VIEWPOINT

Attracting High Skilled Individuals in the EU: The Finnish Experience

Andrej Přívara1, Eva Rievajová2, Adina Barbulescu3

Abstract

The ageing population, demographic change and a lack of skilled labour in the EU are increasingly provoking governments to apply direct measures to aggressively recruit economic migrants, particularly high skilled individuals (HSIs). As most countries in the EU face similar challenges, attracting HSIs from the third countries are predominantly vital. One of the EU-wide programs to attract skilled professionals is the Blue Card program, which was introduced in 2009 as part of the European Council Directive to focus on highly qualified employment, aimed at making Europe an appropriate host region for qualified workers from the non-EU countries. The EU Blue Card programme is adopted by 25 EU member states, apart from Ireland, Denmark and the United Kingdom. In this article, we discussed underlying features of the EU Blue Card program with a particular focus on the Finnish experience as one of the most successful the EU countries in attracting and retaining talent and HSIs.

Keywords: migration; high skilled individuals; HSIs; EU Blue Card program; Finland.

Introduction

Along with globalisation, the intensity of migration of people has grown, and economic activity has become progressively interrelated. Since society is becoming more and more knowledge-based, countries’ demand for high skilled individuals (HSIs) is increasing as they drive development and innovation, thus enabling nations to position themselves effectively in the competitive global environment. In light of population ageing and skill scarcities, attracting HSIs has become a vital task of all the countries (Filipeč & Vargová, 2019; Rehák, 2018; Ueki & Guaita Martinez, 2019). Demographic change and a lack of skilled labour in the EU have been increasingly provoking governments into applying direct measures to recruit economic migrants, particularly HSIs, in an ardent manner. As most countries in the EU face similar challenges, HSIs from third countries are essential.

According to the European Commission Study on the movement of skilled labour 2018 (European Commission, 2018), high skill migration in the EU was growing faster than low skilled

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(Rehák, 2018; Pešek & Kraft, 2019). This trend is accompanied by adverse labour market issues, such as disadvantages faced by immigrants, overeducation and qualification recognition across borders (Přívara, 2019; Přívara et al., 2019; Sirkeci et al., 2018).

In view of the labour market challenges involving labour shortages, technological changes and demand for special skills, the EU has progressively viewed migration as a means to address these issues. According to the OECD, the EU hosts more migrant population than any other single OECD destination, with more than two million permanent-type migration flows to EU countries being reported in 2016. While one in three were new migrants to the EU, third-country nationals represented only about 4% of the whole EU working-age population between the ages of 15 and 64 (OECD, 2018a; Soon, 2018).

In 2016, employers in the EU reported the highest talent shortage since 2007. In Greece, around 59% of companies reported problems in filling skilled positions, followed by 49% in Germany, 45% in Poland and 40% in Austria. Clearly, the domestic labour force in some countries is not adequate to ensure the skill base. Countries are aiming to attract HSIs to fight growing skill shortages in the short and medium term (Danaj, Lazányi, & Bilan, 2018; Martina Burmann, Maria Hofbauer Pérez, Vanessa Hoffmann, Carla Rhode and Sebastian Schworm1, 2018; Strielkowski, Rausser, Bilan, & Tsevukh, 2018). In the current article, we explore underlying features of the EU Blue Card programme, with a focus on Finland’s experience as one of the most successful EU countries in terms of attracting and maintaining talent and HSIs. In the following section, we outline the basic requirements of the EU Blue Card Programme and point out its strengths and weaknesses. In the subsequent section, we discuss the Finnish experience in developing such programmes for talent and HSIs. Finally, we conclude with some proposals for further avenues of research.

The EU Blue Card Programme

Basic requirements

One of the most widely adopted EU-wide initiatives to attract skilled professionals is the Blue Card programme. It was introduced in 2009 as part of the European Council Directive to focus on highly qualified employment, aimed at making Europe an attractive host region for qualified workers from non-EU countries. The EU Blue Card is acknowledged and applied by 25 EU member states, with the exceptions amongst the union being Ireland, Denmark and the United Kingdom.

