



FINLAND

India-Europe Labour Migration

January 2023

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Acknowledgment

This report is a part of the IOM Development Fund (IDF) supported project titled 'Strengthening Data Informed and Migrant Centred Management Frameworks in India'. This project is a joint endeavour of IOM India with the erstwhile India Centre for Migration, now the Centre for Migration, Mobility and Diaspora Studies (CMMDS) of the Indian Council of World Affairs, Ministry of External Affairs, Government of India and the Global Migration Data Analysis Centre (GMDAC).

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Abbreviations

CEDEFOP	European Centre for the Development of Vocational Training
ETLA	Research Institute of the Finnish Economy
EEA	European Economic Area
EU	European Union
GDP	Gross Domestic Product
ICT	Information and communication technology
ICM	India Center for Migration
ICWA	Indian Council of World Affairs
IMF	International Monetary Fund
IOM	International Organization for Migration
KELA	Social Insurance Institution of Finland
MEA	Ministry of External Affairs, India
MIPEX	Migrant integration Policy Index
MNC	Multi-national companies
NSDC	National Skill Development Corporation, India
OECD	Organization for Economic Cooperation and Development
PALTA	Finnish Service Sector Employer's Association
TCN	Third Country National

Executive Summary

This research was conducted as a part of the IOM Development Fund (IDF) supported project titled ‘Strengthening Data Informed and Migrant Centered Migration Management Frameworks in India’. It is a joint endeavour of IOM India with the erstwhile India Centre for Migration, now the Centre for Migration, Mobility and Diaspora Studies (CMMDS) of the Indian Council of World Affairs, Ministry of External Affairs, Government of India and the Global Migration Data Analysis Centre (GMDAC)

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This report serves as an in-depth country profile on Finland, exploring the labour market conditions, skill shortages, the impact of the COVID-19 pandemic and the existing policy ecosystem governing immigration to the country. A literature review developed a general understanding of Finland’s labour market, looking at the economic profile, demographic and migration trends,

key sectors of interest and mobility pathways to Finland. Following this, a more detailed policy review was developed focusing on bilateral agreements, national and sub-national level policies and the long term labour market impacts of COVID-19. This literature and policy review developed a holistic understanding of Finland’s labour market and its migration corridor with India.

Furthermore, this report provides a qualitative understanding of the Finnish labour market by presenting perspectives and recommendations from sectoral stakeholders in India and Finland. These stakeholder consultations were conducted in India and Finland from November 2021 to March 2022. An initial stakeholder mapping was conducted to identify various categories such as government departments, multilateral agencies, employer associations, trade unions, research organizations and experts. Furthermore, members of the Indian diaspora, working professionals and students alike, were included in the stakeholder consultations to gather their personal experiences of migrating to Finland. The stakeholder consultations were used to obtain more insights into the Finnish labour market and validate the findings of the literature and policy review. A total of 27 stakeholder consultations were completed, including members of the Indian diaspora.

Key Findings from the Stakeholder consultations

Labour Shortages and Key Sectors of Interest in Finland

- The Finnish economy is well on track back to its pre-pandemic levels of economic growth.
- The labour shortages that were worsened by the COVID-19 pandemic are now a key concern for the government, particularly due to the rapid demographic change that the country has experienced, its ageing population and the sharply reducing domestic labour force.
- There are supply-side pressures on the labour force as well as demand-side pressures, due to an increasingly elderly population.
- The two sectors facing the largest shortages are health and social care, and information technology.

Health, Social, and Elderly Care

- In recent years, various government initiatives have been undertaken to devise comprehensive solutions to the two sector's labour crisis, such as the Inter-Ministerial Working Groups as well as recent laws on minimum personnel quotas that aim to identify multiple solutions to the labour crisis.
- Heavy workloads, stress, mental health concerns, and the management style, are some factors that discourage young locals from occupying those labour positions.
- The health and social care sectors is also a sector where language continues to play a key role, especially when providing care directly to patients.
- Therefore, immigrants from neighbouring countries (Estonia, Russia) with a language advantage tend to dominate.

Information Technology Sector

- Information technology is a key sector critical for overall economic growth in Finland.
- Unlike in healthcare, Indians are a well-known and even preferred foreign workers group in IT and engineering.
- The sector will continue to need workers in multiple job roles at various career levels over the next few years. It is a promising opportunity for Indian workers.
- In addition, a key factor will be Ukrainian immigration due to the ongoing conflict, which has displaced millions.
- Language and skill certification/recognition appear to be the major obstacles for Indians working in Finland.

Role of Immigration Policy

- Multiple stakeholders have reflected positively on the prospect of a Memorandum of Understanding and/or other bilateral cooperation on the issue of labour migration.
- It may also help expedite visas and permit processes.
- Finland has many regional Indian diaspora associations (many formally associated with the Ministry of External Affairs) that should be involved in bilateral dialogue.

Integration of Foreign Workers

- Integration of immigrants is a well-developed policy paradigm in Finland.
- The key challenge is that it has not yet fully adapted to the dynamic nature of contemporary immigration flows – especially the more temporary, contract-driven migrations that Indians are undertaking.
- Adapting existing integration systems to temporary forms of mobility with the source country (Government of India) will be important.

1. Economic and Demographic Profile

Finland has been a member of the European Union since 1995. After the Second World War, Finland has transitioned from being an agriculture-based economy to a highly industrialized mixed economy. Like other Nordic countries, Finland liberalized its economic regulation system in the late 1980s.

1.1 Economic Activity & Key Emerging Sectors

Finland has been a member of the European Union since 1995. After the Second World War, has transitioned from being an agriculture-based economy to a highly industrialized mixed economy. Like other Nordic countries, Finland liberalized its economic regulation system in the late 1980s. It has caught up with Germany and Sweden regarding income per capita throughout this period.¹ At the beginning of the 1990s, with the collapse of Soviet trade, the Finnish economy fell into a recession. The economy recovered fast, primarily due to export-led economic growth. Finland is highly integrated into the world economy today, with international trade making up a third of its GDP. The nominal GDP per capita in 2021 is an estimated US \$54,817, although the COVID-19 pandemic impacted the economy, causing an estimated contraction of 2.9 per cent in 2020.²

According to the International Monetary Fund (IMF), the unemployment rate is estimated to increase from 7.8 per cent in 2020 to 8.6 per cent in 2021.

Finland ranks 11th out of 189 countries in the 2019 Human Development Index (0.938), with 19.4 years of expected schooling.³ It also ranks 20th in the World Bank's Ease of Doing Business 2020⁴ and 3rd across 128 countries in the Rule of Law Index 2020.⁵ The latest available statistics from the World Bank in 2019 estimated that the services sector accounts for 60 per cent of Finland's GDP, while the industry has a GDP share of 24.2 per cent. Agriculture has the lowest share, accounting for 2.3 per cent of Finland's GDP.⁶ Finland's key sectors for foreign trade include manufacturing, information and communication technology (ICT) and forestry. According to the European Centre for the Development of Vocational Training (CEDEFOP), construction and business (and other services) in

¹ OECD Economic Outlook Database, (2021).

² International Monetary Fund, (2021), World Economic Outlook, Retrieved from: <https://www.imf.org/-/media/Files/Publications/WEO/2021/October/English/text.ashx>.

³ United Nations Development Programme, (2019), Human Development Reports, Retrieved from: <http://hdr.undp.org/en/countries/profiles/FIN#>.

⁴ World Bank, (2020), Doing Business 2020, Retrieved from: <https://www.doingbusiness.org/content/dam/doingBusiness/country/f/finland/FIN.pdf>.

⁵ World Justice Project, (2020), Rule of Law Index 2020, Retrieved from: <https://worldjusticeproject.org/rule-of-law-index/country/2020/Finland>.

⁶ World Bank Data, (2019), Retrieved from: <https://data.worldbank.org/>.

⁷ CEDEFOP, (2020), Future Skills Forecast, Retrieved from: <https://skillspanorama.cedefop.europa.eu/en>.

Finland are expected to be the fastest-growing sectors between 2018-30.⁷ The 2021 Occupational Barometer Report by the Finnish Ministry of Employment and Economic Affairs reported that occupations with shortages are concentrated healthcare and social services, construction, business and administration professionals. At the national level, the Occupational Barometer Report includes the 15 occupations in demand for the labour force: nursing associate professionals, healthcare assistants, social work and counselling professionals, general and specialist medical practitioners, early childhood educators, audiologists and speech therapists, psychologists, dentists, special needs teachers, home-based personal care workers, cleaners and helpers, nursing professionals, welders and flame cutters and contact centre salespersons.⁸

1.1.1 Healthcare and Social Services

Finland has a highly decentralized public-funded healthcare system, supplemented by a smaller private sector. At the national level, the Ministry of Social Affairs and Health is the central authority. However, municipal governments are responsible for implementing health and social welfare schemes with government support. According to the Union of Health and Social Care Professionals in Finland, the private sector accounts for over a quarter of all health and social welfare services in the country, and its share in social services is increasing.⁹ From 2023, however, the main responsibility for organizing public healthcare and social care services in Finland will be transferred from the municipalities to 21 regional clusters called “well-being service counties”.¹⁰

Furthermore, Finland’s National Social Insurance Institution is the body that implements the national

At the national level, the Ministry of Social Affairs and Health is the central authority. However, municipal governments are responsible for implementing health and social welfare schemes with government support. According to the Union of Health and Social Care Professionals in Finland, the private sector accounts for over a quarter of all health and social welfare services in the country.

insurance scheme financed through compulsory employer contributions. Primary and hospital care are now funded through municipal financing and government subsidies. In 2017, Finland had a lower share of public health spending than the EU. Public spending on health was 13 per cent of the GDP for Finland in 2017, compared to 18% in Sweden and Norway.¹¹

According to the Ministry of Economic Affairs & Employment, the number of people working in the healthcare and social services sector varies between 333,000 and 422,000. The private sector is also a significant employer with approximately 88,000 personnel. The pandemic has affected the healthcare sector by progressing digitization but has also revealed and sharpened a labour force shortage.¹² The demand for labour in the social work sector is also expected to increase from roughly 150,000 to 220,000 employees by 2025.¹³ Finland’s fastest ageing population in Europe

⁸ Finland Ministry of Employment, (2021), Occupational Barometers; Retrieved from: <https://www.ammattibarometri.fi/Toplista.asp?maakunta=suomi&vuosi=21ii&kieli=en>.

⁹ The Union of Health and Social Care Professionals in Finland, Retrieved from: <https://www.tehy.fi/en/working-finland/social-and-health-care-sector>

¹⁰ Ministry of Social Affairs and Health, Finland, (2021), Retrieved from: <https://soteuudistus.fi/en/frontpage>.

¹¹ OECD/European Observatory on Health Systems and Policies, (2019), Finland: Country Health Profile 2019, State of Health in the EU, Retrieved from: https://ec.europa.eu/health/sites/default/files/state/docs/2019_chp_fi_english.pdf.

¹² Ministry of Economic Affairs and Employment, Finland, (2021), Retrieved from: <https://valtioneuvosto.fi/en/-/1410877/sector-report-attracting-and-retaining-workforce-in-the-health-and-social-services-sector-is-challenging-working-conditions-must-be-improved>.

