

## Chapter 4

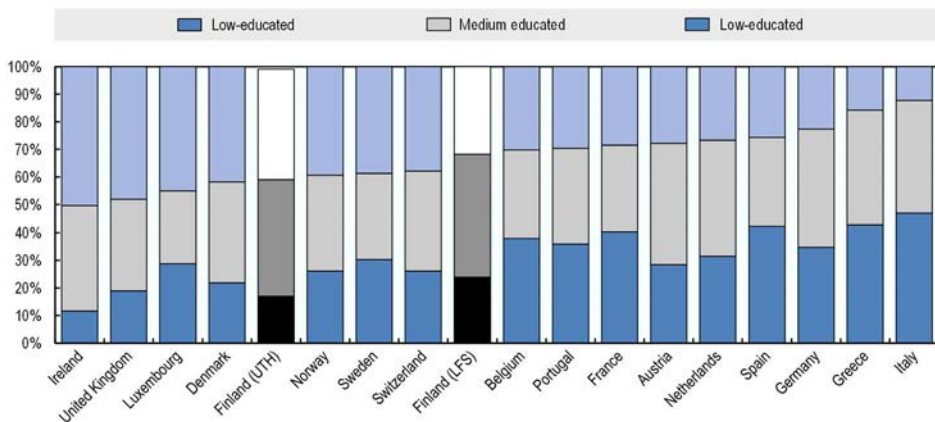
### Giving migrants in Finland a chance to demonstrate their skills

*Many migrants bring with them skills that could be productively put to use in Finland – both formal qualifications and informal skills. As progress is made towards speeding the transition of new migrants into employment, long-run efficiency will require efforts to ensure migrants move into employment that is appropriate to their qualification and competences. Recognition is important part of this but, alongside this, it is important that migrants have the opportunity to demonstrate their skills – both cognitive and non-cognitive, formal and informal – through employment spells with Finnish employers. Chapter 4 looks at the challenges migrants face in demonstrating their skills – translating them for the Finnish labour market and gaining their first foothold in employment. The chapter investigates constraints on the demand for migrant skills as well as the policy responses that attempt to tackle them including wage subsidies and anti-discrimination policies.*

The design of recent policy in Finland has put a heavy emphasis on speeding up the path to the labour market. Yet, many migrants bring with them skills that could be productively put to use in Finland – both formal qualifications and informal skills (Figure 4.1). However many migrants obtained their skills and qualifications abroad, prior to arrival in Finland and, as such, their skills are not easily recognised, understood, or valued on the Finnish labour market.

**Figure 4.1. A large proportion of Finland’s foreign-born are highly educated**

Percentage of foreign-born by level of education, 2015



*Note:* Education level classified according to the International Standard Classification of Education (ISCED). People falling into ISCED groups 0-2 (no more than a lower-secondary level of education) are described as having low education. People with ISCED 3-4 are described as having a medium level of education. They completed upper secondary school or postsecondary non-tertiary studies. Those with ISCED 5-6, hold a tertiary education and are classified as highly educated.

*Source:* Eurostat Labour Force Survey Data 2015 (European Countries), UTH 2014 (Finland).

As progress is made towards speeding the transition of new migrants into employment, long-run efficiency will require efforts to ensure migrants move into employment that is appropriate to their qualification and skills. Qualification and skill recognition will be an important part of this but, alongside this, it will be important to ensure that migrants are given the opportunity to demonstrate their skills – both cognitive and non-cognitive, formal and informal – through employment spells with Finnish employers.

## Recognising skills

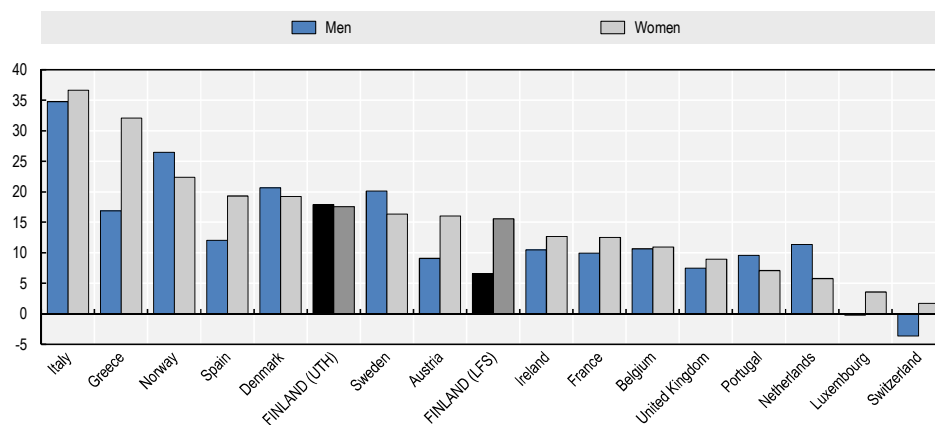
### *Over qualification rates are high in Finland*

Across the OECD, education acquired outside the host country – and particularly that acquired outside the OECD – is strongly discounted on the host country labour market. Employers, who are unsure of the value of foreign qualifications, are often unwilling to offer employment at a commensurate level, and the prevalence of formal over-qualification among foreign-workers is often the result.

Over-qualification rates – the share of individuals working in low-skill occupations despite holding a high level of formal qualifications – are significantly higher in Finland among the foreign-born than they are among the native-born. Indeed, according to the UTH survey, over-qualification rates among foreign-born workers, at 36%, are double those among native-born workers. Among foreign-born women, close to two in every five workers are overqualified for the job they hold in Finland (Figure 4.2).

**Figure 4.2. Over qualification rates are large in international comparison**

Percentage point disparity between native-born and foreign-born over qualification rates, 2015



*Notes:* 1. Over qualification rate defined as the share of employees not working in professional occupations (ISCO 1-3) as a percentage of highly qualified employees (ISCED5-8) 2. Rates from the Finland UTH survey refer to the year 2014.

*Source:* Eurostat Labour Force Survey Data 2015 (European Countries), UTH 2014 (Finland).

Recognition of foreign qualifications and competences can take several forms, dependent both on the purpose of the recognition – employment or

further education, and also on the nature of the skills – formal or informal. Among recognition procedures for employment purposes, an important distinction must be made between regulated and non-regulated professions and occupations. Regulated professions and trades generally require a specific registration certificate or licence, awarded by the relevant professional licencing body, often in order to protect public health and safety. As a result, immigrants trained abroad are not eligible to work in regulated professions unless they obtain a formal assessment and recognition of their qualification from the relevant licencing body.

Conversely, in occupations that are not formally regulated, migrants with foreign qualifications are not formally prevented from exercising their profession. However, employer uncertainty over the value of foreign qualifications may still present a barrier to employment in non-regulated professions and informal assessment of qualifications can be an important tool to increase transparency. Finally, having foreign qualifications assessed is generally required if migrants seek to pursue further studies in the host country or to carry an academic title. The specifics of the Finnish system for the recognition of foreign qualifications and competences are outlined in Box 4.1 below.

#### **Box 4.1 Finnish policy at a glance: The recognition landscape**

**Recognition in regulated professions:** In Finland, the authority in charge of recognising qualifications in regulated professions varies according to the profession. There are 17 bodies in charge of recognising qualifications in regulated professions including three regional bodies. The largest among these authorities, alongside the National Agency for Education, is the National Board of Health (Valvira).

**Recognition in Non-regulated professions:** There is no formal recognition procedure for non-regulated professions and qualifications. Private sector employers generally assess the competence conferred by a foreign qualification themselves when deciding on employee recruitment. However, there is no co-ordinated procedure for this recognition and, as such, this form of recognition is not transferable between employers.

**Recognition for entry into further studies:** Higher educational institutions, and other educational institutions, have autonomy over recognition for entry into further studies or for use towards the completion of a Finnish qualification. If requested to do so the Finnish National Agency for Education may advise higher education institutions.

**The Finnish National Agency for Education.** This body functions as an assistance centre for the recognition of professional qualifications and is responsible for providing information about qualifications and competences and recognition procedures.

**Fees.** The fees for recognition of qualifications vary according to the purpose of recognition and the competent authority. For example, the fees for Finnish National Agency for

### **Box 4.1 Finnish policy at a glance: The recognition landscape (cont.)**

Education decisions range from EUR 234 for recognition of the level of a higher educational degree to EUR 353 for recognition of eligibility, conferred by foreign qualifications, to practice a regulated profession. The Finnish National Agency for Education will also issue, for a fee of EUR 274, an advisory statement on foreign vocational qualifications that can be used to support job search.

