Highly Skilled Labor Force in the Global Field of Choices: Case Finland

Mika Raunio, Senior Researcher & Markku Sotarauta, Professor

University of Tampere
Research Unit for Urban and Regional Development Studies (Sente)
FIN-33014 University of Tampere
Finland
markku.sotarauta@uta.fi
+ 358 40 523 3517
+ 358 3 215 8860, fax

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1 Attracting Global Economy’s Experts to Finland

1.1 Point of departure

The 90’s was a watershed in the development of the Finnish economy. Finland began the decade with a severe economic depression, marked its middle by joining the European Union, and found itself in the end of the decade as one of the most competitive economies not only in Europe but in the world (Werner, 2003, 1). At least for now, restructuration has resulted in significant increases in growth rates, high-tech exports and national wealth. In international comparisons, Finland’s economy steadily emerges as innovative and highly competitive. Its recovery is in considerable part attributable to developments in the information and communication technology (ICT) sector (Rouvinen & Ylä-Anttila, 2003, 87).

However, the population of Finland is ageing rapidly and the dependency ratio is weakening more steeply than in the OECD countries in average, and what makes situation worse is that the country is not attracting foreign talents as hoped for. There is a growing foreign population in Finland, but the percentage is still relatively low compared to other European countries. Immigrants represent only about 1.7% of the population, while the proportion in Sweden, the Netherlands and United States is at least 10%. This fact is reflected at the universities too, for example, foreign students represent about 6% of all doctoral students in Finland, while their share is more than 15% in the UK, Belgium, the USA, Sweden, Australia and Sweden (Making Finland… 2005, 6-7.) The low numbers are especially striking in the case of foreign professional work force. According to International Standard Classification of Occupations (ISCO), which defines skills in terms of skill level and skill specialisation, the share of non-nationals in employment in professional occupations is quite modest in Finland when compared with other North European countries (table 1). In managerial occupations European average is even ten times bigger and in professional occupations five times bigger than in Finland.
Table 1. Share of non-nationals in employment in different occupations in EU countries 1998 (Auriol & Sexton 2002)

<table>
<thead>
<tr>
<th></th>
<th>Aus</th>
<th>Belg</th>
<th>Ger</th>
<th>DK</th>
<th>Spa</th>
<th>Fra</th>
<th>Gre</th>
<th>Ita</th>
<th>Lux</th>
<th>Net</th>
<th>Por</th>
<th>Sve</th>
<th>UK</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers¹</td>
<td>5,0</td>
<td>10,1</td>
<td>7,7</td>
<td>2,7</td>
<td>1,5</td>
<td>0,4</td>
<td>4,7</td>
<td>0,9</td>
<td>1,1</td>
<td>44,7</td>
<td>2,5</td>
<td>1,4</td>
<td>2,3</td>
<td>4,2</td>
</tr>
<tr>
<td>Professionals²</td>
<td>6,0</td>
<td>5,0</td>
<td>4,0</td>
<td>2,4</td>
<td>1,0</td>
<td>0,6</td>
<td>2,6</td>
<td>0,9</td>
<td>0,7</td>
<td>33,4</td>
<td>2,6</td>
<td>1,7</td>
<td>3,2</td>
<td>4,5</td>
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</tbody>
</table>

There indeed are many issues challenging the so far successful “Finnish model”, and only time will tell how resilient Finland will be in the near future. What is sure is that the new challenges are enough to turn policy-makers’ hair grey once again.

In this paper we ask how Finland is able to attract and retain foreign professionals into Finnish working and living environments. Although this paper focuses on professionals in ICT-industry, it provides a wider picture of Finland and its industries abilities to attract labour force in immediate future. The approach is critical and selective in order to point out the major development needs and issues that weaken the attractiveness of Finland from the foreign professionals’ point of view. This paper focuses on working and living environments in general and thus more specific questions about work permits and other regulatory issues are not scrutinized here.

Defining the target group as “global economy’s experts” refers not only to applied expertise but also to the capability to seek job opportunities globally. Definition of the target group by professional expertise is essential here as many regulations on (work) permits appertaining to availability concern specific fields. In addition, enterprises in the global economy's network and the channels they have created are also connected to the structure of the certain lines of business. Moreover, the rapid growth in the field of ICT during the last 15 years or so served to set in motion a migration of global economy's nomads and is a contributing factor in the genesis of the new "fusion culture". Fusion culture refers to lower barriers in interaction between different cultures due to common values and mind-sets obtained from international and multicultural working and living environments. In addition, growing cultural competence is increasingly characteristic for individuals working in international and multicultural environments and especially for those working abroad.

¹ ISCO 1: Production and operation department managers. Other (including computing services) department managers. General managers.
² ISCO 2: Physical, mathematical and engineering science professionals. Life science and health professionals. Teaching professionals. Other professionals.
ISCO 3: Physical and engineering science associate professionals. Life science and health associate professionals. Teaching associate professionals. Teaching associate professionals. Other associate professionals.
1.2 The research questions, process and target group

This paper aims to analyze the key issues in attracting and retaining foreign professionals in Finnish working and living environments. The key questions are: a) what are the images of foreign professionals of Finnish firms and Finland in general as a place to work and live? b) what are the real-life experiences of foreign professionals of Finnish firms and Finland in general as a place to work and live?

The data is based on 122 interviews out of which a) 30 were background interviews (the people responsible for the recruiting foreign professionals, relocation consultants, managers, HR-personnel and the personnel dealing with these issues in public organizations of urban regions, b) 59 were interviews with foreign professionals and c) 33 were interviews with their (foreign) spouses. Spouses were interviewed in order to enhance the understanding of the pros and cons emerging in the everyday lives of foreign families/couples. In addition a survey in the Internet for foreign professionals working in Finland was carried out (n=556). Respondents in the survey were mostly in the field of ICT but 2 percent of them work in the field of biotechnology. The aim was to find out whether foreign professionals are satisfied or not satisfied with their situation and what factors affect the prevailing level of satisfaction. The city-regions where data was gathered were city-regions of Helsinki (including Espoo), Tampere, Turku (including Salo) and Oulu (Figure 1).

Figure 1. Finland in Europe, study regions in Finland and number of inhabitants
The views of the respondents are mostly based on a fairly long time spent in Finland. Almost half of the respondents had lived in Finland for at least three years. Typical profile of respondent was 34 years old European (65 %) male (80 %) with higher education (94 %) who works in Finland with local contract (85 %) and lives with his family or spouse/cohabitant (69 %).