¹³ CEDEFOP, Finland: Mismatch priority occupations, Skills Panorama, Retrieved from: https://skillspanorama.cedefop.europa.eu/en/analytical_highlights/finland-mismatch-priority-occupations#_ednref11.

requires long term care and support, which has increased demand for medical and social care services.¹⁴ In 2020, following numerous cases that revealed neglect attributed to understaffing in many private-sector nursing homes for the elderly, the Ministry of Social Affairs and Health presented a bill proposing a minimum nursing quota at old-age institutions. To meet the demands of the ageing population and the proposed quota, Finland is expected to need 30,000 more nurses by 2030.¹⁵ The National Supervisory Authority on Welfare and Health (Valvira) does the licensing of practising healthcare professionals. It scrutinizes and licenses those who have studied abroad across 17 positions (physician, dentist, pharmacist, psychologist, speech therapist, dietician, dispenser, nurse, midwife, public health nurse, physiotherapist, medical laboratory technologist, radiographer, dental hygienist, occupational therapist, optician and dental technician) as provided in the 1994 Act on Health Care Professionals.¹⁶

1.1.2 Construction

In 2019, Finland's construction sector grew by 0.6 per cent and employed, on average 195,000, workers.¹⁷ The construction sector in Finland is a complex network of value chains, and its performance has been marked by very low productivity growth and overall stagnation. Finland's public financing crisis greatly weakened investment in the construction sector, and challenges like over-regulated housing construction activities have negatively impacted the sector. Amid the first year of the COVID-19 pandemic, total construction activity decreased by 4.1 per cent in 2020, while housing construction reduced by 2.3 per cent.¹⁸ According to

the Finnish Ministry of Finance, the pandemic's impact on the construction sector was less than estimated, and the sector is slowly recovering, driven by the overall rebound of the Finnish economy.¹⁹ The Research Institute of the Finnish Economy (ETLA) forecasted that housing construction is growing by 2.8 per cent in 2021 while non-residential construction will shrink by 1.5 per cent.²⁰ According to the Confederation of Finnish Construction, the construction sector is expected to grow by 2 per cent in 2022, with an increase in housing construction, commercial construction, and renovation projects.²¹

According to the Statistics Finland Labour Force Survey 2020, the construction sector employed 188,000 persons aged 15-74.²² The Occupational Barometer report in 2022 reported that the top 15 occupations with labour shortages included practical nurses, registered public health nurses, social work and counselling professionals, senior physicians and specialists and generalist medical practitioners.²³ In 2021, the top 15 shortage occupations were dominated by the healthcare and social services sector, but occupations such as roofing installers and earthmoving operators are on that list. The construction industry's output is likely to be supported by the Finnish government's focus on developing transport and energy infrastructure, and sustainable construction,²⁴ which is likely to drive demand for labour in the sector.

1.1.3 Business Services

The services sector in Finland generates the largest number of businesses and makes up a large part of Finnish exports. According to the Finnish Commerce

¹⁴ Ibid.

¹⁵ Finnish Broadcasting Company, (2021), Retrieved from: <https://yle.fi/news/3-11782213>.

¹⁶ Ministry of Social Affairs and Health, Finland, (1994), Health Care Professionals Act, Retrieved from: https://www.finlex.fi/fi/laki/kaannokset/1994/en19940559_20110312.pdf.

¹⁷ European Construction Industry Federation, <https://fiec-statistical-report.eu/finland>.

¹⁸ United Nations Economic Commission for Europe, (2021), Finland: Market Statement, Retrieved from: <https://unece.org/sites/default/files/2021-10/finland-country-market-statement-2021.pdf>.

¹⁹ Ministry of Finland, (2020), Retrieved from: <https://valtioneuvosto.fi/en/-/10623/construction-sector-more-active-in-2020-than-expected-construction-to-decrease-next-year>.

²⁰ The Research Institute of the Finnish Economy, (2021), September 2021 forecast, Retrieved from: <https://www.etla.fi/en/latest/etla-forecasts-service-exports-will-pick-up-next-year-the-biggest-risks-to-economic-growth-lie-in-management-of-the-pandemic/>.

²¹ Confederation of Finnish Construction Industries RT, (2021).

²² Official Statistics of Finland (OSF), Labour Force Survey, Retrieved from: https://www.stat.fi/tup/suoluk/suoluk_tyaelama_en.html.

²³ Ministry of Economic Affairs & Employment, (2022), Occupational Barometer, Retrieved from: <https://tem.fi/en/-/occupational-barometer-number-of-occupations-suffering-from-labour-shortage-has-risen-to-pre-covid-level>.

²⁴ European Construction Sector Observatory, (2021), Finland-Country Fact Sheet, Retrieved from: https://ec.europa.eu/growth/sectors/construction/observatory/country-fact-sheets/finland_en.

Federation, private services' share of the national economy's added value was over 50 per cent in 2016, exceeding that of primary manufacturing, processing and the public sector combined.²⁵ There has been a shift towards a service economy in the EU, and according to Eurostat, 73.1 per cent of jobs in Finland were in the services sector.²⁶ Occupations in business and administration, such as sales workers, professionals, and trades workers are in demand. According to CEDEFOP, Finland is expected to have future employment growth of 6.7 per cent in the business services sector in 2020-2030, which includes occupations in banking and finance, professional services (such as lawyers and accountants), analysts, advertising and marketing professionals.²⁷ The employment growth rate for ICT services in Finland is expected at 6.3 per cent in 2020-2030, which is lower than that of the EU, while employment in wholesale and retail trade is estimated to grow at 2.7 per cent.²⁸ A recent survey by the Finnish Service Sector Employer's Association (PALTA)²⁹ found that the pandemic has permanently changed skill requirements, with digital skills, adaptability, and self-development now being sought after among employers. The survey also highlights the dire state of skills mismatch and that facilitating labour immigration (by streamlining the permits and visas) is a key solution. According to the Occupational Barometer 2021, some occupations in the services sector facing a labour shortage include cleaners and helpers in offices, sales representatives, contact centre salespersons, web developers, etc. However, the Barometer also includes ICT technicians in the top 15 list of surplus occupations in Finland.³⁰ According to a 2021 survey by the Finland Chamber

The survey also highlights the dire state of skills mismatch and that facilitating labour immigration (by streamlining the permits and visas) is a key solution.

of Commerce, skilled staff is particularly needed in the sectors of trade, administration, technology, and data processing.³¹

1.2 Labour Force Characteristics

Finland has evolved from being a country of net emigration to one of net immigration since the Second World War, particularly after the 1980s. The population of Finland is approximately 5.5 million, and at current birth and immigration rates, it is expected to start declining in 2034. The working-age population (aged 15-74), which was 3.55 million in 2009, has declined by 136,000. It is expected to decline further to 3.1 million in 2060.³²

In October 2021, Finland's employment rate was 72.3 per cent increase from 70.9 per cent in 2020. The employment rate for men aged 15-64 stood at 73.5 per cent, and for women was 71 per cent. The unemployment rate decreased from 7.4 per cent in 2020 to 6 per cent in October 2021.³³ The OECD Jobs Strategy reported that Finland's labour market is among the most inclusive in the OECD, and Finland has the lowest gender pay

²⁵ Finnish Commerce Federation, (2016), The commerce and service industry's significance to Finland. Retrieved from: <https://kauppa.fi/en/commerce-sector/kaupan-ja-palvelualojen-merkitys-suomelle-en-translation/>.

²⁶ European Commission, (2016), Eurostat Labour Force Survey, Retrieved from: <https://ec.europa.eu/eurostat/web/microdata/european-union-labour-force-survey>.

²⁷ CEDEFOP, (2020), Business Services in Finland-CEDEFOP Skills Forecast, Retrieved from: <https://skillspanorama.cedefop.europa.eu/en/dashboard/browse-sector?sector=05&country=FI#7>.

²⁸ CEDEFOP, (2020), Wholesale and Retail Trade in Finland-CEDEFOP Skills Forecast, Retrieved from: <https://skillspanorama.cedefop.europa.eu/en/dashboard/browse-sector?sector=04.07&country=FI#8>.

²⁹ PALTA, (2021), Skills Needed after the COVID-19 Pandemic, Retrieved from: https://www.epressi.com/media/userfiles/143646/1612262100/osaamistarpeet-koronan-jalkeen_raportti_palta_3.2.2021.pdf. Press Release: <https://www.palta.fi/en/press-releases/paltas-survey-the-covid-19-pandemic-has-permanently-changed-employees-skills-requirements/>.

³⁰ Finland Ministry of Economic Affairs and Employment, (2021), Occupational Barometer: Employment outlook by occupation, Retrieved from: <https://www.ammattibarometri.fi/posteri.asp?maakunta=suomi&vuosi=21ii&kieli=en>.

³¹ Finland Chamber of Commerce, (2021), Retrieved from <https://kauppamari.fi/en/>.

³² Official Statistics of Finland, (2019), Population Projection, Retrieved from: https://www.stat.fi/til/vaenn/2021/vaenn_2021_2021-09-30_tie_001_en.html.

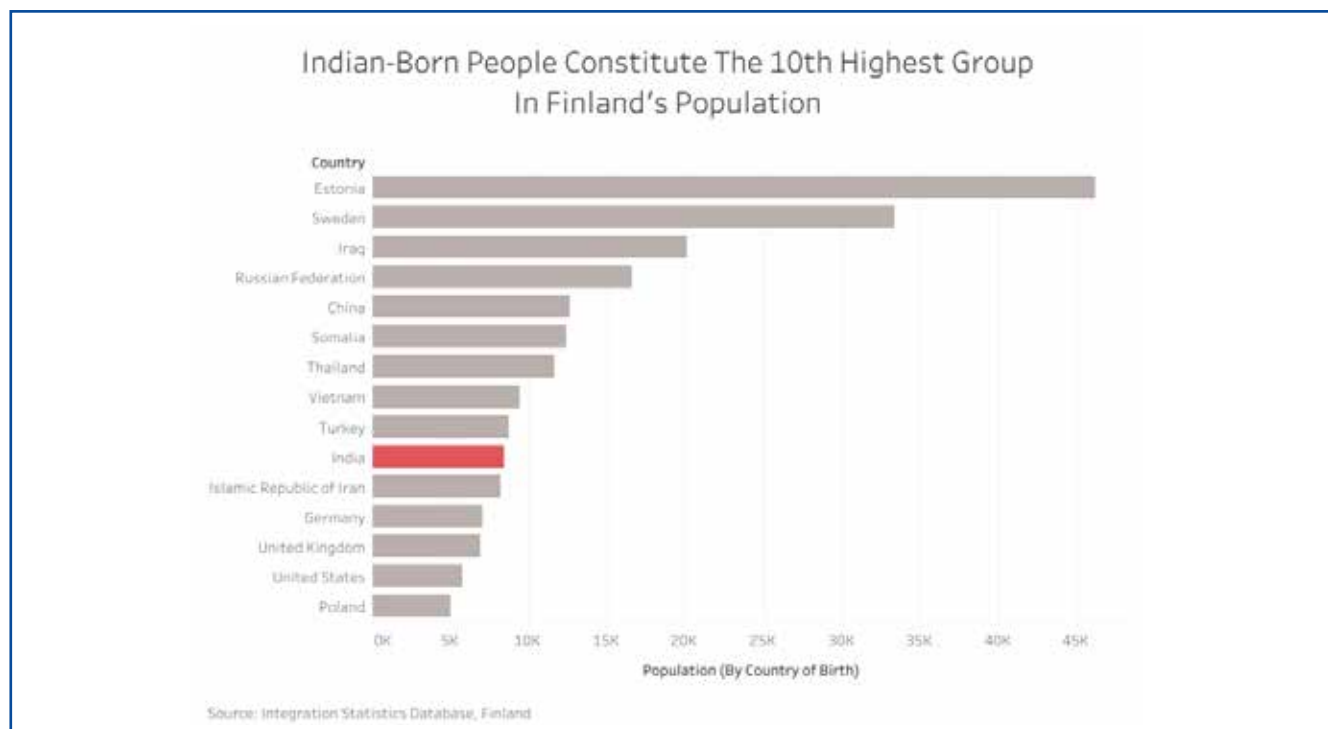
³³ Official Statistics of Finland, (2021), Labour force survey, Retrieved from: https://www.tilastokeskus.fi/til/tyti/2021/10/tyti_2021_10_2021-11-23_tie_001_en.html.

