



## **Intra-EU labour mobility as an instrument for solving the employment mismatch problem in Finland**

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## Abstract

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<p>This research-based bachelor's thesis examines the role of labour mobility within the European Union (EU) as a supporting tool for the employment authorities dealing with the employment mismatch problem in Finland. The overall objective was to determine the ways Intra-EU labour mobility and EURES can be used to tackle the employment mismatch problem in Finland.</p> <p>The thesis includes a theoretical section and an analytical research finding and discussion section, which supports the thesis subject. The theory section demonstrates the theoretical framework that includes the relevant legislation and reports that have been made for the thesis subject.</p> <p>The study of this thesis was based on qualitative methods. First, a desktop study was conducted with relevant legislation, reports and as a basis to determine what tools already exists for the employment mismatch problem in Finland and supports the intra-EU labour mobility. Secondly, the selected theme interviews were carried out with four different stakeholders relevant to the topic to obtain views on EURES and the employment mismatch problem in Finland.</p> <p>The interviews showed that the intra-EU labour mobility and EURES are seen as useful means of solving the employment mismatch problem in Finland. However, it was seen explored as well that they are used as quite marginalised methods for solving the issue.</p> <p>Although the literature suggests that intra-EU labour mobility is a well-used method for solving unemployment within the Union, the study showed that this is not the case within Finland. Therefore, it is necessary for the public employment authorities in Finland to consider what are the most useful tools for solving the employment mismatch problem in Finland.</p>
<b>Key words</b> Employment mismatch problem, employment services, EURES, intra-EU labour mobility, labour mobility, public employment services

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# 1 Introduction

This is a research type of a bachelor's thesis for the Degree Programme in International Business in the major specialisation of Human Resources Management in the Haaga-Helia University of Applied Sciences.

This chapter of the thesis will introduce the thesis topic: the basis of the topic, what are the factors linked to it, what is the main research question that this thesis centralises itself to, what are the different limitations of this thesis, what are the benefits this thesis will give, what are the key concepts behind the thesis and what is the commissioning company behind this thesis.

## 1.1 Background to the Topic

The aim of this thesis is to analyse the European Employment Services (EURES) and the intra-EU labour mobility and the ways they can be used to tackle the employment mismatch in Finland. EURES is a European-wide cooperation network between the public employment services of EU Member States. The network was launched in 1994 to support the free movement of workers between Member States. (European Commission 2022.)

Finland needs more labour force as the demographics show that the Finnish population is aging, and the pool of labour force is becoming smaller. Additionally, Finland is chronically suffering from the employment mismatch problem in different occupational groups. With EURES being a tool for free movement of European workers within the EU, it is the easiest platform for increasing the labour mobility. It is therefore important to investigate EURES, as it can be the tool to support the growth of the workforce in Finland.

## 1.2 Research Question

The research question (RQ) of this thesis was how EURES and intra-EU labour mobility have benefitted Finnish employment market. The research question was divided into investigative questions (IQ) as follows:

IQ 1. How the employment mismatch problem is being tackled in Finland?

IQ 2. What is the role of EURES in acquiring labour force from the EU area to Finland?

IQ 3. How could EURES be developed further for gaining more labour force to Finland?

### 1.3 Delimitation

The demarcation of this thesis has been limited to only the Finnish employment market as the study area, rather than looking also into other countries where EURES is used. Additionally, employment mismatch problem will be examined only at the Finnish level. This thesis will not be looking into any specific fields of companies, but uses examples from different businesses.

This thesis does not include recruitment of third country nationals to Finland but discusses the possible recruitment of European nationals to Finland. However, third country nationals may be showcased as examples on international recruitment in this thesis.

### 1.4 Benefits

The beneficiaries of this topic are mostly different public institutions of Finland and the European Union. Firstly, the TE Services is the public employment services in Finland who takes part in EURES. Additionally, this thesis could be something that the Ministry of Economic Affairs and Employment of Finland may be interested in, when trying to look into the different ways of how to attract new workforce to Finland in different fields.

EURES is also under the supervision of the European Commission, who could be possibly interested in the topic. Moreover, the various Finnish businesses, who are looking into different possibilities for finding workforce, are in a key role if they have not used EURES or international recruitment previously.

The author will also himself get more contacts within the public employment services sector, such as the TE Services nationally, Ministry of Economic Affairs and Employment and municipal business services. This thesis could also create additional network for him in the different institutions of the European Union, especially those involved with Employment matters. The thesis process will show new aspects to the topic through the European scale and dimensions of the public employment services and working together with public employment services in other EU Member States would be very interesting in the future for the author.

### 1.5 Key Concepts

**Employment mismatch problem** in Finland describes the situation where the unemployed job seekers and jobs do not match with each other and employment relationships are not emerged, despite the skills that the job seekers possesses. (Ministry of Economic Affairs and Employment of Finland 2023c).

**Employment services** are the public or private authorities in EU Member States that are helping employers to match with job seekers in their own respective national countries (European Commission 2022b).

**EURES** is the European Employment Services, which is a European-wide cooperation network between the public employment services of EU Member States. The network was launched 1994 to support the free movement of workers between Member States. (European Commission 2022a). The Ministry of Economic Affairs and Employment of Finland is part of the EURES network as the coordinator over the Finnish public employment service and thus acts as the EURES National Coordination Office in Finland (Ministry of Economic Affairs and Employment of Finland 2023b).

**Intra-EU labour mobility** means the movement of persons for the purpose of employment across borders from one EU Member State to another one.

**Labour mobility** describes the movement of persons for the purpose of employment within the territory of a country or across borders. (European Centre for Social Welfare Policy and Research s.a.)

**Public employment services** is defined in the Article 3 in the Regulation 589/2016/EU and are the different organisations of the Member States, which are responsible for implementing active labour market policies and employment law and provide employment services. Public employment services may be part of ministries, public bodies or corporations, which fall under public law. (Regulation on a European Network of Employment Services (EURES), Workers' Access to Mobility Services and the Further Integration of Labour Markets 589/2016/EU).

## 2 Theoretical Framework

This chapter will look into the theoretical framework of this thesis and how it supports the writing process of the thesis. It will look into the concepts and key thoughts behind EURES, the Intra-EU labour market and the employment mismatch problem in Finland.

As illustrated in the Figure 1 below, the theoretical framework of this thesis will follow centralises itself around these points and structures itself with: intra-EU labour mobility (2.1 & 2.9), the current state of the Finnish labour market (2.2), employment mismatch problem in Finland (2.3), the employment services in Finland and in the EU (2.4) and EURES (2.7).

These five main points will then also be supported by four other sections: TE Services moving to municipalities 2015 (2.5), employment policy and international recruitment projects in Finland (2.6), EURES Targeted Mobility Scheme (2.8.) and Additional legislative measures concerning the labour mobility in the EU (2.10).

