

INTEGRATION OF INTERNATIONAL STUDENTS IN THE FINNISH JOB MARKET

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ABSTRACT

There are almost 20,000 International students currently enrolled in Finnish Higher Educational Institutions. However, the retention rate of these students is lower than average OECD countries. A sizeable majority of International students move out of Finland after graduation, in search of better job opportunities. The problem has been their lack of integration into the Finnish Job market, where despite open positions and demand of skilled workers, these graduates find it difficult to fill those positions.

The study aims to analyze the problem from a solution oriented perspective and come up with recommendations for all stakeholders. These include, the International students, Finnish employers and companies, as well as Higher Educational Institutions.

The thesis is based on two qualitative surveys, one is International student survey conducted to gather responses from current students and alumni from 4 Higher education Institutions, Tampere University of Technology, Turku University, Laurea University of Applied Sciences, Metropolia University of Applied Sciences. The second survey was carried out among International students at Lahti University of applied sciences as part of OSSI-Skills up project. Based on the results of these surveys, interviews were conducted with three professionals, each one an expert in their field. Among these three professionals, one expert is an adviser in development policy at Finnish foreign ministry, and one as director of a start up consultancy offering Internationalization services to Finnish companies and businesses. The third person is business adviser at Enterprise Espoo, helping new entrepreneurs with business advise.

The following research questions were formulated; How to integrate international students in Finnish job market after they graduate? Identify the obstacles faced by International students to stay and pursue a career in Finland? And explore possible solutions to address the lack of integration in Finnish Job market.

In conclusion, it is recommended that International students actively participate in entrepreneurship in Finland and adopt it as a career choice after graduation. As the country has excellent support infrastructure for entrepreneurship.

Key words: International students, integration, HEI, Higher education institution.

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ABBREVIATIONS

OECD.....	Organization of Economic Cooperation and Development
ICEF.....	International Consultants for Education and Fairs
UNESCO.....	United Nations Educational, Scientific and Cultural Organization
CIMO.....	Center for International Mobility
DAAD.....	Deutscher Akademischer Austauschdienst- German Academic Exchange Service
VATT.....	Valtion Taloudellinen Tutkimuskeskus- Institute for Economic Research
ETLA.....	The Research Institute of the Finnish Economy
UAS.....	University of Applied Sciences

1 INTRODUCTION

The field of higher education has experienced rapid internationalization in the recent past. Students worldwide, are increasingly interested to pursue higher education away from their home countries. The number of international students, those who study overseas, has increased from 2.1 million in 2000 to almost 5 million by 2014 according to Organisation for Economic Cooperation and Development data (ICEF, 2014). This figure is projected to reach 7 million by 2020 as per (UNESCO, 2009).

Finland, as rest of Europe and OECD countries, has also experienced an influx of international students in recent years. Statistics show, that almost 20,000 foreign students are currently pursuing studies in Finland which lead to a degree program (CIMO, 2014). Among those, 60% of international students in Finland come from outside the European Economic Area (EEA) (UNESCO, 2012). The country aims to increase the intake of these students in the coming years. Most of these students pursue a degree program in English taught at the Universities as well as Universities of Applied Sciences in Finland. The most common field of studies for International students in Finland are business and technology (CIMO,2014).

Due to globalization, the education market has also experienced demand for knowledge sharing and international curriculum. (Journal of Studies in International Education, 2007). There are number of factors that drive students to other countries for the purpose of study. In developing countries there is demand for quality higher education in a wide range of study fields, students have become consumers who may decide the study destination based on cost of living during their stay, employment opportunities after graduation etc. Similarly, in developed countries, students also tend to move to overseas study destinations due to higher costs of tuition in home country. An estimated 4,600 US students are currently studying in Germany, to take advantage of tuition free education (BBC, 2015).

1.1 Background

Currently, different stakeholders in the field of higher education worldwide, are faced with the challenge to retain international students in the host country, once they graduate. In OECD countries, an average of 25% students remain in the host country after graduation (University World News, 2013). The retention of these students is also important due to economic reasons, as there are costs associated with educating these students, which are born by tax payers. It is therefore, imperative that these students find work and pay back taxes into the same system which paid for their education.

In addition, OECD nations are facing the dual challenge of skills shortage and ageing population. (University World News, 2013) Finland being part of OECD is no exception, and in this context, it is all the more important to facilitate the transition of international students from study to work.

International student mobility also helps to create cultural and scientific links between different countries. Besides, there is an economic impact of such mobility, where students spend on goods and services in host country and pay taxes when higher education sector is either non-existent or inconsistent. Due to this lack of coordination, many students employed in part-time or full-time work.

The employment statistics reveal, that there are 37,862 job seekers of foreign background registered as unemployed job-seekers in Finland in June, 2015. This is a two-fold increase from the same period since 2009. (Ministry of Employment and Economy, Finland 2015). Often employers have strict language requirements, which serve as a barrier for foreign workers to be hired.

Besides language skills, the hiring managers tend to avoid risk and stick to hiring candidates from similar cultural backgrounds. These attitudes also make it difficult for International graduates to find jobs in Finland.

In order for the economy to remain competitive and come up with innovation and success, foreign graduate's transition into the job market can play an important role. The OECD economic forecast predicts that economic growth of Finland in 2015 will catchup after three years of contraction. The country's economic outlook is

projected to improve gradually, although unemployment and slow income growth will still persist for the short-term. Thus, a long-term strategy is required to come up with solutions to these underlying issues. In this backdrop, the obstacles faced by International students, and the issue of their transition into working life in Finland is the main theme of this study. There is a competition for achieving long-term growth and prosperity on a global scale, and Finland also aspires to be among those nations which attract talented skilled workers.

1.2 Definition of Problem

The retention rate of foreign graduates in Finland, is lower than the 25% average for OECD countries. This low retention rate can be attributed to lack of integration in the local job market. Often, coordination between different stakeholders in the job market as well as employment agencies remain inadequate or non-existent. Due to this reason, foreign graduates are unable to secure jobs in their field of study, and find it difficult to start a career in Finland.

The mismatch between skills set of students and demand of the job market reveals it is not enough just to gain a quality education, instead the students need to equip themselves with the kind of skills and training that will enable them to realize their potential. Thus, different solutions are to be explored to work out a framework that can enable foreign graduates to be aspiring candidates in the job market. Once employed, these students can work to gain international experience and pay taxes to offset the costs of their education in Finland, in addition alleviate skills shortage in labour market. On the other hand, the different stakeholders, such as universities, employment office, placement agencies also require a cohesive strategy to facilitate foreign graduates to start a career in Finland.

The thesis is focused on International students studying in universities and Universities of Applied Sciences in Finland, and those who are pursuing English language degree programs. It also takes into account those students who have graduated after completing their degree programs from these universities. This thesis aims to explore different potential solutions and alternatives to train the

students in such a way that they can be retained in the job market and utilize their skills potential in a mutually beneficial way.

1.3 Objective and Significance of the Study

The main objectives of this thesis are as follows:

- Explore, ‘How to integrate International students into local job market in Finland’?
- Identify the obstacles faced by International graduates to stay and pursue a career in Finland once they complete their studies.
- Explore possible solutions, to address the problem, of International student’s lack of integration in Finnish job market.

This particular study is significant as compared to previous studies done in related areas, since it is undertaken from a solution oriented perspective. There is a research gap in this area, whereby previous studies lack possible solutions to the problem. However, this study aims to fill the gap by exploring possible solutions to the problem.

The purpose of education is not limited to gain a Degree qualification, but its main aim is to prepare students to become aspiring professionals in their field of study. In other words, education empowers individuals to realize their full potential. To this end, it is necessary that students are equipped with necessary skills and training to deal with the challenges of the world of work. In simple words, the transition from education to work is to be viewed as a system or framework which prepares graduates to start building their careers.

The main stakeholders and decision makers in the education and employment sector in Finland can derive insight from this study. By adopting different measures to increase the retention rate of International students in Finland and creation of welcoming conditions for starting a career, this pool can alleviate skills shortage in future. In the long-run, it can also help forge important links with the knowledge economy of Finland.

1.4 Structure of thesis and Research Approach

The thesis report is based on total of six chapters, chapter 1 defines the Introduction and background of the topic. The second chapter is about student immigration and integration in Finland and chapter 3 is related to the analysis of Finnish economy and job market, thus both chapter serve as theoretical framework. The research methodology chapter 4 explain a mixed method of qualitative interviews and quantitative techniques. The Chapter 5 is data presentation, which is gathered using a questionnaire to acquire information from International students. Secondly, further interviews are conducted using snowball method to gather qualitative data. Finally, data presentation is followed by discussion and conclusion in chapter 6 including recommendation of further study.

2 STUDENT IMMIGRATION AND INTEGRATION

2.1 Student Immigration

The European Migration Network, EMN in EU context, defines an Immigrant ‘as a person who establishes their usual residence in the territory of a Member State for a period that is, of atleast 12 months. The European nations, specially those with strong welfare systems, have attracted large number of immigrants from different parts of the world since second world war.

Immigration in general, has recently become a subject of frequent debate in public discourse in Finland and elsewhere in Europe. It is a divisive issue, with people both in favour and against it, coming up with their own narratives. Immigration is also about demographics, with Europe’s birth rate falling and better life expectancy due to advances in medicine resulting in an ageing population. Due to less entrants in labour market every year, and number of people going into retirement, the pension systems in welfare states are increasingly coming under pressure. On the other hand, due to the era of globalization, free trade and Internationalization, there is an ever growing need for skilled workers in various industries to sustain competitiveness in future. Where new technology has created new jobs, the emergence of technology also resulted in loss of jobs and closure of factories in traditional industries such as paper and pulp in Finland.

In Finland, the number of people retiring from the labour market surpassed from those entering it in the year 2004/5. Since then, Immigration has been viewed as part of the solution and an estimated 25,000 to 50,000 new immigrants were thought to be required to meet the rising demand of skilled labour.

In the early 2000s, the Finnish Migration policy was formulated with an emphasis on attracting work-based immigrants to fulfill the demands of skilled workers. (Opening the Door? Immigration and Integration in the European Union, January 2012). There is a broad differentiation of immigrants into two major categories, with one group as skilled immigrants, where as second as refugees and migrants seeking humanitarian protection.

The lack of integration of immigrants can lead to various concerns such as burden on host country welfare systems. In addition, there are costs associated with education and health care of immigrants. Also, more recently the influx of refugees into European borders triggered intense debate on issues related to migration and integration. Therefore, immigration can be termed as a worldwide phenomenon and though much of immigration is based on people in search of better job opportunities or business. However, the number of those fleeing conflict and persecution and seeking security has been on the rise as well.

The general public sentiment in Finland is, as reported in media, that Immigrants are welcome, as long as they integrate by learning the language and work to contribute towards society through paying taxes.

The steady increase in the number of incoming students is indicated in the number of students applying for residence permit. More recently, almost a quarter of all immigration to Finland is based on studies. Therefore, students make up a substantial proportion of immigrant population. Also, the issuance of residence permits and the procedure of extensions of these permits have also been evolved. At the moment, students who complete a Degree or qualification from a Finnish educational institution is offered 1-year residence permit to search for suitable job in their field.