**Number of qualifications recognised annually:** No national data is collected. The Finnish National Agency for Education estimates that it recognises approximately 800 qualifications annually.

Source: [www.oph.fi](http://www.oph.fi), [www.valvira.fi](http://www.valvira.fi), [studyinfo.fi/wp2/en](http://studyinfo.fi/wp2/en).

### ***Many actors operate in the field of recognition but limited referral undermines the use of these services***

Recognition decisions, in Finland, are made by a number of different bodies. Primary among these is the Finnish National Agency for Education which decides on eligibility for positions requiring a higher education degree, and in 20 of the 81 regulated professions. Alongside the Finnish National Agency for Education, 14 other field-specific authorities decide on foreign qualifications within their area of competence. The largest among these, Valvira, is responsible for recognition in health related professions. The exact pathway the individual follows will depend upon the field in which they hold a qualification, and whether they require recognition for entry into education, or into employment.

In the first place, and most simply, individuals hoping to enter Finnish university to work towards a Finnish degree will have their qualifications assessed directly by higher education institutions. These higher education institutions will verify whether the individuals existing qualifications are sufficient to confer eligibility to study for a further Finnish degree.

Migrants who seek recognition for work in non-regulated professions can submit their qualifications to the Finnish National Agency for Education for a decision regarding the level of their degree. A foreign higher education can be recognised as comparable to a degree completed at a Finnish higher education institution if the extent, orientation and requirements of the studies are comparable to those in Finland. Since March 2017, the National Framework for Qualifications has classified the Finnish education and qualifications system into eight levels based upon the European Qualifications Framework. By describing the knowledge, skills and

competences required by qualifications in a uniform, comprehensible and comparable manner, it is hoped that the framework will improve the clarity and effectiveness of the Finnish qualifications system.

In addition, the Finnish National Agency for Education can issue advisory statements on vocational qualifications completed abroad. These statements do not confer eligibility for a position for which a certain education is required. Nevertheless, the statement provides information about the level and content of the qualification and the competence provided and may be helpful when seeking employment or applying for studies.

Finally, for those migrants hoping to have qualifications recognised in order to enter employment, the route they take, and the body they consult, will depend upon the field in which their qualification is held. In order to apply for recognition into a regulated profession, migrants must approach the relevant professional regulatory body and follow its specific assessment criteria and procedures. Migrants whose qualifications are successfully recognised will then be given the right to work in their chosen field. If their qualification is not considered comparable to the Finnish equivalent, they may be offered “conditional” recognition with the requirement that they undertake supplementary training before being given the right to practice their profession.

Yet referral of new arrivals to recognition services is currently *ad hoc*. While some individuals are referred by the public employment services, the majority of migrants are left to make their own way to recognition bodies and to navigate the process themselves. The large number of actors in the recognition field, alongside a lack of transparency surrounding recognition procedures, makes it hard to navigate the system for those who are not familiar with the Finnish labour market. And though competent authorities provide information on the procedures and requirements in their field, few pro-active measures are taken to distribute material, or reach out to migrants who may benefit from recognition. Given that migrants may not know of the existence of recognition services, or may not fully appreciate the benefits recognition can bestow, this lack of systematic referral can lead to significant underutilisation and compromise the efficiency of early integration activities. Elsewhere in the OECD, for example in Australia, Austria, Canada, Denmark, Germany and Sweden, countries have made assessing foreign qualifications an integral part of early integration activities and targeted counselling services are provided to tackle lack of awareness about recognition procedures.

### ***Existing qualifications should be used to orient early labour market experience***

Finland has put substantial efforts on the tailored nature of early integration activities. Yet, the skills and qualifications an immigrant holds are perhaps the most important determinant of their integration path and the training they require. Early assessment and validation is therefore a fundamental foundation upon which to build an appropriate integration plan. Taking stock of the qualifications and skills that migrants bring with them to Finland must, therefore, be the point of departure for effective integration. Only when this is done can integration programmes be tailored to the specific needs of the individual migrant.

Where recognition is effectively aligned with integration measures from an early stage, qualifications can provide an important guide to direct early labour market experience. In this manner, a career pathways approach, similar to the alternative career approach adopted in Canada (see Box 4.2) can ensure that the benefits early contact with the labour market yields – in terms of language and network acquisition – are vocationally relevant. Such an approach can also help to reconcile the dual aims of early labour market entry with the need to top-up migrant skills through bridging. Career pathways can incorporate both bridging courses and bridging jobs. A bridging job can provide a flexible complement to bridging courses, enabling immigrants to identify employment that requires little or no upgrading upon arrival but that relates to the profession in which they were originally educated and trained. Such positions utilise the skills and experience the migrant has already developed in the field, and can be pursued alongside bridging courses. In this manner, bridging jobs can put new arrivals on a pathway to work while building upon their existing skills, gaining professional work experience, learning work-related language and networking with individuals within the sector. In order that bridging jobs remain distinct from survival jobs (were migrants are trapped in jobs for which they are overqualified) it is, however, important that supplementary educational courses are indeed pursued alongside work and the goal of skilled employment is maintained.

### **Box 4.2 Work alongside bridging in Canada and Germany**

Combining work and participation in bridging courses ensures that early contact with the labour market does not impinge upon the ability of qualified migrants to eventually enter employment in which they are able to use their skills and qualifications. The most effective programmes that combine employment and bridging courses provide early work experience within a field that is closely related to the subject area of the bridging material.

In **Canada**, since only 20% of immigrants in licensed occupations obtain a professional license in their field, Citizenship and Immigration Canada (CIC) has been working with partners to explore alternative careers – to be pursued while working towards gaining the requisite license, or as a new career choice in itself. Since 2013 CIC, together with Settlement service provider organisations and provincial and territorial counterparts, has worked with highly-skilled immigrants in sectors including finance, biotechnology, health, accounting and engineering, to explore alternative career options and connect immigrants with employers. The model brings together stakeholders – government’s regulators, professional associations, educational institutions and employers – to provide information to internationally trained individuals on alternative career pathways, licensing practices and connects them with employers to discuss job options.

In addition, a new programme in **Germany** called Early Intervention works to assist refugees and certain asylum seekers to determine what their skills are, how these are relevant to different occupations and how to apply them in sectors where there are shortages. Similar to the alternative careers model adopted in Canada, migrants may then begin working in a job that requires a lower level of qualifications than the job for which they are formally qualified (for example as a nursing assistant rather than as a nurse) with the aim of moving into a more qualified position when they have attained fluency in German and have experience of the German nursing sector. Importantly, migrants are given the opportunity to study language alongside their initial position in order to ensure they progress towards their goal and do not remain stuck in a position for which they are over-qualified.

### ***Informal and undocumented skills can be recognised as part of a competence-based qualification structure***

Much broader than the recognition of formal qualifications is the assessment and validation of skills. Recognition of Prior Learning (RPL) gives immigrants a chance to have their competencies systematically assessed and certified, regardless of how and where these skills have been acquired. In Finland, the primary vehicle through which vocational competencies are recognised is the competence-based method of completing qualification (see Box 4.3). Under this framework of the competence-based qualification, competences are evaluated on the bases of vocational skills demonstrated at the workplace while undertaking actual work tasks. Importantly, these skills may have been acquired either formally or informally – through work



experience, studies or other activities. New legislation on vocational education and training that entered into force in January 2018 have streamlined the competence-based method for completing qualifications, creating a single track – both for young and adult students – where previously the system and requirements had differed.

### **Box 4.3 Finnish policy at a glance: The competence-based method of completing qualification**

The competence-based qualification is one of the primary vehicles through which vocational competencies are recognised, built upon, and accredited in Finland. The qualification builds upon existing competences, not only those obtained in formal educational institutions, but also those acquired through work experience, studies or other activities.

In 2016, approximately 38 700 students obtained vocational qualifications through the competence-based qualification system. Of these, 3 638 (or 9.4 per cent) were students with a foreign mother tongue. This proportion is substantially larger than the 5.9 per cent of school-based vocational qualifications that were awarded to students with a foreign mother tongue.

**The assessment:** Competences are evaluated on the bases of vocational skills demonstrated at the workplace while undertaking actual work tasks.

**Comparability:** The competence-based method of completing qualifications can lead to the attainment of vocational upper-secondary qualifications, further vocational qualifications and specialist vocational qualifications. Importantly these qualifications can also be obtained in the formal education system. This means, in effect, that the standard is easily assessed by employers and they can be compared to those gained in the formal education system. Furthermore, the involvement of employers and employees in drawing up the qualification requirements ensures that their contents and requirements are well understood by employers.

**Eligibility for further studies:** Vocational qualifications obtained through the competence-based method confer eligibility for higher education studies.