gap in the OECD. Women's labour force participation is also high due to policies such as parental leave systems and public daycare facilities.³⁴ Successive Finnish governments have been working towards increasing the country's employment rates and developing a migration policy to fill the working-age population gap. Finland's Future of Migration 2020 Strategy recognizes that the demographic structure has created the need for skilled workers and aims to increase the employment rate of Finland's existing immigrants.³⁵ In 2018, Finland received 23,000 immigrants on a permanent or long term basis, which comprises 30.4 per cent of immigrants benefiting from free mobility, 45 per cent of family members, 7.4 per cent of labour migrants, and 17 per cent of humanitarian migrants.³⁶ Finland also issued 17,000 permits to temporary and seasonal labour migrants, not including intra-EU migration.³⁷

1.3 Role of Immigrants in the Labour Force

The labour market position of immigrants and ethnic groups is a key indicator of their social status, and employment is thus the cornerstone for successful integration. Immigrants in Finland and other industrialized countries have a harder time finding jobs than the native population. As a result, the former typically have unemployment rates that are significantly higher than the latter. Migrants from Russia and Estonia have been the major foreign-born groups in Finland since the mid-1990s. In 2018, Estonia, Russia and Iraq were the top three nationalities of newcomers to Finland. Indian nationals have also registered an increase in immigrant flows to Finland and are among the top 15 countries of origin.³⁸

Figure 1: India Among the Top 15 Countries of Origin



³⁴ Kyyrä, T., Pesola, H., (2020), The Labour Market in Finland, 2000-2018, Retrieved from: <https://wol.iiza.org/articles/the-labor-market-in-finland/long>.

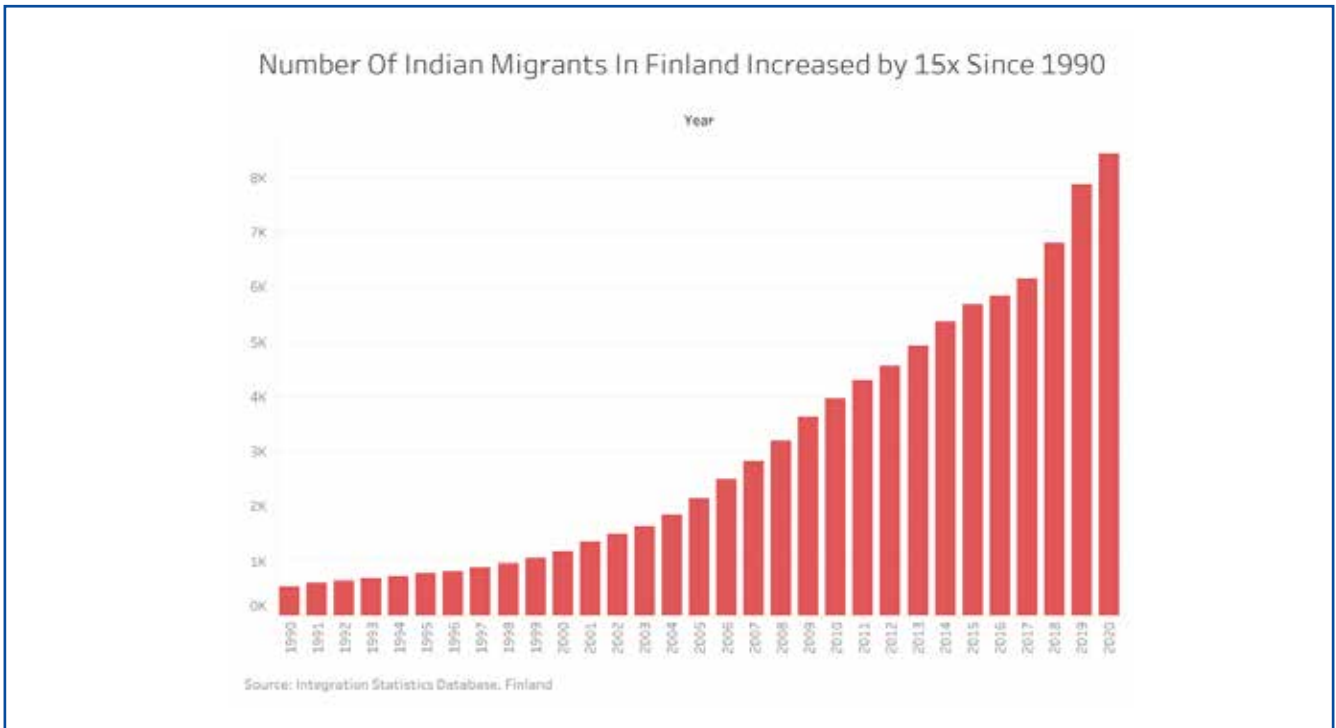
³⁵ European Commission, (2013), Finland: Future of Migration 2020 Strategy, Retrieved from: https://ec.europa.eu/migrant-integration/library-document/finland-future-migration-2020-strategy_en.

³⁶ OECD, (2020), International Migration Outlook 2020-Finland, Retrieved from: <https://www.oecd-ilibrary.org/sites/5b12ac4f-en/index.html?itemId=/content/component/5b12ac4f-en>.

³⁷ OECD, (2020), International Migration Outlook 2020-Finland, Retrieved from: <https://www.oecd-ilibrary.org/sites/5b12ac4f-en/index.html?itemId=/content/component/5b12ac4f-en>.

³⁸ OECD, (2020), International Migration Outlook 2020: Finland, Retrieved from: <https://www.oecd-ilibrary.org/sites/5b12ac4f-en/index.html?itemId=/content/component/5b12ac4f-en>.

Figure 2: Growth of the Indian Immigrant Population



According to the European Commission, Blue cards issued by Finland to Indians have risen from 2 in 2013 to 46 in 2020. There has been an increase in the issuance of first-time residence permits for remunerated activities by Finland for Indians from 776 in 2013 to 1,357 in 2019.³⁹ Between 2018-19, the Finnish Immigration Service granted first-time residence permits to over 1,500 high skilled information and communications technology (ICT) professionals, out of which 50 per cent were Indians.⁴⁰ Estimates from the Ministry of External Affairs, India (MEA) indicate that the Indian population in Finland was nearly 15,000 in 2019, most of whom are settled in Helsinki and its surrounding areas. Information from the MEA points out that Indians who settled in Finland in the 1980s-90s originate largely from Punjab. More recent high skill immigration of Indians has

been related to IT sectors, with common employers including Nokia, Microsoft, Wipro, Infosys, and other MNCs. The MEA also estimates around 1,050 Indian students, in master’s and doctoral programmes across Finland.⁴¹ Exact data on remittances between Finland and India is not available. However, Pew Research Centre, based on a statistical model built from World Bank data, estimated a remittance flow of 26 million USD from Finland to India in 2017. India was also among the top 10 remittance-receiving countries from Finland – other source countries receiving higher remittances, according to this data, included China (57 million USD), Thailand (57 million USD), Nigeria (42 million USD), and Vietnam (29 million USD) and neighbouring countries such as Sweden, Estonia, Germany, France, and Russia.⁴²

³⁹ European Commission, (2019).

⁴⁰ Finnish Immigration Service, (2020). Retrieved from <https://migri.fi/etusivu>.

⁴¹ India Finland Bilateral Relations, (2021), Ministry of External Affairs, Government of India, Retrieved from: <https://www.indembhelsinki.gov.in/india-finland-bilateral-relation.php>.

⁴² Remittance Flows Worldwide in 2017, (2019), Pew Research Centre, Retrieved from: <https://www.pewresearch.org/global/interactives/remittance-flows-by-country/>.

2. Mobility Pathways

Finland's immigration policy seeks to promote immigration to offset its ageing population's demographic change and ensure controlled labour mobility. The country's 2021 Roadmap for Education-Based and Work-Based Immigration 2035 aims to double the current number of foreign workers and treble the number of international students by 2035.

2.1 Immigration and Visa Policy

Finland's immigration policy seeks to promote immigration to offset its ageing population's demographic change and ensure controlled labour mobility.⁴³ The country's 2021 Roadmap for Education-Based and Work-Based Immigration 2035⁴⁴ aims to double the current number of foreign workers and treble the number of international students by 2035. The overall vision of the roadmap is to make Finland "an internationally competitive and attractive place for education, work, business and living".

The right to work in Finland is usually linked to a residence permit. However, exceptions exist for those with Schengen residence permits, those from visa-free countries, those working for less than 90 days in the country in professions such as film, interpretation, teaching, and sport, and those employed in a firm elsewhere in the EEA/EU. Permits are usually fixed-term (temporary) or permanent. Types of permits include the first residence permit (Type B) and the extended permit (Type A, to extend a first residence permit) granted

on numerous grounds, including for studies, to look for work, for a family member, or humanitarian reasons. The permanent residence permit (Type P, those with 4 years of continuous residence may apply for this). The EU residence permit (Type P-EU/P-EY, allowing a TCN to stay in other EU countries for up to 90 days).⁴⁵ The criterion for permanent residence in Finland is laid out in the Act on Residence-based Social Security in Cross-border Situations (Laki asumisperusteisesta sosiaaliturvasta rajat ylittävissä tilanteissa, Lag om bosättningsbaserad social trygghet i gränsöverskridande fall, Act 16/2019), and the Municipality of Residence Act (Kotikuntalaki, Lag om hemkommun, 201/1994). Other legislations that lay down Finland's immigration and citizenship laws include the Act on Nationality (2003), the Act on Aliens (2013), and the Act on the Promotion of Immigrant Integration (2010).⁴⁶

The Ministry of Economic Affairs and Employment took over responsibility from the Ministry of the Interior for administrating labour migration matters in 2020. This transfer aims to link labour migration and employment, education, and training policies. In 2018, five new

⁴³ Ministry of the Interior, Finland, <https://intermin.fi/en/areas-of-expertise/migration/migration-and-asylum-policy>.

