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Juho-Matti Paavola, Rune Rasmussen, Amanda Kinnunen

# Talent Attraction and Work-related Residence Permit Process Models in Comparison Countries

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<b>Tiivistelmä</b> <p>Tämä selvitys tarkastelee Suomen mahdollisuuksia houkutella kansainvälisiä osaajia kahdesta näkökulmasta. Selvityksen ensimmäinen osa nostaa esiin kuusi globaalia suuntausta, jotka muokkaavat kiihtyvää kilpailua osaajista. Näitä treندهjä ja niiden vaikutusta Suomelle tarkastellaan lähemmin yhdeksän innovatiivisen kansainvälisen tapaustutkimuksen kautta. Selvitys osoittaa, että Suomi voisi hyötyä kohdennetusta strategiasta, jossa tiettyjä osaajaryhmiä houkutellaan tarkasti kohdennetuilla toimilla. Myös kansainvälisiin osaamiskeskuksiin panostaminen sekä digitaalisen kapasiteetin parantaminen ovat keinoja edistää Suomen houkuttelevuutta.</p> <p>Selvityksen toisessa osassa Suomen työperäistä oleskelupa-järjestelmää vertaillaan Tanskan, Norjan, Ruotsin sekä Alankomaiden järjestelmiin. Vertailu osoittaa, että vaikka Suomella on hyvä perusta kansainvälisten osaajien houkuttelemiseen, sujuvampi ja tehokkaampi järjestelmä voisi tukea Suomen tavoitteita ja nostaa maan profiilia kansainvälisten osaajien keskuudessa. Selvityksen tulokset osoittavat, että erityisesti maahantulon sekä työn aloittamisen helpottaminen, työntajille roolin kasvattaminen sekä koko järjestelmän virtaviivaistaminen mm. digitalisaation sekä saatavuusharkintaan kohdistuvien muutoksien kautta ovat toimia, joiden avulla Suomi voisi parantaa järjestelmän tehokkuutta.</p>			
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<b>Referat</b> <p>Denna rapport syftar till att hitta nya sätt för att förbättra Finlands potential gällande attrahering av högkvalificerad arbetskraft. Rapporten undersöker talangattraktion från två olika perspektiv. Rapportens första del identifierar sex trender som formar den ökande globala konkurrensen om högkvalificerad arbetskraft. Trenderna undersöks genom nio innovativa fallstudier om talangattraktion runt om i världen. Resultaten tyder på att följande åtgärder kan öka talangattraktion till Finland: 1) identifiera ett antal specifika nischområden som möjliggör inriktning på specifika grupper, 2) investera i nischområden där Finland har konkurrensfördel; 3) utveckla starka talanghubbar som kan locka internationella talanger och, 4) bygga upp digital kapacitet.</p> <p>Rapportens andra del består av en internationell fallstudie som fokuserar på arbetsbaserade uppehållstillstånd. Den jämför den finska uppehållstillståndspolitiken med de danska, norska, svenska och nederländska systemen. Jämförelsen visar att även om Finland har en bra grund för att attrahera högkvalificerad arbetskraft, kan landet dra nytta av en smidigare och snabbare tillståndprocess. Resultaten tyder på att Finlands skulle kunna förbättra processen genom att: 1) underlätta inträde och start av arbetet, 2) omdefiniera rollerna för aktörer involverade i tillståndprocessen och i synnerhet öka arbetsgivarnas roll och, 3) effektivisera tillståndprocessen genom digitalisering och avskaffande eller förändring av arbetsmarknadstestsystemet.</p>			
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<b>Abstract</b> <p>This report seeks to find ways to improve Finland's potential in attracting highly-skilled workforce by examining talent attraction from two different perspectives. The first part of this report identifies six trends that shape the global context where Finnish actors engage themselves in the intensifying competition for highly skilled workforce. These trends are examined through nine innovative cases of talent attraction around the world. The findings indicate that the following measures could boost talent attraction in Finland: 1) identifying a number of specific niche areas that allow targeting of specific groups; 2) investing in the niche areas where Finland has a competitive advantage; 3) building strong talent hubs that attract more international talent and; 4) building up digital capacity.</p> <p>The second part of this report consists of a comparison of the Finnish work-related residence permit process models with the Danish, Norwegian, Swedish and Dutch models. The comparison indicates that while Finland has a good basis for attracting highly-skilled workforce, the Finnish efforts to attract international talent could benefit from a smoother and faster permit process. The case studies show that the following measures could improve the Finnish residence permit scheme: 1) lowering barriers to entry and early start of work; 2) redefining the roles of actors involved in the process through increasing the role of the employers; and 3) streamlining the permit process through digitalisation and either abolishing or changing the labour market testing policy.</p>			
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# Content

<b>1</b>	<b>Introduction .....</b>	<b>8</b>
1.1	Case studies .....	11
1.2	Acknowledgements .....	14
1.3	Concepts and definitions .....	15
<b>2</b>	<b>Why does a country need talent attraction? .....</b>	<b>18</b>
2.1	Why does Finland need talent attraction? .....	20
2.1.1	The high demand for skilled workers in Finland .....	21
2.1.2	Finland has not been successful in attracting highly skilled immigrants .....	24
2.2	Talent attraction in a post-COVID-19 world.....	25
<b>3</b>	<b>Global trends in talent attraction .....</b>	<b>29</b>
3.1	Large cities in close collaboration with countries .....	30
3.2	Ultra-targeted approaches.....	31
3.3	Ease of relocation.....	33
3.4	Creative lead generation .....	35
3.5	Expatriated citizens as a target group .....	36
3.6	Digitalization .....	37
<b>4</b>	<b>Permit process models .....</b>	<b>39</b>
4.1	Comparing the permit process models.....	40
4.2	Processing times and bottlenecks .....	52
4.2.1	Incomplete applications and paper applications.....	55
4.2.2	Identification and interviews abroad in a foreign service mission .....	58
4.2.3	A partial decision and a statement from another authority .....	61
4.3	Certified employer models and incentives for the employers .....	63

4.4	Family members.....	68
<b>5</b>	<b>Conclusions.....</b>	<b>71</b>
5.1	Talent attraction: Choosing targets and using digital tools.....	72
5.1.1	Choosing niches carefully.....	73
5.1.2	Investing selectively into identified niches .....	75
5.1.3	Building a well-known talent destination and the Matthew effect.....	76
5.1.4	Building digital capacity .....	77
5.2	Residence permits: Building a faster and smoother permit process .....	77
5.2.1	Lowering the barriers for entry and the early start of work .....	79
5.2.2	Redefining the roles of actors involved in the process .....	80
5.2.3	Streamlining the permit process .....	85
	<b>Annexes.....</b>	<b>92</b>



# 1 Introduction

This report introduces the main findings of the project *International Models to Attract Foreign Workers and Talent*. The project was conducted as a part of the Finnish government's analysis, assessment and research activities from December 2019 until November 2020 and it sought to examine how countries are attracting international talent and what Finland can learn from the experiences of other countries.

In this report, we take two different contextual approaches to this question. Firstly, we look at talent attraction in the global context, where companies, cities, nation states and regions compete with each other in attracting and retaining the foreign workforce they need most. Attraction efforts are often thought to be targeting highly skilled specialists. In many countries, however, the need for foreign labor is not limited only to white-collar professionals. Foreign workers of various skill and educational levels are needed to complement the domestic workforce. The countries also seek to attract the best and brightest of foreign students to their higher education institutions, often with the purpose of having them stay in the country after graduation. This competitive global framework creates the landscape where Finland operates to find and attract the international talent it needs for the economy to flourish.

Traditionally, finding suitable workforce – outside the borders of the state, if needed – has been left to the companies and the main role of the public sector has been to create the legislative framework in which the companies can recruit foreign talent. In recent decades, however, the shortage of skilled labour has become an increasing challenge for most developed countries. Local and global economic structures have turned these countries from industrial economies into service and technology-driven societies. This change has increased the need for a highly specialized set of skills. At the same time, this shortage is accentuated both by aging populations in developed countries and economic growth in countries that traditionally export talent and now often actively campaign for their nationals to stay in the country of origin and for their expat communities to return. We take a more detailed look at these developments and their consequences in chapter 2.

These developments have intensified the global competition for talent. In many countries and regions, an increased demand for skilled workers has led the public sector to take a more active role in attracting and retaining foreign workers and supporting the companies in finding the skills they need. This has been the case in Finland as well. In recent years, the public sector has intensified its efforts in talent attraction on all levels. The Finnish government has launched national level initiatives, such as the Talent Boost program that brings different actors together<sup>1</sup>.

Finland is competing for international talent on many different levels. Globally, the public sector in most other developed countries, as well as in some developing countries, is making efforts to attract foreign workers. In this report, we identify six emerging global trends in talent attraction. These are:

1. Large cities in close collaboration with countries
2. Ultra-targeted approaches
3. Ease of relocation
4. Creative lead generation
5. Expatriated citizens as a target group
6. Digitalization

In chapter 3, we investigate these trends in the global context of talent attraction through nine case studies around the world. These cases represent innovative and interesting measures or policies some countries have adopted in relation to foreign workforce and students. Reflecting the Finnish talent attraction efforts through these examples could help find new avenues and ways to develop policies in Finland as well. We look at the implications the global trends present for Finland in chapter 5.1.

The second context in this report is more local and centered around the Finnish residence permit policy. Immigration is traditionally a heavily administered policy area. Nation states have controlled stringently who can enter and work inside their borders. The process of being granted a permit to live and work in a country has been long and burdensome for the applicants and administration alike. In Finland, the citizens of EU-member states (and Iceland, Liechtenstein, Norway and Switzerland) are free to live and work in the country due to the principle free movement of workers inside the EU. But non-EU/EEA citizens wanting to work in Finland must go through the lengthy and bureaucratic process of applying for a residence permit and must adhere to a strict set of rules or risk losing their permit.

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<sup>1</sup> The Talent Boost programme in the Ministry of Economic Affairs and Employment's website: <https://tem.fi/en/talent-boost-en>

The ease of relocation can be one factor when a talented individual is looking for opportunities to work abroad. For the local companies and organizations looking to hire foreign talent, the speed and ease of getting a permit to work in the country is a crucial question, especially if the required skillset is not available domestically. Lengthy permit processes can hinder the growth and internationalization of the company and, in some cases, means missing some opportunities completely. Hence, the growing need of international talent has led to a global trend of streamlining the process of applying and granting a residence permit. Most often the bureaucratic barriers are lowered only for specific target groups of workers that are deemed most necessary for the economy to grow.

In recent years, this has also been the case in Finland. The government has adopted several amendments to the legislation on the residence permit system to streamline the permit process. From the beginning of 2020, the responsibility for labour migration administration was moved to the Ministry of Economic Affairs and Employment (MEAE) from the Ministry of Interior. The MEAE has now launched a development project that aims to shorten the processing times of work-related residence permit applications to one month. In addition, in the fall 2020 Finnish government budget session, the government set a goal to create a fast track for specialists, start-up entrepreneurs and their family members with an aim to reach a processing time averaging 2 weeks for residence permits. This fast track should already be in use in 2021.

To support this work, we conducted in-depth case studies in four comparison countries. In each, we looked at the permit process models the countries have in place and whether there is something that Finland could learn from them to speed up the residence permit process. For this closer look, we chose three of Finland's closest Nordic peers and competitors in the talent arena: Denmark, Norway and Sweden. We also examined the permit process models in the Netherlands. In these countries, the society, economy and legislation resemble those of Finland in many ways. Hence, they offer a good reference point for the Finnish permit process models. In addition to this, they all face similar problems with the shortage of skilled workers, the need to internationalize and an ageing population with a shrinking share of working age people. Yet, each has their own unique history, targets and tools of talent attraction and permit policies suited for the needs of their economies.

In each comparison country, local researchers in our team did extensive desk research and conducted several interviews with stakeholders involved in permit process and talent attraction efforts. Based on the research, we produced country case reports that include background information on the structure and history of talent attraction efforts, as well as detailed information about the permit process models in place in each country. For comparison, we also produced a similar country report from Finland. In chapter 4, we use these country case reports as a source to make a comparison of

what are, from the Finnish perspective, the most relevant aspects of the permit process models in the comparison countries. In chapter 5.2, we look at the implications this comparison has on ways to make the Finnish residence permit process faster.

Additionally, our main focus in this final report is in attracting skilled workers, especially paid labourers. This is the group Finland seems to be struggling to attract when compared to the countries chosen for this study. In the much cited OECD Talent Attractiveness Index, when looking at attractiveness to highly educated workers, Finland currently ranks 18<sup>th</sup>, whereas Sweden is 2<sup>nd</sup>, the Netherlands 7<sup>th</sup>, Norway 9<sup>th</sup> and Denmark 12<sup>th</sup>. When looking at the attractiveness to the other main groups in the index, entrepreneurs and students, Finland fares considerably better in relation to other OECD countries. Finland ranks 8<sup>th</sup> in attractiveness to entrepreneurs and, of the comparison countries, only Sweden (4<sup>th</sup>) and Norway (6<sup>th</sup>) are ahead in this category. In attractiveness to university students, Finland does even better, ranking 3<sup>rd</sup> among OECD countries. Of comparison countries, only Norway (2<sup>nd</sup>) surpasses Finland in this category.<sup>2</sup> Hence, skilled workers constitute a central group that Finland should be better at attracting. Our examination does not exclude entrepreneurs, students or researchers, but in order to limit the extent and retain readability, the comparisons in this final report mostly include the attraction of skilled labourers. The case studies, however, include a much wider range of talent attraction activities that target entrepreneurs, students and workers of various skill levels.

## 1.1 Case studies

The main body of research in this study consists of five in-depth case studies and nine light case studies. Chapters 3–5 in the final report are based on the work done in the country cases and raise the most prominent issues in them for comparative examination.

The condensed form and limited viewpoint of the final report mean that there is a lot of information in the country reports that is not covered here. The country reports include numerous measures, policies, actions and insights that can be of use for talent attraction professionals and stakeholders in Finland and beyond and deserve attention but do not fall under the comparative approach of this final report. That is why we have annexed the full country reports and urge the readers to refer to them for more details

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<sup>2</sup> OECD Indicators for Talent Attractiveness, available in: <https://www.oecd.org/migration/talent-attractiveness/>

and sources of information presented in the final report. Hence, a short introduction of the contents of the country reports is in order.

The in-depth country cases were conducted by a team of local researchers during the spring and summer of 2020. They are based on extensive desk research of reports, research articles, evaluations, White Papers and online resources in each country. In addition, the researchers conducted several interviews with local officials and other stakeholders involved in the talent attraction efforts and in the processing of work-related residence permits. Based on this research, each research team wrote a country report. The structure of the report was given in a template by Oxford Research Finland after the steering group provided input on the details they thought would be most interesting to look at in each country. The steering group also had two separate changes to comment on the drafts of the country reports and amendments and additions were made based on these comments.

The country report template includes three chapters. The exact structure within these chapters varies somewhat between countries since their talent attraction systems and permit process models are very distinct in some respects. Additionally, in cooperation with the steering group, we identified several objects of special interest in each country that are unique to that particular case. However, the general structure of the reports is similar:

- Chapter 1 is an introduction to talent attraction in the country. It includes information about the administrative structure and main actors, main target groups and major legislative changes related to talent attraction. Also, with the emergence of the COVID-19 pandemic in the spring of 2020, the introduction chapter was supplemented with a sub-chapter looking at the immediate effects of the pandemic on talent attraction in each country.
- Chapter 2 is a detailed look at work-related residence permits and the administrative processes related to them in the country. The chapter begins with a general overview of the work-related residence permit system as well as residence permits for students and researchers. It also examines different applications and fees related to the process of applying for the permit. Next, we examine in detail the certified employer models in the three countries that have them in place: Denmark, Sweden and the Netherlands. Then we create a step-by-step description of the permit process model for the most important permit type for skilled workers and also look at the residence permit models for family members in these permit types. The chapter concludes with a description of the main identified bottlenecks in the permit process model and possible solutions for them.

- Chapter 3 presents specific areas of interest in each comparison country. These were chosen for scrutiny in cooperation with the steering group.
  - In **Denmark** (Annex 1), we chose to investigate four initiatives in more detail: The tax reduction scheme for researchers, the highly digitized talent attraction efforts of Copenhagen Capacity, how Denmark is engaging Danish expats abroad and how the administration of talent attraction is shifting from regional to national.
  - In **the Netherlands** (Annex 2), three initiatives representing national level legislation and regional initiatives were chosen. These are the The Law on Modern Migration that increased the employer's role in the residence permit application process, the 30 percent facility that is a tax cut to encourage highly skilled migrants relocating to the Netherlands and Brainport Eindhoven, a regional initiative to create an innovative business area with a high concentration of international talent.
  - In **Norway** (Annex 3), the main focus area is the general development of the entire permit process system, especially through digitalization. In addition, we examine the recruitment project of workers in the health care sector and talent attraction efforts in the capital Oslo region.
  - In **Sweden** (Annex 4), extra resources were used to evaluate the functionality of the certified employer model in use in the country since 2012. We also take a closer look at the Swedish efforts to promote higher education institutions to foreign students and researchers.
  - Finally, the **Finnish** the country case report (Annex 5) does not include any specific areas of interest, since it was conducted mainly to compare the permit process models in Finland to those of other countries.

The nine light country cases represent the innovative and interesting measures, strategies and techniques some countries have adopted in order to attract international talent. They also highlight the global trends in talent attraction. The final list of cases was chosen in cooperation with the steering group. The research group presented a list of options to the steering group during the opening meeting of the project. After deliberation during two meetings, the steering group approved a final list of cases to be included in the study. In light cases, the research is based on desk research and, in some cases, an interview with a local expert or experts and they were conducted in the spring of 2020. The country reports were presented to the steering group for comments and were amended according to the feedback.

The final light country case reports are included in Annex 6. The cases include:

1. **Basque country:** The Be Basque network that seeks to use its specific culture and identity to distinguish itself from other, more well-known talent hubs and to attract specialists.
2. **China:** The Free Trade Zones that work as test beds for the internationalization of the Chinese economy, including by attracting international talent.
3. **Germany:** The residence permit process model Germany has in use.
4. **Germany:** The Triple Win project that originally aimed to recruit nurses from Philippines, but later extended to other countries and includes a German language course in the country of origin.
5. **New Zealand:** The Global Compact Visa for promising start-ups and founders and the KEA community that engages the expat communities of New Zealanders abroad.
6. **France:** The ambitious attempt to build a leading international start-up hub in Paris and especially the French Tech Visa, a residence permit model for employees, founders and investors in start-ups.
7. **Poland:** The government campaign to target expatriated polish citizens in order to attract them back to Poland.
8. **UK:** Talent attraction efforts in a post-Brexit world, especially the Global Talent Visa, a residence permit for academics and researchers that outsources a part of the administrative process to organizations outside the migration authorities.
9. **Singapore:** The strong link between talent management, innovation and regional development exemplified through two programs: The Tech@SG Programme that offers a fast track in the residence permit process to selected tech companies and the World Class Universities Program that sought to attract top foreign universities to establish facilities in Singapore.

## 1.2 Acknowledgements

This study was conducted as a part of the Finnish government's analysis, assessment and research activities. The project was launched in December 2019 and lasted until December 2020. The project was assigned a steering group, consisting of staff members from the several Finnish ministries and agencies. It was chaired by the Ministry of Economic Affairs and Employment and included members of the Ministry of Education and Culture, the Ministry for Foreign Affairs and the Ministry of the Interior, as well as people from the Finnish Immigration Service and Business Finland. During the pro-

ject, the steering group met five times to discuss its focus and the elements to be included in the country cases, as well as in this final report. The steering group also commented on the literary material produced in the project.

The research group consisted of researchers from the Oxford Research offices in Finland, Sweden, Denmark and Norway, as well as from Panteia in the Netherlands. The group also included three independent talent attraction experts. Oxford Research Finland was responsible for the coordination of the project and the structure and composition of this final report. The team included Arttu Vainio (project administration), Juho-Matti Paavola (main responsibility of project coordination and the writing of the final report), Amanda Kinnunen (assistance with the final report, especially the literacy review in chapter 2) and Anna Björk (project coordination from June 2020 to August 2020). Independent expert Rune Rasmussen acted as the main expert in talent attraction, conducted the light country cases (Annex 6) and was mainly responsible for composing chapters 2.2, 3 and 5.1 of this final report. Independent experts Inka Saarela and Gunta Ahlfors served as specialists of the Finnish talent attraction efforts and structure and also conducted the Finnish country case (Annex 5).

The international country cases were conducted by a team of local researchers in each country. The Danish case study (Annex 1) was composed by Rune Rasmussen and Jakob Stoumann from Oxford Research Denmark. The Norwegian country case (Annex 2) was mainly composed by Morten Grønås-Werring with the help of Vegard Solhjem Knutsen and Kristian Rostoft Boysen, all from the Oxford Research Norway office. In the Netherlands (Annex 3), Panteia BV conducted the country case with Amber van der Graaf being mainly responsible for composing the report. Oxford Research Sweden conducted the Swedish case study (Annex 5) with a team consisting of Rasmus Firon, Henning Bollmark and Anna-Karin Gustafsson.

## 1.3 Concepts and definitions

There is considerable conceptual confusion regarding work-related residence permits. Concepts like *visa*, *residence permit*, *permit type* and *permit scheme* are all used in various ways in the cases we examine in this report. The use of a concept can vary significantly in different countries. Much of this is due to the differing administrative histories and systems in countries. Translating native languages to English in each country adds another layer of confusion into the mix. Hence, a short discussion on how we use these concepts is in order.



Firstly, there is the question of *visa* and *residence permit*. Of these two, we are mainly interested in work-related **residence permits** and the administrative processes related to them. In this report, *residence permit* refers to a permit that is needed for a longer stay in the country, usually for months or years. In Finland, citizens of an EU Member State, Iceland, Liechtenstein, Norway or Switzerland do not need a residence permit to live or work in the country. Citizens outside these countries must apply for one if they are staying in the country for longer than 90 days and in some cases even for shorter stays. There are different categories of residence permits, depending on what basis they are granted. In this study, we are interested in residence permits granted on the basis of working (as a paid labourer or an entrepreneur) or studying (including researchers) in the country.

