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THE PERFORMANCE OF THE FINNISH LABOUR MARKETS IN THE 1990´S

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1. Introduction

Basic features of Finland's regional development after the Second World War have been urbanization and regional concentration. Both the production activity and the population have increasingly concentrated to the growing central regions, especially in southern Finland. The change has not happened uniformly but has experienced drastic cycles. Regional mobility was at its peak in Finland in the turn of the 1960s and 1970s. Professional mobility was still relatively brisk during the second half of the 1980s. From there onwards the change was significantly slower until the beginning of the 1990s, but during the second half of the decade concentration accelerated again.

After the depression at the beginning of the 1990s the growth of both population and the amount of jobs have concentrated to a few of the largest metropolitan districts, especially the capital district. On the other hand, concentration to the district centres and regional centres has occurred throughout the country. Regional concentration and urbanization are closely connected with economic growth and change of the economical structures. During the periods of rapid economic growth the urban living conditions act as the apex of growth enhancing the concentration of production, jobs and population to the big metropolitan areas. A new characteristic of the last few years in regional population development is that many of the smaller towns have become net migration loss areas. This is especially so for the industrial towns marked by one-sided production structure, but also for many regional centres. One reason for the escalation of migration in the 1990s has been the change of law concerning the residency policy towards students that took effect in the summer of 1994: starting then, students can have become residents in their locality of study. This major change is illustrated in the statistics by a sudden increase of migration at this time. In spite its rapid urbanization, Finland is still one of the least urbanized countries in Western Europe. The regional structure is still exceptionally decentralised as compared to other countries. In Finland the proportion of city dwellers in the whole population was 64 % according to the data of year 1996, when the EU average was over 80 % (Loikkanen 1998).

In this paper, it will be analysed the performance of the Finnish local labour markets in the 1990s. The differing performance is broken down into two periods representing recession and economic upswing. The purpose is to explore the gross flows of labour within and between nine chosen local labour market areas which represent three different levels in regional hierarchical system. The study is part of the Nordic project "Local labour market performance in Nordic countries" which is co-ordinated by Nordic Centre for Spatial Development, Nordregio, in Sweden.

2. Data

The subject of the research is the working-aged population, i.e. those 16-74 years of age, in the nine local labour market areas in 1990-91 and 1996-97. Stream chart material (gross stream) has been obtained from Statistics Finland, according to the primary field of activity of the population in the chosen labour market areas. The stream data serves to show the mobility between different labour market status groups from year t to year t+1. Hence it is possible to determine what has happened to a migrant, who has been unemployed in year t,

by the end of the next year in the labour market; whether she/he has been employed following the migration, if she/he is still unemployed or perhaps outside the labour force. To which sector of business life the unemployed person has been employed after the migration is known from the viewpoint of demand of manpower.

There is separate data on those who migrated out of the labour market areas, those who migrated into the labour market areas and those who stayed where they were. There is also the material of international migration. The out-migrants have migrated away permanently from inside the labour market area's boundaries. The in-migrants have moved inside the boundaries from other parts of the homeland. The stayers are those people who have not changed their local labour market area during the period of t to t+1 years. The years of research of the data are period 1990-91, when Finland sank into depression, and period 1996-97, when Finland was emerging from the depression.

The working-aged population is examined according to different demographic and socio-economic characteristics, such as age, sex, education, field of business and status in the labour market. Education is mainly looked at according to comprehensive level, secondary level and higher level. The fields of business include 1) agriculture, forestry and mining; 2) industry and energy and water maintenance; 3) construction; 4) commerce, accommodation and nourishment; 5) transportation and traffic; 6) financing and business services; 7) public services and 8) other activity and unknown activity. There is also more detailed data for field of business in the study which have been also used. Status in the labour market is divided into the employed, the unemployed and those outside the labour force. Of those outside the labour force the activity of students has been examined separately.

In addition to this data, region-specific stream data obtained earlier from Statistics Finland has also been used. This data is from 1988-89 and 1991-92. The classification of primary field of activity and field of business are the same as in the newer data. Also the migration groups are the same. From the older data, chiefly information regarding the whole of Finland has been used. Besides the stream data, other material of Statistics Finland has been used (e.g. the regional database).

