

Finding the Way: A Discussion of the Finnish Migrant Integration System



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International Migration Division

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Directorate for Employment, Labour and Social Affairs

Introduction

Finland does not have a long history of hosting international migrants. Indeed, for much of its recent history, the country has been characterized by large-scale, economically-motivated emigration and, prior to the early 1990s, migrants in Finland were largely made up of return migrants and their family. Beginning in the 1990s, however, Finland became an immigrant receiving country with migrants arriving from Russia, Estonia, Somalia, Yugoslavia and more recently Afghanistan and Iraq. Migrants from Estonia and Russia continue to make up the largest immigrant group (see Figure 1). However, in recent years, arrivals from the MENA region – in particular Syria – have been increasing. By 2015, the foreign-born accounted for over 6% of the Finnish population, and the native-born children of the foreign-born accounted for a further 1%.

These numbers remain small – both by international standards, and when compared to other Scandinavian countries. The foreign-born in Sweden and Norway, for example, account for 16.5% and 15.2% of the population respectively, and the longer migration history in these countries – particularly Sweden – means that the native-born children of immigrants also account for a larger share of the population.

Nevertheless, while the number of migrants in Finland remains small, the relatively short history of migration in Finland has led to a number of integration challenges, and the labour market outcomes of certain groups – notably women, the children of immigrants and humanitarian migrants – are poor. These integration challenges have been compounded by the increased number of arrivals through the asylum channel in late 2015.

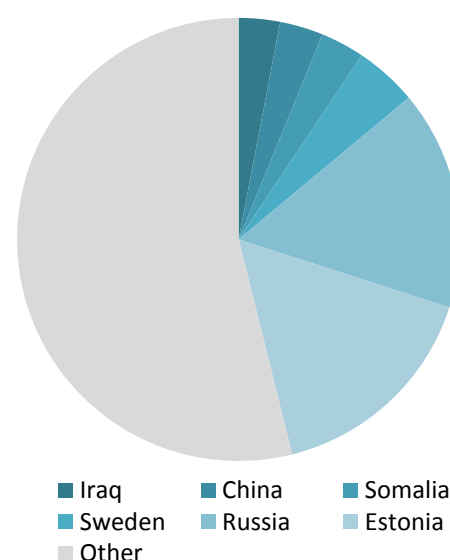
In that year, Finland received 32 000 asylum seekers – equivalent to 6.6 asylum seekers for every 1000 of the Finnish population – and the country is grappling with the implications of this; both in terms of meeting the immediate needs regarding housing and initial settlement, and in terms of long-term integration into the Finnish labour market and society. The government has planned integration efforts on the basis that just 30% of these asylum requests will result in positive decisions. Nevertheless, even a figure of 10 000 – of whom 3 000 are expected to be unaccompanied minors – would represent a significant increase on the number of refugees compared to previous experiences in Finland.¹ Integrating these new arrivals, given the current economic climate (unemployment rates reached 9.4% in 2015), the relatively highly-skilled labour market (in which fewer than 6% of workers are employed in low-skill occupations), and Finland's limited experience with integration, will require careful reconsideration of integration policy design and implementation.

Integration must encompass all areas of society, education, and the labour market. This is necessary to ensure that the large number of recent arrivals do not fall through the cracks. If this were to happen, it would also have damaging repercussions on how migrants more generally are viewed in Finland, with possible negative implications for the integration prospects of already resident migrant groups, as well as of future arrivals.

It is not yet clear whether the recent increase in the numbers seeking asylum in Finland will be sustained in the longer term. Nevertheless, development of an integration system that is sufficiently flexible to respond to such

Figure 1. Composition of the Finnish foreign-born population

Permanent arrivals by nationality, 1990-2015



Source: OECD International Migration Database

temporarily augmented numbers, while nonetheless operating within tight budget constraints, is now of paramount importance.

In order to support Finland in this process, on the 20 June 2016, the OECD co-organised, together with the Finnish Ministry for Employment and the Economy, a workshop to identify bottlenecks and inefficiencies in the current integration system and develop concrete ideas of how to tackle these challenges.

The workshop brought together practitioners – drawn from across government ministries and agencies, social partners, regional actors, private sector employers, academia and non-governmental organisations – to discuss the Finnish integration system in a holistic manner. The design of the workshop built upon information gathered during an initial OECD fact-finding mission in April 2016.

Building on the in-depth knowledge and expertise of each participant, small groups first worked to identify the bottlenecks and shortcomings in the design and implementation of integration policy in Finland. Supported by expert peer reviewers from other OECD countries, participants then began to develop concrete ideas of how to tackle these challenges. The workshop focused on six themes identified by the OECD as critical issues facing migrants in Finland on their path to integration into the labour market.

- | | |
|--|---|
| I. Building skills in school for young arrivals and the children of immigrants | IV. Contact with employers and social partners |
| II. Language training and early integration support | V. Discrimination |
| III. Validation and recognition of migrant skills | VI. Co-ordination among actors at the national, regional, and municipal level |

Each of these six thematic areas was discussed in small sub-groups of relevant stakeholders. The findings in these areas form the basis of this synthesis note and will be discussed in turn, following a brief presentation of the Finnish situation as highlighted at the beginning of the workshop. The views expressed in this note, however, do not necessarily reflect the views of all participants in the workshop.



A shared understanding of integration in Finland

Across the OECD, migrants face more difficulties finding employment than their native-born peers. The extent to which these challenges are reflected in employment disparities depends on a number of factors relating both to the composition of the migrant population, but also to the institutional, the linguistic, and the policy context prevalent in the host country.

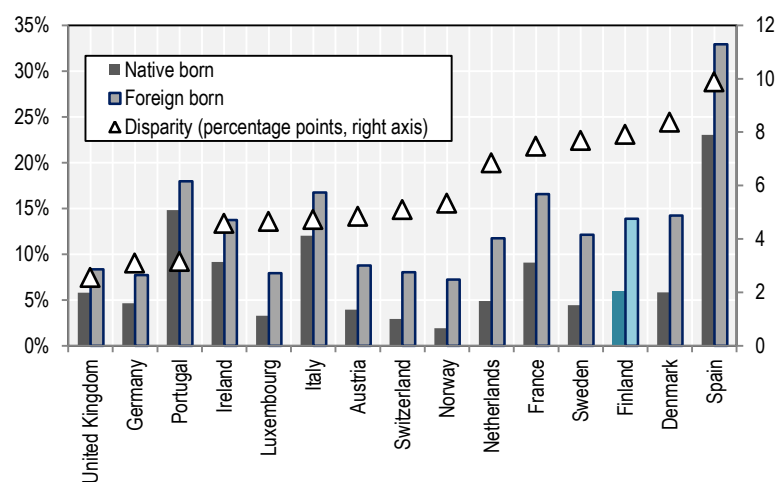
Over the past ten years, excluding free movement migrants only 13% of Finland's migrants have arrived as labour migrants, with the majority coming as family migrants. This has meant that, in contrast to countries such as the United Kingdom or Portugal (where between 40% and 50% arrived as labour migrants over the same period) few migrants to Finland arrived with a job already in hand. Alongside this – and the difficulty of learning Finnish (see Challenge II) – the relatively recent migration history in Finland has meant that policies and institutions have had less time to develop than in many other OECD countries.

In Finland, as in many other OECD countries, employment disparities are largest among the highly-educated, and labour force survey data suggests that employment rates among this group lag nearly ten percentage points behind their native-born peers. Furthermore, among those who have found employment, many are in jobs requiring less than their formal education level.