2 Finland in the global field of choices

The attractiveness of urban region may be estimated according to its position in target groups’ field of choices. The field of choices of international professional labor force consists of those opportunities that they perceive and consider as potential places to work and live. In persuasion of the professional labor force the competitiveness can be seen as attractiveness and a competitive advantage as an ability to attract and retain human resources more efficiently than other parties pursuing the same target group. Attractiveness does not only attract (pull) but it also retains (commit). The environment and the elements of attractiveness are here allocated into five basic elements:

- Creative problem solving environment (interesting and challenging job opportunities, size of the labor markets, working culture, etc.)
- Economic environment (salaries, tax-level, costs of living, etc.)
- Functional environment (public and private services, access to place, etc.)
- Social environment (friends and relatives, social networks, international atmosphere, etc.)
- Physical living environment (housing conditions, natural environment, safety, etc.)

According to this study and earlier migration related studies, global economy’s experts can by way of simplification be divided into three groups according to their moving motives:

- **Global economy’s nomads** consider moving if work and career opportunities which are more tempting than at present should emerge. Global economy’s nomads move from one country to another in periods of one year or several years. Their objective is not to integrate into the local culture but rather into its own global culture.

- **Quality of life -migrants** consider moving if it is assumed that some other area offers a clearly superior quality of life or an environment corresponding more closely to the desired way of life than their present domicile. These people are seeking for a permanent place to stay and their objective is to integrate into the local culture.

- **Social relations migrants** have a motivation to integrate dependent on the intended permanency of the move, i.e. in the last instance on the individual or community which has been the main motivation for moving. Moving is considered if social relations deemed important or family ties are beyond the present place of domicile or about to move there (e.g. highly educated spouses).

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3 See Trux 2002.
Nomadic life-style in the global economy is rendered possible by global applicability of professional labor force's skills and knowledge and a “network of global economy”, which supports mobility of skilled labor. For example, in the field of ICT and biotechnology expertise can frequently be applied throughout the world, which gives the individual an opportunity to make employers compete internationally for the most interesting and challenging jobs. Mobility in the field of choices is increased by the internationalization of experts and the changed dynamics of the labor markets, in which no commitment is made to a single job or employer for as long a period as was formerly the case. The career consists of numerous episodes and changing jobs is a part of career development and way of life. Mobility is also emphasized at certain phases of life for global economy's experts. The nomadic life-style and appreciation of a more permanent domicile varies as the family relations and life situations of the individual vary.

It should be acknowledged, that general preferences for the location choice are much more diverse than those factors that actually determine the final decision (see Figure 2). In most cases main motives and pull factors when choosing the certain location are work or family related issues, whereas other factors works more or less as preventing forces if perceived to be very low quality. In the case of Finland, it seems that a move occurs primarily from one job to another, not from one country to another.
<table>
<thead>
<tr>
<th>Factor</th>
<th>N</th>
<th>Very Important</th>
<th>Quite Important</th>
<th>A Little Important</th>
<th>Not Important at All</th>
<th>Can Not Say</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-racist image of public offices and civil servants of the country</td>
<td>546</td>
<td>67.8</td>
<td>23.1</td>
<td>2.1</td>
<td>0.5</td>
<td>2.1</td>
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<tr>
<td>Safety of the area</td>
<td>539</td>
<td>63.8</td>
<td>29.7</td>
<td>0.4</td>
<td>2.1</td>
<td>1.8</td>
</tr>
<tr>
<td>Communicative working culture</td>
<td>550</td>
<td>62.7</td>
<td>31.8</td>
<td>4.0</td>
<td>0.1</td>
<td>4.0</td>
</tr>
<tr>
<td>Challenging and interesting work</td>
<td>550</td>
<td>62.4</td>
<td>33.8</td>
<td>3.8</td>
<td>0.2</td>
<td>2.4</td>
</tr>
<tr>
<td>Well organised public services (health care, public transport)</td>
<td>543</td>
<td>56.2</td>
<td>37.9</td>
<td>5.9</td>
<td>0.3</td>
<td>1.8</td>
</tr>
<tr>
<td>The chances for spouse to work and/or study</td>
<td>534</td>
<td>55.8</td>
<td>24.2</td>
<td>13.6</td>
<td>3.6</td>
<td>1.8</td>
</tr>
<tr>
<td>An international atmosphere (attitudes towards foreigners, multiculturalism, etc.)</td>
<td>548</td>
<td>54.2</td>
<td>31.6</td>
<td>13.1</td>
<td>2.3</td>
<td>1.8</td>
</tr>
<tr>
<td>A clean and unpolluted living environment</td>
<td>543</td>
<td>52.9</td>
<td>40.9</td>
<td>6.0</td>
<td>0.1</td>
<td>2.1</td>
</tr>
<tr>
<td>Good career prospects</td>
<td>549</td>
<td>47.8</td>
<td>40.5</td>
<td>10.3</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>High level of economic wellbeing (wage level in relation to taxes and living costs)</td>
<td>542</td>
<td>43.4</td>
<td>45.2</td>
<td>10.3</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>An open and approachable social atmosphere of the host culture</td>
<td>542</td>
<td>43.2</td>
<td>47.2</td>
<td>8.2</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Being able to manage with English (outside work)</td>
<td>547</td>
<td>42.8</td>
<td>37.7</td>
<td>13.6</td>
<td>1.7</td>
<td>1.1</td>
</tr>
<tr>
<td>Salary and other financial incentives</td>
<td>548</td>
<td>41.0</td>
<td>47.2</td>
<td>9.7</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Versatile leisure time activities and recreational facilities</td>
<td>549</td>
<td>42.8</td>
<td>37.7</td>
<td>13.6</td>
<td>1.7</td>
<td>1.1</td>
</tr>
<tr>
<td>International flight connections to and from the place</td>
<td>541</td>
<td>31.4</td>
<td>25.3</td>
<td>26.3</td>
<td>12.0</td>
<td>1.2</td>
</tr>
<tr>
<td>The local tax rate</td>
<td>547</td>
<td>38.1</td>
<td>25.0</td>
<td>12.0</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Pension benefits</td>
<td>546</td>
<td>27.8</td>
<td>23.5</td>
<td>47.2</td>
<td>1.2</td>
<td>1.1</td>
</tr>
<tr>
<td>Friends or an existing social network at the destination</td>
<td>542</td>
<td>38.1</td>
<td>25.0</td>
<td>12.0</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Sophisticated &quot;high-tech&quot; culture (internet and mobile services, high tech oriented people, etc.)</td>
<td>542</td>
<td>23.6</td>
<td>25.0</td>
<td>29.1</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Non-hierarchical working culture (flat organisation)</td>
<td>551</td>
<td>19.2</td>
<td>41.7</td>
<td>34.8</td>
<td>5.5</td>
<td>1.4</td>
</tr>
<tr>
<td>The opportunity to study at the university level (basic studies or post graduate)</td>
<td>545</td>
<td>19.1</td>
<td>28.8</td>
<td>25.3</td>
<td>13.0</td>
<td>12.0</td>
</tr>
<tr>
<td>A chance to work for a particular employer</td>
<td>542</td>
<td>18.3</td>
<td>33.8</td>
<td>24.1</td>
<td>13.9</td>
<td>13.4</td>
</tr>
<tr>
<td>Cultural activities (opera, museums, art exhibitions, theatre, etc.)</td>
<td>541</td>
<td>15.7</td>
<td>39.9</td>
<td>34.8</td>
<td>7.6</td>
<td>1.1</td>
</tr>
<tr>
<td>Lively night life (clubs, discos, movies, etc.)</td>
<td>548</td>
<td>9.3</td>
<td>24.3</td>
<td>41.3</td>
<td>25.7</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Figure 2. Importance of factors when choosing a place to live and work internationally
The job has been landed before moving to the country, i.e. people do not move to a region offering interesting job opportunities and look for work there; it just so happens that the interesting job is located in the region. This dynamics is more pronounced in the case of Finland, since the general images are not particularly strong and/or attractive. Exceptions to this are those whose move is based on social relations or in most cases more specifically family reasons. In addition, the experts did include to some extent those seeking a change for quality of life, but in most cases their main reason for moving was either former experience of Finland or economic reasons. In the case of the latter some came to this country under special contracts in which the salary was higher than local salaries. Thus, the decision to move in both groups stressing the quality of life was in most cases linked not to an attractive image of Finland but to former experience and more often financial benefits.