3. Description of the study area

Three local labour market areas out of the nine study areas are representing major cities (Helsinki, Tampere and Turku), three regional centres (Oulu, Jyväskylä and Rovaniemi) and last three smaller centres (Rauma, Kajaani and Lohja) (Figure 1). A local labour market area consists of a central municipality and of those of the surrounding municipalities from which at least 10 % of the employed commute to the central municipality.

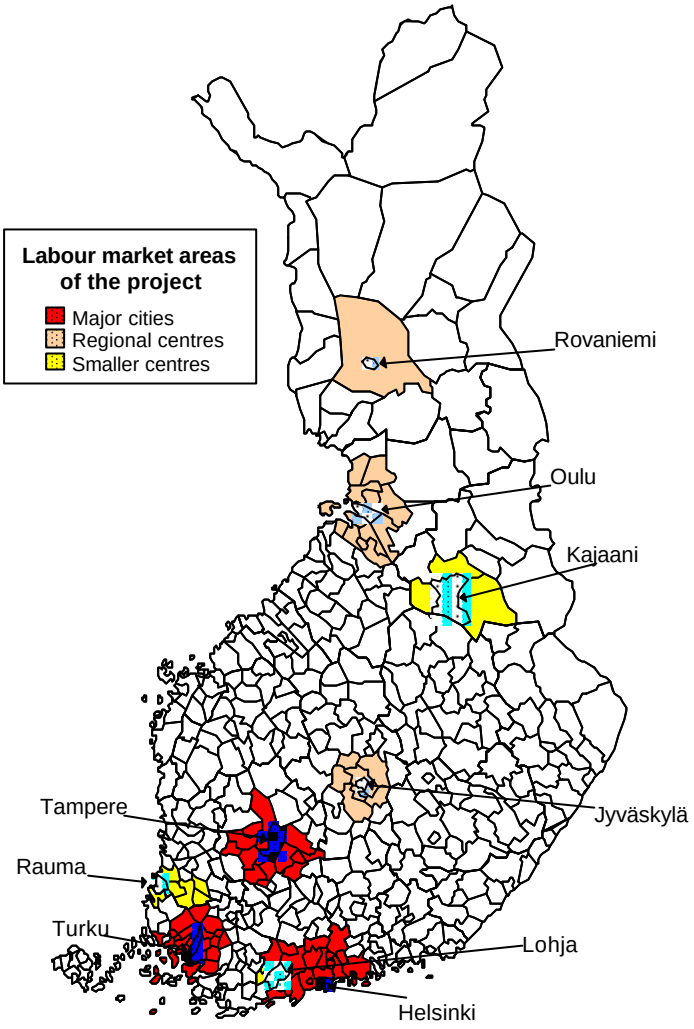

Figure 1. The project area in Finland (Map: Institute of Migration/ University of Oulu, Research and Development Centre of Kajaani).

The major cities are situated in southern Finland in a triangular area. The largest one of them is Helsinki, the capital of the country. The other major cities are Tampere and Turku. Every major city has several institutes of higher education and polytechnics. The largest one of the regional centres is Oulu, the others being Jyväskylä and Rovaniemi, all of which house a university. These universities have had a substantial effect to the development of the central municipality. In the smaller centres, Rauma, Kajaani and Lohja, units of universities are situated. A possibility for polytechnic education is offered in every one of the local labour market areas.

The proportion of students coming from the regions with universities was highest in the universities of the Helsinki district; over half of the students came from Uusimaa in virtually all of the universities in the area (Table 1). A quarter of the students of Åbo Akademi come from Varsinais-Suomi but the university also attracts Swedish-speaking youngsters from a wide area. Also the universities of Lapland and Oulu collect students from all around northern Finland. The regional influence of the universities can be examined by comparing

the differences between those taken as students from the respective region and those who have received working positions there. Of all the universities of the capital district a greater number of the graduates were placed in Uusimaa than was the number of students taken from the region. Also of the graduates of the Tampere University of Technology a greater number were placed in Pirkanmaa than what had been taken into the institution. Of the polytechnics, the polytechnics of Uusimaa, Northern Ostrobothnia and Varsinais-Suomi are regional, because 70-80 % of their students come from the region and 75-90 % are employed in their own region.

