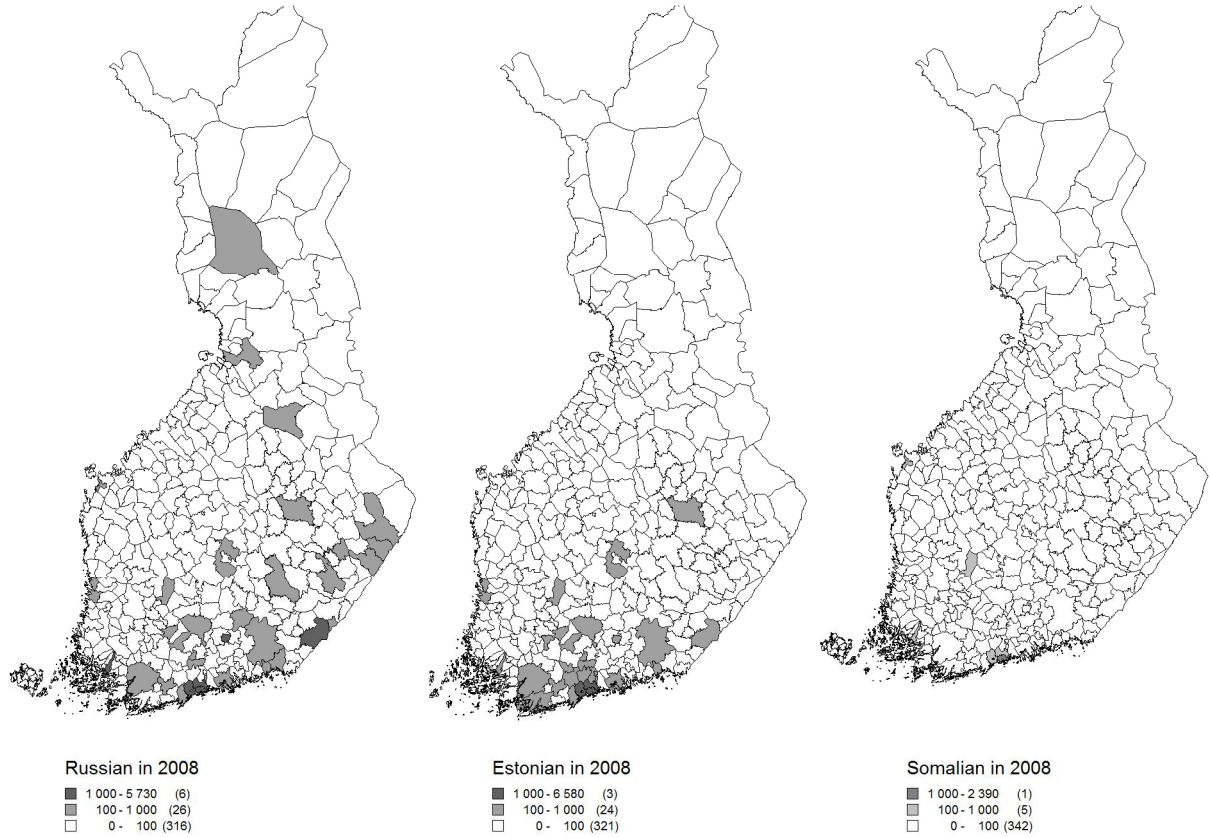


Figure 18.The settlement pattern of Russians, Estonians and Somalis in 2008 (Statistics Finland).

5.3. Ethnic residential segregation in the Helsinki metropolitan area: a case study

5.3.1. Changing dynamics

The Helsinki region is the biggest urban area in Finland, housing a quarter (1.3 million) of Finland's total population of 5.3 million, and slightly less than half of all foreign nationals. The region comprises 14 municipalities, of which the three core cities of Helsinki, Espoo and Vantaa, together with Kauniainen, make up the metropolitan area. The remaining ten municipalities are smaller in terms of population, forming a kind of semi-circle around the capital, to which they are closely linked through common labour and housing markets.

The Helsinki metropolitan area has grown significantly during the last two decades both by economic standards and in population (see e.g., Laakso and Kostiainen 2007; Vaattovaara et al. 2010). New jobs and migration are concentrated in the largest city regions, and Helsinki in particular has grown into one of Europe's leading centres of information and communication technology (see e.g., Vaattovaara 2009). At the same time, house prices have increased

significantly, as in many other European cities that have thrived economically (Musterd et al. 2009). This has resulted in new forms of spatial differentiation as socio-economic and spatial divides have begun to open up (Vaattovaara and Kortteinen 2003; Kauppinen et al. 2010). The new economic growth emphasises the role of high-level education as a labour-market resource, which along with increasing income differences has accentuated socioeconomic differentiation within certain population categories (Vaattovaara and Kortteinen 2003).

Changes in the socioeconomic structures have coincided with a high increase in the inflow of international migrants both from abroad and from other Finnish municipalities (see the previous section). As a result, the metropolitan area is becoming increasingly diverse and multi-ethnic, which directly affects the patterns and processes of ethnic and socioeconomic segregation.

The three cities in the metropolitan area – Helsinki, Espoo and Vantaa – aim to prevent socioeconomic residential segregation by means of social and tenure mixing, housing and social policies, and urban planning. Social mixing is emphasised most notably in Helsinki, which has had such policies since the 1970s. The policies followed international examples, but were also influenced by the national ethos of egalitarian welfare politics. A socially and spatially balanced city structure has been perceived as a basis for a just and equal society (Mäenpää et al. 2000: 27–29, 176; Vaattovaara and Lönnqvist 2003). The aim to prevent ethnic segregation was incorporated into the existing mixing policies in all three cities during the 1990s, when it became evident that the proportion of immigrants was rising steeply in the metropolitan area. The aim has been restated strongly in local politics in recent years as the residential concentrations of immigrants have kept increasing despite attempts at dispersion. In general, the fear seems to be that the increasing spatial concentration of immigrants will result in further segregation between the well-off and the poor, trigger racism and social problems and increase marginalisation, thereby hindering immigrants' integration into Finnish society (see e.g., Dhalmann and Vilkama 2009; Helsingin asunto-ohjelma… 1998: 90–92; Helsingin asunto-ohjelma… 2000: 62).

