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## Revamping the employability of highly skilled immigrants in Finland

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*The employability and employment rate of foreign origin people have been actively discussed in Finland. The phenomenon is also related to attracting highly skilled workers to Finland. While many public and private bodies are working on to attract talent from abroad, the existing foreign origin talent within Finland has been largely overlooked. The official data shows that there is not much improvement in the employability of foreign origin skilled workers in the last decade or so. To what degree is there a pool of highly skilled workers with foreign background available on the Finnish labour market, who are not employed to an equal degree with native Finns? The purpose of this article is to examine the officially available information on this issue. The article also explores the role of the gender and last names biases in the recruiting process. Finally, it discusses the Finnish Government plans and measures to tackle the present situation effectively.*

Innovative countries should not have problems in finding new talent and attracting them to move for a better future in this Global village. Finland has frequently topped international rankings in education, technology, innovativeness, happiness and standard of living over the last two decades. All these positive outcomes have helped to attract cre-

ative minds from around the world. However, Finland has real problems in retaining this talent for longer periods. Highly skilled workers come and go, but seldom consider Finland as a permanent home. Finland has thus remained a training house for human capital, but once these brains are ready to rock, the country loses them in one way or another. The problem is getting worse due to multiple reasons, such as lack of permanent contracts, work visa delays, instability in policies for immigrants and tuition fees for international students in schools. It is very important to revamp the process of integration of highly skilled immigrants in the Finnish work culture and society in general. To achieve this goal, it is important to have a deeper look at previously available data related to the employment rate of skilled immigrants. The article posits that the relatively low rate of employment of immigrants is either due to unavailability of immigrant origin skilled workers, or it is because of lower acceptability of immigrant skilled workers on the Finnish labour market. This article will help to gain a better understanding of the current employability situation of skilled workers and provide insights for better policies.

The best way to study the employability of highly skilled immigrants in Finland is

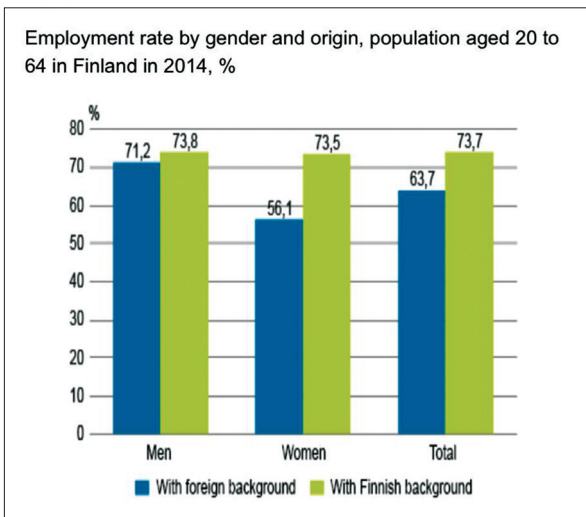


Figure 1. Comparison of employment rate in foreign and Finnish background individuals. Source: Statistics Finland.

to compare them with the employability of highly skilled native Finnish people. Statistics Finland provides authenticated data for such comparison. In 2014, it carried out a UTH-survey (*Ulkomaista syntyperää olevien työ ja hyvinvointi tutkimuksen/Survey on work and well-being among persons of foreign origin*), in which data was collected through face-to-face interviews. The survey found around 241,000 people living in Finland, whose parents were born abroad. The surveyed people were a heterogeneous group including internal EU migrants, refugees and other immigrants. The survey includes data on immigration, education, language skills, health facilities and labour market position. While looking into the results regarding the labour market situation, the findings revealed the actual situation of employment rates of immigrants in comparison to native Finns. The survey explained the results of the employment rate on three main criteria, namely gender, origin and population. There was 10% lower level of employment of people with a foreign background (63.7%) as compared to those with Finnish background (73.7%). The major difference derived from the lower employment rate of foreign females (56.1%), which was 17.4% less, relative to (73.5%) women with Finnish background.