In this study, **visa** mainly refers to a permit that is needed to enter the country for shorter stays, usually calculated in days. Many non-EU/EEA citizens need a visa to enter Finland, but there are numerous exemptions, depending on such things as the country of origin, the reason to travel and length of stay to name a few examples. Again, there are different types of visas and some visa types might also give the right to work, but usually, if a person comes to work in the country, they need a residence permit. In this study, we are interested in visas mainly in relation to the work-related residence permits and longer stays in the country. For example, in some comparison countries, the applicants of the residence permit are granted a visa to enter the country instead of sending physical residence permit card to the current country of residence.

In the main body of the text, we aim to use these concepts in a consistent manner. However, when referring to the country cases, we use the language of the case in question. For example, the French Tech Visa (see chapter 3.3) allows non-EU start-up employees, founders and investors to stay and work in France for up to 4 years and thus is, in the context of this study, considered a residence permit, despite its name. For an contrary example, in the Netherlands, a person needs a long-term combined work and residence permit (GVVA) to work for longer than 90 days. In order to enter the country though, some non-EU/EEA citizens also require a temporary residence permit (MVV). In relation to the GVVA, the MVV is, in effect, a visa. We aim to note whenever there is a discrepancy between the terminology we use and the terminology of the case we refer to.

Secondly, when examining the administrative processes related to residence permits, we use several distinct concepts. In all comparison countries, there are many different reasons work-related residence permits can be applied for and granted. Most often, these reasons are related to the type of work, studying, occupation or sector an applicant is coming to work in, but can also be based on things like length of stay or salary. **Permit, permit type or permit scheme** refer to this reason the person has applied for

and has been granted the residence in the country. The reason is typically reflected in the name of the residence permit. Each country has their unique set of these permit types. A person might have to apply for an entirely different permit type in different countries and might even be eligible for a residence permit in one comparison country, but not in another.

**Permit process model**, on the other hand, refers to the administrative process related to applying for and granting the residence permit on the basis of work. This includes the requirements for applying for a certain permit type and the administrative steps that the process goes through. Quite often, different permit types have distinct permit process models. On the other hand, some permit process models apply to several different permit types. A case in point are the certified employer models (see chapter 4.3).

Adding confusion, some countries use the concepts of a **work permit** or **employment permit** and a **residence permit** separately. Often term *work permit* or *employment permit* just refers to a work-based residence permit, but sometimes these can be two separate permits administratively and the applicant might even have to apply for them separately. In the comparison countries of this report, if the concepts are used separately, both work and residence permits are almost always applied for at the same time and with the same application forms. Staying less than 90 days in the Netherlands is an exception, since in this case an employment permit must be applied for from the employment authorities and a temporary residence permit from the migration authorities. This used to apply to stays longer than 90 days also, but after legislative changes in 2014, the migration authorities, with the consultation of the employment office, grant a combined work and residence permit. This is the most relevant permit type in the Netherlands in the context of this study. Other examples include the Danish system, where a person applies for work and residence permits, but the permits are not separated in any way in the process. In Sweden, a person coming to do paid work applies for a work permit and, if she is granted one, the process of granting a residence permit begins automatically. Our use of the concept of a *work-related residence permit* (or usually shortly just *residence permit*) includes both the work permit and the residence permit in these countries and, similarly, the concept of a permit process model includes both parts of the process.

## 2 Why does a country need talent attraction?

While the international mobility of labour is not a new phenomenon, it has become intensified due to globalised economic activity and technological development. Human capital, defined by the OECD as “the knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstance”<sup>3</sup> is seen as crucial for economic development and growth. A vast body of research shows that high levels of human capital are connected to enhanced labour productivity and an increased competitive advantage<sup>4</sup>. Access to a highly skilled workforce is thus an important factor for determining the future prosperity of societies.

Yet, in many countries, the supply of skills has not kept up with the increasing demand for workers with a complex set of skills. A recent survey by ManpowerGroup indicates that 54 percent of companies reported talent shortages globally in 2019. Since 2009, the number of companies reporting talent shortages globally has increased 24 percentage points. Finland has been one of the countries experiencing the greatest year-over-year increases alongside the U.S., Hungary, Slovenia and Sweden. A staggering 67 percent of employers in Finland reported having difficulties in filling open vacancies in 2019, up from 45 percent in 2018.<sup>5</sup> This limits businesses' potential for growth. According to the Joint Employment Report published by the European Commission and the Council in 2019, the proportion of businesses indicating that the availability of labour limits production increased during the past decade, from 5 percent in 2012 to 20 percent in 2018<sup>6</sup>. This has led to increasing competition for highly skilled individuals among companies, but also between countries. It is also reflected in the number of new job openings that related to high-skilled occupations. According to Cedefop's Skills Forecast in 2018, a total of 151 million jobs will become available between 2016 and 2030 in the EU (including the United Kingdom). The number of new

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<sup>3</sup> OECD (2009): *OECD Insights – Human Capital*, available in: <https://www.oecd.org/insights/37967294.pdf>.

<sup>4</sup> Ibid.

<sup>5</sup> The Manpower Group (2020): *Closing the Skills Gap: What Workers Want*, available in: <https://workforce-resources.manpowergroup.com/home/closing-the-skills-gap-know-what-workers-want>.

<sup>6</sup> The European Commission (2020): *Joint Employment Report 2020*, Brussels.

job openings is approximately 14 million (9 percent of all job-openings). Cedefop estimates that 4 out of 5 new job openings relate to high-skilled occupations. This is equivalent to approximately 11 million positions.<sup>7</sup>

As a result of the increasing demand for and shortage of highly skilled workers, talent attraction is no longer only a matter of individual businesses. States and regional actors are now also investing in attracting international talent. Innovation and migration policies have thus become intertwined.<sup>8</sup>

Talent attraction is seen as an investment for innovation, because talented individuals often act as the core source of innovation. According to a report by the OECD, the immigration of highly skilled individuals can contribute to innovation by linking domestic businesses to foreign knowledge and can lead to an increased flow of information from international R&D actors to local businesses. This may lead to the generation of new revenue from already existing, but unused or underused knowledge possessed by the local employees. At the macroeconomic level, access to new types of knowledge expands the base of ideas and technologies that may boost innovation.<sup>9</sup>

Furthermore, research shows that increased diversity has a positive impact on the performance of companies. A study conducted by the Wall Street Journal's research analysts in 2019 assessed diversity among S&P 500 companies. According to this assessment, the top 20 most diverse companies outperformed the least diverse companies.<sup>10</sup> Miraritonna, Orefice and Peri (2012) show that the supply-driven increase in the share of foreign-born workers increased productivity, especially among small companies, and it was also associated with larger exports and the faster growth of capital.<sup>11</sup>

In addition, a vast body of academic research shows that diversity can drive innovation. For instance, a study by Hewlett, Marshall & Sherbin (2013) indicates that US-based companies with a diverse workforce perform better and are more innovative

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<sup>7</sup> Cedefop (2018): *Skills Forecast: key EU trends to 2030*, available in: [https://skillspanorama.cedefop.europa.eu/en/analytical\\_highlights/skills-forecast-key-eu-trends-2030#\\_summary](https://skillspanorama.cedefop.europa.eu/en/analytical_highlights/skills-forecast-key-eu-trends-2030#_summary).

<sup>8</sup> Raunio, M. (2015): *Innovaatiotalouden maahanmuuttopolitiikka*, Työ- ja elinkeinoministeriön julkaisu 33/2015, available in: <http://urn.fi/URN:ISBN:978-952-227-994-1>

<sup>9</sup> The OECD (2008): *The Global Competition for Talent – Mobility of the Highly Skilled*, available in: <https://www.oecd.org/sti/inno/41362303.pdf>.

<sup>10</sup> The Wall Street Journal (2019): *The Business Case for More Diversity*, available in: <https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200>

<sup>11</sup> Mitaritonna, C., Orefice, G. & Peri, G. (2012): Immigrants and firms' outcomes: Evidence from France, *European Economic Review*, vol 96, pp. 62–82, available in: <https://www.sciencedirect.com/science/article/abs/pii/S0014292117300867>.

than non-diverse companies<sup>12</sup>. Similarly, Ozgen, Nijkamp and Poot's study of 170 regions in Europe<sup>13</sup> and Nathan's study from UK<sup>14</sup> indicate that there is a positive correlation between the number of patent applications and diversity.

## 2.1 Why does Finland need talent attraction?

The need to attract highly talented immigrants and other skilled foreign workers has also been recognized in Finland where megatrends, such as the rapid demographic change and technologization, have led to a growing need to implement policies that secure the supply of skilled workforce.

Demographic change is one of the key drivers for talent attraction in Finland. As a result of the low birth rate and the increasing proportion of the elderly, the population in Finland is expected to start decreasing in 2031<sup>15</sup>. According to the Ministry of Economic Affairs and Employment, the number of the working age population (aged 15–64) will decrease by 40 000 by 2030<sup>16</sup>. Demographic dependency ratio, i.e. the number of non-working age people compared to the working age population, will reach 66,4 percent in 2040 and 75,2 percent in 2060<sup>17</sup>. This trend is also reflected in the number of people retiring in the upcoming years. According to a projection made by Keva, the largest pension provider in Finland, over 105 000 persons will retire by 2029 in the public sector alone. This is equivalent to one third of the current workforce in the public sector<sup>18</sup>.

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<sup>12</sup> Hewlett, S.A, Marshall, M. & Sherbin, L. (2013): *How Diversity can drive innovation*. available in: <https://hbr.org/2013/12/how-diversity-can-drive-innovation>.

<sup>13</sup> Ozgen, C., Nijkamp, P. & Poot, J. (2011): *Immigration and Innovation in European Regions, Discussion Paper No. 5676*, available in: <http://ftp.iza.org/dp5676.pdf>.

<sup>14</sup> Nathan, M. (2015): Same difference? Minority ethnic inventors, diversity and innovation in the UK, *Journal of Economic Geography*, 15, pp. 129 – 168.

<sup>15</sup> Official Statistics of Finland (2019): *Population projection*, available in: [http://www.stat.fi/til/vaenn/2019/vaenn\\_2019-09-30\\_tie\\_001\\_en.html](http://www.stat.fi/til/vaenn/2019/vaenn_2019-09-30_tie_001_en.html).

<sup>16</sup> The Ministry of Economic Affairs and Employment (2019): *Kasvua ja hyvinvointia maahanmuutto- ja kotouttamispolitiikalla*, available in: <https://tem.fi/documents/1410877/11992263/Faktatietoa+maahanmuutosta+ja+kotouttamisesta+25012019/faa5862e-9f95-d674-199e-f8cf9b4ba2c4/Faktatietoa+maahanmuutosta+ja+kotouttamisesta+25012019.pdf>.

<sup>17</sup> Statistics Finland: *Demographic dependency ratio and population in 1970 to 2070 (years 2020 to 2070: projection)*, available in: [https://www.stat.fi/til/vaenn/2019/vaenn\\_2019-09-30\\_tau\\_002\\_en.html](https://www.stat.fi/til/vaenn/2019/vaenn_2019-09-30_tau_002_en.html)

<sup>18</sup> Keva (2018): *Kunta-alan ja valtion eläköitymisennuste 2020–2039*, available in: <https://www.keva.fi/globalassets/2-tiedostot/tama-on-keva--tiedostot/kunta-alan-ja-valtion-elakoitymisennuste-2020-2039.pdf>.

This will have major consequences for the public economy. A rapidly ageing population weakens fiscal sustainability in two ways. Firstly, an ageing population increases spending due to an increased need for healthcare and social services. Secondly, the diminishing size of the workforce limits economic growth and, therefore, diminishes tax revenues.<sup>19</sup>

While measures, such as speeding up the labour market entry of young people, delaying the labour market exit of older workers and easing the access to employment for people with a partial capacity for work and the long-term unemployed, can buffer the negative impact, immigration is seen as the most effective way to counterbalance the negative trend of a rapidly ageing population in the medium term.<sup>20</sup>

The number of persons with a foreign background has increased from approximately 120 000 in 2001 to approximately 425 000 in 2020<sup>21</sup>. Since the proportion of people in working age is significantly higher among foreign citizens than among the Finnish population, immigration is slowing the growth of the demographic dependency rate. However, as pointed out by Myrskylä and Pyykkönen, the current net immigration rate of approximately 15 000 per year<sup>22</sup> is not enough to cover for the decline in the working aged population and Finland would need to increase net immigration to 34 000 persons per year in order to counterbalance this trend<sup>23</sup>.

### 2.1.1 The high demand for skilled workers in Finland

In Finland, the efficiency of matching jobseekers with open vacancies has deteriorated during the past years. According to a study by Pehkonen, Huuskonen and Tornberg, registered job vacancies are filled at a slower pace than before. The number of vacancies open for more than one month has increased by 15 percentage points

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<sup>19</sup> Aalto, A. et al. (2020): *Sustainability of Finland's public finances*, Ministry of Finance, available in: <http://urn.fi/URN:ISBN:978-952-367-287-1>.

<sup>20</sup> Myrskylä, P. & Pyykkönen, T. (2015): *Tulevaisuuden tekijät – Suomi ei pärjää ilman maahanmuuttoa*, *EVA Analyysi NO 42*, available in: <https://www.eva.fi/wp-content/uploads/2015/01/Tulevaisuuden-tekijät.pdf>.

<sup>21</sup> Statistics Finland (2019): *Persons with foreign background*, available in: [https://www.stat.fi/tup/maahanmuutto/maahanmuuttajat-vaestossa/ulko-maalastaustaiset\\_en.html](https://www.stat.fi/tup/maahanmuutto/maahanmuuttajat-vaestossa/ulko-maalastaustaiset_en.html).

<sup>22</sup> Kotamäki, M. (2020): *Maahanmuutto – uhka vai mahdollisuus?* in Sorsa, T. (ed.) (2020): *Kestävän väestönkehityksen Suomi – Väestöliiton väestöpoliittinen raportti 2020*, available in: [www.vaestoliitto.fi/@Bin/57e003e46b407489e92a0772d71b4469/1602594939/application/pdf/11691237/Kestävän%20väestönkehityksen%20Suomi.pdf](http://www.vaestoliitto.fi/@Bin/57e003e46b407489e92a0772d71b4469/1602594939/application/pdf/11691237/Kestävän%20väestönkehityksen%20Suomi.pdf).

<sup>23</sup> Myrskylä, P. & Pyykkönen, T. (2015): *Tulevaisuuden tekijät – Suomi ei pärjää ilman maahanmuuttoa*, *EVA Analyysi NO 42*, available in: <https://www.eva.fi/wp-content/uploads/2015/01/Tulevaisuuden-tekijät.pdf>.

since the financial crisis.<sup>24</sup> A study by Larja indicates that the level of recruiting problems hit a record high in 2018. This study is based on interviews carried out by Statistics Finland. According to the study, 41 percent of business establishments faced problems when searching for labour. In 2018, the share of business establishments that did not find workers and were thus either totally or partly left without a labour force was 17 percent. 92 percent of the respondents that had faced problems when searching for labour argued that this was due to a lack of competence among the jobseekers (e.g. education, experience, language skills or social skills).<sup>25</sup>

Therefore, one of the most important factors behind the deteriorating match efficiency is the ongoing change in terms of skills requested by employers. As a result of globalisation and technological change, new employment opportunities in the Finnish labour market require increasingly high-level skills and experience. According to the OECD Skills for Jobs database, more than 90 percent of jobs suffering a shortage of workers in Finland required a high level of skill in 2018<sup>26</sup>. One sector where many of the new employment opportunities are emerging is the technology industry. According to a study carried out by the Technology Industries of Finland (Teknologiateollisuus ry) in 2018, the sector will need 53 000 new employees by 2021<sup>27</sup>.

Access to a highly competent workforce is one of the cornerstones of the Finnish economic model and a threshold for future economic growth. While the Finnish workforce is highly competent and the skill development system one of the most successful in the OECD countries, declining skill levels are a growing concern in Finland. The share of youth obtaining a tertiary degree is declining. The share of adults in the age group 30–34 holding tertiary degrees is 8 percentage points lower than in the age group 40–

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<sup>24</sup> Pehkonen, J., Huuskonen, J. & Tornberg, K. (2018): *Matching efficiency in the labour market – observations and policy suggestions*, Prime Minister's Office, available in: <http://urn.fi/URN:ISBN:978-952-287-518-1>.

<sup>25</sup> Larja, L. (2019): Työvoiman hankinta toimipaikoissa vuonna 2018, *TEM-analyyseja 94/2019*, available in: <http://urn.fi/URN:ISBN:978-952-327-463-1>

<sup>26</sup> The OECD (2018): *Skills for Jobs*, available in: [https://www.oecdskillsforjobsdatabase.org/data/Skills%20SfJ\\_PDF%20for%20WEBSITE%20final.pdf](https://www.oecdskillsforjobsdatabase.org/data/Skills%20SfJ_PDF%20for%20WEBSITE%20final.pdf).

<sup>27</sup> The Technology Industries of Finland (2018): *9 ratkaisua Suomelle Teknologiateollisuuden Koulutus ja osaaminen -linjaus 2018*, available in: [https://teknologiateollisuus.fi/sites/default/files/file\\_attachments/teknologiateollisuus\\_koulutus\\_ja\\_osaaminen\\_linjaus\\_2018.pdf](https://teknologiateollisuus.fi/sites/default/files/file_attachments/teknologiateollisuus_koulutus_ja_osaaminen_linjaus_2018.pdf).

44.<sup>28</sup> Brain drain is also an increasing concern in Finland – the number of highly educated employees moving away from Finland is higher than the number of highly educated people moving to Finland<sup>29</sup>.

Due to the rapidly increasing need for a competent and highly skilled labour force, it has become clear that while net migration may ease the pressure the ageing population causes on demographic dependency, it will not be enough to cover for the needs of the labour market<sup>30</sup>. Finland is not only facing a labour shortage as a result of the rapidly ageing population, but also a major skills shortage as a result of the increasing proportion of jobs that require a complex set of skills.

Improved access to highly skilled international workers could facilitate the recruitment of employees with the right types of competencies and could thus decrease the Finnish companies' barriers for growth. Access to international talent can also boost the growth of companies internationally. As a result of the declining role of large Finnish companies in the international markets, internationalization through subcontracts is more restricted and Finnish companies often have to seek international growth on their own.<sup>31</sup> However, many companies lack the ability to operate in different market environments and to create global networks. Increased possibilities to recruit international talent with knowledge of potential new markets and already existing networks can thus boost internationalization and innovation in Finnish companies<sup>32</sup>.

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<sup>28</sup> The OECD (2019): *Continuous Working Life in Finland*, available in: [https://www.oecd-ilibrary.org/sites/2ffcfe6-en/1/2/2/index.html?itemId=/content/publication/2ffcfe6-en&\\_csp\\_=46e1e4785a276963426792140c5707f5&itemIGO=oecd&itemContentType=book#section-d1e773](https://www.oecd-ilibrary.org/sites/2ffcfe6-en/1/2/2/index.html?itemId=/content/publication/2ffcfe6-en&_csp_=46e1e4785a276963426792140c5707f5&itemIGO=oecd&itemContentType=book#section-d1e773).

<sup>29</sup> The Ministry of Economic Affairs and Employment (2019): *Kasvua ja hyvinvointia maahanmuutto- ja kotouttamispolitiikalla*, available in: <https://tem.fi/documents/1410877/11992263/Faktatietoa+maahanmuutosta+ja+kotouttamisesta+25012019/faa5862e-9f95-d674-199e-f8cf9b4ba2c4/Faktatietoa+maahanmuutosta+ja+kotouttamisesta+25012019.pdf>.

<sup>30</sup> Ibid.

<sup>31</sup> The OECD (2017): *OECD Reviews of Innovation Policy: Finland 2017*, available in: <http://dx.doi.org/10.1787/9789264276369-4-en>.

<sup>32</sup> Rilla, N. et.al (2018): *Immigrants in the Innovation Economy – Lessons from Austria, Canada, Denmark and the Netherlands*, available in: [https://tietokaytto.fi/documents/10616/6354562/1\\_2018\\_Immigrants+in+innovation+economy\\_final+report.8.1..pdf/1f3ed15b-1c7e-4878-9bca-2bdaed42dcb0/1\\_2018\\_Immigrants+in+innovation+economy\\_final+report.8.1..pdf?version=1.0&t=1516000186000](https://tietokaytto.fi/documents/10616/6354562/1_2018_Immigrants+in+innovation+economy_final+report.8.1..pdf/1f3ed15b-1c7e-4878-9bca-2bdaed42dcb0/1_2018_Immigrants+in+innovation+economy_final+report.8.1..pdf?version=1.0&t=1516000186000).



## 2.1.2 Finland has not been successful in attracting highly skilled immigrants

Finland has a lot to offer to talented professionals. The country has a well-functioning labour market and Finnish working life provides opportunities for a good work-life balance. Finland ranks high in many surveys that measure the quality of life and functioning of the labour markets. For instance, Finland has a world-leading average score in the World Happiness Report (which measures aspects, such as a healthy life expectancy, perceptions of corruption and the GDP in terms of purchasing power)<sup>33</sup>. In addition, the country ranked sixth in the Bloomberg Innovation Index in 2019<sup>34</sup>.

Still, Finland has not been able to establish itself as an interesting destination for labour migrants. While immigration to Finland has increased significantly during the past decades, the proportion of immigrants in the labour market remains small. According to the 2018 figures from the EU Labour Force Study, 3,5 percent of the Finnish labour force were non-citizens, whereas the number was 4,8 percent in Netherlands, 8,2 percent in Sweden, 9,6 percent in Denmark and 11,6 percent in Norway<sup>35</sup>. One reason for this is the relatively small proportion of work-related immigration. According to a study by Nieminen, Sutela and Hannula, only 18 percent of immigrants aged between 15–64 said that they moved to Finland for work and 14 percent stated studying as the reason<sup>36</sup>.

