Introduction

There is much discussion in Europe about how to integrate asylum seekers and refugees into the labour market. There are several reasons why integration is important from the perspective both of the individual as well as of the receiving country. This chapter focuses on the Finnish case concerning the integration of asylum seekers and refugees into the labour market, with an emphasis on the events after the beginning of the ‘refugee crisis’ around 2015.

As will be shown, asylum seekers and refugees constitute two distinct groups from the perspective of labour market integration. The services that the state provides to asylum seekers fall within the category of ‘reception services’. Asylum seekers are, for example, provided with language lessons in either of the official languages (Finnish and Swedish) but the authorities do not offer specific labour market integration services to them. There are, however, initiatives by NGOs and other civil society actors aiming at asylum seekers’ integration in the labour market. The situation of people who have received refugee status is different; they are located within a municipality and the authorities seek to integrate them into the labour market via various measures. NGOs and other civil society actors are active also in offering measures aimed at refugees’ labour market integration, which will be examined later.

The chapter consists of three sections. First, I describe the Finnish migration context, including how asylum seekers and refugees are received into Finland. Then I present data on asylum seekers in 2015 as well as in the post-2015 period. In the third section, I explore asylum seekers’ and refugees’ integration into the labour market, including the measures taken, the legal framework and employment data on labour market integration. This is followed by the concluding section.

1. The Finnish migration context

Since the 1990s, migration to Finland has increased rapidly. What is more, the country received in 2015 an unprecedented number of asylum seekers as a consequence of the wars in the middle east. In 2015, the number of asylum seekers peaked at c. 32,000, which – given the European context – is actually a comparatively large number in terms of the size of the country’s population (5.5 million). The number is certainly large when compared to the earlier situation: for example, in the early 2010s the number of asylum seekers was between 3,000 and 4,000 per year.
1.1 Population structure

Until the end of the 1980s, it was returning migrants and their family members (mostly from Sweden) that accounted for the largest part of immigration flows to Finland (OECD 2018: 49). The percentage of the foreign-born population is currently around seven per cent while the share of foreign nationals is five per cent (Statistics Finland 2020b). Despite the increase, the shares are relatively low in comparison to the situation on average in other EU countries, including in other Nordic countries (Eurostat 2020).

Fertility in Finland rapidly dropped in the 2010s, going from 1.9 children/woman in 2010 to 1.35 in 2019, and, without immigration, the country’s population would be shrinking. A rapid decrease in fertility – accompanied by an ageing of the population, which is also an issue in Finland – thus leads to challenges regarding the financing of the welfare state. This highlights the demographic significance of immigration.

Let us now look more precisely at the composition of the population. In 2018, 2.2 per cent of the Finnish population was born in another EU member state (Statistics Finland 2020a). More precisely, 1.1 per cent were born in EU15 countries (excluding Finland) and the other 1.1 per cent were born in the ‘new’ member states (i.e. countries that joined the EU in 2004 and afterwards, usually referred to as EU13 states). This means that approximately five per cent of the total population was born in a non-EU country (Statistics Finland 2020a). Foreign nationals of all categories are overrepresented in the metropolitan area of Helsinki. Figure 1 below illustrates the rapid increase in the number of foreign citizens. Figure 2 specifies the size of the largest non-Finnish nationality groups.

Figure 1  Population with non-Finnish nationality (1990-2019)

Source: Statistics Finland. Numbers refer to all foreign citizens.
Figure 3 below presents the national dispersion of groups with a ‘foreign background’ as classified by Statistics Finland (2020a): ‘Persons whose both parents or the only known parent were born abroad are considered to be of foreign background. If both parents of a person were born abroad, the background country is primarily the country of birth of the biological mother.’ (This is the same categorisation as in other Nordic countries.)
1.2 Historical migration patterns

For most of its time as an independent country – i.e. since 1917, when Finland gained its independence as a consequence of the fall of the Russian Empire – Finland has been predominantly a country of economically-motivated emigration (OECD 2017).

The country’s geographic location in northern Europe, the absence of any direct colonial ties and the lack of a need for immigrant labour – due to the high participation rate of women in the labour market – are the principal explanations of the modest numbers of immigrants (Alitolppa-Niitamo 2004; Alho 2015). An additional explanation for the low numbers is that, during the Cold War, Finnish immigration and refugee policy was very cautious because of Finland’s sensitive relationship with the Soviet Union (Alitolppa-Niitamo 2004; Välimäki 2019). Immigration numbers have been comparatively small despite the Nordic treaty of unrestricted migration between Nordic countries since 1954 and Finland’s EU membership from 1995, which opened the doors to citizens of other EU countries.

Finland has taken part in refugee resettlement since the 1970s and accepts those who are defined as refugees by UNHCR, the UN Refugee Agency, and whom the Agency has listed as refugees that Finland could take in within its own arrangements. An intake of
refugees from Vietnam began in 1979 and, as early as 1973–1974, Finland had accepted a small group of Chilean refugees. In the 1990s, there was an upsurge in the number of asylum seekers who originated mainly from Somalia and the Balkans (Välimäki 2019).

The Finnish parliament annually sets a quota for the reception of refugees. The number was a little lower than 1,000 per year in the 2000s and 2010s (Finnish Refugee Council 2020). During the last few years, quota refugees have principally been Syrians, Congolese, Afghans and Sudanese (Finnish Refugee Council 2020).