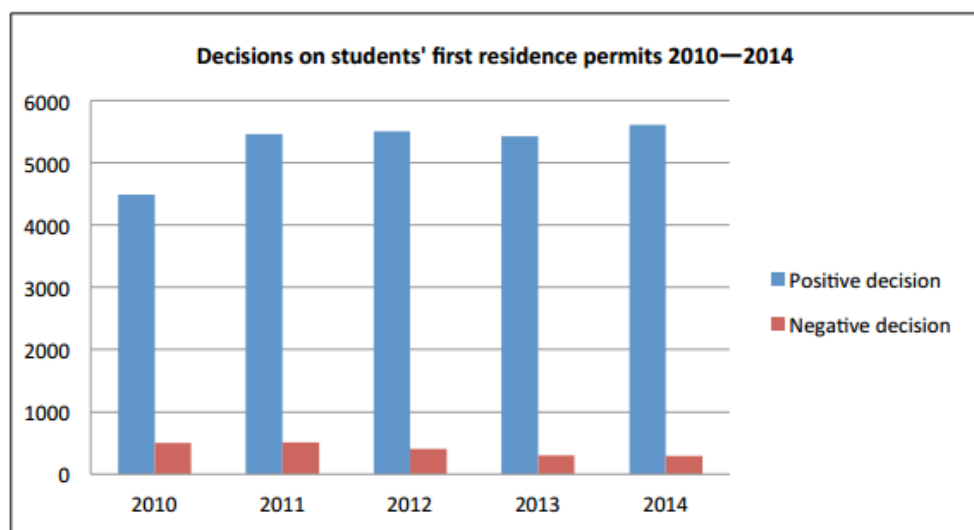


Figure 1. Decisions on students' final residence permits 2010–2014 (The Finnish Immigration Service)

2.2 The concept of Integration

In the context of Immigration, Integration is defined as ‘a dynamic two-way process of mutual accommodation between immigrants and residents of host State(s).’ The promotion of fundamental rights, non-discrimination and equal opportunities for all are key integration issues. (EMN, European Migration Network). The long term affects of immigration are reflected how well those immigrants succeed in integrating into the host country and society.

The success of integration is measured through how successful the immigrants are in adapting to surrounding society through active participation in life and can obtain new information as well as skills (Taina Moisander, 2015). Therefore, social and economic integration of International students can be regarded as key elements in overall integration.

In this study, integration is viewed from the perspective of International student’s inclusion in the workplace in Finland. It also includes the elements of personal growth and development during studies, and interaction with various stakeholders in the job market. In short, integration can be described as a continuous process, where the students are expected to learn the Finnish language and adapt to work life after studies. Finnish society is viewed as promoting equality and creating equal opportunity between International students and native peers.

According to Immigrant barometer, the factors that are considered the most important for integration: work, suitable accommodation, language skills, safety, health care services and access to education for children.

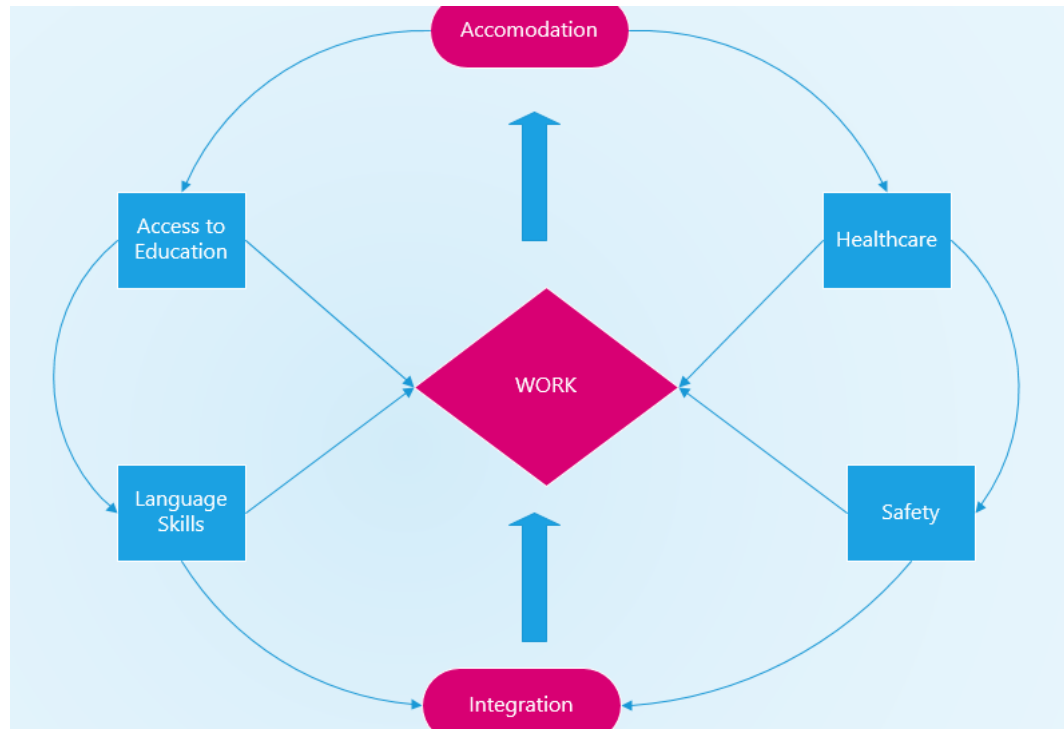


Figure-2: Important factors of Integration of Immigrants: Immigrant barometer

The key components of integration include employment as a main element, which helps speed up the integration process of all immigrants in a society. This may also include other economic activity such as entrepreneurship, where business opportunities help create additional jobs. In addition, other factors such as safety, access to quality healthcare and education as well as local language skills also facilitate the process of integration.

2.3 Key Statistics- International Students in Finland

The OECD defines International students, as those who have crossed borders for the purpose of study. The UNESCO Institute for Statistics, the OECD and EUROSTAT define international students as those who are not residents of their country of study or those who received their prior education in another country. (OECD, 2013).

International students are becoming consumers, and often seek best alternatives when it comes to choose a study destination, choice of Degree program and educational institutions. These ‘consumers’ of higher education are seeking education with the aim of becoming professionals who can compete worldwide in their field of study. Similarly, due to rising demand, the higher education institutions in Finland are also making Internationalization as part of their long-term strategy. Thus, a wide range of Degree programs are being offered to International students by the Universities and universities of Applied Sciences in Finland.

The key feature of Finnish higher education, thus far has been the tuition free offering of quality education. Although, this is set to change in 2017, as the Government placed a minimum tuition fee 1500 euro for non-EU students.

As a study destination, Finland offers excellent opportunities for studies in different fields of education to international students. Also, being part of Nordic welfare, a quality education system and tuition-free Degree Programs are all factors attracting International students. However, it should be noted that the notion of tuition-free degree program is not entirely true. The only difference is that costs are not collected from students, instead the tax payers finance the education.

According to official statistics, there are roughly 20,000 International students currently studying in Higher Education Institutions in Finland. UNESCO data from year 2012 reveal the following 10 nations as top 10 contributors of International students to Finland (ICEF monitor, 2015):

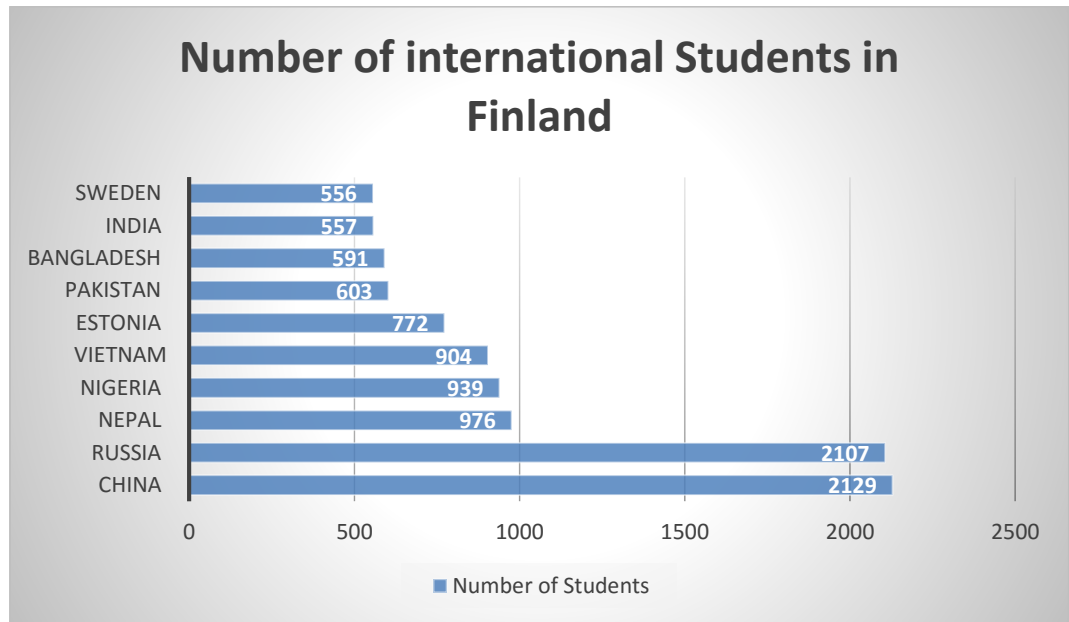


Fig-3: Number of International Students studying in Finland in 2012. (ICEF monitor 2015)

The number of non-EU/EEA students is 10,431 or 60% of all foreign students, the rest come from within Europe. According to CIMO (2013), the rate of Incoming students in Finland has been increasing during the last decade as shown in the table below:

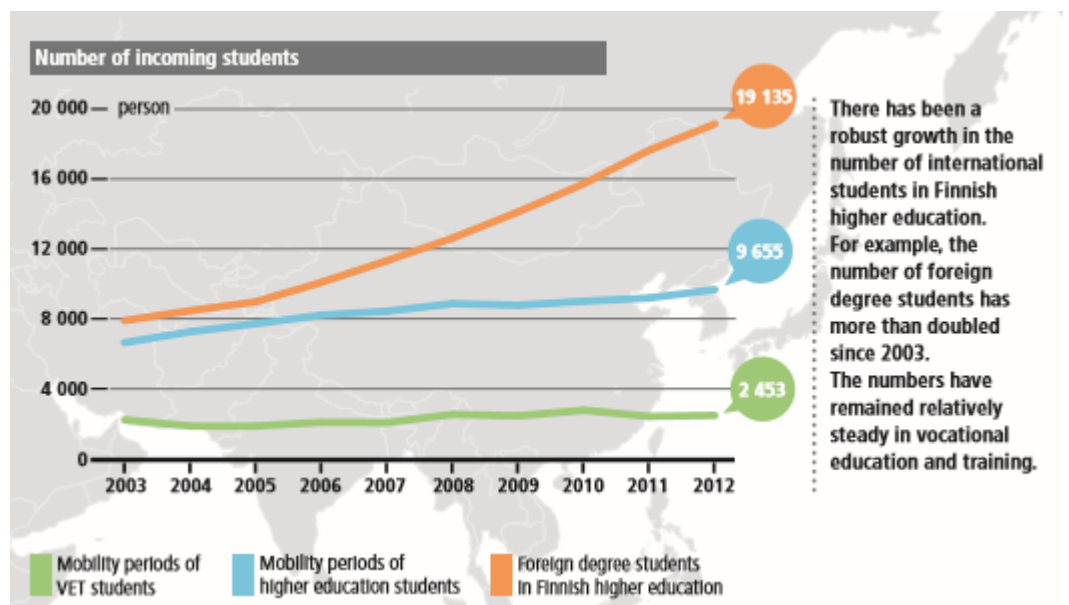


Fig-4: Number of Incoming International Students in Finland (CIMO, 2013)

2.4 Economic Impact of International Students in Finland

The economic aspect of higher education is a cause of concern in most OECD countries, including Finland where budgetary constraints have resulted in a decrease in university funding. Whereas at one end Higher Education Institutions are implementing internationalization strategies to attract foreign students. On the other hand, consideration is taking place to ascertain different ways to finance the Degree programs and cover costs. Decision-makers are faced with the question that, is the investment worth and will pay off in the long-run? These are important issues which have an impact on society and emerging challenges.