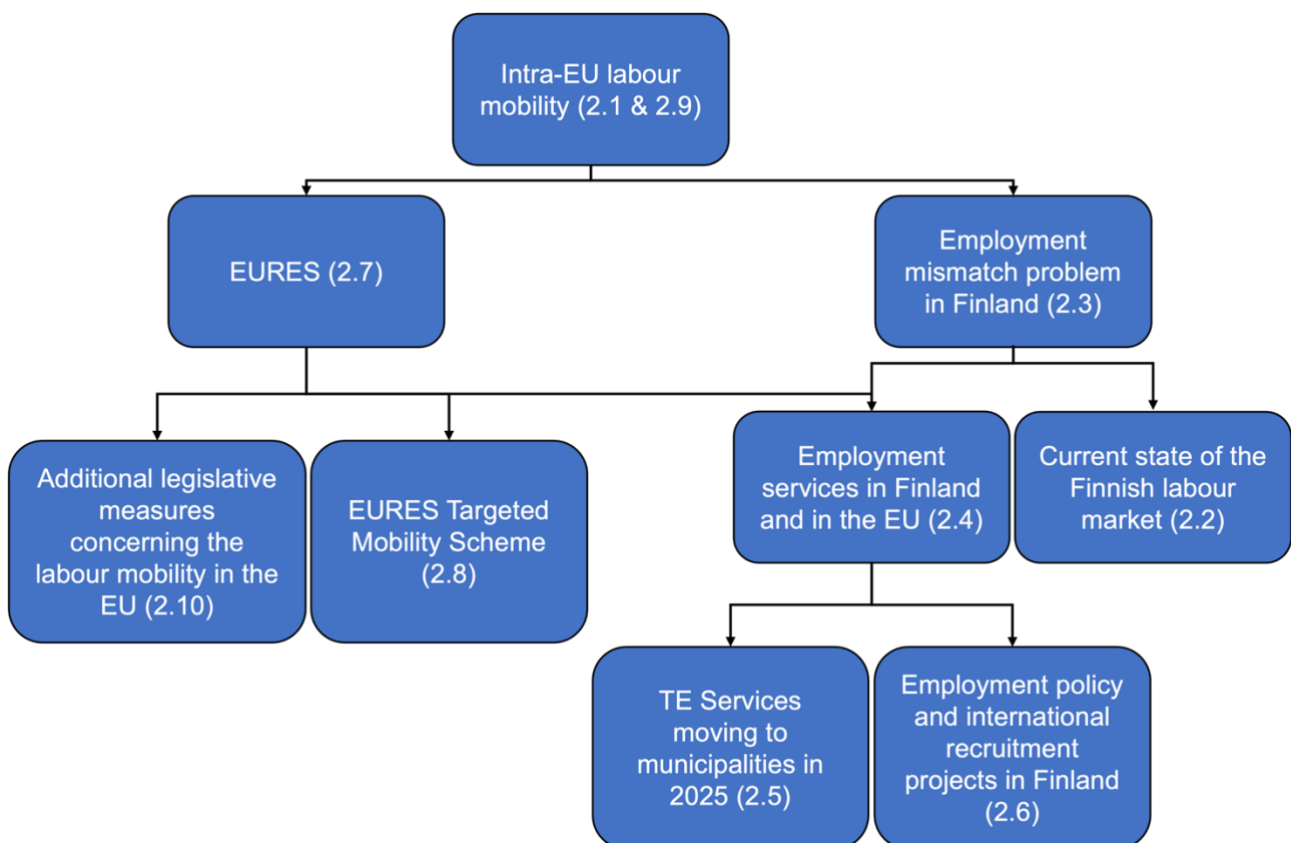


Figure 1. Illustration of the relations between the aspects of the Theoretical Framework of this thesis and the relations between the different parts

## 2.1 History of the Intra-EU labour mobility

Establishing an open European market, which lies on free and fair competition has been in the goals of the then European Community since the beginning in 1957. The Single Market, also called Internal Market or Common Market, got its first proper push towards implementation in 1985, when the European Commission published a White Paper on "Completing the Internal Market". The White Paper pinpointed the measures that would have to be completed in order to facilitate the completion of the internal market, and it suggested to set a deadline by 31 December 1992. (Nugent 2010, 323.)

The rationale behind the internal market was that a functioning single market is needed for creating employment and growth and especially for promoting economic stability. It will improve the business environment by encouraging firms to invest and create jobs and increase consumer confidence and demand when the Single Market is made the most effective as it can be. (Recommendation on Measures to Improve the Functioning of the Single Market 524/2009/EC.) It was seen that the more open the European Single Market is and functioning without barriers, the more it enhances the businesses to trade across borders, creates jobs, that establishes growth in the Union and enhances competition. (Nugent 2010, 323.)

In 1993, the Maastricht Treaty or the Treaty on European Union (TEU) came into effect. The Treaty revised older treaties of the European Community, which organised them into three different pillars and gave the European Community its current name, the European Union (EU). The Maastricht Treaty also established the Union citizenship for all citizens of the EU Member States. (Nugent 2010, 56-58.)

The Maastricht Treaty gave the right for the citizens to live and work in any of the Member States. The EU citizens were now also able to vote and stand as candidates in the European Parliamentary elections and local elections at that EU Member State where they were residing at. The Maastricht Treaty also made other significant changes such as institutional changes and gave more power to the European Parliament. It also had policy changes and it established the Economic and Monetary Union and the European Central Bank. The Treaty also created the single currency, Euro. It established the Cohesion Fund to provide financial assistance for environmental projects and the Trans-European Transport infrastructure networks. (Nugent 2010, 56-58.)

The Maastricht Treaty also enforced the Single Market. Internal Market rests on four main pillars: (1) the Common Customs Tariff, (2) the four Freedoms: Free movement of goods, persons, services and capital between Member States, (3) the approximation of laws and (4) the principle of mutual recognition and competition policy. (Nugent 2010, 323-327.)



In order to ease the labour mobility within its area, the EU safeguarded the free movement of workers already in the beginning as a founding principle. As aforementioned, the free movement of workers belongs to the four freedoms of the EU and is an integral part of the Internal Market of the EU. Article 45 of the Treaty on the Functioning of the European Union (TFEU) and paragraph (1) states that the free movement of workers shall be secured within the Union. Paragraph (3) of the same article states that the workers have the right to: (a) accept offers of employment, (b) move freely within the territory of the EU Member States, (c) stay in the Member State for employment and have equal treatment with the citizens of that Member State in access to employment, working conditions and all other social and tax advantages and (d) to remain in the territory of the Member State, after employment has finished. (Treaty on the Functioning of the European Union (TFEU) Art. 45.)

## 2.2 The current state of the Finnish labour market

The population of Finland is approximately 5.5 million. According to Statistics Finland (2023), the number of employed persons in February 2023 was 2,582,000 with a margin of error of  $\pm 35,000$ . The number of unemployed people in Finland was at 186,000 in February 2023 (margin of error  $\pm 23,000$ ). The trend of employment rate of persons aged between 15 and 64 was 74.2% and the trend of unemployment rate of persons aged between 15 and 74 was 6.4%. (Statistics Finland 2023.) These statistics from the Labour force survey by the Statistics Finland has a stricter definition on unemployed people than the one Ministry of Employment and Economic Affairs of Finland has in their Employment Service Statistics:

*“The Employment Service Statistics of the Ministry of Economic Affairs and Employment implies that persons who are not in employment relationship or employed in business are listed as unemployed. Persons fully laid-off but not full-time students are also categorised as unemployed in the Employment Service Statistics.*

*The Labour force survey of Statistics Finland defines the unemployed person as if he/she has actively sought employment during the preceding four weeks and is available for work within two weeks. The figures of the Labour force survey of Statistics Finland are internationally comparable and thus they are the official Finnish unemployment statistics.” (Statistics Finland s.a.; Ministry of Economic Affairs and Employment of Finland s.a..)*

Therefore, in order to use comparable data with international data, the statistics by Statistics Finland will be used in this thesis for the number of unemployed people in Finland.

Furthermore, educational background of the people is among other factors that matter for the labour force. The majority of the Finnish population, 3 502 000 persons, has completed a post-comprehensive level of education in 2021. One-third of the Finnish population, 1 551 200 persons aged over 15, has completed a tertiary level education. (Statistics Finland 2022.)

The majority of the Finnish people live in the southern part of the country, where naturally most of the jobs also are located. However, even if its traditionally thought that the rural areas of Finland do not offer any jobs, its due to the employment mismatch the rural areas of Finland. The rural areas of Finland suffer from **labour shortage** especially in the social and health care services sector. Additionally, the seasonality of jobs is remarkable in Finland particularly on hospitality sector, where Lapland is centred on winter season with its northern location and Southern Finland has more jobs on hospitality sector during the summer season.