More striking still, disparities between the labour market outcomes of foreign- and native-born women are particularly pronounced in Finland (Figure 2). And, disparities exist also among

Figure 2. Unemployment among women

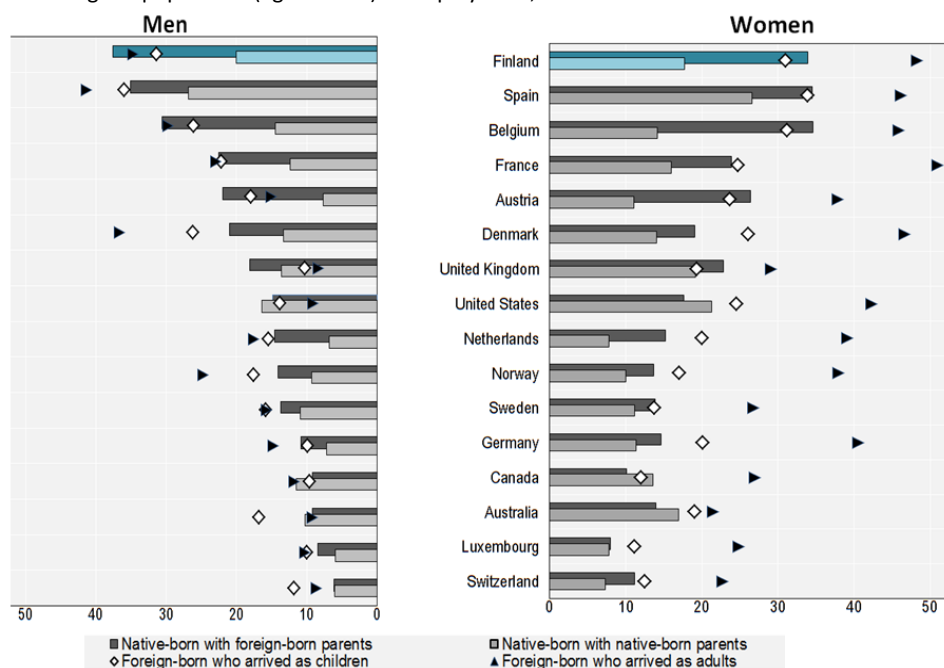
Unemployment rates among native and foreign-born women and percentage point disparities, 15-64 years old, 2012-2014



Source: European Labour Force Surveys 2012-2014

Figure 3. NEET rates by migration background and gender

Percentage of population (aged 15-34) in employment, 2013 unless otherwise stated



Notes: These figures are based on labour force surveys and as such represent estimations of the characteristics of the full population.

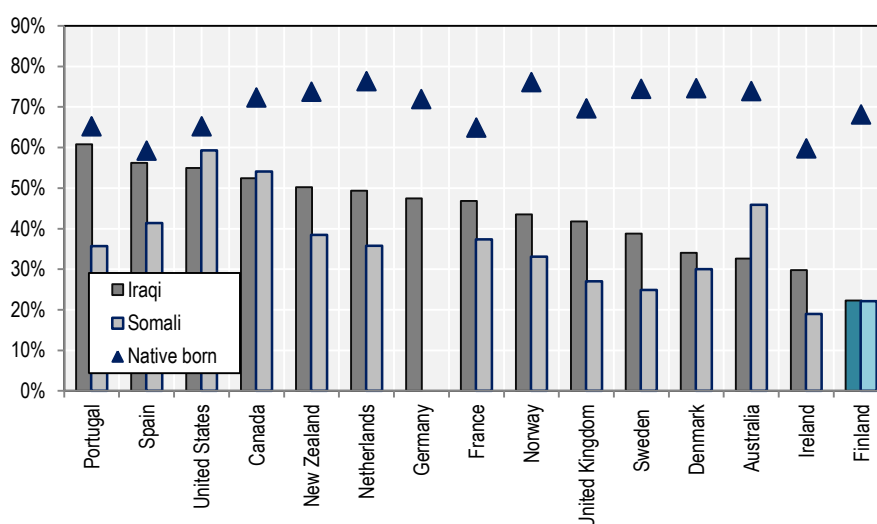
Source: Labour Force Surveys: Belgium (2012), France (2012), Portugal (2012), Switzerland, United Kingdom, the Netherlands. Census in 2011: Australia, Spain and Luxembourg. Population register: Denmark, Finland (2012), Norway, and Sweden. National Household Survey 2011: Canada. Mikrozensus: Austria, Germany (2012). Current Population Survey: United States.

youth who should still be developing their skills. The large disparities observed between the native-born children of the foreign-born and those of their peers with native-born parents point to deeply-ingrained integration challenges in Finland (see Challenge VI). Indeed the proportion of 15-34 year olds with a migration background who are neither in employment nor in education and training (NEET) is among the highest in the OECD. Survey data suggest that among those youth who were born in Finland with parents born overseas NEET rates reach 36% and 34% among men and women respectively – placing Finland as the worst performer in the OECD in this regard (Figure 3 above).

These pronounced disparities do not result from the recent increase in asylum seekers in Finland, as these are not included in the survey, rather they are reflective of longstanding integration challenges. And while the extent of the challenges migrants face in the labour market varies with the reason they migrated and country from which they arrived, Finland performs particularly poorly when it comes to integrating some of those migrants who face the most significant barriers to labour market entry. Indeed, at the time of the last round of census in OECD countries, the employment rates among migrants arriving from Somalia and Iraq were the lowest of all countries covered in the Database on Immigrants from OECD Countries (see Figure 4).

Alongside the challenges involved in learning Finnish (see Challenge II) and gaining a foothold in the Finnish labour market (see Challenge IV), many of Finland's migrants come from failing education systems and some lack even basic qualifications and skills, while others, with formal qualifications, face difficulties in getting these valued in the Finnish labour market (see Challenge III). However, alongside the challenges linked with the migration process itself, additional hurdles created by discrimination (see Challenge V) and a lack of clarity in the integration system (see Challenge I) can render the integration pathway still more difficult.

Figure 4. Employment rate among selected diaspora and native-born,
Percent of population (aged 25-64) in employment, 2010



Source: Database on Immigrants in OECD and non-OECD Countries

Given the large number of recent asylum seekers, and given the challenges associated with population ageing in Finland, the country can neither afford to waste the valuable skills embodied in migrants and their children, nor can it afford to allow recent arrivals to fall through the cracks of society.

Against the backdrop of this shared understanding of the Finnish integration context, the six key challenges and the policy directions to address them – as identified in the workshop – are discussed in turn below.

Challenge I. Co-ordination among integration actors

The multi-faceted challenges, outlined in this note, that face migrants in Finland – both new-arrivals and those who are already established – ensure that there are a wide number of stakeholders involved in their integration (see Figure 5). Co-operation among these actors – both at the national, and the municipal level – is therefore paramount to the efficiency of the integration system.

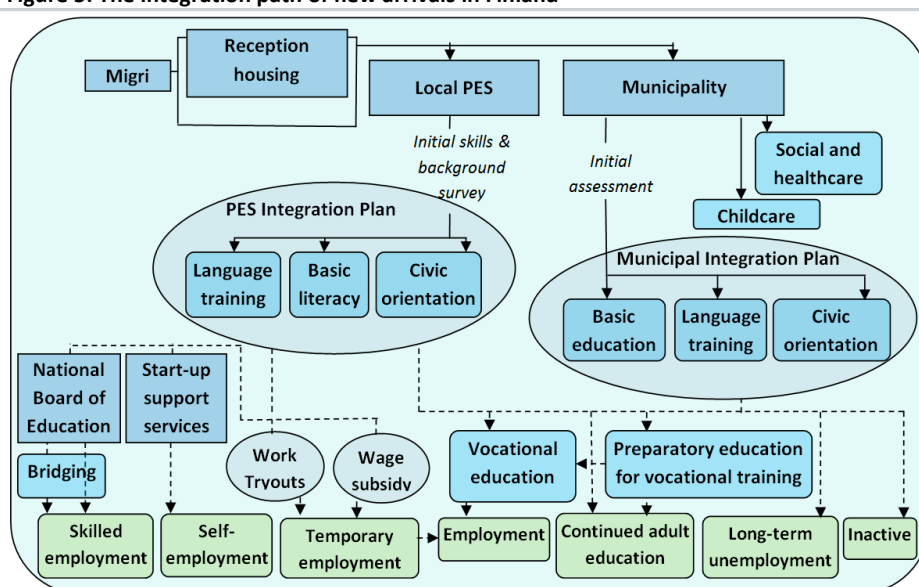
At the national level:

- Primary responsibility for the integration of newly-arrived immigrants lies with the **Ministry of Economic Affairs and Employment**, under which the **Centre of Expertise in Integration** compiles and distributes research, statistics, and data, as the basis for the planning and implementation of integration policy. The Centre also disseminates good practice, and develops networks of co-operation in the field of integration.
- Alongside this the **Finnish Immigration Service (Migri)**, which operates under the **Ministry of Interior**, is responsible for granting residence permits, handling asylum applications and operating reception centers.
- The **Ministry of Education and Culture** – as well as stakeholders such as the **Finnish National Board of Education** are paramount to the efficiency with which the skills of migrants are recognized, developed, and put to effective use.