The annexation of some of the eastern parts of the country by the Soviet Union in the Second World War led to the resettlement of approximately 400,000 Finns (around one-tenth of the country’s population) to the remainder of Finland (Towner 2019). Between 1917 and 1922, the Russian Civil War had already brought 44,000 Karelian and Russian refugees to the newly-independent Finland (Leitzinger 2008: 171), although most of the Russian refugees continued on their way to other countries.

However, with the exception of these historical cases, the country received very limited numbers of refugees (and asylum seekers) before 2015. At the same time, the sending of around 70,000–80,000 Finnish children to foster families in other Nordic countries during the war years (1939–1945) represented a movement in the other direction (Kuusisto-Arponen 2007: 1).

Reasons for migration to Finland have, for the large part, been based on marriage, family or humanitarian reasons (Säävälä 2013). Study has also been an important explanation of migration to Finland since the 2000s and 2010s. However, because of EU enlargement in 2004, work-related migration to Finland – mainly from Estonia – has also increased (Alho and Sippola 2019).

1.3 Attitudes towards immigration and immigrants

Attitudes towards immigration and immigrants are related to asylum seekers’ and refugees’ possibilities of integration in local labour markets. Therefore, a few words need to be said about the situation in Finland. The European Social Survey records that the populations of Nordic countries – including Finland – have, on average, expressed comparatively positive attitudes towards immigration in the European context. This is probably explained by the high education levels of Nordic populations: across countries, highly-educated people tend – for a variety of reasons – to express more positive attitudes towards immigration than those who are less educated (Hainmueller and Hiscox 2007, 2010; Jeannet 2020: 6).

The picture in Nordic countries is, however, more complicated than that: immigration has become a contentious and polarising issue and support for anti-immigration parties has increased. In 2015 in Finland, the anti-immigration movement ‘Close the Borders’ (Rajat kiinni) gathered anti-immigrant activists from across the country to local rallies, which were often followed by counter-demonstrations by anti-racist activists (Wahlbeck 2019).
In the Finnish case, anti-immigrant sentiments have been channelled – and fuelled – by the populist, right-wing Finns Party, which frames immigration in negative terms and focuses its criticism mainly on asylum questions and the alleged ‘economic burden’ of immigration (Pyrhönen 2015). In its 2019 parliamentary election programmes, for example, the Finns Party employed negative framing, especially in terms of migrants originating from the middle east and Africa (Finns Party 2019). The Party especially frames the presence of Muslims and Islam as a problem and as a threat to ‘Finnish society’ (Finns Party 2019). The Council of Europe country report (2019) states that ‘Racist and intolerant hate speech in public discourse is escalating; the main targets are asylum-seekers and Muslims.’ Meanwhile, the EU Minorities and Discrimination Survey 2017 (EU-MIDIS II: 29) reported that, among EU countries, respondents of ‘sub-Saharan African backgrounds’ had (during the past twelve months) experienced ‘discrimination based on ethnic or immigrant background’ most often in Luxemburg and Finland (50 per cent and 45 per cent, respectively).

The presence of discrimination and structural racism within Finnish society is visible in employers’ job recruitment processes. One experimental study (Ahmad 2020) found a clear hierarchy of employer preferences in which employers were more eager to invite people with Finnish surnames to job interviews – even if job seekers’ merits were identical except for surname and gender. The study sent fictitious applications from people with English, Russian, Iraqi and Somali surnames, but applicants with a Finnish name were 1.45 to 3.94 times more likely to be invited to interview than people with ‘foreign surnames’. Employers’ preferences were, in descending order, for Finnish, English, Russian, Iraqi and Somali applicants. In addition, applications where the applicant was a woman received significantly more invitations to job interviews than male applicants, irrespective of surname. This was particularly the case in terms of Iraqi and Somali applicants, where females received nearly twice as many return calls from employers than males (however, the differences in return call rates were smaller between females/males with English, Russian and Finnish names) (Ahmad 2020).

The existence of structural racism, where employers prefer Finnish or ‘western’ job applicants, has also been shown by other studies conducted in Finland (e.g. Alho 2020; Jasinskaja-Lahti et al. 2002: 86-88).

The existence of this type of racism in recruitment makes it obviously more difficult for asylum seekers and refugees to find jobs. If employers, in line with these studies, seem to prefer hiring women instead of men, many asylum seekers who arrived since 2015 may find themselves the victim of double discrimination given that the large majority are male.

Racism notwithstanding, the rapid increase in the number of asylum seekers has led to rallies by humanitarian and solidarity-based civil society organisations defending the rights of asylum seekers and refugees. There have also been demonstrations against the decision-making of the Finnish Immigration Service and the forced return of asylum seekers whose applications have been rejected. These demonstrations, which have brought together asylum seekers and their supporters, have been organised around the
country. According to the demonstrators, people who have been refused international protection should not be deported to Iraq or Afghanistan due to the poor security situation in both countries. In addition, some churches have assisted applicants who have been refused asylum and who have remained in the country undocumented.

As elsewhere in Europe, there is a tendency among the majority population to favour immigrants who are highly educated, who know the host country’s language and who are ‘able to integrate into the customs of the receiving country’ (Avonius and Kestilä-Kekkonen 2018). Regardless of the fuzzy concept of ‘integrating into the customs of the receiving country’, asylum seekers and refugees do not speak Finnish or Swedish upon arrival in Finland (as do few newly arrived migrants in general), and many of them have not advanced far in their formal education.

These starting points pose challenges to labour market integration which are discussed below. In addition, some crimes committed by asylum seekers since 2015 have received widespread attention in the media, which has raised security issues to the fore and, by default, made the integration of asylum seekers and refugees a more contentious issue. This kind of framing shifts the focus of public attention towards the (il)legitimacy of asylum seekers’ claims and the question of whether they deserve support (Lynn and Lea 2003).