**Special support:** Education providers are obliged to attend to the needs of candidates requiring special support, including migrants, in order to ensure applicants are given the best conditions to demonstrate their competences, without adjusting the skills requirements of the competence demonstration. Where language skills are found to be inadequate, the candidate must be provided with the special instruction, support services and special arrangements to ensure that deficiencies in language skills do not have a negative effect on the candidate's performance (FNBE 2013). If necessary, and if the qualification requirements permit it, special arrangements may include:

- A candidate may provide an oral demonstration in place of the written sections of the competence demonstration.

**Box 4.3 Finnish policy at a glance: The competence-based method of completing qualification (cont.)**

- Additional time can be allocated during competence tests for the planning of tasks and written modules.
- Support materials, such as plain language texts, pictures, drawings, models and aids can be used.

**Funding:** The financing of the competence-based qualifications depends heavily on the form of the qualification takes. The competence-based qualifications are largely funded (i) by the state and employers when the qualification takes the form of apprenticeship training or in-service training or, (ii) by the state and local authorities when the qualification takes the form of independent training or, (iii) by the state when the qualification takes the form of adult employment training. Student financial aid from KELA (Social Insurance Institution of Finland) is available for students completing the qualification, (FNBE 2011).

**Actors:** The Ministry of Education and Culture determines the qualification structure, grants permission to providers and provides financing for preparatory training. The Ministry of Employment and the Economy provides financing.

*Source:* Finnish National Board of Education (2013) Competence-Based Qualification Guide, 2013:22.

Qualifications obtained through the competence-based method require no training in Finland, yet provide a nationally recognisable certificate.<sup>1</sup> As a result, while they are not targeted specifically at foreign-born jobseekers, they can be a particularly important route for migrants to demonstrate and accredit their skills and appear to be an extremely effective route to the labour force. Indeed one year after completing a competence-based qualification, 71% of foreign-born participants are in employment (compared to a 78% employment rate among native-born participants). These employment rates remain comparably high three years after the completion of the degree, indicating that these qualifications lead to relatively resilient positions.

Making particular efforts to disentangle the assessment of vocational capabilities from an assessment of the individual's general language proficiency (see Box 4.3 above) the competence-based qualification framework represents a particularly valuable programme for the foreign-born. To maximise the integration potential of the programme it will be important to ensure that the possibility of attaining a competence-based qualification is systematically introduced during the early stages of integration training as part of the initial skills mapping.

### ***Employers should be given more support in assessing informal skills***

Qualifications and experience are central to getting a job in any country. However, more important than the qualification itself, is often the ability of employers to form skills expectations on the basis of these qualifications. With qualifications that have often been obtained overseas, and little or no local labour market experience, migrants are at a distinct disadvantage when it comes to demonstrating their suitability for a job opening. A particularly important element in the success of the competence-based qualification is that it provides an indication of competences that is harmonised at the national level and comparable to qualifications obtained in the formal education system (see Box 4.2).<sup>2</sup> The result of this is that qualifications obtained in this manner are recognisable and easy to interpret for employers. As a result, these qualifications play a central role in increasing transparency; helping migrants to demonstrate their skills and ensuring that employers are able to interpret them. Furthermore, employers are consulted in the design of the work tasks upon which the vocational modules of the competence-based qualification are based. As a result, they have a clear idea of the relevance of the skills these qualifications demonstrate.

Outside of the competence-based qualification, however, there is little support for employers in assessing the value of migrant's skills. As a result, given the greater degree of uncertainty regarding the skills of foreign-born job-seekers, employers may steer away from hiring them in order to minimise their risk of hiring an employee who is ill-equipped to meet the demands of the job.

To ensure that employers are easily able to understand the value of qualifications obtained overseas, OECD countries are beginning to provide employers with access to comprehensive databases about international education systems and courses. This information can include details of the course structure, framework, governance, quality-assurance procedures, and institutional status. Recognition bodies generate a rich pool of information during their assessment and evaluation of qualifications. Making this information publicly available, or sharing it with employers would facilitate the informal assessment undertaken by employers in a cost effective manner. Such information would enable employers to consult the database independently when in doubt about the value of a foreign qualification rather than steering clear of the uncertainty such qualifications would otherwise entail. OECD countries that have taken steps towards supporting employers in this manner include Australia, Germany and Denmark (see Box 4.4). At the international level National Academic Recognition Information Centres (NARIC), in countries across the European Union, support the recognition of diplomas and periods of study undertaken in other countries.

### **Box 4.4 Providing support to employers for assessment of skills in Australia, Germany and Denmark**

Ultimately, outside regulated professions, the functional recognition of the skills of a migrant is down to the employer. Acknowledging this fact, several OECD countries have undertaken measures to support employers in understanding qualifications and assessing skills.

#### **Support for interpreting formal skills**

In **Australia**, the Australian National Office of Overseas Skills Recognition shares Country Education Profiles online that provide information on foreign qualifications and how they relate to the Australian Qualifications Framework.<sup>1</sup> The information provided is designed to assist employers and higher education institutions in deciding whether to admit a candidate for employment or studies. To this end, every country profile provides assessment guidelines; a list of recognised institutions; a description of the education system including grading standards, language of instruction, and admission requirements. There are currently country profiles covering 127 countries, focusing on higher education and post-secondary vocational qualifications. The profiles are accessible to all registered users on the basis of subscription fee.

In a similar vein, the BQ online portal in **Germany** provides individual employers and assessment bodies with detailed and authoritative information regarding foreign vocational training systems in 76 countries. This includes information on the content and duration of 1 650 individual vocational training programmes as well as the legal basis upon which these courses are offered. The platform also allows registered members of the Chamber of Skilled Crafts to add information thereby pooling all relevant information on foreign professional qualifications. With its collaborative approach, the BQ-Portal ensures that the competent organisations draw on the same database, this helps to foster transparency and consistency between the decisions made by the various chambers. These comprehensive databases provide a useful basis to facilitate the work of further recognition stakeholders in other countries and may represent a useful contact for Finnish recognition agencies.

#### **Support for assessing informal skills**

To assess informal skills – in particular those of refugees, the **German** public employment service has developed, in co-operation with a foundation and a research institute, computer-based skills identification tests. These interactive tests rely mainly on images and use few words. The aim is to establish which practical competences of refugees can be transferred in the working context. Different fields are tested; the test uses videos where persons perform standard tasks in the respective occupation and then asks the candidate to identify errors or to put them into the right order. The instrument has been developed in co-operation with employers' associations to ensure compatibility with job requirements. The assessment takes around four hours and is done under the supervision of an expert. Testing is planned to be available for around 30 professions and in six languages.

Additionally, German employers are actively involved in the development of industry specific practical guidelines for RPL through vocational trade committees. Practical guidelines and manuals for RPL have been developed in various sectors including building and

#### **Box 4.4 Providing support to employers for assessment of skills in Australia, Germany and Denmark (cont.)**

construction; trade, administration, communication and management; industry; kitchen, restaurant, bakery, pastry and meat industry; dairy and agriculture; metal industry; social and health; the services sector; the tree industry and transport. In addition, employers co-operate with VET schools and training centres offering RPL schemes when undertaking validation of RPL for example as part of their company’s continuing training for workers. Employers can also use the initiative “My competence portfolio”, a digital tool helping immigrants to develop competence portfolios.

In **Denmark**, following an agreement on an Action Plan for Recognition of Prior Learning, the Danish Ministry of Education has developed My Competence Portfolio (*Min kompetencemappe*) as an online tool enabling persons to create a systematic overview of their prior learning free of charge. The tool is available in Danish and English and allows individuals to provide details of prior learning and previous education for various purposes including:

- Education/continuing education and training
- Recognition of competencies
- Job search

Users are able, not only to describe any relevant work experience, but also to provide documentation in the form of pictures of products and outputs of their work. After having created a profile and completed the relevant information, users are able to download their portfolio in order to enclose it with a job application. Portfolio presentations can be customised to particular jobs, meaning that users can select which items they want to include in a given portfolio in accordance with the job for which you are applying.

*My Competence Portfolio* can also be used by education institutions and employers. There is a specific interface for education counsellors and another for employers, who can use the tool for annual performance reviews or for planning their employees’ continuing education and training.

At the international level, an **EU Skills Profile Tool for Third Country Nationals** was launched in June 2017 to support the early-stage profiling of the qualifications and skills of refugees and other citizens of non-EU countries who are staying in the EU (third country nationals). Developed as part of the New Skills Agenda for Europe, the profiling tool has the ambitious aim of ensuring that skills development, training and support for third country nationals are effectively targeted to build efficiently on the skills they already possess.