Finland has been particularly lagging in terms of attracting highly skilled workers<sup>37</sup>. For instance, the Finnish research community attracts few international researchers and the cooperation between Finnish and foreign researchers is slow<sup>38</sup>. In the OECD's Talent Attractiveness Survey, Finland ranks 18<sup>th</sup> in attractiveness to highly educated workers. All the other Nordic countries and the Netherlands do better in this

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<sup>33</sup> The World Happiness Report (2020): *World Happiness Report 2020*, available in: <https://happiness-report.s3.amazonaws.com/2020/WHR20.pdf>.

<sup>34</sup> Bloomberg Innovation Index 2019, available in: <https://www.bloomberg.com/news/articles/2020-01-18/germany-breaks-korea-s-six-year-streak-as-most-innovative-nation>.

<sup>35</sup> EU Labour Force Survey (2018)

<sup>36</sup> Nieminen, T. Sutela, H. & Hannula, U. (2014): *Ulkomaista syntyperää olevien työ ja hyvinvointi Suomessa 2014*, Statistics Finland, available in: [https://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yyti\\_uso\\_201500\\_2015\\_16163\\_net.pdf](https://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yyti_uso_201500_2015_16163_net.pdf).

<sup>37</sup> The European Commission (2017): *Country Report Finland 2017*, available in: <https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-finland-en.pdf>.

<sup>38</sup> The OECD (2017): *OECD Reviews of Innovation Policy: Finland 2017*, available in: <http://dx.doi.org/10.1787/9789264276369-4-en>.

category. However, when looking at attracting international entrepreneurs and students, Finland fares better: It is 8<sup>th</sup> in attractiveness to entrepreneurs and 3<sup>rd</sup> to international students.<sup>39</sup>

One of the identified reasons for this is that for many decades, Finland lacked a national strategy and permanent structures for attracting international talent. Bringing innovation and growth as a part of the immigration policy and vice versa mainly relied on regional EU-projects. For this reason, the Finnish government launched the Talent Boost program in 2017. Its aim is to bring different public and private actors together to better coordinate innovation, employment, education and immigration policies and thus support the internationalization and growth of Finnish companies.<sup>40</sup>

In conclusion, Finland is competing for talented workers on a global arena and the competition is expected to become more intense in the future. Thus, raising Finland's profile among highly talented professionals and other skilled workers is a growing concern and should be a central element in both innovation and immigration strategy.

## 2.2 Talent attraction in a post-COVID-19 world

COVID-19 has put severe pressure on the global economy and many companies are forced to downsize or close entirely. The ILO estimates a loss of 230 million full-time workers globally as a result of the pandemic<sup>41</sup>.

Most companies prefer to hire their talent locally, if at all possible: The hiring process is easier and less risky and the applicant is more likely to be familiar with the local customs, work culture and language. The economic downturn following the COVID-19 pandemic could hence halt the demand for international recruitment, as more local workers become available on the job market. The pandemic is still too recent to evaluate its full consequences. Somethings we do know, however:

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<sup>39</sup> The OECD Talent Attraction Index, available in: <https://www.oecd.org/migration/talent-attractiveness/>.

<sup>40</sup> The Ministry of Economic Affairs and Employment (2019): *Työ-ja elinkeinoministeriön näkemyks Suomen työmarkkinoista*, available in: <http://urn.fi/URN:ISBN:978-952-327-391-7>

<sup>41</sup> International Labour Organization (2020): ILO Monitor: COVID-19 and the world of work. 2nd Edition, available in: [https://www.ilo.org/global/about-the-ilo/WCMS\\_740877/lang--en/index.htm](https://www.ilo.org/global/about-the-ilo/WCMS_740877/lang--en/index.htm)

## All sectors are not equally affected

The COVID-19 pandemic affects all business sectors, but not equally. While certain industries, such as aviation and tourism, are hit hard, the life science, financial and tech industries have suffered much less damage<sup>42</sup>. Some businesses even thrive during the crisis, such as home delivery services, some medical services, the software industry and the like (see graphs 1 and 2 for more detail). It means that the demand for domain specific international talent in those sectors is likely to continue.

## The crisis is also an opportunity

When the pool of available talent suddenly both changes and expands, it represents an opportunity to attract talent that is usually hard to poach. During economic booms, smaller start-ups can often lure people like key developers with high equity stakes and generally more freedom than the offers of big tech. When many new start-ups burst during a crisis, these talents are suddenly on the market. Big tech companies are now actively hiring these key talents, which was also a clear trend during the financial crisis after 2007.<sup>43</sup> A Harvard Business School study analyzing 4 700 companies during the last three recessions discovered the same pattern. The companies that managed to hire the best talent during a crisis were much better off after the crisis. They did cut back but were extremely selective about when and where they did so.<sup>44</sup> This logic of both firing and hiring during a crisis now seems mainstream among companies that can afford it and will likely mean a continuation of international recruitment, although for different profiles than before the crisis.

## Some countries are better off

So far, some countries have managed to limit the spread of COVID-19, while others have not had the resources or the will to do so. This effectively divides the world into ill-prepared 'red zones' and 'green zones' with less risk and better medical care.<sup>45</sup> Green zones like Finland could gain more traction in attracting

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<sup>42</sup> Pierpoint (2020): Recruiting Experts Identify Six Industries That Will Weather The COVID-19 Crisis, available in: <https://pierpoint.com/recruiting-experts-identify-six-industries-that-will-weather-the-covid-19-crisis/>.

<sup>43</sup> Wall Street Journal 14.04.2020: Looking for a Job? Big Tech Is Still Hiring, available in: <https://www.wsj.com/articles/looking-for-a-job-big-tech-is-still-hiring-11586712423>

<sup>44</sup> Gulati R., Nohria N. & Wohlgezogen F. (2010): Roaring out of Recession, *Harvard Business Review*, March 2010, available in: <https://hbr.org/2010/03/roaring-out-of-recession>

<sup>45</sup> Khanna P. (2020): Global Mobility and Migration Post Covid-19, *Global Citizenship Review*, available in: <https://globecit.com/global-mobility-and-migration-post-covid-19/>

international talent than red zones. Also, international talents currently living in green zone countries are less likely to relocate with their families to red zones in the short term. This calls for a renewed focus on talent retention especially in the countries that have handled the pandemic situation well, in parallel with the talent attraction campaigns.

## The long-term talent shortage is intact

The layoffs and other economic consequences following COVID-19 will inevitably have negative effects on international recruitment. The underlying talent gap is intact, however, and will remain an issue when the economy recovers. In a recent PwC survey covering 350 companies with staff abroad, only 12 percent felt that the pandemic will trigger a fundamental rethinking of mobility, and only 20 percent believed that the number of international moves will decrease in the future as a result of this crisis.<sup>46</sup> This suggests that international mobility remains a priority for the majority of companies, despite the current situation.

## The crisis has introduced new ways of working and new forms of talent movement

In March 2020, more than a third of humanity was in lockdown and remote work has since skyrocketed. Many employees will likely return to their offices, but there is a growing perception that work will not simply return to “normal” after the pandemic.<sup>47</sup> As we return, many companies experiment with implementing “the future of work” in the process<sup>48</sup>. For example, many companies are now giving employees the possibility to work long term from home and redefining the concept of talent mobility in the process<sup>49</sup>. This could also change international talent attraction, although there is disagreement on what the long terms effects will be.

One emerging trend is a higher demand for residence permits for remote workers or remote visa programs, as they are often dubbed. Countries like Portugal

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<sup>46</sup> PwC Global Mobility PulseSurvey, available in: <https://www.pwc.com/gx/en/services/tax/publications/covid-19-mean-for-global-mobility.html>

<sup>47</sup> Mercer (2020): Talent mobility: looking ahead, available in: <https://mobilityexchange.mercer.com/Insights/article/Talent-mobility-looking-ahead>

<sup>48</sup> Deloitte (2020): Returning to to work in the future of work, available in: <https://www2.deloitte.com/us/en/insights/focus/human-capital-trends/2020/covid-19-and-the-future-of-work.html>

<sup>49</sup> Mercer (2020): Managing international employees working from anywhere, part 1: Redefining mobility, available in: <https://mobilityexchange.mercer.com/insights/article/managing-international-employees-working-from-anywhere-part-1-redefining-mobility>

and Germany have had residence permits for remote workers for years, but the pandemic seems to have inspired new countries to do the same, including destinations like Barbados and Bermuda<sup>50</sup>. These residence permit types allow non-citizens to stay in one country and work remotely for a company based in another country for several years. Unlike most work-based residence permits, holders of remote visas can work for customers abroad and hence do not need a job in the country of residence. All they need is proof of income. In a situation where the pandemic remains a health issue, safe destinations like Finland could have an opportunity to position themselves as new remote talent hubs.

In summation, the COVID-19 pandemic has had a huge effect on the global need for international recruitment, but some of the effect will be short term and likely recover in parallel with the economy. In the aftermath of the 2008 financial crisis, the recruitment industry was back to the pre-crisis level of turnover in three years. As the long-term talent gap is still intact, a similar recovery can be expected after the COVID-19 pandemic. It remains to be seen, however, how our new ways of working will affect international mobility and hence our strategies for international talent attraction.

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<sup>50</sup> Business Insider 02.11.2020: 14 countries welcoming remote workers, available in: <https://www.insider.com/countries-welcoming-remote-workers-live-and-work-2020-7#mauritius-just-announced-a-new-premium-travel-visa-though-details-are-still-scarce-1>

### 3 Global trends in talent attraction

As the competition for skilled talent intensifies, countries and cities are adopting novel strategies to get their fair share of international labour. For the talent attraction strategies to work, several steps need to be in place at the destination.

- An attractive offering worth relocating for: To win the competition for attractive talent, the destination must, as a minimum, provide a “package” worth relocating for. The package typically includes a concrete job offer, but also the attractiveness of the wider destination, including wider career opportunities, the quality of life, livability, access to international schools, etc. While the job is provided by companies, the destination itself can often directly or indirectly strengthen the elements in the wider package. How destinations can work with international attractiveness is important, but outside of the scope of this report.
- Easy access for the applicant and their family: Starting a new job and family life in a new country is exiting. However, it can also raise a number of concerns: Can I be sure of getting a visa if I accept the job? Can my family get visas? Can my family and I stay in the country, if I get fired? An easy, well communicated and low risk permit process is not in itself a talent strategy, but a clear competitive advantage. In chapter 4 we will take a comparative look at residence permit processes in several countries.
- A strong and active talent attraction strategy: Only the largest and most known destinations have the attractiveness to reach international talent without active talent attraction strategies. The rest will often need to actively attract the talent to their destination in order to get their fair share. In this chapter, we will look at active talent attraction strategies and provide an overview of the current trends. As this report shows, most countries and cities tailor their approaches to suit their specific needs, but there are some general trends and similarities amongst these strategies and activities, which this chapter looks into.

We have identified six global trends in talent attraction that are already evident today and will likely grow in importance in the future. This work is based on extensive desk research and interviews with representatives from some of the countries that perform best in active talent attraction. In addition to identifying the trends, based on the desk research and interviews we composed nine short reports about countries, regions, policies and measures that exemplify these trends around the world. These trends are also evident in in-depth cases, especially in many of the specific areas of interest we

look at each country. In this chapters, we present the global trends with some examples of each from both the light and in-depth country cases. The nine light country cases are presented in detail in the appendix 6 of the report.

### 3.1 Large cities in close collaboration with countries

Cities are increasingly active in the search for talent. While national governments often decide the overall legal framework conditions, we see an increasing number of cities directly involved in the actual branding and attraction campaigns. This divide of responsibility between national and regional levels is in many ways a logical development. Cities are part of the same country, but their value propositions to – and need of – international talents may vary widely within the same country.

This can potentially lead to an internal competition for talent in a country. However, in smaller countries like Denmark, the capital city plays a key role in attracting talent, which other cities can benefit from. It results in an environment of mixed cooperation and competition that the most effective initiatives manage to balance effectively.

Cities often have a more direct dialogue with their local businesses in need for talent than governments, which typically makes them a more relevant partner for companies. The city focus also allows the branding to be a mix of place branding and employer branding, which is highly effective: Before they relocate with their families, talents need a concrete incentive to move (typically a job offer), while being simultaneously reassured that there is a wider career path beyond the one job and a good quality of life for the entire family. In other words, for a talent to accept a job they need to know that there are many other opportunities for both the talent and their family, in case the first job does not work out as planned. Companies cannot really promote their competitors to the talent, but local companies and cities can ensure this storyline in cooperation.

Illustrative example of this trend is Copenhagen's collaboration with other regions in Denmark to create a very targeted national attraction campaign based on the strengths of each of the Danish regions: Initiatives to actively attract international talent to Denmark have traditionally been done and financed at the regional level by regional actors.

In 2019 however, the government made a thorough reform of the business support policies that meant that the regional administrative level was no longer allowed to finance business support initiatives, including talent attraction. Instead, all business support was centralised in a business development board that controls almost all public financial support to business support activities.

To maintain their activities and funding, Danish talent actors have consequently started to work together and coordinate across the country. They have formed a large consortium of 28 actors and created "Talent To Denmark" or TalenTDK, a largest Danish talent attraction project to date.

The result is the "State-of-Denmark" talent campaign, which combines the general strengths of Denmark with the specific job offers and value propositions of the five regions. Copenhagen tends to be more attractive to international talents, but through the joint campaigns, applicants in Copenhagen will be made aware of similar opportunities in other parts of the country, which they may not have applied for directly.

## 3.2 Ultra-targeted approaches

Until recently, most destinations promoted themselves to talents in rather generic terms. Everyone aimed to be the life science, cleantech, biotech, fintech or just plain tech center of the region and the target groups were reached through magazines or online campaigns targeting broad categories of talents. The focus was often on the destination rather than the open jobs, following the rationale that if a location is well known internationally and top-of-mind with the potential applicants, they will automatically start looking for job opportunities. In that regard, place branding and talent attraction have traditionally been perceived as basically the same thing. While the logic is certainly still true, the approach centered purely on place branding suffers from certain challenges:

- It is very expensive to change a target group's perception of a certain location through paid marketing. The location must be willing to pour millions of euros into changing or building perception and it is a long and usually very expensive exercise.
- It is almost impossible to track success. Even if a location succeeds in attracting more international talent, it is next to impossible to know why. Was it the place branding campaign or something else?

Consequently, the most successful country strategies now focus on very specific target groups and the destination develops tailored messages, value propositions and



campaigns to these groups. The value propositions often include leading business sectors or clusters, where the host country has special traction and can offer world-class career opportunities. These can be combined with other softer messages that resonate strongly in the target group, for example, if the target group has a certain historic or cultural affiliation with the country, speaks the same language, favors the specific quality of life, etc.

A good example from the report includes Germany's search for nurses in places like the Philippines and Vietnam: The German nursing sector will need 150 000 new nurses by 2025 and has therefore set up a formal collaboration with its Philippine counterparts in order to send Filipino nurses to Germany under the Triple Win project. The Triple Win project is a bilateral diplomatic project that started in 2013 and was extended several times. Up to January 2020 it has attracted 903 nurses from the Philippines.



Interestingly, willing applicants must be proficient in the German language before going to Germany to work. This means that they must undergo German language training to achieve a B1 or B2 language proficiency level at a local language school to be a part of the program. The local language classes are fully paid for by the German Federal Employment Agency.

Another example is the fully digital talent attraction platform of Copenhagen Capacity, the inward investment and talent attraction agency of Copenhagen. The platform solves many of the traditional issues with place branding. At its core, it is an off-the-shelf digital marketing platform used by most larger product brands. It allows the marketer to track the behavior of a visitor across platforms and to collect data on how the user interacts with the campaign. Once the software starts to know a user's behavior, it can use that information to give the users a tailored piece of information that is more relevant to their needs.

The platform is used to run talent attraction campaigns specifically tailored to address specific needs of talent among subsectors within Danish companies. This need usually translates into a few types of professionals or job titles that the specific companies need. An example could be a tech campaign, which targets AI and neural network programmers that are very hard to find in Denmark.

Also, New Zealand's special Global Impact Visa (GIV), for impact entrepreneurs is an innovative variation of this trends. It is a residence permit granted by Immigration New

Zealand and is exclusively available to individuals and teams accepted into the Edmund Hillary Fellowship. The GIV provides leading entrepreneurs and investors a three-year residence permit to create, support and incubate ventures that result in positive global impact as part of the Edmund Hillary Fellowship. After three years, migrants can qualify for permanent residency. The GIV is designed to attract individuals and teams with the drive and capability to launch global impact ventures from New Zealand, who may not be able to qualify for other residence permit categories, as well as investors wishing to support impactful ventures.

### 3.3 Ease of relocation

While talents used to run into red tape and other administrative burdens, it has become increasingly clear to many destinations that the region benefits from skilled talent choosing to relocate there. This has created a trend of both making it easier to enter countries craving talent and of vastly improving framework conditions for talents. In most countries, the lifting of the administrative burden is not universal, however, but targets the groups of talents with the special skills the country is most in need of.

France's, Singapore's and UK's new residence permits for certain tech talents are illustrative examples of this trend. The French Tech Visa (FTV), introduced March 2019, is a simplified scheme for applying for a residence permit in France for non-EU start-up employees, founders and investors. The FTV is a core element in President Macron's mission to make France a "nation of unicorns" by making it attractive to establish, scale and invest in start-ups from France. The visa is valid for four years and therefore, despite its name, a residence permit, as the concept is understood in this study. It automatically extends to the spouse and minor dependent children. It does not have diploma requirements, i.e. it does not require documentation like a university degree.



Similarly, in January 2020, Singapore introduced the Tech@SG Programme – a fast-track mechanism for tech/IP-heavy companies in their growth phase looking to rapidly build up their core team through international talents. The programme is run by the Economic Development Bureau, which does not in itself issue work permits. Instead, the Tech@SG Programme provides endorsements to the Ministry of Manpower (MOM), reducing new employees' risk of their work permit applications being rejected. The entire process takes less than a month.

A company in the programme can benefit from up to 10 endorsements for international talent over two years to boost the core teams of their companies. The programme is not for everyone, however: The applicant's fixed monthly salary must meet MOM's minimum salary criteria (3900 SGD, approximately 2450 EUR, as of May 2020) and the applicant must fill a core role in the team, i.e. a core business function, a technical function or a management position.

In February 2020, following Brexit, the UK introduced the Global Talent Visa (GTV), which is intended for very talented and promising individuals in specific sectors. To be considered being granted a GTV, applicants must gain an endorsement from one of six endorsing bodies engaged by the Home Office. In other words, unlike other visas, the Home Office has partly outsourced the evaluation process to organizations that have the necessary skills to evaluate the applicants.

The actual residence permit application is done in two phases: In phase one, applicants first contact one of the endorsement bodies to get the endorsement. If the applicant gets the endorsement, they can proceed to phase two and apply for the residence permit in the Home Office. The endorsement does not automatically grant a GIV, as normal immigration aspects still apply, including the general grounds for refusal. However, for most of the applicants, the endorsement is in practice enough to secure the visa. The two-phase approach may add a level of complexity, but it brings more certainty to the process once the applicant has the endorsement in phase one and in a way works as an employee certification system comparable to the employer certification<sup>51</sup>.

Another example is how China uses its Free Trade Zones (FTZs) as talent labs with extra attractive conditions for specific international talents. Free Trade Zones have traditionally been used as 'test beds' for investment liberalization, regulation and tax incentives and are now seemingly being used to test new talent attraction schemes. As a test bed, the FTZs are allowed to test the effectiveness of new reforms, rules and legislation that do not yet apply to the rest of China. Hence, they represent legislative innovation labs and hence a window into what initiatives the Chinese government and/or administration might roll out later.

Additional example is Copenhagen's International house, where you can get all the necessary documents, a bank account, etc. in little more than an hour. The Interna-

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<sup>51</sup> See chapter 4.3 for more details about certified employer models.

tional house is a cooperative effort between several municipalities and state institutions designed to make it easy to relocate to Copenhagen, or any other municipality in the Greater Copenhagen area.

Other countries focus on the framework conditions for talents already in the country, including the Netherlands that offers reduced tax rates for certain limited-time work permits. More detailed info can be found in the four in-depth country cases in this report, which have all systematically reduced the red tape in work-based residence permits over the last decade.

### 3.4 Creative lead generation

Attractive talents usually get many offers from companies. Destinations and companies already known to the applicant tend to have an advance, and lesser-known destinations must therefore go the extra mile to succeed. Massive branding campaigns can make a destination more known to applicants, but because lesser-known destinations also tend to be smaller destinations with limited budgets, large international campaigns are often not financially viable. For this reason, they must come up with creative strategies for lead generation that are effective, yet affordable.

An illustrative example comes from the Swedish town Jönköping. In 2015, they launched a famous “We miss you” (Vi saknar dig) campaign, where people in the city “invited” their now expatriated friends back to the city<sup>52</sup>. The campaign was very specifically targeted towards individuals and, among other means, used street ads close to the expatriated friend’s new home to reach them. A plane from Stockholm to Jönköping was eventually chartered and filled with the “missed” friends, who came back to revisit Jönköping and the local companies in need of talent. An impressive 22 percent ended up moving back to Jönköping.



<sup>52</sup> Placebrander blog 16.4.2012: Vi saknar dig – prisbelönt kampanj från Jönköping, available in <https://placebrander.se/vi-saknar-dig/>

Another great example is the Basque Country's Be Basque programme. The Be Basque initiative is essentially an international network of highly qualified professionals, who are or want to be linked to the Basque Country, regardless of their territorial origin. It is made up of over 13 000 professionals spread across more than 100 countries and nearly 400 Basque organizations.