The Finnish Government proposes mandatory tuition fees of minimum €1500 per annum, for students from outside the EU and the EEA. These tuition fees can have a negative impact on the internalization of higher education in Finland. The experiment in neighbouring Sweden in 2010 resulted in an 80% decrease in the number of incoming foreign students and as a result many Degree Programs had to be cancelled. However, there is a plan to offer scholarships to talented students to cover the tuition fees in Finland, once the fee proposal is finalized. (SYL, 2015).

According to a report presented by CIMO, based on cost benefit calculations, impact of international higher education students on public economy appears positive. (CIMO, 2014). Similarly, VATT predicts that net impact of immigration on Finnish public economy depends decisively on the age of immigrants and how well they succeed in the labor market (VATT, 2014). In the mid-term i.e, 20 years period to come, the greatest benefit can be achieved by increasing the number of incoming students from outside of EU/EEA region.

The Finnish Ministry of Higher Education has advocated international student recruitment by higher education institutions in Finland. The key motivating factor is the diversity and contribution towards the knowledge economy of Finland. (CIMO,2014). Furthermore, the Ministry of Education and Culture in partnership with Higher Education Institutions decide on the funding based on the degrees completed by foreign students.

2.5 Cost-Benefit Analysis of International Students

A basic cost-benefit analysis, as shown below, indicates the potential costs during and after studies as compared to benefits during and after studies:

<u>During Studies</u>	<u>After Studies</u>
<p>Cost</p> <ul style="list-style-type: none"> • Education provision • Scholarship grants 	<p>Cost</p> <ul style="list-style-type: none"> • Social benefit use • Public services use
<p>Benefits</p> <ul style="list-style-type: none"> • Student expenditure on consumer good/ public services • Taxes paid during work • Tuition fees payment when applicable 	<p>Benefits</p> <ul style="list-style-type: none"> • Added value to public economy by employment and production • Tax revenue by employment or entrepreneurship

Fig-05 Economic impact of international higher education students (CIMO, 2014)

The main costs during the study of International Student's include education provision, from the physical infrastructure of HEI's to facilities, education material and personnel costs in terms of hiring of faculty. The average being €7000,00 per year, studies have shown that International Students costs less to Universities of Applied Sciences in Finland. On the other hand, the benefit during education is the diversity in student population and cultural richness. This is followed by the expenses made by students on public services, such as housing, transport and other living expenses. It also includes the taxes paid during work, while studies are in progress.

The costs after completing study includes, social benefit use or public services use. Whereas, benefits include revenue from long-term tax payments or

entrepreneurship activity. As well as, value added in public economy through employment or production.

The students, who may decide to start a career in Finland after completing a qualification, can lead to an increase in productivity. In addition, they can help create international networks. Therefore, the key determinant of economic impact of international students in Finland is the decision by those students to either work in Finland after studies or move to some other country.

2.6 International Student retention in Finland

According to Statistics Finland data, in 2011 a total of 46% of international students stayed in Finland after graduation. Among these students, 6% continued to study whereas 18% remained in Finland for other reasons. The number of students who left the country after completing their degree was 31%. As compared to some other countries such as Germany and Netherlands, the retention rate of International students at 46% is relatively higher. However, no data exists to verify how many students are successful in finding work in the field of their studies. Similarly, these statistics reveal the situation one year after graduation, and the situation might change with the passage of time. As mentioned before, the retention of international students and their integration into the job market are key success factors in order to ensure maximum impact of incoming international student's in Finland.

2.7 The Valoa Study

In 2009, led by the University of Helsinki, partnered by 19 other HEI's and small and medium companies, the VALOA project was carried out. Its aim was to promote the employability of International graduates into the Finnish Job market. As stated by the official report, 'VALOA has launched a research project to fill the gap by examining the activities, outcomes and experiences of international students after graduation from Finnish higher education institutions (HEIs)' (VALOA, 2010 Cai Y et. al).

The Valoa study indicated the need for more internship opportunities in Finland and proposed additional support to secure internships for International students. It also concluded that Finnish language skills are more important for those who wish to

stay in Finland after graduation and enter into employment. The field of study also played a major role in employment where, graduates from science and technology fields being more likely to be employed. The Valoa study further discovered an oversupply of business graduates in Finland, and most graduates returned back to their home country after studying in Finland.

Employment situation of International graduates revealed that 70% of the international graduates are currently employed. Among those who are not employed, 61% are undertaking further studies and 11% are doing an internship. That means that 88% of the 2009 and 2010 graduates are either employed or pursuing further studies.

The VALOA study also identified the skills required by International graduates to succeed in the job market. The study emphasized the importance of previous work experience in the field of study along with ability to work in a team. It also included inter-cultural competence, leadership potential, a good command of computer skills coupled with analytical research skills as well as ability to learn quick. Finally, the ability to coordinate activities and projects was given importance which may infer having good communication skills. In addition to these skills requirement on the candidate side, the VALOA study also indicates that Finnish employers also value the attitude of the candidate. The attitude refers to the motivation, energy and ambition of the candidate of being an achiever, which reflects in their approach towards their job responsibilities.

2.8 Employment of International Students after graduation

In recent a study entitled, 'Exploring the Impact and Full Potential of International Education' by the Jyväskylä University of Applied Sciences, 2015 it is highlighted that the right to work for students has been expanded in 21st century. Currently, a study type permit (B) allows students to work according to Finnish Aliens Act, Section 78 Subsection 3(4) if the employment is traineeship for a Degree, the average amount of work is 25 hours per week during studies, or full-time during holidays. As a matter of principle, the authorities consider that while studying is the primary reason for a person's stay in the country, employment should not become the primary reason for residence. Therefore, a student who intends to work full time

should apply for residence permit based on employment before starting full time work.

In this regard, students who complete a Degree or qualification in Finland are considered to be potential labour, and given an opportunity to stay in the country to engage in full-time work. According to an amendment in Finnish Aliens Act, HE 219/2014 effective April 2015 made it possible for Degree holder students in Finland to be issued for a residence permit for 1 year to seek employment. The previous limit was a 06-month permit, which is now expanded to one year. This specific amendment has been made to facilitate International students to seek employment and enter into labour market in Finland. During this one year period, the students can utilize their skills and knowledge gained while studying in Finland to find employment in their field of study.

Apart from this, students who graduate and hold an offer of employment from an employer can file a residence permit application with local police department for employment residence permit. The process is quite simple, as a Finnish Degree holder, the student is exempt from the requirement determination of home market labour availability. Thus, there is no requirement of a decision by the employment and economic development office. In addition, a foreign national may also become an entrepreneur and apply for a residence permit for self employed person (Finnish Immigration Service, 2013). Although International students are considered to be a future potential source of labour in Finland, the integration of these students in labour market is hindered by insufficient language skills and limited work opportunities. These factors were highlighted in the Government Integration Programme (Ministry of Employment and Economy 2012) and Future of Migration 2020 Strategy. The strategy stresses the importance of language skills during studies for graduates, to facilitate their stay and employment in Finland once they complete their degree. The strategy promotes traineeship participation in order to facilitate integration of students into Finnish working life (Future of Migration 2020 Strategy).

The Government negotiations of May 2015 also highlighted to view International students as a potential source of labour. The working group on migration policy

indicated that employment of students will be facilitated through improved investment in development of their language skills. All these steps highlight the efforts of authorities and Higher Education Institutions in Finland to collaborate and retain foreign talented students in Finland.

3. FINNISH ECONOMY AND JOB MARKET

The GDP of Finland in 2015 was €207 billion, the eighth biggest in the Eurozone. Whereas, the GDP per capita €37,893 was the fifth in Eurozone just before France and Germany (Source: IMF).

Finland was mainly an agricultural society until the second world war, after which the country transform itself into post-industrial society. The focus shifted to education and research, though Industrialization began late, but there was a rapid process of shifting from a manufacturing and production to a knowledge-based economy. Currently, Finland is ranked among the most competitive economies of the world. The country is globalized and international trade is very much part of the business culture in Finland. It is also famous for its social innovations, problem solving and unique solutions (www.finland.fi). The most notable Finnish companies today are Valio, Rovio entertainment and Kone which are known worldwide.

However, despite a potential for innovation and growth, the Finnish economy faces tough long-term challenges as described below. The OECD economic survey in a recent report, mainly argued that Finland needs to revive productivity and restore competitiveness. The country also needs to create jobs and catch up on economic growth. The economy is expected to gain recovery, depending on the trends in global economy and expected increase in exports.

3.1 Economic Survey of Finland 2016

OECD economic survey of 2016 mainly argued that Finnish economy and social model is being challenged in a number of ways. The economy is weak and public debt is rising (OECD, 2016). Although, Finland still boasts high income level and well being, however the output has fallen due to global recession. There is a decline in paper and electronics industry as well as reduced trade with Russia due to sanctions. Since the country's economy is export based, the unfavourable trends in world economy also have an impact on Finland. During the boom years, the paper industry and electronic industry led by Nokia enjoyed good rates of growth and profitability. However, those days are gone by and new challenges have emerged since.

3.1.1 Economic Performance of Finland

The figure below shows the state of Finnish economy as per OECD Economic Survey Finland 2016:

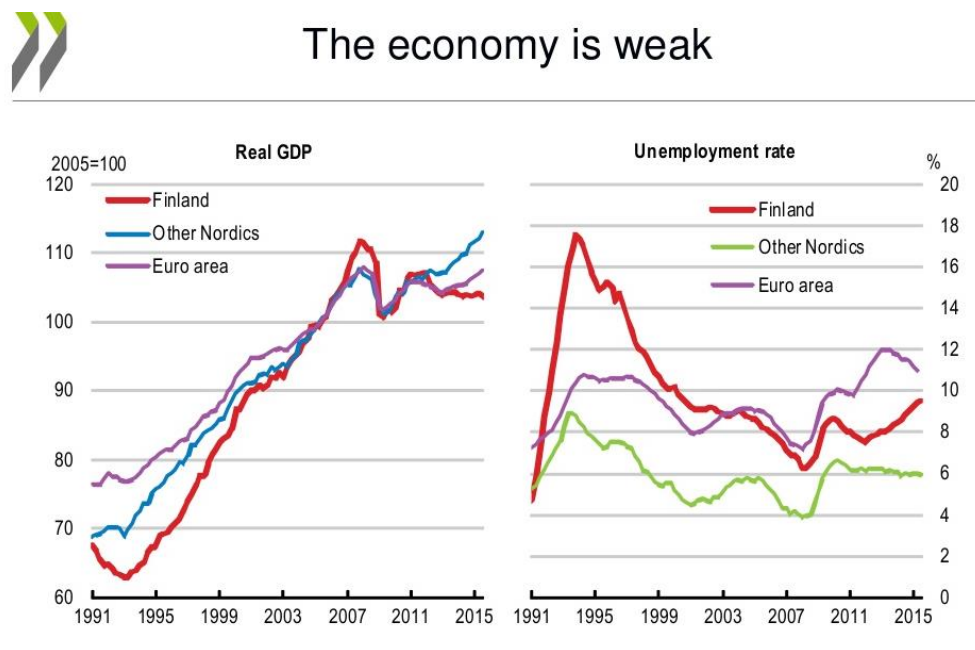


Fig- 06 OECD Economic Outlook database

From above data, a comparison can be made regarding the real GDP and unemployment rate of Finland, the Euro area and other Nordic countries. It clearly

shows that the five-year period from 2011-2015 the unemployment rate has been on the rise, whereas GDP growth rate has fallen below the average of euro area and Nordic average.

