

Amcham Finland 2023 Strategic Talent Recommendations

The competition for talent is at a 15-year high. As of 2021, 69 percent of companies globally reported talent shortages.¹ The unmet demand for labor is estimated to reach 85.2 million people globally by 2030, resulting in US\$8.4 trillion dollars of unrealized annual revenue.² Finland is not immune to this trend: 78 percent of companies in Finland reported experiencing a talent shortage in 2022.³

This is alarming when it comes to attracting investments, for which Finland's skilled and educated workforce has typically been a driving factor.⁴ The talent shortage also threatens the government's vision of Finland as a center of excellence for rapidly growing fields such as artificial intelligence and health technology.⁵ Attracting and retaining strategic talent has consistently been the most popular issue in Amcham Finland's Country Manager Network, which gathers leaders from approximately 100 multinational companies to discuss critical business trends.

Since 2021, the government has taken important steps towards bolstering Finland's talent pipeline. Officials were responsive to Amcham Finland's call to reform Migri, and the Ministry of Employment and the Economy has recognized the need for workers, particularly in the technology sector. Businesses have commended the creation of the cross-ministerial roles of the Life Science Coordinator and Ambassador for Digitalization and New Technologies.

With this mindset shift in motion, decisionmakers must continue to make concentrated improvements to the service ecosystem to make Finland more attractive not only to individual workers, but also to their families. In this paper, Amcham Finland's **Strategic Talent Working Group** has identified four areas that can significantly improve international talent's immigration and integration experience.

¹ Manpower Group (2021) "Q3 Talent Shortage and Employment Outlook Survey"

² Korn Ferry (2018) "Future of Work: The Global Talent Crunch"

³ Amcham Finland and Invest in Finland (2023) "Finland as a Business Location Barometer"

⁴ Amcham Finland and Invest in Finland (2020, 2023) "Finland as a Business Location Barometer"

⁵ Työ- ja elinkeinoministeriö (2014) "Health Sector Growth Strategy"

Recommendations



1. *Reform the minimum income threshold for family reunification*

A safe and well-functioning society depends on robust public services. Newcomers to Finland have regular interactions with the Finnish education system and health care. They also look to these systems to provide critical services for their children and spouses. Easing the workload of health care professionals and educators is therefore an important but often overlooked component of Finland's talent pipeline. This includes the ability to recruit nurses and educators from abroad.

The minimum income threshold for family reunification forms a central bottleneck in the recruitment of nursing professionals and educators. The threshold for foreign talent who want to bring their family to Finland is set at €2600 net monthly.⁶ This is substantial considering that half of Finnish taxpayers earn less than €3300 per month before taxes,⁷ and effectively precludes most professionals in nursing and childhood education. To attract workers and improve their retention, Finland must take a more enabling stance towards family reunification.

- **Define the income threshold as referring to combined household income** rather than individual income. Underlying the requirement is the implicit assumption that the spouses of international talent will not find well-paying work in Finland and that a single income should therefore be sufficient to support a household. Improving the employment prospects of non-Finnish speaking spouses should also be a long-term priority in developing Finland's talent pipeline.
- Alternatively, **define exceptions to the minimum threshold for critical professions** like nursing and teaching to accommodate their respective industry average income. This approach should be supplemented with efforts to employ non-Finnish speaking spouses.

2. *Make access to electronic identification easier and faster*

Banking credentials are the key to most Finnish public services. They are used in interactions with the health care system, to verify purchases and to access tax information. A Finnish bank account also is necessary to efficiently send and receive money in Finland.

Accessing these credentials as a newcomer to Finland is however often slow and frustrating. Much of the responsibility of identification has been placed on banks, which in turn face strict global due diligence requirements. To improve international talent's access to the public service infrastructure, government agencies should take more ownership of the identification process.

- **Adopt a one-stop-shop principle for strong identification.** Government agencies should take primary responsibility for verifying a newcomer's identity. This would reduce banks' administrative burden in issuing banking credentials, while still taking ownership of meeting relevant global requirements.
- **Follow best practices like Estonia's Smart ID** to further develop the electronic identification infrastructure. The Virtual Finland project and Suomi.fi electronic wallet are significant steps in the right direction.

⁶ See Migri "Toimeentuloedellytykset Suomessa oleskeluluvan saaneen perheenjäsenelle." The €2600 requirement is calculated based on a family of two adults and two children.

⁷ Tilastokeskus

3. **Ensure the sufficient availability of English-language education**

Newcomers often struggle to find appropriate schooling for their children in Finland. While very young children and those intending to stay for an indefinite period of time may integrate into the Finnish-language system, this is not the reality of many highly mobile foreign professionals. The turnover period for this talent is often 2-4 years, making international schools the only way to preserve continuity in children's education.

Children of highly mobile talent also face unique cultural and psychological challenges, which international schools are uniquely equipped to address. Finland's pending accession to NATO will likely increase the demand for international schools. The government must act decisively to meet it.

- **Create sufficient seats in English-language schools for the children of international talent across all major hubs.** These seats must be available to children of all academic abilities. The expansion effort should begin with middle school classes (*yläaste*), as these students cannot adopt the Finnish language as swiftly as very young children but are not yet old enough for secondary schools offering e.g., the International Baccalaureate program. Demand for English-language programs should also be considered when adding first-year university places (*aloituspaikat*).

4. **Promote fair recognition of foreign university qualifications**

The poor recognition of foreign credentials in Finland is a two-pronged problem. First, there is a persistent negative attitude towards talent with non-Finnish university diplomas, even when it has been obtained from a well-regarded institution. That Finnish return movers (*paluumuuttajat*) also face suspicion about their credentials suggests that this wariness has little to do with language skills.

Second, there are significant roadblocks in Finland's infrastructure for converting foreign licenses in e.g., nursing and teaching, or upskilling these workers when necessary. The inconsistent availability of courses, as well as the high fees for license conversion and language tests are key issues for newcomers.

- **The public sector must lead by example by creating a shortlist** of countries whose accredited institutions are deemed equivalent to Finnish universities. This list should include universities from countries such as the United States, United Kingdom, the Netherlands, Singapore, and Japan, as well as any universities with which Finnish universities have existing exchange programs.
- **Establish a centralized degree conversion service for professions requiring licensing.** This would avoid creating long and redundant requalification programs, which spur talent attrition. The government must ensure that supplementary courses aimed at filling competency gaps are affordable and consistently available, rather than arranged on an *ad hoc* basis.