The level of education results showed that the higher the education level, the better the employment rate of the immigrant. Immigrant males (83%) with university-level education have only 3% lower employability than their counterpart Finnish males (86%).

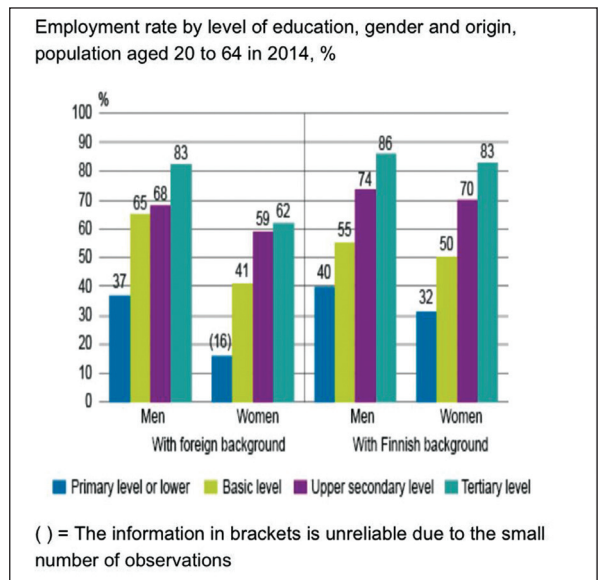


Figure 2. Comparison of employability in foreign and Finnish background individuals based on education levels. Source: Statistics Finland.

Again, there is a 21% gap between foreign background females (62%) relative to their Finnish background (83%) counterparts.

Additionally, the unemployment rate of foreign background (14.4%) is 6% higher than their counterpart Finnish background males (8.4%). Women with foreign origin (6.3%) have 10.7% higher unemployment rate relative to their counterpart Finnish origin women (17%). Overall, unemployment of foreign background people was 11.5%, in comparison with 4,6% rate with those with Finnish background.

It is important to note that there is only a relatively small difference (4.3%) in the unemployment rates among immigrants and Finns with lower secondary level education.

As the data and results are more than 5 years old (from 2014), it is important to compare the results with the more recent figures. The latest data available on the unemployment of foreign background people is from OECD survey, conducted in late 2017. The unemployment rate of foreign background immigrants in Finland was then found to be 15.8%. This includes 17.5% females and 14.3% of males of foreign backgrounds (OECD 2019).

The comparison of data of foreign background immigrants in 2014-2017 gives us clear findings and a ground situation.

The data in Table 1 shows that there has not been much change observed in terms of the percentage number of unemployment of immigrants in Finland. There is even a 0.1% increase in overall unemployment in the people of foreign backgrounds. As there is no

Unemployment rate of population aged 20 to 64 with foreign and Finnish background by gender and level of education in 2014, %

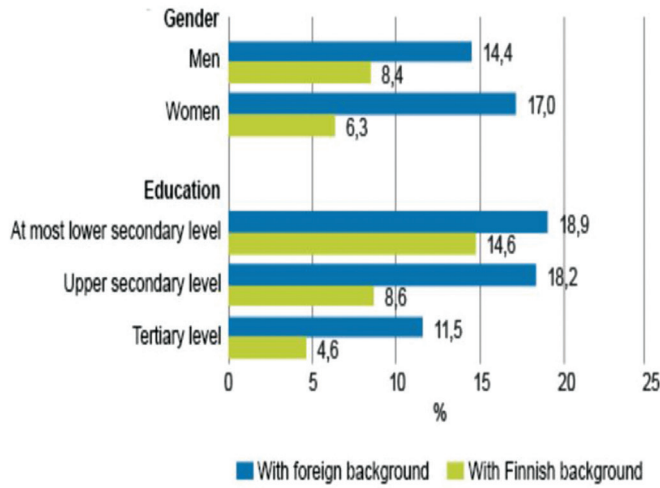


Figure 3. Comparison of unemployment in foreign and Finnish background individuals based on gender and education. Source: Statistics Finland.

similar comparative data available from 2019, it seems from the above three years' data, that nothing much has changed since 2014. However, the overall unemployment data from July 2019 has shown some progress. According to Statistics Finland (2019/07), there are 14,000 less unemployed people as compared to July 2018. The employment trend was 72.4%, while the trend in unemployment is 6.6%. Figure 5 graphically represents the overall employment rate in the last decade (2009-2019).