Table 1. Proportion of first-year university students taken from the regions of the universities compared to the total of first-year university students (Source: Tilastokeskus 1998).

University	**Region**	**A**	**B**
Helsinki LMA	Uusimaa		
Swedish School of Economics and Business Administration		86	95
Helsinki School of Economics and Business Administration		78	93
University of Helsinki		62	77
Helsinki University of Technology		61	83
Theatre Academy		60	68
University of Art and Design		57	65
Academy of Fine Arts		48	
Sibelius-Academy		35	60
Turku LMA	Varsinais-Suomi		
University of Turku		46	50
Turku School of Economics and Business Administration		42	40
Åbo Akademi University		27	39
Tampere LMA	Pirkanmaa		
University of Tampere		39	38
Tampere University of Technology		31	48
Jyväskylä LMA	Central Finland		
University of Jyväskylä		26	29
Oulu LMA	North Ostrobothnia		
University of Oulu		47	52
Rovaniemi LMA	Lapland		
University of Lapland		41	40

A = proportion of new students taken from regions of the universities compared to the total of first-year students in universities in 1996 (%)
B = employment of university graduates (1993-96) in the region where their university is situated (% of employed in the region where the university is situated)

The largest local labour market area is the Helsinki local labour market area and of the cities the Tampere and Turku districts have approximately the same number of inhabitants. The next largest are the regional centres of Oulu and Jyväskylä. Rauma represents the smaller centres, although it has more inhabitants than the regional centre of Rovaniemi. 47 % of the total population lived in the nine local labour market areas in 1997.

The population increased in 1990-97 in all the local labour market areas except Kajaani and Rauma. At the same time the number of jobs decreased in all of the areas following the

depression. Halfway through the decade the number of jobs has increased as the economic situation has started to improve. In 1997 52 % of the jobs in Finland were in the nine local labour market areas. Unemployment has been highest in Kajaani and Rovaniemi during both of the years of observation The net migration of the local labour market areas was positive in almost all the areas in the beginning of the 1990s, but negative in Rauma, Kajaani and Rovaniemi at the end of the decade.

The Helsinki local labour market area has the highest education level, because those with higher level education make up over 20 % of the employed in 1997. The lowest education level is found in Lohja and Rauma, where it is the same as the average level in the whole country.

The most of the employed working in the labour intensive manufacturing sector is found in Tampere and in machine/transport sector Rauma has the highest percentage. Relatively the most of the electronics and electricity labour is found in Oulu labour market area. Wholesale and finance sectors are emphasised in Helsinki area and public administration is remarkable in Rovaniemi area. The relative amount of employed working in health and education sectors are the greatest in Rovaniemi, Jyväskylä and Oulu.

4. Performance of the labour markets

4.1. Field of business and education

The results are the balances of the fields of business. From 1990 to 1991 the balance of the fields of business is negative in virtually all fields of business in the local labour market areas (Figure 2). The public services make an exception with a positive balance in multiple fields. The net change is in accordance with the population and number of jobs in the regions: Helsinki has the greatest absolute losses, over 45 000 jobs; among Rovaniemi, Rauma, Kajaani and Lohja the balances are at the same level. The greatest proportional losses in the local labour market areas are in the fields of industry, construction and trade. Of the cities most proportional losses have been in trade, construction and industry in Helsinki and industry in Tampere and Turku. Of the regional centres greatest losses are in industry in Oulu and Jyväskylä and in the Jyväskylä area agriculture has experienced the greatest proportional losses of all the observation fields. In Rovaniemi construction has been the main loser. In the areas of the highest unemployment, the smaller centres, industry has most loss. In Lohja the construction's loss is proportionally the greatest of the nine areas.

Figure 2. Net change of the employed according to field of operation in the local labour market areas in Finland in 1990-91 (Data: Statistics Finland).