2. Recent arrivals of asylum seekers and their reception

2.1 Data on recent arrivals

Finland’s commitments to international agreements were tested in 2015 when the country experienced an approximately ten-fold increase in the number of asylum seekers in comparison with preceding years (see Figure 4 below). The asylum seekers who arrived in 2015 – and after – have predominantly been male (for example, according to the Finnish Immigration Service (2020), men constituted 81 per cent of those who arrived in 2015).

Most of the asylum seekers arriving in 2015 were from Iraq (63 per cent), Afghanistan (16 per cent), Somalia (6 per cent), Syria (2.7 per cent), Albania (2.3 per cent) and Iran (1.9 per cent). Approximately forty per cent of the decisions made in 2015 (excluding expired applications) were positive. This was in line with the proportion of positive decisions prior to 2015. In 2016, however, when many applications from 2015 were processed, the proportion of positive decisions decreased to c. 32 per cent (EMN 2016; 2017).

It is not entirely established why a relatively large group of people made the long journey through Europe in order to seek refuge precisely in Finland. The asylum seekers’ choice of destination country was probably guided by information (and disinformation) in social media. According to media reports, there was a belief circulating via social media that Finland was ‘generous’ to Iraqi asylum seekers (McCrummen 2015). The announcement of then Prime Minister Juha Sipilä that he would offer one of his private
houses to accommodate asylum seekers (never realised) was reported in international media in 2015 and probably also played a role. Marko Juntunen – who is a researcher with expertise in the middle eastern and Iraqi community in Finland – argues that Iraqi perceptions of Finland being ‘generous’ should be understood in relation to the readmission agreements signed with Iraq by other Nordic countries, Germany and the UK at the end of the 2000s, which facilitated the deportation of rejected Iraqi asylum seekers. Finland has not been able to sign such an agreement with Iraq, which makes deportation more complicated and Finland, therefore, more attractive to Iraqi asylum seekers (Juntunen 2016: 55-56). Juntunen additionally argues that there was a common perception among Iraqis, affecting their decisions, of Finland being a country that respects human rights and offers tuition-free higher education, and with neither widespread xenophobia nor a presence of radical Islamists. Moreover, his research sets out that many of those Iraqis who arrived in 2015 thought that Germany and Sweden, which could have been alternatives to Finland, were already ‘full of Iraqis.’ In contrast, however, Wahlbeck (2019: 303) points out that the relatively well-established community of Iraqis (arriving as asylum seekers and quota refugees prior to 2015) might well also have played a role in the decisions of Iraqis whereas the absence of a Syrian community might explain the low number of asylum seekers from that country.

In addition to the rapid increase in numbers, a new phenomenon in Finland was that most asylum seekers arrived by crossing the Swedish-Finnish land border in the northern part of the country, the border town of Tornio being the main point of entry (Piipponen and Virkkinen 2017). Tornio was the most obvious point of entry because airlines and ferry operators demanded travel documents (Wahlbeck 2019: 303). Another new angle was that, during the winter of 2015-2016, Finland received close on 2,000 asylum seekers (i.e. nearly five per cent of total arrivals in 2015-2016) who had arrived in northern Finland via the land border with Russia (Piipponen and Virkkinen 2017). Furthermore, approximately 2,000 of the asylum seekers Finland received between 2015 and 2017 arrived from Greece or Italy as a result of the EU relocation scheme (Finnish Immigration Service 2017).

In 2015, the centre-right government led by PM Juha Sipilä (2015-2019) tried to follow its international legal obligations and did not close the country’s borders. However, at a later stage the government took measures to make it more difficult for asylum seekers to receive refugee status. This tightening of policy has to be understood in the context of the coalition government formed in 2015, which included the agrarian Centre Party, the right-wing National Coalition Party and (until 2017) the populist Finns Party. It was particularly the anti-immigration faction of the Finns Party that succeeded in steering the asylum policy changes (Wahlbeck 2019) which have been criticised by, among others, NGOs and some academics for negatively affecting the rights of asylum seekers (Bodström 2020; Finnish Refugee Council 2019: 11; Saarikkomäki et al. 2018). Following the 2019 parliamentary elections, Finland has been governed by a centre-left coalition of five parties. The new government has made some changes in asylum policy that have, according to human rights organisations, improved the rights of asylum seekers (Amnesty International 2019). In addition, the numbers for quota refugees have been somewhat raised – although not to the extent desired by those same organisations (Amnesty International 2019).
Saarikkomäki et al. (2018) also argue that the decrease in positive asylum applications after 2015 can be explained not only by the legal changes; they point out that there have additionally been changes in the internal practices of the Finnish Immigration Service that have resulted in more decisions being unfavourable to asylum seekers. The Immigration Service has also been criticised for having increased the number of undocumented migrants since many asylum seekers whose applications are rejected nevertheless stay in the country (Ahonen and Kallius 2019).

The sharp jump in the number of asylum seekers in 2015 is highlighted in Figure 4 below.

**Figure 4  Annual number of asylum applications in Finland (2015-2019)**

Source: Statista 2020.

After the peak year of 2015, the number of asylum applications fell rapidly to roughly similar numbers to those witnessed in the preceding years. This led also to the closure of a large number of reception centres, whose number fell from around 230 in January-February 2016 to c. 130 in January 2017 (Finnish Immigration Service 2020). During the same period, the number of their residents fell from c. 29,000 to c. 16,000 (Finnish Immigration Service 2020). By December 2019, the number of residents had fallen to 8,400 and the number of centres to 37.