The Finnish economy suffered various shocks in recent years, the GDP declined for three years 2012-2014 (The Economist, 2016). One of the reasons of this poor economic performance has been the decline of Nokia, once a market leader in mobile phones. The government is experiencing a deficit of 3% of GDP, and government spending accounts for 58% of GDP which is one of the highest in European Union.

Despite all odds, the Finnish economy in 2015, grew from the previous year after three years of downturn (Statistics Finland).

Also, there is a decrease in export performance,

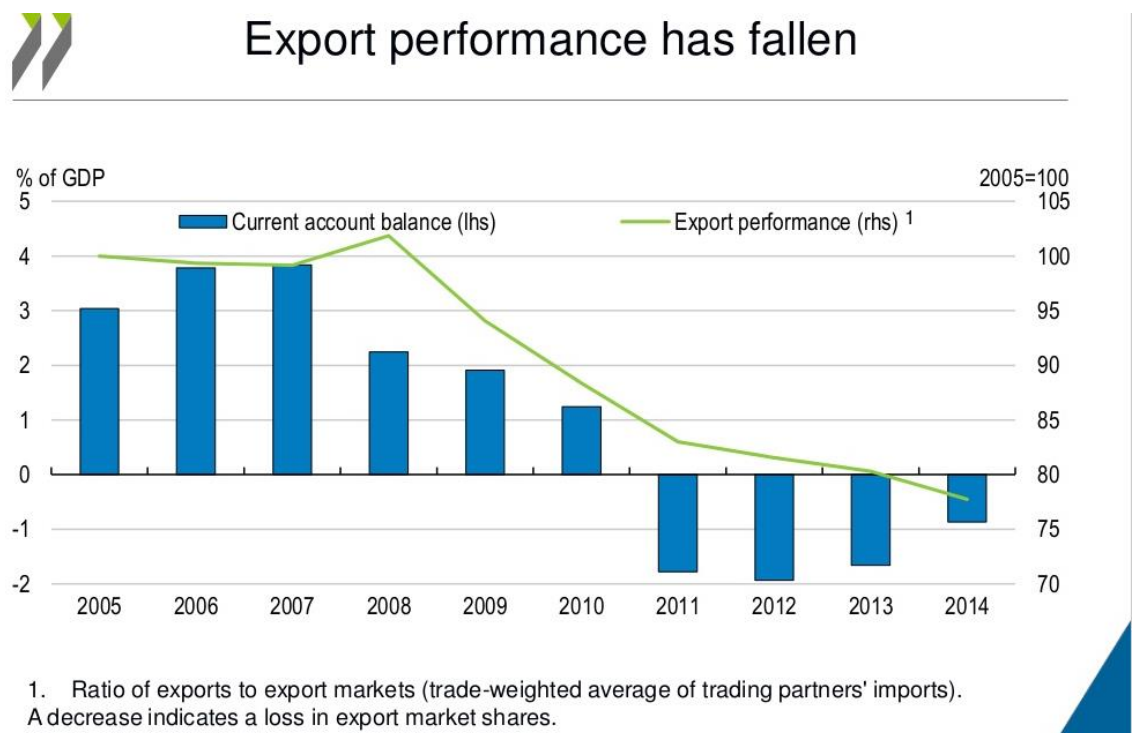


Fig-07 OECD Economic outlook database

3.1.2 Importance of boosting employment

The survey further reveals the importance to increase employment as depicted in the statistics below, the figures from 2014 show the rate of employment of

Finland relative to average OECD and other Nordic countries.



Boosting employment is essential

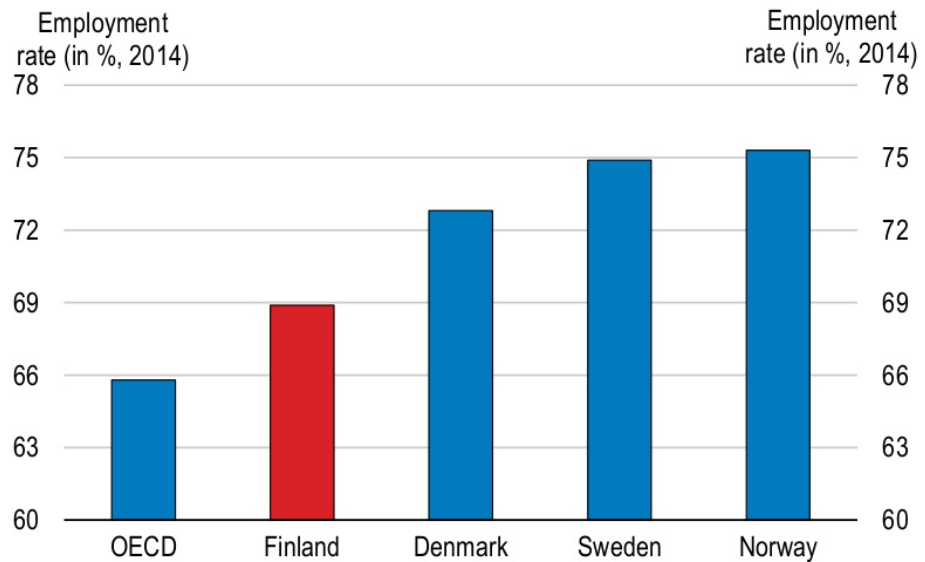


Fig-08 OECD Labour Force statistics database

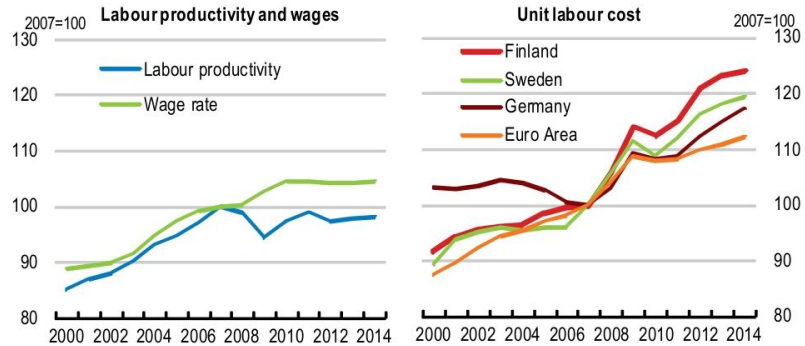
The OECD report suggested different ways to increase employment, such as investing in skills development and enhancing labour market flexibility.

3.1.3 Lack of productivity and competitiveness

Finally, the labour productivity is falling and unit labour costs are higher in Finland, therefore businesses are challenged to operate in Finland due to rising costs. The figure below depicts data regarding ULCs and Labour productivity.



Wages have outpaced productivity and Finland faces a bigger challenge



Source: OECD Productivity and Economic Outlook databases.

Fig-09 OECD Productivity and Economic outlook databases

The figure below indicates that Finland has better framework conditions, few barriers to entrepreneurship which makes the environment very conducive for new start-ups. The University-industry collaboration is also on the positive side as with Business research and development.



Catching up with the frontier: Finland has better framework conditions than most

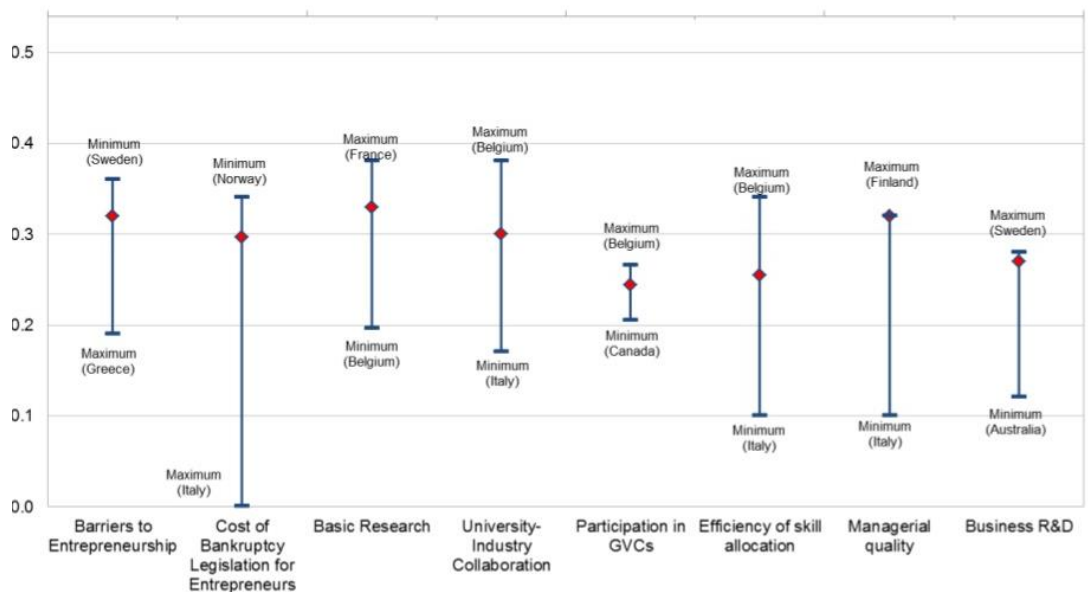


Fig-10 OECD Economics Department 2015

3.1.4 Start-ups and job creation

The start-up scene in Finland is very robust, and can be viewed as a source of economic growth. (The Economist, 2016). The start-up creation and growth of young companies, although is slow in Finland, as shown below: however, there is a potential for success. A report from World Economic Forum ranks Finland as second in the world for innovation. The start-ups such as Rovio entertainment, Supercell and their success, shows how new technology is being leveraged in start-up creation. Therefore, job creation is followed, with start-ups hiring new talent and fresh graduates in different fields specially Information technology graduates. Despite all the bad news about the economy, start-ups growth is a good news for Finnish economy and reflects the positive environment.

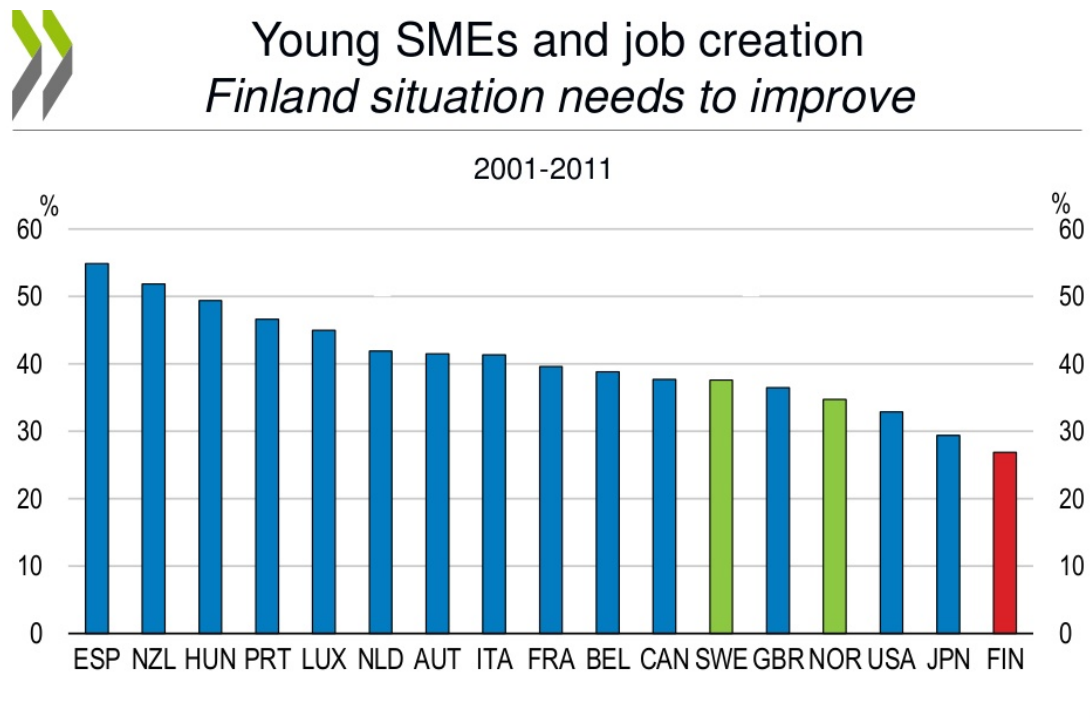


Fig-11 Source: Criscuolo, Gal and Menon (2014)

Although there is limited cooperation between Universities and industry, there is a need to strengthen cooperation between starts-ups and universities.