The tool is not intended to explicitly recognise or authenticate skills, but is instead designed to be used in an interview situation to get to know the individual, their skills, qualifications and experiences. In this manner, the information collected can be used to: support further assessment; form a basis for offering guidance; identify up-skilling needs and support job-searching and job-matching. While the tool is available as a web-based tool for anyone to use

#### **Box 4.4 Providing support to employers for assessment of skills in Australia, Germany and Denmark (cont.)**

free of charge, it is specifically designed to aid the skills assessment undertaken by: national authorities responsible for reception and integration of refugees; reception centres; employment assistance services; education and training advisers; social services; NGOs and charitable organisations.

The tool is available in all EU languages (except Irish) as well as in Arabic, Farsi, Pashto, Sorani, Somali, Tigrinya and Turkish. In addition, in order to reduce the language barriers between case workers and citizens of non-EU countries, it is possible use the tool in two languages at the same time on one screen. Completed profiles are exportable as PDF or XML files.

*Notes:* 1. AEI-NOOSR is part of the Department of Education, Science and Training and is the Australian NARIC, National Information Centre on Recognition. It provides official information and advice on the comparability of overseas qualifications with Australian qualifications, using the Australian Qualifications Framework (AQF) as a benchmark.

*Sources:* <https://www.bertelsmann-stiftung.de/de/unsere-projekte/berufliche-kompetenzen-erkennen/>; <https://internationaleducation.gov.au/Services-And-Resources/services-for-organisations>; OECD (2017), *Making Integration Work*.

### **Demonstrating skills**

Alongside providing support to employers to assess ex-ante the skills migrants hold, an alternative route is to endow migrants with opportunities to demonstrate their skills to potential employers.

#### ***Following early-integration training immigrants have limited access to targeted support***

The Finnish Public Employment Service offers a range of programmes to support the job search of both migrants and native Finns. The programmes of particular relevance to the foreign born are outlined in Box 4.5.

### Box 4.5 Finnish policy at a glance: PES Activation Programmes

In addition to the early integration services targeted specifically at migrants (the initial assessment, the integration plan and the early integration training), the PES offices run a number of programmes that are also available to the foreign-born to help them access employment.

**Work Try Outs:** These short, unpaid, work spells are used as a tool to provide jobseekers with Finnish labour market experience and clarify their vocational skills and career choice options. In 2017, 2 575 foreign-born jobseekers undertook work try outs, accounting for 24 % of all participants, and approximately 10 per cent of foreign-born job seekers undertaking PES programmes. Try outs are largely used for jobseekers who do not hold a vocational education or those that have been outside the job market for a long period of time. During a work trial, the participant undertakes tasks of a similar nature to those of an employee while continuing to receive the same benefits as prior to the commencement of the trial.<sup>3</sup> The duration of a work trial may not exceed 12 months – or six months with the same employer. If the work trial is organised within a municipality, it may last for 12 months but the jobseeker cannot stay on in the same tasks for more than six months. During the try out, the employer must designate a trial organiser who is responsible for the guidance and supervision throughout the trial period and, together with a representative from the PES, concludes a written agreement with the jobseeker regarding the terms of the trial.

**Wage subsidies (Duuni and Samsi card):** Unemployed jobseekers registered with the PES office, and aged 30 years or over, are eligible to apply for a Duuni card granting the right to subsidised wages. In 2017, 1 654 foreign-born jobseekers were employed on subsidised wage programmes, accounting for 7 % of all participants on such programmes. Subsidised wage programmes accounted for just 12 per cent of foreign-born job seekers from the EU and less than 5 % of jobseekers from outside the EU. This compares to over 24 per cent of native-born job seekers undertaking PES programmes.

Employers of a Duuni card holder will receive a subsidy covering 30, 40 or 50 % of payroll costs while the Duuni card holder receives the salary stated in the relevant collective agreement (see Table 4.1 below).<sup>2</sup> The maximum subsidy, was set at EUR 1 400 per month in 2017. The percentage and duration of the available subsidy is determined on the basis of time in unemployment.

**Table 4.1. Employment subsidies**

| Duration of employment                 | Subsidy amount    | Subsidy duration | Subsidy cap |
|--|-------------------|------------------|-------------|
| $t < 12$ months <sup>3</sup>           | 30% payroll costs | < 6 months       | 1400        |
| $12 \text{ months} \leq t < 24$ months | 40% payroll costs | <12 months       | 1400        |
| $t > 24$ months <sup>4</sup>           | 50% payroll costs | <12 months       | 1400        |

The equivalent Samsi card – designed for recent graduates of comprehensive or upper secondary school – grants eligibility for subsidised salary costs for those jobseekers under the age of 30. Both the Duuni and Samsi cards are valid for three months, during which time the

### Box 4.5 Finnish policy at a glance: PES Activation Programmes (*cont.*)

jobseeker can search for employment. An employer is eligible for pay subsidies if, prior to submitting an application, they have offered employment (or additional hours) to all their part-time employees, all those whose contracts have been terminated, and all those whose notice period has come to an end during the previous 12 months. Importantly, from the perspective of the foreign-born, eligibility for the larger subsidies is restricted to the long-term unemployed. And, given that participation in the integration programme is not counted as time in unemployment, many foreign-born are excluded from eligibility.

**Independent study supported by unemployment benefit:** Registered jobseekers over the age of 25 may be eligible to pursue further education while supported by unemployment benefit paid by the Social Insurance Institution (Kela). Eligibility is granted by the PES office if their assessment indicates that the education would improve the jobseeker's vocational skills and chances of finding employment. However, unlike labour market training, in this case the PES office is responsible neither for the procurement of training nor for the selection of students. There are no requirements as to the duration of the studies, but unemployment benefit to support the jobseeker's studies can only be paid for a maximum of 24 months per qualification or degree. The jobseeker will also be using up his days of the maximum period for paying an earnings-related and basic allowance during his studies. In 2017, 12 571 foreign-born jobseekers undertook independent (self-motivated) study, accounting for 44 per cent of foreign-born job seekers undertaking PES programmes.

*Notes:* 1. The participant may also receive compensation for his expenses over the days which he takes part in the trial. 2. The magnitude and duration of the subsidy depends principally on the distance of the jobseeker from the labour market. 3. Twelve months within a 14 month period; 4. Twenty-four months within a 28 month period.

Source: <http://www.te-palvelut.fi/>.

In 2017, 35% of foreign-born job seekers registered with the PES undertook integration/labour market training (Table 4.2). This high proportion reflects the centrality of integration training in PES services targeted at migrants. A further 45% of migrants from outside the EU, and 40% of EU migrants undertook independent study – compared to just 28% of native-born jobseekers (see Chapter 2). The concentration of migrant jobseekers in these programmes largely reflects the fact that immigrants typically participate in integration training and independent studies as part of their integration plan. The result is that the majority of recent arrivals are enrolled in one, or both, of these programmes.



**Table 4.2. Foreign nationals are concentrated in integration training and independent study courses**

Monthly average number of employment office clients in different employment services by nationality in 2017.

|                                    | Natives       | Foreign nationals<br>(Non EU) | Foreign nationals<br>(EU) |
|------------------------------------|---------------|-------------------------------|---------------------------|
| Integration/labour market training | 10.1%         | 29.8%                         | 34.9%                     |
| Job search coaching                | 1.1%          | 0.4%                          | 0.2%                      |
| Career coaching                    | 1.3%          | 0.9%                          | 0.4%                      |
| Subsidised employment              | 24.1%         | 11.5%                         | 4.9%                      |
| Independent study                  | 27.6%         | 40.0%                         | 45.1%                     |
| Work trial                         | 9.2%          | 9.6%                          | 9.0%                      |
| Job alteration leave               | 3.8%          | 0.7%                          | 0.1%                      |
| Rehabilitative activities          | 22.8%         | 7.1%                          | 5.5%                      |
| <b>Total</b>                       | <b>91 306</b> | <b>4 177</b>                  | <b>24 179</b>             |

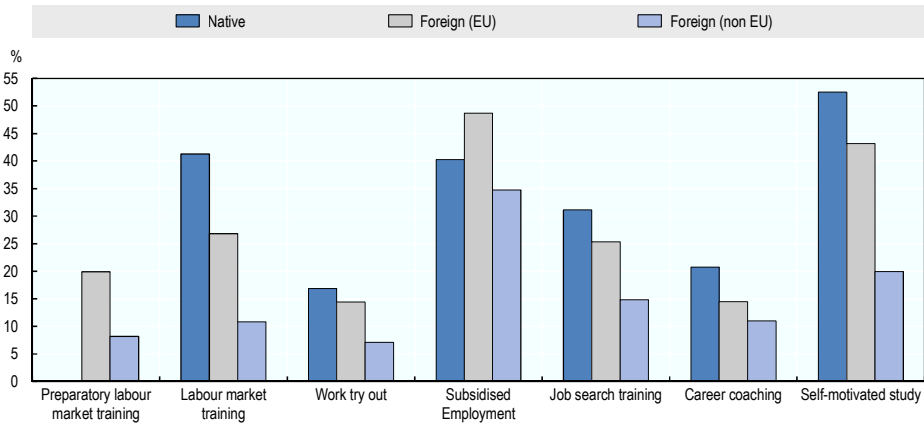
Source: Employment Service Statistics, Ministry of Economic Affairs and Employment.