The number of asylum decisions peaked in 2016 (and was roughly four times higher than in 2015) (Finnish Immigration Service 2020). This was due to a lag in the processing of the large number of asylum applications in 2015 (it is common for this process to take several months).

**2.2 Reception and the asylum process**

The state governs the reception of asylum seekers and quota refugees. Asylum seekers who have been granted refugee status no longer fall within the remit of reception services but within integration services instead.
The first place where asylum seekers normally stay is called a transit centre. The transit centres are situated near the service points of the Finnish Immigration Service, which holds asylum interviews. These centres are, in the first place, intended for new asylum seekers who have just arrived in Finland. After an asylum seeker has had an asylum interview, s/he will be transferred to a reception centre until a decision on her/his case has been made (Finnish Immigration Service 2020).

The reception centres are governed and financed by the state (i.e. the Finnish Immigration Service) but are operated by the municipalities, NGOs or by private companies. Quota refugees, in contrast, are directly hosted by a selected municipality. Once an asylum seeker has been granted a residence permit, s/he will be moved to a municipality and registered as a resident of that municipality. S/he then has the same right to public social and health services and social benefits as any municipal resident.

The reception centres are free of charge for asylum seekers (although, if they find work, they may have to pay for their accommodation). They can choose to live somewhere else than in a reception centre but, in such a situation, they are obliged to cover the housing costs themselves (and report their address to the authorities). In addition to housing, asylum seekers are entitled to social and healthcare services and the use of interpretation services. Asylum seekers are not entitled to benefits from Kela, the Finnish Social Insurance Institution, but they can, in the case of being without income or funds, apply for a small sum of money for private use (reception allowance).

The formal asylum-seeking process – which is like the system in other EU countries – is described in detail in Figure 5 below (as presented by the Finnish Immigration Service).

It needs to be added – regarding the information in Figure 5 about a negative asylum decision (see point 7a) – that unsuccessful applicants may, in addition to seeking to appeal against the decision, seek a residence permit based on other grounds such as for study, work or family reasons. Until 2016, a humanitarian residence permit could be granted in some cases to people not fulfilling the normal criteria for international protection. This possibility was, however, revoked in 2016 when the Finnish centre-right government tightened Finland’s asylum policy.

Those whose asylum claim(s) have been rejected – and who are denied the right to residence on other grounds – but who are not willing to leave the country on a ‘voluntary return’ basis (which can be assisted by the International Organization for Migration, IOM) face an existence as an undocumented migrant. As such, they would be entitled only to the most elementary services of the welfare state while they would lack a legal right to work and face the risk of deportation at any point.
Figure 5  Asylum process in Finland

1. The applicant arrives in Finland and informs the border control authorities or the police that he or she wants to apply for asylum.

2. The border control authorities or the police will register the applicant as an asylum seeker, record the applicant’s personal details and take the applicant’s fingerprints, signature and photograph.

3. The applicant is directed to a reception centre.

4. The Finnish Immigration Service decides whether it should continue the processing of the application. If some other EU Member State is responsible for processing the application, the application will not be processed in Finland. The applicant will be refused entry and sent to the Member State responsible for examining the application.

5. The Finnish Immigration Service invites the applicant to an asylum interview.

6. The Finnish Immigration Service makes a positive or a negative decision. Either the Finnish Immigration Service or the police will serve the decision on the applicant.

7a. Negative decision: The asylum seeker must leave Finland. The applicant may apply for assisted voluntary return. He or she may also appeal the decision.

7b. Positive decision: the applicant is granted international protection (asylum) or a subsidiary protection status. The applicant may also be granted a residence permit on other grounds. The applicant moves to a municipality.


3. Labour market access

3.1 Key legislation concerning immigrants’ access to the Finnish labour market

This section seeks to clarify the basic legal principles that govern immigrants’ access to the Finnish labour market, with a special focus on asylum seekers’ and refugees’ rights to gainful employment.

The laws concerning the rights of non-nationals forms a complex set of legislation which is further complicated by the implementation of EU directives related to immigration (Sorainen 2012). Finland is an EU country, so the key dividing line as regards legislation concerning the right of a person to work is based on whether s/he is an EU (or EEA/Swiss) citizen or a non-EU/EEA/Swiss citizen (usually referred to as ‘third country nationals’). With the exception of a limited number of professions (e.g. in the military, police or in the foreign services), EU/EEA/Swiss nationals have the same right to work in Finland as Finnish citizens.

In contrast, third country nationals’ access to the labour market is restricted by various laws. In most cases, those third country nationals who want to move to Finland to work need a work-based residence permit which, in turn, requires that the income...
from work has to surpass a certain level. However, those third country nationals who, for example, have received a right to permanent residency have an unrestricted right to work.

Third country nationals’ right to work in Finland is further controlled by labour market testing, which means that the employer is not allowed to hire a third country national if the authorities assess that labour will be available within a ‘reasonable time’, either in Finland or the EU/EEA, for the work in question (Finnish Immigration Service 2020). The logic is that employers should privilege those job seekers that are available in the national/EU/EEA labour market. Labour market testing is, however, not enforced for all jobs; it is not a requirement in those jobs and regions where there is a scarcity of labour (based on an assessment by the authorities). Furthermore, depending on the type of residence permit, third country nationals may be exempt from labour market testing. Since 2019, those third country nationals who have worked at least one year under a work-based residence permit are no longer subject to labour market testing when applying for a new permit to work. This loosening of the regulations was motivated by reported labour shortages in many manual jobs (Ministry of Economic Affairs and Employment 2019).