It can be assumed that if the overall employment trend has remained positive, there could be improved levels of employability of foreign background people. However, it is clear from the immigrant employment rate from 2017 that things have not changed much. There is also an eye-opening study recently published by the researcher Akhlaq Ahmad (2019) from Helsinki University, which explores the importance of surnames of applicants in getting employed for any

job in Finland. The findings of the research indicate that the ethnicity of the applicants plays a vital role in getting employed. The first priority is systematically given to the applicants with Finnish surnames. On another level, recognizably 'European' surnames were associated with a clear advantage over the non-European names in the recruiting process (Ahmad 2019). This is thus clearly one of the several reasons for the lower employment rates of foreign background people.

The former PM Antti Rinne's (2019) government announced recently, that there would be an increase in the budget for employment and economy. In the light of available data, it is highly important to spend some of that money to revamp the existing employability and integration programs. The main revamping that is needed to stop the brain drain from Finland is to focus on highly skilled immigrants, and the immigrants graduating each year from Finnish Universities and polytechnic schools (Yliopisto & AMK). Attracting highly skilled workers from abroad is a good thing, but accommodating the huge number of already available skilled workers in Finland actively in the current workforce should be a priority.

A reason for this prioritizing foreign origin workers already living in Finland is simple, loud and clear: this group is already accustomed to the Finnish working life, and many have graduated from Finnish schools. They understand the working and entrepreneurship environment, and most importantly, the Finnish Government has already spent significant tax resources on them. The

Table 1: Comparison of unemployment data 2014-2017. Source: Statistics Finland/OECD

Statistics Finland/ OECD	Unemp. 2014 (%)	Unemp. 2017 (%)
Men	14.4	14.3
Women	17.0	17.5
<b>Total</b>	<b>15.7</b>	<b>15.8</b>