3.2 Shrinking Workforce

There is a realization in Finland, that when the post-war baby-boomers retire, there will be a labour shortage that its own population will be unable to fulfill (finland.fi). Therefore, there will be a need to recruit more skilled workers from abroad. Finland makes a lot of investments in education, training and research, which provides one of the best-qualified workforces in the world (BBC, 2016). However, due to ageing, this workforce is shrinking and lower proportion of the population is working. According to population projection 2015, Statistics Finland predicted a decrease in the working-age population of Finland by 75,000 persons by 2030. Furthermore, the Finnish working-age population would shrink by 300,000 persons if there were no migration (Statistics Finland, 2015). The shrinking workforce can become a barrier to economic recovery. There is a decline in wealth creation and less income taxes are being raised. There is also an issue with competitiveness. One measure is known as unit labour costs or ULC and as per Organisation for Economic Co-operation and Development- OECD data, that rose by 25% between 2007 (just before the crisis) and 2014. As a result, worker salaries continued to rise after the crisis despite productivity, the amount produced by each worker, declined. The issue of sustainable economic growth is linked with skilled workforce, which is able to play its role in the labour market by working and paying taxes.

3.3 Labour market

The Finnish labour market is characterized by a system of national collective bargaining, making it possible to make wages agreements keeping in view the economic conditions. (The Economist, 2016). However, now a reform is considered necessary to fix the issues related to labour market, the government intends to introduce measures to boost productivity. The unemployment rate is about 9.4% in February 2016 as per official figures from Statistics Finland, whereas many traditional industries such as wood and paper has also seen decline.

On the positive side, the technology companies have seen growth and more jobs have been created. The public sector such as healthcare and social services also needs more workers in future.

Unemployment rate and trend of unemployment rate 2006/02–2016/02, persons aged 15–74



Fig-12 Unemployment rate 2006-16 Source: Statistics Finland

3.4 Effects of Immigration and Labour market outcomes

The increase in immigration to Finland will improve the demographic mix of population in general, as most immigrants are young (Bank of Finland, 2016). However, the labour market performance of immigrants, i.e their ability to find work will determine how it will effect the public finances. The Bank of Finland reports that although the employment rate of immigrants is lower than native population, it can be altered through different measures. Furthermore, immigration does not reduce employment prospects of native population either. Though it is fact, that with population increase, cost of some public services such as social service, healthcare and education etc increase. At the same time, with more young people employed in labour market and paying taxes, those benefits are reflected in collection of tax revenues. If it is assumed, that services are used by children and benefits are paid to older population. Than young and employed immigrants have a

positive fiscal impact on the public services as they contribute towards income generation and tax revenues.

4. RESEARCH CONTEXT AND METHODS

In this chapter, the research methods are explained in detail, along with the primary data. The type of research path chosen was according to the nature of this study. Also, the research methods are evaluated and discussed in critical form.

4.1 Research Approach

The main aim of this research is to explore how to integrate International students into the local job market in Finland. As with any research, three primary approaches are taken, namely deductive approach, inductive approach or hybrid approach which is a combination of the two. In this thesis, a deductive approach is used,

According to (Roy Horn, 2009) a deductive approach assumes and uses known facts and properties to form an argument or statement. The deductive reasoning forms the 'top-down' reasoning, where theory is the starting point, followed by hypothesis about specific matters. The next step is to test the hypothesis and finally confirming or rejecting the hypothesis.

Also the two most commonly used methods for exploring issues and problems in Business are the questionnaire and interview. The research carried out for this thesis report was based on a combination of quantitative and qualitative data collection methods, thus using a mixed method of study.

4.2 Research Objectives

The main objective of the research is to find out how to integrate International students in Finnish job market. The second objective is to identify the barriers faced by international students in staying in Finland to pursue a career. Finally, to explore different solutions to address the issue of lack of integration of International students in Finnish Job market.

4.3 Quantitative Survey 1: International Student Survey

The majority of surveys are based on questionnaires, which can be answered either in written form or orally through a face-to-face interaction between the researcher and participant (Uwe Flick, 2015). Questionnaires are often formulated by standardization and the researcher determines the sequence and pattern of questions accordingly.

4.4 Quantitative Survey 2: OSSI- Skills Up Project Survey

The OSSI- Skills Up project survey was aimed at collecting data from International students studying at Bachelor's and Master's level at Lahti UAS. The objective of OSSI-Skills Up project is to promote employment and workplace development skills of young and immigrant origin population in the Lahti region. The project will come up with a guidance and training model which operates in a network environment with all major stakeholders on board. Such a model aims to serve as a solution for the guidance and training needs for immigrants, in addition the overall project also strives to increase multi-cultural competences of regional businesses.

4.5 Sampling Techniques

The empirical studies mostly consist of selecting a section from a larger group for which propositions will be made at the end (Uwe Flick, 2015). The requirement for a sample is that it should be a minimized representation of the population in addition to being heterogeneous. The two main sampling techniques are random and non-random sampling. In this survey, two different sampling techniques are used for the two questionnaires. For the first one, namely International student survey; Simple random samples have been used. However, the second questionnaire, OSSI-Skills up Project, systematic random sampling is used.

For the interviews, snowball sampling is used to collect data from stakeholders in decision-making capacity. This method enables to contact one or two company managers or officials and after collecting data from them, further interviews can be planned.

4.6 Face-to-face Interviews

There were two face-to-face interviews conducted between 26 November 2015 and 16th December 2015. These interviews were unstructured, and such unstructured interviews are used in situations where the research topic is broad and not defined very specifically (Roy Horn, 2009). This method does not follow a pattern of structure questions during the interview, rather the respondent engage in free exchange of views and interviewer listens and observes.

The first interviewee was CEO, founder of start-up consultancy named Go International and second with an official in Development policy at Finnish foreign ministry.

5. EMPIRICAL RESEARCH RESULTS AND ANALYSIS

In this chapter, first the data collected through questionnaire from International students is presented. In first phase, the International student survey was sent out to students in Capital region. In the second phase, the Ossi- Skills Up Project survey was sent to International students at Lahti UAS. The data and analysis will be represented for both these surveys, flowed by Interview details and analysis.

5.1 International Student Survey 1

The international student survey was answered by a total of 37 respondents, this was an online questionnaire using webropol survey tool. The response rate was below the expected level, it was sent to the International students studying in a total of four universities, namely, Laurea UAS, Metropolia UAS, Tampere University of Technology, University of Turku. The survey was based on 15 questions of mixed standard, including multiple selection and open ended questions and it was online for one month to generate enough responses from students. The data collected from the respondents is presented below, questions are grouped together according to similarity:

5.1.1 Key motivation to study in Finland

The majority of respondents, i.e 81% considered tuition-free education to be the most attractive reason to study in Finland. The title question was *What was your key motivation to study in Finland?*

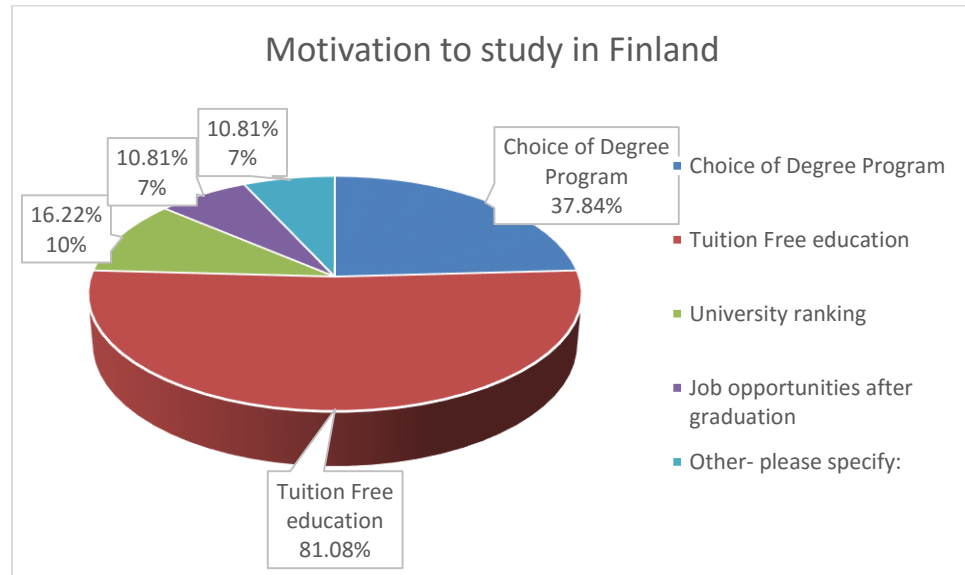


Fig- 13: International Student Survey 1 Results: Motivation to study in Finland

The 37.8% respondents consider choice of degree programs offered by universities as a motivating factor to study in Finland. The university ranking also matters, as 16% respondents considered it to be a motivation. While 10 % respondents attributed their motivation to job opportunities after graduation. The rest of 10% respondents had other reasons to study in Finland, including experiencing a new country and its culture.

5.1.2 Student's general details

The majority of respondents, 37% studied Business, where as 21% in IT and Computer science, whereas 16% in engineering. The responses from Nursing students was lower, 2.7% and Others 2.7% included humanities and linguistics.

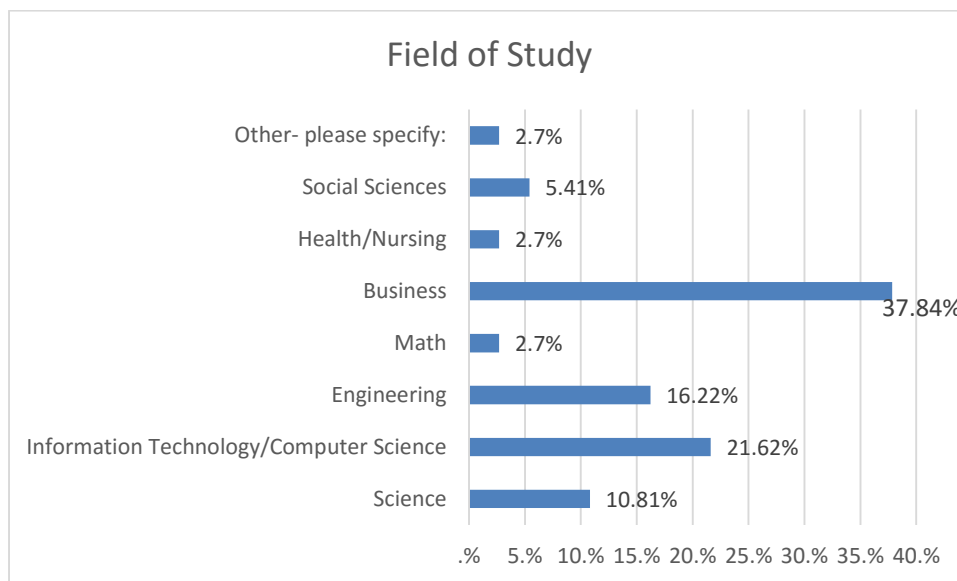


Fig-14 International Student Survey 1 results: Field of Study

For *Level of studies?* 81% were Master's students and 19% bachelors students.