That independent study takes such a prominent role in the employment services offered to migrants reflects the importance of Finnish qualifications and bridging education in enhancing the employability of foreign-born individuals. Indeed, in many OECD countries, education provided through the Public Employment Service is limited to employment oriented trainings that are often not well suited to the needs of migrants who are still distant from the labour force. The possibility to combine further education with other labour market services is, therefore, an important asset of the Finnish system when it comes to enhancing the long-term integration prospects of migrants in Finland.

That said, while employment outcomes were better after all types of public employment service spell among native-born Finns than among the foreign-born, the largest difference is observed after independent study. While 52 % of native clients had found employment three months after doing independent studies (see Figure 4.3), the corresponding share among immigrant clients was only 23.1 % (and as low as 20 % among non-EU nationals). This outcome is likely to have much to do with the composition of these groups and differences in their proximity to the labour market. Nevertheless, the magnitude of the disparity suggests that independent study may be a “catch all” course provided to migrants who remain very distant from the labour market and may need more guidance than is provided within these courses.

**Figure 4.3. Wage subsidies have strong post-programme outcomes for foreign nationals**

% of former participants entering employment three months after ending an employment service spell, by nationality 2017<sup>1</sup>



*Notes:* Figures capturing those entering employment may also capture those are no longer searching for employment but left the labour force.

*Source:* Employment Service Statistics, Ministry of Employment and the Economy.

Provision of independent study is largely tendered to external course providers who are, since 2012, given guidelines regarding the content of the curriculum. Yet, as discussed in Chapter 2, when it comes to monitoring the scope and content of these independent study courses, the details of implementation are opaque. The education and training provided under the umbrella of independent study is diverse and reliable information about the form, scope and content is difficult to obtain (Ministry of the Interior and Ministry of Employment and the Economy, 2015). Given the importance of this form of integration training in the integration of the foreign-born, it would be worthwhile to step-up monitoring of these programmes – collecting information on participants, course content, and outcomes – in order to ensure that they are adding value for all participants.

### ***PES programmes provide limited opportunities for early contact with the labour market***

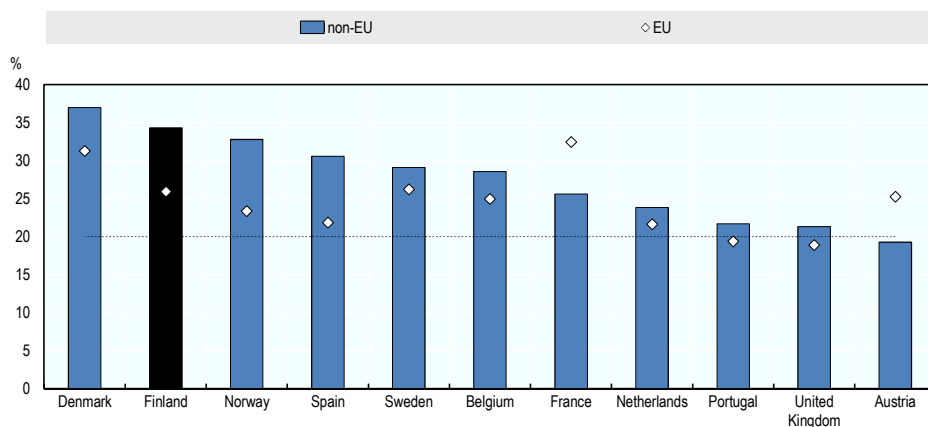
While early contact with the labour market is an important tool to set new arrivals on a positive integration pathway, when migrants first arrive in Finland, their ability to productively use their skills in employment may be compromised by a number of factors such as limited language abilities, lack of familiarity with the Finnish labour market, and in some cases poor health.

Given the role of employment in strengthening language learning, exclusion from the labour market in this manner can become a vicious cycle.

Normally, if wages respond to productivity, this temporarily lower productivity should not compromise employer demand. However, foreign-born workers in Finland are heavily concentrated in the lowest-paid positions in which collectively-bargained minimum wages bind. Indeed, while the concentration of the foreign-born in low wage jobs is observed in a number of OECD countries, in Finland, where more than one third of all non-EU foreign-born workers are working for a wage in the lowest quintile of the wage distribution, the pattern is particularly stark (Figure 4.4). As such the willingness of employers to hire individuals with poor language skills and additional training needs may be limited.<sup>4</sup>

**Figure 4.4. Non-EU foreign-born migrants are heavily concentrated in the low-wage jobs**

Concentration of Non-EU foreign-born workers in the lowest wage quintile in selected OECD countries, 2016



*Notes:* Hourly wages refer to cash income and are calculated on the basis of number of hours worked a week, and reported number of months worked in the previous 12 months.

*Source:* European Union Statistics on Income and Living Conditions (EU SILC) 2016.

Subsidised wages, when they offered on a temporary basis, can help the foreign-born out of this “limited-language-low-productivity” trap. By compensating employers for the short-term difficulties associated with limited language skills such subsidies can provide migrants with the opportunity to prove their skills, gain Finnish labour market experience, and improve their Finnish concurrently. In Denmark, for example, a study by Clausen et al. (2009) found that subsidised employment had a significant

effect on the employment outcomes of newly-arrived immigrants (a reduction in the duration of unemployment of about four months over a four-year period). Likewise, Heinesen et al. (2013) find that, among all ALMPs examined, employment with a wage subsidy has the largest effect on the hazard rate from social assistance into regular employment among non-western immigrants.

In Finland, migrants undertaking subsidised work demonstrate the strongest post programme outcomes (Figure 4.3). However, despite the relative success of these programmes for foreign-born jobseekers, few migrant jobseekers benefit from these programmes and, in 2017, only 5.8 % of foreign PES clients participated in subsidised employment (11.5 % of EU nationals and 4.9 % of non-EU nationals) compared to 24.1 % of Finnish PES clients. Indeed, while the proportion of Finnish jobseekers undertaking subsidised employment has increased in recent years, among foreign nationals the trend has been the opposite.<sup>5</sup>

In previous years, the use of wage subsidies was limited by the availability of these subsidies only for indefinite positions. This had the effect of limiting the use foreign-born workers were able to make of pay subsidies since uncertainty surrounding the education and experience means that migrant workers are rarely hired on such contracts. Since 2013, however, the preconditions for receiving the subsidised wage have been relaxed such that it is now possible to receive the subsidy even in a fixed-term position. Despite this important step towards enabling the foreign-born to access these subsidies, the majority are still *de facto* excluded from the larger wage subsidies. This is because extent and duration of wage subsidies in Finland is dependent on the length of time spent in unemployment with participation in integration training not counting towards this time. This restriction renders the majority of newly-arrived foreign-born – who have undertaken integration training – ineligible to larger wage cost subsidies when they would be most needed.

From the perspective of the long-term unemployed, the dependence of wage subsidies on time spent looking for employment is an important part of policy design in order to minimise some of the deadweight losses associated with such programmes if subsidies go to those who would have been able to find unsubsidised positions. This is because distance to the labour force tends to be an increasing function of time spent in unemployment. However, for the foreign-born – who accumulate language skills, local knowledge and networks over time – this dependence is counter-intuitive and fails to capitalise on the early motivation of migrants finishing their integration training.

In addition to this, a recent government report identified the belief among PES counsellors that subsidised employment is not a useful tool for promoting the employment of foreign-born jobseekers, but rather migrants should be directed to work try outs or independent study (MEE 2016). The reasons for

this belief are not clear. However, the important role that such erroneous intuitions can play, points to a need for careful monitoring, evaluation and dissemination of training outcomes in order to ensure that counsellor’s advice is evidence-based and migrants access the programmes and trainings that most effectively target their specific needs.