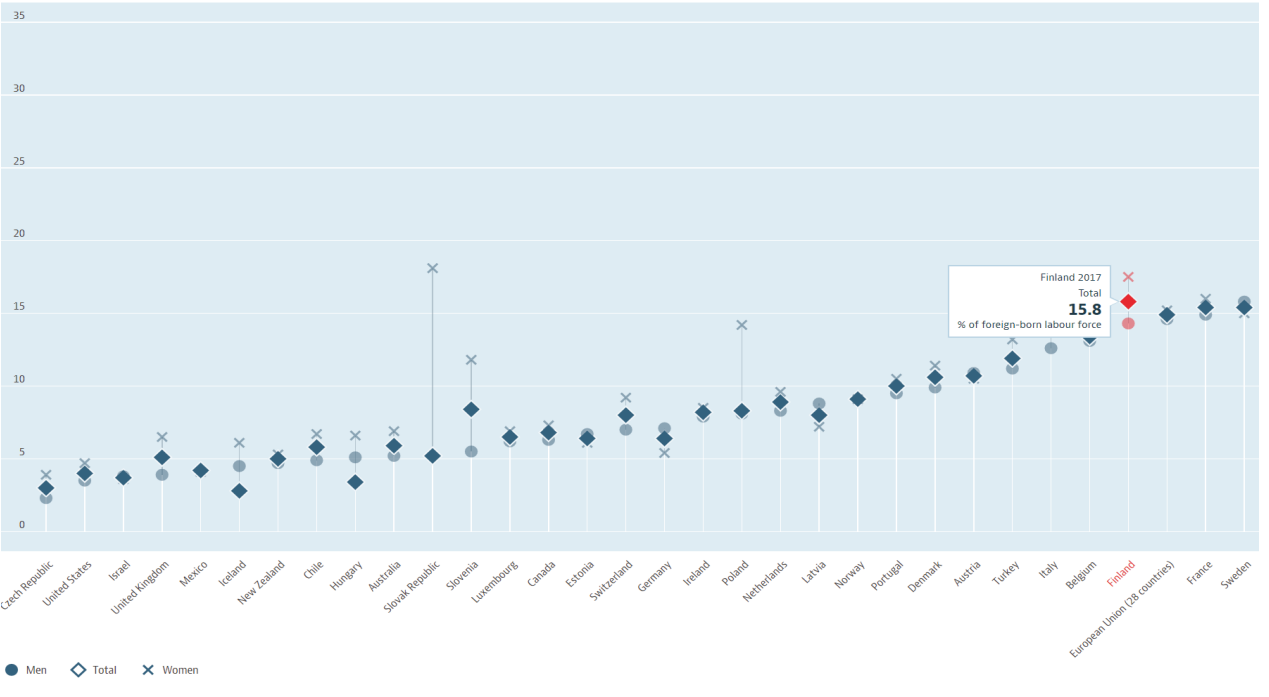


Figure 4. Unemployment of foreign background individuals in 2017. Source: OECD.

over 15% of highly skilled immigrants who are currently unemployed could be the most readily available source to tackle the shortage of workforce.

According to the Finance Ministry (2019), a total of 2.7 billion Euros was allocated for employment and economy. A fair share of this amount is planned to be spent towards TE offices and to develop jobseeker programs. The increase in the budget for employability is a good sign and shows the concern of the Government towards the burning issue of skilled unemployed immigrants.

There is also an urgent need for a specifically dedicated study to gain accurate data on the present-day unemployment of highly skilled workers with a foreign background. Such a study should also seek to identify the reasons, factors and language issues relating to the problem, as well as company

problems in hiring and the overall integration process. A new strategy should be based on the results of such a study. It is important to adopt research-based approach, because in the previous decade the employability of highly skilled immigrants has not improved. The revamping of a strategy for employability for this group should involve innovative solutions, including the strengthening of online

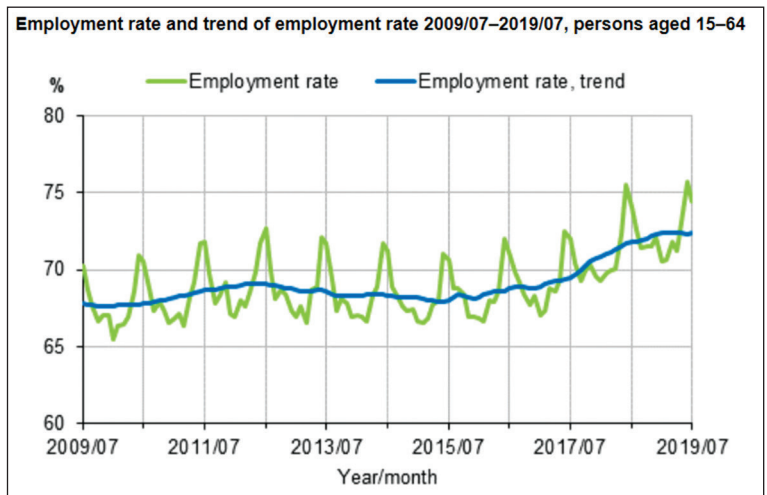


Figure 5. Employment rate and trend of employment rate 2009/07–2019/07. Source: Statistics Finland.

work possibilities, IT-related training, building new platforms to facilitate the interactions between skilled workers and potential employers, freelance work possibilities and acceptability of immigrants in Finnish jobs with basic Finnish language wherever possible. The improvement in this issue holds a promise of solving the shortage of skilled workers in a wide variety of industries in Finland.

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