One could say that the global economy's network from the perspective of the expert consists of expertise intensive enterprises or other organizations recruiting internationally and their regional concentrations. In this network formed by organizations providing job opportunities experts move along routes created by states, regions and firms. Increased interactivity and the connections between the nodes of the network have the effect of “shrinking” distances within the global economy network both in respect of time and of culture. This is seen in the habit of global experts of conceiving of the world and forming images of the surrounding reality. Internationally mobile experts do not perceive the world to consist of nation-states and cities only, but rather increasingly of a global economy's network; network of nodes consisting centers of their own particular expertise and job markets. Such an image is frequently consciously formed when working in an international environment and especially when the individual considers an international move as a personal opportunity.

Thus, in a pointed way the competition takes place in the global field of choices of professionals, where global network consists of labor markets provides the base for the field and emerging attracting opportunities. Two main methods of seeking a new job were: contacting friends or people met through work (professional contacts) and searching the Internet. This intensive use of various social and virtual networks is rather characteristic of migrants and is certainly a result of global corporations' world wide operations and professional contacts from which such opportunities can be derived. Although personal relationships are still very important when professionals seek work from global field, the importance of Internet constantly grows. About one third of respondents perceived opportunities of Finland through Internet. Through these channels Finland and its urban regions and firms
may enter into field of global competition for professionals, or with other words into professionals’ global field of choices.

3 Elements of Attractiveness

3.1 Creative problem-solving environment

Foreign professionals working in Finland found their work interesting and challenging. In addition, despite the modest amount of social interaction the Finnish working atmosphere was felt to be pleasant and less competitive than in many other countries. In working life the point of departure is not the pursuit of individual interests by tripping others up. This view fits with Hofstede’s (1991) interpretation of Finland as a country of feminine culture. In feminine cultures (the Netherlands, Sweden, Denmark etc.) the ethos is “work in order to live”, whereas in masculine culture (USA, Japan, Italy etc.) it is “live in order to work”. In a masculine culture the boss seeks a friend for work, not work for a friend. The goal of a masculine culture is a performance society, whereas the goal of a feminine culture is a welfare society. (Hofstede 1991, 94-97.) Many of the interviewees emphasized the family friendly character of the Finnish working life in long holidays which can be taken as agreed, working days which generally end at 5 p.m. and the option of staying at home with a sick child etc. Compared to many other Finnish cultures working life does a great deal to meet the individual and his/her family half way.

Figure 3. Satisfaction with factors of the work environment in Finland among foreign highly skilled working in Finland
What especially required adjustment were the Finnish communication culture and the mode of interaction between people. The absence of the discussion culture is connected both to business processes or the individual’s ability to participate and utilise his/her knowledge as a part of the organization and teams and also his/her personal integration into the work community. By learning the interaction methods of the work community the individual also has better chances of utilizing his/her knowledge as a part of a greater whole. This naturally does not concern only foreigners, but the phenomenon is emphasized when different cultural communication and interaction methods come to the fore in a multicultural work community. The prominence of the phenomenon opens up opportunities for the development of the communication and interaction methods of the entire (work) community by using exaggerated disparities between cultures as a starting point for the development process.

Poor communication and interaction possibly also inhibits commitment to a work community and thereby the preconditions for engendering social capital based on trust and close interaction. Thus communication does not only affect the contentment and working efficiency of individuals, but also their chances of participating and making their contribution to the key processes of business and competitiveness in general.

Thus, regardless some problems in communication, there is satisfaction with the quality of work and the general atmosphere. However, the prospects for advancement and career are not perceived to be equally positive. The employment prospects of foreign spouses in particular are seen to be poor (Figure 3). Chances for advancement and career are limited not only by the fairly small job markets in Finland but also by the fact that many companies are not used to hiring foreign workers. Chances for advancement are linked to opportunities within the companies whereas career opportunities can be seen more widely from the perspective of the job markets for the field as a whole as interesting and challenging openings.

### 3.2 Work and career opportunities

The foreign workers frequently perceived their chances of advancing in their careers within the company as slightly poorer compared to those of their Finnish colleagues. In some cases the respondents even took it for granted that when the choice is between a Finn and a foreigner for promotion it is the Finn who will be preferred almost without exception. The reason for this was considered to be the existing social networks in which people who are already acquainted with one another select each other as subordinates. The “Finn-boy bias” was seen in some top/middle management selections (vertical career path) to be clear, but in
the case of the management of technical projects the phenomenon did not emerge (horizontal career path). In most cases the bias was not felt to be extremely strong, but there were also some highly critical views. On the other hand, many of the respondents were a degree more negative about career prospects more widely in the region where they were living than about the opportunities to progress in their careers within the employer’s organization.

Seeking a new job in Finland was not generally considered as likely as going abroad when changing jobs. Thus the Finnish labour markets are not even in general the field on which foreigners living in Finland look for work. Those whose Finnish spouse’s work was tied to Finland generally constituted an exception to this. On the other hand the Finnish job markets do not have a great deal to offer those who do not have a command of Finnish. In addition to the language problem the choices available were seen to be limited at least to some extent by the assumed ability of the Finnish enterprise to acculturate into the work community an expert with no command of Finnish. Indeed, this possibility had been given very little serious consideration, as it was more likely to change country if a change of jobs was in order and there were no personal ties to Finland.