In 2010, 8.1 per cent of residents in the Helsinki region spoke a language other than Finnish or Swedish[21] as their mother tongue (Table 26). In comparison to other Nordic capital regions, the proportion of immigrants is still low, although the increase in numbers and proportions has been rapid in the last two decades. The proportion of native speakers of foreign languages has increased from less than one per cent in 1985 to the current 8.1 per cent, which is among the fastest in Europe in relative terms (Saukkonen 2007: 13). The vast majority of immigrants and their descendants live in the cities of Helsinki, Espoo and Vantaa, and the number of immigrant households in the other municipalities in the region remains very low (see Table 26). For instance, the proportion of foreign-language-speaking residents in Helsinki reached more than ten per cent in 2010, whereas in most of the surrounding municipalities it remains close to, or below, three per cent.

[21] Swedish speakers comprise an old cultural and linguistic minority in Finland. Their share of the population in the Helsinki metropolitan area has diminished substantially in recent decades (see e.g., Kepsu & Westerholm 2005). In Helsinki and Vantaa, the proportion of foreign-language-speaking residents has exceeded the proportion of native speakers of Swedish.

Table 26. The proportion of foreign-language-speakers in the Helsinki metropolitan area 1.1.2010 (Statistics Finland).

City / Helsinki region	Population 1.1.2010				
City / Helsinki region	Total	Foreign-language-speakers		Foreign nationals *	
	N	N	%	N	%
Helsinki	583 350	59 573	10.2	41 735	7.2
Espoo	244 330	21 240	8.7	13 926	5.8
Vantaa	197 636	17 969	9.1	10 845	5.6
Kauniainen	8 617	326	3.8	265	3.1
Helsinki Metropolitan Area in total**	1 033 933	99 108	9.6	63 690	6.2
Other Helsinki Region***	301 433	8 502	2.8	5 780	1.9
Helsinki Region in total	1 335 366	107 610	8.1	69 470	5.3
Finland	5 351 427	207 037	3.9	155 705	2.9

* Statistics on foreign nationals are from 1.1.2009, except for Helsinki and Finland 1.1.2010

** Helsinki Metropolitan Area includes the cities of Helsinki, Espoo, Vantaa and Kauniainen

*** Helsinki Region includes the metropolitan area region and 10 surrounding municipalities

The focus in the following sections of this chapter is on the current patterns and processes of ethnic residential segregation in the Helsinki metropolitan area. The increasing ethnic diversity is not yet a significant element in the population growth in the wider Helsinki region outside the core cities of Helsinki, Espoo and Vantaa. However, the surrounding municipalities are linked to the production of ethnic residential segregation in the metropolitan area through the process of residential mobility. The out-migration of Finnish families to areas of detached housing in the surrounding municipalities has a significant effect on the ethnic segregation patterns in the metropolitan area.

5.3.2. The composition of the foreign-language-speaking population in the Helsinki metropolitan area

The ethnic and cultural composition of the foreign-language-speaking population is rather diverse. In 2009, 42 per cent of the foreign-language-speaking residents were of East European origin (native speakers of Baltic languages, Russian and other East European languages), 16 per cent had a West European, American or other Anglo-Saxon background,[22] and the remaining 42 per cent had a non-Western background (Table 27). Russians, Estonians and Somalis comprised the biggest single groups of native speakers of foreign languages, followed by speakers of English, Arabic, Chinese and Kurdish.

The immigrant categories in the metropolitan area reflect the immigrant population in Finland as a whole (see Chapter 3). However, there are some regional differences in patterns of residential location among the migrant groups. Africans are by far the most concentrated group, more than 70 per cent of them living in Helsinki, Espoo or Vantaa (Table 27; see also subsection 5.2). Native speakers of West European and Asian languages are also rather concentrated, with more than half of them living in the metropolitan area. East Europeans and Russians, on the other hand, are the most widely dispersed, and Russians in particular are over-represented in the border area of Eastern Finland (see see also Raento and Husso 2002; Heikkilä and Pikkarainen 2007).

[22] This refers to all native speakers of West European languages including French-, Spanish- and English-speaking groups with non-European origins.

Table 27 shows the rapid growth in the different categories of foreign-language-speaking populations in the metropolitan area, which in all categories significantly outnumbered the increase in the numbers of Finnish and Swedish speakers in the 2000s. The highest growth was among native speakers of Asian and North African languages, with a total increase of more than 130 per cent in 2000–2009. This rapid growth trend is mostly attributable to the high inflow of new immigrants directly from abroad.[23] Secondary migration from other Finnish municipalities is also quite significant among some groups (see chapter 5.2. and Figure 19). Natural population growth is another factor contributing to the rapid increase in immigrant populations in the Helsinki metropolitan area. Most of the groups are young in terms of age structure, and the fertility rates among some of the women are much higher than among the native population (Martikainen 2007).

Table 27. The composition of the population on 1.1.2009, and population growth in 2000–2009, in the Helsinki metropolitan area by native language and continent (Statistics Finland).