⁴⁴ Retrieved from: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/163408/VN_2021_74.pdf.

⁴⁵ Finnish Immigration Service, Retrieved from: <https://migri.fi/en/residence-permit>.

⁴⁶ European Committee of the Regions, Finland-Immigration and Asylum, Retrieved from: <https://portal.cor.europa.eu/divisionpowers/Pages/Finland-Immigration.aspx>.

categories of residence permits were introduced, such as seasonal workers, seasonal workers requiring a separate preliminary decision, start-up entrepreneurs, intra-corporate transferees (ICT), and voluntary service participants.⁴⁷

2.2 Bilateral Agreements with India:

Besides the EU-India Common Agenda on Migration and Mobility that Finland falls under, there are several bilateral agreements between the two countries spanning several economic sectors, cultural matters,

education, social security, and other areas. A 2021 meeting of the Indian and Finnish Prime Ministers declared upcoming partnerships in the future of ICT, education, and sustainability.⁴⁸ Additionally, in 2019, an agreement was signed between the National Skill Development Corporation in India (NSDC) and Omnia, the commercial arm of four Finnish vocational education providers for capacity building and joint certification modules in the sectors of tourism, catering, health, sports, technology, communications, and transportation.⁴⁹

Table 1: List of Bilateral Agreements with India

Agreements	Year
Economic Cooperation Agreement	March 2010
India-Finland Joint Commission	1974
Agreement on Avoidance of Double Taxation	1983; amended January 2010
Cultural Agreement	1983
Memorandum of Understanding on Textiles	1993
Air Services Agreement	signed 1995, modified 2006
Agreement for Cooperation in Science & Technology	2008
MoU for cooperation on Information Security	2010
MoU for Cooperation in Road Transport	May 10, 2010
Social Security Agreement	June 2012 and implemented w.e.f. August 1, 2014
Arrangement for Cooperation in Nuclear and Radiation Safety Regulation	October 2014
MoU for cooperation in Renewable Energy	October 2014
MoU for cooperation in Biotechnology	October 2014 – Renewed November 2018
Implementing Arrangement for cooperation in Atmospheric Environment	October 2014
Gainful Occupation for Family Members of Members of a Diplomatic Mission or Consular Post	1st August, 2016

⁴⁷ OECD, (2020), International Migration Outlook 2020: Finland, Retrieved from: <https://www.oecd-ilibrary.org/sites/5b12ac4f-en/index.html?itemId=/content/component/5b12ac4f-en>.

⁴⁸ Ministry of External Affairs, India, (2021), Retrieved from: https://www.mea.gov.in/bilateral-documents.htm?dtl/33630/Joint_Statement_on_India_Finland_Virtual_Summit.

⁴⁹ India Finland Bilateral Relations, (2021), Ministry of External Affairs, Government of India, Retrieved from: <https://www.indembhelsinki.gov.in/india-finland-bilateral-relation.php>.

Agreements	Year
Agreement for visa waiver for diplomatic passport holders	6 November, 2017
MoU on Establishment of ICCR Chair of Indian Culture and Society	20 August, 2018
MoU for cooperation in Cyber Security	January 2019
MoU for cooperation in space launch and peaceful uses of outer space	January 2019
MoU for cooperation in vocational education training	March 2019
MOU for R&D Cooperation between DST India and Business Finland	August 2019
MOU for Cooperation in Tourism between Ministry of Tourism, India and the Ministry of Economic Affairs and Employment, Finland	November 2019
Joint Declaration of Intent between Ministry of Electronics and Information Technology, India and Ministry of Economic Affairs and Employment, Finland for Cooperation in Digitalization	November 2019
MOU for Cooperation in Defence Production, Procurement, R&D of Defence Equipment	January 2020

3. Welfare and Integration Policies

The integration process in Finland is based on an Integration Plan, a policy first put in place by the Integration Act of 1999. In the years since, particularly post-2015, the government has been working on amending it. In their earlier form, the plans involve local government stakeholders and the preparation of a 2-3-year plan providing training measures to individual migrants.

3.1 Integration of Migrant Workers

Integration policy in Finland has seen several iterations over the years, starting from a 1999 law and subsequent amendments. Although this section will focus primarily on policy at the national level, certain regions of Finland also have their own integration policies (for instance: the municipality of Helsinki, since 1995).

The integration process in Finland is based on an Integration Plan,⁵⁰ a policy first put in place by the Integration Act of 1999.⁵¹ In the years since, particularly post-2015, the government has been working on amending it. In their earlier form, the plans involve local government stakeholders and the preparation of a 2-3-year plan providing training measures to individual migrants. Amendments post-2016 have included modules on basic integration (civic education, for instance), work experience/trials, distance learning and language training, social orientation, and visits to local institutions. The current law in effect, the 2011 Act on the Promotion of Immigrant Integration, focuses on support in the

early days of immigration. Amendments post-2016 have included modules on basic integration (civic education, for instance), work experience/trials, distance learning and language training, social orientation, and visits to local institutions. The current law in effect, the 2011 Act on the Promotion of Immigrant Integration, focuses on support in the early days of immigration. The key institutions involved are the Ministry of Economic Affairs and Employment, Centre for Expertise in Integration, Finnish Immigration Service, Ministry of Education and Culture at the national level, and regional level ones such as the Centres for Economic Development, Transport, and the Environment, the Regional State Administrative Agencies, Municipalities, and the Public Employment Service.⁵² The Ministry of Economic Affairs and Employment also has a robust monitoring mechanism that assesses immigrant integration annually, focusing on several areas, including employment, health and well-being, education and training, housing, participation, and ethnic relations (two-way integration).

⁵⁰ As per Section 10 of the Act, defined as: A personalized plan drawn up for individual immigrants covering the measures and services under section 7 to promote and support their opportunity to acquire a sufficient command of Finnish or Swedish and other knowledge and skills required in Finnish society and working life, and to promote and support their opportunity to participate in society. The integration plan also takes into account measures and services to promote and support the integration of an immigrant's family. An integration plan may involve basic education, vocational education, upper secondary education, studies leading to a higher education degree, continuing education or further training.

⁵¹ Act on the Integration of Immigrants and Reception of Asylum Seekers, Retrieved from: <https://www.finlex.fi/en/laki/kaannokset/1999/en19990493.pdf>

⁵² OECD, (2017), Finding the way: A discussion of the Finnish migrant integration system, Retrieved from: <https://www.oecd.org/migration/mig/Finding-the-Way-Finland.pdf>.

The Integration Social Impact Bond Project, implemented in 2017 by the Ministry of Economic Affairs and Employment, was an innovative attempt to use social impact investing to facilitate employment for immigrants. It was offered to unemployed working-age immigrants and offered them training programmes, language learning, and job placement.⁵³ Although it has seen a high rate of drop out, it remains a significant policy initiative for integration.⁵⁴ A new model for integration under the Social Impact Bond project aims to assess the efficiency of offering training between employment periods rather than the current system where all training is provided prior to the first employment.⁵⁵

Finland has a score of 85 on the Migrant Integration Policy Index (MIPEX) 2019, putting it in the top 10 of countries evaluated, and with an integrated approach deemed “comprehensive”.⁵⁶ Over the years, Finland’s score has also consistently improved. Non-EU immigrants can gain access to adult education, language, and professional training and immediately access the labour market. The country also has a comprehensive anti-discrimination law (2014 Non-Discrimination Act) that protects immigrants. Studies show that those in Finland were more likely to report cases and assert their rights than in other EU countries.⁵⁷ Immigrants enjoy basic political liberties and authorities are aiming to improve immigrant political participation and democratic inclusion.⁵⁸ The Nationality Act of 2011 also facilitates naturalisation for immigrants by reducing

the required period of residence in Finland from six to five years. The act of 2003 also facilitates the right to citizenship for children raised in Finland.

However, other studies and surveys point out the integration challenges that some immigrant communities face. According to the Eurobarometer of 2015, nearly half of the Finnish respondents believe that a job candidate’s race or ethnic background disadvantages them, which is significantly higher than the European average of 46 per cent.⁵⁹ According to the Finnish Work and Well-being Among Persons of Foreign Origin Survey (UTH) conducted in 2014 by Statistics Finland, employees of Middle Eastern and African origin had the worst experience of discrimination, with 22 per cent believing treatment was at least slightly unequal.

A 2020 report published by the Centre for Expertise in Immigrant Integration (Government of Finland) found that non-European immigrants face significantly more discrimination in the job market, with non-European women experiencing it less.⁶⁰ However, statistical data also showed that women from immigrant backgrounds tended to have poorer labour market participation, especially those with children. It was also true of women from highly educated backgrounds, indicating that Finland is not optimally using the existing labour market potential.⁶¹ Another study reported inequality of access to housing for those with immigrant backgrounds⁶² and the more unstable economic position, particularly for immigrants from Asia and Africa.⁶³

⁵³ Integration SIB, (2017), Government of Finland, Retrieved from: https://tem.fi/documents/1410877/9728306/KotoSIB_Esite2_EN_A3_print.pdf/748f86e4-92e0-44a6-b0b7-d78be03d9fd2/KotoSIB_Esite2_EN_A3_print.pdf?t=1535696330000.

⁵⁴ OECD, (2018), Working Together: Skills and Labour Market Integration of Immigrants and their Children in Finland, Retrieved from: https://read.oecd-ilibrary.org/social-issues-migration-health/working-together-skills-and-labour-market-integration-of-immigrants-and-their-children-in-finland_9789264305250-en#page24.

⁵⁵ OECD, (2017), Finding the way: A discussion of the Finnish migrant integration system, Retrieved from: <https://www.oecd.org/migration/mig/Finding-the-Way-Finland.pdf>.

⁵⁶ MIPEX, (2020), Finland. Retrieved from <https://www.mipex.eu/finland>.

⁵⁷ European Union Minorities and Discrimination Survey, (2016), European Union.

⁵⁸ Migration Policy Group, (2019), Migrant Integration Policy Index. Retrieved from: <https://www.mipex.eu/finland>.

⁵⁹ Eurobarometer, (2015), European Commission, Retrieved from: https://ec.europa.eu/commission/presscorner/detail/en/IP_15_5451.

⁶⁰ (2021), Experimental study on ethnicity on discrimination based on ethnic origin in the Finnish labour market, Centre for Expertise in Immigrant Integration, Retrieved from: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/162005/TEM_oppaat_10_2019_Tutkimusartikkeleita_kotoutumisesta_20012020.pdf?sequence=1&isAllowed=y

⁶¹ (2020), Immigrant women in and outside the labour market, Centre for Expertise in Immigrant Integration, Retrieved from: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/162005/TEM_oppaat_10_2019_Tutkimusartikkeleita_kotoutumisesta_20012020.pdf?sequence=1&isAllowed=y.

⁶² (2020), Housing conditions and segregation of immigrants, Centre for Expertise in Immigrant Integration, Retrieved from: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/162005/TEM_oppaat_10_2019_Tutkimusartikkeleita_kotoutumisesta_20012020.pdf?sequence=1&isAllowed=y.