3.3 Improving cultural and communicative competencies

One problem concerning work opportunities in Finland seems to be the lack of potential occupations available. On the one hand this derives from the small scale of Finnish industries as such, but on the other the cultural competence of employers offering professionally potential occupations. Latter refers the view that quite many respondents brought up; they do not see many employers who could offer work environment that is international enough in terms of social and cultural modes of operation. Thus, by improving the cultural (and communicative in general) competence of Finnish employers not only the quality of existing working environments of foreign professionals improve, but also number of potential employers, i.e. work opportunities, increases.

From individuals point of view innovation environment can be perceived as a creative problem-solving environment referring to the work environment offering experts a chance to fulfill and improve themselves through challenging work. Thus, being globally attractive creative problem-solving environment is not only regional but also very much organizational phenomenon. At organizational level it opens up new future opportunities and is indicative of experts’ willingness to work in the most interesting and innovative operating environments, whose characteristics include a high-quality work and management culture with an
understanding of multiculturalism. It also embodies opportunities to develop and utilize their expertise through official and unofficial fora, networks, institutions and/or organizations. (Raunio 2002.) From the perspective of the creative problem-solving environment the main questions are the cultural competence of the work environment and the ability of the Finnish innovation environment to adjust and act as part of the "global economy's culture" and its multicultural expert community.

Frequently expertise intensive organizations adopt an individual-centred organizational and management style in an attempt at optimal utilization of the workers’ creativity, expertise and talent. For example, IBM, Texas Instruments, Nokia, Microsoft etc. emphasize respect for the individual in the companies’ organizational culture and value autonomy and cherish individuality. Individuals are empowered to evince their own views, ideas and modes of operation as part of the company and the role of superiors is to create good preconditions for their subordinates and support their chances to utilize their expertise in autonomous processes. Power is delegated in such modes of operation, and the significance of the individual in the success of the company is stressed, which requires of the workers both freedom but also autonomy in the performance of their tasks (empowering). (Brown 1999, 118-124; Castells & Himanen 2000.)

Features of empowering were also emphasized as a starting point in studied work environments of experts interviewed. However, the influence of Finnish culture was apparent at many points, which possibly weakened the implementation of the objectives in the mode of operation. We are sometimes blind to the ways of our own culture, but to those coming from another culture the phenomena undermining the mode of operation described above are frequently very clear. The reason for bottlenecks in the “empowering” and individual centred mode of operation was, with some exaggeration, the communication and interaction culture and the perception of independent working.

Internationally, too, the non-hierarchical flat organization and empowering are typical in expertise intensive organization, but in Finnish work culture the small degree of hierarchical organization is marked. The framework for action is created from similar structures, but the process experienced by the individual is only formed from the ways in which people act within that framework. Thus similar organizational modes do not determine the actual mode of operation. However, if informal discussions are rare in such a situation and the individual is to cope with an extensive and loosely defined task, problems may arise due to:

- difficulties in perception of ones work as a part of a greater whole
• lack of clear objectives in the task itself
• even though the habit of asking spontaneously has been acquired, due to the two foregoing reasons the individual does not know what to ask, being unaware of what exactly s/he ought to do
• the possibility that the individual coming from another culture has not taken on board the “culture of spontaneous asking” as the superior assumes.

The problem emerges due to the strangeness of the Finnish work culture, i.e. the superior and/or the work community have not succeeded in conveying information about the operating culture in a sufficiently comprehensible way. Either managers must be able to interpret the situation of their subordinates better and/or the subordinate must inform him/herself on the dominating mode of operation. In the Finnish work environment every individual is in principle in an equal position with regard to others regarding the voicing of his/her own thoughts and ideas. The management style stressing autonomy of work over discussions with colleagues may, however, appear authoritarian. The small amount of discussion may create the impression that at higher levels no heed is paid to workers’ wishes or opinions. (Hämäläinen 2001, 39; 84-85; Ali-Yrkkö et al. 2000, 103-105.) The absence of “surveillance” and active criticism may be interpreted as the manager’s lack of interest and appreciation of the worker’s work. A work task which is, due to mentioned reasons, felt to be “worthless” or divorced from the whole will likewise not motivate the worker to give of his/her best.

Thus, if modes of operation are interpreted without an understanding of the whole, it is likely that misunderstandings will arise. For example the popular emphasis placed on the individual in global ICT enterprises may be interpreted differently in different cultures, in which case presenting the company culture without ties to the local culture does not yet reveal anything of how the company culture should be interpreted in just this location. Individuality in Finland frequently stresses initiative and autonomy, while in many cultures it is associated with being different from others, original, and rivalry, nevertheless in close interaction with others. Communicative competence and cultural competence, namely the ability to reconcile two disparate approaches, are thus prerequisites for the leader of a team or unit aiming at utilizing the potential of a multicultural group. In such a case the members of the group will probably feel that their task and their role as a part of the whole are much more meaningful.

From the perspective of being innovative it is essential that the openness of the atmosphere should not be confined to easily approachable superiors and colleagues only in the case of concrete and issues which have already been thought through. In some cases the teams’ discussion culture was found to be to become more open with an increase in the pro-
portion of foreigners in the group. In this case the Finns, too, proceeded to express their ideas more freely. The evolution of a new discussion culture may be seen as a social innovation providing the team with new opportunities. An open and interested attitude towards thoughts still at the ideational level in the introduction of technical, social or organizational innovations supports the development of a diverse problem-solving situation. It is indeed probable that the innovative quality of a multicultural community will not manifest itself only in the form of new types of problem solving but also as a social innovation, for example as the development of a new kind of discussion culture among members of the work community. What is crucial from the innovation perspective is the ability of the community to take on board, raise for discussion and promote different and even surprising proposals.

Without exception the managers who had employed foreigners stressed the importance of expertise, i.e. if certain expertise was not available in Finland it must be sought abroad. If the view is confined to expertise it is likely that the breakdown in communications described above will occur. Yet managers hiring foreign workers have indeed recognized this problem. On the other hand cultural differences and stereotypes can be seen among the different units of large organizations or among experts coming from different parts of Finland, thus the difficulty of communication is not limited solely to relations between nationalities. For example, traditionally the communication among those working in marketing and R & D functions gives rise to problem situations.