The Ministry of Economic Affairs and Employment of Finland publishes a report called the Employment Bulletin on a monthly basis, where it analyses the recent trends in unemployment, job vacancies and labour market policy services (Ministry of Economic Affairs and Employment of Finland s.a.). In February 2023, most of the vacant jobs in Finland were in the service and sales, elementary occupations, craft and related trades workers and technicians and associate professional groups (Ministry of Economic Affairs and Employment of Finland March 2023). In cooperation with the TE Services, the Ministry of Economic Affairs and Employment of Finland publishes an Occupational Barometer twice a year. The Occupational Barometer shows the employment prospects for different key occupations in Finland and aims to increase the balance between job seekers and vacancies and promote occupational and regional mobility. (Ministry of Economic Affairs and Employment of Finland s.a.).

According to the Top 15 -list of Employment Outlook by Occupation for demand for labour force in the Occupational Barometer 2022/II, the different groups of social and health care professionals are in nine positions of the top-15. The two other groups that have an increasing demand for labour force in the top 15-list are education and early childhood educators, hospitality sector with cooks, waiters and cleaners. The bottom top-15 list of demand for labour force contains professional groups like secretaries in different sectors, craft occupations such as tailors, artisans, garment designers and woodcarvers, graphic and multimedia designers, advertising and other marketing professionals. (Ministry of Economic Affairs and Employment of Finland 2022.)

As seen above the differences with the locations of the jobs, seasonality of the jobs and the needs of Finnish labour force in the top-15 list between the most needed and the least needed professions, we can already see there is an employment mismatch problem in the Finnish labour market.

### 2.3 Employment mismatch problem in Finland

The recognised phenomenon in Finland of a simultaneous shortage of labour but unemployment is high is called the employment mismatch or labour market mismatch (Ministry of Economic Affairs and Employment of Finland 2023c). The employment mismatch problem is partially natural due to changes in labour force and production structures of the national economy. On the other hand, the employment mismatch may be explained by long term mismatch of the supply and demand of the labour force that are structural problems and aspects related to skills, regional mobility or work productivity. (Pehkonen & al. 2018, 74.)

One focal reason to the employment mismatch problem are the regional segregation of supply and demand for labour force and situations where the job seekers skills or educational level does not match the demands of new jobs. Another reason that has been associated with the employment mismatch problem is the changed phenomenon with salaries and the different benefit programmes that companies have, which makes the comparison of jobs harder. (Pehkonen & al. 2018, 80.) Moreover, the employment mismatch is related to occupations with unusual employment contracts and low earning levels (Ministry of Economic Affairs and Employment of Finland 2023c).

The employment mismatch is especially prevailing in areas that have a bigger growth, in other words, in the sub-regional units that are the seven biggest by population. (Pehkonen & al. 2018, 78.) Sub-regional units or sub-regions are entities that typically consists of several municipalities next to each other that cooperate with each other and establishes some sort of employment area. Therefore, sub-regional units are usually a good indicator of an employment area. In 2023, there are 69 sub-regional units in Finland. (Statistics Finland 2023.)

The weak match of employment from open positions and the unemployed job seekers equals to weak use of the resources of national economy. The employment policy actions that improves the employment mismatch problem such as productivity of the job seekers, regional (labour) movement or actions enhancing the seeking process of work should be targeted at the growing and biggest sub-regions of Finland that are simultaneously the major motors for the Finnish economy. (Pehkonen & al. 2018, 80.)

It is also argued that if the employment mismatch problem is unsolved, it will be even worse in the long run for both employees and employers. From the employers' side, revenue, services and investment have not been accumulated or executed due to the employment mismatch problem. From the employees' side, it causes interruptions to work careers, risks to abilities for earning and basic life functioning and in the end, the employment mismatch problem also lowers pensions for the employees. Due to the employment mismatch problem, it is estimated that 130,000 jobs have

not been come to existence and the Finnish labour force ages more and more every year. (Pylkkänen 25 October 2022.)

One of the used tools in order to manage the employment mismatch problem in Finland is **labour migration**. It is in a key role to maintain the decreasing amount of Finnish labour force as the birth rate of the Finnish population is inadequate to meet the demands of population growth and the population of Finland is aging. (Ministry of the Interior of Finland 2022.)

## **2.4 Employment services in Finland and in the EU**

The public employment services may be organised differently in the EU Member States. In Finland, the public employment services is organised through the Employment and Economic Development Office of Finland. From here onwards, the Office is referred as its shortened names TE Services. In general, TE Services are a public institution that ensures the functioning of the employment market and helps the organisations and companies to find suitable jobseekers. They function as an organisational unit under the Ministry of Economic Affairs and Employment of Finland (Ministry of Economic Affairs and Employment of Finland 2023d.)

For instance, in Sweden, the public employment service is called Arbetsförmedlingen and in Germany, the public employment service is called Bundesagentur für Arbeit, or the Federal Employment Agency in English. Both of these agencies are responsible for implementing active labour market policies and employment law and provide employment services according to respective national laws. (Arbetsförmedlingen s.a., Bundesagentur für Arbeit 2023.)

The EU has also established a network in 2014, the European Network of Public Employment Services or the PES Network. It is a platform to encourage the national public employment services to have more cooperation together and to promote the modernisation of the public employment services. (Decision on Enhanced Cooperation between Public Employment Services (PES) 573/2014/EU.) The core function of PES is to maximise the efficiency of the public employment services in the EU Member States. All of the 27 EU Member States as well as Norway, Iceland, Liechtenstein and the European Commission take part at the PES Network. (European Commission 2023a.)

## **2.5 TE Services moving to municipalities in 2025**

The public employment authorities in Finland are going through a big organisational change as TE Services will be undergoing a reform from the beginning of 2025, which aims to transfer almost all of the public employment structures to municipalities. The responsibility on organising the employment services will be by done municipalities from January 2025 onwards. All the employees

of the TE Services will be transferred to municipalities and distributed to the different employment areas. The Acts on the transfer of TE Services to municipalities was approved on 23 March 2023. (Ministry of Economic Affairs and Employment of Finland 23 March 2023.)

The aim of the transfer of TE Services to municipalities is to increase employment by 7,000 to 10,000 people from the pool of job seekers. Municipalities have a better understanding of the issues and possibilities related to employment at their areas, so this change brings the TE Services closer to municipal residents and businesses. Municipalities are responsible on creating these employment areas and they should have an employment base of at least 20,000 persons, which means that municipalities have to cooperate with surrounding other municipalities if they are not able to fulfil that criteria on persons, but exemptions can be made on other grounds. (Ministry of Economic Affairs and Employment of Finland 23 March 2023.)

## **2.6 Employment policy and international recruitment projects in Finland**

Employment policy or labour market policy projects in Finland are projects that have been financially supported with grants by the Finnish government through the TE Office. The main purpose of these projects is to promote the employment of unemployed jobseekers, but the content of the projects may vary from providing opportunities to strengthen skills through educational qualifications to providing direct job opportunities. Employment policy projects are conducted by different associations, foundations, municipalities or a joint municipal authorities (Ministry of Economic Affairs and Employment of Finland 2023a.) Some labour market policy projects in Finland may also be financed by the European Union's European Social Fund (Euroopan sosiaalirahasto 2023).

The Työvoimatiekartta -project, or the Labour Market Roadmap -project in English, is a Finnish project targeted to pinpoint the problems related to the availability on labour in Finland. The project gathered employees and employers from eight employment sectoral groups to discuss and suggest proposals on how to enhance the labour situation in Finland. Within this group, transfer of labour from occupations that have a surplus to the ones lacking labour and from one Finnish region to another should be faster. They also argued that the services for those moving to Finland from abroad could be enhance. (Government of Finland 12 February 2022.)