Figure 5: The integration path of new arrivals in Finland

At the regional level:

- The **Centres for Economic Development, Transport and the Environment (ELY centres)** are responsible for negotiating the municipal allocation of those receiving international protection as well as providing support to municipalities in implementing integration.
- Additionally, the **Regional State Administrative Agencies (AVI)** are responsible for ensuring regional equality in access to public services, legal rights, and education.



At the local level:

- **Municipalities** have primary responsibility for the co-ordination of integration efforts in Finland. They are responsible for the development and implementation of the integration plans of those who are not seeking work, as well as for monitoring the execution and impact of integration. Alongside the integration of their residents, municipalities are also responsible for the provision of basic education and childcare for those who are living temporarily in their area who do not have a municipality of residence. Municipalities are also responsible for social assistance (income support) of those who are not eligible for unemployment support.
- The **Public Employment Service (TE offices)** operates under the Ministry of Economic Affairs and Employment and is responsible for the integration of migrants who register as jobseekers. Together with ELY centres, TE offices are responsible for organising the integration-promoting employment services, literacy training, and basic education of this group.

Improving co-ordination among actors

Key challenges

- **Silos among actors** and agencies working on integration can mean that there is a lack of holistic knowledge that undermines referrals among service providers.
- **Guidance** for migrants trying to navigate the system is fragmented.
- **Long delays** characterise the transition between phases of the integration plan.
- **Misinformation** can spread rapidly through migrant networks in the context of fragmented information sources.

Possible directions for future policy development

1. **Enhance co-ordination on implementation of integration policy.** The increase in the number of asylum seekers in Finland in 2015 prompted important developments in the co-ordination of policy development and strategy. At the national level, representatives from the relevant ministries are now convened on a regular basis to promote co-operation and the flow of information on integration-related matters. However, increased co-ordination on integration *strategy* has not been matched by co-ordination on *implementation*. In general, when migration numbers are small, a piecemeal approach is less problematic. Poorly co-ordinated integration policies, however, are put under strain when faced with large fluctuations in the number of arrivals. Building sustainable organizational structures to exchange information and pool resources, both between governmental and non-governmental actors, will be an important step towards promoting co-operation at the level of policy implementation.
2. **Holistic guidance.** Lack of co-operation between government services, their dispersed locations, and diversity of procedures and communication channels creates a lack of clarity in the integration system. As a result, the integration process can be difficult to navigate for new arrivals who are not familiar with the system and must, at the same time, overcome communication difficulties. In this context, misinformation can spread rapidly through migrant networks and holistic guidance to provide the overall picture and to guide new arrivals through the system may be valuable. *Infopankki.fi*, a website providing information in multiple languages, is an important first step in this direction but newly-arrived migrants must be more systematically directed to the site soon after arrival.
3. **Co-operation between municipalities and the Public Employment Service.** Municipalities have the overall responsibility for developing, designing and monitoring integration at the local level. And while municipalities are well placed to co-ordinate health care, social services, schools, day care, and extra-curricular activities, the division of autonomy between municipalities and the PES requires enhanced clarity in the structures for co-operation between these bodies. Poor co-operation both undermines the labour market focus of the integration plans drawn up by the municipalities (for those migrants who are not actively seeking employment), and can limit the social and familial context of the integration of those whose plans are drawn up by the PES (those actively seeking employment). Furthermore, because municipalities are liable for social assistance of long-term unemployed migrants, some municipalities run labour market training courses to supplement the employment support provided by the PES. While this has the benefit of strengthening the labour market focus of municipal-organised integration activities it can create duplication of services and further co-ordination challenges.
4. **Multiple providers of services.** Gaps in service provision, for example the gap between the language level provided under integration training and the level required in education or the labour market (see challenge II), have led other providers to step in to fill these gaps – often through project-based interventions. Such project-based interventions can be an important source of knowledge regarding what works in integration policy, but can lead to a complex and confusing landscape if they are used to solve structural integration challenges. To be useful in the long-term, projects must be carefully designed, effectively evaluated and those aspects that are found to be successful must be scaled-up and firmly embedded within the integration system. Continued reliance on project financing in the longer-term impedes the ability to plan and train staff and can undermine staff motivation. In addition, resources are devoted to seeking continued finance rather than integration itself.

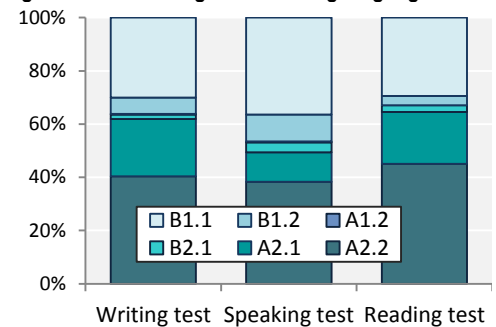
Challenge II. Language and early integration support

Across the OECD, knowledge of the host-country language is a key factor in determining the speed and success of integration. This is particularly true in Finland, where language skills are an essential prerequisite to social interaction with the native-born population and finding employment. Given that both networks and employment are important routes through which to build further language skills, poor knowledge of the host country language can prompt a vicious cycle. And, early development of sound language skills can have a substantial impact on the transferability of existing skills as well as enabling further skill acquisition. In 2014, the most common mother tongues among migrants undertaking integration training were Russian (16%), Arabic (10%), Estonian (7%) and English (7%). While Finnish and Estonian are both Uralic languages, the linguistic difference between Finnish, English, and particularly Arabic, are large, and obtaining proficiency can take some time. Indeed, at the end of the language training the majority of participants achieve only level A2.2 (Figure 6). Language, however, is only part of early integration support. Tailored integration activities that build upon the skills with which migrants arrive, and initiate efforts to bridge disparities with the skills required by the Finnish labour market, are also central.

Policy governing language training and early integration in Finland

- Since 1999, integration support in Finland is provided on the basis of individualised integration plans drawn up with all non-employed migrants resident in Finland for under 3 years. The aim of these plans is to provide sequenced integration measures designed to maximise the efficiency of training given the skills and circumstances of each migrant. The scope and structure of training varies according to the individuals initial assessment results (see below) and can last at most 60 study weeks.
- The integration path is based upon an initial placement assessment undertaken by externally contracted providers. The largest among these, *Testipiste*, bases placement assignment on information on study and work experience, current circumstances and career aspirations as well as tests of reading and writing skills in the Roman alphabet, Finnish language skills, mathematics, and tests of structural perception. These tests are employed in the hope of ascertaining both current language ability and the likely speed of language acquisition.
- Integration plans can incorporate either labour market training or 'self-motivated educational study'. Within the former, a placement assessment allocates participants to one of four tracks: a fast, intermediate and slow track, and a track for those requiring basic literacy training. In 2014 the majority of test-takers were allocated to the intermediate (52%) or slow (26%) tracks. Those entering 'self-motivated educational study' may enter vocationally-oriented integration training, basic or upper-secondary education, or preparatory classes.
- Integration plans are drawn up by the Public Employment Service for those migrants seeking work. For those who are inactive, such as women with small children, municipalities are responsible for drawing up integration plans. Access to municipal-run early childhood education and care (ECEC) is a right with participation subject to a fee which is dependent on family income and the number of children.
- A database, *Koulutusportti*, is available to share information between PES offices and educational institutions on placement test results, as well as labour market programmes and educational courses undertaken.
- Labour market integration training is procured on a competitive basis from both public and private education providers and the public employment service has recently launched a project to pilot the procurement of training on a payment-by-results basis.
- A new model for integration is currently under pilot in the form of a *Social Impact Bond* to assess the efficiency of offering training interspersed with employment rather than the current system in which all training is provided prior to first employment. Participation will be randomly assigned among eligible participants to enable evaluation, and investors in the privately-financed bond will see a return if integration costs are less than for those who do not receive the new training. Those undertaking the pilot programme will be able to undertake periods of work followed by top-up integration training to fulfill training needs as they emerge.