	Population 1.1.2009		% of speakers of foreign languages	% of all residents in Finland	Population growth 1.1.2000-1.1.2009	
Native speakers of...	N	%	%	%	N	%
Finnish or Swedish	922 578	91.0		18	29 757	3
Baltic languages	11 248	1.1	12	48	6 249	125
Russian*	20 520	2.0	23	40	9 642	89
West European languages	14 790	1.5	16	51	6 342	75
East European languages	6 688	0.7	7	40	3 733	126
N. African & M. Eastern languages	10 762	1.1	12	44	6 179	135
Sub-Saharan African languages	11 529	1.1	13	77	5 760	100
Asian languages	14 236	1.4	16	54	8 229	137
Other languages	1 243	0.1	1	33	527	74
Foreign-language-speaking in total	*91 016*	*9.0*	*100*	*48*	*46 661*	*105*
Population in total	1 013 594	100		19	76 418	8

* includes also other groups from the former Soviet Union except the Baltics

International and internal migration and a high natural growth rate among some categories have changed the composition of immigrant populations in the metropolitan area since the 1990s, and the number of migrants born outside Europe in particular has increased notably in relation to other groups. The number of immigrants of European origin, including Russians, has also continued to increase, whereas the number of Nordic migrants remains fairly low (Figure 20).

[23] Finland took an active approach to immigration during the 2000s, and labour migration in particular has increased noticeably during the past five years (see Chapter 3).

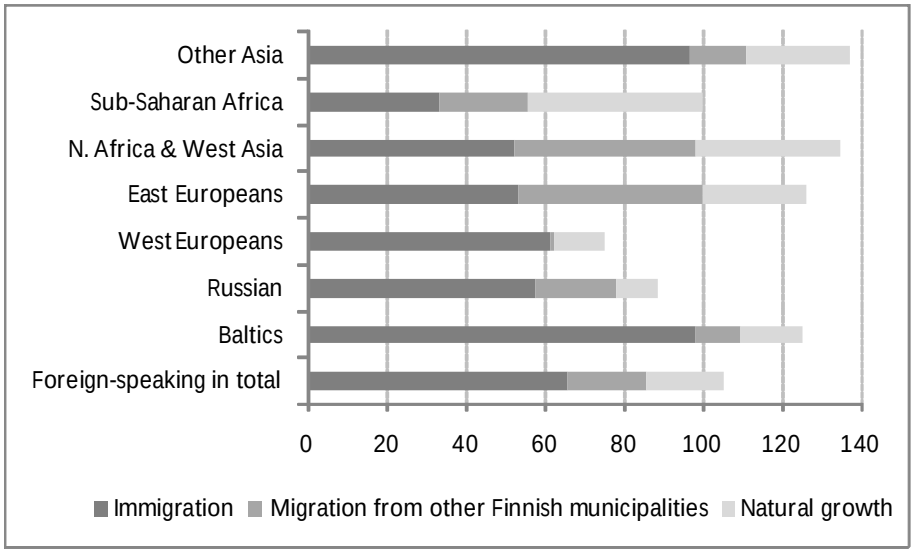


Figure 19.Population growth (per cent) of foreign-language-speaking populations in the metropolitan area by native language and continent, 2000–2009 (Statistics Finland).

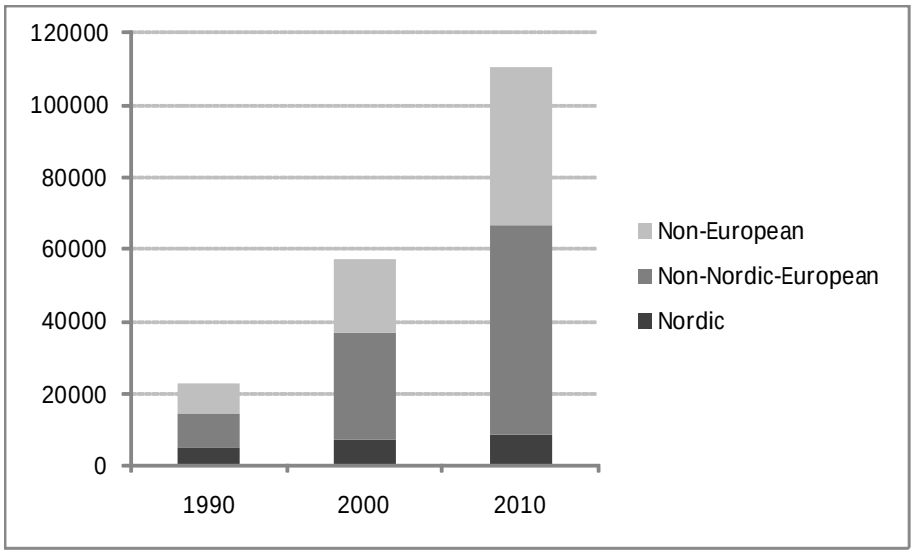


Figure 20.The composition of the immigrant population in Uusimaa 1990–2010[24] (Statistics Finland).

5.3.3. Residential patterns among the foreign-language speakers

Figure 21 illustrates the residential patterns of foreign-language-speaking households in the metropolitan area. They are generally overrepresented in the residential suburbs with rail and metro connections. The highest concentrations are in eastern Helsinki, eastern Vantaa and central Espoo. On the neighbourhood level[25], the highest concentrations peaked at 26.6 per cent in 2010, although there are smaller areas and residential blocks with much higher levels. In this respect, the residential concentration of immigrants in the Helsinki metropolitan area could still be described as a fine-scale

[24] Uusimaa county comprises the Helsinki region (excluding the municipality of Sipoo) and five neighbouring municipalities. Almost all of the immigrant population resides in the metropolitan area, however. Data registered on 31.12.1990, 31.12.1999, and 31.12.2009.

[25] The mean neighbourhood population size in the metropolitan area, excluding unpopulated areas, is 3,900 persons.

mosaic of multi-ethnic pockets, in contrast to the full-scale immigrant-dense neighbourhoods that are common in Swedish urban areas and, to a lesser extent, in Denmark and Norway.

