

Labour migration brings greater inequality to rural life in Norway

December 7 2021, by Wenche Margrethe Kulmo



Credit: Rachel Claire from Pexels

Income differences in small Norwegian towns have increased since 2004, when several former Eastern Bloc countries joined the EU.

"When the EU expanded eastwards, Norway had historically high labor migration. What was also new was that immigrants to a large extent settled in [rural areas](#)," says Marie Holm Slettebak, a sociologist and doctoral fellow at NTNU.

Slettebak has dived into the numbers to study the connection between different types of immigration and [income inequality](#) in Norway since 2004.

After 2004, many municipalities that had no experience with labor migration took in a lot of labor migrants, Slettebak says.

Study confirms growing income disparities

It's well known that immigration is typically followed by increased income inequality because the new population groups earn less than others. This is especially true when immigrants come from countries with considerably lower income levels than Norway.

Slettebak's research confirms this income pattern. She has used data from Statistics Norway to survey all Norwegian municipalities from 2005 to 2016.

An important question is not just if the immigrants' own income leads to increased income inequality, but if immigration also affects income inequality in the rest of the population.

Previous research in Norway indicates that some parts of the population benefit from labor migration while others lose.

"The question I asked was whether this immigration also affects the income of Norwegian-born people," says Slettebak.

"I found evidence that this was true," she said. "The income differences in the Norwegian-born population increased as a result of labor migration, but only in rural municipalities. The effect is present, but perhaps a little weaker than some people had feared," she says.

Slettebak points out that labor migration is far from the whole explanation for the increased [income](#) disparities.

Norwegian-born and immigrants each in their respective labor markets

Immigrants from Eastern Europe mainly take jobs in agriculture, the [fishing industry](#), tourism and the construction industry.

As to whether Norwegians in these occupations also earn lower wages as a result of labor migration, Slettebak says, "According to economic theory, a large supply of labor would push wages down. But this hasn't affected Norwegians as much as you might think. The reason is that Norwegians don't compete to a very great extent with working immigrants."

"The labor migrants come and take jobs that Norwegians no longer want, for example in the fishing industry, which I investigated in this study," she said. "In recent decades, we've seen an educational revolution and strong wage growth. Certain jobs are therefore no longer attractive to Norwegians."

At the same time, she says, it's possible to argue that jobs have become less desirable because wage growth in these occupations has stopped. Wages are stagnating in the [construction industry](#), for example.

"So Norwegians have become too 'good' for these jobs and that the jobs

have become less good," she said.

Labor migrants remain low paid workers

Although the generalization of collective agreements has provided greater security against exploiting labor migrants, clear differences exist between the various groups of workers.

"Labor migrants are overrepresented at the low end of the wage distribution, while the Norwegian-born are overrepresented at the top," says Slettebak.

Fishing industry an immigrant niche

Slettebak and Professor Johan Fredrik Rye have studied the fishing industry in particular. The industry has benefitted from labor migration for some time, and employment of immigrants really took off starting in 2004.

"Immigrants make up the majority of the workers doing manual jobs in the fishing industry. The fishing industry has become an [immigrant niche](#)," says Slettebak.

She and Rye studied the mobility patterns of employees in the fishing industry. They followed everyone who had manual jobs in this industry from 2009 to 2018 and found a very clear pattern.

"Norwegians leave the industry much more often for [better jobs](#) or for better jobs within the industry. They have upward mobility and haven't been pushed out. The majority of Norwegians have done well, and have fared the best when compared to labor migrants. Labor migrants tend to stay in the industry's manual jobs," Slettebak says.

At the bottom of the ladder

Non-Western immigrants came out the worst in the competition for good jobs and good wages.

"It's really clear that non-Western immigrants have the fewest opportunities. Their chances of ending up outside the labor market are much higher. They have an unstable connection here and very few opportunities for upward mobility," says Slettebak.

"One question that we don't answer in our research is whether immigrants from outside Europe have been very negatively affected by the migrant influx following the enlargement of the EU in 2004. But a lot of indications suggest that if anyone is paying the price for the large labor force supply in the labor market, this group would be it," she says.

Jobs—not immigrants—can save Norwegian settlements

Another question Slettebak has looked at is whether immigration can save rural Norwegian communities. She found that it wasn't municipalities with large relocating populations and low birth rates that took in the most labor migrants.

"I found that relatively speaking, the rural municipalities that need immigrants the least, got the most. The solution for Norwegian municipalities threatened with residents relocating elsewhere doesn't lie in the immigrants themselves, but in the available [jobs](#)," Slettebak says.

Provided by Norwegian University of Science and Technology

Citation: Labour migration brings greater inequality to rural life in Norway (2021, December 7)
retrieved 26 April 2024 from

<https://phys.org/news/2021-12-labour-migration-greater-inequality-rural.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.