Figure 6: End of Integration training language results



Source: Testipiste

Key challenges

- **Heavy caseloads** mean that, in times of high inflows, Public Employment Service caseworkers have insufficient time to provide appropriate guidance and support. In some regions the caseload currently reaches up to 400 foreign-born clients with 0-5 years residence per caseworker.
- **Women with childcare duties and the inactive do not have access** to integration training. Furthermore, the time-limited nature of integration training means that inactivity can be perpetuated when the temporarily inactive attempt to re-join the labour force.
- **Delays to language training** compromise the efficiency of the integration process and fail to capitalise on early motivation. In 2014 for example, there was a wait of approximately 6-8 months for integration training in the capital region.
- **Participants report that language training is overly theoretical** and the heavy focus on grammar, does not meet early integration needs.

Possible directions for future policy development

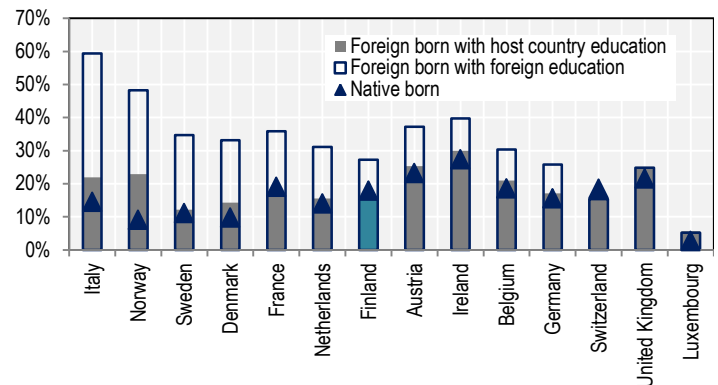
- 1. Vocational and real-world language learning.** Language is most effectively learnt in combination with vocational integration activities. Even learners who are far from the labour market may benefit more when the course is focused on their real-world language needs such as shopping, communicating with medical practitioners and asking for directions.
- 2. Re-examine the early separation of the active from the inactive – particularly women with children.** Childcare responsibilities can often mean that migrant women find it difficult to participate in full-time integration activities at the time of arrival. Without the opportunities and incentives to participate in integration programmes, such women can become increasingly isolated – both socially, and from the world of work. In Finland, the approach to these additional hurdles has been to direct women, and the inactive, to a separate stream of activities, organized by municipalities, that is not oriented at labour market entry. This approach has the effect of maintaining the distance between these women and the labour market, and preventing them from accessing labour market integration training when they return to the labour force. This can impact not only on the integration outcomes of the women themselves but also on the integration outcomes of their children.
- 3. Clarify and co-ordinate intensive support.** The Finnish PES currently directs clients to one of three support streams; immigrants are most commonly channelled to service stream 2, for competence-building. However, the support offered to those directed to the third stream, “*special support for employment*”, which is designed for those requiring the most support, may not be sufficient. This is due to the large number of jobseekers per PES caseworker operating in this service line. Project-based support, led by municipalities and NGO's, often fills this gap, but a clearer acknowledgement of what the PES can provide given their resources will be important, to ensure that roles are clarified and help is consistently available to those migrants with heavy support needs. Online information on the availability of Finnish courses, including project-based courses and those run by NGO's is available on Finnishcourses.fi. However, currently only larger municipalities are covered.
- 4. Re-examine language requirements for entry into vocational training.** Language requirements for entry into education (level A2.2 for entry into preparatory education for vocational training, level B1.1 for entry into vocational training, and level B2.2 for entry into preparatory studies for polytechnic education) have limited the ability of the foreign-born to access these courses and led to delays between the end of integration training and further education. The majority of migrants achieve only level A2.2 upon completion of integration training. Increasing opportunities and support to build language skills alongside further studies may be a more fruitful route through which to ensure language skills are adequate to enable further learning.

Challenge III. Validation and recognition of skills and foreign qualifications

In Finland, as in many OECD countries, education acquired outside the OECD is strongly discounted in the host-country labour market. While overqualification rates among the highly-educated foreign-born in employment are 10 percentage points higher than the proportion of their native-born peers, the majority of this disparity is driven by the foreign-born who obtained their qualifications outside Finland (Figure 7). Efficient recognition and credible validation of competences can help to reduce the uncertainty involved in the value of foreign qualifications.

Figure 7. Overqualification rates of highly-educated workers

Persons aged 15-64 not in education, selected OECD countries, 2012-14



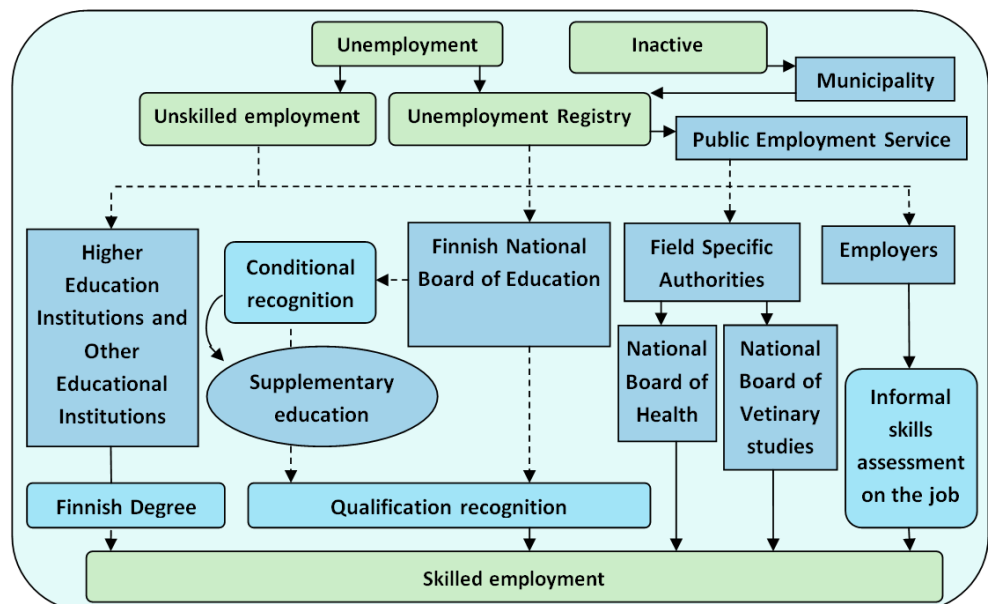
Source: Labour Force Surveys 2012-14;

Notes: Countries ordered by disparity between foreign born with a host country education and those who obtained their education abroad. Percent of labour force.

Policy governing recognition and validation in Finland

- Recognition decisions are made by a number of different bodies in Finland. Primary among these, is the **Finnish National Board of Education (FNBE)** which decides on eligibility for positions requiring a higher education degree, and in the majority of the 83 regulated professions. Alongside the FNBE, field-specific authorities decide on foreign qualifications within their area of competence (Figure 8).