The spatial patterns are nevertheless very visible and stable. Once established, immigrant concentrations have continued to grow in size because of natural growth and selective migration among both native and immigrant households. There has been a consistent increase in the proportions of non-native residents in all of the current concentration neighbourhoods since the mid-1990s, of over ten per centage points in most areas. At the same time, coastal and northern areas in particular remain almost completely untouched by ethnic diversity.

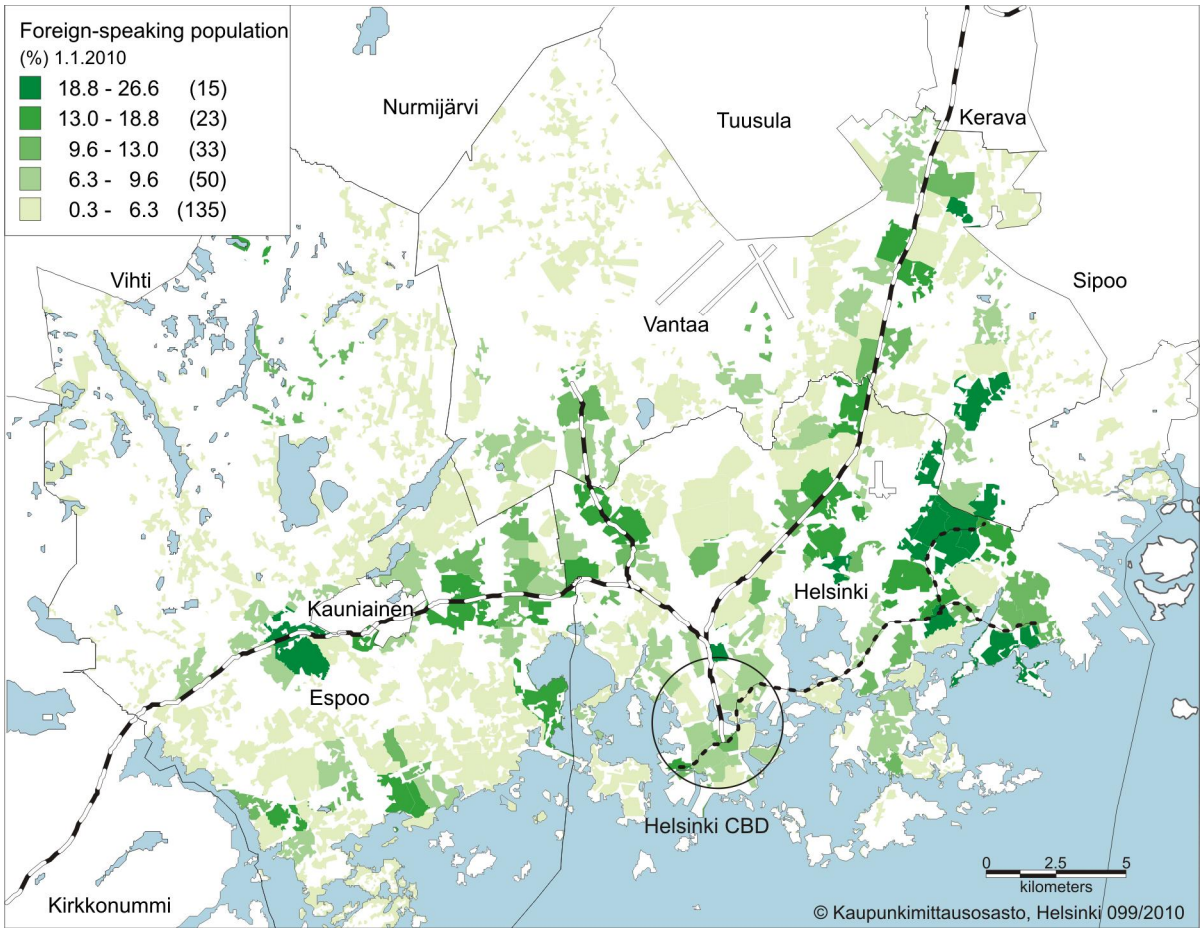


Figure 21.Proportions of foreign-language-speaking residents in the Helsinki metropolitan area, 1.1.2010 (Helsinki Region Statistics 2010).

Tables 28 and 29 show the differences in tenure structure in the metropolitan area in relation to the different proportions of foreign-language-speaking residents in neighbourhood subareas. There is a clear pattern of tenure segmentation: the proportion of immigrant residents increases in direct relation to the proportion of social housing. In areas with the highest immigrant concentrations (25 per cent or over, Table 28), social housing accounts for more than 60 per cent of the housing stock, on average, and when right-of-occupancy dwellings are included the proportion of state-subsidised housing exceeds 70 per cent. Conversely, the proportion of owner-occupied housing is low (18 per cent). On the other hand, owner occupation is the dominant form of tenure in areas with the lowest levels of immigrants. This category includes practically all areas of detached housing in the metropolitan area.

There is also an interesting differentiation in the age structure of the housing stock in the areas with different proportions of immigrant residents (Table 29). Immigrant-dense neighbourhoods in other Nordic countries tend to be situated in residential areas that were built during the construction boom years of the 1960s and 1970s. The highest proportions of foreign-language-speaking residents in the metropolitan area of Helsinki, however, are to be found in the suburbs that were developed in the late 1980s and 1990s – at the time when immigration to Finland began to increase (see also Kauppinen 2002). These new housing areas had an abundance of vacant rental dwellings that could be used to house new immigrant families. Due to the severe recession at the time, there was a downturn in private construction, thus the new areas were largely state-subsidised and had unusually high proportions of social housing.