The report of the results of the Labour Market Roadtrip -project highlights that the occupations with low earnings and atypical employment relationships are common among the mismatch occupations. For instance, "industry occupations, application programmers, packers, chemical industry process operators, travel guides and greenhouse workers" (Government of Finland 16 January 2023) are among these occupations. The results also state that the transfer of the labour

from surplus occupations to occupations suffering from labour shortage should be accelerated and much faster. The results also show that there are certain shortage occupations where recruitment should happen internationally and on a publicly funded basis in order to achieve the best results. For instance, this relates to ICT -experts. The report also concluded that the employment mismatch problem seem to be worsened, but the major drive for this is that the type of employment relationships have changed and the unemployed primarily seek for full-time and long-term work and this is the more visible causal link “between increased vacancies and a fall in unemployment”. (Government of Finland 16 January 2023.)

The Centre for Economic Development, Transport and the Environment of Southwest Finland, shortened as the Southwest Finland ELY Centre, is leading an employment policy project called Kokka kohti Suomea, which is a national project with more than ten different regional projects coordinated to aid companies with their growth interests and to support the international recruitment of employees to Finnish labour market. The project is targeting to incentivise the costs for international recruitment for the small- and medium-sized enterprises (SMEs). The project also receives funding from the European Social Fund. (Southwest Finland ELY Centre 2023.)

## **2.7 EURES**

EURES was established as a network in order to enhance the free movement of workers within the EU area. Today, the EURES network also covers the European Economic Area (EEA), European Free Trade Association (EFTA) countries and Switzerland. (European Commission 2023b.)

EURES was established originally in 1993 with the European Commission’s Decision (93/569/EEC) and was launched to use in 1994 (Regulation on a European Network of Employment Services (EURES), Workers' Access to Mobility Services and the Further Integration of Labour Markets 589/2016/EU).

EURES has been established in order to exchange information concerning job vacancies across the EU area. Only the employment services of Member States had the access to the EURES system, as the public access to the internet was limited and applying to jobs did not generally happen through internet at this point yet. EURES has been reformed and re-established several times with different regulations. (Regulation on a European Network of Employment Services (EURES), Workers' Access to Mobility Services and the Further Integration of Labour Markets 589/2016/EU.)

Currently, EURES is a network consisting of public and private employment services that provides job-matching and information services for jobseekers and employers. EURES operates the open European Job Mobility Portal, where workers may browse vacancies around the EU and post their

profiles as interested job seekers. The main aims of EURES are to provide advice and guidance to workers, who may be interested in intra-EU mobility on job opportunities and living and working conditions, but also assist employers with providing advice and with recruiting workers from abroad. (Regulation on a European Network of Employment Services (EURES), Workers' Access to Mobility Services and the Further Integration of Labour Markets 589/2016/EU.) In Finland, EURES is coordinated by the Ministry of Economic Affairs and Employment of Finland as it is the coordinator over the Finnish public employment service and, thus acts as the EURES National Coordination Office in Finland (Ministry of Economic Affairs and Employment of Finland s.a.)

On 27 March 2023, EURES portal had 3,067,660 open vacancies posted through it in all EU-27, EEA, EFTA countries and Switzerland. The vacancies may be open for one or several posts or positions. This day's top-5 open vacancies all over the EURES network are shop sales assistants with 108,393, freight handlers 76,321, nursing professionals 73,461, accountants 70,101 and agricultural and industrial machinery mechanics and repairers with 61,160 open vacancies respectively. (European Commission 27 March 2023b.) Additionally, 984926 jobseekers have currently their CV posted online through the portal and 5581 companies were registered in the portal with 6102 different workplaces. (European Commission 27 March 2023a).

EURES is created to aid and improve to apply the right of free movement of workers, the integration and operation of national labour markets, promote the geographical and occupational mobility in cross-border regions. (Regulation on a European Network of Employment Services (EURES), Workers' Access to Mobility Services and the Further Integration of Labour Markets 589/2016/EU.) The EURES network partners and members aid the employers and workers to register to the platform and to aid revising the data for them, and aid providing information on labour mobility. For instance, they are responsible for the post-recruitment assistance and referring to correct national authorities with questions like taxes and social security. (European Commission 2023b.)

## **2.8 EURES Targeted Mobility Scheme**

The EU has also created an EU-financed project under EURES called EURES Targeted Mobility Scheme. It aims to increase labour mobility in the EU with targeting vacancies that are difficult to fill and matching the jobseekers and employers with various financial supports and the EURES mobility services. (Arbetsförmedlingen s.a.) The Scheme used to be called Your First EURES Job until 2022, and it targeted job seekers under 35 years old, whilst the EURES Targeted Mobility Scheme was widened to more job seekers and does not have an upper age limit. (European Commission s.a.). The EURES Targeted Mobility Scheme is another tool to support the labour mobility and are run as targeted projects, with several partners lead and co-partners. In March

2023, there are four projects that have lead partners from Italy, Germany and Sweden. (European Commission s.a.).

The Swedish project's lead partner is the Swedish Public Employment Service – Arbetsförmedlingen, who coordinates the project TMS Sweden together with several different partners around Europe. TMS Sweden -project is set to be undergoing until June 2024. (Arbetsförmedlingen s.a.) There are two Finnish partners in the TMS Sweden -project: Allianssi -organisation and Better Business International Communication Finland Oy (BBi Finland) (European Commission s.a.). Allianssi -organisation aims to help the youth to go abroad and have an exchange through an internship or a job, and supports the youth job seekers with the process (Allianssi s.a.). BBi Finland or BBi Nordics is a private international recruitment company specialised with work-related immigration from EU countries (BBi Nordics 2023a & BBi Nordics 2023c). The company has been part of the EURES network as a private partner since 2018 and has done cooperation with the Finnish government and also EURES for over a decade already. (BBi Nordics 2023b). BBi Nordics is a mainly recruiting healthcare service professionals to Nordic countries, mainly Sweden and Finland. (BBi Nordics 2023d).

## **2.9 Statistics of the intra-EU mobility of labour force**

The EU publishes a report on Intra-EU labour mobility on a yearly basis and the latest published one for this thesis is the 2021 Report that has been published in 2022. Therefore, this report also includes results from the time of COVID-19 pandemic as the report's data is based on years 2019-2020. (European Commission 2022c.)

In 2022, more than 15 million EU citizens are in other EU countries and exercising their right of free movement, either to live or to work in another EU Member State (European Commission 13 December 2022). In 2020, Romanian citizens were the largest individual group of all EU movers equalling to 24%. The next biggest groups were Italians (11%), Polish (11%), Portuguese (7%), Croatians (5%), Bulgarians (5%) and German, French, Greek and Spanish movers with around 4% each. (European Commission 2022c, 33.) Finland had around 73,000 EU/EFTA movers aged 20-64 who had moved to the country either to live or to work in 2020. (European Commission 2022c, Figure 3.)

The EU conducted a study in 2022 concerning intra-EU labour mobility after the COVID-19 pandemic. According to the Special Eurobarometer 528 conducted in 2022, 39% of the Finnish survey respondents have said that they would be ready to move abroad somewhere else in the EU to work. In the whole EU-27, 18% of the respondents said that they would see themselves working



abroad in the future. Nevertheless, 58% of respondents, so a majority of Europeans perceive labour mobility as a positive thing. (European Commission December 2022.)