Figure 8: The path to recognition in Finland



- Fees for recognition of qualifications** range from 213 EUR for recognition of the level of a higher educational degree, to 340 EUR for recognition of a professional qualification or a decision offering comparison to a Finnish degree. The FNBE will also issue, for a fee of 206 EUR, an advisory statement on foreign vocational qualifications that can be used to support job search. The average processing time for an application is 3-4 months.
- Higher educational institutions** have autonomy over recognition for entry into further studies or for use towards the completion of a Finnish qualification. The FNBE may advise, upon request.
- "Competence-based qualifications"** combine accreditation and bridging and enable qualitative recognition of vocational competences, irrespective of whether they were acquired through work experience, studies or other activities. Such qualifications thus provide a flexible way to demonstrate, renew and maintain vocational skills or qualify for a new profession. Vocational modules, based on real work tasks, are defined in collaboration with business, and it is recommended that candidates facing additional challenges in attaining these qualifications – for example recent immigrants – are offered additional instruction and support.

Key challenges

- Multiple recognition bodies reduce clarity and limit the transparency of the recognition process.
- Early stage referral for recognition and bridging is not systematic.
- Bridging courses (complementary education) are undeveloped and, where they exist, they can require a very large time investment. Competence based qualifications are limited to vocational fields.
- Recognition is difficult for those who have not finished or who have no proof of their degrees.

Possible directions for future policy development

1. **Enhance co-ordination of recognition services.** Such arrangements in OECD countries range from online information portals to fully fledged co-ordinating bodies. While the former explain the recognition requirements and procedures, refer immigrants to relevant recognition bodies, and provide application templates, the latter tend to accept applications for the assessment of different types of qualifications and transfer these internally to the competent recognition bodies. Such co-ordinated recognition bodies can also play an important role in enhancing co-operation with other relevant stakeholders.
2. **Ensure that assessment of foreign qualifications and validation of informal skills forms an integral part of early integration efforts.** Despite efforts to enhance the tailoring of early integration activities, referral of new arrivals to recognition services is currently *ad hoc* and largely left to the migrants themselves. The qualification an immigrant holds is perhaps the most important component in determining their integration path and the necessary skill upgrading that they require. Early validation is therefore a fundamental foundation upon which to build an appropriate integration plan. In Australia, Austria, Canada Denmark, Germany and Sweden, targeted counselling services are provided to tackle lack of awareness about recognition procedures.
3. **Consider creating flexible pathways** to enable individuals with qualifications obtained abroad to begin employment in positions that require little or no additional training but that relate to the profession in which they have experience and training. Such pathways can provide the opportunity to acquire vocational-specific language, build contacts and strengthen understanding of the local labour market. At the same time, by speeding up the bridging process such pathways can provide much-needed support in, for example, the field of education and medicine. It is important, however, that recognition and bridging are pursued in tandem with early employment to ensure that the individual does not remain stuck in a job for which he or she is overqualified.
4. **Strengthen co-operation with employers.** Addressing employer uncertainty about the value of skills and experience obtained abroad is the primary aim of recognition in non-regulated professions. Engaging employers and generating buy-in from all stakeholders is therefore crucial to build trust, and ensure that recognition procedures and outcomes are widely accepted and utilised.
5. **Provide concurrent language support.** In Finland, language skills tend to be a pre-requisite for recognition, bridging and complementary education. Finnish competence-based qualifications incorporate provisions to support those with language difficulties, such as the concession that non-native speakers may provide oral rather than written demonstration of competences. Other OECD countries – such as Sweden – are going further; providing recognition in the migrants mother-tongue followed by language support during bridging studies. Such options may also be worth pursuing in Finland.

Challenge IV. Demand for labour and contact with employers

Where the skills or education of migrant workers fall short of those required on the Finnish labour market, a skills mismatch can undermine their employment outcomes. In the short-term, skills mismatch can arise due to temporary limits on productivity caused by language difficulties, for example. However, alongside the skills of migrant jobseekers, the attitudes of employers and incentives they face when hiring migrants can also impact upon labour market integration.

Relatively strict employment protection legislation for permanent employment in Finland can exacerbate this by reducing employer's willingness to hire immigrants – about whose skills there is more uncertainty. And in 2013/14, more than one in four foreign-born workers who arrived in the previous 5 years were employed on temporary contracts – double the proportion of native-born workers. Furthermore, close to 90% of these immigrant workers undertook temporary work because they have been unable to find a permanent position – a proportion that is 20 percentage points higher than among native-born workers on temporary contracts.

Programmes providing job seekers an initial foothold in the Finnish labour market – through subsidised wages, work experience and vocational labour market training – have proven to be among the most effective Active Labour Market Policies in Finland. However, foreign-born jobseekers rarely take part in these programmes – while 23.4% of native-born jobseekers undertook subsidised employment, among the foreign-born the figure was just 6.9% (Maunu and Sardar, 2015). This is partly due to the fact that newly-arrived immigrants are directed, in the first place, to integration training; a first, but more distant, step towards labour market entry.

When it comes to public sector employment, the foreign-born are under-represented in most OECD countries. In Finland, this underrepresentation is particularly stark; only 1.5% of those employed in the public sector were born outside the country. Furthermore, just 1.7% of foreign-born workers are employed within the public sector, placing Finland among the OECD countries with the most limited role for the public sector in providing employment for the foreign-born (Figure 9).

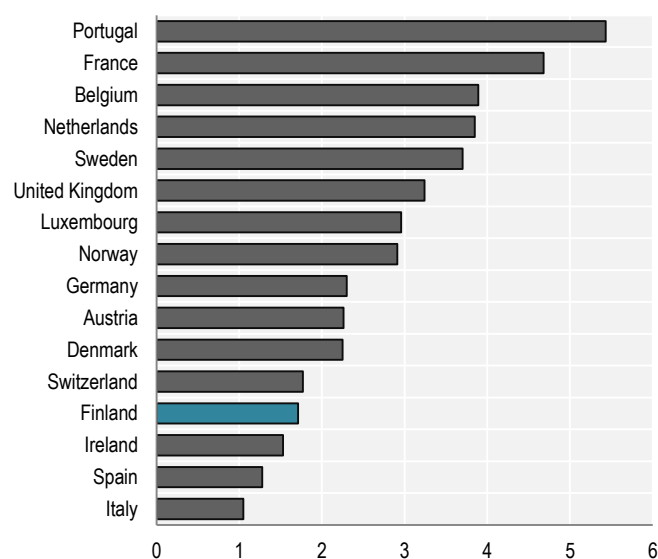
Policy supporting employer demand in Finland

While not directly targeted at migrants, there exist several programmes to help jobseekers gain an initial foothold in the labour market. These include:

- **Work try-outs**, which must not exceed 12 months in duration, are designed to support career choice options and identify what skills support is needed for labour market entry. Try-outs can be an important source of Finnish labour market experience for the foreign-born whose experience abroad is often heavily discounted on the Finnish labour market. Participants receive the same benefits as under unemployment. Under these contracts, the trainee is paid in line with collective agreements and the employer is reimbursed the costs of training.
- **Subsidised wages** may, upon application, be available to those over 30. Eligible jobseekers must identify an employment opportunity and the employer must submit then an application. Subsidies range from 30-50% depending on time spent in unemployment. While integration training does not qualify as part of time in unemployment, recent changes mean the lowest wage subsidy, of 30%, can now be offered directly after integration training.
- The Finnish PES also offers training to respond to **employers' recruitment needs**. These trainings last for 3-9 months and the expectation is that participants are hired by in the organisation ordering the training.

Figure 9: Public sector employment

Percentage of foreign-born workers employed in public sector



Source: EULFS 2013/2014

Key challenges

- **Poor information** limits employers' understanding of migrant skills and qualifications.
- **Employment protection legislation** for permanent jobs combined with risk aversion among employers limits the ability of migrant workers to obtain this type of contract.
- **Public sector employment** of migrants is low and the requirement in much of the Finnish public sector that public servants speak both Finnish and Swedish represents a substantial challenge for those without a background in these languages.
- **Work try-outs** cannot be offered by employers who have involuntary part-time workers or have recently made layoffs, even if these were in another part of the country. Verifying that they qualify to offer try-outs has been an administrative cost many employers are unwilling to pay.
- Migrants are poorly represented in **subsidised wage programmes**, despite the fact that these programmes help them overcome initial hurdles and provide important labour market experience.