Table 28. Tenure composition in the Helsinki metropolitan area according to the proportion of foreign-language-speaking residents, 31.12.2008 (Statistics Finland).

Percentage of native speakers of foreign languages in n'hood	Tenure type 31.12.2008 *							
	Owns the house	Owns the apartment	Private rental	Social housing	Right of occupancy	Other	Total	Dwellings (N)
0-5%	18	47	16	8	2	9	100	134 106
5-10%	5	44	23	16	2	9	100	233 183
10-15%	2	36	14	37	5	5	100	89 653
15-20%	1	38	14	40	3	4	100	39 907
20-25%	1	34	10	49	3	3	100	23 007
over 25%	1	17	7	64	9	2	100	8 946
Total	7	42	19	22	3	8	100	528 962

* Data on Kauniainen is not included

The neighbourhoods built in the 1960s and 1970s also typically have high proportions of immigrant families. The majority of the housing stock in areas with 20–25 per cent of foreign-language-speaking residents consists of high-rise or low-rise multifamily housing built during this period. On the other hand, very little of the housing in neighbourhoods with lower-than-average immigrant populations was built in the 1960s and 1970s, and more than a third of it dates back to before World War II. The affluent residential areas in the city centre belong to this category.

Table 29. Dwellings by year of completion in the metropolitan area, according to the proportions of foreign-language-speaking residents, 31.12.2008 (Statistics Finland; SeutuCD 2009)

Percentage of native speakers of foreign languages in n'hood	Dwellings by year of completion 31.12.2008 *							
	before 1940	1940-1959	1960-1979	1980-1999	2000-2008	Unknown	Total	Dwellings (N)
0-5%	13	18	28	27	13	1	100	135 604
5-10%	20	12	32	24	11	0	100	233 773
10-15%	2	8	31	42	18	0	100	90 137
15-20%	0	1	58	31	10	0	100	39 787
20-25%	0	1	62	31	6	0	100	23 358
over 25%	0	1	23	71	5	0	100	8 954
Total	13	12	34	29	12	0	100	532 117

* Data on Kauniainen is not included. Data source for Helsinki: Seutu CD 2009

With regard to socio-economic indicators, areas with high proportions of immigrant residents tend to fall below the average level of the metropolitan area. Most of the high-concentration areas have

low proportions of highly educated residents (Figure 22), and higher-than-average unemployment (Kortteinen and Vaattovaara 1999; Kauppinen et al. 2010). Income levels are also somewhat lower in areas with higher-than-average proportions of immigrant residents. Table 30 shows the employment-income distribution of residents according to the proportions of foreign-language-speakers, based on the national income deciles of residents in Finland. A higher proportion of residents in the high-concentration neighbourhoods falls into the first and second income deciles than in areas with lower proportions of immigrants. However, the difference is most pronounced among the highest income groups. Only between five and seven per cent of residents in areas with an immigrant population of more than 15 per cent earned enough to belong to the highest income decile in 2008, as opposed to 24 per cent in the areas with the lowest level of immigrants. In total, 17 per cent of the population in the metropolitan area belonged to the highest income category in 2008.

