

Income and income poverty of Swedish speakers and Finnish speakers in Finland

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Abstract

The study background

Previous studies on wealth and income differences between Swedish speakers and Finnish speakers in Finland are based on individual level data and show that Swedish speakers generally perform well. However, income differences between the two population groups should be measured at the household level as well. Also, no previous research has been concerned with poverty in the Swedish-speaking group, or with ethno-linguistic differences at the lower end of the income distribution.

Objectives

The main objective is to present and develop results from my recent doctoral thesis. The thesis aims to study ethno-linguistic income differences at the household level, to study ethno-linguistic variation in poverty, and to analyze how income poverty in households with children depends on parental ethno-linguistic affiliation.

Data and methods

Using register data covering the period 1987-2011, multivariate regression models were estimated to compare Finnish speakers and Swedish speakers with respect to income and income poverty. The measures of income and income poverty are based on taxable income and the analyses restricted to areas with both Finnish-speaking and Swedish-speaking settlement.

Results

The results show higher income in endogamous Swedish-speaking households than in other households, but also a somewhat higher probability of Swedish speakers than Finnish speakers to be found in income poverty. However, the ethno-linguistic differences in poverty are modest, and over time, the Swedish-speaking population has noticeably improved its position at the lower end of the income distribution.

Main conclusions

Endogamous mate selection seems to increase income inequality and might uphold gender inequality, but may also help the minority group in sustaining its own community. The small differences in poverty rates between Finnish speakers and Swedish speakers are evidence of a democratic and well-functioning welfare state, although the increasing overall poverty rates over time require future scrutiny by both policy makers and researchers.