A principal requirement for applying to the Blue Card programme is a contract of employment of at least one year’s duration. Other requirements vary depending on the destination country, particular, they include qualification certificates and verifiable work experience (Malec & Kiráľová, 2018; Pisár, Huňady, & Ľapinová, 2018). Regarding which, Slovak requirements include professional qualifications from a reputable university and a salary of at least 1.5 times the average wage in the relevant field (International Organization for Migration, Migration Information Centre, 2019). Germany’s EU Blue Card eligibility criteria, in addition to a one-year contract, require at least five years experience in a relevant field and an annual gross salary of at least EUR 53,000. There is a lower threshold of at least EUR 41,808 for medical workers, engineers, technicians, mathematicians and natural scientists (Visaguide, 2020). The shortest validity period of 12 months is in Bulgaria, Lithuania, Portugal, Spain, Cyprus and Malta, whilst in Latvia is 60 months. The member states issuing relatively high shares of EU Blue Cards vary in their validity periods from 24 to 48 months. The processing fees differ across the member states from 50 Euros in Cyprus to 881 Euros in the Netherlands (European Commission, 2020).
When analyzing the attractiveness of the EU Blue card programme, it should be noted that there are important benefits for professionals from third countries. First, in accordance with the European Directive (Euro Commission, 2009), EU Blue Card holders must be treated equitably to the national population from the point of social legislation and employment law. Second, professionals from those countries can enjoy some rights once the residence permit has been approved in terms of free movement within the EU, permanent residence status, employment and family reunification. As far as family reunification is concerned, the directive allows close family members to live and work in the member state where the EU Blue Card holder is registered. Residence permits for family members must be issued at least six months after the application for family reunification has been submitted. However, concerning employment, EU Blue Card holders are not granted the right to be self-employed during the first two years of residence. If there is a change in employment, the national authorities will need to issue official permission throughout this term. After at least 18 months of working and living in a member state, EU Blue Card holders and their families are granted the right to move to another member state for working purposes in cases where the criteria for the qualified profession in the second member are satisfied (Boxall et al., 2019; Haindorfer, 2020; Verwiebe et al., 2017; Yu, 2019). A permanent residence permit can be acquired after five years of stable residence under EU Blue Card status. The holder must have been living and working in the member state in which the permanent residency application is submitted two years ahead of the term to obtain permanent residence status (OECD, 2018a).

It should be noted that the EU Blue Card programme is usually thwart with weighty bureaucracy, thus leaving individual immigrants and potential employers with long waits before the situation is remedied. Furthermore, there is also misinterpretation by some member state governments as to who is wanted in their labour markets. Only a particular group of people is targeted as the definition of “highly qualified” worker suggests in the Blue Card Directive. Criteria do not only cover the qualifications but also professional experience and a minimum wage requirement that differs between member states. Rather than welcoming the recent immigrants, many member states’ positions appear to have been prudent and distrustful (Boucher, 2019).

The intra-mobility component of the EU Blue Card programme was initially very important. The member states agreed on the option to move between the EU countries, i.e. after an 18-month period the cardholder would be eligible to move to another member state. However, intra-EU mobility is often impeded, because the admission conditions have to be complied with for the second member state, which can often include a restrictive national quota. The EU is not perceived as one European labor market. However, the perception of such a market could be accomplished in the future and for this, the promotion of intra-EU mobility could play a significant role.

The Blue Card Directive has set minimum standards specifying a common floor, but not a common ceiling. It should be noted that there are no common rules and the level of rights are not the same for the targeted HSIs, there many loopholes in the Directive for member states to introduce exceptions, as reflected in the administration of the Blue Card Directive in the national systems. That is, there is inconsistency in the national rules, which makes intra EU mobility difficult for many cardholders. In this regard, the question of value added of the Blue Card Programme arises. There has been substantial improvement in legal situation of third-country nationals in the EU due to the introduction of the Family Reunification and the Long-Term Residents’ Directives. However, any other value added by the Blue Card Directive is difficult to identify. In fact, the directive is not
the solution of present competition among national schemes in place. EU member states also have bilateral conventions with selected third countries, which contributes to a multi-layered system. Furthermore, the validity of the Blue Cards issued by the member states diverges considerably, from three months to four years. This adds further to the incompatibility concerns across the Union.

According to the Blue Card Directive, HSIs are entitled to a greater set of rights than other third-country workers, which raises questions around discrimination. It is not clear how privileged treatment based on higher education, professional skills and wage levels complies with the general principle of non-discrimination. The underlying reason for diversity lies in the sectoral approach followed by the EU. It is also become clear that no agreement could be achieved for a horizontal approach in EU labour migration that is relevant to all third-country nationals. The equal treatment for Blue Card holders is left to the discretion of member states issuing them in specific sectors. Finally, provision prescribing equal treatment regarding tax benefits and social assistance has been abandoned by Hungary, Germany and the Czech Republic.