Alongside wage subsidies, temporary training contracts and apprenticeships that provide opportunities for employers to “test” the skills of migrants at a low cost can be important tools for integration. By giving the foreign born an opportunity to demonstrate their skills, such short-term contracts can provide an important stepping stone into more stable and better-paid employment. Such contracts, however, are currently rarely used in Finland and, since 2013, apprenticeships – which were previously heavily used by the foreign born, have been replaced by ‘work trials’, a form of unpaid internship. Use of these trials, however, is limited due to the requirement that employers may only offer such trials when they have first offered the job to any redundant, laid off or part-time employees.

***Support should be provided to employers to assess skills and assist those with limited language***

Early contact with the labour market is important not only to enable migrants to demonstrate their skills, but also to give them the opportunity to build these skills. Yet many OECD countries are grappling with the difficulties involved with encouraging employers to taken on foreign-born workers whose language studies are not yet complete. As a result, some of the most recent innovations in integration policy OECD countries concern the provision of hiring support.

This hiring support can take a number of forms. In the first place, hiring support can be direct financial support, as provided through wage subsidies as outlined above. However, in Sweden, the Step in Jobs programme, which combined subsidised wages with the requirement that subsidised workers were given one day a week to focus on language learning, failed to attract the interest of employers despite providing subsidies up to 80% of wage costs. Thus, beyond direct financial support for hiring, many OECD countries are focussing on enabling employers to identify migrants with the necessary skills for the job. One clear skill that employers require are language skills, however, rather than focusing on formal qualifications some OECD countries are now providing employers with information regarding the level of spoken skills – which are of primary importance in many jobs. Germany, for example, is currently looking into a test of spoken interactions that would provide employers with an objective measure of migrants’ functional language skills.

Similarly, the new language reforms that came into force in Denmark in July 2017 provide for a special focus on spoken language skills for the workplace.

In Finland, according to data provided by one of Finland's largest providers of integration training, 50% of language test-takers achieve the target level of B1.1 in spoken Finnish by the end of their integration training; over 10 % more than the proportion who achieve this classification in reading or writing. This information, however, is currently underutilised and should be shared with employers or used to distinguish candidates that may be ready to move on to on-the-job training.

Beyond hiring support, many OECD countries are also supporting training undertaken on the job and, in many cases, by the employer. To ensure sufficient employer buy-in, therefore, offering flexibility and support to employers is essential. To this end, initiatives must support workplace goals, while at the same time allowing flexibility to work around constraints such as work pressure. In Germany, the *Sprachpaten* (language godparent) programme promotes informal language learning support at work from German-speaking colleagues, while in the United Kingdom, *Learning Through Work* provides guided learning materials focused on workplace communication to support on-the-job coaching. In the Netherlands, the *Tel mee met Taal* programme gives employers the flexibility to organise their own training arrangements while accessing a public subsidy to cover two thirds of the costs of this training. In addition to enabling their employees to dedicate working hours to language training, employers are also obliged to provide one third co-financing of the training.

#### **Box 4.6 Private sector integration efforts: *The Programmers***

In some sectors, the private sector has been moving fast to identify, develop and use the skills of the most motivated and able migrants in rapidly changing sectors where the public sector is not well adapted.

In the Information Technology sector, where there is an acute labour shortage in Finland, *Integrify* has recently recruited some 50 migrants to undertake software development and IT training. The social enterprise will then connect these newly trained programmers with start-ups and the technology industry where, it is estimated, Finland currently lacks 10 000 programmers. That need is expected to triple within a few years.

The aim of the programme is to bypass the public integration programmes, teaching coding to new arrivals in English with the view that Finnish language skills can be more effectively learnt on the job when employment is secured. The programme began in 2016 with a pilot course for five computer programmers, recruited from refugee centres around the country. The training took a few months and four out of the five completed the training, and subsequently secured jobs within the Finnish IT industry.

An innovative alternative is provided by the “Fast Track” agreements in Sweden where, following credential recognition, bridging courses and language acquisition are pursued alongside work (Box 4.7). This approach has provided a route to enable migrants to begin bridging programmes before having achieved a language level sufficient to enter into tertiary education. Nevertheless, thus far, most Fast Track participants have found work in the public sector. Expanding the scope of the approach such that it is widely used in the private sector – particularly in industries outside shortage sectors may yet prove to be a challenge.

#### **Box 4.7 Tripartite co-operation for integration in Denmark and Sweden**

The capacity of tripartite agreements to take the interests of the public sector, employers and social partners into consideration and thereby secure the commitment of all has meant that such agreements can have a major impact in driving effective integration reform.

In 2016, **Denmark**, in order to strengthen the employment focus of integration while offering companies better conditions for hiring migrants, introduced a new tripartite agreement initiative, the two year *Integrative Training Programme (IGU)*. This programme involves employers directly in the integration training process while providing them with an IGU training benefit funded by the local authority. In exchange the employers provide practical training within the company, a wage in line with those stipulated with collective agreements, and time for the migrant employee to focus on developing their skills (e.g. language courses, labour market training or further education). Alongside the IGU, the tripartite agreement has also made provisions to improve early screening of formal and informal qualifications, and provide a financial bonus for companies hiring refugees - for IGU or regular jobs - in the first two years after they obtain their residence permit.

In 2015, in **Sweden**, in response to the finding that over one-quarter of new arrivals had tertiary education; many of them with both training and experience in shortage occupations, the Swedish PES launched the Fast Track initiative. This initiative created a streamlined package of interventions for migrants arriving with skills in these shortage occupations. In order to speed up the labour market integration, rather than requiring Swedish language skills as a pre-requisite for bridging, the Fast Tracks begin to map, validate and bridge the skills of migrants identified as eligible for the programme in their mother-tongue. Language tuition is then offered concurrently throughout the process.

Fast tracks are now available for social scientists, social workers, teachers and pre-school teachers, chefs, as well as professions requiring registration in health and medical care. In addition, tripartite talks have now been held in industries including: pharmacies, tourism, health and medical care, local government, industry, health and social care, transport, painting, timber and graphics companies, real estate, energy and electronics, building, forestry and agriculture.

Source: OECD (2016) and [www.government.se](http://www.government.se).

***Despite active search, few find work through PES services, and reliance on networks can lead to workplace segregation***

Job search activity is high among the foreign-born. Indeed, according to the Work and Wellbeing among Persons of Foreign Origin Survey (UTH), in 2014, while 35% of the foreign-born unemployed actively sought employment in the four weeks prior to the survey, among the native-born population the comparable figure stood at just 24%. Yet, despite the intensity of job search among the foreign-born, lack of networks and poor knowledge of the Finnish labour market and job application procedures can often hamper the efficiency of this job search. Given their more limited networks, the foreign born tend to rely more heavily on the Public Employment Service and, in 2015, more than a half of unemployed migrants had a job application pending at their local PES office, compared to 32 % of unemployed natives (Statistics Finland, 2015). Despite this, according to the UTH survey, while 62 % of unemployed persons of foreign origin had contacted the PES office when looking for work, only 9 % had found work this way.<sup>6</sup>

Alongside the job brokerage provided by the PES, privately-run temporary work agencies also offer job-search support. And, according to the UTH Survey, in 2014, 4 % of wage-earners of foreign origin were employed through temporary work agencies, compared to 1 % among those of native origin. As a result, foreign-born workers comprise nearly one fifth of all employees working through such agencies. Furthermore, the prevalence of temporary work agency contracts among the foreign-born extends beyond those occupational groups in which agency work is particularly common. For example, in service and sales jobs, 7 % of foreign-origin workers, but only 2 % of native-origin workers, were employed through an agency (Statistics Finland 2015).

With fewer other options, migrants are often more reliant on their informal contacts. More than half of the unemployed migrants turned to friends or relatives when looking for work (compared to 35 % of native job-seekers). And, in 2014, with over one in three employed migrants finding their job in this manner, networks were most important route to the labour market (UTH).