“Oh yes, when you know the people personally, well then the stereotypes are either confirmed that he’s just like that or then they melt away … And then we’ve got stereotypes in the company, so that what are those people like who work in this unit and those in the other unit… and then different again in marketing.” (Unit Manager, Finland)

At best managers who stress multiculturalism and personal management perceive clear benefits in a diverse personnel structure per se. A manager whose view on multiculturalism embraced other cultures than the citizens of different countries having ethnic differences between them also invested more effort in people’s adaptation and commitment on a personal level. A manager who invests in personal leadership and multicultural leadership may for example perceive relocation services bought from outside to be too impersonal and lacking in respect for the individual. In such units effort is also invested in Finnish proficiency, even though the working language is English. In such work communities adaptation to work and to society occurs under the “tutelage” of colleagues or superior or through a “buddy” system in which genuine ties between people replace impersonal services bought in from outside. By investing in personal management it is possible to create an atmosphere which is suppor-
tive of multiculturalism which is not limited to taking into account the special features of different ethnic groups and nationalities but perceives the personnel as people and individuals by virtue of their special features. In such an atmosphere the differences due to national culture or ethnicity become part of everyday life in practice and integration into the work community is strong.

The structures and official modes of operation of the enterprise create the framework for "big policy on foreigners" within the organization. The actual quality of the process - "small policy on foreigners" - is created by the managers’ and community’s cultural competence and commitment to the process. In the latter there may exist wide differences between units in the same enterprise. From the perspective of the commitment of expertise, social networks to Finnish experts help to form global expert networks, which are a potential resource for the area, also when the foreigners have moved away from the country. On the other hand foreigners frequently also form natural communities due to shared background and experiences, but this should not inhibit interaction with the mainstream population. The objective therefore is to develop cultural competence and communicative ability both at individual and community level in order to strengthen “global social capital” and the innovation process.

3.4 Disconnecting effect of the economic environment

The findings of the present study confirm the combination of the fairly low salary level of highly educated people in Finland, the high taxation level, the significance of other taxes and pension contribution practices as a factor impairing the attractiveness of Finland for foreign experts. This is not only a matter of precise salaries and taxation percentages, but also the image and myth prevailing among foreign experts. Only six percent of respondents to the questionnaire were satisfied with their salaries while three percent considered their level of taxation tolerable (Figure 4).

The small income disparities in Finland due to progressive taxation policy and small wage differentials reflect the feminine culture and the value base of the welfare state. The aim is to ensure everyone a basic standard of living through the division of incomes, whereas in a performance oriented masculine society (USA, UK) poverty is seen to be largely a consequence of the individual’s own choices, and that society should not subsidise their way of life. (Hofstede 1991,97.) Thus feeling the high level of taxation and the low
salaries to be a negative phenomenon is related not only to economy but is also a moral conflict emanating from a world view based on different values.

Although newcomers may be aware of the salary and level of taxation before arriving in the country, their implications often only emerge after adapting to the work and the country. On the other hand many people have come to the country on a better contract, but in many cases when the contract is renewed the financial benefits are reduced to local level, which often leads to problems. The level of income is also frequently compared to high-income countries such as the UK or the USA, where the differences are substantial. Comparisons are difficult and should be approached with caution and treated as rough simplifications of reality. However, from individual’s point of view the economic wellbeing is often strongly associated with salary level and taxes, whereas free schooling, low child care expenses, insurance expenses and health care expenses are often more or less ignored. Still, ignoring the welfare state’s services is quite justified view for single persons or couples without children who stay in Finland only limited period of time and do not need these services during the years they the work in Finland. In exaggeration one could say that Finland has become “a country of cheap labor in research and development work”, which is a consequence of the small differences in income between different educational levels (see Castells & Himanen 2001).
“When I was looking for another job, Finnish employers weren’t able to pay the “market price”. This doesn’t concern only my line of business; look at nurses’ salaries for example – no wonder they go to work abroad. If Finland can’t keep its own nurses, how it could attract foreigners to Finland?” (ICT-professional, UK)

Typical situation for foreign families - but not typical of Finnish families – is that only one of the spouses should go out work. Of the spouses of the foreign experts interviewed in this study only one was doing work corresponding to her education, thus this unusual situation in Finland is indeed the case among foreigners. Where global experts are welcomed into Finnish working life their spouses from less global lines of business encounter a different reality. Of the 33 spouses who participated in the present research only one was entirely satisfied with her present work situation and permanent job. Four other were at work, but on a temporary basis and were not particularly satisfied with their work. Of the spouses 26 had never worked in Finland in spite of efforts to find a job. All the unemployed spouses were sure that if the unemployment continued they would leave Finland in spite of the other spouse having a permanent job. For the experts’ spouses the poor job and career opportunities in Finland were a clear bottleneck (especially outside the Helsinki region).

Many of the spouses were satisfied with a situation in which they could stay at home with small children if only a little time has elapsed since moving to the country and the adaptation process was markedly under way for both the children and the family. The situation, however, is almost without exception felt to be temporary. People want to get into working life once the children have adapted and/or are old enough in their parents’ opinion to attend day care. Problems in getting a job are generally due to language skills, but also to employers’ attitudes to foreign jobseekers. Some spouses looking for work had encountered prejudice against foreign applicants. They reported experiences of direct discrimination, i.e. the employer did not want to give the job to a foreigner, or then clearly poorer terms of employment were offered than to Finns. Generally Finnish applicants were given preference both from the standpoint of the employment office and the employers. The appreciation of foreign qualifications and work experience is likewise not very high in Finland. Another reason for problems in getting a job may concern difficulties with work permits. The expertise of the spouses may not focus on an area in which there is a need for labour or the employment offices do not interpret their expertise or training to be appropriate for the profession. The situation is thus very different from that of experts arriving with a job waiting for them and the perception of employment possibilities is considerably more negative than that of their spouses.
Basically it is quite often necessary to take a drop in economic well-being, or at least in net income when opting for Finland. In only 13% of respondents had the level of economic prosperity risen in consequence of moving to Finland. On the other hand this is indicative of the great appreciation of work and career prospects over economic factors in the choices of global experts, but can also be seen as a competitive handicap in both attracting experts and securing their commitment.

The perspective on taxation differs between those only temporarily resident in the country and those who are relatively permanently resident. For example the progressive taxation of some countries *vis à vis* foreigners is seen as a fair practice. In this case the taxation percentage increases year by year and reaches local level, for example, during the sixth year of residence. This kind of progressive taxation is seen to be justified because a person only lives in the country for a few years does not feel s/he derives benefit from the free education prior to entering working life or from the pension benefits after leaving working life or other services for the elderly. The high taxation is not necessarily mirrored in high quality in the public services used by the target group and on the other hand those who live alone and childless couples use only few services. A progressive system would reduce the amount of tax paid “without benefit” during a short sojourn, and after living in the country for a sufficiently long period the realization of the benefits produced by society in an individual’s life would “justify” raising the taxation to the local level. On the other hand this concerns not only income tax, but also taxation more widely.