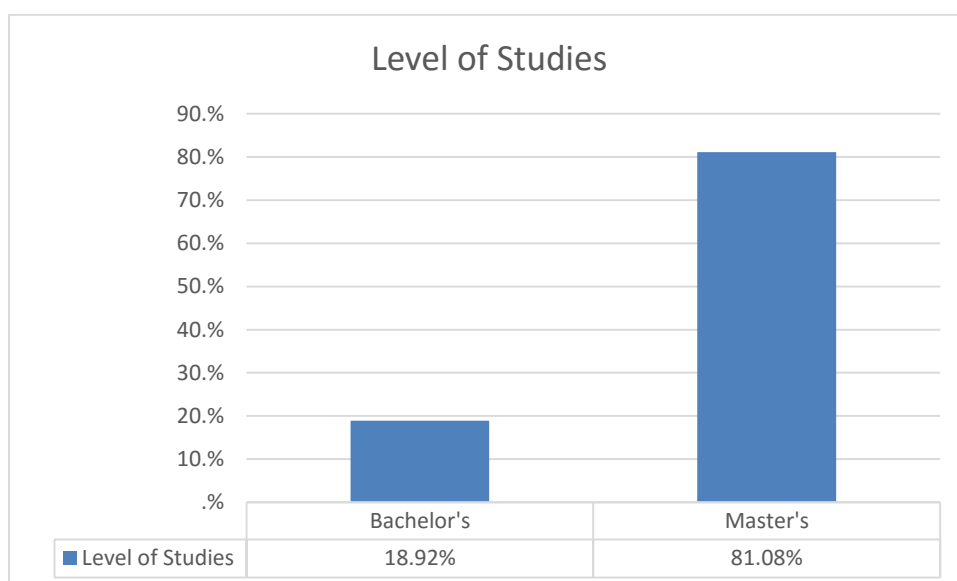


Fig-15 International Student Survey 1 Results: Level of Studies

In response to *the year or expected year of graduation?* 24% were graduating in 2016, 16% in 2017, while others, 21.62% responses range from graduation in 2010, to 2018 and 2019 for PhD Degrees.

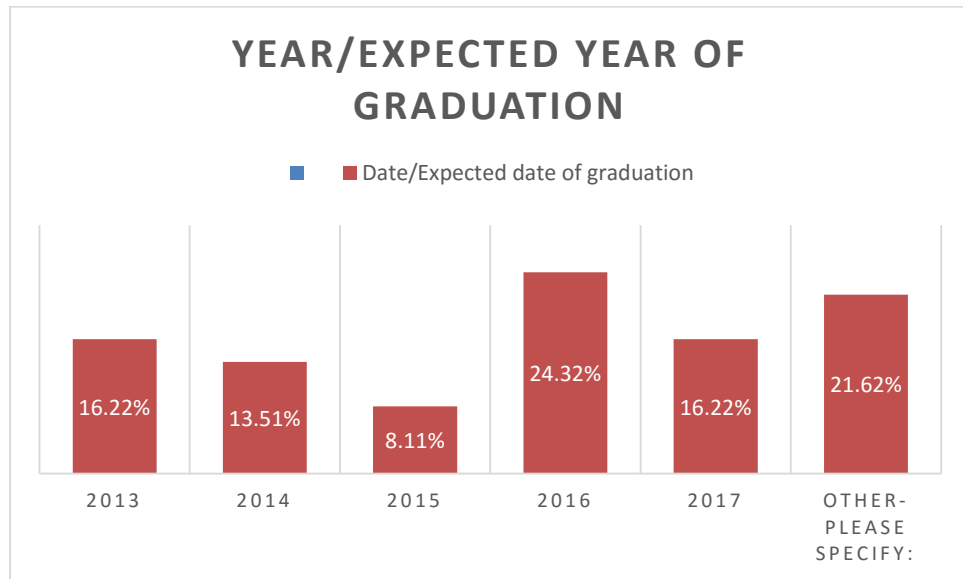


Fig-16 International Student Survey 1 Results: Year/Expected Year of Graduation

5.1.3 Study experience in Finland

In reply to *Did your overall study experience meet your expectations?* 40% replied their study expectations were met, 49% to some extent and 11% replied No.

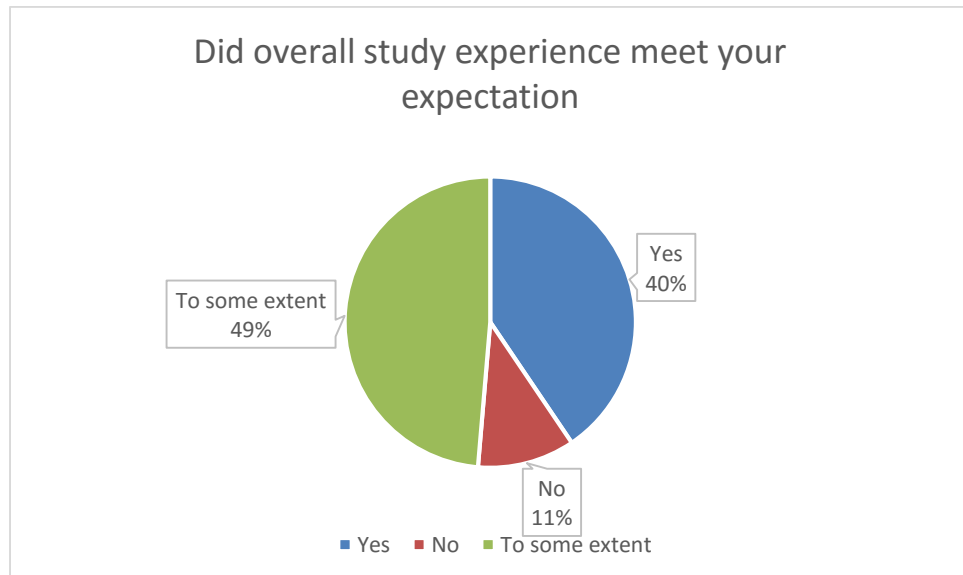


Fig-17 International Student Survey 1 Results: Overall study experience

In addition, as shown below, 54%, did not succeed in finding internship within Finland. The rest 45,95 % were successful in finding internship, workplacement in Finland.

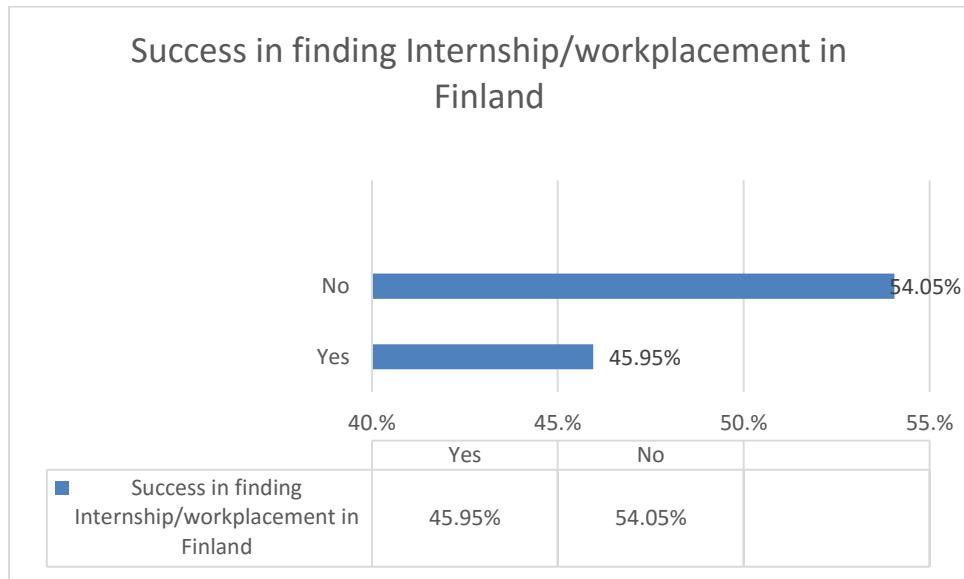


Fig- 18 International Student Survey 1 Results: Finding internship in Finland

5.1.4 Career aspirations in Finland

Do you plan to start a career in Finland after graduation?

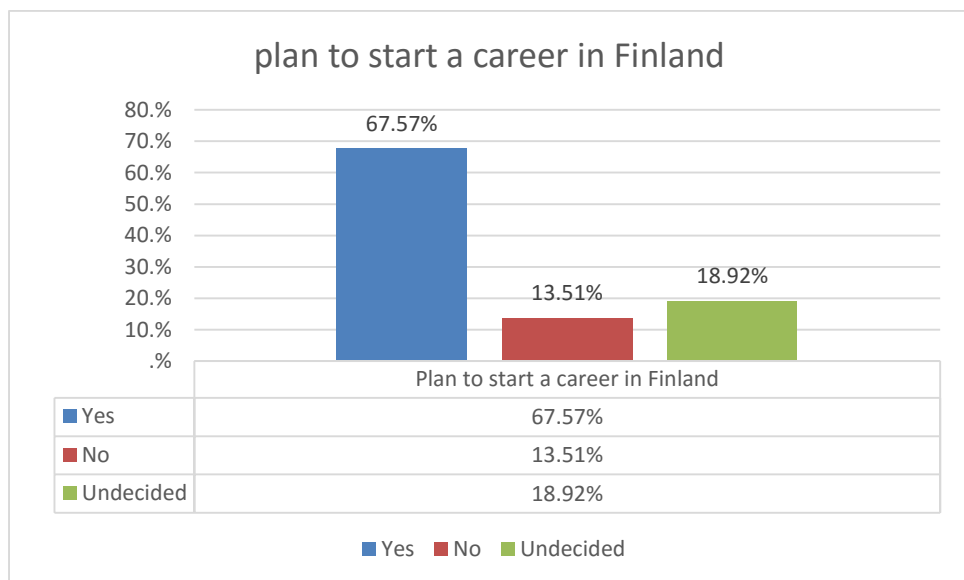


Fig- 19 International Student Survey 1 Results Start career in Finland

The 67% respondents intended to start a career in Finland after completing their Degrees. The percentage of responds not intending to plan a career in Finland was 13% and almost 19% were not sure about their career move after graduation.

Furthermore, almost 19% respondents to engage in start-ups and entrepreneurship activities. Whereas, almost 46% did not want to launch a startup and with 2 respondents, 5% already owned a company in Finland.

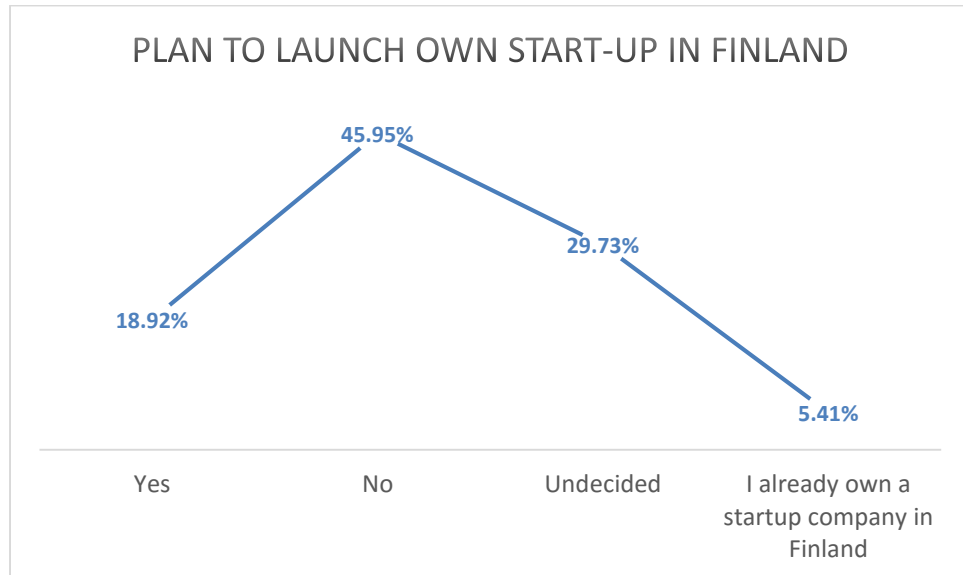


Fig-20 International Student Survey 1 Results: Start-up launch in Finland

The next question 9 was related to barriers to start a career in Finland, *If you plan to move out of Finland, which of the following factors have played a role in your decision?* The main reasons were lack of job opportunities in the field of study with 25% respondents, 23% indicated difficult job market access as a barrier to start career in Finland. Also, for 20% respondents, the difficulty of learning the Finnish language was a barrier.