Possible directions for future policy development

1. **Enhance dialogue and co-operation with employers.** Employer demand for migrant skills is, in large part, limited by a lack of information about the skills of migrants. Better identification and selection of suitable migrant candidates may help overcome this. Enhancing co-operation with employers in developing a widely-accepted assessment of skills, as well as in identifying and addressing the hidden administrative costs that limit the number of work-based programme places offered by employers will be important avenues for supporting employer demand.
2. **Promote access to programmes offering workplace experience.** Access to the work place can be particularly valuable for migrants and can help them overcome the short-term challenges posed by early language difficulties and lack of Finnish labour market experience. Ensuring that migrants have appropriate access to work experience programmes will involve monitoring referrals to ensure that migrants are directed to programmes on the basis of their characteristics and needs rather than their status as newcomers. PES caseworkers could also benefit from training and support to promote understanding of the additional hurdles – beyond language – facing migrants, and the appropriate tools to address these.
3. **Facilitate access to public sector employment.** By increasing the visibility of migrants in public life, providing role models for youth with a foreign background, and ensuring that migrants are given the opportunity to integrate and develop their skills, public sector employment is an important tool for integration. In addition, by increasing the day-to-day contact between migrants and the native-born, the employment of migrants in the public sector can address the misconceptions and information deficiencies that can arise from lack of interactions and understanding.
4. **Mentorship programmes** can help newly-arrived migrants overcome their lack of networks and labour market knowledge and can be a cost-effective means of integration. Such programmes match migrant job seekers with native-born individuals with a similar background (e.g. age and occupation) with the aim that the native-born person provides the migrant with access to personal networks and tacit knowledge about the functioning of the labour market. At the same time, these programmes involve the native-born population in taking an active role in integration and by increasing interactions promote mutual understanding.

Challenge V. Discrimination

Discrimination generally takes one of two forms. The first, “statistical discrimination”, occurs when lack of information about a candidate’s experience or qualifications causes risk-averse employers to avoid hiring him/her, while the second, “taste-based” discrimination, occurs when employers simply prefer to hire candidates with a particular origin.

Discrimination in hiring may occur even when the employer themselves is unprejudiced. If a significant share of consumers do not want to interact with immigrant workers, profit-motivated employers may wish to limit the recruitment of such workers to avoid displeasing their customers.

More indirectly still, discrimination may arise if stereotypes drive preconceptions among the service workers – such as career advisers and PES caseworkers – whose advice influences the education and career choices of migrants. If migrants are directed to the courses and careers in which the foreign-born are already concentrated, they may not even attempt to enter certain professions.

From the perspective of the immigrant themselves, the proportion of foreign-born individuals that feel discriminated against in Finland, at just 11%, is among the lowest in the OECD. However, field experiments investigating discrimination in recruitment in Finland have found that, in spite of a relatively strong legal anti-discrimination framework, job applicants with Russian names and otherwise equivalent CVs were obliged to send twice the number of applications in order to be called to interview than candidates with Finnish sounding names (TEM 2012). These findings suggest that discrimination remains an issue in Finland. Given that immigrants themselves largely do not perceive it suggests that such discrimination is rarely overt.

Recent data suggest that the prevalence of discrimination may be particularly pronounced in certain occupations. Indeed a 2014 survey of Finland’s foreign-born population found that immigrant’s working in managerial positions experienced less inequality than those in lower-level positions. These findings were mirrored in the findings of Sutela and Lehto (2014) who interviewed native-born workers and found that those in white-collar occupations were more likely to feel their immigrants colleagues were treated equally than those working in blue-collar positions.

Discrimination Policy in Finland

- In 2015, a reform to the Finnish Discrimination Act broadened the concept of discrimination from the previously narrow focus on ethnic discrimination to include all forms of equality (other than gender equality). At the same time, the new law concentrated anti-discrimination policy under the aegis of the Ministry of Justice.
- The reform also created the independent and autonomous Non-Discrimination Ombudsman (previously the Ombudsman for Minorities) and that National Non-Discrimination and Equality Tribunal (previously two separate tribunals for discrimination and equality).
 - The **Non-Discrimination Ombudsman** both investigates cases of discrimination and concurrently works towards improving the rights and status of groups at risk of discrimination. Activities include counselling, promoting conciliation, providing training, and lobbying.
 - The **National Non-Discrimination and Equality Tribunal** – an independent judicial body – supervises compliance with the Non-Discrimination Act in public administration and commercial activities.
- The National Advisory Board for Ethnic Relations (ETNO) brings together migration experts from across government and civil society with the aim of building trust through co-operation and discussion with immigrants, minorities, public authorities, political parties and NGOs.
- The 2015 act compels all employers with greater than 30 employees to draft an equality plan. The plans, which must contain details of how equality will be promoted and discrimination prevented, must be renewed on a regular basis. Diversity training is available for companies.
- A monitoring system to collect and publish information on incidences of discrimination is currently under development by the Ministry of Justice.

Key challenges

- **Stereotypes** can influence the behaviour of well-meaning service providers.
- **Anti-discrimination laws** are difficult to implement because discrimination is difficult to prove.
- **Implicit discrimination** can take many different forms and is difficult to identify. Unnecessarily high language requirements often result in effective discrimination.
- Though **equality plans** must be updated regularly, neither the frequency nor potential sanctions have been defined.

Possible directions for future policy development

1. **Education for service providers.** When career advice – both in the education system and in the labour market – is based upon stereotypes, statistical discrimination can be self-perpetuating. If migrants are directed more frequently to lower-skilled professions, their lack of representation in highly-skilled sectors will perpetuate the lack of role models in such sectors, and the statistics upon which the stereotypes are based will persist. Similarly, if children are directed primarily to vocational, rather than academic, courses on the basis that these are the courses that migrants most often attend, their aspirations will be limited. To avoid such a situation, it is important that effort is placed in providing service providers in the PES and the education system with training to ensure that they direct everyone to the most appropriate courses – regardless of their place of birth, or that of their parents.
2. **Providing forums for contact between native-born Finns and migrants.** Finland's relatively short history as a migrant-hosting country means that many Finns have, thus far, had limited contact with migrants. Segregation in housing and in education, where migrants are often concentrated in preparatory classes, has further undermined such interactions. Mentoring schemes, such as *Womento* which work to promote networks and labour market knowledge of educated migrant women, are an important step towards strengthening contacts and increasing social interactions between migrants and native-born Finns. However, forums for social contact that go beyond such volunteering schemes will also be necessary to ensure that ignorance and inexperience do not drive fear and mistrust which, in turn, may ultimately underpin discrimination.
3. **Overcoming possible prejudices among employers and enhancing the benefits of non-discrimination.** Genuine experience of working with immigrants is often far more effective in combating discrimination than anti-discrimination law itself. However, the relatively small number of immigrants in Finland means that few employers have direct experience of working with immigrants. Allowing employers to overcome imperfect knowledge of the skills of the immigrant by hiring them initially on a trial basis is a key component in reducing the prejudice and uncertainty that often prevents employers from hiring migrants. Reducing the restrictions on employers wishing to use work try-outs to employ newly arrived immigrants would be one step towards addressing this. Providing tools to allow migrants to signal their quality (for example through enrollment in prestigious and selective programmes), may be another.