“Taxes I pay would be justified if I was born or if I was going to retire here, but I am not and so I am not the burden for the state in that time I am here. So why the hell should I be paying and treated the same as those who have been or will be that burden? My tax rate is 48 percent and I pay 22 percent VAT. If I add all the taxes I believe I have 25 percent left in my back-pocket, I believe that my tax rate is 75 percent all in all” (ICT-professional, South-Africa)

The importance of economic prosperity becomes topical at particular stages in life, and then taxation, salary level and the opportunity to improve one’s economic position somewhere else is seriously considered. Moving to a weaker economic situation than before is also a difficult step, although the experts do not primarily pursue economic success.

In addition, an individual arriving from a different kind of culture is prompted to ask why one should pay the public sector which offers health care services, child care and pensions when one could pay the private sectors to the extent deemed necessary or even save for one’s old age out of better net income. Although many of the respondents were aware of the positive effects of social equality as a basis for a more pre-emptive and secure environment, it is
appropriate to consider different taxation and pensions practices as a part of international attractiveness (see Hjerppe, Kari & Lönnqvist 2001). Overall economic factors are more of a weakness than strength, and frequently they have a deleterious effect on long-term commitment.

3.5 Functional Environment and Welfare state’s services

The general image of Finnish urban areas with well-functioning public services may be considered as strength. However, quite many of the respondents reported somewhat negative experiences for example of the quality of health care. It was felt that the right kind of treatment was not always available and the quality of service was considered poor, either compared to the quality in the country of origin or in general. The length of waiting times was also frequently considered unreasonable. It should be acknowledged that in many countries with less developed public social security system, highly skilled professionals get same services from private sector through insurance paid by the employer. Thus, the services of welfare state are not necessarily the competitive advantage when attracting highly skilled professionals who may choose their location globally at will, though they are important part of the Finnish society.

Figure 5. Satisfaction with the services of the region among foreign highly skilled people working in Finland
It should be noted that the importance of cultural services and night life received the fewest mentions as being very important or quite important factor in the choice of place to live, that is quite the opposite to what many international studies suggest to be professionals' preferred living environment. Thus, one may assume that those top professionals looking for the “throbbing life of the big city” do not seek to come to Finland, but go to the big global cities. Moreover, there are some other studies referring the phenomenon that cultural amenities in general are not that important attractor for technical experts than they are some other groups of professionals. From this point of view and from this target group’s stand point, the strengths of Finland are rather the welfare services creating security and the functioning society, in which case criticism of the health services (and other public services as well) should also be taken seriously with regard to international appeal.

Another important public service is a school system. The departure is often planned in such a way that the children get to school in their home country or possibly in some third country - quite often an English-speaking one. This is less due to a perception of Finnish schools as being of poor quality than to an appreciation in general of the start offered by a different educational environment; an English-language or domestic culture as a desired environment for the children’s growth.

The importance of schools is great, because from the perspective of permanency and new multicultural generations it is essential that parents can be convinced that the schools are capable of offering a good enough education for their children. The intercultural skills of the teachers, for example, assume a more important position than before when the class no longer consists solely of children from the mainstream culture. Many of the foreign spouses stressed the importance of the educational culture and role models as a part of a quality school system. The Finnish way of educating, still interpreted as very “free”, may be seen to be problematic from the perspective of good manners and the formation of a developed social identity. In the long run it is the schools which carry a great responsibility for the acculturation of second generation immigrants into Finnish society and on the other hand also for those leaving the country in the creation of images of Finnish society.

Naturally foreigners have the same problems as Finns in getting their children to into a certain day care centre or school or in always getting fast and efficient service when using the health care services. Problems specific to the target group as far as health care is concerned are issue linked not so much to multiculturalism but to the system in general. Another reported deficiency was lack of discipline and small amount of supervised activity, which is connected to the Finns’ conception of a possibly excessively free upbringing. The
phenomenon is probably the same as at the workplaces and schools, i.e. that an emphasis on individuality and initiative is typical for Finnish culture, which is also apparent in health care services, schools and day care centres arranged for self-organizing people. The same phenomenon could be observed with regard to other public services. The critique focused less on the ability to take into account the needs of other cultures as on the Finnish culture which stresses self-sufficiency and autonomy.

3.6 Physical and social environments

Although the urban regions in Finland have grown, the cleanliness and safety of the living environment and the absence of pollution continue to be Finland’s strengths on an international scale. Considering Finland as a safe country does not clearly derive only political and economical conditions of society, but is related to some well-known and trusted global companies. One explanatory factor for the lack of effort to gather in-depth information about the country before moving there is undoubtedly the images of globally known corporations. For example several people identify Finland with Nokia, which acts as a 'guarantee' and 'quality assurance' for a secure life in Finland and future professional advance. The associated image of a high-profile, leading IT company in itself was a major pull factor and guarantee from quality of life for many.

Finland is not perceived as a particularly international society or one that easily opens up. Yet the widespread use of English and the public offices in which the attitude to foreigners is favorable offer a concrete opportunity to improve the attractiveness of the social environment in this particular respect. It is frequently the public offices that offer the first contact with Finnish society. Mostly the public offices are felt to be places offering equal service, but criticism was also expressed. In some places the treatment was felt to be bad because of the client’s ethnic origin. On the other hand lack of language skills in the public offices was felt to be a negative aspect, likewise illogical justifications for decisions. All the foregoing are probably in some way connected to some extent and frequently ignorance of the modes of operation of the public offices with their complexities may give rise to feelings of inequality of treatment.
"High-tech culture" in my current home region is highly developed (N=546)

It is easy to manage with English in my current home region (N=551)

I feel that I have been treated equally in Finnish public offices (N=552)

I have enough friends or a well functioning social network in my current home region (N=548)

The atmosphere of my current home region is international (N=551)

The atmosphere of my current home region is open and people approachable (N=547)

Role of the individual factors in attractiveness and competitive advantage can be pursued via the following strengths and bottlenecks that in some extent make a distinction between "just pleasant" factors and those that really attract and retain people. For example high quality of living environment is frequently considered important and respondents were very satisfied with the quality of their living environment in Finland. However, it is insufficient factor in order to prevent the decision to leave the region or country, if the actual motivating factors, i.e. those mostly connected to the job and social relationships predispose the individual to move. Frequently those planning to return to their country of origin reported social relationships as the reason, while those planning to move to a third country reported interesting work. The reasons for leaving Finland thus do not always relate to dissatisfaction with the current situation; the departure may be due to motivations coming from outside. (Table 2.)
## Table 2. Satisfaction with certain environmental factors and plans for the future among foreign highly skilled people working in Finland (N=556)