From 1996 to 1997 the situation was almost the opposite, i.e. nearly all the fields got more jobs, with an exception in agriculture and the class "other" (Figure 3). The main part of the new jobs is created to the enterprises of the 4-5 persons. The public services and the industry have received most people, but also trade, construction and financing have gained. Industry has received the proportionally largest numbers in Rauma and Kajaani, public services in Tampere and Rovaniemi. Construction and trade has received the largest numbers in Lohja. The differences in the balances of the two observation periods reflect the economic structure of the local labour market areas' central municipalities. When the number of jobs in a field is large, e.g. in construction in Lohja, a lot of losses are experienced in the beginning of the depression, but after depression abates, the field recovers quite quickly.

Figure 3. Net change of the employed according to field of operation in the local labour market areas in Finland in 1996-97 (Data: Statistics Finland).

The food industry had the greatest job losses in 1990-91 in the city and regional centre areas. In 1996-97 the number of jobs increased in the food industry and also in the electricity and electronics industry particularly in Helsinki, Oulu and Jyväskylä. Of the smaller centres Rauma lost jobs in the paper and metal industry in addition to the food industry, and Kajaani in paper industry. In 1996-97 Rauma got the greatest number of food industry jobs and Kajaani, where the effects of the depression were still felt, gained jobs in the metal industry.

In the period of 1990-91 the proportion of people with comprehensive and lower secondary education was decreased substantially; they made up on average 77 % of the employed, while their proportion of the total population is 65 %. When one compares the loss to the education structure of the total population in 1990 in the local labour market areas, one perceives that those with higher level education experienced less reductions (approximately 6 %) than is their proportion of the employed (14 %). The reductions were directed relatively most heavily to the comprehensive level employed of Rauma, Lohja, Turku and Helsinki.

In 1996-97, when the net change of the education level had turned positive, the proportion of those with upper secondary level education increased most (on average 41 % of the employed, 23 % of the total population) and particularly the proportion of the comprehensive level increased least (on average 24 %, 36 % of total population). One explanation to this is that between the periods some of the oldest and least educated people shifted outside the labour force. To fill the demand for manpower, younger and more educated people were hired. Jobs were particularly scarce for the comprehensive level employed in the areas of Rovaniemi, Jyväskylä and Kajaani, where unemployment was still high. In proportion the demand in the largest group, those with upper secondary level education, was strongest in Jyväskylä, Helsinki and Tampere. Those with the highest level of education were employed proportionally the most in Oulu.

4.2. The characteristics of stayers and migrants

There is a slight majority of women within the stayers, except in Kajaani during both of the observation years and in Lohja in 1996. Women are slightly more active as migrants than men. During both periods all areas but Lohja have a majority of female out-migrants. Also in-migrants have a female majority in all areas but Kajaani and Lohja. The immigrants that migrated to the local labour market areas had a male majority in 1990, but in 1996 in Rauma and Kajaani there was a substantial female majority. Out-migrants have a female majority in the youngest age group, those 16-24 years of age; this is also the largest absolute migrant group. Among men there are most migrants in the 25-34 age group. In 1990 the relatively largest group of domestic migrants that migrated to the Helsinki local labour market area was that of 16-24-year old women; in the other areas the 25-34 year groups of both men and women were the largest. In 1996 the 16-24-year-old women migrated most

to all areas; among men the 25-34-year-olds were the largest group. The willingness to move is greatest among students and young people of 20-29 years who are entering the working age. It decreases steeply when age increases (see Tilastokeskus 1999).

The out- and in-migrants are usually more educated than the population that has stayed in the area, because most of the arrivals are younger than the stayers. Of the nine local labour market areas Helsinki had the most educated stayers whereas the least educated were in Lohja and Rauma. People who come to the Helsinki area have a higher level of education than the stayers do but it is lower among those who leave. An abundance of the older age groups migrate out of Helsinki. In the other areas both the arrivals and the leavers have a higher education background than the stayers. Of the out-migrants the ones that left Turku had the relatively highest level of education: as many as 12 % of the out-migrants in 1996 had an upper higher level degree or a postgraduate degree. The emigrants represented the level of the stayers fairly well in 1990, but already in 1996 this group had a relatively higher level of education than the area of departure. Most of the immigrants had a comprehensive education in 1990, as in 1996, but in the last year there were also highly educated immigrants among them.