The labour market position of those third country nationals whose right to residence is based on being employed (including with an income that surpasses the set limit) is more vulnerable than the position of those whose right to residence is based on other factors (e.g. family ties or refugee status) (Könönen and Himanen 2019). The reason is that work-based residence permits are tied to a specific sector and are, at least initially, based on the continuation of work (Könönen and Himanen 2019). This type of legislation makes migrants highly dependent on the employer because losing one’s job might lead to losing one’s right to residence – a phenomenon which has been criticised by a multitude of migration scholars across different countries (e.g. Anderson 2013; van Kooy and Bowman 2019).

People with refugee status have the right to work – as guaranteed by the 1951 Convention Relating to the Status of Refugees – but asylum seekers’ right to work in Finland is restricted, as will be described in the following section.

3.2 Asylum seekers’ and refugees’ access to the Finnish labour market: the legal framework

Individual factors – such as human and social capital – play an important role in the possibilities of any individual entering a labour market, but it is the legislation of the receiving country that sets the parameters for access to it for asylum seekers and refugees.

In Finland, the first residence permits that are issued are always for a fixed term (Könönen and Himanen 2019). Therefore, third country nationals’ right to work and residence is conditional during the first years of their residence (unless their residence permits are not work-based). Only after getting a permanent residence permit – which
requires four years of living in the country – does the migrant in question receive the same rights to gainful employment, social security and education as Finnish citizens (Könönen and Himanen 2019).

The legal framework governing the right to work of asylum seekers and those who have received refugee status differs as the rights of asylum seekers are more limited. Those with refugee status – in contrast to asylum seekers – have the same legal rights to access the labour market as Finnish nationals.

Asylum seekers’ right to work has become an increasingly topical issue in European countries due to the recent ‘refugee crisis’. The United Nations Refugee Convention does not oblige countries to grant asylum seekers the right to work, in contrast to the position for refugees; according to the Convention, each individual country is free to determine whether or not to grant the right, and under what conditions. EU law, however, requires member states to grant asylum seekers access to their labour market after nine months of waiting for a decision. According to the 2013 Reception Conditions Directive (European Union 2013):

Member states shall ensure that applicants have access to the labour market no later than 9 months from the date when the application for international protection was lodged if a first instance decision by the competent authority has not been taken and the delay cannot be attributed to the applicant.

Member states can, nevertheless, apply more favourable provisions and/or grant access to the labour market subject to conditions (and many do either or both).

In the Finnish case, asylum seekers are allowed to work in gainful employment three months after the submission of an asylum application (Finnish Immigration Service 2020). If the asylum seeker has not been able to show a valid travel document to the authorities when submitting the asylum application, the right to employment starts only after six months. However, the right to work was tightened in June 2019: in the case of an asylum seeker making a new asylum application (after receiving a negative decision), s/he has to wait a further three months (or six months if s/he does not have a valid travel document) for the right to work. The right to work is revoked in the case of a non-appealable asylum decision. If the Finnish Immigration Service makes a positive decision about the asylum application, the applicant receives a residence permit which almost always includes the right to work.

Asylum seekers in Finland can apply for work-based residence permits. Granting such a permit requires, however: 1) that the job in question is not ‘protected’ by labour market testing (i.e. the job has to be listed by the authorities as a job where there is a labour shortage); 2) that the employer offers a job that guarantees a liveable income (Könönen and Himanen 2019); and 3) that the asylum seeker has a passport, which is not always the case. According to the law, it is possible to grant a residence permit to someone without a passport and for whom receiving one is impossible but, according to Könönen and Himanen (2019: 57-58), the Finnish Immigration Service rarely makes such an exemption in practice.
Asylum seekers also have the right to apply for a study place (Ministry of Education and Culture 2020). Being granted a study place does not, however, affect one’s chances of receiving international protection. Nonetheless, an asylum seeker who manages to obtain a study place can apply for a study-based residence permit (where the course lasts longer than ninety days) (Ministry of Education and Culture 2020). In this case the applicant must cancel her/his application for international protection and be able to prove that s/he possesses sufficient financial resources and health insurance, and has the capacity to pay tuition fees (Finnish higher education institutions charge tuition fees from students who arrive from outside the EU and the EEA) (Ministry of Education and Culture 2020).

3.3 Barriers to labour market integration

The barriers to asylum seekers’ and refugees’ labour market integration are many. On the one hand, they relate to the ‘human capital’ dimension (for example, a lack of Finnish/Swedish language abilities or the vocational skills and credentials that are valued by employers in Finland); on the other, they relate to the legislation (described in Section 3.2.) and to racism (explained in Section 1.3.).

However, other structural factors in the labour market are also worth looking at when seeking to explain the extent of labour market integration. It is, for example, characteristic of the Finnish labour market that the share of ‘low-productivity’, low-paid jobs that can be entered easily is low in European comparison (Gallie 2017), which is quite likely to be one factor in why many newly-arrived migrants encounter problems with finding jobs. Furthermore, while there is no legally-stipulated minimum wage in Finland, collective agreements are nation-wide and generally applicable (i.e. applicable also to non-unionised workers and non-associated employers). The extension of collective agreements has its origin in the late 1960s, paving the way for a ‘neocorporatist’ reconfiguration of labour relations and ending a period of intense inter-union rivalry and labour conflict (Bergholm 2009). Collective agreements thus cover the vast majority of wage earners and set minimum standards for wages and other working conditions. This has led to relatively high wage levels (in a European context), but which pose high productivity demands on workers. This may be a barrier for asylum seekers who, in many cases, lack the type of human capital valued in the Finnish labour market.