**Finland’s experience in developing national policies for HSIs and talent**

In addition to supra-national policies, member states’ governments have introduced powerful direct national measures to engage HSIs. Since the EU Blue Card programme forms only a part of high skilled migration to the EU, this gives the opportunity to member states to attract additional such people and to distinguish themselves within the Community as being an attractive destination country. In the sections below, we take a closer look at Finland’s case, which has implemented variations on a points-system to manage migration flows. In Table 1 below, we lay out the policy measures of Finland regarding the attraction of HSIs.

**Table 1: HIS and talent attraction programmes in Finland**

<table>
<thead>
<tr>
<th>Policy measures</th>
<th>Targets</th>
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<tbody>
<tr>
<td>Introduction of Talent Boost Action Plan 2017 - 2019</td>
<td>Develop Finland’s country brand and the country’s ability to attract growth entrepreneurs and talent groups. Stimulating the recognition of Finland as well as Finnish cities and employers among international talent</td>
</tr>
<tr>
<td>- Government Integration Programme, 2016 - 2019; - Action Plan on Integration</td>
<td>Develop positive attitudes, non-discrimination and diversity management in cooperation with labour market organisations</td>
</tr>
<tr>
<td>National working life strategy, <em>Working Life 2020</em></td>
<td>Strengthen practices based on trust, mutual appreciation, openness and reciprocity in Finnish workplaces</td>
</tr>
<tr>
<td>Development of a system of ambassadors</td>
<td>Spread information about Finland</td>
</tr>
<tr>
<td>Business Finland Programme, January 1, 2018 and merged two of the main Team Finland actors: Finpro and Tekes</td>
<td>Support route to international networking for Finnish companies and attracting international investments to Finland, and through them talent and competence</td>
</tr>
</tbody>
</table>
Development of services

Settlement and integration, tax-related advice, offering services in English and in the other main languages spoken by migrant workers, and provision of international schools

Future Migration 2020 Strategy

To create an immigration policy that supports the building of an unprejudiced, safe and pluralistic Finland, one which also enhances Finland’s international competitiveness

Strong cooperation with NGOs

Assist interaction between population groups

Source: Developed by the authors based on the Ministry of the Interior (2018), Prime Minister's Office (2017), European Web Site on Integration – European Commission (European Commission, 2013)

Finland, as with other EU countries, is characterised by an ageing population and the necessity for HSIs there will increase in the future. The barrier most often encountered by foreigners is speaking Finland’s official languages (United Nations, Department of Economic and Social Affairs, & Population Division, 2020). However, according to the Global Talent Competitiveness Index 2019, Finland is among leaders of the EU member states, being ranked 4\textsuperscript{th} in terms of ability to attract and retain talent (Lanvin & Monteiro, 2019) (Figure 1, 2).

**Figure 1:** Ability to attract talent among EU member states

![Ability to attract talent among EU member states](source)

Source: Author, based on Global Talent Index 2019 (Lanvin & Monteiro, 2019)

Finnish law does not distinguish between a skilled or highly skilled migrants, and an exact definition of HSIs does not exist. Regarding skilled and HSIs, the law refers to those individuals who work in expert roles in middle or top management of a company or professionals with special
expertise (García, 2013). Finland’s biggest weakness as a country brand to attract talent and high skilled people is its location, climate and being perceived as “not-international”. The impression of being remote and depictions of vast empty spaces are not necessarily appealing. Images used for the promotion of tourism are not necessarily ideal for attracting talent and HSIs (OECD, 2018b). This is clear in the Figure 2, which shows that Finland comes among the top four of least successful EU countries when it comes to retaining talent.

**Figure 2:** Ability to retain talent among EU member states

![Figure 2](image)

Source: Author, based on the Global Talent Index 2019 (Lanvin & Monteiro, 2019)

The benefits of Finland in the competition for international talent comprise a safe and stable society, well-functioning public services, including an internationally recognised excellent education system, abundant cultural offerings, generous social welfare programmes, highly effective healthcare and universal children’s day care. Among other identified pull factors for Finland are its well ordered society, high levels of equality, clean living conditions, nearness to nature and proactive civic culture (Kushnirovich, 2019).

**Conclusions and discussion**

In our research, we considered the strengths and weaknesses of the EU Blue Card programme. Among the attractive benefits of the programme is equal treatment alongside the national population in terms of social legislation and employment law as well as the right to free movement within the EU, once the residence permit has been approved.