4.3. Primary field of activity

The primary field of activity has been compared between the stayers, the out-migrants and the in-migrants in the local labour market areas in 1990 and 1996 (Figure 4). From 1990 to 1996 the proportion of the employed has diminished in all groups and the proportion of the unemployed has grown accordingly. Also the relative proportion of students has grown during six years. The proportion of the group "other" (the pensioners, those in military service and others outside the labour force) has merely stayed as it was. The employment proportions of out-migrants and domestic in-migrants were higher than those of the stayers in 1990, but in 1996 less than half of the leavers and arrivals were employed. Students have consisted a large group in the leavers and arrivals; there was approximately a quarter of them in both groups in the latter year of observation. Also the proportions of the unemployed are larger in the migration groups compared to the stayers. About half of the immigrants were employed in 1990 but in 1996 only one out of four was employed. At that time also one fourth of the arrivals was unemployed and the largest group was formed by "others", i.e. those outside the labour force.

Figure 4. Primary activity of stayers, out-migrants, in-migrants and immigrants in the local labour market areas in Finland in 1990 and 1996. * country internal migration (Data: Statistics Finland).

There are differences between the local labour market areas when they are examined according to primary field of activity and mobility. Relatively there were most stayers in Helsinki in the both years of observation and least in Kajaani, where the proportions of the unemployed were high, together with Rovaniemi. Of the out-migrants the proportion of students especially was high in Kajaani, Rauma, Jyväskylä and Rovaniemi in both periods. In 1996 approximately one third of those who migrated out of these areas were students. Of the domestic migrants who migrated to Helsinki and Lohja over a half was employed and

one out of four of those who migrated to Kajaani were unemployed in 1996. There were most students among those who came to Rovaniemi, Turku, Jyväskylä and Oulu. The employment proportion of immigrants in the areas that receive them in abundance has dropped significantly in between the years of observation. Tampere, Jyväskylä and Rovaniemi relatively received most unemployed immigrants in 1996.

The relation of the development of the primary field of activity and net migration is examined in three-dimensional form. Of the major cities, Helsinki received most employed people, who were employed during the next year, in 1991 (Figure 5). Some employed people, who were outside the labour force the next year, left the area. Most of them were pensioners, because migration flows out of the Helsinki area tend to consist of the aged. In the next observation period in 1996-97 Helsinki received still

Figure 5. Net migration in proportion to total population/changes of primary activity in the major cities in Finland in 1990-91 and 1996-97 (Data: Statistics Finland).

more employed people and also students. A certain number of people who had shifted from unemployment and studies to employment migrated to the area. In 1990 Tampere received students and employed people who continued their career in working life the year following their migration. Tampere lost students, who shifted to working life. In 1996 the largest migrant group in Tampere was those employed who had entered working life but the number of students increased from the former period. Also unemployed people who have continued their unemployment arrived in the area. Turku received chiefly students and employed people in 1990 and it lost students entering working life. In 1996 the largest migrant group were the students but Turku also received employed people to jobs, unemployed people to unemployment and people outside the labour force.

Of the regional centres, Oulu received most net migration gain from the flow of the employed and it lost chiefly graduated students who shifted into working life (Figure 6). In the next period a group of students and some unemployed people have emerged together with the employed. Oulu still experienced a loss of graduated students. Jyväskylä received mainly employed people entering working life but also students in 1990. It lost students shifting into working life. In 1996 the largest migrant group was that of students; in addition also employed people came, and some unemployed people and people outside the labour force. Graduated students formed the largest group within the out-migrants. Rovaniemi received chiefly employed people in 1990 but also students and unemployed people. It lost graduated students and people shifting out from working life. In 1996 Rovaniemi received mostly students and also employed people and lost people shifting from studies into working life and also migrants from the other groups.