The majority of migrants, particularly those who have just arrived in Finland, tend to have fewer contacts than native-born Finns. What is more, given that these recent arrivals do not always have a sound command of Finnish, these contacts tend to be concentrated among other migrant groups. As a result, when asking friends and family is a major job search strategy, this network concentration can quickly translate into work place segregation. The tendency for the networks of new arrivals to be concentrated in low status,



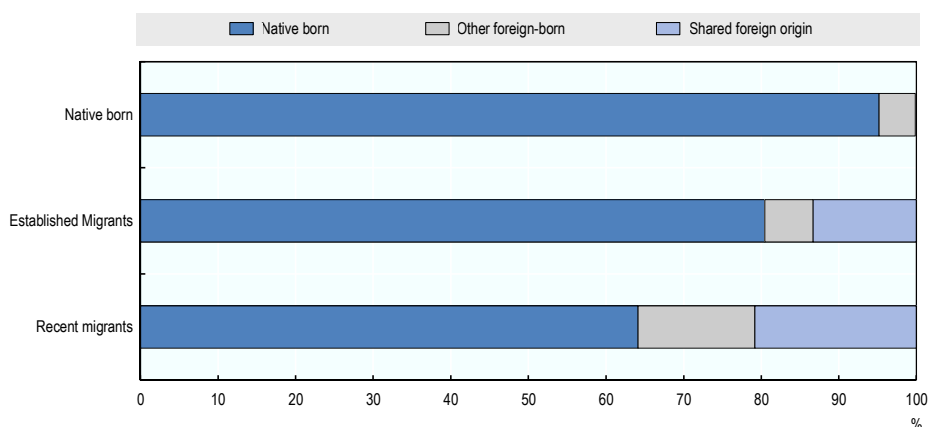
low-skill jobs means that employment found through these networks is often low quality (see Ahmed 2015 for a study of Finland’s Pakistani migrants).<sup>7</sup>

Employment is a major domain for contact formation and the building of networks, as a result segregation of this type can be self-perpetuating. Mentoring and social integration should be strengthened to ensure that the network of contacts available to the migrant population is more representative of the Finnish population.

Segregation in the workplace in Finland is relatively high. In 2013, less than 5% of the co-workers of a native-born employee were born outside Finland. The equivalent figure among foreign-born employees was over 27%. Workplace segregation is particularly pronounced among newly-arrived migrants. Indeed, workers with fewer than five years of residence are particularly concentrated in firms with foreign-born co-workers: while native-born Finns make up four in every five of the colleagues of a migrant who has resided in Finland for greater than ten years, migrants with less than five years of residence are likely to find themselves employed in companies in which more than one third of their colleagues were born outside Finland. Furthermore, one in every five of all employees in such firms is likely to share the same country of origin as the newly arrived migrant (Figure 4.5).

**Figure 4.5. Migrants are more likely to work alongside other foreign-born workers than native-born Finns**

Percentage of foreign-born colleagues in the firm by country of birth and duration of residence, 2013

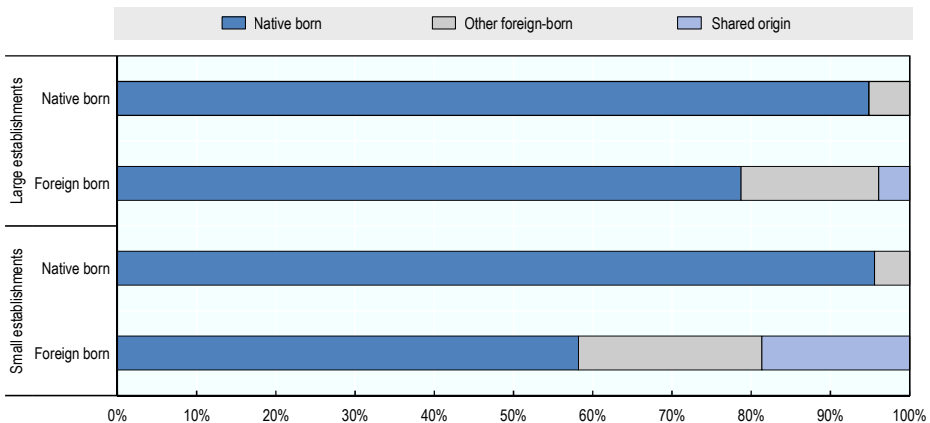


Source: Secretariat calculations on the basis of administrative data (*FLEED* database).

The foreign-born are most frequently found working in Small and Medium sized Enterprises (SMEs), and the concentration of foreign-born workers in small firms is high. In establishments comprising of 15 or fewer workers, 42% of immigrant workers' colleagues were made up of other immigrants – with over half of these other immigrants sharing the same country of origin. Native-born workers in small establishments, on the other hand, typically work alongside just 5% of migrant colleagues. In large establishments, this concentration is less pronounced (Figure 4.6). Immigrant concentration is particularly high in construction, accommodation and food service activities, and administrative and support service activities (including cleaning of buildings and temporary employment service activities). Over 40% of the colleagues of migrants working in each of these sectors are likely to be foreign born. And, in the construction sector, over 60% of foreign-born workers will share the same country of origin. Women are clearly less concentrated in migrant-dense establishments than men. While male migrants working in accommodation and food service activities can expect 56% of their colleagues to be foreign born, women are likely to be working in establishments where just 34% are foreign born.

**Figure 4.6. Small firms tend to be more segregated**

Percentage of foreign-born colleagues by country of birth and establishment size, 2013



*Notes:* Small establishments are defined as those with fewer than 15 employees. Large establishments are defined as those with greater than 50 employees.

*Source:* Secretariat calculations on the basis of administrative data (*FLEED* database).

The degree of work place segregation varies according to the migrant group with certain groups more likely to work alongside one another. Migrants from Turkey and Iraq, for example, are particularly concentrated in

immigrant-dense establishments with 43% and 30% of their co-workers being other migrants, respectively. The Turkish, however, are more likely to concentrate in workplaces with other Turkish migrants than are migrants from Iraq are to work alongside other Iraqi migrants. Similarly workers from China and from Estonia also tend to have more colleagues from their origin country. In contrast, migrants from Somalia and Thailand, as well as those from Germany and the UK, tend to work in more establishments with a more heterogeneous workforce.

Despite the fact that they have undertaken the majority of their schooling in Finland, the foreign-born who arrived as young children are also segregated in the workplace. And, while the degree of segregation is less among these migrants who undertook their compulsory education in Finland, the disparities are less easily explained by lack of networks. While, in 2013, 4.7% of the colleagues of the average native-born worker will have been born abroad, this figure reaches 7.5% of the colleagues of a migrant who arrived in Finland below the age of seven. More striking still, workplace segregation is not restricted to those that were born outside Finland. Indeed, workplace segregation is higher among the children of immigrants than it is among those that arrived at a young age.

## Discrimination

### ***Discrimination based on ethnicity is forbidden under the Non-Discrimination Act***

When lack of information about a candidate's experience or qualifications causes risk-averse employers to avoid hiring him/her employer uncertainty can lead to so-called "statistical discrimination". Beyond this, discrimination may manifest in the labour market as the reluctance of employers to hire foreign workers, or at workplaces as unequal treatment or harassment of colleagues of foreign origin.

Most OECD countries have taken measures to combat discrimination, and Finland is no exception. The purpose of the Non-Discrimination Act, which came to force in its current form in 2015, is to foster and safeguard equality and enhance the protection provided by law to those who have been discriminated against in cases of discrimination that fall under the scope of the Act. The law forbids direct and indirect discrimination, harassment and orders to discriminate against any person on the basis of age, ethnic or national origin, nationality, language, religion, conviction, opinion, health, handicap, gender orientation or other personal reason. According to the Act, authorities, educational providers and employers have the responsibility in all their actions to promote equality purposefully and, to this end, the Act requires the aforementioned to have an official

equality plan outlining how equality is to be promoted, with the exception of authorities and employers employing less than 30 people. The Act also allows for affirmative action in situations when the person is in danger of not having an equal standing due to some reason related to his background or characteristics.<sup>8</sup> While employers have the responsibility to actively promote equality among their employees, affirmative action is not an employer's responsibility, but rather a form of discrimination that is permissible under the Non-discrimination Act. In practice, therefore, such affirmative action is rarely used.

Alongside the new Non-Discrimination Act, changes passed in 2014 created the Non-Discrimination Ombudsman (previously the Ombudsman for Minorities) and combined the previous National Discrimination Tribunal and the National Equality Tribunal into a National Non-Discrimination and Equality Tribunal (see Box 4.8 for further details of these and other institutions regarding anti-discrimination).

### **Box 4.8 Actors in the discrimination field**

#### **Formal bodies**

The Non-Discrimination Ombudsman is an independent and autonomous authority, tasked with advancing equality in Finland, while preventing and tackling discrimination. The Ombudsman also works towards improving the rights, living conditions and status of groups at risk of discrimination, such as foreign nationals. Individuals who have experienced discrimination may turn to the Ombudsman who offer counselling, investigate individual cases, promotes conciliation and provides legal assistance. In addition, the Ombudsman provides training and undertakes lobbying concerning the practices and formation of anti-discrimination legislation.

National Non-Discrimination and Equality Tribunal is an independent judicial body appointed by the Government to give legal protection to those who consider they have been discriminated against. The Tribunal supervises compliance with the Non-Discrimination Act as well as the Equality Act in private activities, in the public administrative and in commercial activities.