⁶³ (2020), Economic situation of people with foreign background in Finland, Centre for Expertise in Immigrant Integration, Retrieved from: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/162005/TEM_oppaat_10_2019_Tutkimusartikkeleita_kotoutumisesta_20012020.pdf?sequence=1&isAllowed=y.

Access to Social Security: The Social Insurance Institution of Finland (KELA) is the main government body responsible for providing a range of benefits, including to immigrants working in Finland, international students (with restrictions), and family members of eligible beneficiaries who are in Finland.⁶⁴ Integration policy is based on supporting immigrants with language skills, vocational training, counselling, and the education of immigrant children. These provisions are based on the agreement between local authorities, the local employment office, and the immigrant. Registering as an unemployed jobseeker and applying for social assistance entitles an immigrant to an integration plan (as per the Act on the Integration of Immigrants and Reception of Asylum Seekers, 1999). Immigrants intending to stay permanently in Finland can obtain social security benefits based on the Act on Application of Residence Based Social Security legislation (1573/1993). Disability and advanced age usually entitle immigrants to Special Assistance for Immigrants, provided continuous residence in Finland for at least 5 years immediately prior.

3.2 Integration for International Students

Integration for students applies to children of migrant families and international students entering Finland for college and university programmes, with the country actively promoting the latter. Currently, the Finnish National Agency for Education runs the “Study in Finland” programme which provides information on universities, scholarships, residency options, and integration to interested international students and the Future is in Finland programme.⁶⁵ As far back as 2013, the Finnish government published the ‘Government Resolution on the Future of Migration 2020 strategy’ (2020 Strategy).⁶⁶ recognizing that “international students are an important resource for the Finnish

The Social Insurance Institution of Finland (KELA) is the main government body responsible for providing a range of benefits, including to immigrants working in Finland, international students (with restrictions), and family members of eligible beneficiaries who are in Finland.⁶⁴ Integration policy is based on supporting immigrants with language skills, vocational training, counselling, and the education of immigrant children.

labour market”. The more recent Roadmap for Education Based and Work Based Immigration 2035 is looking to treble the number of foreign students by 2030 and ensure that 75 per cent of them live and work in Finland subsequently.⁶⁷ Some areas of concern for international students, including Indians in Finland, include language skills and networking. The language of instruction for international students is English. However, the labour markets require communication skills in Finnish⁶⁸ and other languages like Swedish. International students in Finland have ‘weak’ professional networks,⁶⁹ which makes it a challenge for them to be recruited into local or national labour markets that still use informal recruiting methods. There is, therefore, a risk of highly-educated international students being relegated to segmented labour markets for immigrants or particular sectors such as ICT where demand is high.

⁶⁴ Social Insurance Institution of Finland, Retrieved from: <https://www.kela.fi/web/en/from-other-countries-to-finland>.

⁶⁵ Study in Finland, 2021, Retrieved from: <https://www.studyinfinland.fi/admissions/study-programmes>.

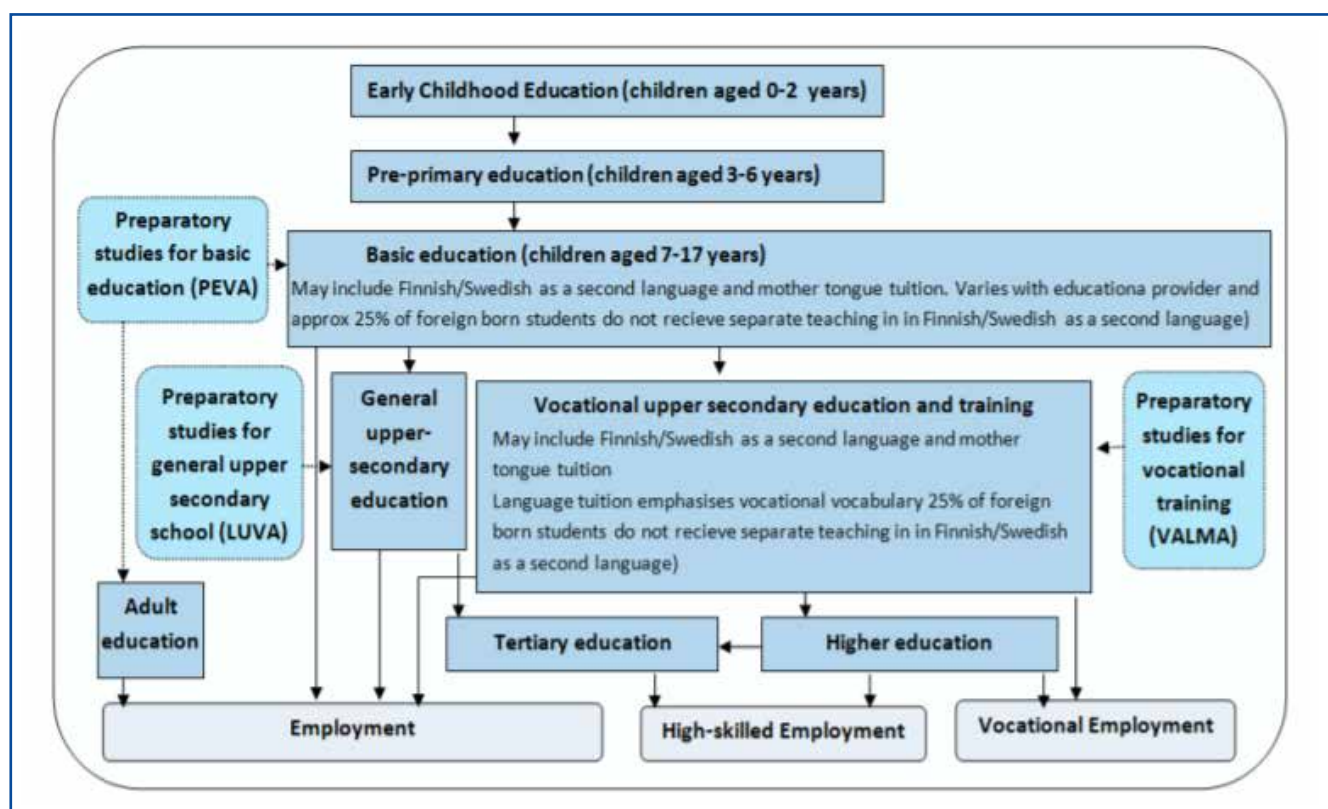
⁶⁶ Migration Strategy 2020, Retrieved from: https://tbinternet.ohchr.org/Treaties/CERD/Shared%20Documents/FIN/INT_CERD_ADR_FIN_22740_E.pdf.

⁶⁷ (2021), Roadmap for Education Based and Work Based Immigration 2035, Retrieved from: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/163408/VN_2021_74.pdf.

⁶⁸ Wächter, B., and F. Maiworm, (2014), English-taught Programmes in European Higher Education: The State of Play in 2014.

⁶⁹ Alho, R., (2020), You Need to Know Someone who Knows Someone: International Students' Job Search Experiences, Nordic Journal of Working Life Studies 10 (2): 3–22.

Figure 3. Path to Integration in Finnish schools



Source: OECD, 2017

Finland's national education system has programmes for the children of migrants. This includes the "Preparatory Instruction for Basic Education (PEVA)" designed for children of migrants and children of migrant parents whose Finnish or Swedish language skills and/or other talents are insufficient to study in the mainstream pre-primary or basic education. Finnish universities also provide training to teachers preparing immigrant children and/or those with immigrant parents for basic education. It is being provided for teachers who have recently started teaching such pupils and teachers with immigrant backgrounds. It is a free training, which takes place over 16 weekends, provides information, methods, and tools for teaching and works to improve the teacher's language skills.

A 2019 report published by the Centre for Expertise in Immigrant Integration for Finland⁷⁰ highlights that 60-70 per cent of international students tend to stay on and

work in Finland for at least 3 years. Data on net income transfers received and sent highlights that the country recoups the net cost of public education due to the economic contribution of these former students to the labour market. Another study points out that integration programmes with a language component should focus on social acquisition initiatives, ensuring that students can learn Finnish and build local, community-level relationships simultaneously, thereby serving multiple integration goals. The report also highlights disparities in education outcomes among those of different immigrant backgrounds. For instance, first-generation young people from refugee backgrounds tended to have poorer educational outcomes in secondary school, while immigrant girls tended to have higher education completion rates.

⁷⁰ Integration Overview, (2019), Centre for Expertise in Immigrant Integration, Retrieved from: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/162005/TEM_oppaat_10_2019_Tutkimusartikkeleita_kotoutumisesta_20012020.pdf?sequence=1&isAllowed=y.

4. Methodology

This report utilizes stakeholder consultations in Key Informant Interviews to explore key labour migration issues from various perspectives, fill gaps in knowledge, and generate a qualitative understanding of Finland's migration corridor with India. The questionnaires for various stakeholders have been drafted based on the preliminary findings of the literature review, including the skill shortages, labour market conditions, and institutional frameworks on immigration and migrant integration.

The methodology of this report relies on an initial secondary review of data, studies, reports and policy documents about the labour market in Finland. The following criteria are used to assess the labour market of the selected countries and the potential of the migration corridor:

1. **Demand Side Analysis in Selected Countries:** Economic profile, demographic features, labour force characteristics, skill shortages, and surpluses in the destination country at the national and sub-national level. This section will also focus on key characteristics of the selected country's economy and labour force, including GDP per capita, foreign direct investment, net migration rates, and in/outflow of remittances.
2. **Existing Indian Population at Destination:** The size and characteristics of the existing Indian population in the destination countries – including the number of students, workers, family dependents, the number of residence and Blue Cards issued, permits for educational, family, and remunerated activities, and overall trends in the immigration of Indians over the years.
3. **Supply Side Analysis of Required Skills:** Mapping of projected demand side shortages with India's skill profile and capacities across the sector's interest to understand the serviceable labour shortages in the selected country.
4. **Policy Landscape:** The bilateral and unilateral policy ecosystem that governs migration between India and the selected countries – it includes EC directives, national and sub-national level legislation in the countries, including entry-exit laws, employment, social security, and integration policies, sectoral policies, work permit policies for student migrants, bilateral agreements (labour mobility partnerships and social security agreements) with India and India's current emigration framework, and policies at the state level in India. This section will also focus on welfare systems in destination countries and the availability of upskilling initiatives like language training, on-site training of migrants in the selected countries.
5. **Integration Potential:** Programmes and policies to promote economic, social, and cultural integration of labour immigrants in general and those from India.

This report also utilizes stakeholder consultations in Key Informant Interviews to explore key labour migration issues from various perspectives, fill gaps in knowledge, and generate a qualitative understanding of Finland's migration corridor with India. The questionnaires for various stakeholders have been drafted based on the preliminary findings of the literature review, including

the skill shortages, labour market conditions, and institutional frameworks on immigration and migrant integration. The stakeholder consultations also included interviews with members of the Indian diaspora. The next section of the report details the findings from the stakeholder consultations conducted with Finnish and Indian stakeholders.