Of the smaller centres, Rauma received some people outside the working life and some employed in the beginning of the 1990s, but the largest group was out-migrants shifting from studies into working life (Figure 7). In 1996 Rauma experienced loss from virtually all groups. Unemployed people, who continued to be unemployed or shifted outside working life, migrated to the local labour market area. In 1990 Kajaani received employed people into working life and unemployment and unemployed people and those outside working life. The largest group was, as in Rauma, the people shifting from studies into working life who migrated out of the area. In 1996 the area only received unemployed people to unemployment and outside working life. Kajaani lost in all the other groups of primary field of activity, mostly those shifting from studies to work or studies and employed people shifting to work elsewhere. Lohja received people coming to work and lost people shifting from studies to work and employment to unemployment. In the next period the largest in-migrant group was those outside working life. Lohja lost in almost all other groups, mostly students who went to study outside the local labour market area.

From 1990 to 1991 Tampere, Oulu, Jyväskylä, Rovaniemi and Lohja were alike in that the regions received net migration gain chiefly from the employed who came to work and net migration loss from students shifting into working life. From 1996 to 1997 Helsinki, Tampere and Oulu received most gain from the employed who came to work, but also plenty from the young who came to study, which shows the influence of the migration law of 1994. Students changed their place of residence when they came to study in the locality and not only when they shift from studies into working

Figure 6. Net migration in proportion to total population/changes of primary activity in regional centres in Finland in 1990-91 and 1996-97 (Data: Statistics Finland).

Figure 7. Net migration in proportion to total population/changes of primary activity in smaller centres in Finland in 1990-91 and 1996-97 (Data: Statistics Finland).

life. On the other hand, Turku, Jyväskylä and Rovaniemi received most net migration gain from students and in addition from those who came to work. A common feature among the smaller centres is that they have lost plenty of people from different groups of primary field of activity and the net migration loss has increased towards the end of the 1990s.

4.4. In- and out-flows of labour force

In 1990-91 the stream out of work was at a high level influenced by the depression. The highest proportions (16-17 %) were in Kajaani and Rovaniemi and the lowest (12 %) in the Helsinki area. The proportion of those entering the labour force was lower than the out-flow because plenty of jobs had been lost throughout the whole country. The proportion of in-flow was largest in Kajaani, Rovaniemi and Jyväskylä and smallest in Helsinki and Lohja. In 1996-97 the out-flows were at a lower level than in the beginning of the decade. The areas of Rovaniemi and Kajaani again lost most (11-12 %), having still a high level of unemployment, and Lohja and Helsinki lost least. New workers were taken more then than old ones were lost because new jobs were being created. The relatively biggest in-flows were found in Kajaani and Rovaniemi (approximately 18 %) and recruitment was at its lowest in Helsinki.

4.5. Who gets the new jobs?

In the following the size of the proportion of new jobs that local workers get in the two observation periods has been examined. In 1990-91 in most of the local labour market areas bcal workers have received the jobs more often than in 1996-97, which shows a greater mobility of the labour force towards the end of the 1990s. New jobs have emerged e.g. in the electricity and electronics industries, which have needed professional knowledge on a narrow field. On the other hand, non-local manpower has been employed in construction. Locals have been recruited more often in major cities than regional centres, and smaller centres, which also have a smaller labour force potential in all fields, have needed outsiders the most. In Lohja those who have come from elsewhere have exceptionally been hired more in 1996-97 than in the beginning of the 1990s.

As the proportion of locals and non-locals is examined according to acquisition of new jobs and by level of education, it can be seen as a general feature that the higher education profile a job position has, the more often a person coming from outside the local labour market area will possibly be chosen to fill it. The comprehensive level jobs have been filled with locals up to 86-95 % in the two observation periods, in Helsinki most often. Of the secondary level jobs 81-90 % have gone to the local employed whereas the higher level jobs present the greatest differences in recruiting locals, depending on the local labour market area (70-88 %). In Jyväskylä and Rovaniemi a non-local has most often been

employed in a higher level job. In contrast, in the Helsinki area the workers are most often found among the stayers.