<table>
<thead>
<tr>
<th>Strongly agree or mostly agree (Strongly agree in brackets)</th>
<th>I will stay in Finland permanently</th>
<th>I will move back to my home country</th>
<th>I will move on to a third country</th>
<th>Total (N=556)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>My salary and other financial incentives are sufficient</td>
<td>51 % (7 %)</td>
<td>32 % (7 %)</td>
<td>26 % (6 %)</td>
<td>34 % (6 %)</td>
</tr>
<tr>
<td>Career prospects in my current home region in Finland are good</td>
<td>60 % (17 %)</td>
<td>45 % (11 %)</td>
<td>52 % (16 %)</td>
<td>55 % (15 %)</td>
</tr>
<tr>
<td>My current tax rate is tolerable</td>
<td>43 % (2 %)</td>
<td>24 % (6 %)</td>
<td>12 % (2 %)</td>
<td>24 % (3 %)</td>
</tr>
<tr>
<td>In Finland my pension benefits are working alright</td>
<td>43 % (12 %)</td>
<td>33 % (4 %)</td>
<td>27 % (8 %)</td>
<td>34 % (8 %)</td>
</tr>
<tr>
<td>My current job is very interesting and challenging</td>
<td>87 % (48 %)</td>
<td>80 % (37 %)</td>
<td>78 % (38 %)</td>
<td>81 % (39 %)</td>
</tr>
<tr>
<td>The working culture in my unit is communicative</td>
<td>80 % (28 %)</td>
<td>66 % (21 %)</td>
<td>56 % (18 %)</td>
<td>66 % (21 %)</td>
</tr>
<tr>
<td>My current home region is safe</td>
<td>95 % (62 %)</td>
<td>97 % (60 %)</td>
<td>96 % (69 %)</td>
<td>96 % (63 %)</td>
</tr>
<tr>
<td>My current home region is clean and unpolluted</td>
<td>96 % (63 %)</td>
<td>93 % (62 %)</td>
<td>96 % (72 %)</td>
<td>94 % (66 %)</td>
</tr>
<tr>
<td>I feel I have been treated equally in Finnish public offices</td>
<td>77 % (37 %)</td>
<td>68 % (20 %)</td>
<td>60 % (24 %)</td>
<td>70 % (20 %)</td>
</tr>
<tr>
<td>The atmosphere of my current home region is open and people approachable</td>
<td>67 % (20 %)</td>
<td>42 % (6 %)</td>
<td>36 % (8 %)</td>
<td>49 % (11 %)</td>
</tr>
</tbody>
</table>

*Also contains those who had not yet considered the matter (28 % of respondents)

Phenomena like dissatisfaction with economic factors (salary, taxes) or social factors (communicative working culture, approachability of people) tend to be important “pushing forces” that increase individuals’ propensity to leave. For example, treatment in public offices was experienced to be equal less frequently by those planning to depart than by those planning to remain. Likewise those planning to leave felt less frequently that their place of residence was open and the people easily approachable than those planning to stay (table 2.).

Being an outsider both in one’s own work community and in society is formed from many factors, but from the perspective of the individual it is clearly a factor which disconnects or even pushes from the region. High quality of living environment or safety will not be sufficient to keep experts in Finland if other factors are not right.
3.7 High quality innovation environment in high quality welfare state?

Images of Finland and its urban regions were not particularly prominent in the foreign experts’ field of choices. Information about interesting tasks had mostly come over the Internet recruitment pages and on the other hand through various global “bus telegraphs”. Both methods create an image rather of jobs and employers than of Finland, albeit focusing precisely on the targeted group. Images of Finland were fairly thin and stereotypical, and not very attractive:

- Prior to information on the opportunity available the image of Finland was still fixed on a cold and sparsely populated northern country inhabited by a taciturn people.
- To some extent – mostly the Europeans – were aware of Finland as an information society, i.e. of the heavy density of mobile phones and Internet connections and the accompanying business activity and some individual enterprises.
- The image of the Finnish urban regions, both inside Europe and beyond, is somewhere between ignorance and awareness. Taken to extremes, only Helsinki haphazardly makes it over the threshold of awareness.

Attractive factors that really pull professionals to Finland were in short:

- Interesting and challenging work
- Career opportunities and career advancement through "looks good on my CV" occupations
- Personal relationships

To simplify, the preventing factors were as follows:

- the rather low level of financial prosperity due to the level of salaries, of taxation and their combined effect
- lack of images to interest experts, thereby causing Finland not to be in the experts’ field of choices

Naturally for some individuals numerous other considerations may constitute preventing factors, typically the Finnish language, the climate, the small size of the cities etc. but in general their significance was not prominent. However, inducing or preventing images may not be considered the experts’ general image of Finland or the image of Finland in the world. General absence of knowledge to some extent gives rise to doubts about the chances of a country to offer meaningful job and career opportunities and on the other hand about a quality living environment. Firms of international repute which inspire confidence do indeed dispel these doubts founded on ignorance, that is, a location of a global enterprise bears a promise of a society which is functional also in other ways.

After arrival tendency to stay depends on how strongly region is able to retain individuals. Retaining (committing) factors of the region serve to reduce the probability of departure and disconnecting factors increase it. If disconnecting factors are very strong, one may speak
of *push* factors, which increase the motivation to actively seek opportunities outside Finland.

As a whole disconnecting or pushing and retaining or even "rooting" factors can be condensed into the following lists. To exaggerate, retaining (committing) factors are as follows:

- **Interesting and challenging work tasks.** The most important retaining factor was frequently work for which reason other aspects of life were endured to some extent also problems with adaptation.
- **A Finnish spouse.** Over 70% of those planning to remain permanently in Finland had a Finnish spouse or partner. The committing effect is emphasized if the couple have children of school age or if the spouse's professional skill was linked to Finnish society (e.g. teacher).
- **Work culture.** Frequently a relaxed work culture free from hierarchies and having respect for the individual was felt to be very positive.
- **Peaceful rhythm in life at work and in private life.** Finnish work culture is to some extent less competitive than that in many other countries and on the other hand the atmosphere at work is often relaxed and the working environment pleasant. Similar phenomena were also to be seen in private life especially outside Helsinki.
- **Family orientation.** Appreciation of the family, in society and in working life, can be seen in long holidays, reasonably short working days and the opportunity to remain at home with a sick child etc. In society the family orientation can be seen more widely in the kindergartens, schools, playgrounds etc. maintained on public funding. On the other hand children's appreciation of the family is not necessarily in evidence in the ways in which children are brought up or in family attitudes themselves.
- **Small-town environment.** The living environment is typically close to natural surroundings, safe and peaceful.
- **A well-functioning society.** The services produced by society and the private sector mostly work well, although they are not always very diverse or adapted to an international clientele.
- **Trust and security.** Society, officials and people in general can be trusted, which serves to make life less stressful and improves the quality of life.