### **2.9.1 Mobility by profession groups of labour force**

The largest sectors of employment where intra-EU mobility happens within the whole Union are manufacturing, wholesale and retail trade and construction. In 2020, 10% or more movers worked in each of these sectors. Other important sectors that had 5-10% each of EU movers are healthcare and social services, hospitality, administrative and support services and transport and storage. The sectors where EU workers were overrepresented compared to nationals are sectors such as construction, hospitality, administrative and support services and activities of households as employers. Sectors where the EU workers were underrepresented were the public service sector and agriculture. Generally, the EU-27 movers were overrepresented in occupations that were in the lowest skill level groups compared to nationals. (European Commission 2022c, 71–73.)

### **2.9.2 Mobility by educational background of labour force**

In 2020, 35% of the EU-27 movers had attained a degree in a tertiary level educational institution. 40% had an upper secondary or post-secondary educational background. 26 % of the movers had an educational background only in early childhood education, primary or lower secondary education. It was explained in the report that the share of highly educated was similar than the national citizens, but the share of movers with a low educational level was higher than nationals. The report also entailed that in the years from 2016 to 2020, the percentage of movers with high educational background has steadily increased from 30% in 2016 to 35% in 2020, whilst people with medium-level background has decreased from 43% to 40% and movers with low-level background had decreased from 27% to 26% in the years respectively. (European Commission 2022c, 79–80.)

## **2.10 Additional legislative measures concerning the labour mobility in the EU**

This sub-chapter will examine the several other legislative measures that have been set up by the European Union concerning the labour mobility within the Union's territory.

The European Pillar of Social Rights is an initiative set by the European Parliament, the Council of the European Union and the European Commission in 2017 at the Gothenburg Summit. The pillar sets out 20 key principles that aims to guide towards a strong and social Europe, which is ready to function in the 21<sup>st</sup> century with more opportunities in a fair and inclusive manner. For the European Pillar of Social Rights, an action plan has been created, the European Pillar of Social Rights Action Plan, which sets out concrete actions for the principles of the pillar. (European

Commission s.a.) Intra-EU labour mobility has been mentioned as a key action for the execution of the pillar (European Commission 13 December 2022).

The free movement of workers has also been codified under the Regulation 492/2011/EU on the right of EU workers to move within the EU, which updated and codified earlier legislation on the EU citizens' right to move freely and to work in another EU Member State. It specifies on the equal treatment between the nationals and other EU workers and bans all discrimination on employment and work terms, like access to employment, working conditions and access to training. (Regulation on Freedom of Movement for Workers within the Union 492/2011/EU.)

The Regulation 492/2011/EU also stipulates some social rights for the workers as the worker in another EU country is entitled to the same social and tax advantages as nationals of the host EU country. It also regulates that the worker has the right the housing benefits in the same conditions as nationals and may register on a housing list. The regulation also recognises the language requirements of jobs in the manner that any language requirement has to be reasonable and necessary for the job in question. (Regulation on Freedom of Movement for Workers within the Union 492/2011/EU.)

In 2004, the Directive 38/2004/EC laid down the conditions for the right of free movement and residence within the Union for both temporary and permanent purposes for the EU citizens. This Directive also acknowledged the family members, which functioned as the major change. The Directive stipulated that the right to stay in another EU state is three months without any condition. After three months, the EU citizen has to register themselves with the local authorities and they have the right to stay in case they are employed, self-employed or for instance are students. The Directive also amended family reunification to include registered partners if the host Member State's legislation acknowledges registered partnerships to be equal to marriage. (Directive on the Right of Citizens of the Union and Their Family Members to Move and Reside Freely within the Territory of the Member States 38/2004/EC.)

In order to make the intra-EU labour mobility process more efficient, the EU has set up a Directive that establishes a system for the mutual recognition of professional qualifications for the EU area and it also extends to EEA and EFTA countries and to Switzerland. The Directive aims to ease the access to labour markets for the citizens, when applying to jobs in other EU Member States. (Directive on the Recognition of Professional Qualifications 36/2005/EC.)

In 2019, the EU has also set up the European Labour Authority (ELA). It is a body that safeguards the fair labour mobility across the EU and supports the coordination of social security systems. The ELA brings together several tasks of existing EU bodies, including the EURES European

Coordination office, the technical committee on the free movement of workers, the Committee of Experts on the Posting of Workers and the European platform of tackling undeclared work. The ELA is also part of the European Pillar of Social Rights. The ELA aims to ensure a better access concerning information on rights, obligations and services referring to labour mobility across the EU. It is also a body that helps the Member States to cooperate better on enforcing the related laws. (Regulation on Establishing a European Labour Authority 492/2011/EU.)

Europass is an online, free-of charge platform to provide job seekers tools to create a standardised documents such as CVs for job applications that are mutually recognised all over EU. The platform also provides information on for instance different learning opportunities, the different qualifications and their frameworks and mutual recognition practices in different countries. Europass was initiated and still developed by the European Commission already in 2004 by the Decision No 2241/2004/EC and latest updated by Decision (EU) 2018/646. (Decision on a Common Framework for the Provision of Better services for Skills and Qualifications (Europass) 646/2016/EU.)

### **3 Research Methods**

This chapter describes the research methods and data collection methods utilised in this thesis. The aim is to provide an overview of the chosen research study methods and the motivation behind these choices.

Additionally, this chapter presents the data collection methods that were used for answering the research questions. Lastly, it goes through the data analysis methods that were selected in order to formulate research findings and support the discussion.

#### **3.1 Research Design**

This thesis follows the multi-method qualitative study method, as the thesis bases heavily itself on data that is already pre-existing data. This thesis is a research thesis, which is modelled as a semi-desktop thesis. Additionally, this desktop-thesis will analyse data through interviews that take place related to the research and investigative questions. Therefore, this thesis is conducted with the descriptive research. (Saunders & al. 2019, 179.)

As the thesis topic does not have an emphasis on statistical research, this thesis will be using the qualitative methods as a method for research. The context of the thesis is collected from words and images and can be interpreted in several ways. This thesis does follow the qualitative research methods, rather than the quantitative research methods. Therefore, this thesis has been done by qualitative research with using in-depth selected interviews from different stakeholders close to the thesis subject-related area. (Saunders & al. 2019, 179.)

#### **3.2 Data Collection**

The main sources for acquiring primary data for this thesis is collected from different books, articles, reports, legislation from national and European level, government papers and studies on the area and other available online data. Additionally, the thesis gathers information from interviews as another source of primary data.

In order to understand the people's personal experiences with the topic of the thesis and to receive new information for the topic that is not in the written form of legislation or reports, interviews were conducted and they had to be done in a qualitative form, non-standardised nature. The interviews were conducted as semi-structured interviews, where ready-set questions were presented to the interviewee in order to guide the interview to receive the needed primary data. However, the interviews were kept as free to discuss and flexible as possible in order to allow the interviewees express everything they had on their mind about the topic. (Saunders & al. 2019, 437.)

Due to the differences in their backgrounds, the interviews were personalised to each interviewee, according to the needs of the thesis and what was wanted to achieve from the responses of the interviewed people. As aforementioned, interviews were conducted in a semi-structured format and an advisable guide was prepared for them and is attached in the Appendices of this Thesis as the Appendix 1.

For the sake of full anonymity purposes of the participants of the interviews, this thesis uses pronouns 'they/them' when referring to the interviews in order to safeguard the anonymity. Doing this will also ensure that it is not able to distinguish the people of the interviews from their responses based on their sex or gender. (Saunders & al. 2019, 257.)

For the analysis of this thesis, four different stakeholders have been interviewed who have a relevance for this thesis topic. There are three representatives that are either from the public authorities' side or business side and one person representing the people, who has gone over the process of recruitment as a job seeker through EURES.