5. Key Informant Interview Findings

In this section, we focus on respondents' views on labour market opportunities in Finland, including general shortage sectors, the nature of shortages, recruitment strategies that have been deployed, lessons learned from other countries, and policy push towards improving bureaucratic processes of immigration. The section also looks at different source countries, India's role, and how India could become an even more important source country for labour migration to Finland. It should be noted that, in this section, government implies the Government of Finland.

5.1 Labour Market Opportunities in Finland

In this section, we focus on respondents' views on labour market opportunities in Finland, including general shortage sectors, the nature of shortages, recruitment strategies that have been deployed, lessons learned from other countries, and policy push towards improving bureaucratic processes of immigration. The section also looks at different source countries, India's role, and how India could become an even more important source country for labour migration to Finland. It should be noted that, in this section, government implies the Government of Finland.

5.1.1 Labour Shortages and Key Sectors of Interest in Finland

Increasing Shortages Amidst General Economic Growth: Respondents across various categories flagged the increasing labour market

shortages. A government representative⁷¹ highlighted that Finland's economy and employment situation has returned to pre-pandemic levels. Increasing economic activity is also reflected in the increasing demand reported by temporary labour-hire companies. It was also pointed out that the general employment situation is improving and that fulfilling labour market shortages through the domestic labour force will be increasingly difficult as the yearly cohort entering the Finnish labour market has shrunk from 60,000 in 2008 to 50,000. A major national trade union⁷² felt that the current ageing population would further worsen labour bottlenecks, labour market mismatch, and shortages in the coming years.

Another stakeholder highlighted that while trade unions are generally supportive of the government's stance on increasing immigration and the foreign student population, the focus should be given to the type of employment (temporary and part-time roles are also

⁷¹ Interview Code IOM/1

⁷² Interview Code IOM/13

relevant in the Finnish market) and the reasons why businesses are nowadays reluctant to recruit from Finnish vocational schools and institutes.⁷³ A research expert⁷⁴ Finland's demographic transition has been much faster than the other Nordic countries and closely resembles that of the Baltic states, connecting it to the steeply falling birth rates post-2010 following the economic crisis. It is not only because of the economic situation but also indicative of a larger cultural change and young people's lack of stability and confidence in starting families. Finland is the 4th most-aged population in the world, with the population of those aged 85 and over nearly touching 160,000 and expected to double by 2035. It was pointed out that active immigration to supplement labour shortages is an effective response and should have started a while ago. An expert from the government⁷⁵ highlighted the high degree of immigration from Russia into Finland in response to these shortages.

Health, Social, and Elderly Care:

One of the most prominent shortage sectors:

As one facing increasing shortages, the care sector came up in multiple instances across various stakeholder categories. Several factors play into this, according to respondents. A regional government representative⁷⁶ felt that shortages in the care sector were chronic and affected the effective delivery of services with pressure to devise new ways of increasing staffing. Such recruitment challenges take up the time of managers and senior members of the profession, as a result of which they cannot focus on delivering care services. At the same time, the respondent felt that the sector is not well-paid enough to attract local talent.

Trade union representatives felt similarly, pointing out that wages in the sector correspond neither to requirements nor the workload. The pressures and the workload, combined with the hierarchical organization of work and workforce shortages, translate into heavy and frequent shifts, which exhaust care workers. Several respondents also highlighted the lack of workers in elderly care, where most of the beneficiaries still live at

home and get their assistance (medication and meals) at home. A government representative felt that the existing shortages in the sector had at least doubled in 2021 due to the pressure of the COVID-19 pandemic. The pressure was also transferred to the private sector (where insurance costs have gone up 4 per cent every year in recent times).⁷⁷ The respondent also pointed out other factors affecting staffing in this sector, such as attrition rates among existing workers (about 5% in 2021) and mismatch between retiring and new cohorts (many more retire each year) compared to the number that join the profession).

Multiple respondents spoke about the recent inter-Ministerial Working Group to provide recommendations for labour shortages in the health and care services sector. A representative from the Ministry of Social Affairs and Health⁷⁸ also mentioned a similar WG that has been set up for ageing, aiming at ensuring the sustainability and equitability of services for the elderly as well as leveraging technology effectively for care work—for instance, the use of artificial intelligence to monitor and anticipate care needs and health problems. The representative also highlighted the importance of supporting elderly care within the home as long as possible and that this form of care is best for the patient and from the financial perspective. However, this sort of care requires personnel, and the shortage of workers has increased the care burden and stress for those in a sector that is already hierarchical and top-down (although recent shifts towards less authoritative “management by coaching” methods have also taken place). The respondent also highlighted that Finland has drastically scaled down home elderly care following the 1990s recession and has built those services back up more recently.

Increasing share of foreigners in the care labour force: Respondents from an employer organization⁷⁹ pointed out that there has been an increased pressure on hired nursing services (agencies offering out nursing services for hire) – where formerly such services could satisfy 100 per cent of the demand, now they can only

⁷³ Interview Code IOM/10

⁷⁴ Interview Code IOM/15

⁷⁵ Interview Code IOM/4

⁷⁶ Interview Code IOM/5

⁷⁷ Interview Code IOM/9

⁷⁸ Interview Code IOM/3

⁷⁹ Interview Code IOM/9

fulfil 60 per cent. The share of foreign-born employees in public local and regional sectors is 4.3 per cent on average for all professional groups included. For medical doctors, the share has stayed between 10.1 per cent and 10.5 per cent between 2014-2020; for nurses, the share has grown from 2.7-3.6 per cent. However, for categories such as assisting nurses, and other workers in health care and home assistance, the growth in the share of foreign-born has been larger, from 3.6-6.8 per cent during that period, with this growth expected to continue.

Information Technology Sector:

Multiple respondents from different organizations say information technology services are among the most critical shortage sectors. A representative from the government pointed out that shortages in the technology industry have already started slowing down overall economic growth.⁸⁰ In contrast, another from an IT industry federation felt these shortages would only grow in the coming decade.⁸¹ The federation foresees a need for 130,000 new experts and professionals over the next 10 years—an average of at least 13,000 yearly- and views foreign recruitment as a critical solution for which the government is not adequately prepared.⁸² Five sectoral sub-domains in the technology industry—electronics and electrotechnical, mechanical engineering, metals, consulting, and information technology- have grown much faster than predicted. According to the industry federation representative, there is an increasing need for code writers, especially in commerce and finances, the development and use of automated services, management, and logistics. Additional requirements included data administrators, roles in data protection, robotics, and machine learning.⁸³ A representative from a sector-specific trade union⁸⁴ highlighted that while basic code writers are not hard to come by, more advanced professionals are in short supply.

Multiple respondents from different organizations say information technology services are among the most critical shortage sectors. A representative from the government pointed out that shortages in the technology industry have already started slowing down overall economic growth.

Other Sectors:

Other sectors of interest mentioned by the government, trade unions, and employer organizations included the shipbuilding industry and construction. Industry representatives pointed out the significant immigration of construction workers from Poland recently and shortages in engineering and heavy metal industries.

5.1.2 Recruitment Strategies and Role of Immigration Policy

A Multitude of Recruiting Strategies and Source Countries: Further diversification of recruitment channels is the need of the hour, according to a government representative.⁸⁵ The respondent also mentioned that employers' attitudes also need to be addressed to counter the problem of overqualification, 4 per cent for local workers and 20 per cent for foreign workers. A trade union representative⁸⁶ felt that although other similar organizations have called for increased rapid training and recruitment in response to the shortages in the care sector, the type of recruitment is also important. Systematic training should be prioritized over rapid recruitment to ensure that those who go through it can eventually be licenced as full nurses and not just as care assistants, as is the case now. They

⁸⁰ Interview Code IOM/1

⁸¹ Interview Code IOM/8

⁸² Interview Code IOM/8

⁸³ Interview Code IOM/8

⁸⁴ Interview Code IOM/11

⁸⁵ Interview Code IOM/1

⁸⁶ Interview Code IOM/12

pointed to occasional cases of local/regional private and public healthcare operators who recruit trained nurses from the Philippines, Thailand, and Myanmar and are eventually licensed by Finnish authorities. According to a trade union representative from the health and social care sector, Nepal, China, and Bangladesh are other prominent countries of origin being explored, while a representative from an employer organization highlighted Egypt.⁸⁷

However, there have been cautionary cases as well underscoring the need for ethical recruitment—trade union representatives highlighted a recent exploitation case involving a small Finnish care operator and issues of working conditions, living facilities and salaries of five Filipino nurses. A trade union representative from the IT sector⁸⁸ spoke about a recent case involving a tech firm that was severely underpaying Indian employees and eventually required official intervention. Another union representative⁸⁹ pointed out the need to regulate subcontractor firms supplying foreign workers, especially in hospitality and construction. The respondent also felt that Finland should tap into spouses/dependents of existing immigrant workers, as they represent an untapped labour reserve. A government expert⁹⁰ felt that not enough is being done to effectively capitalize on the potential of immigrant and refugee women, who are usually highly educated. A research expert⁹¹ pointed out that many large firms in Finland now have declared diversity policies and even positive discrimination programmes, which reflects the growing diversity in the country as well because such firms now have to cater to multicultural populations.

Learnings From Other Destination Country Strategies: Several respondents spoke about how Finland has drawn inspiration from the recruitment strategies of other countries, particularly Germany. A government representative⁹² spoke about the German training system, which is currently being studied for the application of a national nurse training programme for foreign nurses in Finland. Industry representatives pointed to a healthcare programme Germany has with

Mexico wherein the training for work in Germany starts while the workers are still in Mexico.

Need for Change in Immigration Policy:

Multiple respondents spoke about the urgent need for new immigration policies to respond to current and developing shortages. Industry representatives pointed out that employers have been among the most vocal about these shortages and the need to create fast-track permit systems for foreign workers. However, a key challenge they foresee is the identification of suitable candidates by the Embassies in large, diverse countries like India. They also highlighted the complex and dispersed nature of immigration administration and that strong coordinated political will and reforms would be needed to facilitate the process. However, a representative from the government⁹³ pointed out that large companies tend not to encounter slow, laborious bureaucracy when seeking work permits for their foreign applicants and tend to have the necessary political contacts to expedite the situation. It is not available to a vast majority of small and medium-sized companies. A representative from the current government department responsible for immigration shed⁹⁴ light on why this delayed process occurred. The primary issue remains personnel. However, the mandatory involvement of multiple officials (the Embassies/Missions, then the government employment agencies, then the immigration offices) also contributes to this. The respondent felt that additional personnel and legislative changes for streamlining would result in a much faster permit system.