The aim is to put professionals working all over the world in contact with other professionals and companies in order to facilitate talent movement and build contacts and business relationships with all those who have, have had or want to have a relationship with the Basque Country. Membership is free.

While other much larger professional networks like LinkedIn offer largely similar networking opportunities, Be Basque builds additional value on two fronts: Firstly, by linking the network closely with the feeling of "being" Basque, it induces trust in the relationships between users, who do not know each other. Secondly, this trust is enhanced through systematic face-to-face meetings of Be Basque members in other countries. This unusual blend of culture, identity, networking and talent attraction actually works. A remarkable 10 percent of the participants in meetings end up in jobs in the Basque Country and 80 percent of companies participating in the meetings join another meeting.

### 3.5 Expatriated citizens as a target group

An increasing number of countries focus on reattracting their own expatriated citizens alongside attracting foreign talent. The approach has several advantages. Expatriated citizens tend to be naturally primed to consider their home country over more known destinations. This bias can give the country a competitive advantage over other destinations, when competing for talent.

Expats also often speak the local language and fully understand the values and working conditions of their home country, which makes both relocation and integration into the labor market smoother, especially into the more locally oriented parts of the labour market, where English may not be so commonly used professionally. The strategy is most common in countries with a large number of expatriated citizens (so called diasporas), but countries with limited diasporas have adopted the strategy as well.

Examples of this include Poland, which, until recently, was a talent exporting country. After several years of fast economic growth, Poland itself is in need of talent and uses the We are 60 million campaign to attract the massive Polish diasporas in places like

the US, UK and Australia back to Poland. The slogan of the campaign refers to the 60 million Poles in the world today.

About 20 million of them live outside the borders of Poland and the potential talent pool is hence enormous. Although industrial sectors like the tech community in Poland are becoming increasingly international, there are large parts of the economy that remain more traditionally Polish. By focusing the attraction efforts on the diaspora outside its borders, Poland not only targets a huge talent mass already primed to move to Poland, but a diaspora that also speaks Polish and knows the Polish working culture and is, therefore, much easier to integrate into the more locally oriented parts of the labour market.

Denmark is also now targeting its diaspora systematically as a part of talent attraction campaigns. The Danish diaspora consists of about 300 000 people. 80 percent of them have expressed willingness to help Danish companies and organizations prosper, if they are given the right tools and channels to do so. A pre-study has shown talent attraction to be among the top three issues the diaspora would be most fitted to help with.

In order to test and unlock the diasporas potential, Copenhagen Capacity launched a side campaign with a traditional tech campaign. In this side campaign, the target group was not international talents. Instead, the target was expatriated Danes, as well as foreigners somehow affiliated with Denmark, either through family, job, education, etc. The target groups were identified through Facebook.

The side campaign was only a test that ran for two weeks. Yet, more than 60 percent of campaign traffic during those two weeks could be traced back to the side campaign. The small test has now led Copenhagen Capacity to develop and fully test a dedicated campaign targeted towards the same target group, but this time with fully tailored messages and nurture flows aimed at the Danish diaspora all the way through the campaign.

## 3.6 Digitalization

Increased digitalization is a huge trend in talent attraction and most strategies and campaigns use digital tools in some form. Through digitalization and AI, the best campaigns combine scale with an experience almost personally tailored to the individual.

As was already mentioned, in this report we have described, among other things, how Copenhagen has gone almost fully digital through the digital campaign platform that

combines online marketing tools with AI to “get to know” the user and their preferences. This info allows for a very specifically targeted follow-up, depending on where the person is in their career and life cycle. Copenhagen gets a lot of applicants from the campaigns and as a result, Copenhagen Capacity has added another digital service – a specialized AI system that can automatically screen the applications down to a manageable amount. By way of example, the system has automated dialogues with applicants to collect more relevant info in order to better match them with available jobs. Without it, the matching of individuals and jobs would simply be impossible.

Others use more hybrid models like the Be Basque network, but digitalization plays a key role in most of the cases described in the report, simply because it allows destinations to combine scale and personalization at reasonable costs. Both the process of attracting talents and the permit systems are hence getting more and more digital, which allows prescreening errors, faster dialogues with applicants, easier international processes and, therefore, more effective permit processes.

In the next chapter, we will dive deeper into different permit systems and models and highlight the best practices to extract inspiration from.

## 4 Permit process models

The process of getting a permit to live and work in a country is central to its ability to attract foreign workers. For the latter part of the 20<sup>th</sup> century, developed countries were quite restrictive about allowing foreign workers into the country. The process of getting a work and residence permit was long, tedious and required numerous steps of filling forms, paying fees, sending papers and talking to authorities. This made hiring foreign nationals less interesting for companies in need of workers, since it took very long to fill a vacancy, if one needed to look outside one's own country.

In recent decades, however, this has changed. With the increasing demand for skilled workers especially in developed economies, the countries have started to ease the administrative burden of permit processes. Companies demand faster and easier access to the global pool of international talent, whose skills and know-how are needed to make businesses flourish. Easier access to the labor market also makes the country more attractive to the highly skilled workers, who are looking to relocate abroad.

This has also been case in Finland. Until the recent years, there were no official national policies related to talent attraction and the efforts in this area were undertaken mainly by companies, while searching for their potential employees outside of Finland. Since 2015 however, the Finnish government, under several different prime ministers, has raised talent attraction high on the policy agenda. This has led to the creation of the Talent Boost programme to coordinate the talent attraction efforts on national level and amendments to the legislation covering the permit system that represent the new policy of streamlining the residence permit process, thus facilitating faster entry and making Finland more attractive.

Finland is now looking to develop its administrative framework governing the residence permit processes even further. The Ministry of Economic Affairs and Employment (MEAE) that is coordinating the Talent Boost programme has launched a legislative reform project to make the residence permit process even faster with the aim to reduce the application processing times to one month. In addition, the Finnish government set a goal to create a fast track for specialists, start-up entrepreneurs and their family members with an average 2-week processing time for residence permits.

In this chapter, we compare the Finnish residence permit process models to models used in four comparison countries. We aim to identify possible solutions to the central problems prolonging the Finnish permit processes. Insights from comparison countries also provide additional ideas on developing the Finnish permit process to be faster and less burdensome for both the applicant and the migration administration.



The comparison countries include three of Finland's closest Nordic peers and competitors in the talent arena: Denmark, Norway and Sweden. We also examine the permit process in the Netherlands. These countries were chosen for comparison, because their society, economy and legislation resemble those in Finland in many ways.

In this chapter, we use the country reports as the primary source. For the sake of comparison and readability, we highlight certain issues from the reports and leave others out. First, we conduct an extensive comparison of the central elements in the most important permit process model for highly skilled workers. Then we take a closer look at a set of issues we thought to be most central in the Finnish context, namely the bottlenecks identified in the Finnish system, certified employer models and the family members of highly skilled workers. These examinations are summaries for comparative purposes, however. For full details of each country, as well as more detailed information of the sources, we urge the reader to refer to the full country reports annexed in this report.

## 4.1 Comparing the permit process models

Making comparisons of permit process models between countries is not easy. Each country has distinct permit systems molded by their unique history with immigration and the policies and legislation related to it. Denmark and the Netherlands have geared their permit systems towards attracting highly skilled and educated immigrants. They are geographically situated closer to European heartland compared to Finland, Sweden and Norway. This has ensured them a stable supply of workers from within the EU/EEA area and less need to attract low-skill workers from outside the EU. Sweden, on the other hand, has the most liberal work immigration policy of the OECD countries. With its simplified work permit system and fast track for certified employers, regardless of the field of work, Sweden gives ample opportunities for non-EU/EEA blue-collar workers to live and work in the country. Norway differs from these three in that attracting foreign workers has not featured strongly in politics. It has mostly left private actors to facilitate labour immigration and aims to offer a well-functioning administrative framework for the private sector to operate in. Norway has considered, but opted out of, many of the permit policy reforms in other countries and even experimented with some of them, but eventually rolled them back due to fraudulent use. These differences are reflected in the permit process models in each country. Yet, they face the same core challenges as Finland. An ageing population and a technology driven economy escalate the demand for a skilled workforce.

There are several aspects to consider when comparing permit process models. Firstly, workers coming a country that is a member of the EU/EEA can be divided into

three groups, according to their country of origin. Workers from the EU/EEA area are allowed to look for work in another EU country, to work there without the need for work permit, to reside there for that purpose and to stay there even after employment has finished<sup>53</sup>. Non-EU/EEA citizens, on the other hand, almost always need a permit to live and work in these countries. Depending on their country of origin, some of the non-EU/EEA citizens need a visa to enter the country, whereas others do not. In many cases, this affects the permit process usually by making it longer and more complicated for individuals who need a visa.

Secondly, there are numerous different types of work-related residence permits in each country. For instance, Finland has 23 different of work-related residence permits and 27 different applications for applicants from outside the EU/EEA countries. Denmark has 18 different work-related permit types, the Netherlands 20. Norway has less, although the exact number is not readily available. Sweden has only two work-related residence permits: a work permit for employed persons and a residence permit for the self-employed. These permit types often have distinct permit process models in place. Some of them are comparable with each other, but the process often varies widely between different permit types. Hence, when making comparisons between countries, the choice of permit type or permit process model makes a huge difference and should be considered carefully and stated clearly.

Keeping these preconditions in mind, we chose to compare the most relevant permit process models for attracting highly skilled talents from outside the EU/EEA area in this study. For comparison, we also assumed that applicant needs a visa to enter the country they are coming to work in. As will be seen, this adds more steps to the permit process and can make it significantly longer, compared to workers that can enter the country without a visa.

In the case of Denmark, the Netherlands and Sweden, we are examining the certified employer model, which is different in each country. In Norway, the comparable model is the skilled worker permit and in Finland it is the residence permit for a specialist. These permit process models have different characteristics and requirements. They also represent a different share of the total applications in each country. The certified employer model in the Netherlands constitutes a permit process model for different permit types. On the other hand, the skilled worker permit in Norway and the residence permit for a specialist in Finland are distinct permit types that have their own permit process models. Swedish and Danish certified employer models fall in between

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<sup>53</sup> The European Commission website: Free movement - EU nationals, accessed 10.10.2020. <https://ec.europa.eu/social/main.jsp?catId=457&langId=en>

these and have the characteristics of permit types as well as those of a permit process model.<sup>54</sup>

Still, these permit process models represent the most likely permit process a highly skilled non-EU/EEA applicant coming to the country would experience and, hence, are the most relevant permit process models to examine, when assessing the attractiveness of the country for talented workers. We compare these models with 22 key indicators. These indicators represent the most important aspects, where the similarities and differences of the permit process models can be discerned. They also indicate important nodal points, where the flow of the permit processes can differ, causing inertia and longer processing times. The indicators can be subdivided into four categories. First, there are requirements for both the employee and employer. The second set of indicators describes basic information like the amount and share of applications and processing times. The third group investigates the flow of the permit process and different points in it. The fourth category concentrates on the roles of different actors in the process.

The results of the comparison are summarized in table 1 below. There are two things to note when reading the table. Firstly, the purpose of the table is to summarize key issues from each country for comparison. The variables examined in each indicator do not constitute an exhaustive list of details in it, but rather represent the most important factors to compare in each country. For full details and descriptions on the permit processes, refer to the country reports in the annexes.

Secondly, the results in this comparison apply only to the specific permit process models examined in the table. The models chosen for the comparison are, in our view, the most relevant models in light of attracting highly skilled workers to the country, but they represent less than half of the total amount of applications in each country (apart from the Netherlands). Other permit models would have different results in many of the indicators. Making an all-inclusive comparison between all the models in the comparison countries is beyond the reach of this study, however, since there are dozens of different permit models for workers and students alike. Again, in the country reports annexed, we take a broader look at the different permit models in each country, but there too, most of the attention is given to the same models we examine in the comparison table (table 1).

Later in this chapter, however, we do observe some issues from a broader viewpoint. We do this through the bottlenecks identified in the Finnish permit system by relating them to the experiences of the comparison countries. We also take a closer look at

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<sup>54</sup> For the definitions of the concepts like permit type and permit process models see chapter 1.3. The certified employer models are examined more closely in chapter 4.3.

the certified employer models and other ways to incentivize the employers to take a bigger role in the process and, finally, residence permits for the family members of highly skilled workers.

**Table 1. Comparison of the most relevant permit process models for highly skilled non-EU/EEA citizens, who need a visa to enter the country.**

Indicator	Denmark	The Netherlands	Norway	Sweden	Finland
<b>The permit process model examined</b>	The certified employer model on a pay limit track <ul style="list-style-type: none"> <li>For detailed information and sources, see Annex 1.</li> </ul>	The certified employer model for staying longer than 90 days <ul style="list-style-type: none"> <li>For detailed information and sources, see Annex 2.</li> </ul>	The skilled worker permit <ul style="list-style-type: none"> <li>For detailed information and sources, see Annex 3.</li> </ul>	The certified employer model <ul style="list-style-type: none"> <li>For detailed information and sources, see Annex 4.</li> </ul>	The residence permit for a specialist <ul style="list-style-type: none"> <li>For detailed information and sources, see Annex 5.</li> </ul>
<b>I: REQUIREMENTS</b>					
<b>1. Requirements for the applicant</b>	Income requirement <ul style="list-style-type: none"> <li>A minimum of 436 000 DKK (56 000 EUR) per year.</li> </ul>	Income requirement <ul style="list-style-type: none"> <li>A minimum of 4162 EUR a month for applicants 30 years of age or older, 3381 EUR a month for applicants younger than 30 years.</li> </ul>	Minimum education requirement <ul style="list-style-type: none"> <li>Vocational education or other education equivalent to the Norwegian three-year secondary school level.</li> </ul> Work relevance requirement <ul style="list-style-type: none"> <li>Including the competence needed for the job and a payment level comparable to that in Norway.</li> </ul>	Income requirement <ul style="list-style-type: none"> <li>A minimum of 13 000 SEK (1250 EUR) a month.</li> </ul>	Income requirement <ul style="list-style-type: none"> <li>A minimum of 3 000 EUR a month, 36 000 EUR per year.</li> </ul> Minimum education requirement <ul style="list-style-type: none"> <li>A higher education degree.</li> </ul> Work relevance requirement <ul style="list-style-type: none"> <li>The work must consist of expert tasks that require special expertise, such as IT experts.</li> </ul>
<b>2. Requirements for the employer to be certified</b>	<ul style="list-style-type: none"> <li>A company or a university.</li> <li>Must have at least 20 full time employees.</li> <li>Must adhere to working environment standards and labour and immigration laws.</li> <li>The company must not be in a legal labour conflict.</li> </ul>	<ul style="list-style-type: none"> <li>A company or a higher education institute.</li> <li>The organization must be registered in the national business register.</li> </ul> The continuity and solvency of organization is checked with a points system by the National Economic Agency (RVO), if needed.	-	<ul style="list-style-type: none"> <li>Must be registered as an employer.</li> <li>Must have a stable financial situation.</li> <li>Must have a recurring need to recruit workers from a non-EU country.</li> <li>Must have made at least ten work permit applications in the past 18 months.</li> <li>Must have fulfilled the requirements for residence permits and work permits, if the employer has previously recruited labour from a non-EU country.</li> </ul>	-

Indicator	Denmark – The certified employer model	The Netherlands – The certified employer model	Norway – The skilled worker permit	Sweden – The certified employer model	Finland – The specialist scheme
II: BASIC INFORMATION ABOUT THE MODELS					
3. The number and share of the applications or granted permits	<p>In 2019, the number of certified employer model permits <b>granted</b> was 3133 (38 percent of residence permits granted to non-EU/EEA citizens).</p> <p>No information about certified employer permit <b>application</b> numbers is available.</p>	<p>In 2019, the number of knowledge and talent worker permit <b>applications</b> was 19 840 (87 percent of the total amount of work-related residence permit applications) and the number of <b>granted</b> permits approximately 18 180.</p> <p>Knowledge and talent permits require the employer to be certified, but employers applying for other permit types can also get certification. The total number of certified employer applications is thus bigger than presented above, but the exact number is not available.</p>	<p>In 2019, the number of skilled worker scheme first-time permits <b>granted</b> was 4391 (43 percent of work-related residence permits granted to non-EU/EEA citizens).</p> <p>No information about skilled worker permit <b>application</b> numbers is available.</p>	<p>In 2019, the number of certified employer model <b>applications</b> was 39 200 (42 percent of all work permit applications).</p> <p>No information about the number of certified employer permits <b>granted</b> is available.</p>	<p>In 2019, the number of specialist scheme <b>applications</b> was 1903 (14 percent of all work-related residence permit applications) and the number of <b>granted</b> permits 1893.</p>
4. Possibility to leave an incomplete application	No.	Yes.	Yes.	No.	Yes.
5. Possibility to leave a paper application	No. Only electronic applications are allowed in the certified employer model.	Yes. No precise estimation of the share of paper applications is available.	Yes. No precise estimation of the share of paper applications is available, but according to The Directorate for Immigration (Utlendingsdirektoratet, UDI), they are rare.	No. Only electronic applications are allowed in the certified employer model.	Yes. In the specialist scheme, 88 percent of the applications are submitted via the e-service.
6. The application fee	The fee for an electronic application is 3215 DKR (430 EUR). No paper applications are allowed.	The application fees vary between 174–290 EUR depending on the permit type. No differences between the paper or electronic application fee.	The fee for electronic and paper applications is 6300 NOK (580 EUR).	The application fees vary between 1500–2000 SEK (95–145 EUR), depending on the permit type. No paper applications are allowed.	The fee for an electronic application is 410 EUR. The fee for a paper application is 560 EUR.

Indicator	Denmark – The certified employer model	The Netherlands – The certified employer model	Norway – The skilled worker permit	Sweden – The certified employer model	Finland – The specialist scheme
<b>7. Average official processing times in the spring of 2020, how they are counted and approximation of the maximum total length of the process</b>	1 month. Counted from the moment the applicant has uploaded the complete application, including all documentation, has paid the processing fee and has been in the foreign service mission to record biometrics. The count ends, when the Danish Agency for International Recruitment and Integration (SIRI) has made the decision. The total length of the process from initiating the application to the possibility to start working can be a couple of months.	The legally mandated goal is 7 weeks, starting from the initiation of the application in the Agency for Immigration and Naturalisation (IND) website: 2 weeks for IND to check the residence permit criteria and 5 weeks for the labour administration to conduct the labour market test. No information is available on how long the process usually takes. The total length from initiating the application to the possibility to start working can be a couple of months.	2–4 weeks. Counted from the moment the Directorate for Immigration (Utlendingsdirektoratet, UDI) receives application from the Norwegian mission after verifying the identity. The count ends when UDI makes the decision. The total length of the process from initiating the application to the possibility to start working can be months.	10 days. Counted from when the employer has submitted the offer of employment through the Swedish Migration Agency's (SMA) web portal and it has been available for applications for 10 days. The count ends when the SMA has made the decision. The total length of the process from initiating the application to the possibility to start working can be several months.	1 month for an e-application and 1–2 months for a paper application.  Counted from the moment the applicant has submitted the attachments, paid the fee and verified their identity in a Finnish mission abroad. The count ends when the Finnish Immigration Service has made the decision. The total length of the process from initiating the application to the possibility to start working can be several months.
<b>III. PERMIT PROCESS FLOW</b>					
<b>8. A short description of the main steps in the permit process from initiation to the possibility to start working (and their approximate or target lengths)</b>	<ol style="list-style-type: none"> <li>1. Initiation on the website.</li> <li>2. The identification of the applicant in a foreign service mission (within 14 days).</li> <li>3. A decision is made on the residence permit (10 days).</li> <li>4. A D-Visa is issued (15 days).</li> <li>5. Arrival in Denmark.</li> <li>6. A quick job start after arrival, if applicable.</li> <li>7. Physical residence permit card is delivered to a Danish address and the beginning of work, if a quick job start is not applicable (4 weeks).</li> </ol>	<ol style="list-style-type: none"> <li>1. Initiation on the website or on paper at the migration administration.</li> <li>2. A decision is made on the residence permit (max. 7 weeks).</li> <li>3. Pickup of the temporary residence permit (acts as a visa) and the recording of biometrics in a foreign service mission (must be done within 3 months of the decision).</li> <li>4. Arrival in the Netherlands.</li> <li>5. Pickup of the physical residence permit card and the beginning of work (usually within 2 weeks).</li> </ol>	<ol style="list-style-type: none"> <li>1. Initiation on the website or on paper.</li> <li>2. The identification of the applicant in a foreign service mission (possibly several weeks).</li> <li>3. A decision is made on the residence permit (2–4 weeks).</li> <li>4. A visa is issued for entry (1 week).</li> <li>5. Arrival in Norway.</li> <li>6. Early employment, if applicable.</li> <li>7. An appointment with the police (within 7 days).</li> <li>8. Physical residence permit card is delivered to a Norwegian address and the beginning of work, if no early employment is applicable (10 days).</li> </ol>	<ol style="list-style-type: none"> <li>1. Initiation of the work permit on the website by creating the job offer (10 days).</li> <li>2. A trade union statement is issued (max. 14 days).</li> <li>3. A decision is made on the work permit (10 days).</li> <li>4. The process for the residence permit card is initiated.</li> <li>5. The identification of the applicant in a foreign service mission (possibly several months).</li> <li>6. A physical residence permit card is sent to be collected in the foreign service mission (4 weeks).</li> <li>7. Arrival in Sweden and the beginning of work.</li> </ol>	<ol style="list-style-type: none"> <li>1. Initiation on the website or on paper.</li> <li>2. The identification of the applicant in a foreign service mission (possibly several weeks or months).</li> <li>3. A decision is made on the residence permit (1 month for an e-application, 1–2 months for a paper application).</li> <li>4. The physical residence permit card is delivered to the applicant's country (4 weeks).</li> <li>5. Arrival in Finland and the beginning of work.</li> </ol>

Indicator	Denmark – The certified employer model	The Netherlands – The certified employer model	Norway – The skilled worker permit	Sweden – The certified employer model	Finland – The specialist scheme
<b>9. Process initiation</b>	The certified employer creates a case number online and initiates the process. The employer needs power of attorney from the employee to do this.	The certified employers submits the applications for residence and employment permits via an online portal for enterprises or by paper in the IND.	The employee – or, if given power of attorney, the employer – initiates the process in the UDI's website or on paper in a Norwegian foreign service mission and pays the administration fee.	The certified employer initiates the process by completing an offer of employment at the SMA's web portal. The employee fills in their part.	The employee initiates the application either in the e-service or by paper at a Finnish foreign service mission.
<b>10. Labour market testing</b>	No labour market testing.	The Public Employment Agency (UWV) makes sure there are no qualified employees available in the EU/EEA area and that the employment offer adheres to the criteria in the Law on Foreign Workers.	The Norwegian Labour and Welfare service (Arbeids- og velferdsetaten, NAV) conducts labour market testing, if a set quota of skilled worker permits is exceeded. Since 2002, the number of permits before labour market testing is required has been 5 000. This quota has never been exceeded.	No labour market testing. Employers wishing to recruit non-European labour are still formally obliged to post advertisements within the EU/EES/Switzerland for ten days, but the employer is free to decide who they wish to recruit.	The specialist scheme does not include labor market testing or any other two-step processing between authorities.
<b>11. Identification, biometrics and original documents</b>	The employer uploads stored biometrics. The potential employee goes to a foreign service mission to store their biometrics. The SIRI can only begin processing the application after biometrics have been recorded by the applicant. This must happen no later than 14 days after the submission date of the application. Original documents are not required, if the application is completed online, apart from a passport, which has to be shown when biometrics are recorded.	The employer has a duty to verify the identity of the worker. Employment officials conduct random checks at workplaces. Upon picking up the temporary residence permit (MVV) from the foreign service mission, the individual must submit a number of biometric details, namely fingerprints and a passport photograph.	After submitting the application, the applicant books an appointment at a Norwegian foreign service mission abroad. The mission controls persons and documents. Biometric identifiers are collected during the appointment. The waiting time for an appointment can be several weeks.	After the SMA has granted a work permit, the process for a residence card begins. The applicant books an appointment at a Swedish foreign service mission for identification and the recording of biometrics. The waiting time for the appointment depends on the foreign service mission in question and ranges from immediately to several months.	After submitting the application, either by paper or electronically, identity and original documents are verified and biometrics recorded in a Finnish foreign mission. The waiting time for an appointment can be several weeks, even months.