Below are the three representatives from the public authorities' side and business side:

- Interviewee A works as an advisor for the national government and has an extensive experience related to employment affairs and EURES.
- Interviewee B works as a specialist for governmental business services and advise businesses in their employment issues related to recruitment of workers.
- Interviewee C works as an infrastructure and construction consultant in Finland on a management level and works closely with a few projects that employ foreign workers regularly.

Lastly, it was important to receive an aspect from someone who had gone through the EURES process as a job seeker for this thesis. Interviewee D had gone through an employment process through EURES. Interviewee D is from Greece and has graduated from nursing. Before starting the job seeking process through EURES, Interviewee D was working in two employment positions in Greece with unstable working hours and income was varying due to two jobs. They also aspired to move abroad for a long time and through employment, it felt the most secured and stable option to do such a change. According to the definition of job seeker, the Interviewee D was not a job seeker back in their own home country Greece, as they were actually employed. They came to Finland in 2013 after a successful process of recruitment through EURES.

### **3.3 Data Analysis**

This subchapter presents the data analysis process of the data collected in the interviews. All of the interviews were conducted as interviews through video-calling or in-person meetings during

March, April and May 2023. One of the meetings happened through Microsoft Teams and one of the meetings happened through Zoom, as these applications have a possibility for a recording functionality. The participation for this study was fully voluntary for the interviewed people. Recording functionality was used once and with a permission from the interviewee. Two of the interviews took place through in-person meetings. In one meeting, voice recording functionality was used in order to help the data analysis process. The voice recording functionality was used with the permission from the interviewee.

After each of the interview was conducted, the author organised the notes that was made, organised and transcribed the interviews and piled all the information of each interview together, before starting to analyse the information to the thesis. Additionally, the written data from the pre-existing books, articles, reports, legislation from national and European level, government papers and studies on the area and other available online data were analysed together with the interviews.

This study also followed the principle of thematic analysis for content analysis, which suited the best for this thesis as it gives the foundation and flexibility to analyse different sets of qualitative data, large or smaller portions. The thesis has been relying on an interpretivist way of data examination and thematic analysis gives the possibility to use this analysis style to understand the discussion. (Saunders & al. 2019, 651.)

## **4 Research findings and discussion**

In this chapter, the author analyses the conducted research for this thesis, which includes the theoretical desktop study and the interviews conducted for this thesis as a part of the multi-method qualitative research. The aim of this analysis is to formulate the research findings and consequently discuss its key elements. The chapter is divided into three sub-chapters: tackling the employment mismatch problem in Finland (4.1), the role of EURES in acquiring labour force from the EU area to Finland (4.2) and raising awareness on EURES for further increase of future operations (4.3) that will result in a thorough description of the research question of this thesis.

### **4.1 Tackling the employment mismatch problem in Finland**

For the first investigative question, the aim was to investigate how the employment mismatch problem is tackled in Finland and what kind of tools are used for this. Additionally, the question also gives the chance to discuss on the employment mismatch further.

The employment mismatch problem in Finland is a sum of many issues at once. The people and jobs do not match with each other, and there are many reasons for it; starting from structural problems and aspects related to it, education, skills, regional mobility and work productivity. (Pehkonen & al. 2018, 74.) The employment mismatch problem has been recognised as a significant issue at the national governmental level. Interviewee A voiced that the usage of international recruitment from abroad as whole to tackle the employment mismatch problem is nevertheless in a small role at the governmental level. However, the current political discussions are raising the issue more to the public knowledge and thus will also make the Ministry of Economic Affairs and Employment to take it into a deeper consideration.

There are a few programmes addressing international recruitment that are being used to tackle the employment mismatch problem in Finland. Interviewee A mentioned EURES as a tool for recruitment from the EU Member States, but also mentioned Business Finland and Work in Finland -institutions, which have more permanent and established international recruitment programmes targeted mostly at countries outside the EU.

When looking on the statistics that over 15 million EU citizens are exercising their right on working and living in another EU Member State (European Commission 13 December 2022), we can see that there is a huge potential to be used in the EU citizens already to become workers in Finland to fill up the vacant spots. The European Union is also doing a lot of legislation which supports and equalises the employment rights for the workers within the Union territory. Additionally, the EU is

targeting the intra-EU labour mobility and enhancing the legislation concerning the matter on a regular basis.

The Finnish businesses do not acquire enough competent and capable workforce, which complicates their development, growth and innovation capabilities. However as according to Interviewee B, the employment mismatch problem is concentrated to specific business sectors. This touches upon high number of companies. Interviewee B also stated that businesses may not have enough of sufficient information and knowhow for employing foreign workforce, and it is not seen as a sensible option for recruitment. The processes of getting into the recruitment and employing foreign workers therefore seem distant and the do not want to start the processes even if they may know the services for it.

Some specific occupations and business sectors foreign work force is needed as Finland does not even have such workers. For instance, the nuclear power plant Olkiluoto 3 in Eurajoki, Finland came into full use earlier this year and the project had to use many foreign engineers in the development and construction process of the nuclear power plant. Interviewee B mentioned that several occupation groups already have a lot of foreign workers, and they consist most of the employees already in the field, for instance the berry pickers. They usually are originated from countries outside of the EU. As mentioned in the results of the Labour Market Roadtrip -project, international recruitment on a public funded basis should be targeted to these expert areas in order to receive the best result (Government of Finland 16 January 2023).

There are also occupational groups that would require a lot more foreign workers already, but have not managed to acquire enough or any. These areas of business sectors are the healthcare and social sector and the technology sector. In the healthcare and social sector, there are several projects already targeting at the employment mismatch, where the job seekers learn Finnish and substance knowledge already at their country of origin in order to be employed in Finland. In technology sector, there may be workers who may physically be located somewhere else in the world, even though their work may be located in Finland as the work does not require them to be here.

Another occupation group that Interviewee B mentioned is the welders, which is a occupation that may be easier to acquire to Finland from other EU countries like the Baltic States, compared to other occupation groups. The Interviewee B brought up a case, which was in the media recently, where a company called Skoda Transtech has a factory in Kajaani, Finland where they produce different kind of low-floor trams and railway rolling stock, and they have a need for welders. Skoda Transtech and their recruitment partners have started an on-site recruitment and testing process



for welders in Philippines in order to get more competent and capable workers. (Rigatelli 6 February 2023.)

The usage of foreign workers within the infrastructure and construction fields in Finland, especially in the Southern Finland. Interviewee C explained that mostly the foreign workers in different projects that the interviewee has taken part of in Finland are intra-EU workers from Baltic States, Poland and other Eastern European countries, like Ukraine. In many cases, the foreign workers come through sub-contractors that are either Finnish-based but run by foreigners. For instance, in a project the Interviewee C is taking part at the moment, the employers offered help for their Ukrainian workers to reunify with their families and assist getting their family members to Finland due to the on-going Russian invasion in Ukraine. This was also re-assured by Interviewee A, who noted that when the family is also brought in together with the worker, there is a higher probability that the relocation for a job to Finland will then be a more permanent one.

Many of the different construction projects would not have been executed without the foreign labour force as there is not enough Finnish specialists in construction and the specialised Finnish workers are very selective in terms of their work and worksites. Interviewee C stated that it is cheaper to use foreign labour force than the Finnish labour force in the construction projects and therefore foreign contractors are often used. However, the foreign labour force is used due to the availability of it, rather than direct labour costs.

There are several challenges, when it comes to operation of the construction sites and the workers with the diverse backgrounds and language skills. Differences in work safety regulations and normal operational work culture and language barriers complicate the operation of construction sites in Finland. For instance, Interviewee C explained that all of the information related to the rules and regulations of the operational side has to be done in several languages at the construction sites and picture-based instructions are common too in the construction sector. Using billboards with illustrations and practical information in several languages is a common practice at multicultural construction sites. These are usually also part of the social responsibility and transparency rules of companies. The Interviewee B raised a point in the interview that if companies start developing their internal processes of employment and handling the sub-processes of it, such as the on-boarding processes, using the foreign workforce would be an easier way of filling the deficit of competent and capable labour in the companies.