The neoclassical paradigm of labour market regulations imposing ‘harmful wage rigidity’ has become pervasive among the Finnish right-wing and its sympathisers (e.g. the right-wing think tank Libera), especially since the global financial crisis of 2007-2008. It is down to speculation whether the labour market participation rates of asylum seekers and refugees (including other underemployed groups) would be higher were wage-setting to be more ‘flexible’ which, in practice, means were it possible to pay lower wages. On the other hand, if we look at labour market integration from a more qualitative perspective, generally-applicable collective agreements can be seen to defend the interests of those who have managed to enter the labour market – and hence lead to qualitatively better labour market integration. Although employment is important, so is the quality of working conditions.
It is also worth mentioning that the increase in the immigrant population in the 1990s coincided with a deep economic recession with unemployment levels that peaked at 16 per cent around 1993-1994. These adverse economic conditions contributed to high levels of unemployment among immigrants, including asylum seekers and refugees. The asylum seekers who arrived around 2015 were in a more favourable position as unemployment figures were much lower.

However, as Section 3.5 highlights, the labour market participation rate of recent asylum seekers and refugees remains low. Low participation rates among asylum seekers are probably also explained by many reception centres being situated in scarcely-populated areas with few employment opportunities, while those asylum seekers who are granted refugee status ‘have to wait months before being hosted by a municipality’ (Könönen and Himanen 2019: 60). Another factor that is very likely to hamper employers’ willingness to hire asylum seekers is that they cannot be certain whether the asylum seeker in question will get a positive decision on her/his asylum application or whether this will be rejected which, in practice, means the requirement to leave the country.

We know from previous studies (Alho 2020; Ahmad 2005; Ministry of Economic Affairs and Employment 2017: 15; SITRA 2017) that employers across different sectors in Finland actively use informal social networks when hiring people. Refugees and asylum seekers are more weakly embedded in social networks than either natives or migrants who have a longer history of living in Finland. By default, this puts asylum seekers and refugees in an unfavourable position because they have less information about potential jobs. Therefore, various civil society initiatives that bring asylum seekers/refugees and ‘locals’ together are of importance, as will be explained in the next section.

### 3.4 Main initiatives and policies by the Finnish government and other stakeholders as regards the labour market integration of asylum seekers and refugees

This section presents the typical efforts of various stakeholders, i.e. the public sector, civil society organisations and trade unions, to enhance the labour market integration of asylum seekers and refugees.

**Public sector policies**

People who have received refugee status are entitled, under the Act on the Promotion of Immigrant Integration (1386/2010), to various integration services in the municipality in which they reside, in addition to being entitled to the mainstream services provided at municipality level. Integration-related services are aimed at mapping their individual situation as regards employment possibilities and what type of support and courses they need. These usually include education, help with job seeking, language training and interpretation services, which are all aimed at improving their possibilities of integration into Finnish society and finding employment.
The Act also aims at promoting gender equality, non-discrimination and positive interactions between different population groups. The right to integration services also includes other migrants who have received a residence permit. Integration services are not only a right but also a duty as regards those who receive social benefits.

The labour market integration measures for migrants – including refugees – in Finland often fall within the scope of ALMP policies (see Maunu and Sardar 2015). Active labour market policy (ALMP) measures aim at labour market integration and they play a prominent role in Nordic countries, including Finland (Andersen et al. 2007: 14). Briefly, ALMP measures include, for example, the subsidised wages (wage costs being shared between the employer and the state), internships and vocational training that are aimed at all registered unemployed job-seekers. This includes refugees, but asylum seekers are not encompassed by these policies as they cannot register as unemployed job seekers. The authorities provide elementary integration measures, such as language training for asylum seekers, at the reception centres (e.g. Integration.fi).

In 2016, the Finnish authorities conducted a study on asylum seekers’ education and skill levels (Sandberg and Stordell 2016). The study included 1,004 asylum seekers from 32 countries. Their levels of formal education were much lower than those of the whole Finnish population on average; while two-thirds of them needed at least some training in understanding the Latin alphabet, a requirement as regards integration measures, education and the labour market. The study, however, underlines that comparatively low levels of education could be the result of many manual occupations not requiring formal education in asylum seekers’ countries of origin. Indeed, a majority of asylum seekers have experience of manual jobs according to this study. This may facilitate their labour market integration in future as employers have reported labour shortages in manual sector jobs. The study also reports that asylum seekers in reception centres were highly motivated to participate in finding jobs and in securing a safe future for themselves and their families. These are good starting points from the perspective of future labour market integration. Asylum seekers’ comparatively low levels of formal education and the lack of local language skills and social networks, however, point to the importance of targeted policies.

Despite the rather weak labour market integration of asylum seekers and refugees, there are some successful cases of integration at local level, with examples including the small cities of Pudasjärvi, Näripiö and Punkalaidun. In these semi-rural municipalities, that have suffered from population ageing, local employers have benefited from the intake of asylum seekers and refugees (including other migrants). What is common among these municipalities is that they have approached asylum seekers and refugees as a resource, actively offering all types of integration measures, including ones that bring together ‘locals’ and newly-arrived asylum seekers and refugees. These measures have also facilitated labour market integration (Kukkohovi 2016).

**Civil society initiatives**

The municipalities and the employment authorities have the primary responsibility for the implementation of integration; however, the Ministry of Economic Affairs and
Employment recognises that civil society organisations have an important role in the integration of migrants (e.g. Pirkkalainen 2015). There is a multitude of civil society organisations that participate in offering integration support to refugees and asylum seekers. It is not always easy to draw a clear-cut line between ‘labour market integration support’ and more general ‘integration support’. The language courses offered by these organisations, for example, do have the dimension of promoting labour market integration as well as integration into society more generally.