Initiatives Toward Change in Immigration Policy:

Respondents from across categories spoke about the various initiatives that the government has taken to facilitate the recruitment of foreign workers. An initiative that came up in multiple interviews was the recently appointed Working Group of the Ministry of Family Affairs and Social Services (WG), with a core aim of improving the availability of personnel to the care sector/social and health services. With a wide mandate running until the end of the election period in spring

⁸⁷ Interview Code IOM/7

⁸⁸ Interview Code IOM/11

⁸⁹ Interview Code IOM/13

⁹⁰ Interview Code IOM/4

⁹¹ Interview Code IOM/14

⁹² Interview Code IOM/1

⁹³ Interview Code IOM/1

⁹⁴ Interview Code IOM/4

2023, the Group is brainstorming a multi-pronged approach—increasing numbers in training, organizational arrangements and management, salaries, attractiveness and holding power of the sectors, and foreign recruitment. The Group is also mandated to provide recommendations for immediate implementation, which it was to do by the end of 2021 (the result was a declaration of willingness to cooperate by the involved instances and a confirmation of the various goals of the WG and its sub-groups). Multiple Ministries and local/regional authorities are represented in the WG. It has eight sub-groups, one focused on the role of immigrant workers in fulfilling the shortage and is run by the Ministry of Economic Affairs and Labour and the Ministry of Education. Another government representative involved with the working group⁹⁵ highlighted the various issues it has focused on - updated recognition of diplomas, comprehensive immigrant integration, improved on the jobs-training, and a focus on language.

A representative from the relevant government department for immigration⁹⁶ mentioned that decision-making in work permits is now made jointly by the

Ministry of Interior with the Ministry of Economic Affairs and Labour, a collaboration proceeding well and allowing for the highest levels of government to shape immigration policy actively. The respondent described a planned legal revision in policy—the institution of a job-seeking status or “D Visa”, also mentioned by a trade union representative as a welcome move, which would allow foreigners to apply for jobs directly while being in Finland instead of having to go back to their home country and reapply from there. Additional technological changes will involve robotics and artificial intelligence to make permit bureaucracy more efficient. A representative from an employer organization stated that⁹⁷ there is ongoing reform of governmental employment services which are in the process of being transferred from the national government to the municipalities – it was felt that this decentralization of decisions about immigration, work permits, and labour market services would lead to different regions operating differently based on a narrow, localized view of shortages, and without a regional perspective on the labour market.

RECRUITMENT INITIATIVES

An industry representative pointed to a recent strategy deployed by a well-known industry figure (Peter Vesterbacka). Through his company *Education and Finest Future*, he **has been recruiting high school students from Uzbekistan, Vietnam, and Russia to come and study in high school districts that are low on population** and would otherwise have to shut their schools down. For instance: Russian students have been a prominent group in the Salla region for 15 years, with 80% staying in Finland after graduating.

An industry representative from the technology industry pointed to three recent pilot initiatives. The **90 Day Finn, run by Helsinki**, is for selected applicants interested in working or running a business in the city. **Virtual Finland, funded by the EU COVID Digital Fund**, assessed that the IT industry, among others, needs more intense international interaction and mobility. The net service cooperation project also exists between two Finnish cities (Helsinki and Espoo), according to an industry representative. A representative from a government association for local and regional governance pointed out how such authorities have been carrying out recruitment campaigns in cooperation with labour authorities and even checking applicants individually. Industry representatives also pointed out the **pilot recruitment program for the tech industry of the Ministry of Economic Affairs and Labour, which has two target geographies – Silicon Valley and India.**

⁹⁵ Interview Code IOM/3

⁹⁶ Interview Code IOM/4

⁹⁷ Interview Code IOM/7

5.1.3 India as a Source

Several respondents from across stakeholder categories brought up India as a source of immigrant workers. A government expert⁹⁸ highlighted the changing nature of Indian immigration over the years – while in the 2000s, Indians mostly migrated to join Finnish spouses, many eventually becoming business owners. Today most Indian immigrants are young, single, highly trained students with further migration aspirations. A general trend noticeable is that those who come for Bachelor's degrees tend to stay on after studies, unlike doctoral students. However, the stakeholder also noted that students from Africa and Asia tend to stay on, compared to those from other regions. A government representative⁹⁹ mentioned that Indians have recently emerged as the largest nationality group issued new work permits in the "specialists" category,¹⁰⁰ particularly in the information technology sector. The number of such permits issued to Indians is in the hundreds every year, far ahead of the second nationality (Russian), according to the respondent. Another representative from the same government department agreed that Indians are indeed the largest group of foreigners recruited in tech and as experts but earn relatively low wages for the sector. A trade union representative¹⁰¹ from the tech industry highlighted that Indians are now numerous enough for several to be actively involved in worker representation and collective bargaining.

Representatives from trade unions spoke of a private sector initiative they knew of that was aimed at facilitating the mobility of Indians to the care sector in Finland. Although they could not provide any more information, we came across a private-sector Finnish recruiting agency specializing in the India-Finland corridor and sectors such as IT, construction, hospitality, and agriculture.¹⁰² A representative from the immigration department¹⁰³ who had worked on several bilateral agreements felt that a framework agreement on labour mobility would be the best option for a country like India. A Memorandum of Understanding,

with agreed-upon common issues and statements of principle, would be far more flexible than a state treaty involving the Parliaments. A representative of a major trade union¹⁰⁴ pointed out a prevalent offshoring strategy – the practice of large companies that bring in Indian technology experts for short periods to learn the enterprise's ropes in preparation for outsourcing the whole operation to India. It has been the practice with numerous companies, and in some cases, workers were unaware and were not paid at par with their work contracts, according to her. According to this respondent, in 2019, Indians comprised 26 per cent of intra-corporate transfers to Finland, and in 2020, 19 per cent.

A representative from an employer organization¹⁰⁵ felt that Finland faces tough competition from other destination countries, especially from Sweden and Norway, which have larger Indian communities and may attract Indians. He felt that despite the security, safety, and high standard of living in Finland, administrative matters such as labour market support and permit processing are areas Finland must improve to attract the best of Indian talent.

5.2. Integration of Foreign Workers

In this section, we focus on the integration experiences, challenges, and prospects of foreign workers in Finland. We look at the role played by *training and adaptation programmes, particularly in critical shortage sectors like health and social care, the role of language both in professional and personal lives, and the importance of family migration and how this affects labour force participation and opportunities.*

5.2.1 Need for Further Training and Adaptation Programmes

Multiple respondents flagged the need for further training and adaptation programmes, particularly in the care and health sectors. A government representative¹⁰⁶ pointed out that no applied formal system for

⁹⁸ Interview Code IOM/4

⁹⁹ Interview Code IOM/1

¹⁰⁰ Defined as "a person who comes to Finland to work with expert tasks that require special expertise (highly skilled worker)", Retrieved from: <https://migri.fi/en/specialist/en>

¹⁰¹ Interview Code IOM/11

¹⁰² Sanrupti Rekrytointi Oy, Retrieved from: <https://sanrupti.fi/personnel-from-india-to-finland/>

¹⁰³ Interview Code IOM/4

¹⁰⁴ Interview Code IOM/10

¹⁰⁵ Interview Code IOM/7

¹⁰⁶ Interview Code IOM/1

adaptation training exists, except for the care sector, which has a temporary semi-official process of closely supervised apprenticeship with some language training, after which foreign nurses are given a “junior assistant nurse” qualification. Silkkitie¹⁰⁷ and Barona are two recruitment agencies involved in implementing such programmes, according to her. Representatives from a local and regional government body¹⁰⁸ also mentioned such a temporarily authorized programme wherein public and private care sector operators recruit from foreign countries and place nurses in an intensively supervised apprenticeship combined with language training, after which they are granted a “care assistant” status. However, this is the lowest possible tier in the sector – as a government representative¹⁰⁹ described, the job roles available in social care are care assistant, assistant nurse, and nurse. Individuals may choose to undertake training and education at any point to take on a more senior role.

Another government representative highlighted that the share of immigrants in the sector who have benefited from adaptation training is 5 per cent of active nurses and 10 per cent of active medical doctors. A trade union representative¹¹⁰ also commented on the dearth of such programmes and added that there had been some cases involving private firms where immigrant nurses have had their passports taken away or have not been paid their salaries. According to the same respondent, integration programmes need to be run by the government and not by private companies, especially in hierarchical sectors like care/health services where mental well-being at work is crucial, such as hospitality and construction. Trade union representatives from the care sector pointed out that as per the 1994 Health Care Professionals Act,¹¹¹ it is usually the responsibility of the employer to see that personnel have the necessary skills and competencies to perform their job. A government expert¹¹² highlighted a similar point – that although the Finnish government is involved in integration programmes for asylum seekers

Another government representative highlighted that the share of immigrants in the sector who have benefited from adaptation training is 5 per cent of active nurses and 10 per cent of active medical doctors.

and refugees, for labour immigrants and their families, the burden is borne more by employers and universities, whereas integration should be part of a wider effort.

One possible challenge to integration programmes is that many foreign workers may be coming temporarily, according to a trade union representative.¹¹³ This challenge was also flagged by other major trade union representatives who felt that the nature of temporary work made it difficult for all parties (the worker, municipality, and immigration office) to create a comprehensive integration plan. However, it was also pointed out that there are major initiatives by employment offices and trade unions to promote integration, provide resources, and prevent exploitation made available that many are unaware of. For instance: the Fair Play at Work Initiative,¹¹⁴ available in 23 languages, aims to help younger workers and those from different backgrounds become more aware of their labour rights and the “rules of the game”. The respondent also pointed to initiatives which involved the source countries, as well–the role that the Finnish-Philippines Association plays in integrating Filipino workers, for instance. In general, it was felt that the Philippines government is involved in the integration processes of its citizens in destination countries. The Philippines has a dedicated Commission on Filipinos Overseas working on migrant integration by addressing practical and psychological challenges attendant to

¹⁰⁷ Silk Road Workforce Management, Retrieved from <http://henkilostopalvelu.silkroad.fi/en/>

¹⁰⁸ Interview Code IOM/5

¹⁰⁹ Interview Code IOM/3

¹¹⁰ Interview Code IOM/13

¹¹¹ Ministry of Social Affairs and Health, Finland, (1994), Health Care Professional Act, Retrieved from: https://www.finlex.fi/fi/laki/kaannokset/1994/en19940559_20110312.pdf.

¹¹² Interview Code IOM/4

¹¹³ Interview Code IOM/10

¹¹⁴ Retrieved from: <https://tyoelamanpelisaannot.fi/en/>

international migration. The Commission conducts pre-departure orientation seminars, country familiarization programmes, and a programme for Filipino citizens bound for Europe to work as au pairs.¹¹⁵

5.2.2 Role of Language

Multiple respondents from across stakeholder categories flagged the language issue for foreign workers. A large trade union representative¹¹⁶ criticized the usual view of local/regional governments that foreign nurses can effectively work in English. In contrast, for frontline care work, it is impossible without knowing Finnish, although English would have to be done in situations of extreme shortage. However, government representatives did acknowledge the need for language training, especially in elderly care, a growing shortage that requires working in people's homes. Independent, mobile, and communicative persons are ideal for this kind of work, and language is a key part. A prominent trade union representative¹¹⁷ also spoke about this issue in the context of care work, mentioning that this may be why most immigrant care workers come from Estonia, Russia, and Sweden, all of whom have an advantage in learning Finnish. According to her, other care workers, such as those from Spain, have worked in Finland but eventually returned.