To exaggerate, disconnecting factors are as follows:

- **The level of salaries and taxation in Finland,** which combine to result in a fairly modest level of prosperity compared to many other opportunities on offer.
- **Fairly poor opportunities for work and career in Finland,** because foreign experts are somewhat limited due to the Finnish language and culture. Moreover the prospects for career advancement are perceived to some extent to be poorer than for Finnish colleagues.
- **Experiences of Finnish communication culture and independent work in an expertise intensive working environment.** The way of working, emphasizing individuality and independence in an expertise-intensive organization as applied in Finland, may in some cases appear to offer little appreciation for the work for the individual, the slight opportunities of the individual to exert influence in decisions concerning him/her and may inhibit envisioning the work as a part of a greater entity. This interpretation occurs mostly due to Finnish communication culture.
- **Poor employment prospects for spouses,** due both to the spouse's lack of language skills, regulations in employment policy and attitudes of Finnish employers to foreign labor.
- **Possible disappointment with the level of health care and the school system.** In some cases expectations of public services are too high, due on the one hand to the images created for foreigners and on the other to using the quality of services as a justification for the high level of taxation. In the case of the school system there is also, in some cases, a desire to bring the child up in the sphere of the individuals' own culture or in a less "free education".
• **Difficulty in forming social relationships.** Although creating social relationships is always difficult in a foreign country, the problem is magnified in Finland due to the smallness of the foreign community, Finnish interaction culture and the fact that Finns are not very used to encounter multiculturalism.

• **Dark, cold winters** make life difficult and for some affect mood.

According to Trux the reputation of Finland as a Nordic welfare state attracts at least those young experts who are looking for a “humane alternative to Silicon Valley”. The image of such an environment consists of the security of society, the cleanliness of the environment, the efficient public services and the functioning infrastructure. Attracting and obtaining experts, however, requires that these be maintained and that the good name for having them should be sustained. Humanity may also be the balance between working life and personal life. (Trux 2000) Castells and Himanen have also classified Finland as a state combining information society and welfare society (Castells and Himanen 2001).

The high level of taxation is conducive to equality, enables a wide basic education, free higher education, many kinds of public services and especially public health care. Moreover, it is tax revenue which has also directly contributed to the development of expertise (the centres of expertise, TEKES funding etc.). Thus high taxation for its part lays the foundation on which Finnish expertise and its welfare state are constructed. Being in the arctic also has its role, as natural climatic conditions necessitate coping and the creation of a functioning and sustaining infrastructure in the various sub-areas of society. “The Shangri La of the new economy” and the ”Arctic Tax-Hell” are thus different sides of the same coin, and between them a balance must be struck and an understanding achieved of the importance of this balance for Finnish society as a whole. Attractiveness can be enhanced by taking small steps in the direction of the “Shangri La of the new economy” making Finnish urban regions more foreign friendly and especially by developing innovative environments of the urban regions both in quality and in internationalization. When attracting global professionals, the innovative environment should be seen from the individual's point of view; what are their needs and wants and how they cope and adjust in this rather Finnish environment. First of all, what can Finnish innovative environments offer more than their rivals around the globe? Providing interesting work opportunities and pleasant places in which to live is the starting point for a globally attractive innovation environment for individuals. This kind of combination easily creates a framework that is too loose for development projects, thus specific target groups and their needs should be carefully defined. “Target group” refers both to Finnish professionals who may seek work opportunities globally and foreigners potentially moving to Finland.
An attractive innovation environment should include possibilities for individuals to create global, social and professional networks, image creation processes (partially through these networks), specific services for specific target groups, and so on. The creation of attractiveness can be seen as a process that develops the key facilities of the local innovation environment, and by doing so links it with key networks on the global level through organizations and individual persons. Networks also provide cultural competence for Finnish participants and local actors, an asset that tends to be increasingly important in the face of global competition.

4 Future research tasks

As presented in this paper, individuals have certain preferences they use in order to evaluate location decisions. It is also evident, that welfare state is not necessarily a competitive advantage in this race, though it may have many positive impacts to individual’s life at the national level and outside of context of global competition. As the regions differ from each other, there are different kinds of elements and processes that make a city-region a global nexus for knowledge holders. Regions do not differ only by their qualities as such, but also by their different processes and different development paths. To gain profound understanding of this development, both dimensions should be scrutinized. One of the key challenges is to understand the coevolutionary process of individuals, firms/organizations, city-regions and nation states in world characterized by global flows and competitive ethos. This approach is attached to the following question: How do the flows consisting of individual knowledge holders emerge and what are the dynamics effecting the directions, qualities and magnitudes of these flows?

According to Sassen, labor migrations are patterned in terms of geography and duration. It is not an irreversible flow that only keeps growing but rather a highly modulated process. Labor migration takes place within systemic settings and there appear to have been multiple mechanisms contributing to their size, geography and duration. The importance of recruitment and networks, often spatially circumscribed networks, the frequency of circular migrations that connected specific places of origin with specific destinations over long periods of time, all of these signal the extent to which migrations were embedded in and shaped by specific systems. (Sassen 1999, 134–135.)

4 The development concept answering to emerged questions and disadvantages was published as an appendix in Finnish final report.
For an individual in a social context, it is the series of critical decisions each individual takes from several possible alternatives that may determine a particular life path (path dependency) for that individual. The alternatives available, however, are constrained by the person’s current state and the state of the landscape the person occupies. Thus the emergent behavior of the person is not a matter of “chance” but rather a result of the person’s selection among a finite set of perceived choices, as are the past choices made (the history) that have shaped that person’s life path. Once the decision is made, there is a historical dimension and subsequent evolution may depend on that critical choice; but before the decision is finalized, the alternatives are sources of innovation and diversification, since the opening social entity (individual, group, organization, industry, economy, country, etc.) is faced with a constraint, it finds new ways of operating, because away-from-equilibrium (established norms) systems are forced to experiment and explore their space of possibilities and this exploration helps them discover and create new patterns of relationship and different structures. (Mitleton-Kelly 2003, 13.) Thus the understanding of the process taking place on the field of choices should be deepen to

- understanding of individual's decision-making process related to the individual's biography and environment coevolving with that biography and its future paths
- understanding of the dynamics of individual knowledge holders’ global flows and their co-evolutionary process in individual, organizational, city regional and national levels related to economical, technological and societal changes taking place also in global level.

These challenges require deeper recognition of global “class structures” and life-style preferences of individuals and creation process of values as a base for these communities creating new class structures and life-styles Especially the understanding of new forms to organize or disorganize these “global communities” is a crucial question.

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