Numerous civil society initiatives – and too many to be mentioned here – have been targeted at labour market integration and the integration of refugees. Some of those which have been organised by NGOs have been either partially or fully funded by the state or various EU funds. An established actor in the field of integration, in addition to the Finnish Red Cross, is the Finnish Refugee Council.

When the intake of asylum seekers was at its peak in 2015, many spontaneous, grassroots civil society initiatives to support asylum seekers were established. There were, for example, initiatives to provide non-cost housing for asylum seekers in private homes (see Home Accommodation Network 2020). According to the Network’s webpage:

‘Our goal is to make sure that the asylum seekers arriving in Finland can integrate here and their new life starts in a sensible and humane way. In practice, the main purpose of Homestay Network is to bring hosts and asylum seekers together. This work is done by the local groups. At the moment, there is a local group in seven areas. These groups have arranged over 400 homestays after the founding of the network in 2015.’

Another grassroots initiative is the ‘Refugee Hospitality Club’, which is a network of people and organisations from across the Helsinki area that has the purpose of enabling ‘peaceful and hospitable encounters between asylum seekers and “locals”’ (Refugee Hospitality Club 2020). The ‘Free Movement Network’, a politically non-aligned association of volunteers, has, since 2006, supported migrants of all categories in questions related to residence permits and housing, and has given economic support to the most vulnerable migrants (Free Movement Network 2020). The network has also voiced criticism against those types of changes in the immigration legislation that have rendered asylum seekers more vulnerable and hindered integration of any kind, including labour market integration (Free Movement Network 2020).

Some of the civil society initiatives to support asylum seekers and refugees, such as the Finnish Refugee Advice Centre, were established long before the 2015 ‘refugee crisis’. The unprecedented situation in 2015, however, also led to further, spontaneous actions by ordinary citizens who wanted to help and show solidarity with those seeking asylum. In addition, some of the churches have supported asylum seekers including those whose asylum applications had been rejected. There have also been initiatives to link potential employers with asylum seekers and to map the labour market skills of asylum seekers. One example here is Startup Refugees, a network of more than 500 companies, communities and individuals. Between 2015 and 2019, it has collected the profiles of more than 3,700 asylum seekers and refugees, from reception centres and other places, in 23 cities around Finland. The profiles include information
about the educational backgrounds, work experience, skills and the occupational motivations of asylum seekers and refugees. According to the network: ‘Thanks to these profiles, we’ve already provided 820 jobs, offered more than 5,000 education opportunities and supported 120 business ideas to get their start in Finland.’ (Startup Refugees 2020)

**Trade union initiatives**

Immigration and immigrants' labour market integration has gained momentum since the 1990s and migrants have increasingly joined trade unions (Alho 2015). More and more unions are offering member services in English and, in some cases, also in other non-native languages.

Presumably, however, the number of asylum seekers who have joined a union in Finland is low because asylum seekers are weakly integrated into the Finnish labour market, while joining a trade union typically requires that the potential member is employed. On the other hand, the number of refugees, or people with a refugee background, who are union members is probably significantly higher due to their more ‘stable’ position in Finland in terms of the right to residence.

Finnish unions do not have special policies or initiatives targeted at refugees; the policies that do exist are normally addressed to migrants via publication in various foreign languages (Alho 2015). Some trade union services are also available to non-union members, including migrants/asylum seekers/refugees, such as the employee rights advisory telephone service for migrants offered by SAK, the Central Organisation of Finnish Trade Unions (SAK 2020). SAK is a confederation of 17 trade unions in industry, the public sector, transport, private services and the cultural sector. This service is available in Finnish and English for five hours/week and delivers (no-cost) advice on employment rights and duties. The SAK initiative is part of the *At Work in Finland* project, which is subsidised by the European Social Fund and also backed by PAM, Service Union United and JHL, the Trade Union for the Public and Welfare Sectors (SAK 2020).

After 2015, however, some trade unions – and trade union confederations – have made the effort to inform asylum seekers about workers’ rights, including collective agreements (e.g. Trade Union PRO 2015).

It is important to note that asylum seekers are not entitled to unemployment benefits (members of trade union/private unemployment funds are entitled to income-related unemployment benefits after a certain time of being a member of the fund, which is an important reason for employees to join a union in Finland). This means that this group is not entitled to all the benefits of union membership, which may function as a disincentive to join a union. An interesting initiative in this regard, however, has been taken by SEL, the Finnish Food Workers Union, which offers a reduced membership fee to asylum seekers (and others who are not entitled to Finnish social security but who work in Finland) (SEL 2018).
Overall, despite the initiatives to provide information to newly-arrived asylum seekers about services and rights, it cannot be argued that responding to the increase in the number of asylum seekers has been high on the agenda of Finnish trade unions.

### 3.5 Employment data on labour market integration

That immigrants in Finland face a situation of labour market disadvantage has been documented by a multitude of studies highlighting, for instance, that immigrants are disproportionately represented in low-wage sectors (e.g. OECD 2018). In addition, people with a ‘non-Finnish background’ have lower labour market rates and face unemployment to a higher degree than those with a ‘Finnish background’ (for the official definitions, see Statistics Finland (2020a) – a problem that is accentuated in the case of immigrant women (Larja and Sutela 2015). Unemployment rates are higher among those migrants whose migration to Finland is based on international protection (Larja and Sutela 2015). In other Nordic countries, too, immigrants whose primary reason to migrate is not based on work tend to experience relatively slow labour market entry and poor long-term outcomes (Bratsberg et al. 2017). On the other hand, immigrants’ labour market participation rates improve after time spent in Finland (Eronen et al. 2014).