Indicator	Denmark – The certified employer model	The Netherlands – The certified employer model	Norway – The skilled worker permit	Sweden – The certified employer model	Finland – The specialist scheme
<b>12. Interviews</b>	Under normal circumstances, no interview will be carried out with applicants.	No interviews are required.	No information about interviews is available.	The process with the residence card may include interviews, if deemed necessary by the SMA. Interviews are conducted by the foreign service mission. The waiting times for these interviews vary greatly between missions, from a few weeks to several months.	In some cases, an interview is required to complement the application. The interview is conducted in the foreign service mission. The waiting time for interviews is approximately one month, but occasionally it has stretched up to 6 months.
<b>13. Receiving the residence permit card</b>	After entering Denmark, the employee must register at a municipal civil service center within 5 days. The applicant will then automatically receive the physical residence permit card by mail within approximately 4 weeks, sent to the applicant's address in Denmark.	After entering the Netherlands, the worker may collect the physical residence permit card. This is done by making an appointment at an IND office in the Netherlands. The appointment is made online. After a decision has been made, the IND strives to have the card ready for pick-up within two weeks.	After entering Norway, the applicant makes an appointment with the local police to order a physical residence permit card. This must be done within 7 days from entering the country. The card is then sent to the applicant to an address in Norway. It will take at least ten working days from the appointment with the police for the card to arrive in the post.	After completion, the physical residence permit card is sent to the foreign service mission, where it was applied for. Delivering the card to the foreign service mission for pick-up may take up to 4 weeks. How the card is sent then depends on the foreign service mission in question. At some foreign service missions, you are expected to visit and retrieve it yourself or through an attorney. In others, you may have the card delivered to your home address.	If the application was submitted abroad, the physical residence permit card is delivered to the applicant's country. The card will then be provided through the foreign mission. It may be collected from the mission in question or may be sent directly to the applicant's home address. The residence permit card will be received approximately 4 weeks after the decision.
<b>14. Entering the country</b>	When the applicant has been allowed for a residence permit, a D-Visa will be attached to the applicant's passport by the foreign service mission. The D-Visa will allow the applicant to travel to Denmark within a prescribed time frame. The passport with the visa sticker will be sent to the applicant's home address or can be picked up at the Danish representation.	If the employee comes from a country that requires a temporary residence permit (MVV), the employer applies for that at the same time they apply for the long-term combined residence and work permit (GVVA). In effect, the MVV works like a visa. Upon a decision by the IND, the individual in question can go to pick up their MVV by making an appointment with a Dutch representation in or nearest to the country of residence. The individual has three months to pick up their MVV.	When the UDI has made a positive decision, the foreigner can travel to Norway, if they are not already in the country. If an entry visa is needed, the UDI will ask the embassy responsible for the case to issue this visa. It is not necessary to apply for one. The office where the application was handed in will then contact the foreigner to agree on a time for them to come and collect their visa. It will take up to a week to be contacted.	After receiving the residence card, the employee can enter the country together with the permit and a passport.	The employee can enter Finland after receiving the residence permit card. Sometimes employers have had specialists come to Finland to start the permit process already residing in the country. This procedure is possible with a 90-day tourist visa.

Indicator	Denmark – The certified employer model	The Netherlands – The certified employer model	Norway – The skilled worker permit	Sweden – The certified employer model	Finland – The specialist scheme
<b>15. The possibility to start working</b>	After entering the country, the employees register at a municipal civil service center. After registering, they receive the physical residence card and a personal identification code (CPR-number) to an address in Denmark. This takes approximately 4 weeks. After receiving them, they can start working.	After entering the country, individuals coming to the Netherlands for more than 90 days must register themselves in the National Population Register (the BRP) and set up health insurance (compulsory by law). After this, they can start working.	After entry to country, the employee makes an appointment with the local police to order the physical residence card. About two weeks after the meeting with the police, the foreigner will receive a letter from the tax administration with their national identity number or D-number. With this number, they can apply for a tax card, open a bank account and start working.	After the employee arrives in Sweden with the residence permit card, they find a home, register with the tax agency and other relevant authorities and start working.	The employee can start working after entering Finland with the residence permit card.
<b>16. The possibility of a fast job start</b>	Certified employers have the possibility to ask for a quick job start. If the application has been submitted and the applicant needs a visa to legally travel to Denmark, the employer must send an email and inform the SIRI that they need a quick job start. In this case, the SIRI will make a decision on the residence permit, typically no later than 10 days from receiving application with biometrics. After that, it authorises the Danish foreign service mission to issue a D-Visa, which will take about 15 days. Then, after entering the country, the applicant can appear in one of the SIRI's citizen centers in Denmark and ask for a temporary work permit in order to begin working immediately, even though the final work and residence permit card has not yet been issued.	No.	If the application is handed in to the Norwegian police, either by the employer or the applicant, they can ask for early employment to start working immediately, even if the permit process is still ongoing. Early employment is not possible, if the foreigner hands in their application at a foreign service mission or VFS-office.  In the case of early employment, if the applicant needs a visa, they have to show the confirmation of early employment given by the police at the foreign service mission and have to show their passport to the police no later than seven days after arriving in Norway or during the first available appointment. Still, they can start working immediately after entering the country.	No.	In the specialist scheme, the applicant can start working before the residence permit has been granted, if they have applied for the permit in Finland. This requires staying in the country with a valid visa. The right to work continues without interruption, if the permit is applied for and granted within 90 days.

Indicator	Denmark – The certified employer model	The Netherlands – The certified employer model	Norway – The skilled worker permit	Sweden – The certified employer model	Finland – The specialist scheme
<b>17. Family members</b>	Close family members are eligible for a residence permit once the sponsor, who is in Denmark to work, is approved through the certified employer scheme. The application process is separate from the certified employer scheme and must be started after the sponsor gets the residence permit.	Family members can come to a new country of work. The residence permit for family members is similar for most of the more highly qualified categories of permits and must usually be applied for by the certified employer.	Family members can apply for "family immigration" at the same time as the skilled worker applicant and they will receive the answer to their applications at the same time.	The employee and their family members apply for their respective permits together and, in general, the applications are also processed together.	The family members of the residence permit applicant, called the sponsor, must apply for their permits in the family member scheme. In this case, all residence permits will be processed simultaneously, if submitted together.
<b>IV: ROLES OF THE ACTORS</b>					
<b>18. The role of the employer or education organization in the permit process</b>	The certified employer or university is responsible for applying for the residence permit.	The employer is responsible for applying for the residence permit. The employer has several legal obligations: <ul style="list-style-type: none"> <li>• To inform officials and the employee</li> <li>• To verify the identity of the worker</li> <li>• To administrate and safeguard certain documentation</li> <li>• To ensure the worker adheres to necessary legal and administrative requirements.</li> </ul>	The initiation of the permit process can be carried out by the employer, if given power of attorney. The employer can then also submit applications for the nearest family members of the foreign national. In this case, the foreign national is still formally the applicant, or the "party", in the administrative sense.	The employer initiates the process by submitting an offer of employment at the Swedish migration authority's (SMA) web portal. The employee fills in their parts, but the employer is otherwise responsible for the work permit process. In the residence card process that begins after the work permit is granted, the employee is mainly responsible.	The employer usually confirms the employment with the employment contract. When the permit is submitted in the e-service, the employer can, if given power of attorney, submit information of the work and company and pay the costs on behalf of the applicant. The employer can also authorize a third party to represent them in the e-service.
<b>19. The role of foreign service missions in the permit process</b>	Foreign service missions: <ul style="list-style-type: none"> <li>• Verify the identity</li> <li>• Record biometrics</li> <li>• Grant a visa to enter Denmark.</li> </ul>	Foreign service missions: <ul style="list-style-type: none"> <li>• The site to pick up the temporary residence permit, the MVV (in effect, a visa)</li> <li>• Record biometrics upon collecting the MVV.</li> </ul>	Foreign service missions: <ul style="list-style-type: none"> <li>• Receive paper applications</li> <li>• Verify the identity</li> <li>• Record biometrics</li> <li>• Check the original documents</li> <li>• Grant a visa to enter Norway.</li> </ul>	Foreign service missions: <ul style="list-style-type: none"> <li>• Verify the identity</li> <li>• Record biometrics</li> <li>• Conduct interviews, if needed</li> <li>• Provide the physical residence card.</li> </ul>	Foreign service missions: <ul style="list-style-type: none"> <li>• Receive paper applications</li> <li>• Verify the identity</li> <li>• Record biometrics</li> <li>• Check the original documents</li> <li>• Conduct interviews, if needed</li> <li>• Provide the physical residence card</li> <li>• Grant a 90-day tourist visa to enter Finland.</li> </ul>

Indicator	Denmark – The certified employer model	The Netherlands – The certified employer model	Norway – The skilled worker permit	Sweden – The certified employer model	Finland – The specialist scheme
<b>20. The role of public employment offices in the permit process</b>	The Danish Agency for Labour Market and Recruitment (STAR) is responsible for Workindenmark, a public employment agency serving highly qualified international professionals looking for a job in Denmark and Danish companies searching for talented foreign candidates. They also maintain the national Labour Market Balance database that is used in generating the Positive List of occupations in need of workers.	The Public Employment Agency (UWV) performs the labour market testing. It also is responsible for the process of applying for a work permit (TWV), in case the stay is less than 90 days. The Labour Inspectorate does random checks of employment contracts and documentation on-site.	The Norwegian Labour and Welfare service (Arbeids- og velferdsetaten, NAV) assists jobseekers and employers that seek to hire and helps them find a good fit. It also performs labour market testing, if the quota of skilled worker applications is exceeded.	No role in the process.	No role in the process.
<b>21. The role of migration authorities in the process</b>	The Danish Agency for International Recruitment and Integration (SIRI) is responsible for processing and granting all work and study related residence permit applications.	The Agency for Immigration and Naturalisation (IND) is responsible for the processing and granting of both residence permit applications and the combined work and residence permit (GVVA) applications needed for stays longer than 90 days.  The IND also conducts monitoring and compliance checks on certified employers and the foreign workers they employ.	The Directorate for Immigration (Utlendingsdirektoratet, UDI) is responsible for the processing and granting of residence permit applications.	The Swedish Migration Agency (SMA) is responsible for the processing and granting of residence permit applications.	The Finnish immigration service (Migri) is responsible for the processing and granting of residence permit applications.
<b>22. The role of third-party service providers in third countries</b>	Some Danish missions have outsourced the application receiving process to a third party.	No information about the use of third-party service providers is available.	If the foreign service mission has entered into an agreement with external service providers for the receipt of applications, the external service provider can perform the identity control.	No information about the use of third-party service providers is available.	Some Finnish missions have outsourced the application receiving process to a third party.

## 4.2 Processing times and bottlenecks

When comparing the processing times of work-related residence permits between countries and even within countries, one must exercise caution. The processing times can vary significantly, depending on numerous factors: Is this the first application or is the applicant requesting for an extension? Is the application filled in correctly and completed or do the authorities need to ask for more information? Do they need to interview the applicant? How many applications is the administration currently dealing with? From what country is the applicant applying from? These and many other details cause a large variation, even within the same permit process model. The differences in processing times between individuals applying for the same permit type can be months.

There is also a wide variation between permit process models. The process might go through different steps, depending on the permit process model in the type of permit applied. For example, some permit types in some countries require labor market testing or other partial decisions from different authorities, whereas others do not. So, even if we assume an average permit process without additional delays, comparing the processing times between countries is not easy, since each country has a unique system of permit types and permit process models. The least we can do is make sure that we are observing comparable permit process models.

There is also the question of what part of the permit process we are measuring. The official processing time refers to the time it takes for the migration administration to make the decision from the moment they receive the application to the resolution. But this administrative processing time can be very different from what the employer and the employee observe. For them, the most relevant time is from the moment the contract of employment is agreed upon and the application process is initiated to the time the employee is in the country and starts working. This usually takes considerably longer than the official processing time suggests, although there are different possibilities of shortening this total length of the permit process in comparison countries.

These limitations make comparisons of precise processing times between countries very challenging and introduce a degree of fuzziness to any estimates. Still, we can make observations and examine differences in orders of magnitude. Firstly, there is some available data concerning the official processing times in each comparison country. The ways the official processing times are calculated vary and this has to be accounted for when making comparisons, since they can vary. In most comparison countries, the count starts after the applicant's identity has been verified – in the case of non-EU/EEA citizens, this often means a visit to the closest foreign service mission

– and ends, when the migration administration makes the decision. This is how the official processing time is calculated in Finland as well as in Norway and Denmark. In Sweden, the process of work permit does not require identification of the applicant – it is established later in the process when applying for residence permit card – and the counting of the official processing time begins after the job offer has been available in the Swedish Migration Agency's (SMA) portal for 10 days and the SMA starts to process it. In the Netherlands it is the responsibility of the employer to identify the applicant and the verification happens only when they collect the temporary residence permit, the MVV, which acts as a visa to enter the Netherlands. Here, the count of the official processing time starts, when the employer makes the application for the residence permit. In addition to different ways the official processing times are calculated, they are at best, approximations that assume the application is complete and that the administration does not need to ask for additional information. In some cases, like the Netherlands, they are merely the legally mandated limits within which the migration administration must make the decision.

Examining the official processing times for the most relevant permit models for highly skilled workers outside the EU/EEA area (see table 1, indicator 4), we can see that the differences in official permit processing times are a few of weeks at most. Official processing time within these models range from 10 days in the Swedish certified employer model to 1 month in Denmark and up to 2 months in Finland for paper application. In the Netherlands, the legally mandated goal for the permit process in the certified employer model is 7 weeks, including 5 weeks for labour market testing, but we found no information on how long it actually usually takes to make the decision. Also, these figures represent the situation during the time of making the country cases in the spring of 2020. Even the official processing times change significantly over time and the COVID-19 situation has introduced even more variance<sup>55</sup>. Hence, the processing times in the table must be considered indicative. Still, the observed differences in the official processing times in these models are not very significant, compared to the differences in total length of the process.

When looking outside permit processing models examined in the table 1, the official processing times become even harder to compare. In Sweden, the normal processing

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<sup>55</sup> For example, the processing time in the table for the skilled worker permit in Norway is 2–4 weeks. This was the situation at the time of writing the country report during the spring of 2020. During October 2020, at the time of writing this final report, the migration authority UDI's website (<https://www.udi.no/en/word-definitions/guide-to-case-processing-times-for-application-for-work-immigration/>) informs that "**8 weeks** after handing in the application to the police at an embassy, consulate or Visa Application Centre, most people will have received an answer". For comparison, In Finland, according to the Migri's website (<https://migri.fi/en/processing-times>), the estimated processing time for the specialist scheme in October 2020 is 1–2 months for e-applications and 2 months for paper applications.

time outside the certified employer model is an estimated 4–6 months. In the Netherlands, the legally mandated maximum for non-certified employer applications is 90 days, including the labour market testing. In Norway, at the time of writing in October 2020, the processing time for permits other than the skilled worker permit is around 3 months. In Finland, the residence permit application for an employed person takes approximately 4 months to process, including the labour market testing. The differences are larger here, up to several months, but these permit processing models are very different and the variations of the processing times bigger, which makes the comparisons somewhat dubious.

The biggest differences between countries and permit process models can be found in the total length of the process from the moment of initiating the application to the point when it is possible for the employee to start working. Comparing the total times is even more precarious, however, since here the variation within the permit process model and the country is also the biggest. If the non-EU/EEA citizen needs a visa to enter the country, it often takes several months to be able to start working, even if the official permit processing time is just weeks. However, this is highly dependent on things, such as how easy it is to get an appointment in the foreign service mission, which varies between different missions.

The fastest models, like the Danish certified employer model, offer a possibility to apply for a visa, enter the country and to start working immediately after entering the country. This way, the employee does not have to wait to receive the residence permit card before entering the country. In this regard, the Finnish specialist scheme is favorable when compared to many other models and countries. If application is submitted in Finland, the employee can start working immediately after the application is initiated. This is possible for non-EU/EEA citizens if they come from a country that does not require a visa to enter Finland or if they apply for a 90-day tourist visa. The employee applies for a tourist visa, enters the country and initiates the application in Finland. The applicant can start work immediately and can begin the practical preparations for bringing in their family members. The right to work continues without interruption if the permit is granted within 90 days. This practice has raised criticism from some officials because the tourist visa is not intended for working. Still, there have been discussions on whether this should be the normal procedure for the specialist scheme in order to attract more talents into the country.

All in all, scarce data and a huge variation makes it very difficult to look for the causes of the differences observed in approximate processing times between countries. Even the differences in comparable models are usually bigger within countries and over time than between the countries and the variables causing these differences are numerous, starting from the types of applicants and resources of the administration.

Identifying, testing, and ranking such causal mechanisms in each country is beyond the reach of this study.

Instead, we can examine certain aspects of the permit process models to see whether the experiences of the comparison countries offer suggestions on how the Finnish permit process models could be developed. In this chapter, we do this via the bottlenecks identified in the Finnish residence permit process, which has been researched in detail during recent years. The most important bottlenecks in Finland involve submitting incomplete applications on paper, identification and interviews in foreign service missions and processes, where other authorities are involved in granting the permit<sup>56</sup>. Next, we study these bottlenecks to see if any of the comparison countries are experiencing the same issues or, even better, have found solutions to them.

## 4.2.1 Incomplete applications and paper applications

Incomplete applications and paper applications make the permit process considerably longer. If an application is incomplete, the migration authorities must usually contact the applicant to ask for more information. On the other hand, submitting the application on paper means that the information must be digitized, meaning more work for the officials or sending the physical paper application around in the mail, which takes even more time.

This is a remarkable bottleneck in Finland. Approximately 70 percent of the applications for the residence permit for an employed person, the most used permit type, are submitted incomplete and over half of them are submitted on paper. Applications are often submitted incomplete due to difficulties in finding guidance and the right information. The guidance and information given before submitting the application is scattered in different places and between different authorities. Employees and employers have had trouble contacting the Finnish Immigration Service and the Employment and Economic Development Office (TE Office) for information concerning residence permit applications. Also, paper applications are more frequently missing or lacking needed information than e-applications.

To tackle these problems, the Finnish migration administration has started to use automatization and filtering for submitted applications. It has also redirected resources internally to processing and improving guidance for seasonal work permits, the residence permits for an employed person and specialist permits. The applicants are led

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<sup>56</sup> For a detailed view of the bottlenecks and a list of sources, refer to chapter 2.5 in Annex 5. Country case: Finland.



to use the e-service with guidance, a promise of faster processing times and lower processing fees. With these developments, the Finnish Immigration Service has been able to shorten the processing times, at least for some permit types. Still, incomplete applications and paper applications continue to slow down the overall process.

Interestingly, incomplete applications or paper applications were not seen as a big problem in the comparison countries. Since it is not considered an issue, the information on incomplete or paper applications seems to have been collected in quite a random manner and the data is sparse. In Sweden and Denmark, only less than 10 percent of all applications were submitted on paper. The information from Norway suggests a similar share, although there is no exact data.

There seems to be a clear difference between the comparison countries and Finland in how remarkable an issue incomplete applications and paper applications are. The reasons for this difference, however, is not quite clear. Some of it might be related to the type of work immigration each country receives from outside the EU/EEA area. In Finland, 88 percent of the applications for the residence permit for specialist are done in the e-service, but they represent only 14 percent of the total. Only 53 percent of the most common work-related residence permit type, the residence permit for an employed person, is applied for online in the e-service.