Challenge VI: Integration in School

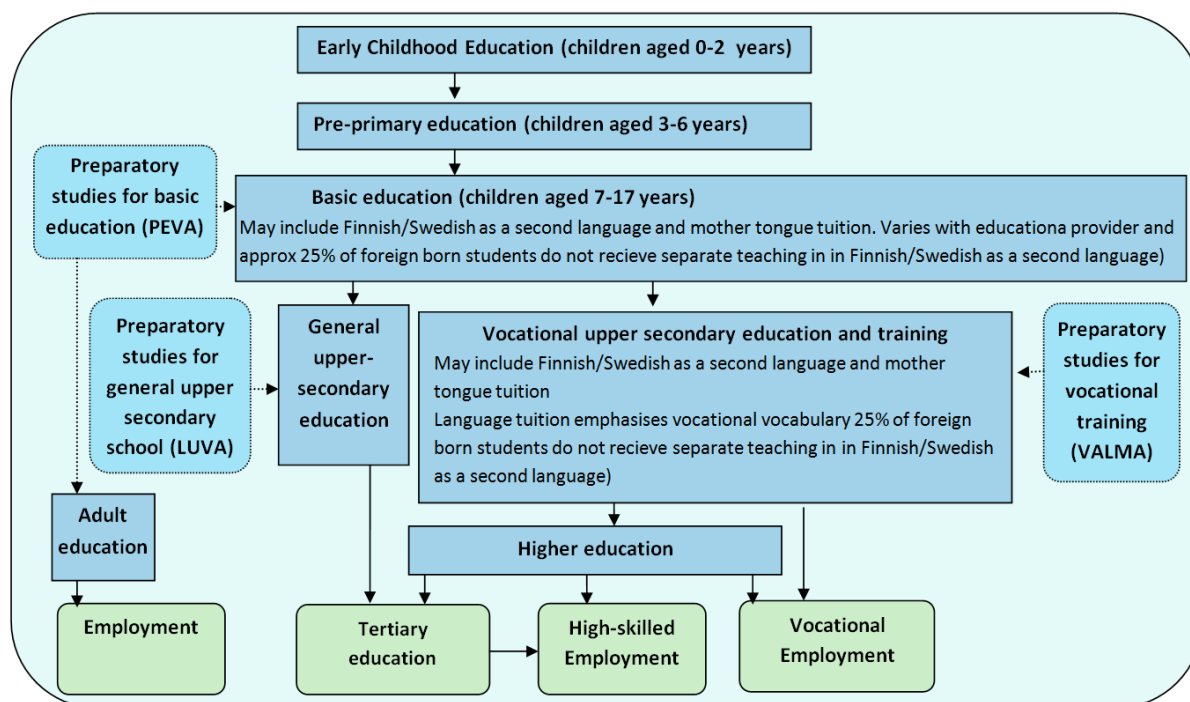
Across countries, studies have shown integration outcomes tend to be better when immigrant children arrive at an early age, (see for example Åslund et al., 2009). In Finland, however, even those migrants who arrive before the age of 15, struggle to integrate, and survey data suggests that 35% of this group leave school early – the highest in the OECD. More worrisome still, according to data collected as part of the OECD Programme for International Student Assessment, the literacy disparity between the native-born children of the foreign-born and those with native-born parents is the largest among surveyed countries. Given the relatively short history of migration in Finland, there have been relatively few native-born children of the foreign-born. However, as the children of those migrating to Finland in the 1990's are now entering the school system in increasing numbers, the magnitude of the literacy disparities is posing an increasingly urgent question.

While helping native-born children with foreign-born parents to thrive in school is clearly a challenge in Finland, providing support for those who arrive just before adulthood is likely to be more challenging still. Approximately 3 000 asylum-seekers arrived in Finland between the ages of 16 and 18 in 2015. The vast majority (approximately 2 800) of these minors arrived unaccompanied. Those arriving below the age of 16/17 will have access to basic education or preparatory studies (see figure 10 below). However, language problems, alongside other difficulties, will temporarily hamper the performance of newly-arrived children. Given that, on top of this, many will bring with them limited prior education, it is likely that many will not have acquired the basic skills to be employable by the age at which compulsory education ends. The Ministry of Education and Culture estimates that in 2016, approximately 2 600 young migrants will be in this position.

Finland stands out among OECD countries in the lack of high-stakes tests, and indeed the first national assessment is the matriculation examination at the end of general upper-secondary education. In theory this should allow newly-arrived migrants time to overcome the initial setbacks that, in the presence of age-related performance assessments, can constrain educational options. However, foreign-born students – and children with foreign-born parents – are nonetheless more likely to opt for vocational education tracks, and stakeholders have expressed the belief that these aspirations are reinforced by the stereotypes held by careers advisors. While the vocational track does not prohibit entry into the university system, few vocational students are able to successfully navigate this route (OECD 2015b).

Research has shown that graduates from upper-secondary vocational programmes have, at 13%, an unemployment rate that is double the rate of that among graduates of polytechnics (7%), and universities (6%) (Stenström and Virolainen, 2014). They are also twice as likely to find themselves in NEET (20%), as compared with those completing a general upper-secondary education.

Figure 10: The path to integration in the Finnish school system



Integrating young migrants and the children of migrants into the Finnish school system

- In Finland, families are entitled to access early childhood education both in reception centres and when placed in a municipality after a residence permit has been granted.
- Municipalities may provide preparatory studies for basic education for foreign-born students (and, when needed, for the native-born with foreign-born parents). The emphasis of instruction is on Finnish, or Swedish, as a second language and the goal is that, at the end of preparatory studies, students should achieve level of A1.3-A2.1.² Alongside this, some mother-tongue instruction is provided.
- Integration from preparatory studies (PEVA) into standard pre-primary and primary education is undertaken according to the student's knowledge and skills and begins as soon as is possible in those subjects where language knowledge is less critical. These preparatory studies, which are funded on a per student basis with a central government transfer amounting to 2.49 times the transfer for regular pupils, provide teaching equivalent to one year's full-time education (900-1 000 hours).
- Preparatory studies for vocational training (VALMA) provide 6-12 months of language and content-based tuition conducted entirely in Finnish/Swedish. Alongside the foreign-born, VALMA is targeted at smoothing transition to qualification-oriented studies for youth with special needs, and those outside the education system. Foreign-born adults may also access the support alongside integration training or shortly thereafter, while those who do not meet the language requirements of VALMA may pursue a modular competence-based qualification (OPVA) targeted at those with insufficient language, technology or study skills.
- Foreign-born students in vocational upper-secondary may study Finnish/Swedish as a second language, emphasizing profession-related vocabulary. They may also be offered remedial education if necessary.
- Since 2014, it has been possible to organise preparatory studies for general upper-secondary education (LUVA). These classes take one academic year and, alongside language studies, incorporate subject-based study, knowledge of society and culture, and student counselling. Basic education subjects can also be incorporated as part of LUVA to improve grades.

Key challenges

- Preparatory education is not available in all municipalities.
- A lack of flexible education options limits the move to academic streams following initial education setbacks.
- Teachers report experiencing limited interaction with parents as the increasing reliance on electronic communication impedes their ability to provide holistic support for learning.
- Educational choices are stymied by limited awareness of labour market opportunities and poor career advice.
- A large number of migrants arrive towards the end of compulsory education.
- Lack of immigrant teachers means that there is a lack of role models for foreign born students.

Possible directions for future policy development

- 1. Preparatory studies (PEVA) must be provided in all municipalities.** While the additional funding for PEVA (see above) should enhance the incentives for municipalities to provide such studies, they have no legal obligation to do so. Indeed, in 2014, the Ministry of Education and Culture found such instruction was provided in less than one third of municipalities. Clearly local educational authorities have knowledge about the conditions for success in the local context, nevertheless ensuring equal access to quality education across the country requires clear national guidelines. Municipalities should be supported in building capacity and increasing understanding of successful integration practices. Alongside this, however, nationally-specified limits on the duration of such education are needed to ensure children do not get trapped in preparatory or Finnish-as-a-second-language courses.
- 2. Provide a smooth transition from preparatory studies (PEVA) to basic education.** Enabling support to continue alongside mainstream classes can help speed-up and smooth the transition, facilitating integrated content and language learning.
- 3. Basic education must be provided in a coherent way** to those who have exceeded the age of compulsory schooling but require more support than is available under labour market training for basic education.
- 4. Parents should be viewed as a learning resource.** The increasing role played by technology in communication between teachers and the family in Finland has, to some extent, undermined family involvement in education. This can be particularly damaging for children with foreign-born parents who are less familiar with the Finnish education system and the necessity of education for integration into the labour market and society more widely.
- 5. Career advice must stretch educational ambition and not stymie the development of aspirations.** School guidance should be focused on labour market realities and encompass a broad range of tools including the provision of information, mentors and work experience. Up-to-date information on employment opportunities, potential returns (expected earnings and potential career paths) as well as the qualifications necessary to access certain career paths is a critical component in building aspirations and ensuring that early educational choices do not lead to a path dependency.