Lastly, according to Interviewee C, using foreign labour force is not a problem in the construction sector, as long as the quality of the work and finished products are on a good level and that the work happens safely. Their biggest concern was whether the Finnish management level has all the required competences to evaluate the work quality of the (foreign) workers.

## 4.2 The role of EURES in acquiring labour force from the EU area to Finland

For the second investigative question, the aim was to investigate how effective EURES is as a tool for acquiring labour force to Finland from elsewhere of the EU through the interviews. Additionally, the question also gives the chance to discuss the current and future role of EURES as a tool for the intra-EU labour mobility.

When posed a question on data of arriving labour force through EURES to Interviewee A, it was said that there are no data on a national level for this, but there may be data on a national level. They also stated that there are currently no exact numbers on how many people have actually come to Finland through EURES. As a definitely positive aspect of EURES and intra-EU labour mobility, they mentioned that no risks of intermediate establishments who may collect fares from the job seekers are possessed like with recruitment from the third country nationals may prevail, as the cooperation between the national offices is tight and legislation are harmonised within the EU.

Within the discussion of how the EURES is managed within Finland with Interviewee A, it came up that the foreign counter partners of other national offices of EURES are in tied up with the transfer of the job seekers closely and follow up their situation.

A point on the geographical positioning and the geographical size of Finland was raised during the interview with Interviewee B. The workers may not be located in the same place where the jobs are, and this is one of the difficulties that the big geographical size of Finland sets. This also brings the seasonality of employment in question in some jobs as the winter seasons are longer in Lapland and summer seasons in Southern Finland.

However, it has to be noted that for many occupation groups the labour migration from Southern Europe to Finland seems unlikely as there is a language barrier with the Finnish language being a rather hard one to learn and the countries of origin are also

One of the solutions to labour mobility would be the cross-border working, where the geographical locations either of the jobs and/or the employee allows this to happen. Cross-border working may be easier in Central Europe, where moving from one country to another is typically easier than in Finland, where the Baltic Sea goes around most of Finland. Therefore, Interviewee B mentioned that the geographical positioning of Finland within the EU sets challenges in the area of labour mobility.

The Interviewee B also reminded that cross-border working does already happen in the northern part of Finland, Lapland, where workers may live in Finland but work in Sweden or in Norway. The geographical difficulties of Finland set a certain frame of how the intra-EU mobility and cross-

border working can be talked about publicly and therefore, it may not be a favourable topic to discuss on a public platform or as a solution within the public employment services.

For this thesis, it was vital to have a job seeker's view, who has come to Finland through EURES. Interviewee D applied through EURES to a company in Finland that had a job post for nurses in the EURES job portal. As this process happened in 2013, the Interviewee D took part in the Your First EURES Job (YFEJ) -programme that was the prevailing programme at the time. For them, the YFEJ -programme provided a grant to help with the financial situation that the move from another EU state to another may cause, for instance to help with the costs related with moving and settling to Finland.

### **4.3 Raising awareness on EURES for further increase of future operations**

For the third investigative question, the aim was to examine on the future prospects of EURES. Additionally, the question also dives into its operations in the future and ways to raising awareness on EURES within the whole Union.

In terms of intra-EU labour mobility and EURES, Interviewee B mentioned that the youth people in Finland, which consists of everyone under 39 years old according to the Finnish law on youth, are in a key role. On many occasions, Finland usually targets labour mobility with the terms of an employment area. In other words, how people move from an employment area to another in within one area. For instance from Uusimaa region to Pirkanmaa region or within Western Uusimaa: from Espoo to Lohja. The interviewee B brought up in the interview that the stakeholders in the public sector do not bring up labour mobility from the EU or abroad, or in the context of EURES, that how Finland is a part of a greater employment area of the whole EU. The Finnish youth is very competent and have good language skills and they could easily be used as a study case for the labour mobility within the EU as mostly employment contracts are short-term based, and youth would be more proponent to take such positions.

More actions from the international recruitment services and EURES to work with youth was hoped by the Interviewee B. Youth should be take up opportunities abroad to learn more and use those experiences then in the working life and culture in Finland after. It was also noted that the Finnish job market should be more supportive of taking the advantage of these skilled people who either come back to Finland or are newcomers to Finland with their learned skillset from abroad. It was also discussed that the Finnish employment market and businesses should be more adjusting and supportive for the competent European labour force, who come here for a fixed period of time even with their family and then leave, either back to their home country or another mission in another EU Member State.

Moreover, the employment authorities currently fail to take advantage of people who might be or have indicated that they are interested moving abroad from Finland as they are forced to make everything for the people to be employed within their employment area (e.g. Uusimaa Employment Services providing support in their own area).

At the time of studying, the Interviewee D was introduced to EURES through their professor, who had got to know with EURES through previous students, who were interested in being employed abroad. In 2013, EURES as a method of recruitment was not a known process in Greece as the Interviewee D were surprised to hear about this method for finding an employment abroad. They mentioned that this same kind of surprise has occurred a several times when conversating to people about the relocation to Finland and how they have ended up in Finland.

The interviewee D told many times that even though they were very happy with the EURES programme and the YFEJ -programme's financial aid, the practical help when arriving to Finland and also in the Greek's end on practical help with filling all the information to the portal were completely lacking.

One of the problems she experienced when moving to Finland was mutual recognition of the degrees and all other certifications that it brought for Interviewee D. For instance, in order to have a right to practice the profession as nurse in Finland, one has to be a registered and licensed official nurse through the Valvira registry on professionals having the right to practice healthcare profession in Finland (Valvira 30 November 2022). By discussing this point, a question arises on whether the mutual recognition of degrees in the EU is properly truly executed in all sectors and countries in the Union or are there dissimilarities?

The registration to the registry of right to practice also has a cost, and this was an example of the different extra costs that the Interviewee D had to pay themselves. In this instance, Valvira recognises the degrees done in another EU/EEA Member State, but requires a certification of language proficiency in either Finnish or Swedish as language skills in the domestic languages of Finland is vital in order to practice the profession in the healthcare sector (Valvira 14 December 2022).

All in all, the interviewee D expressed many times that they were very appreciative of the EURES and YFEJ-programme in particular and the financial aid received through the programme, but they would have desired more help in the practical hurdles with the bureaucracy and other steps, when moving to Finland.

When it comes to possible future job opportunities, the Interviewee D may use EURES again, but most likely they would not as the financial aid is not so easily attainable for them through EURES.

In case of relocating abroad again and finding another job, they mentioned of using LinkedIn as a method of recruitment and job seeking.

Lastly, as it has been mentioned in the Theoretical Framework, the TE Services will be moving to municipalities from January 2025 onwards. (Ministry of Economic Affairs and Employment of Finland 23 March 2023.) When discussing with Interviewee A about the transfer, it was raised that some TE Services regions as a whole may have only two EURES Specialists and thus it would be counterproductive if all new municipal employment areas will create a post for EURES. In hindsight, the transfer to municipalities possesses a risk for the EURES programme for being overlooked and the function will not work. However, the interviewee A expressed the wish and was hopeful that the future of TE Services and EURES with the move to the municipalities will bring more help to the practical steps of the relocation of the job seekers from abroad to Finland.

## **5 Conclusions**

At the time of writing this thesis, the political climate in Finland has been very active, when it comes to the labour immigration, as the outgoing Marin government has been active on this front, but the government formation talks after the April 2023 Parliamentary Elections in Finland has shown that the parties participating to the talks have very varying different views for labour immigration from positive to negative. Thus, the new government may have very different view to labour immigration.