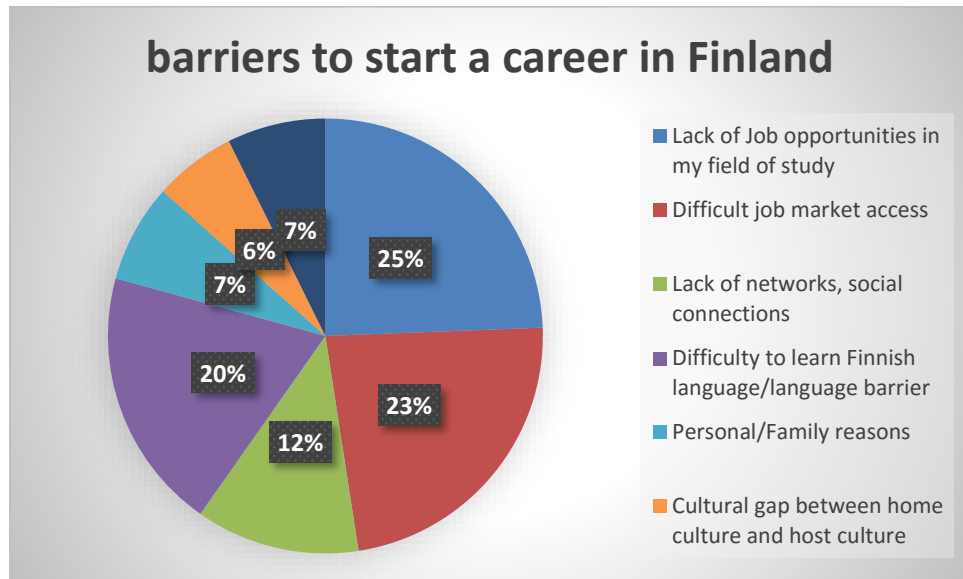


Fig-21 International Student Survey 1 Results: barriers to start career in Finland

5.1.5 Work in Finland

In response to Question 10 *what is your employment status?* 70% of respondents reported being employment, which is a healthy rate of employment indicating ample job opportunities. Another 2.7% were self-employed or entrepreneurs whereas 27% were out of work.

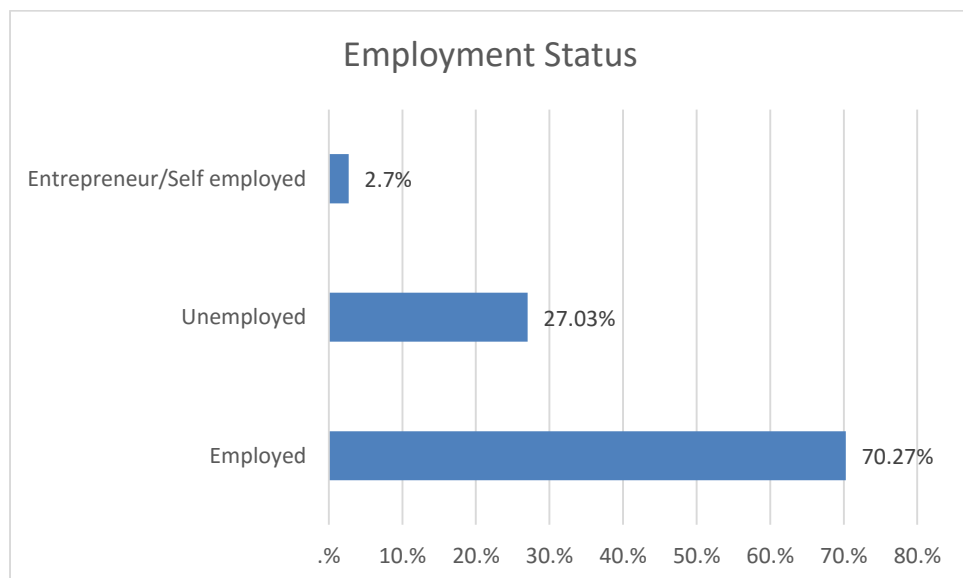


Fig-22 International Student Survey 1 Results: Employment Status

The question 11, *If employed is your job in the field of study?*

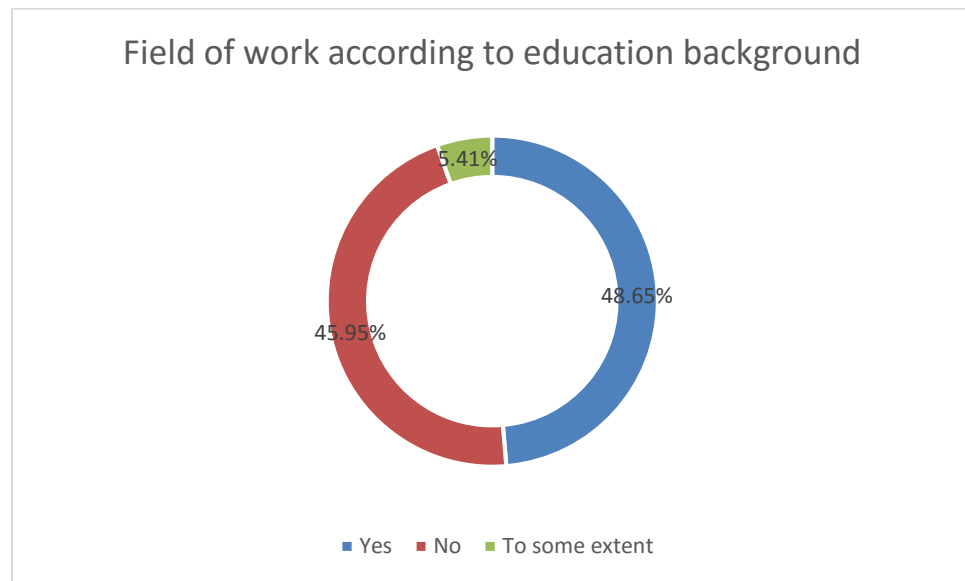


Fig-23 International Student Survey 1 Results: Field of work

The number of respondents employed, in their field of study or area of expertise remained at 48%. However, a significant half of almost 46% were employed in a field not related to their education and area of expertise. Lastly, 5% respondents were employed in a profession which is somewhat linked to their field of study.

Question 12, *Which of the following factors helped you to gain employment in Finland?*

In response, 43% of respondents were of the view that personal reference helped them land a job. In other category, 13,51 % had other reasons which help them get a job including previous work experience. The rest, 32% got a job through own initiative.

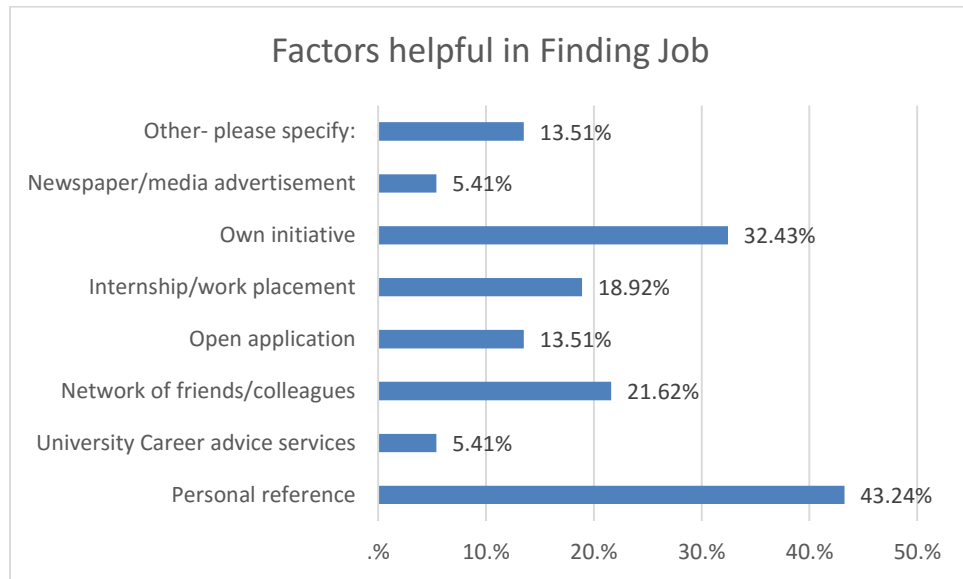


Fig-24 International Student Survey 1 Results: Factors helpful in finding job

Question 13, *Does the Job market appear to be welcoming for International students and graduates?*



Fig-25 International Student Survey 1 Results: Job Market appear welcome

The data shows, none of respondents strongly agree the job market to appear welcome, whereas only 8.11% agree. The percentage of those who had neutral opinion, neither agree nor disagree, stood at 32%. Those who disagree to the statement, 35% and 24% strongly disagree.

Question 14, *As tuition fees become mandatory for non-EU/EEA students from academic year 2017, do you think you would have come to study in Finland if you had to pay tuition fees?*

As shown below, 75% respondents mentioned they would not have come to study in Finland if tuition fees were mandatory. Only 5.4% answered yes, and 16% were undecided about whether to study in Finland or not, in case they had to pay tuition fees.

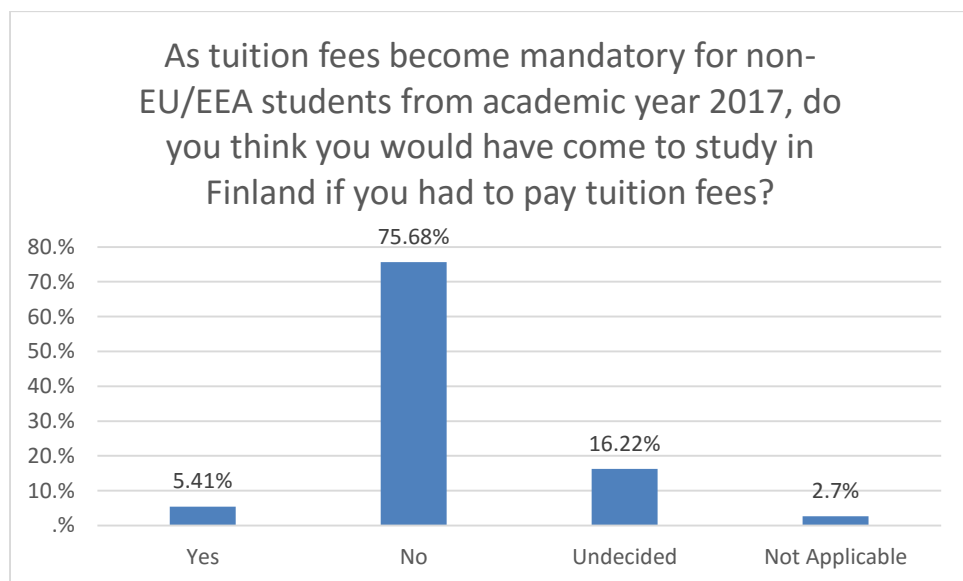


Fig- 25 International Student Survey 1 Results: Tuition fees & student's preferences

The last question 15 was *do you have any particular suggestion(s) regarding the integration of International students in Finnish job market?*

A total of 14 responses were collected, in this section the above 50% responded emphasized the importance of learning Finnish language for International students. Language barrier was regarded as the most crucial factor to overcome for international students to integrate in Job market and start working in Finland. The suggestions included making Finnish language courses more intensive and challenging and offering them as compulsory part of degree programs at universities. In addition, it was suggested to increase support for innovation and

start-up activity, offering more internships. There was also suggestion for International students to be active and learn Finnish language and culture. On the other hand, for Finnish corporate culture and attitude to change for being more accepting towards people from International background. Although currently, many I.T companies do not have strict language requirements, but still language is a main barrier due to which students may return to their home country.