Advisory Board for Ethnic Relations (ETNO) engages in dialogue with immigrants, with ethnic, cultural and religious minorities, and well as with public authorities, political parties and NGOs to raise awareness about discrimination. The Board brings together migration experts from national, regional and local levels ranging from public officials to civil society representatives with the aim of building trust through cooperation and discussion. The Advisory Board for Ethnic Relations is appointed by the Government for a four-year term, and works under the auspices of the Ministry of Justice. Besides the national Advisory Board, there are seven regional advisory boards for ethnic relations.

### **Box 4.8 Actors in the discrimination field (cont.)**

#### **Projects and pilots**

Tackling discrimination through the courts can be a challenge as proving that it has occurred is difficult. Indeed, much of the effect of anti-discrimination policy appears to stem from raising awareness rather than from a direct impact on discrimination.

Multiplicity, insight and dialogue (MOD) training works to reduce prejudice and racism at Finnish workplaces and within Finnish communities. The concept, initially developed in Sweden, is in Finland licenced to the Church Council of the Evangelical Lutheran Church, and coordinated by the Church Training College (*Seurakuntaopisto*). MOD offers two two-day courses. A basic course provides participants with tools to identify discrimination, and support equality within their work environments, and an advanced course supports participants to examine the forms discrimination and racism may take in the society. Courses are held in parishes, mainly targeted at parish and municipal employees, as well as in work organisations.

The TRUST project is a three-year pilot that begun in 2016 with the aim of promoting good relations between population groups on the local and national level. The project aims to develop action models to promote good relations at the regional and local level; to increase awareness; to recognise at an early stage any tensions arising between different population groups, and; to prevent conflicts. The implementation of the project is the responsibility of the Unit for Democracy, Language Affairs and Fundamental Rights of the Ministry of Justice, in collaboration with the Ministry of Economic Affairs and Employment, the Advisory Board for Ethnic Relations, and the Finnish Immigration Service and other organisations.

#### ***Studies report both direct and perceived discrimination to be an issue in the labour market***

Awareness about discrimination is high in Finland. According to the Eurobarometer of 2015, 66% of Finnish respondents thought that skin colour or ethnic origin puts a job candidate at a disadvantage – substantially above the European average of 46%. Finnish workers are clearly less comfortable with having persons from a different ethnic origin or race in political positions or as their colleagues at work and a full 15% of respondents would be uncomfortable working alongside a Muslim colleague (European Commission 2015). Indeed, according to the Finnish Work and Wellbeing Among Persons of Foreign Origin Survey (UTH) conducted in 2014 (Box 2.1), the group with the most negative experience of discrimination were workers of Middle Eastern and African origin, of whom 22% regarded treatment to be at least somewhat unequal (Statistics Finland 2014).

These opinions of immigrants can to some extent be compared with those reported in the Quality of Work Life – a 2013 survey on native wage-earners.<sup>9</sup>

The share of native workers agreeing fully with the statement that immigrant colleagues are treated equally in the organisation had increased from 41 to 45% between 2008 and 2012. The share had increased particularly among men, such that there was practically no difference between male and female respondents. However, the share is lower than that reported in the UTH Survey for immigrant workers, out of whom 57% reported to fully agree with a similar statement. Natives thus seem to be more critical about equality at workplaces than immigrants are, possibly reflecting their different standards or notions these groups have of equal treatment.

While these surveys tell a lot about the awareness and perception regarding discrimination, they say nothing regarding the actual incidence. In order to try to capture the objective incidence of discrimination, research is increasingly turning to testing studies which compare the job-search success of fictional candidates who differ only in the origin of their name. Indeed, a 2012 study of fictional applicants for 1 200 vacant jobs captured the contrasting experience of Russian and Finnish named candidates with comparable education and work experiences. The results indicate that Russian named job-seekers had to send twice as many applications in order to receive an invitation to a job interview (MEE 2012). The study further found that discrimination was particularly pronounced against Russian-named men applying for jobs in certain sectors. Although it is difficult to compare levels of discrimination across groups or countries, this tendency is in line with patterns found in testing studies elsewhere in the OECD (OECD 2013).

### ***Multiple language requirements in the public sector can put migrants at a disadvantage***

Discrimination appears to be a particular issue in the public sector. Indeed, where 47% of employees working in the private sector felt that workers of foreign-origin were treated equally, in the public sector perceptions were less positive and only 42 and 39% of UTH survey respondents stated that the foreign-born were treated equally at the municipal, and national, level respectively. The degree of perceived discrimination in the public sector may be partially driven by certain recruitment methods and job requirements can put the foreign born at a structural disadvantage.

Such unintended discrimination, which can be found both in the public and private sector, is particularly problematic in the Finnish public sector. Migrant recruitment in the public sector serves as an important example for other sectors, it not only gives migrant community greater visibility, but demonstrates the country's and its localities' commitment to integration. Yet in the Finnish public sector, employment of the foreign-born has been stymied by the requirement that, alongside a sound command of Finnish, a good

knowledge of Swedish is also required for the majority of positions. Having officially recognised the problems these stringent language requirements create for the ability of the foreign-born to access employment, the City of Helsinki now states in its recruitment guidelines that the requirement of good Finnish and Swedish skills in job advertisements constitutes indirect discrimination in cases where the actual work tasks do not demand such. As a result of this acknowledgement, the City of Helsinki now defines spoken language requirements for each job within the municipal organisation. Nevertheless, the requirement of the Finnish law to ensure customer service is offered in both Finnish and Swedish limits the discretion available in avoiding this structural disadvantage.

In principle, each municipality in Finland is required to draw up an immigrant integration programme in which they can include additional details of their intention to promote the societal participation of immigrants. Some municipalities, such as the City of Helsinki and the City of Espoo, have explicitly set targets for the employment of migrants in the local public sector. Both cities officially attempt to increase the number of foreign language speakers in the cities' personnel to match their share of the population through initiatives such as the provision of supplementary language training for hired immigrants. Both cities also monitor the diversity of positions within the cities' organisations that are held by the foreign-born, and the City of Helsinki explicitly attempts to support the appointment of foreign language speakers in expert and supervisory tasks. Despite these targets, however, both cities still have a long way to go. In 2013/2014, the most recent figures available, the population share of foreign language speakers was 12.8 in Helsinki and 11.3% in Espoo, while the share of them employed in municipal bodies was only 6.6% and a good 5%, respectively.

## Notes

1. Most students do, however, attend preparatory training before taking a competence test.
2. In 2013, a total of 374 vocational qualifications were awarded. Of these, 52 were upper-secondary, 190 further vocational qualifications and 132 specialist vocational qualifications.
3. Though if the work try out was a part of the participant's employment or integration plan, his unemployment benefit may be increased
4. Indeed while analyses of the employment effect of high minimum wages have produced a wide range of estimates (see Abowd et al., 2000; Stewart, 2004; Pacheco, 2011; and Allegretto et al., 2011), recent evidence focussing on low-wage workers has tended to find a negative effect on employment. Using employee-employer matched data in the Swedish retail sector, Skedinger (2015), for example, finds that separations increase as minimum wages increase. In a similar vein, Neumark et al. (2012) find that employment at the lower end of the skill distribution suffers with increases in wages at the bottom of the wage distribution. Recent work using Swedish administrative data suggests that minimum wages increase unemployment among male refugees considerably – and more so than among a comparison group of young native-born individuals (Lundborg and Skedinger, 2014b).
5. Clearly the composition of the participants undertaking each programme plays a role in determining post-programme outcomes. And while it will be important to collect data in order to evaluate the extent to which this is the case, the relative success of these programmes suggests there may be scope to expand their role in facilitating the labour market integration of migrants.
6. The sample of non-employed includes 20-64-year-old persons who were unemployed or outside the labour force (including students, retirees and those in military/non-military service). The sample of those finding work consisted of 20-64-year-old wage-earners whose employment relationship had begun less than five years ago.



7. Moreover, even when migrants look for jobs through formal sources, the indirect effect of friends and acquaintances either through serving as role models or providing a source of information may also induce them to seek employment opportunities from less prestigious areas of the labour market (Ahmad 2015).
8. In recruitment practices of employers, for instance, positive discrimination would mean hiring the minority candidate out of two equally competent and skilled applicants.
9. The survey is based on 4 876 interviews of Finnish- or Swedish speaking wage-earners investigating their opinions about various aspects of their working environment.

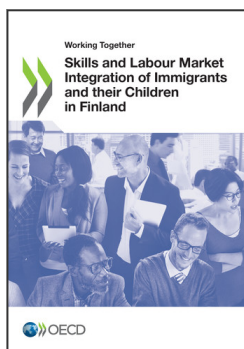
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