The last part of this thesis, the conclusions -part will roll around and hopes to address these following questions: What is the future of employment mismatch problem in Finland?, What is the future role of the public employment services in Finland? Is there a need for EURES in the future? and What will be the future role of intra-EU labour mobility?

### **5.1 The future of the employment mismatch problem in Finland**

The types of employment relationships have changed over time. Not only in terms of full-time vs part-time employment or short-term vs long-term employment relationships, but also the whole discussion around distant work vs work in the office that occurred strongly in the COVID-19 pandemic. In the bigger picture, the whole working life is going through big changes at the moment. Therefore, job seekers are also uncertain on what kind of jobs they are applying for, and the needs of the employer might not match with the wishes of the job seekers.

It is hard to predict the future of the employment mismatch problem in Finland. Labour migration is only one tool to tackle the problem as the Finnish labour force and population in general is aging and the birth level of the population is decreasing constantly. Some tools to prevent the employment mismatch problem would be to fasten the process of re-education and retraining of the labour force from occupational groups that have a surplus and unemployed job seekers in particular to match the available jobs in the labour market. (Government of Finland 16 January 2023.)

### **5.2 The future role of the public employment services in Finland**

The understanding of the customer's real needs at the Finnish public employment services as a whole may be disregarded without the sufficient look into the big picture as a whole. The job seekers willingness to go abroad and seek a job as an intra-EU labour force is forgotten. The reason behind all this may be the very narrow view on employment areas, being more local than the possibility of the international employment area and the public discussion currently rolls around the local employment areas. A change to this may not be in the near future, as the TE Services changing to municipalities may counter-productively create even smaller employment areas as the

municipalities are responsible to create and possibly cooperate with other municipalities in order to create a functional employment area.

The EU has some examples on bigger cross-border working areas, for instance the 212,000 cross-border workers come into Luxembourg from Germany, Belgium and France (Rao 23 July 2022) or in the Meuse-Rhine Euregio, where cross-border working belongs to the area's daily life and developing the effectiveness and inclusiveness of the labour markets across borders is essential (Interreg Meuse-Rhine s.a).

Even in Finland, there would be a possibility to view the employment areas in a bigger picture and in some areas this exists already with cross-border working. For instance, in the Uusimaa region, there are a lot of construction workers that come from Estonia to work in Finland. Additionally, in the Finnish Lapland, many workers are working on the other side of the border, either in Sweden or Norway, mostly due to better salaries in the respective countries compared to Finland. All in all, these examples show that there could be a bigger emphasis in the public discussion on the look of the employment areas being an EU-wide employment area compared to the current look of local employment areas.

As brought up in the interviews too, there might be a lack of support for the incoming workers to Finland with their practical hurdles with the settling to a new country. When the TE Services and EURES will be also moved to municipalities, perhaps this could be seen as a point of improvement and a future take, when looking into the process development of EURES and the whole role of employment services at the municipalities in the future. Therefore, more attention should be paid for the practical hurdles of arriving labour migrants to Finland.

The need for public employment services will prevail in the future definitely. The changes that are currently happening in Finland's public employment structure and TE Services particularly by 2025 are raising several questions on the legal protection of customers, the service processes and ensuring the functioning employment market.

### **5.3 The need of EURES in the future**

When thinking about the future of EURES, one cannot help but think whether EURES is a recruitment method that has passed its expiry date in year 2023. Mostly talents who are seeking to leave abroad use LinkedIn or companies, who seek talents from international pools use external recruitment agencies and LinkedIn.

As it was discussed in the interviews, when it comes to possible future job opportunities, the Interviewee D may use EURES again, but most likely they would not as the financial aid is not so

easily attainable for them through EURES. In case of relocating abroad again and finding another job, they mentioned of using LinkedIn as a method of recruitment and job seeking.

Therefore from the job seekers' point of view, EURES might still seem a distant way to pursue their job seeking. Mostly highly educated people, who are already established workers in their own countries will be recruited through LinkedIn as it is another service that has allowed people to post their CVs online and it is a predominantly a social media platform for working people. Companies that are active in LinkedIn are usually recruiting firms who 'hunt' talent for a client company through the platform. On the other hand, EURES is a tool managed by public authorities that helps particularly SMEs to find job seekers, as the service does not cost anything for the employers or employees. However, the EURES CV platform is still popular among employers and job seekers as over 3 million jobs were posted there in March 2023 from all over the continent in multiple different fields (European Commission 27 March 2023b).

EURES does not achieve its full potential as its quite unknown in the bigger picture. Newer platforms such as the US-created LinkedIn has already overshadowed EURES, as companies are outsourcing (international) recruitment to external recruiters, who use LinkedIn as a tool to find the suitable people to work in their client companies. However, EURES is a useful tool as it is now, definitely for the SMEs, which do not have the funds to use an external recruiter for acquiring talent to their companies. The public employment services within the EU should start raising awareness of EURES vastly, and it should definitely be targeted at the job seekers, but also to the businesses.

The need for EURES will stay in the future too, especially among the SMEs who do not have the funds to start recruitment processes through external recruitment offices. However, unless updating the interface and usability of the system and raising awareness of the systems of EURES to both job seekers and businesses on the Finnish national level or on European level as a whole is done, EURES may become a forgotten tool for international recruitment.

#### **5.4 Future role of intra-EU labour mobility**

There is definitely a need for intra-EU labour mobility in Finland and elsewhere in the Union. However, there might be an easier way of tackling the employment mismatch problem with labour migration from third countries as other EU countries are also suffering from lack of labour force in some professional fields.

As it was noted in the interviews, when the worker's family is also brought in together with the worker to Finland, there is a higher probability that the relocation for a job to Finland will then be a more permanent life change and the whole family may commit on a stronger basis to integration.



Therefore, intra-EU labour mobility will be targeting itself to niche specialists moving to another country, like in the case of construction of the Olkiluoto 3 nuclear power plant in Eurajoki, Finland and their specialist engineers or cross-border working, where the employment area is easier to reach for the worker.

There is a need for more public discussion on intra-EU labour mobility and also in the international recruitment from third countries as the need for it was also raised up in all of the interviews. However, is there a risk that the richer and smaller EU Member States will be receiving most of highly educated talents and largest countries receiving a lot of the lower educated people? This is the case certainly and we can see this already happening. However, the bigger Member States do attract a lot of the highly educated talents as well and mostly they are then recruited from the smaller and richer EU Member States, for instance from talents moving from Finland to Germany.

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## Appendices

### Appendix 1. Interview Questions

#### Interviewee A:

1. How is EURES managed in Finland?
2. How do the public employment services of Finland ease the labour market mismatch of businesses in terms of the labour force?
3. What does the Finnish public employment services do to prevent the employment mismatch problem?
4. Do you have access to statistics or data that shows how much labour force have been acquired to Finland through EURES? Are there also data related to particular occupation groups and their levels of employment in Finland?
5. How do you see EURES as a tool for permanent employment in Finland?
6. What will be the role of EURES after the move of TE Services to municipalities from the beginning of 2025 onwards?

#### Interviewee B:

1. How does the need of foreign labour force appear for the different businesses and companies in Finland?
2. How do you see the relevance of EURES and Intra-EU labour migration for the different businesses and companies in Finland?

#### Interviewee C:

1. How does the need of foreign labour force appear for the projects your company is involved with?
2. What are the main reasons why foreign labour force would be used?
3. What kind of hurdles have appeared in the projects when using foreign labour force?

#### Interviewee D:

1. How did your recruitment process through EURES go?
2. What did you hope that would have been different during the process of recruitment through EURES?
3. In the case of a new relocation to another country, would you seek employment again through EURES?