5.2.3 Family Reunion

Multiple respondents from across stakeholder categories spoke about the role of family reunions and the vulnerabilities of dependent family members. A representative of a prominent trade union¹¹⁸ pointed out that without families, further integration is often a challenge and for many workers, bringing their families along is hampered by the low wages paid to many foreign experts. The minimum wage requirement for immigrants recruited as "special experts" is 3500 euros, which is not a very high salary for IT professionals in Finland. However, he also pointed out that the spouses of existing workers constitute an untapped labour force

that Finland should utilize. A local/regional government representative¹¹⁹ also felt that low wages in the lower-ranked care and health service job roles prevent qualified applicants with families from applying. Another trade union representative¹²⁰ likewise highlighted the need for concrete measures to help integrate families and ensure children places in schools. It was also pointed out by representatives from a care sector union, who felt that this mainly affects immigrants from countries further away, such as the Philippines. Also relevant for those with families is the worker's right to maternity or paternity leave and healthcare, according to them. An expert from the government¹²¹ highlighted studies that reflect on discrimination and racism in Europe.

Comparatively, Finland demonstrates higher degrees of discrimination and xenophobia across Europe and other Nordic countries. However, these negative attitudes are easing out with time and as the country becomes more diverse. This point is elaborated in more detail in the following section, where the experiences of the Indian diaspora are presented. The expert also highlighted family integration possibilities as a key draw for immigrants to Finland – particularly the high standards of daycare and early education services, free public schooling, and the general reliability of public services. Since 2010, institutions such as the Advisory Board of Ethnic Relations (ETNO), which also include representation from immigrant groups, have been working actively on promoting social dialogue and responding to discrimination and xenophobia, according to her.¹²²

5.3 Voices from the Diaspora

"Generally, they say that the Finnish language is a triangle based like - English, but Finnish is an inverted triangle. It is really difficult at the start, and then it gets easier now. I thought I'd cracked it because, you know, I can speak, I can read, then you get out onto the streets, and there it's colloquial Finnish, and that's like another ball game altogether." – Diaspora Interview 1

¹¹⁵ Commission on Filipinos Overseas, (2020), Manual of Operations 2020, Retrieved from: https://cfo.gov.ph/wp-content/uploads/pdf/transparency_seal/ISO_9001_2015_rev1/Revision4/MIED%20Manual_of%20Operation%20Rev_03_Dec11_2020.pdf.

¹¹⁶ Interview Code IOM/13

¹¹⁷ Interview Code IOM/12

¹¹⁸ Interview Code IOM/10

¹¹⁹ Interview Code IOM/5

¹²⁰ Interview Code IOM/10

¹²¹ Interview Code IOM/4

¹²² Interview Code IOM/4

“Language might not affect if you’re coming for PhD or for a position in a university, as everything is in English. But if you want to stay here for longer, language is necessary. This is also because sometimes when you are trying to integrate into society, people are always conversing in Finnish, as just because of you, they have to change their language, so it gets really awkward. Language is definitely important, and it is a tough language as well.” – Diaspora Interview 6

Varied View on Language: Respondents held different views on the matter of language. A professional working in the education sector and living in a semi-urban area highlighted that despite learning the language and working in a space where she is required to use it, comfort with everyday usage is difficult. Living in an industrial town and her husband working in core engineering means that a grasp of the Finnish language is very important for her family. However, she added, language is less important in sectors like IT or multicultural hubs like Helsinki. It was echoed by an Indian working in the IT sector, who has lived in Finland for 12 years and holds permanent residency but is not fluent in the language. Another Indian, recently having transitioned from university to working life, felt a great deal of national pride regarding the language. Many may be hesitant to communicate in English for this reason. Language constitutes a barrier that also impedes social interaction, according to another, who also added that most social networks are built around other immigrants from South Asia.

“Nothing direct, but just in jobs, indirectly. People say that older people have it in mind, but they do not talk about it.” – Diaspora Interview 6

“The people do not show it outside. Like 10-5 per cent openly show racism, but 40-60 per cent hide it, and the rest are really liberal.” – Diaspora Interview 4

Culture Shock & Discrimination: A key component of culture shock mentioned by several members of the Indian diaspora included the completely different nature of social relations, traditions, and food customs in Finland. Accessing ingredients needed for Indian food, for instance, is a problem outside of urban hubs like Helsinki. Social cues also vary, with people being far more reserved than is the norm in India. However, members of the diaspora pointed out that social norms are far more liberal and work culture is more relaxed than many Indians are used to. Nevertheless, respondents did report instances of discrimination.

While some pointed out direct cases (targeted security checks, encounters with neighbours, shifting of seats in public transport), nearly all highlighted the indirect ways in which discrimination and racism manifest, such as unstated preferences for locals or Finnish speakers in the labour market. One respondent cited research exploring this phenomenon and its widespread in Finland.

“If you have a contract, getting a visa is really easy, you get a visa in just a week. If you do not have a contract, then getting a visa for yourself as well as your spouse is very difficult.” – Diaspora Interview 4

“As a professional, I would say all the permits are quite easy. And, if you have an employment here with any Finnish company or a company or an Indian company with who has operations in Finland and, here you have their contract, it’s easy.” – Diaspora Interview 3

“The Finnish culture, and the retention rate for students who come here for masters must be slightly less than 50 per cent, and that is a big drain for Finland. Indians play a huge role in it. When people do not find jobs, they go for food delivery and cleaning etc. These jobs pay you but do not land you a contract which makes it difficult to live in the country because everything is based on that.” – Diaspora Interview 1

Opportunities for the Indian Community:

Respondents described their experiences with and viewed study and job opportunities for the Indian community in Finland. A respondent who has recently transitioned from a Master’s programme into a job role had difficulty finding a position, having been rejected from over 200 applications in 2021. Indirect preferences for locals in hiring and lack of transparency in job advertisements mean that people are often unaware of the options available. Fields like biochemistry, pharmacy, and IT see much demand from Indian students. Another respondent also working in the same field echoed it and pointed out that fields serving locals, such as hospitality, management, and medicine, are where language barriers may keep Indians out. Another pointed out issues with a cultural fit that many companies may be apprehensive of when it comes to Indians, an issue faced by the respondent. Nearly all working professionals respondents reported a relatively straightforward process with visa and permit applications, which are usually not difficult to get for those with contracts.

6. Conclusion

The Finnish economy is well on track to its pre-pandemic levels of economic growth, and the labour shortages worsened by the COVID-19 pandemic are now a key concern for the government. It is primarily due to the rapid demographic change that the country has experienced, its ageing population, and the sharp reduction in its domestic labour force.

6.1 Key Takeaways

- The Finnish economy is well on track to its pre-pandemic levels of economic growth, and the labour shortages worsened by the COVID-19 pandemic are now a key concern for the government. It is primarily due to the rapid demographic change that the country has experienced, its ageing population, and the sharp reduction in its domestic labour force. It has created supply-side pressures on the labour force and demand-side pressures in sectors such as health and social care due to an increasingly elderly population. Finnish stakeholders across categories emphasized the two sectors facing the largest shortages – health and social care and information technology.
- Health and social care, as a sector, has been facing acute labour shortages for a few years. Various government initiatives have been undertaken recently to devise comprehensive solutions to the sector's labour crisis. Initiatives such as the Inter-Ministerial Working Groups and recent laws on minimum personnel quotas aim to identify multiple solutions to the crisis, including foreign recruitment. However, the sector is difficult, with heavy workloads, stress, mental health concerns, and a hierarchical, authority-based management style, all of which make it unattractive to locals. Additionally, it is a sector where language plays a key role, especially in job roles that involve providing care directly to patients. It is also why immigrants from neighbouring countries (Estonia, Russia), with a language advantage, tend to dominate. Information technology is a key shortage sector critical for Finland's overall economic growth. Unlike in healthcare, Indians are a well-known and even preferred foreign workers group in IT. The sector will continue to need workers in multiple job roles at various career levels over the next few years. It is a promising opportunity for Indian workers.
- Finland is an important destination for many source countries worldwide, some with more advantages than others. Even outside of healthcare, where language plays a role, immigrants from neighbouring countries such as Estonia, Russia, and Lithuania are prominent immigrant groups. According to stakeholders, countries such as the Philippines, Thailand, and Myanmar are already established in the health and social care sector. However, worker exploitation, low salaries, and unfavourable working conditions remain challenging. In addition, a key factor going forward is going to be Ukrainian

immigration as a result of the ongoing conflict, which has displaced millions. Finland has welcomed the refugees, and government representatives have been quoted in news reports confirming that this new incoming refugee population will help ease the country's labour shortage.

- Indians are a well-known and even preferred minority in Finland when it comes to particular sectors such as IT and engineering. Given the importance of language in sectors that require extensive personal contacts, such as health and social care, India is not a key country of origin for care workers in Finland. Hence, going forward, language and skill certification/recognition appear to be the major obstacles for Indians working in this sector. However, multiple stakeholders have reflected positively on the prospect of a bilateral government-to-government Memorandum of Understanding and/or other bilateral cooperation on the issue of labour migration. It may also be useful in addressing one of the main obstacles that stakeholders and even diaspora members mentioned – bureaucratic hurdles and administrative delays in accessing visas and permits.

- Integration of immigrants is a well-developed policy paradigm in Finland. However, the key challenge is that it has not yet fully adapted to the dynamic nature of contemporary immigration flows – especially the more temporary, contract-driven migrations that Indians are undertaking. Adapting existing integration systems to temporary forms of mobility, with the source country (Government of India) also involved as a stakeholder, will be important. In this regard, Finland has many regional diaspora associations (many of which are formally associated with the Ministry of External Affairs) that should be involved in such a dialogue. Some such associations include the Bengali Association of Finland, Finland Malayalee Association, Finland Hindi Association, and Indian Women in Finland.

6.2 Limitations

- All of the interviews for this report were conducted before the beginning of the conflict between the Russian Federation and Ukraine on 24 February 2022. Although it is not a neighbour to Ukraine, Finland is expected to take in a large number of refugees, which will impact the labour market.

ANNEX

The findings presented draw from a total of **27 key informant interviews** (14 female, 13 male) – 21 individual experts across 16 institutions in Finland and 6 diaspora interviews.

Stakeholder	Stakeholder Category
Ministry of Family and Social Policy	Government
1. (3 Experts on Labour Migration, Statistics, and Legislation) (IOM/1)	
2. Finnish Immigration Service, Ministry of Interior (IOM/2)	
3. Ministry of Social Affairs and Health (IOM/3)	
4. Centre of Expertise on Immigrant Integration, MoL (IOM/4)	
5. Association of Local and Regional Authorities (IOM/5)	Employer Associations
6. Confederation of Finnish Industries (IOM/6)	
7. Association of Service Employers in Finland (IOM/7)	
8. Federation of Finnish Technical Industries (IOM/8)	
9. Local Government Employers in Finland (IOM/9)	Trade Unions
10. Central Organization of Finnish Trade Unions (IOM/10)	
11. Union of Professional Engineers (IOM/11)	
12. Union of Health and Social Care Workers, Finland (IOM/12)	Research Organizations, Experts
13. Finnish Confederation of Professionals (IOM/13)	
14. University of Helsinki (IOM/14)	Indian Diaspora
15. Population Research Institute of the Family Federation (IOM/15)	
16. 6 students and working professionals	

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