Examined according to field of business local workers have been hired most often in the major cities. In agriculture and forestry stayers have been employed the most in the Kajaani area and in industry those living in major cities. The paper industry, for example, is a field into which approximately one out of four of the employed with a higher level education has come as a migrant to the area. The positions in manufacture of machinery and equipment in the areas of southern Finland and Kajaani have relatively been filled most often with locals. In the manufacture of electric technology products, which has expanded widely as a field in the 1990s, the jobs with a higher level education profile have been filled with non-locals more often in 1997 than 1991. In construction the situation is the opposite - the positions demanding higher education have gone to locals significantly more often in 1997 than in 1991. In trade the recruitment situation varies widely according to the area and time. In accommodation and nourishment local employees with higher education have been found most often in the smaller centres, Kajaani and Rauma. Financing, real estate and other business services have found their highly educated local manpower best in the Helsinki local labour market area. In data processing there are big differences between the areas in the proportions of those employed in services in the field. In 1997 the higher education positions in the field have more and more often been filled with outsiders, excluding the major cities. Non-local employees have most often been needed to fill the higher education jobs of health care and social services in Jyväskylä, Rovaniemi and Kajaani. An abundance of migrants have been recruited to the higher education positions of education in the smaller centres. On the other hand, locals have more often been acquired to the new jobs in research in 1997 than in 1990.

4.6. Index of performance

In the observation the data includes the stayers in both observation periods taken from the stream data arranged according to local labour market areas, and in addition older data of the stayers from the whole country in 1991-92. Education is presented in three classes, divided into comprehensive, secondary and higher degrees (Table 2). In addition primary activity according to employment from year t to t+1 is included. First, the relative change to employment in the groups of primary activity has been calculated for the whole country and for the local labour market areas according to education level. A proportion of the local labour market area has been calculated of the average of the whole country. The acquired figure is placed in a netlike diagram. The final product is one figure from both periods of observation, 1990-91 and 1996-97. The “best” and “worst” areas of the time are presented in the same figure.

Table 2. Composition of local labour market performance index. Rate of activation of nine pools of local labour force (Edvardsson et al. 2001).

Status year t	Status year t+1: Employed		
	Education: Primary	Secondary	Postsecondary
Employed in same LLM	***Job-JobPRIM***	**Job-JobSEC**	**Job-JobPOSTSEC**
Unemployed in same LLM	**Unempl-JobPRIM**	**Unempl-JobSEC**	**Unempl-JobPOSTSEC**
Student in same LLM	**Stud-JobPRIM**	**Stud-JobSEC**	**Stud-JobPOSTSEC**

Figure 8A representing period 1990-91 tells how the stayers have been employed according to level of education from the different classes of primary activity: Rauma was the worst and Kajaani the best area in employment. The two areas do not differ much in the case of the stayers who continued their work. In contrast, there are substantial differences between those people with higher education who shifted from unemployment to employment, which has happened significantly more often in Kajaani than Rauma. In 1996-97 the best area is Lohja and the worst Rovaniemi (Figure 8B). The employment proportions of Rovaniemi are worst throughout, the differences to Lohja being 5-10 %. Especially those with a comprehensive or secondary education have had difficulties in getting employment in Rovaniemi, as compared to Lohja. With the highly educated, a more substantial difference only exists when shifting from studies to work. In Rovaniemi the highly educated have had better situation compared to Lohja to continue working in the local labour market area.

Figure 8. Best/worst shift to labour market in Finland in 1990-91 and 1996-97 (Data: Statistics Finland).

The percentages in figures 8A and 8B are added up and the result is divided by nine, which produces the average employment percentage in an area. These “indexes of performance” have been united into a straight deviation from both years in order of size and according to the local labour market area: the largest is the best and the smallest the worst (Table 3). The regions of the preceding picture have been chosen according to this table. In the table in

1990-91 the Lohja area is almost at level with Kajaani, but Lohja is the best in the next period. Helsinki is the second best in 1996-97.

Table 3. Index of performance of the Finnish labour market according to labour market areas arranged from the worst to the best in 1990-91 and 1996-97 (Data: Statistics Finland).