Studies conducted in a variety of countries on the employment integration of asylum seekers and recognised refugees shows that their employment rates are relatively low, being lower than those of the indigenous population, ‘second generation immigrants’ and other immigrants who migrated under different status (Piché et al. 2002; Piguet and Wimmer 2000; Bloch 2007; Bevelander 2011). In Finland, the situation is similar: the Finnish authorities do not have comprehensive data on the labour market integration of asylum seekers and refugees, but we can, on the basis of various scattered data and estimates, draw the conclusion that the employment rate of asylum seekers and refugees is comparatively low here, too. According to ‘a rough estimate’ that the Finnish National EMN Contact Point provided to the European Commission in 2019, ‘a little over a thousand asylum seekers might be in employment at the moment’ (European Commission 2019), which is a comparatively small number in relation to the total number of asylum seekers. Between 2015 and the beginning of 2019, around 400 rejected asylum seekers found employment and applied successfully for a work-based residence permit (European Commission 2019). On the basis of these estimates, it can be assessed that the employment rate among the 2015 and post-2015 asylum seeker population is rather low.

As regards the situation of people who have received refugee status, the situation is highly similar to that of asylum seekers. The authorities lack comprehensive statistics on the labour market integration of refugees, but we can – on the basis of a variety of sources provided by the authorities – draw the conclusion that refugees, as a single category, are rather weakly integrated into the labour market: the unemployment rates of nationals of Iraq, Somalia and Afghanistan are over 35 percentage points higher than the rates of Finnish nationals (OECD 2018: 73). As the vast majority of those arriving from these countries have arrived in Finland for reasons of international protection (or
as family members of those who have been granted asylum), we can infer that refugees from these three countries have remarkably lower labour market participation rates than the indigenous population, or immigrants who have arrived on grounds other than humanitarian ones.

On the other hand, official statistics on labour market participation quite obviously do not include data on undocumented work. If we consider undocumented work also as ‘labour market integration’, labour market participation rates would be somewhat higher since some rejected asylum seekers are certainly working on an undocumented basis.

The continuing challenge related to the integration of asylum seekers and refugees in Finland may be explained by the following factors: (1) those arriving and looking for international protection are driven by push instead of pull factors; (2) they have had only little time to prepare for their migration; (3) there are considerable health and educational consequences of their long journey to Finland; and (4) they are unlikely to have had much prior contact with Finland (OECD 2018: 73). In addition to those factors that stress the human capital dimension, some of the legislation that constrains asylum seekers’ access to the labour market – and described in Section 3.3 – also explains asylum seekers’ difficulties in entering the labour market. In addition, racism and discriminatory attitudes towards immigrants, which have also been explained earlier, are evidently responsible for a part of these outcomes.

On the other hand, ‘labour market integration’ is a more multi-faceted phenomenon than whether a person has a job. Labour market integration can include, in addition to labour market participation rates, criteria which encompass earnings levels (in relation to other migrants and the indigenous population) and the extent to which asylum seekers and refugees are able to utilise their skills in employment (Martín et al. 2016: 14). While there is no data on the earnings of asylum seekers, nor to what extent they are able to find jobs that match their skills level, Sarvimäki (2017) has calculated that immigrants born in the main countries of asylum earned less and received more social benefits than other immigrant groups or natives between 1990 and 2013. Obviously, the more recent asylum seekers – including those who have received refugee status – could differ from those measured between 1990 and 2013, but there is no good reason to believe that their situation would differ to a significant extent.

4. Conclusions

Entry to the labour market is not restricted in Finland for refugees, whereas that for asylum seekers is restricted by various pieces of legislation. In addition to the legal barriers, the comparatively low labour market participation of these groups is explained by their lack of human capital relevant in the Finnish context (e.g. Finnish/Swedish language skills; and formal education). However, it is not entirely clear what relevant labour market skills are possessed by newly-arrived asylum seekers. Therefore, the mapping of their skills is a question that still needs further attention, although some steps have been taken by the authorities and private actors (e.g. Startup Refugees).
At the same time, structural racism in the labour market also works as a barrier to integration (e.g. Ahmad 2020). Therefore, in order to facilitate labour market integration, efforts to counteract discrimination in recruitment are also needed in addition to the existing measures to create equal opportunities in the labour market.

It is quite likely that asylum seekers’ and refugees’ difficulties in finding employment may also partly be explained by a lack of social networks, extending to the matching problem: i.e. that asylum seekers and potential employers simply do not meet (we know from previous studies that social networks are important in Finland in finding work (e.g. Alho 2020).

It is also clear that some of the legal changes described in this chapter and which were made during the 2015-2019 government were unfavourable to the labour market integration of asylum seekers (Bodström 2020; Saarikkomäki et al. 2018).

It is also the case that asylum seekers – in contrast to people who have been accorded refugee status – receive from the state only what can be considered elementary preparation for the labour market, i.e. language training. Therefore, NGOs and civil society actors are filling an important role in helping asylum seekers integrate into the labour market.

During the last few years, employers have increasingly reported a lack of labour in the services and manual sectors, which could point to a fair amount of unfulfilled potential for asylum seekers and refugees to find work. The increase in unemployment due to the lockdown caused by the COVID19 crisis, however, will probably have negative consequences for the labour market integration of asylum seekers, refugees and other underemployed groups.

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All links were checked on 5 August 2020