What is common in comparison countries and different in Finland is that a much larger share of the applications from outside EU/EEA countries come either from highly educated individuals, who might be more likely to use e-services, or from permit process models where the employer is the main party responsible for the application process. This might lead to a better overall quality of applications. In the comparison countries, the employers are strongly encouraged to use e-applications. In the certified employer models in Denmark and Sweden, it is not even possible to submit applications on paper and the employers must only use online services. Making the employer the main applicant seems to grow the share of e-applications significantly in the comparison countries.

Interestingly, in Finland, even the employers are not using the e-service considerably. This suggests that there might also be some issues with the service or guidance, although the usefulness of the e-service for employers is different in Finland and in the comparison countries. In Finland, the employer can use the e-service mostly to fill in the employment details for the applicant, who have initiated the application process themselves, when in the certified employer models examined here, the employer is responsible for initiating the process and following it through.

**Denmark** uses strong incentives, pushing applicants to submit complete applications in the digital portal. The online application form forces the applicant to fill out all required fields before submitting the application. Paper applications can only be handed in, if all formal documents and info is in place. However, the application can be submitted with insufficient information, if the applicant uploads the wrong documents, for example. In that case, the applicant has 30 days to submit the missing documents, otherwise the application may be rejected. The migration administration feels that the rather high processing fee incentivizes the applicants to submit the correct information in order to not risk their application being rejected. The certified employer model only allows digital applications. For other permit types, there is still the possibility to submit paper applications. Applications submitted in paper at the consulates are scanned and sent digitally to the Danish Agency for International Recruitment and Integration (SIRI) for digital processing. About 90 percent of the applications are received in digital form. The application process has been systemically developed with the user in mind in order to minimize errors. The migration administration has systematically gathered questions and other info from call centers and has used it to explain the process further on the website. In an additional development, the Danish government is pushing to make most of the applications it uses online only. This is also soon expected to include work residence permits, although there is no set timetable.

**The Netherlands** has a general trend of trying to digitize its public services as much as possible. This general rationale seems to also extend to the residence and employment permit processes where possible. Most of the permit types of more specialised workers can be done online or on paper, although there are permit types for which only a paper application is allowed. Incomplete applications can be submitted, but it leads to the migration administration contacting the applicant and prolongs the processing times. Unfortunately, there is no information available on the share of digital or incomplete applications, but in general, incomplete or paper applications do not seem to be a big problem in the Netherlands.

In **Norway**, the share of incomplete applications is small. The Directorate for Immigration (Utlendingsdirektoratet, UDI) does not have a specific estimate of the number of incomplete applications, but this is not considered a major problem. The UDI's first line (the foreign service missions and the police) ensures that only complete applications are received and forwarded to the UDI for processing. In addition, it is possible to leave paper applications, but they are rare. The UDI does not prohibit applications on paper, but the police, foreign service missions and the UDI's website compel the applicants to use the electronic application portal and to not submit the application on paper. Beyond this, Norway has no incentives for using digital applications. The migration administration has invested heavily in developing the digital services and internal digital information flow during the last decades. The UDI also adjusted their application portal to minimise the possibility of submitting incomplete applications. These

digital development projects have played a major part in bringing the processing times of residence permit applications down to one month from around the 4–6 months still observed during the mid-2000's.

In **Sweden**, it is possible to submit an incomplete application, but it will prolong the processing time. The delay is considerable, especially in the certified employer model. If the application is considered incomplete, it can take up to 4–6 months to process it, instead of the ten days the Swedish Migration Agency (SMA) promises for certified employers. There is no information available about the share of incomplete applications. Most work permit applications are received through the SMA's digital application system. In the period between January 2020 and June 2020, 91 percent of the applications were digital and only 9 percent were received on paper. Applications from certified employers are must be digital, while other applicants are informed of the possibility to leave an application via the SMA's website.

## 4.2.2 Identification and interviews abroad in a foreign service mission

One of the biggest bottlenecks in the residence permit process for non-EU/EEA citizens is the visit – or possibly several visits – to a Finnish foreign service mission. This needs to be done even before the actual permit process and calculation of the official processing time can begin in the Finnish Immigration Service. Over 60 percent of first residence permits are submitted in a Finnish mission abroad and are subjected to this practice that can add months on top of the official processing time.

The applicant must book an appointment at an embassy or a consulate to verify their identity, record biometrics and present original copies of any attachments required for the application. In some cases, they must also go to a Finnish mission for an interview to complement their application. These appointment times are sometimes difficult to receive. Generally, the waiting time for interviews is approximately one month, but occasionally it has stretched up to 6 months. Possible family members applying at the same time must go through the same procedures.

Another factor prolonging the processes is the fact that the Finnish missions do not operate under unified processes or guidance and staff turnover is high. This may lead to a somewhat unexperienced staff handling residence permits. They might have challenges in identifying incomplete applications or gathering all the needed information during interviews. The Finnish administration has piloted remote interviews in order to tackle some of these problems, but the results have been mixed. Some Finnish missions have outsourced the application receiving process to a third party to speed up the process. On the other hand, some missions do not digitize paper applications and

deliver them by mail to the Finnish Migration Service causing considerable delays in the process. The end of the permit process, receiving the residence permit card, has also been made more agile, since it is also possible to send the card straight to the applicant's address.

All these differing practices between foreign service missions introduce high variation to the total length of the permit processes the applicant and employers experience. Even if the Finnish Migration Service can shorten its processing times for example to two weeks mentioned as the target for certain groups by the Finnish government, the total length of the process can still be months, if the foreign service missions cannot follow suit and streamline their part of the process.

In **Denmark**, identification and the recording of biometrics is required before the processing of the application can begin in the migration administration. If the application is done outside of Denmark, identification requires a visit to a foreign service mission or, in some countries, a third-party service provider. The practices in the missions are varied, but in general, this is not considered a big problem in the process.

At some foreign service missions, there is no need to pre-book the appointment. In others, booking might be needed. Also, if no Danish representation is available, the applicant can use a Norwegian foreign service mission. There was no information about the waiting times publicly available, but the permit process requires the biometrics to be recorded within 14 days of submitting the application. Otherwise, the application can be rejected, and the migration administration will not process the application. This implies that the waiting time should most often be within that timeframe. However, the process leaves open the possibility of delays. In case the applicant is unable to have their biometric features recorded within the time limit of 14 days, because they are unable to book an appointment at a Danish diplomatic mission, they can inform the migration administration by email of the appointed time they will have their biometrics recorded. There was no information publicly available on how often these delays might happen or how long the delays usually are. Additionally, the process does not involve an interview under normal circumstances.

In **the Netherlands**, the employer is responsible for identifying the applicant and there is no need to visit a foreign service mission before the application process can begin. If the applicant needs a temporary residence permit (MVV) to enter the country, they need to visit the nearest foreign service mission to pick it up, but only after the Agency for Immigration and Naturalisation (IND) has made the decision on a combined work and residence permit (GVVA). In effect, the MVV works as a visa to enter the Netherlands. The applicant has three months to visit the foreign service mission to pick up the MVV. Biometric details, namely fingerprints and a passport photograph, are rec-

ordered when during that visit. There is no information available on whether this requires reserving an appointment and, if it does, how long the waiting times are. But, in general, a visit to a foreign service mission to pick up the MVV was not considered a bottleneck. Additionally, no interviews are conducted during the permit process.

In **Norway**, identification and biometrics are needed before the processing of the residence permit application. An appointment in a foreign service mission is required if application is done outside Norway. In some countries, Swedish or Danish embassies represent Norwegian authorities. In some countries Norway also uses third-party service providers for application processing abroad.

Waiting times for appointments vary widely between countries and foreign service missions, but they can be weeks. In recent years, the Directorate for Immigration (Utlendingsdirektoratet, UDI) has made it its top priority to establish a good dialogue with employers and the first line administrators (the Foreign Service and the police) in order to identify various improvement measures and improve digital information flows between different agencies. The UDI has also increased their follow-up of the foreign service missions that perform preparatory case processing. Since the staff is substituted quite often, the turnover makes it challenging to maintain administrative competence. The UDI has thus been providing more thorough and systematic training in regulations and procedures to those leaving for a foreign posting and to locally employed staff at the foreign service missions, as well as holding regional seminars twice or three times a year, covering all the regions in the world in around two to three years. The migration authority's engagement with the foreign service missions has been one part that has affected the overall decrease of permit processing times during the last decades in Norway.

In **Sweden**, the processing of work permit application does not need a visit to a foreign service mission. After the work permit is granted, however, the process for a residence card is initiated. In this process, if the applicant requires a visa, a visit to a foreign service mission is required to record biometrics and, in some cases, for an interview. The administrative burden on the foreign service missions is a big reason why hiring from abroad may take considerable time, even for certified employers. Getting an appointment for identification or time for an interview varies between missions and may take weeks or even months. At some missions, you do not need to book an appointment at all. To decrease the time of processing residence permit applications for the family members of individuals with a residence permit, the requirement for an interview of the applicants was recommended to be removed by a public inquiry in 2005, since it was, in many cases, deemed unnecessary by the Swedish foreign missions. Also, the residence permit card is delivered to the foreign service mission in question and this can take up to four weeks. Some deliver it to the home address of the applicant, while others expect it to be retrieved from the mission.

### 4.2.3 A partial decision and a statement from another authority

Some residence permit schemes need a partial decision or a statement from another part of the administration. For example, entrepreneur and start-up schemes often require a statement from the business administration. This is the case in Finland, as well as in most of the comparison countries. Transferring the application data and waiting for statements from other authorities makes the process longer and more complicated. This is a significant bottleneck in Finland, as over a half of the work-based permit applications require a partial decision before the permit is granted.

The epitome of the partial decision is the labour market testing. In Finland, the Employment and Economic Development Office (TE Office) will conduct the labour market testing for the residence permit for an employed person scheme, if it is required. This prolongs the process by several months<sup>57</sup>. The administration in Finland has taken several steps to amend this situation. Firstly, different officials on the national, regional and local level have been developing their information systems to pre-screen, filter and categorize the applications and/or have improved the guidance given to the employers. Secondly, the requirement to conduct labour market testing has been diluted. For example, from June 2019, labour market testing was no longer required for the permit applications of holders of a residence permit for an employed person, who have worked in Finland for at least one year and who are transferring to another sector. Also, the Centers for Economic Development, Transport and the Environment can locally waive some sectors in need of workers from labour market testing. Even with these changes, the labour market testing still constitutes one of the major bottlenecks making the permit processing times longer in Finland.

Labour market testing is not regulated on the EU level and the practices in the comparison countries are colorful. They are adapted to the local permit models, but provide several interesting reference points on how the Finnish model could be developed.

In **Denmark**, the system is simple and labour market testing is not done in the same way as in Finland and many other OECD countries. Instead, Denmark uses a combination of salary threshold and shortage list. Applicants must either be paid a minimum

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<sup>57</sup> At the time of writing in October 2020, the Finnish Migration Service Migri website states that the processing time for the residence permit for an employed person is 4 months, where 1–2 months is for the Migri to make the decision. This leaves 2–3 months for the labour market testing conducted by the TE Office. These are crude estimates however, and the estimate varies over time and in different locations. The TE Offices in the most popular destination regions for foreign workers can, at times, have a backlog of several months.

yearly salary of 436 000 DKK (58 000 EUR) or work in an occupation that is on the Positive List in order to be eligible for a residence permit. The Positive List is a list of professions experiencing a shortage of qualified professionals in Denmark. It is made and published by the Danish Agency for International Recruitment and Integration (SIRI), based on the the national Labour Market Balance metric that includes regional level data on employment and unemployment and a national survey on companies' and organisations' recruitment challenges. There is no responsibility for the employers to scan the availability of candidates in Denmark or the EU/EEA area before opening the position for international applicants.

In **the Netherlands**, the employer, who is also the main applicant in work permits, must have checked that no workers in the Netherlands or the EEA/EU area can do the job. This is done by demonstrating that the vacancy has been public for at least 3 months. The Public Employment Agency (UWV) performs the labour market testing. The job vacancy needs to be registered with the UWV at least 5 weeks before the employer tries to apply for a work permit. The UWV makes use of its EURES network to also check for suitable workers in the EU/EEA area. The labour market testing accounts for most of the legally mandated 7 week maximum processing time of the certified employer model. The UWV has 5 weeks to conduct its check of the employment component, while the Agency for Immigration and Naturalisation (IND) has 2 weeks to check the residence permit criteria.

**Norway** has introduced a quota system for the skilled worker permit model. The quota is a ceiling beyond which a labour market test is conducted by the Norwegian Labour and Welfare service (Arbeids- og velferdsetaten, NAV). It is determined annually by the Ministry of Labour and Social Affairs in consultation with the Ministry of Trade, Industry and Fisheries and the Ministry of Finance, but has thus far remained at the same level of 5000 permits per year since its introduction in 2002. This quota has never been exceeded and hence labour market testing has not taken place with the skilled worker permit scheme.

Finally, **Sweden** offers the most striking example since it has abolished labour market testing completely in 2008. Employers wishing to recruit non-European labour are still formally obliged to post advertisements in Sweden and within the EU/EEA countries for ten days. In practice, however, the employer is free to decide who to recruit. This allows for fast official processing times in the certified employer model. Yet, in order to be considered complete and to have the 10 day processing time promised for certified employers instead of the several months it normally takes, the application must include a statement of opinion from a relevant trade union stating that the salary and terms of employment of the offer match Swedish standards. The unions are obliged to give the statement within two weeks, but this can sometimes drag the process even longer. Moreover, the digitalization of this process has been in the works since 2008,

but thus far with no result. The unions must still print, sign and physically mail their statements to the employers before they can continue with the application with the migration authority. This practice has been one of the most controversial parts of the Swedish certified employer system with opinions for it and against it.

### 4.3 Certified employer models and incentives for the employers

One of the most distinct differences between Finland and the comparison countries is the role of the employers in the process. In the comparison countries, employers can and are also encouraged to make the application on behalf of the applicant. Each country has its own way to incentivize employers to take responsibility of the permit process. In Denmark and Norway, if the employer is the main applicant, it is possible for the employee to start working right after entering the country and thus shortening the total length of the process by weeks. In the Netherlands, a sponsor is required to do the application and it is usually the employer. If the employer is certified or a recognized sponsor, as is the administrative term in the Netherlands, they benefit from faster processing times. The Swedish certified employer model offers a fast track for permit application process that is several months shorter than the normal process.

In **Denmark**, the certified employer model is considered a distinct fast track permit scheme. For example, it is regarded as separate from other schemes in statistical records. Still, there are subcategories within the fast track scheme with requirements that resemble non-fast track schemes, mainly the pay limit scheme or researcher schemes. In this sense, it constitutes a permit process model that applies for many different permit types.

Fast-track applications take the same time as non-fast track applications to be processed by the Danish Agency for International Recruitment and Integration (SIRI) – usually about 1 month. But certified employers can ask for a quick job start that enables foreign employees applying for a residence permit fast track scheme to start working in Denmark immediately after arriving to the country. They do not have to wait for four weeks in the country for the actual residence permit card to be ready and picked up. When requested for a quick job start, the SIRI also aims to make a decision on the residence permit no later than 10 days from receiving the application with recorded biometrics and the case processing fee being paid. In addition, the fast track scheme allows alternating between working in Denmark and working abroad.



This makes the Danish fast track scheme fast in terms of the total processing time. The certified employer must inform the SIRI about the quick job start. When this is done, if the applicant has the means to legally enter Denmark before the application is initiated, they can start working after a visit to one of the SIRI's citizen centers, which can usually be done the very same day the employer submits the application in the SIRI's systems. If the applicant requires a visa to enter, after granting the residence permit, the SIRI authorises the Danish diplomatic mission to issue a long-term D-visa that enables the applicant to travel to Denmark. This process typically takes around 15 days after the biometrics have been submitted in the foreign service mission. The visit to the foreign service mission must take place within 14 days of submitting the application. After arrival, the applicant visits the SIRI's citizen centers and can start working, thus reducing the total length from initiation to the beginning of work by several weeks.

In the fast track scheme, the employer applies for a work and residence permit on behalf of the employee. Only companies and universities certified by the SIRI can apply through the scheme. The requirements to obtain the certification are:

- The company must have at least 20 full time employees.
- The terms of employment must correspond with Danish standards.
- The company must not be in a legal labour conflict.
- The company must not have a red smiley in the working condition assessment from the Danish Working Environment Authority.
- The company must not have been punished or fined under the the Danish Aliens Consolidation Act within the last two years.
- The company must have participated in a counselling meeting at the SIRI.
- The company must have paid the certification fee of 400 EUR.

The fast track scheme was introduced in 2015. The use of the scheme has increased steadily since and, in 2019, it was the scheme through which most work and residence permits for non-EU/EEA citizens coming to Denmark were granted. In general, companies find the scheme useful and feel that it does give a faster and simpler job start to foreign employees in Denmark. However, an evaluation carried out in 2017 pointed out some challenges within the scheme. The first of these is the minimum requirement of 20 full time employees that is considered too high by some. Another hindrance is the long processing time to get a CPR number. CPR number is a personal identification code for the Civil Registration System that is required for things like opening a banking account or to be included in the Danish health care system. The processing for issuing a CPR number can take 4–6 weeks and can only begin after the applicant is in Denmark. This means the employee cannot be paid a salary during the first month and might require a private health care insurance.

In **the Netherlands**, the certified employer model is not a distinct permit type, but one of the elements determining the speed of permit application and assessment. Hence, it is a permit process model that can be applied to many permit types. In the Dutch system, it is called recognition as a sponsor, so when we talk about certification here, we refer to applying for recognition as a sponsor.

Almost all foreign work migrants require a sponsor. A sponsor is a person or an organisation that has an interest in a foreign national coming to stay in the Netherlands. The sponsor can apply for a residence permit from the Netherlands. The sponsor can request to be recognized by the Agency for Immigration and Naturalisation (IND). Only organisations, not persons, can become recognised sponsors. Recognition is not obligatory to act as a sponsor, but it is very common practice. Big part of this is that hiring highly skilled migrants or researchers, commonly known in the Netherlands as knowledge migrants, requires the employer to be certified. These residence permit types constitute some 87 percent of the total applications in the Netherlands.

In addition, being recognized sponsor has several advantages. The IND handles applications by the recognized sponsors more quickly and a complete application is usually decided on within the 2 week time limit legally mandated in the 2014 Law on Modern Migration that established the certified employer model. Certified employers need to provide fewer supporting documents with an application. A declaration that the employee meets the conditions of employment is usually sufficient.

The requirements to become a certified employer are:

- The organisation must be registered in the national business register.
- The continuity and solvency of the organisation must have been sufficiently ensured and checked. The IND can seek advice from the national Economic Agency (RVO) to check this using a points system.
- The organisation must not have been bankrupt.
- The organisation and its governors or board of managers must be trustworthy.
- The organisation must comply with all relevant behavioural guidelines and codes of conduct.
- The government fee to apply to be become a recognised sponsor is 4017 EUR. For start-ups and companies employing less than 50 employees, the fee is 2008 EUR.

The Law on Modern Migration that established the certified employer model in the Netherlands was evaluated and the report published in 2019. The report found that in general, the law has achieved its goals in easing the administrative burden related to the permit process. Applications for permits by certified employers are almost always

granted and the legal decision-making time of 2 weeks is achieved 70–90 percent of the cases time, according to the evaluation. The certified employers are generally quite positive about the efficiency of the procedure. Delays happen mostly during the summer, when the influx of seasonal workers is high, but the resources of the migration administration low. Large employers, especially, have been satisfied with the system, but smaller employers are not always as up to date on the full range of obligations and responsibilities they must fulfil, when it comes to foreign workers from outside the EU/EEA countries.

In **Norway**, there have been discussions about creating a certified employer model and fast tracks. For example, in 2013, the prime minister declared an initiative to create a fast track for tertiary educated foreigners from outside the EU/EEA area. So far, all of these suggestions have been discarded. This is largely because the Directorate for Immigration (Utlendingsdirektoratet, UDI), which administers the migration infrastructure, has been critical about these measures. Based on their observations of other countries' adoption of them, the UDI considers them administratively burdensome systems that are unlikely to have an attraction effect. Instead, it has concentrated on making the overall permit process faster and do not see certified employer system as necessary, considering the shortened processing times.

Still, in Norway, the employers can be given power of attorney by the applicant and can initiate and complete the application on behalf of the employee. They are incentivized to do this through the possibility of early employment, which means that the applicant can start working immediately after entering Norway, even if the processing of their residence permit application is still ongoing. In order to be eligible for early employment, the foreigner needs to be tertiary educated and needs to have applied as a skilled worker and not as a religious leader/teacher or ethnic cook. If the application is handed in to the Norwegian police, either by the employer or the applicant, they can ask for early employment. Early employment is not possible, if application is submitted in a foreign service mission or a third-party service providers office. This means that if the applicant cannot enter Norway legally and hand the application to the Norwegian police, the employer must do this. In this case, the employer asks for early employment and the employee is granted a visa in the foreign service mission to enter Norway and start working immediately.

In **Sweden**, the certified employer model has been in use from 2012 and has been amended several times since. It has become very popular and, in 2019, approximately 42 percent of all work permits were applied for through the certified employer model. In essence, it can be described as a screening process, where the Swedish Migration Agency (SMA) finds the employers most likely to submit complete and eligible work permit applications that can easily be granted a positive decision. The complete applications from certified employers are processed by the Swedish Migration Agency

within 10 working days in the case of new applications and within 20 working days in the case of renewals. This is a huge incentive, since it is radically shorter than the normal processing time of 4–6 months.