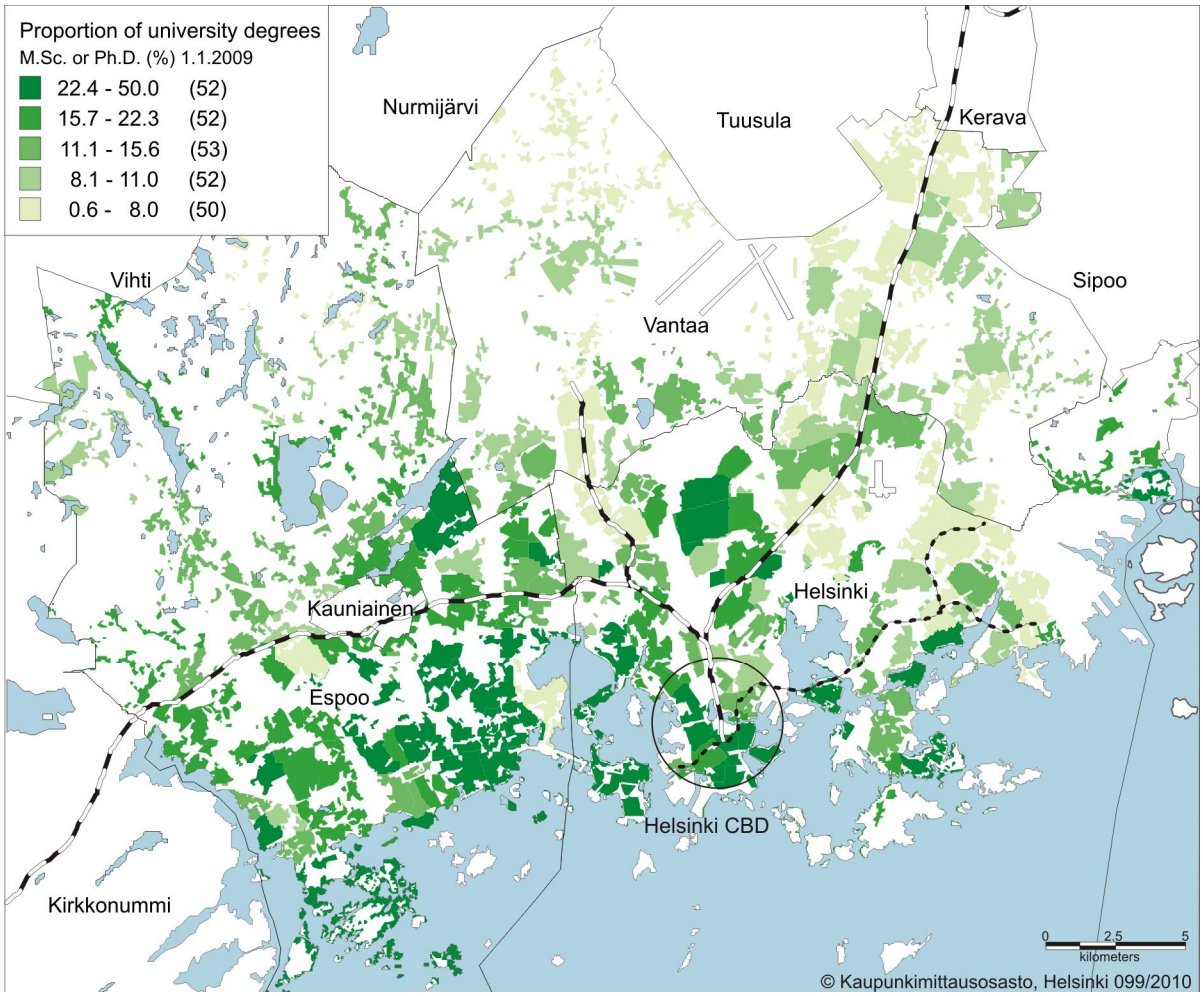


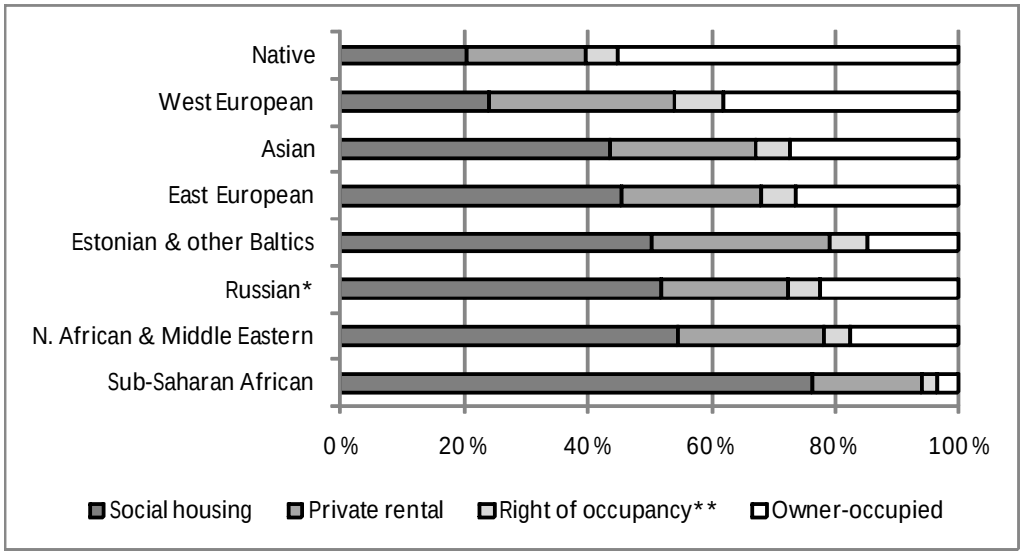
Figure 22. The proportion of over 15–year-olds with a higher university degree (M.Sc. or PhD.) in the Helsinki metropolitan area, 1.1.2009 (Helsinki Region Statistics 2010)

Table 30. Employment-income composition in the Helsinki metropolitan area according to the proportions of foreign-language-speaking residents, 31.12.2008 (Statistics Finland): the income deciles are based on the national levels of residents in Finland.

Percentage of native speakers of foreign languages in n'hood	Work income deciles									
	1 & 2	3	4	5	6	7	8	9	10	Total
0-5%	16	8	7	6	7	8	10	13	24	100
5-10%	16	10	9	8	9	9	11	12	16	100
10-15%	16	11	10	9	10	10	11	11	12	100
15-20%	19	13	11	11	10	10	10	9	7	100
20-25%	19	12	11	11	11	10	10	9	7	100
over 25%	22	13	12	12	10	10	9	7	5	100
Total	17	10	9	8	8	9	10	12	17	100

5.3.4. Ethnic hierarchies in the housing market

The housing-market positions of different immigrant groups vary greatly in the metropolitan area, as in the whole country. Rental accommodation is the most common housing type among all immigrant households, although dependency on social housing differs greatly among the different categories. The level of social housing in certain categories, Sub-Saharan Africans in particular, is very high (76 per cent, Figure 23). In contrast, it is much lower among those with a West-European background, who closely resemble Finnish- and Swedish-speaking residents in terms of their distribution among different tenure types. Dependency on social housing varies between 44–55 per cent in other immigrant categories, North African and Middle Eastern households taking the second highest position. Owner occupancy is rather rare among immigrant households in the metropolitan area, in comparison with the Finnish- and Swedish-speaking population.



* Russian and other languages of the former Soviet Union (excluding the Baltic languages)
** including other or unknown tenure types.

Figure 23.The distribution of households by housing tenure and native language in the Helsinki metropolitan area, 31.12.2008 (Statistics Finland).

The segmentation of housing tenure has direct spatial effects on segregation patterns. The more well-off groups, particularly highly skilled migrants and those coming from Western countries, mostly live outside of the concentration areas shown in Figure 21 and tend to settle in the better-off neighbourhoods around the centre of Helsinki, and in the western parts of Helsinki city and Espoo (Kauppinen 2000; Kepsu et al. 2009: 106–107). On the other hand, refugees and other low-income

migrant groups, who are highly dependent on social housing, tend to be more concentrated and to live in neighbourhoods with higher proportions of immigrant households. This differentiation is visible in Figure 24, which shows the proportions of immigrant groups living in areas in which more than 20 per cent of the residents are non-native. None of the categories is highly concentrated exclusively in these areas. Only 17 of the 426 sub-areas has more than a 20-per-cent share of immigrant residents.