Annex: The integration workshop

The OECD, together with the Finnish Ministry for Employment hosted a migrant integration workshop, “*Finding the way: Employing the use of migrants in Finland*”, in Helsinki on the 20th of June 2016. All major stakeholders for integration in Finland were invited to view the integration system in a holistic manner in order to identify bottlenecks and inefficiencies in the integration system – whether in policy design or implementation – and to work together to develop concrete ideas of how to tackle these challenges. Prior to the workshop, an OECD fact-finding mission took place in April 2016.

The workshop, opened by the Permanent Secretary from the Ministry of Education and Culture, Ms Anita Lehtikoinen, brought together senior experts and policy makers drawn from across

- Government ministries
- Government agencies
- Social partners
- Regional and local actors
- Academia
- Non-Governmental Organisations

In addition, participants were joined by international experts from Germany, from Sweden, and from Portugal with expertise in qualification recognition and validation of skills, in integrating young migrants into school and in integration in a difficult economic climate. A full list of the participants is included below.

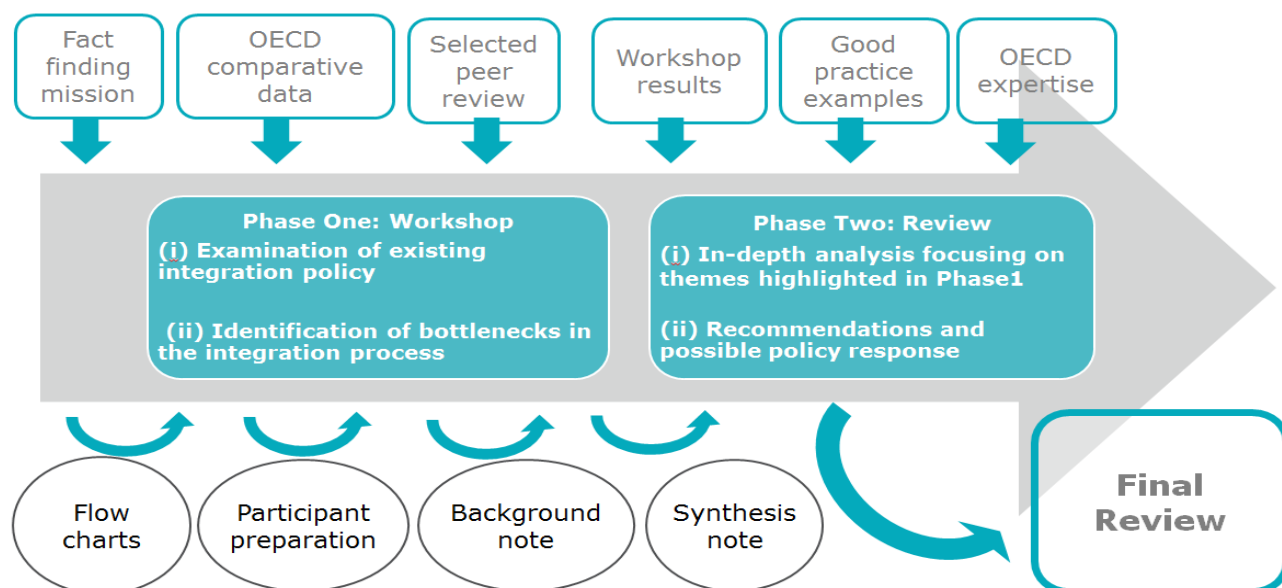


The workshop focused on six themes, identified as critical issues facing migrants in their integration into the Finnish labour market. These included:

- I. Building skills in school for young arrivals and the children of immigrants
- II. Language training
- III. Validation and recognition of migrant skills
- IV. Contact with employers and social partners
- V. Discrimination
- VI. Co-ordination among actors at the national, regional, and municipal level

The workshop will be followed-up by a full review including concrete policy recommendations and details of policy innovations pursued in other OECD countries. The review will provide in-depth analysis into the selected themes outlined in this synthesis note and will be finalized in 2017. See figure 11 below for an outline of the project process.

Figure 11. Project Process



Participants in the workshop

Government Offices

Name	Job title	Ministry/Agency
Pauliina Porkka	Job title	Ministry of Employment and the Economy
Terhi Martins		Ministry of Employment and the Economy
Hillevi Lönn		Ministry of Employment and the Economy
Johanna Laukkanen		Ministry of Employment and the Economy
Anna Bruun		Ministry of Employment and the Economy
Susanne Piepponen		Ministry of Employment and the Economy
Kaisu-Maria Piironen		Ministry of Education and Culture
Nina Suorsa		Ministry of Justice/ETNO
Anna Rundgren		Ministry of Interior

Government Agencies

Name	Job title	Agency
Johanna Niemi	Job title	National Board of Education
Kati Costiander		National Board of Education
Marjut Kuokkanen		National Board of Education
Sanna Penttinen		National Board of Education
Jussi Tervola		KELA
Anu Castaneda		National Institute for Health
Tarja Nieminen		Statistics Finland
Mika Salo		PES
Olli Snellman		Migri
Tiina Järvinen		Migri

Business Community and Social Partners		
Mikko Räsänen		Confederation of Finnish Industries
Markku Lahtinen		Chamber of Commerce
Eve Kyntäjä		Central Organisation. of Trade Unions
Education		
Jyrki Tiihonen		Comprehensive school
Jenni Alisaari		Comprehensive school
Academia		
Hani Tarabichi		Aalto University
Helena Sustar		Aalto University
Laura Ansala		Aalto University
Katinka Käyhkö		University . of Jyväskylä
Marita Häkkinen		University . of Jyväskylä
Heidi Stenberg		Metropolia University
Non Governmental Organisations and actors		
Pia Lindfors		Finnish Refugee Council
Riina Kopola		SITRA
Niina Pajari		RAY
Gunta Ahlfors		The Family Federation of Finland
Johanna Matikainen		Finnish Red Cross
Tea Berndtson		Amiedu
Kristina Kokko		AKAVA
Kristel Kivisik		Testipiste
Risto Karinen		Ramboll
Municipalities and ELY Centres		
Ruslan Haarala		City of Helsinki
Jyrki Sipilä		Helsinki Adult Education Institute
Jaana Suokonautio		ELY Centre for Uusimaa
Abdulkadir Hashi		City of Tampere
Pasi Saukkonen		Helsinki Urban Facts
International Peer Reviewers		
Liam Patuzzi	Researcher	Agency for the Development of Professional Education, Germany
Mats Wennerholm	Director of Education	Swedish National Agency of Education, Sweden
Catarina Reis Oliveira	Head of the Research Division	High Commission for Migration, Portugal
OECD Secretariat		
Thomas Liebig	Senior Administrator	OECD
Emily Farchy	Economist/Policy Analyst	OECD

Further Information

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¹ In 2015 just over 3 000 permits were issued on the grounds of international protection or to quota refugees.

² At level A1.3, pupils can ask, and react to, basic questions and direction; understand words and parts of texts; write short notes, and name things. At level A2.1 pupils should be able to make requests and inquiries; express wishes, and positive or negative opinions; apply what he/she has learned in communication, and write basic sentences.

For further information on the OECD's work on integration:

www.oecd.org/migration