However, there are some issues regarding the EU Blue Programme implementation. In particular, the EU Blue Card program ignored the interests of the individual immigrants and businesses who still may have to face a slow and difficult bureaucracy. The requirements vary
considerably between member states that can be seen as an outcome of the distrustful positions adopted by member states whilst the Blue Card Directive was being drawn up.

The intra-mobility component of the EU Blue Card programme was initially considered to be important; however, it is not quite clear whether this feature attracts HSIs. In fact, in order to become mobile within the EU, the Blue Card holder needs to be “immobile” for some period. Intra-EU mobility can be easily impeded as the admission conditions have to be complied with other member states, which may also apply national quota.

On the assumption that the Blue Card scheme is continued, the aim of the programme should be emphasised again: the development of a flexible admission system that lets businesses and entities recruit workers in accordance with their needs. This flexible admission system may, however, not be applied at the cost of the rights of the individual, as an HSI system cannot place economic considerations above the rights and needs of migrants. A Blue Card Directive that is framed in accordance with a rights based approach protecting the interests of those persons to whom the measure applies, would increase the attractiveness of the Blue Card.

Our research of the Finland experience in attracting talents and HSIs has shown that programs aiming to attract talents appear to be effective, often combined by well-functioning public services, including internationally recognized education systems, other services such as social welfare, healthcare and children’s day care.

In this article, we have focused on the EU Blue Card programme and the Finnish experience in attracting talent. However, a further area of research lies in exploring the effects of EU efforts aimed at attracting students, particularly those pursuing higher level degrees. In accordance with the aims of the European Migration Network (European Migration Network, 2018) attracting students and highly skilled workers remains essential for the EU community. The community has sought to create a favourable and attractive environment for workers by reviewing the EU Blue Card and adopting a revamped Students and Researchers Directive (European Commission, 2019).

In recent years, the EU and its member states have been working on several broad strategies to boost the attractiveness of Europe’s higher education system. The most outstanding example at EU level, is the new students and researchers directive adopted in 2016 (Directive (EU) 2016/801) (European Commission, 2016), which particularly pursues developing and harmonising minimum legal standards for hosting and retaining international students. Some member states at the national level have developed new national strategies aimed at attracting students and many universities have improved their efforts to grow their international student cohort. Many governments have concluded bilateral and multilateral agreements with third countries, in order to enable the admission of the latter’s national students to the EU. Thus, future research can be devoted to exploring the quantitative and qualitative effects of the Directive.

It should also be mentioned that the workforce composition in multinational companies is a vital factor of HSI migration, however, is often underappreciated in the migration studies (Kerr, Kerr, & Lincoln, 2014). Many multinational companies require their executives to work abroad as a prerequisite for senior leadership positions. International companies, like General Electric, Siemens, IBM, Henkel and Lenovo typically have at least half of their employees employed outside of the country where their headquarters are located. Outstanding firms with immigrant chief executive officers are not limited to high-tech, such as Microsoft and Google, for they also include
many traditional firms, such as Clorox, Alcoa, Dow Chemical, McDonald’s, Pepsi, and Coca-Cola. Thus, the abovementioned factors affecting HSI destination decisions should be also investigated.

Additional important area warranting research pertains to the offshoring by non-English speaking countries their higher education abroad. Countries with established HSI programmes, in particular, Canada, the US, Australia have equally decentralised labor markets that are prone to promote open door policies. In contrast, new immigration countries without any clear HSI policies are characterised by relatively unorganised employers focusing on low-skilled workers, and lack of involvement by the state (Almosova, 2014; Cerna, 2014). The interest of non-English speaking countries, such as France and Germany, in offshoring their higher education abroad, often via the implementation of programmes in English, but with the strict goal of promoting their national languages, is important for attracting HSI in the future (Levatino, 2015).

References


OVEREDUCATED AND OVER HERE
SKILLED EU MIGRANTS IN BRITAIN

Having spent approximately half my life away from my home country, it is perhaps not surprising that I chose to examine the lives of others who made similar decisions. A culture of migration runs in the family. I have met many others who also left their home country’s shores. Whether these were academics from London or labourers from Lahore, my conversations with them made me reflect on and question my life choices and experiences. Why had we decided to leave one country and move to another? Was there something different about us compared to our peers who did not make such a move?

Bradley Saunders received his PhD from Loughborough University and currently works at Prince Mohammad Bin Fahd University, USA. He previously worked at University of Derby Online and Regent’s University London. Dr. Saunders’ academic interests include international management, globalisation, overeducation, EU migrant workers, self-selected expatriates, job transitions, an corporate expatriation and repatriation.

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