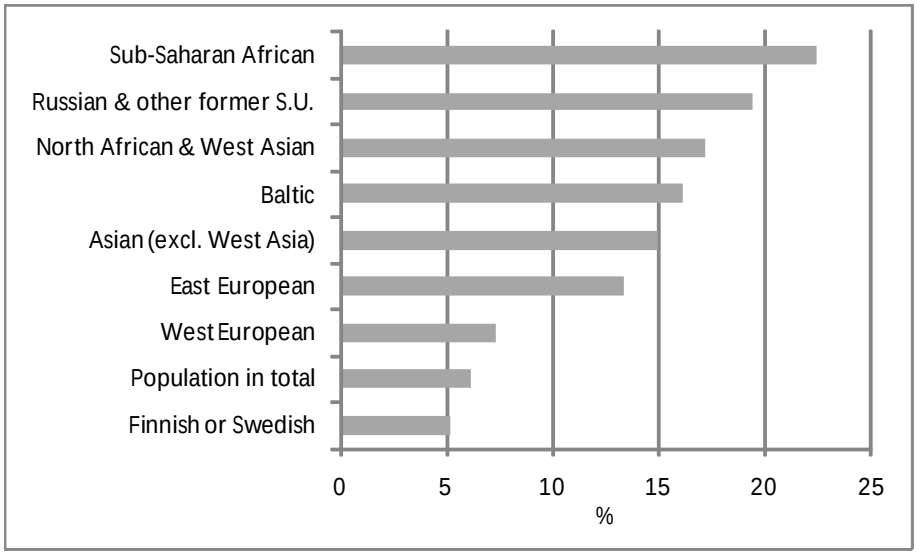


Figure 24.The proportions of immigrant groups living in areas in which more than 20 per cent of the residents are foreign-language-speaking, 1.1.2009 (Statistics Finland).

The differences in tenure dependency are also clearly visible in the segregation indexes, measured here as a dissimilarity index between the native and immigrant residents (Table 31). Dissimilarity indexes are measured on the sub-area level with an average population size of 2,400 inhabitants, excluding unpopulated areas. Sub-Saharan categories, which are the most dependent on social housing, are the most highly segregated from native Finnish residents: 51 per cent of them (or of the native Finns) would have to relocate for the spatial dispersal of the two categories to be identical. Other groups are less highly segregated, the lowest levels being among native speakers of West European languages.

In general, the segregation patterns remained stable throughout the 2000s. The biggest per centage increase in dissimilarity (13%) was between the native Finns and immigrants from North Africa and the Middle East. Nevertheless, the index remains at a very modest level, well below the segregation rate between speakers of Sub Saharan African languages and native Finns.

There was a decrease in segregation in the 2000s between native Finns and speakers of the Baltic languages and, to a lesser extent, of Russian as well as West European languages. By international standards, all the indexes show very modest levels of segregation between the native population and the different immigrant groups.

Table 31. Index of dissimilarity between native Finnish and foreign-language-speaking residents in the Helsinki metropolitan area, 1.1.2000 and 1.1.2009 (Statistics Finland) .

Index of dissimilarity				
Finnish- or Swedish-speaking population vs. speakers of…	2000	2009	Absolute change	Relative change %
All foreign languages	0.27	0.27	0.01	2.8
Baltic languages	0.37	0.31	-0.06	-16.3
Russian*	0.35	0.32	-0.02	-6.9
West-European languages	0.22	0.21	-0.01	-4.5
East-European languages	0.35	0.36	0.01	3.8
North-African & the Middle Eastern languages	0.32	0.36	0.04	13.2
Sub-Saharan languages	0.52	0.51	0.00	-0.3
Other Asian languages	0.32	0.32	0.00	-1.2
Other or unknown languages	0.44	0.43	-0.02	-3.7

* & including other languages from the former Sovier Union, except the Baltic languages

As the above tables and figures illustrate, there are signs of an ethnic hierarchy in the housing-market position of the different immigrant categories. Some groups have a free choice of residential location and tenure type, whereas others are more constrained. However, preliminary longitudinal studies on the housing careers of immigrants in Finland show that, in time and in all immigrant categories, there is a tendency to move to owner-occupied housing as careers advance and the levels of disposable income increase (Linnanmäki-Koskela and Niska 2010). At the same time, the ethnic hierarchy may level out, which might influence the spatial patterns and processes of residential segregation in the near future. However, thus far, there are no detailed longitudinal studies on immigrants' housing careers and their impact on segregation patterns in Finland.

In conclusion, the current levels of ethnic residential segregation are still rather modest in the Helsinki metropolitan area. The emerging spatial patterns are rather persistent, however. It is likely, given the current processes of migration and segregation, that the level of residential concentration among immigrants will increase in the near future. According to population estimates, the proportion of foreign-language-speaking residents will reach almost 20 per cent in Helsinki by the year 2030, and more than 15 per cent in the Helsinki region (Vieraskielisen väestön… 2010). This will have direct effects on the patterns and processes of ethnic and socio-spatial segregation within the metropolitan neighbourhoods in the coming years. However, the reasons behind the segregation patterns and processes are complex and dynamic, and it remains to be seen how they will influence this spatial differentiation in the near future. These outcomes and processes will be studied in more detail in further sub-projects within the NODES research project.

6. Conclusions

Finland has experienced rapid changes in recent decades, which were triggered by extensive societal changes. The first change, as described in this report, was related to the late but rapid industrialisation, together with the relatively rapid increase in wealth. The accompanying process of urbanisation and the notable rise in housing standards provided a good basis on which to reinforce the structures of the welfare state. Unlike in many European countries, the bulk of the population lived in the countryside until the 1950s. Moreover, whereas many European cities were established in terms of form and structure at the turn of the 1900s, the capital of Finland, Helsinki was still a tiny city at that time. The population of the whole region was only 138,000, and 82,000 of the residents were located within the city of Helsinki – the heart of the present-day city region. Thus the emergence of Finland as a welfare state was late but rapid.