Unlike the other comparison countries, the certified employer model in Sweden is not reserved only for companies in need of highly skilled workers. The same rules apply to both certified and non-certified employers when it comes to recruiting workers from third countries and there are no sectoral or educational limitations for the applicants. The requirements for the employer to be certified are:

- The employer must be registered as an employer.
- The employer must have the funds to hire. This is checked by assessing the company's financial situation when it applies for certification and is revised on a case-by-case basis every time the employer submits an employment offer in connection with an application for a work permit.
- The employer must have a recurring need in the coming year to recruit workers from a non-EU country.
- The employer must have submitted at least ten work permit applications in the past 18 months (newly started businesses with a recurring need of labour can be certified, even though the company has not previously applied for work permits).
- The employer must take responsibility for submitting web applications that are complete.
- The employer must have fulfilled the requirements for residence permits and work permits if the employer has previously recruited labour from a non-EU/EEA country. The Swedish Migration Agency has a database in which previous cases can be checked.

The liberal structure of the certified employer model has allowed for the growth of certified companies that handle the application process for other employers as a service. Hence, the majority of all work permit applications come from a few companies. No exact numbers are available, but the Swedish Migration Agency estimates that approximately 30 actors submit a majority of the applications. Additionally, the employers' organizations can be certified and assist their members. Employers' organizations often have dedicated and highly qualified personnel to work with applications from companies that do not have such resources in-house.

The certified employer model has not been evaluated, but we did interview-based research on how the stakeholders think the model works. In general, all our interviewees thought that the main goal, a faster application process, is reached and the share of the applications that are decided on within the 10 day limit by SMA is high. Employers feel that it should be higher still, however. This would make the certified employer model more predictable, so that employers could more securely plan their operations

around the expected arrival of their new foreign worker. The inclusion of unions in the process raised discussion as well. The employers are required to request a written statement from a relevant trade union for their application. Receiving this statement can take time, especially since there is currently no way to do it electronically. Especially employers were critical of this practice in its current form since it prolongs the process. Additionally, the employers' organizations handling the permit process on behalf of their member companies was criticized for only aiding the employers and not the intended employees in the process.

In addition, our research brought up more fundamental questions about the certified employer model. First is the question of equality and a fair society. The division of employers into certified and non-certified yields a competitive advantage in the market that would not be possible otherwise. This is a problem, especially for smaller companies. If the faster process for certified employers means that the SMA devotes more resources to their applications, this system can be seen as quite unfair. Yet, it is uncertain if such an effect exists. Instead, having a separate and lighter process for applications that are likely to pass can actually free resources for other cases. Second are the questions concerning the optimization of the system and what kind of actors should be able to become certified. Especially the inclusion of the social partners in the process is an ongoing debate.

## 4.4 Family members

Ease of access for family members is one key factor in talent attraction and retention. With retention, especially, things like general livability, safety, social support, educational opportunities and possibilities to find work for the spouse are at least as important as is the permit process for the family members. However, when considering possibilities of relocation, especially for shorter periods, the ease of access for family members can make a difference for highly skilled workers with families.

Therefore, we also examined the residence permits for the family members in the most relevant permit processing models for highly skilled workers. The research questions included things like what kind of permits are available for family members, whether they can be included in the same permit process, what rights do the family members have and what requirements there are in the comparison countries, especially regarding the primary applicants' ability to support the family members.

In the **Finnish** model, family members of the residence permit applicant, called sponsor, can apply for a residence permit in the family member scheme. General requirements concerning age and the type of relationship apply. In addition, the sponsor

must usually have secure means to support their family. The amount of income depends on the size of the family and the age of the children. For example, a family with two adults and two children under 18 need a monthly sum of 2600 EUR.

The family members must apply personally, but they can submit their applications together with the sponsor. If this is the case, all the residence permits will be processed simultaneously. Principally, the permit based on family ties must be submitted abroad and the decision waited for abroad. The residence permit card will be delivered to a Finnish foreign service mission. After the residence permit based on family ties has been granted, the applicant has the right to work and study in Finland.

In **Denmark**, close family members are eligible for a residence permit once the sponsor, who is in Denmark to work, is approved through the certified employer scheme. In addition to the general requirements, the sponsor must be able to support the family members and they are hence not allowed to receive any benefits, such as social security benefits, under the terms of the Active Social Policy Act. No additional documentation of the ability to support themselves is required, if the sponsor holds a residence and work permit based on paid employment.

The application process is separate from the certified employer scheme and must be started after the sponsor is granted the residence permit. Holding a permit as an accompanying family member to an employee grants the right to work in Denmark. There is no need to apply for a separate work permit if the family member gets a job, establishes a business or studies in an educational institution.

In **the Netherlands**, family members are seen from an administrative perspective as being sponsored by the foreign worker for whom the combined work and residence permit (GVVA) has been arranged. The worker is, in turn, sponsored by the Certified Employer. If a worker needs the GVVA, a permit to work is also required for family. If a worker does not need a GVVA, then family members also do not need a work permit. The work permit for family members is similar in most of the other more highly qualified categories of permits and must usually be applied for by the certified employer.

In **Norway**, family members of the holder of a skilled worker permit can usually come and live with the permit holder in Norway (called the reference person). Family members can apply for family immigration at the same time as the reference person applies for skilled worker permit and they will receive the answer to their applications at the same time. In addition to more general requirements for the family, the reference person must have an annual income of at least 264 264 NOK pre-tax to be able to support the family members. This applies to all families, with or without children.

**Sweden** has liberal rules for family immigration as well. When applying for a work and residence permit, the intended employee and their family members apply for their respective permits together and, in general, the applications are also processed together. There are general requirements for the family members, but most notable is the absence of the requirement for the labour migrants to be able to support the accompanying family members. It is enough that the person applying for a work-related residence permit can support themselves. However, Swedish authorities are currently looking into reforming this regulatory framework and possibly adding requirements for the ability to support the family members.

## 5 Conclusions

Access to a highly competent workforce is one of the cornerstones of the Finnish economic model and a threshold for future economic growth. Demographic change, global competition and the changing needs for skills mean that the Finnish economy requires foreign workers to flourish. Already, a majority of Finnish employers have difficulties in finding the right workers for their open vacancies. This demand is accentuated by a growing global competition over skilled workers.

When looking at Finnish talent attraction efforts in light of the experiences from the comparison countries, both local and global, it seems that Finland has a good base for successful talent attraction. It has a strong national coalition to integrate employment, innovation, education and immigration policies and activities through the Talent Boost program, it is an attractive destination with high standards of living and has a keen eye on making it easy to enter and live in Finland. Having a national level actor coordinating the talent attraction efforts seems to be a resource that many other countries are lacking.

Additionally, from an administrative perspective, it is relatively easy for highly skilled workers to relocate to Finland. The residence permit for specialists offers a globally competitive way to enter the country for workers fulfilling the requirements of higher education degree, salary threshold and relevance of the employment. Its processing time in the Finnish Immigration Service is a little longer but within the same range as in the comparison countries, about 1 month when applied for electronically, and the acceptance rate is high with 99 percent of the applications processed in 2019 resulting in positive decisions. The total length of the process can be somewhat longer than in some comparable permit process models in other countries, though, mostly due to the long waiting periods in the foreign service missions for identification and sending the physical residence permit card abroad to the applicant's home address.

Yet, there is a solution to the problem of long processing time already in use in Finland. If the worker applies for the residence permit for specialists when already in Finland, they can start work immediately after submitting the application and can continue to work for a maximum of 90 days, until they must leave the country if the permit is not yet granted. For specialists coming from countries that do not require a visa to enter Finland, this is a very straightforward and fast way to start working in Finland. And it is possible even for specialist that are citizens of countries that require a visa since they can apply for a tourist visa for a stay of less than 90 days. This possibility makes the Finnish specialist scheme a fast way to start working for highly skilled foreign talents, compared to any of the permit processing models examined in this study.



Despite the favorable conditions, Finland seems to be lagging behind in attracting skilled workers, compared to the leading global talent destinations and even to its closest competitors in the Nordics. Only 14 percent of all residence permit applications in Finland are for the residence permit for specialist, when permit process models examined in Denmark, Norway and Sweden constitute almost half of the total applications and in the Netherlands possibly over 90 percent. The Finnish specialist scheme arguably has the most restrictive requirements of these permit process models, but the difference is still striking. The reasons for this are manifold. The requirements for the residence permit for specialist might be too restrictive, considering the type of work-related immigration Finland is experiencing and the type of workforce most demanded by the companies. Other permit types have considerably longer and more rigid permit processing models and no possibility for a quick job start.

Yet, the most severe shortage in the Finnish labour market seems to be for highly skilled workers. Over 90 percent of employment in high demand in Finland requires a specialized set of skills<sup>58</sup>. When seen against this high demand and ample opportunities, it seems that the low share of the specialist residence permit applications is more due to the lack of successful attraction of skilled workers than lack of demand for specialized skills. This suggests that the talent attraction efforts of Finland have not thus far reached the highly skilled migrants that could utilize the specialist scheme en masse and fulfill the demand of the employers.

The experiences from the comparison countries can be used to develop the Finnish talent attraction efforts and permit process models in order to make Finland more attractive to international workers, entrepreneurs and students alike. They point to several possible areas of development and ways to enhance the coordinated talent attraction efforts targeted at groups of workers in high demand in Finland and also highlight ways to make the residence permit process faster and smoother for different types of work immigrants. Below, we summarize the key implications the experiences in comparison countries have for Finland.

## 5.1 Talent attraction: Choosing targets and using digital tools

For now, the COVID-19 pandemic has slowed the need for global talent and it may be tempting to sit back and focus solely on national unemployment. The long-term de-

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<sup>58</sup> OECD Skills for Jobs database, see chapter 2.1.1

mand for talent, however, is intact despite the pandemic and Finland will soon find itself back in the global competition. By then, the competition is likely to be even harder, as countries that formerly exported talents are now themselves in need of skilled workers and the demand has increased in most countries.

The global trends emerging in talent attraction will also be accentuated in the aftermath of the pandemic. Cities will become more important as talent hubs in the future. They will work in close cooperation with the central government using digital tools in ultra-targeted campaigns and creative lead generation to find the international workforce the companies need. Meanwhile, the central governments devise legislation that will make the relocation of the international workers easier. These accelerating developments have several implications for the Finnish talent attraction efforts.

### 5.1.1 Choosing niches carefully

With the growing demand for highly skilled labour, hundreds of destinations will launch broad "We need programmers" campaigns in the coming years. These campaigns fill up the talent space and likely drown amongst the almost identical destination messages. Trying to bring out unique advantages and needs with these kinds of general campaigns can be an inefficient way to spend resources, especially for less well-known talent destinations like Finland.

Instead, Finland could identify a number of very specific niches in need of talent and build targeted campaigns for each of them. This would allow for extremely targeted messages promoted in the channels the target groups actually follow and would therefore avoid clutter from other – possibly better known – talent hubs. Ideally, the campaigns highlight both the open jobs and the wider offers from Finland. Experienced talents rarely move their whole family on the basis of one job: They will need to be ensured that there is a wider environment that advances their career in addition to a high quality of life and a destination that is safe, inspiring and rewarding for the whole family. As one of the most livable countries in the world, Finland could be an attractive destination for most talent groups. The campaigns should use this to Finland's full advantage, when dressing up concrete offerings. In other words, it would be ideal, if the campaigns found the right balance between employer and place branding for the specific niche.

When possible, Finland could engage target groups that have a bias for choosing Finland over other destinations. Two such target groups are those foreign talents that have relatives or friends working in Finland and Finnish expat communities abroad:

- a) *Immigrant communities in Finland*

Studies have shown that very often the single most important pulling factor for immigrants to choose to relocate in certain country is the person having a connection to the country already<sup>59</sup>. Hence, the foreign talents who already have a relatives or friends working in Finland is a potent group that have bias towards coming to work in the country. This group is naturally best engaged through the talents who are already in Finland. This makes the immigrant communities within Finland a very important resource. All the comparison countries in the report have larger shares of foreign workers, so they have more attraction power in this sense. Finland should make up for this by actively engaging the international talents and foreign citizen communities already here in an effort to find more of their countrymen willing to move to and work in Finland.

*b) The Finnish expats abroad*

A few countries with large expat groups abroad systematically use their diasporas for talent attraction, but in general this diaspora approach to talent attraction remains underdeveloped. Finland has untapped potential in the Finnish expats. Over 1,6 million people around the globe have a Finnish background and roots. Approximately 300 000 of them have a Finnish citizenship. The Ministry of the Interior is coordinating the preparation of the Government's Policy Programme for Expatriate Finns. This program has existed since 2006 and the current version, running for the period of 2017–2021, includes sections on expats as an asset to Finnish businesses and on how to support the expats to move back to Finland.<sup>60</sup> The Migration Institute of Finland has been documenting and researching the Finnish diaspora for a long time, although current data about the exact composition of this group is not readily available<sup>61</sup>.

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<sup>59</sup> For example, see chapter 6.1 in Miettinen A., Paavola J-M., Rotckirch A., Säävälä M., Vainio A. (2016) *Perheen yhdistämisen edellytysten tiukentaminen ja sen vaikutukset Suomessa sekä kokemuksia viidestä Euroopan maasta*, Valtioneuvoston selvitys- ja tutkimustoiminnan julkaisusarja 55/2016, available in: <http://urn.fi/URN:ISBN:978-952-287-313-2>

<sup>60</sup> Hallituksen ulkosuomalaispoliittinen ohjelma vuosiksi 2017–2021, available in: <https://intermin.fi/documents/1410869/3723692/Hallituksen+ulkosuomalaispoliittinen+ohjelma+2017-2021.pdf/4ccac0d7-b7f3-453b-8df5-872fce0de27a/Hallituksen+ulkosuomalaispoliittinen+ohjelma+2017-2021.pdf>

<sup>61</sup> The Migration Institute is currently carrying out a project called *The Changing Nature of Being an Expatriate Finn* that includes a survey for expatriated citizens and analyses existing statistical data related to the topic. At the time of writing, the project was in the phase of data collection with an unknown timeline of publishing. <https://siirtolaisuusinstituutti.fi/news/ulkosuomalaisuuskyselyn-vastausaikaa-pidennetty-15-11-saakka/>

Engaging this diaspora could be made into a competitive advantage for Finland. There are two ways to do this. Firstly, the Finnish expats could be used as ambassadors abroad to build the country brand and spread the word among their peers about career possibilities in Finland.

Secondly, the Finnish expats could be a potential target of attraction to move to Finland for work. Studies from countries like Denmark show that expats are very likely to help the home country's companies, if given the right tools and platforms to do so. Denmark now seeks to both attract its expats back to Denmark and to use them as ambassadors abroad to build the country brand and spread the word among their non-danish peers about career possibilities. This initiative has potential: Out of Denmark's estimated 300 000 expats, more than 24 000 have STEM (Science, technology, engineering and mathematics) backgrounds<sup>62</sup>. Attracting a mere fraction of these would have a large impact on talent shortages. Finland could also find a competitive advantage by investigating this potential further. This is especially true in the time of COVID-19 pandemic. Since the situation with the pandemic in Finland is considerably better than in most other developed countries, this could give an extra nudge for the Finnish expats to relocate back to Finland.

## 5.1.2 Investing selectively into identified niches

As the competition increases, countries and cities are investing more and more into becoming the preferred hub for specific target groups. An example of the magnitude of these efforts is France's investment into becoming one of the preferred start-up hubs in Europe. The initiative includes building the largest start-up campus in Europe, a 5 billion EUR fund to support fast-growth businesses, a 400 million EUR match fund and targeted support for the start-ups that perform best (e.g. individual visa help and Bizdev opportunities with the state).

Similar investment ambitions may not be necessary for all countries or target groups, but as the competition for talents increases and destinations invest heavily into attracting them, the bar is raised for other countries with hopes to attract the same target groups. Note that these investments are not made into talent attraction programmes as such, but rather into improving the actual value proposition that the destination has to offer international talents. The increasing investments into improving value propositions for selected talents make the "we embrace all talents" approaches less effective, especially among the top talent.

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<sup>62</sup> According to Facebook data research.

Ideally, Finland could identify a few niches, where it has a competitive advantage and invest selectively into them. The approach admittedly brings up a number of pick-the-winner challenges, but the investments should match the identified target groups where Finland has a competitive advantage and a world leading value proposition for international talents.

During the COVID-19 pandemic, one such niche could be found in the residence permits for remote workers. Finland has been able to cope with the pandemic significantly better than most of its European peers and competitors in the talent attraction arena. The successful Finnish efforts have also induced considerable media attention. This image of a safe, stable and functioning society and the possibility to live in a country without extensive lockdowns having rather normal life could be used to attract remote workers to Finland to live and work for employers in their country of origin – or employers anywhere in the world.

### 5.1.3 Building a well-known talent destination and the Matthew effect

The Matthew effect<sup>63</sup> is in full force in the world of talent attraction. It means that known talent hubs tend to attract more talent, simply because many international talents are already present there.

The reason is threefold. First, with many talents, there is already likely to be an advanced job market for English speaking professionals, which new talents can benefit from. Second, a hub with many international talents has usually adapted to them and caters to them in different ways, which makes it easier to live and work in the destination. Third, large international communities tend to attract international companies with more jobs for English speaking professionals, which further strengthens the international talent hub.

Finland enters the international talent game relatively later than most of its competitors. This means that Finland can learn from them and leapfrog several development steps to close the gap. Still, building a strong talent brand as a short-term goal is a complex and expensive exercise. Instead, in addition to long-term place branding,

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<sup>63</sup> The Matthew effect is a social phenomenon most often linked to the idea that the rich get richer and the poor get poorer. In addition to economics, it has been applied to things like education and sociology of science. [https://en.wikipedia.org/wiki/Matthew\\_effect](https://en.wikipedia.org/wiki/Matthew_effect)

Finland could build the global brand piece by piece by targeting selected niches and by using these smaller ecosystems of international talent as building blocks.

### **5.1.4 Building digital capacity**

A digital approach to talent attraction allows for (almost) individual messaging at scale with a minimum of resources invested. It is thus an increasingly popular approach in talent attraction campaigns.

Nevertheless, while there are some notable international examples of successful implementation at scale, full digital potential is still rarely used by most destinations. The digital systems for talent attraction are not usually off-the-shelf software, but need to be adapted and invested in. Building digital capacity and expertise is a long-term investment, but by making the necessary investments and nailing digital talent attraction, Finland could leapfrog many competitors, especially with a focused niche strategy.

## **5.2 Residence permits: Building a faster and smoother permit process**

Governing who is allowed to enter a country and to live and work there is the essence of the sovereignty of a modern nation state. Immigration is a heavily administered policy area, and each country has its distinct models to handle it. Hence, copying models directly from one country to another is not usually possible.

Still, looking at other countries' residence permit models and comparing them to the Finnish models can help to pinpoint important nodal points that could be developed to make the permit process faster and smoother in Finland. Here we summarize the key implications the experiences in the comparison countries have for Finland, when it seeks to develop its permit process models and the legislation related to them. These implications mainly concern non-EU/EEA workers, since the EU citizens do not need a permit to live and work in any member country.

Our primary focus is on the speed and general easiness of the permit process. Based on the findings from the comparison countries, we suggest points where and ways how the Finnish permit process could be made faster and smoother for the applicant and/or less burdensome for the migration administration.

However, work-related migration policies have several other dimensions beyond the ease of access and who to let in the country. Making changes to the rules of the work-related residence permit system might have implications beyond the permit process itself – for legislation, economic activity, the labour market, wages and society in general. The fact that work-related migration policies potentially affect so many different aspects of society is often the very reason they are so heavily administered. Unfortunately, full evaluation of all the effects of possible changes in the permit process models is beyond this study and our key findings focus on the speed and ease of the permit process. However, we do point out some of these other effects in cases where there are experiences from the comparison countries.

In addition, the measures describe below do not constitute a coherent whole that should or could be implemented in totality. On the contrary, some of the implications might even be contradictory. For example, it is hard to centralize the permit process to one or a few actors and at the same time bring new actors to be part of the process. They both can, if implemented properly, speed up the permit process, at least the official part, but the mechanisms are different: first does it through waiving the need for involvement of additional parties, the second through outsourcing some of the administrative burden from the migration authorities. Combining these measures is not impossible, but if they both are to be implemented, the system needs to be planned thoroughly and meticulously to gain the benefits from both.

The conclusions and implications are differing and sometimes even contrary because they stem from comparison countries that have distinct permit systems that have been developed with certain goals or target groups in mind. In Denmark and the Netherlands, the system strongly favours highly skilled workers creating faster and easier entrance to them. Workers with less specialized skills may find it hard or even impossible to be granted a work-related residence permit in them. Sweden has sought to simplify the work-related residence permit system and make it inclusive by having less restrictive requirements for applicants as well as including actors like social partners in the process. Norway, on the other hand, has concentrated to developing the residence permit process as a whole instead of creating faster tracks for certain groups and has opted out from most reforms implemented in other countries, in part because of the fear of abuses.

The insights from these countries give ideas on how to make the permit processes in Finland faster. Still, Finland has to first think about the general direction the permit system and legislation is desired to be developed: for whom and how the barriers of entry are lowered? Answering these central questions dictates which measures can be considered for implementation.

## 5.2.1 Lowering the barriers for entry and the early start of work

One key element, where the permit process in Finland is considerably slower than most comparison countries, is entrance to the country and the start of work. In the Finnish system, as a general rule, if a non-EU/EEA citizen submits an application outside of Finland in a foreign service mission, they have to wait for the physical residence permit card to be sent to this country before entering Finland. In Denmark, the Netherlands and Norway, the applicant is issued a visa to enter the country right after or, in some cases, even before the decision on the residence permit is made and the physical residence permit card is delivered when already in the country.

This can shorten the time from the initiation to the time the employee can actually start working by weeks or even months, especially if combined with the possibility to start working before the decision on the application is made. This possibility requires a high probability that the residence permit will be granted, which can be achieved, for example, by making employers take more responsibility in the application process.

The Finnish specialist scheme allows the early start of work when applied for in Finland. For employees coming from countries that do not require visa to enter Finland for short stays, this is easy. Unofficially, this is also possible from countries that require a visa. The employee can apply for a tourist visa that is valid for a maximum of 90 days and can initiate the permit process in Finland. This possibility is sometimes used, but it has also been criticized from some officials, since the tourist visa is not intended for this purpose.