"Bad year" 1990-91	LLMPI	"Good year" 1996-97	LLMPI
Rauma	-2,43	Rovaniemi	-3,26
Jyväskylä	-0,95	Jyväskylä	-2,67
Tampere	-0,88	Kajaani	-1,55
Turku	-0,40	Tampere	-0,73
Rovaniemi	-0,14	Turku	-0,01
Helsinki	0,37	Rauma	0,12
Oulu	0,94	Oulu	0,33
Lohja	1,15	Helsinki	0,75
Kajaani	1,20	Lohja	2,18

4.7. Net migration

The analysis of net migration from 1990-91 shows the net migration gain of the people who received a job or a place of study in Helsinki and the net migration loss of people who landed into unemployment and outside the labour force (Figure 9). The other major cities and regional centres have received mainly net migration gain from all the groups of primary activity with Turku as an exception; there people shifting outside the labour force have left the area. The smaller centres differ from each other: Rauma has experienced only net migration loss consisting of people who came to work and the unemployed; the loss in Kajaani consists of those shifting to work or studies and the gain of those unemployed or outside the labour force. Lohja in turn has lost people who shifted to studies or unemployment and gained those employed and outside the labour force.

Figure 9. Net migration according to labour market status in Finland in 1990-91 (Data: Statistics Finland).

From 1996 to 1997 almost all of the major cities and regional centres have experienced net migration gain from all the groups (Figure 10). Helsinki and Rovaniemi are exceptions; they have lost people who shifted outside the labour force, in addition to which Rovaniemi has lost those who shifted to employment. The smaller centres have suffered a net migration loss from all groups; of these the only exception is Kajaani, which has gained people who shifted to unemployment.

Figure 10. Net migration according to labour market status in Finland in 1996-97 (Data: Statistics Finland).

5. Discussion

Mass unemployment was prevalent across Finland for the whole 1990s. After economic growth accelerated in the middle of the decade the level of unemployment decreased but the structural unemployment remained. Across various parts of Finland and within different local labour market areas, however, development continued to take place at a differential pace. Unemployment is thus not only regional but also structural. Unemployment occurred in fields that simply could not adjust to new market conditions to simply create new jobs for the labour that had been shed. The explosive unemployment at the beginning of the decade was thus encountered with national countermeasures. Once the unemployment had become multidimensional, however, such national measures proved to be insufficient; in different circumstances and with different groups therefore, a range of different, locally tailored solutions were instead adopted. The gradual expansion of the role and scope of actors in employment management has thus come to be characteristic of employment management in Finland in the 1990s. Regional mobility encouraged through workforce policy training has also proved to be an efficient promoter of employment in Finland. Support for telecommuting and the expansion of the local labour market areas, for instance both play significant roles in this process.

A program-based phase of regional development has continued the long traditions of Finnish regional policies. The differences between the regions are nowadays levelled by resource to both national structural policies and via help from the regional and structural policies of the European Union. In the structural fund period running from 1995-99, the support directed through such programmes it can be argued, helped to renew and diversify Finnish regional, economic and labour policies. In addition, a competency centre program designed to support regional specialisation and co-operation between the various competency centres was initiated at the beginning of 1994. The focus of the competency centres is on local activity, and they are usually situated in the localities offering higher level education opportunities.

Education and research form a significant part of the Finnish strategy in this regard. The basic policy of the Government emphasises know-how and knowledge that will benefit all geographical areas on a equal basis. A higher education place is offered to 60-65 % of the whole age group leaving secondary school. A wide network of higher education institutes and polytechnics now covers the whole country. The number of higher level students has grown 32 % in the period 1990-98. In 1998 approximately 70 % of the university students in Finland studied in the universities situated in one of the major city regions.

Competence and know-how are important elements in the regional development. These are connected with the creation of, and accessibility to the high quality labour force needed by each region, as well as in the general interest of the region as a whole, in particular with regard to the prospective location of profitable economic activities. Regional development is linked to migration and population development. Higher education and other institutions have proved to be important in population development. Such attractive institutions are like pumps that suck in young people to the region. For these types of location viewed here institutions like these help to develop labour markets and to produce people with competence in areas that fast growing enterprises find attractive. In consequence, it is within

such locations that these growing enterprises often choose to congregate (Aronen & Fagerlund 1999).

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