The second major societal change derives from the changing economic structure. Finland, particularly the Helsinki region, has become one of Europe's leading centres of growth in information and communication technologies (ICT) in recent decades. A massive structural change has taken place in the economy of the country. The downside of this development is the shift in labour demand, resulting in unemployment – a phenomenon that was almost non-existent for decades.

We have shown in this report how the proportion of non-native residents in Finland is not only notably lower but has also increased decades later than in the other Nordic countries. The late industrialiasation together with the late urbanisation would seem to be obvious explanations for this development. However, the relatively strict migration policy after World War II also had an influence.

The number of non-native residents has grown significantly during the last couple of decades. This change, again, could be related to developments in the labour market as well as to changes in the migration policy. Immigration to Finland has been mainly other than work-related. The main immigration flows have come from neighbouring countries: Russia, Estonia and Sweden. These groups have often settled where there are good connections from their country of origin, which is reflected in the spatial distribution of the immigrant population within the country. Immigrants are regionally concentrated in the major urban areas, along the southern and western coasts, and in the east near the Russian border.

The immigration flow gathered pace during the worst years of the recession, and continued side in conjuction with the massive economic shift. This has influenced immigrants' labour-market integration: their overall unemployment rate is high and they are more often employed in temporary or low-wage jobs. However, there are significant differences in socio-economic position between the groups: almost 60 per cent of immigrants from northern Africa and western Asia belong to the three lowest income deciles, whereas Western Europeans have a higher income level than the population in general. Finland has a net migration surplus among eastern European and the less affluent Asian and African groups. Immigration among the more affluent Westerners is usually temporary in nature.

The clear ethnic hierarchy in the Finnish labour market affects the housing-market position of the different ethnic groups. In addition, the reasons for migration influence the housing position of immigrants at the time of their arrival. Refugee households are assumed to need assistance in finding accommodation, and are directed towards municipal social housing. The same applied to the other large immigrant group, Ingrian Finns, prior to 2003. In total, 43 per cent of households

comprising foreign nationals live in social rental housing (46 per cent of the foreign-language-speaking households), which is significantly higher than the 13 per cent among the native population. Dependency on social housing is more common in the Helsinki metropolitan area, with 48 per cent of immigrant households living in social rental accommodation. Immigrants from Western Europe, other Nordic countries and the Americas are more likely to live in private rental accommodation or as owner occupiers.

Dependency on social housing has two significant outcomes with regard to immigrants' housing conditions and their spatial location. Firstly, those who cannot afford owner occupancy are usually better off living in municipal social housing than renting privately. Social-housing apartments are usually in good condition and the rent level is generally lower than in the private market. Private rental levels have increased in the major urban areas in particular following deregulation in 1995. Secondly, the uneven dispersal of social-housing estates across urban neighbourhoods affects the residential patterns of immigrant households. The highest concentrations of immigrants are in neighbourhoods with high proportions of social housing. Consequently, immigrant groups that are most dependent on social housing are the most spatially segregated from the native population.

On the Nordic level, ethnic residential segregation is so far rather modest in Finland, which is mostly attributable to the relatively small number of immigrants. In addition, housing and integration policies aimed at preventing segregation have influenced immigrant residential patterns both nationally and locally.

On the national level, the regional distribution of immigrants is influenced by the refugee-dispersal policy. There are even immigrant households in some of the smaller, sparsely populated municipalities where the native population is declining. However, not all municipalities have volunteered to take in refugees, and the number of offered placements is often small. Secondary migration to bigger cities has become common, and is challenging in terms of providing housing and integration support for the relocating families.

On the local level the municipalities have been advised to prevent ethnic residential segregation. How this is implemented in practice varies, as the municipalities are autonomous in terms of deciding on their local policies. The Helsinki metropolitan area promotes social and ethnic mixing in the form of housing allocation and zoning practices that diversify the tenure stock in neighbourhoods. As a result, the residential concentrations of immigrants form a mosaic-like pattern that differs from the full-scale neigbourhood-level concentrations in other Nordic countries. The highest concentrations of immigrant households are in certain housing estates and apartment blocks. Despite the relatively low segregation levels however, residential concentration continues to expand in the Helsinki metropolitan area.

Increasing concentrations of immigrants in social housing reflect wider changes in the housing market. Housing policy has traditionally been an integral part of the Finnish welfare system, and the state has had an important role in supporting housing production and consumption. The ethos and strategy have emphasised universalism: state subsidies have been used to raise the housing level of the entire population. The social setting has now changed. Since the 1990s, state-subsidised housing production has been directed more towards groups with special needs, such as the elderly and the disabled. At the same time, some parts of social rental housing are becoming marginalised. Moreover, social differences between urban neighbourhoods and their relative positions in the local housing market have arisen. Some municipalities and neighbourhoods are able to attract affluent households, whereas the high-rise residential estates of the 1960s and 1970s in particular have become less desirable.

Growing social differentiation, the aging of the population and increasing ethnic diversity – as described in this report – challenge the social-welfare and housing policies in Finland. Previously well-functioning practices are under debate and subject to revision. Any cuts in social-welfare expenditure and changes in the social-housing sector will have direct impacts on the social wellbeing and housing conditions of the less affluent. Immigrants are in a particularly vulnerable position in this respect because of their relatively large numbers among the lowest income groups. Societal changes, together with possible changes in the policy framework, may therefore affect patterns of social and ethnic residential segregation in the future.

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