Possibility to start working immediately after the application is submitted could be made official for specialists coming from countries requiring a visa to enter for example by using D-visas. It could also be extended to cover other permit types as well. This would shorten the total processing times considerably. If this practice is extended, the high probability of positive decisions on residence permit applications for the people who are already working could be ensured by creating a certified employer model like in Denmark. By restricting the possibility of an early employment only to applicants coming to work for certified employers, the applications would be coming from trusted sources, employers would have a bigger role in the process and this part of the system could be fully digitalized. All these measures seem to make for better applications that are faster to process and have high probability to be granted.

On the other hand, this system could be extended to include a jobseeker visa that allows non-EU/EEA applicants to enter the country before they have a work contract in place. This is possible in the Netherlands and also in Sweden in certain fields that are



experiencing a labor shortage and has been found an effective measure. On the other hand, Norway also introduced a jobseeker visa to citizens of non-EEA countries, but abandoned it quickly. The permit saw relatively little interest, a high refusal rate and a relatively low rate of transition to work-related residence permits. Furthermore, the scheme was abused by agents, who took money from applicants to obtain a residence permit in Norway.

## **5.2.2 Redefining the roles of actors involved in the process**

One major step to reduce processing times and ease the administrative burden of the public sector is to give bigger role in the process to private or third sector actors. In all comparison countries, the employer has the possibility to represent the employee and initiate and complete the application process. In the Swedish case, the social partners and sometimes also private service providers are involved in the process as well.

Increasing the role of the employer (or higher education institute) can take in the residence permit process seems especially beneficial in light of the experiences of the comparison countries. An employer, especially one with a recurring need for foreign talent, is often in a better position than the foreign national it is recruiting to understand the administrative process and has resources available to ensure that the applications for its employees are clear, concise, complete and likely to be accepted.

The experiences in the comparison countries suggest that employers are more likely to apply through electronic channels (often because it is the only channel available for them), leave complete applications with fewer mistakes and, in general, to have higher acceptance rates. There is a lack of publicly available and comparable data on the acceptance rates in different countries and between different types of residence permits, but evaluations, literature and interviews, as well as what little data is available all point in same direction: Making the employer the main applicant leads to better applications overall.

Better applications mean shorter processing times and less work for strained public officials. In essence, having employers do more means moving some of the administrative burden from the public officials to the employers and higher education institutes. All the comparison countries give the employer a possibility to be the main applicant. Even if the individuals themselves can still initiate the application in most cases, the migration officials strongly recommend the employer to take the main responsibility in the process.

For employers to accept to do more, they also need to benefit from the process. Comparison countries incentivize the employers in different ways. Sweden, Denmark and the Netherlands have an employer certification model in place. In Sweden and the Netherlands, certified employers benefit from faster processing times for their applications as a reward for them acting as the main applicants and handing in good quality applications. In Denmark, an applicant coming to work for the certified employer has access to a quick job start immediately after entering Denmark, possibly shortening the total processing time by weeks. Norway has opted to not build a certified employer model, but the employer can still be given power of attorney by the employee. Having the employer initiate and complete the application process yields the possibility for an early employment, also for applicants that could not otherwise enter Norway before the residence permit has been granted.

One additional advantage in increasing the employer's role in the permit process is that it makes the relocation easier for the employee, thus making the employer and the country more attractive to the foreign talent considering their options. If the employer can take care of the process, the employee does not have to spend time searching for right permit types, application forms, fees and correct attachments. This effect is not easy to quantify but easing the relocation for international talents is one of the growing trends in an increasingly competitive global talent attraction scene.

The differing models and experiences in the comparison countries point out to several factors to consider, when contemplating ways to increase the role of the employers.

*a) To certificate or not to certificate?*

The first and most visible question is the certification of employers. Building a certified employer model gives more possibilities for the public administration to regulate the process in order to prevent malpractice and exploitation. But the certified employer model needs to be designed carefully to make it functional for both the employers and the administration. The first question is the requirements to be certified: Is there a minimum size for the company? A recurring need for foreign talent? Economical limitations? Specific sectors? All of these factors have an effect on what kind of companies are certified and how the system works. Certification can also be withdrawn, giving extra incentive for the employers to adhere to the regulations. Again, setting limits on how easily the certification can be withdrawn has an effect on how the system is working.

The experiences on the certification models in the comparison countries are somewhat mixed. The evaluations in the Netherlands and in Denmark found mostly positive results. Their certification models are more restrictive and geared towards highly skilled workers. On the other hand, interviews conducted in Sweden resulted in a

more mixed outlook. The Swedish system has been in place the longest, and it has been tweaked several times over the years. It is also more liberal than others and there are less limitations to the organizations that can get certified and the foreign labor force they are looking to hire. This can naturally lead to more mixed views, since a wider range of organizations and workers means more conflicting interests.

The biggest issue in the certified employer model is that it gives a competitive advantage in the market to employers that fulfill the requirements to be certified and also places the applicants in an unequal position, depending on whether their employer is certified or not. This inequality is emphasized if devoting more resources to applications from certified employers means longer processing times for other permit processes. However, we did not find enough evidence to support or contradict this criticism in this study. The certification process itself also requires administrative resources from both the companies and the migration authorities. If the certification process is tedious and time consuming and the advantages it offers for both the employers and the migration authorities are meager, the certified employer model can actually lead to added administrative burden. The competitive advantage of bigger organizations and the additional administrative burden are topics of an ongoing discussion in all of the comparison countries and the main reasons Norway decided not to create a certified employer model.

In addition, certification model could be extended to individuals as well. For example, the UK Global Talent Visa works in a way as an employer certification, where part of the process has been outsourced to organizations that have superior know-how and understanding to evaluate the skills deemed necessary to enter the program. Endorsement from these organizations does not guarantee a residence permit but acts as a certification about the applicants' skills and endorsed individuals have much higher probability to get their applications approved. This again takes administrative burden off the shoulders of migration administration and could reduce at least the official processing time within the administration. How it would affect the total processing time, though, depends much on the structure and rules of this arrangement.

*b) Who can represent employers or employees and what actors are involved in the process?*

In general, increasing the role of employers favors the bigger employers, certified or not. Large organizations have more resources to use in talent attraction and build more knowledge to handle the application processes smoothly. This gives a competitive advantage to the bigger companies and has been seen as a problem in many of the comparison countries and in different sectors. In Denmark, for example, the digital

and creative industries, where there are many smaller companies dependent on access to workers with highly specialised skills, have criticized burdening the employer and limiting the access to certifications only for companies with over 20 employees.

The experiences from the comparison countries suggest that it is possible to build structures that can mitigate some of the unfair competitive advantage the bigger organizations would have in attracting the best talent, if they are given more responsibility in the permit process.

Firstly, possibilities of outsourcing the permit process could be considered. The Swedish system has given birth to companies specialized in representing other companies in the process. This gives access to faster processing times for organizations that are not able or willing to get certified, for example, because their need to hire foreign talent is not recurring. Still, this is a service the organizations must pay for and therefore a disadvantage compared to organizations that can get certified.

Secondly, developing the system could also offer possibilities to positively engage new actors in the permit process, especially the social partners and the third sector. Again, in Sweden, the employer organizations and associations have been able to get certified and help their members in permit processes, although they have received criticism that employers' organizations involved in the scheme are allegedly not taking care of the employee-related part of applications as well as the employer-related parts. Still, if designed carefully, this might present a win-win situation for the employer organizations that could attract more members by offering better services and for companies that would get access to capable and knowledgeable help in the permit process.

### *c) Skill-level, sectoral and temporal limitations*

For most part, the faster routes to work through employer engagement in the permit process are reserved for highly educated white-collar workers in the comparison countries, Sweden being the exception. In Norway, the main benefit for the employer in representing their worker in the process, the possibility to start work faster, is reserved only for tertiary educated employees. The Danish certified employer model has high salary threshold or the requirement to work as researcher.

The attraction part of employer engagement – the fact that making employer the main responsible for the application makes the process much easier and less burdensome for the applicant – works well with highly skilled talent that has a possibility to consider several different locations. However, to gain the most benefits in the form of higher quality applications, the possibility to represent their workers should also be available to employers that need less skilled foreign workers. The Finnish case is illustrative in

this. The residence permit for an employed person, the scheme through which most blue-collar workers apply, receives far more applications on paper and has a much higher share of incomplete applications and negative decisions than the specialist scheme used by highly educated workers. Hence, to gain the most benefits from any model in which the employer has a bigger role in the permit process, employer representation should be available also when applying for the residence permit for an employed person.

Temporal requirements might also be placed on residence permit types where employers would be involved more. Seasonal workers coming to the country for only short periods might be more susceptible to malpractices, less knowledgeable about their rights and less interested in the actual conditions of their work agreements. This, in turn, might suggest that more involvement from the public administration is justified in the permits for a shorter stay. If the work contract is made for longer time, the employee might have more interest in ensuring the employer adheres to the regulations and offers good conditions for working. Still, as long as the employee thinks of working in the country as a temporary situation rather than permanent move, they are not incentivized to place high demands on their employment conditions. This discussion is ongoing, especially in Sweden, where the certified employer model includes a wider range of actors.

d) *A trust-based system*

Increasing the role of the private sector or third sector actors means putting more institutional trust on them. The benefits derived from giving employers more responsibility in the permit process are based on the assumption that they will continuously submit applications with every legal requirement already considered, lifting some of the investigative burden from the public officials and thus helping achieve shorter processing times.

The Netherlands has taken institutional trust the farthest of the comparison countries. The migration administration does not as a rule need to check the original versions of the documents attached to the application and the amount of documentation required to present in the application is typically smaller than in many other countries. For certified employers, mere statement vouching the foreign worker they are applying the residence permit for adheres to relevant criteria is in many cases enough. Instead of burdensome thorough evaluation of every applicant and their documentation when granting the permit, the Netherlands has opted for a system that is based on trust, the obligation of the employers to check the documentation and keep them at hand and random ex post inspections by both the migration and labour officials.

Outsourcing public control over the permit process can make the abuse of the permit system and exploitation of foreign workers easier. On the other hand, giving more trust to actors can also make them more trustworthy. Comprehensive data-driven comparison about exploitation or fraudulent use of the permit system in the comparison countries is beyond the reach of this study. Yet, exploitation was not identified as a major concern in our investigations in countries that have certified employer system in use. Only in Norway the immigration officials frequently mentioned abuses and referred to them as one reason why Norway has opted out of many of the reforms introduced in other countries. It is possible that the certification acts as a pre-screening against exploitation. Strict requirements, risk of losing certification and in some cases, like the Netherlands, fairly high cost of certification can discourage the abuse of the system. But making more conclusive arguments would require more thorough investigation of the matter.

In the end, giving more trust outside the public sector is also a question about what to prioritise when building the permit process and legislation: does the public government emphasise flexibility and faster processes or tighter control and higher security against exploitation and abuse? These are not mutually exclusive goals but finding the right balance for the system is partly a matter of preference.

### 5.2.3 Streamlining the permit process

Streamlining the permit process is central when aiming to make the processing times shorter. In the best scenarios, the reforms can be applied throughout the residence permit system making it smoother for not only certain target groups or even only for work-related residence permits, but for all different types of permits. This is also the key element the Finnish government is looking to apply to reach the stated goal of one month average processing times for all work-related residence permits.

Experiences from the comparison countries indicate several ways to make the permit process flow smoother. Firstly, the less actors involved, the faster the permit process on average is. Any partial decision or statement from other authorities, be they public, private or third sector representatives, usually means more waiting at least from the perspective of the worker and employer. Moving documentation around from one actor to another complicates the process, especially if the process is not digitalized. Easing the requirements for partial decisions can also be applied selectively to some target groups but not to others.

On the other hand, the whole residence permit process would benefit from more rigorous training of those actors that are involved as well as making sure everyone in the

process is working with a unified set of rules and procedures. Also digitalizing the process as much as possible can make it faster, though the usability and accessibility of the digital tools make a difference on their effectiveness. Hence, developing the existing services is also a key. The downside with both the training and digitalization is that they usually require additional resources to implement, but investing in these measures can yield significant returns in form of less burdensome permit process and more effective use of existing resources for the migration administration.

*a) Involving less actors*

One of the main implications from the comparison countries is that the less actors are involved in making the decision on the residence permit, the faster the process is. Every partial decision or visit to an additional authority means an extra step in an already tedious process.

Partial decision by the labour administration that includes labour market testing is the most illustrative example of this issue. Whenever the migration authorities need to consult labour administration or other actors for the labour market testing to make decisions, the processing time is extended with weeks or even months. In the Netherlands, 5 weeks from the legally mandated 7 week processing time for certified employer applications is reserved to the the labour administration to conduct labor market testing. Even in Sweden, where labour market testing was officially abolished in 2008, the immigration authorities seek the advice of trade unions when making decisions on permits in the certified employer model. Involving the trade unions in the permit process prolongs the process by weeks and this practice has drawn criticism especially from the employers.

Following the Swedish example and abolishing labour market testing in Finland would be one way to shorten the processing time, though this effect would be limited only to the residence permit for employed person scheme. It is currently the only permit type the labour market testing is required for, and even in the permit for employed person there are numerous of exemptions, when the labour market testing can be skipped. Still, half of the work-related residence permits granted in Finland need a partial decision from another authority than the Finnish Immigration Service.

Abolition of labour market testing and partial decisions by the TE-offices has been raised regularly in the discussions about the labour migration in Finland, but it also faces considerable opposition. Most critics point out to the negative effects this reform could have for the Finnish labour market, since most permits undergoing labour market testing in Finland are for low skilled jobs and the residence permit for specialist scheme and many sectors deemed to be in need of workers are already exempt from it. The examination of the full implications of abolishing the requirements of labour

market testing and partial decisions completely for the Finnish labour market are beyond this study, but when looking solely at the processing times, it could shorten the processing times by months for those permit process models where it is still used.

If abolishing labour market testing completely is seen as too radical a change, a Norwegian style quota could be introduced. This would leave more possibilities for the authorities to regulate labour immigration if the influx of work immigration and its effects to the labour market is deemed too high. Yet, as the OECD has noted, setting numerical limits on labour migration can be tempting politically, but leads to a less flexible system<sup>64</sup>. The size of such a quota should be considered carefully. If set too low, it can, for example, lead to situations where the applications pile up over a short period of time to avoid the labour market testing. This can lead to longer processing times. However, in Norway, the quota has never been exceeded, so we do not have a preceding case to examine these effects in this study.

Labour market testing could also be simplified considerably through the combination of income limits and positive lists, as in the Danish case. Salary thresholds can be used as a proxy for skills. This would eliminate the need for showing and verifying skills and degrees. In the Finnish specialist scheme, alongside the income and work relevance requirements there is also the need to have a tertiary education. However, some workers with highly specialized skillsets might reach the salary threshold even without a higher education degree. These situations might become more commonplace with the rise of new manufacturing industries in the developed countries with the help of technologies like additive manufacturing. Thankfully, the migration administration has shown some flexibility when making decisions about the residence permit for specialists and has granted them to some workers with highly specialized skillset, such as experienced software developers, who do not have a tertiary education. Still, only using the salary threshold would make the process faster and more predictable. The downside is that this could leave more room for infringement. Norway implemented a baseline salary in 2010, but the system was abolished in 2013, after the Directorate of Immigration and the police revealed it was abused and some workers with high wages in reality paid large sums back to the employers throughout the year.

Also, Finland has already implemented types of positive lists of sectors that are exempt from labour market testing. This is done at the regional level, where the Centre for Economic Development, Transport and the Environment can proclaim certain sectors to be in need of workers. Applications for workers coming to work in those sectors are waived from labour market testing. Extending this practice and using it as labour market testing instead of individually assessing each application would skip the time-

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<sup>64</sup> The OECD (2014): International Migration Outlook 2014, available in: [https://dx.doi.org/10.1787/migr\\_outlook-2014-en](https://dx.doi.org/10.1787/migr_outlook-2014-en)



consuming partial decision by the Employment and Economic Development Offices. Also, making these lists on national level instead regional level would simplify the process. This possibility has already been discussed in Finland. The employment officials – and other parties like social partners – could still be involved in compiling these positive lists. Relying solely on such lists, perhaps made on national level, would make the process considerably faster, but less flexible. If such an approach was taken, these positive lists should be updated frequently enough to allow reacting to changes in the labour market.

Another big factor making the permit process slower is the involvement of the foreign service missions in the process. This step is also found in all of the comparison countries and the waiting times for appointments to take biometrics, conduct interviews and to pick up a residence cards can take weeks or even months, although this varies significantly depending on the foreign service mission in question. In Sweden and Norway, this was a major bottleneck with waiting times up to months. In Denmark and the Netherlands, on the other hand, this was not an issue, even though both require a visit to the foreign service mission. In Denmark, the appointment must happen within 14 days of submitting the application, but we could not discern how often this happens and why the step with the foreign service missions could be much faster. In the Netherlands, the employer is responsible for identifying the applicant and the biometrics are recorded only after the decision when picking up the temporary residence permit and no interviews are conducted. Such a system that relies heavily on employers to do the administrative work is considerably faster but would require a significant reform of the permit system in Finland.

If seen solely from the viewpoint of speeding up the permit process, in an optimal model all the actions and decisions in the process would be concentrated on one actor, probably the migration administration. This agency would not only be responsible for the processing of the applications, but also things like labor market testing, conducting positive lists, recording biometrics and issuing the residence permit card. In such a system, the foreign service missions would be bypassed entirely or perhaps left with minimal role in issuing visa to enter the country. Application and identification would be done through digital means before entering the country and the original documents and identity would be confirmed only after entry.

However, we did not find any serious attempts or discussions in the comparison countries to move beyond the current system by, for example, utilizing digital identification. Indeed, it might not be possible to concentrate all the decisions on one organization and recording the biometric data is a legally mandated part of issuing many travel documents such as a visa to the Schengen area. Also, the expertise involved in the work-related residence permit process is vast and centralization of the decision-making authority might lead to mistakes or even longer processing times, especially if the

employment conditions in the work in question differ from the standards. In Sweden, this critique has been directed towards the migration authorities. The employers claim that the migration authorities do not understand the salary models in many business areas. Trade unions, on the other hand, state that the immigration administration often accepts the employers' proposition at face value in these cases.

*b) Training the actors and unifying the procedures*

One major factor affecting the processing times is the competence of actors making the decisions. This can be mitigated with the help of technology, by for example using digital tools to pre-screen the applications, but as long as there are people involved in the decision making, their competence always affects the process. Immigration service in most countries handle large number of cases and accumulate much know-how, but even within the migration administration there can be lack of knowledge on some areas as is exemplified by the critique in Sweden mentioned above. In addition, other actors involved in the process might have hard time to follow the rules and procedures if they are not unified between different officials and over time. Again, in Sweden, the employers have criticized the migration administration of changing the rules of the certified employer model constantly.

Competence-wise the biggest bottleneck identified in Finland is in the foreign service missions, where the job rotation system leads to a high staff turnover. Often inexperienced staff finds it challenging to identify incomplete applications or gather all the needed information during interviews. In addition, the Finnish foreign service missions do not have unified processes or guidance to handle the applications. Hence, even if the staff member has been involved in the residence permit decision making in one mission, after landing a new posting in the rotation they might have to learn the practices all over again. Creating uniform practices and training the staff on them would reduce the slowing down of the process caused by inexperienced officials or staff members unaccustomed to the practices in their new posting.

Norway serves as a good example of how to streamline the process of permit applications. It has made concentrated efforts to reduce the processing times for all permits and has been able to come down from over 6 months a little more than decade ago to the current situation of some weeks in most permit categories. Central part of this development has been digitalization of the processes, but much of it is also due to the increased cooperation with the migration administration and the first line officials in the police and foreign service missions as well as facilitating the dialogue between the first line and the employers. The Directorate for Immigration (Utlendingsdirektoratet, UDI) is actively engaging the foreign service missions that perform the preparatory case processing. To mitigate the negative effect of the high turnover of the staff to administrative competence in the foreign service missions, the migration administration

has been providing more thorough and systematic training in regulations and procedures for those leaving for a foreign posting as well as the locally employed staff at the foreign service missions. Norway has also held regional seminars twice or three times a year, covering all the regions in the world in two to three years.

c) *Investing in digitalization*

Digitalization of the immigration services has been utilized in Finland as well as in the all the comparison countries to reduce processing times. Yet, in Finland, a considerable number of applications are still done in paper in the foreign service missions. Furthermore, some Finnish embassies send these paper applications forward to Migri by mail. At minimum, all the case documents should be converted into a digital form to ensure fully digitalized case flow. Also, using the digital services could help in situations like conducting the interviews, even if the results from the piloting projects have been mixed. Digitalizing the internal case flow and developing the services the administration and other actors included in the decision making is much of the reason behind the successful reduction of the residence permit processing times in Norway. On the contrary example, Sweden has not yet managed to digitalize the trade union statement system and the statements have to be handed in on paper creating considerable administrative burden.

The digital application portal Enter Finland and other digital immigration services should also be enhanced to make it harder to leave incomplete applications and easier to find the right information. The Finnish Immigration Service has already been implementing changes and making the guidance clearer, but the development process could benefit from a closer look at the experiences in the comparison countries. Again, Norway and its EFFEKT-program of digitalization and developing digital services could serve as an example. Building upon the possibilities stemming from the new digital platform, Norway has adjusted its application portal in such a way as to minimize the possibility of submitting incomplete applications. Norway has gathered feedback from the users and has systematically built up the application process with the user in mind to minimize errors. Migration administration have also gathered questions and other info from the call centers and have used it to explain the process further on the website. The same kind of user-centric approach has also been utilized in Denmark to develop the digital services. Finland could seek advice from these successful cases when developing its electronic services.

## Annexes

1. Country case: Denmark
2. Country case: Netherlands
3. Country case: Norway
4. Country case: Sweden
5. Country case: Finland
6. Light country cases

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