5.2 OSSI- Skills Up Project Survey 2

The OSSI-Skills Up project survey was carried out among the International students, enrolled at Lahti university of applied sciences. The level of studies of these students was bachelor's and master's and survey was sent to total of 399 students including the author of thesis. The survey was carried out as part of the OSSI-skills Up project, which aims to promote employment and workplace skills development of young immigrant origin people in Lahti region. In addition, the project also aims to increase multicultural competences in business organizations of the region.

The survey was sent online, using webropol tool and the response rate was slightly above 10%, with total of 41 respondents who fully completed the survey. The OSSI-skills Up project survey contained all the same questions, as first survey. Only three additional questions were asked.

5.2.1 Key motivation to study in Finland

What was your key motivation to study in Finland?

Number of respondents: 41, selected answers: 61

	N	Percent
Choice of Degree Program	11	26.83%
Tuition Free education	26	63.41%
University ranking	5	12.2%
Job opportunities after education	16	39.02%
Other- please specify	3	7.32%

Fig-26 OSSI-Skills Up Project Survey 2 – Key motivation to study in Finland

The data shows 63% respondents favor tuition free education, and 39% replied that job opportunities after graduation, and 26% respondents indicating choice of degree program as a motivating factor to study in Finland.

5.2.2 Field of study

The majority of respondents, 62% were studying business, health and nursing was 22% and ICT at 10%. In others field, restaurant and design, multi-media production were included.

What is your field of study?

Number of respondents: 40, selected answers: 43

	N	Percent
Science	1	2.5%
Information Technology/Computer Science	4	10%
Engineering	0	0%
Math	0	0%
Business	25	62.5%
Health/Nursing	9	22.5%
Social Sciences	1	2.5%
Other- please specify:	3	7.5%

Fig-27 OSSI-Skills Up Project Survey 2 – Field of study

5.2.3 Level of study

Out of 41 respondents, 87% were bachelor students and 12% were master's students.

What is the level of your studies?

Number of respondents: 41, selected answers: 41

	N	Percent
Bachelor's	36	87.8%
Master's	5	12.2%

Fig- 28 OSSI-Skills Up Project Survey 2- Level of study

5.2.4 Internship/workplacement during studies in Finland

In response to internship/workplacement success, only 15% replied yes, whereas 82% replied they did not find internship/workplacement during their studies in Finland.

Were you successful in finding an internship/work placement in Finland during your studies, concerning only Bachelor -studies?

Number of respondents: 39, selected answers: 40

	N	Percent
Yes	6	15.38%
No	32	82.05%
if Yes- please specify: for e.g, through reference, networking etc.	2	5.13%

Fig- 29 OSSI-Skills Up Project Survey 2- Internship/workplacement in Finland

5.2.5 Career guidance during studies

In order to find out if students received career guidance during studies, they were asked about it and 25% replied yes. Where as 27% respondents got career guidance to some extent and 47% replied they did not get career guidance.

Did you get career guidance during your studies?

Number of respondents: 40, selected answers: 40

	N	Percent
Yes	10	25%
No	19	47.5%
To some extent	11	27.5%

Fig- 30 OSSI-Skills Up Project Survey 2- career guidance during studies

In the career guidance section, students were provided an opportunity to comment on their requirements for different aspects linked to their guidance needs.

If you needed more career guidance, which topics would have been most relevant for you?

Number of respondents: 27

Number of respondents: 27

Number of respondents
More connection to the companies, more workshop on suitable skill when applying for jobs
- Career and job opportunities -CV and cover letter guidance
Practice in the company and help from the university with finding a job
Computer science
Workplaces that provide job in English
future job securities
Career opportunities in the field of marketing and logistics.
The real tasks for particular position in the company.
Difrent buisnes aspects.
Interview
If it's more easier for foreign nursing students to find a job in Helsinki after graduation?

Job placement
how was the detile to find a job in the future for international students.
I would like to have more marketing courses, as it will help for my future career guidance
language
the language barrier
A career test to give you the basic idea of your strengths and possible career choices.
Career guidance in all specialities in nursing, not just elderly care
- Employability in the Nordics - The role of LAMK in assisting International Students in employment issues
Business Idea
Career's development.
Teaching
Finance and Accounting.
A list of place and department where need nurses
what kinds of employees they need for.
Osuuskunnat and workexperience thru them. Learning by doing.
I would appreciate if more information is available during studies regarding potential future employers in the field of study. Also, guidance on aspects which are considered important by Finnish employers, such as training, previous experience etc. In other words, which skills valued in Finnish job market.

Fig- 31 OSSI-Skills Up Project Survey 2- Career guidance needs

5.2.6 Support for entrepreneurship

The repondents were also asked *if an entrepreneur, where did you get the support and encouragement to implement the idea?*

In response, a total of 15 recipients answered this question as follows, most of them were encouraged by family, friends and relatives. In addition, atleast three respondents replied of getting information about this area through some course or study. The author of thesis got support from network of friends as well as family, whereas Enterprise Espoo had provided all the required information and practicalities in starting as an entrepreneur.

- I do not really know as I found there is too little information about this
no
NewCo Helsinki, startup Grant
I don't know yet
relatives
loan
The education. The unemployment foreign students.
Self studies
I was inspired by the customer relationship and marketing course during my first semester of first year study. I made a decision to work in the field of marketing.
family
From entrepreneurship course.
I get supports and encouragement from my family in my hometown and friends who are living in Finland.
Friend and family
my family and my friends
I had an innate desire first of all, to create some idea and make it work. I got support from the University and learning environment, then network of friends and encouragement of family. Finally, Enterprise Espoo was

Fig- 32 OSSI-Skills Up Project Survey 2- Sources of support for entrepreneurship

5.3 Face-to-face Interview with Managers

The interviews gave an opportunity to the author to exchange views and ideas with the experts in their field. Due to the scope of the thesis and given timeline of the project, two interviews were conducted. The snowball sampling method was used in the interviews, where one person could provide contact or refer to the next interviewee.

The first interview was conducted with CEO and founder of a startup consultancy, named Go International, which deals with providing Internationalization consultancy for Finnish companies. The second interview was carried out with an official at the Foreign office of Ministry of Foreign affairs who is an adviser in development policy within the ministry and government. These two interviews were planned in such a way to explore employment opportunities for International students. and the solutions and efforts of the government to facilitate the business and economy as a whole. In the section below, the information collected through interviews is grouped together for clarity.

5.3.1 Internationalization of Finnish companies

In the first interview, Mr. Muhammad Shabir, CEO and founder of Go International, a start-up consultancy firm was asked; *Are Finnish companies focused on Internationalization and entering into foreign markets?* In response, Mr. Muhammad Shabbir was of the view that although Finnish companies tend to be International in their outlook, however they are slow to realize business opportunities elsewhere. He suggested that the pace of change in Finland is slow and different stakeholders are slow to realize the changes going around in the world. He mentioned that various Finnish companies in energy, wind and solar industry are competing with other countries in emerging markets such as Africa and Asia. Similarly, many biomedical companies have found foreign markets for their products and services. Finnish companies are innovative and competitive, therefore they have a good potential to be successful in International markets. However, due to bureaucracy and red tape, the pace of change is slow and Internationalization is sometimes not a priority. Mr. Shabbir further mentioned, that since International students have best knowledge of home culture, they are the ones best suitable for recruitment into those companies which are looking to internationalize in future.

5.3.2 Finnish Start-up Ecosystem

Mr. Muhammad Shabbir was asked *Can you please elaborate on the start-up ecosystem in Finland and how International students can be linked with startups?*

Mr. Shabbir stated that Finnish startups have a great opportunity to tap into the talent of International students. He mentioned that his consultancy firm 'GO International', as the name suggests, is helping Finnish companies and startups to find clients as well as business opportunities in International markets. His company serves as a business accelerator, and connects International talent with start-ups. In this regard, a side event of SLUSH 2015, Europe's leading start-up event, was organized at HUB13 premises. The purpose of the SLUSH side event was to provide a platform to International talent and Finnish companies. This side event

was named 'Emerging Markets Ignite', held on 09 November 2015 two days before the SLUSH mega event. There were around 30 Finnish startups and 120 International graduates who signed up for the event. Mr. Shabbir was of the view that International students and graduates in Finland, specially those from emerging market countries have a great opportunity to take part in these events and participate in matchmaking. This way new opportunities can open up and Finnish companies will also see the value of talent, as well as benefits of expanding into foreign markets. At the same time, International students can take advantage of the networking opportunity, build contacts and have an upto date CV to engage potential employers.

5.3.3 Employment and Internship opportunities

Mr. Shabbir also expressed his views about internship and work opportunities in Finnish companies, including his own company GO International. He mentioned, that most applications for internships are taken into consideration when it is not busy period for on-going projects. Thus having enough employees take care of the interns and supervise their work. Mr. Shabbir was of the view that internship/work placement is a unique feature of Finnish degree programs and a good opportunity for graduates to prove their talent. It is very frequent that a good performance during a work placement may lead to offer of position in the same company afterwards. Mr. Shabbir mentioned that his own company is often involved in different projects, where a Finnish firm is expanding into emerging markets. Therefore, creating internship opportunities for students of similar background to work on the project and bring their unique cultural competence and knowledge to add value. Furthermore, it was mentioned that interns working on different projects are offered a certain percentage commission if they are successful in finding new clients for the company. Lastly, a good performance during an internship could help in getting employed in a more permanent role.

5.3.4 Government Initiatives

Dr. Mika Vehnämäki, senior economic adviser in department of development policy at Ministry of Foreign affairs was asked *Which initiatives the government is taking to enhance the opportunities for International graduates in Finland?*

Dr. Mika explained that there is an existing framework of support for International students and graduates which they can leverage to create new opportunities. He mentioned about the role of Enterprise Finland and availability of start-up grants for new entrepreneurs. The policies of current government are business friendly and tend to promote creation of new businesses and start-ups as well as innovation. Dr. Mika stated that at their end, the government is always trying to educate companies and organizations in Finland to Internationalize and hire workers from different cultural backgrounds to increase diversity in workplace. The government is also taking different steps to facilitate the residence permit process, as well as promote business and economic activity. The FINNFUND Ltd (Finnish Fund for Industrial Cooperation) is a development finance company, investing in Finnish companies involved in emerging market projects. Similarly, Finnpartnership finances business to business partnerships, where start-ups are also eligible to apply for a grant. The Finnfund has over 25 years of experience, is a business partnership program backed by the Ministry of Foreign Affairs of Finland.

The Ministry of Foreign Affairs funding for civil society organizations was also discussed, and foreign students could join the CSOs. It was also advised that universities could increasingly establish startup campuses, entrepreneurship communities, innovation labs, business incubators and accelerators in which foreign students could work with their business ideas and start up companies. In addition, various matchmaking events could be organized to bring foreign students and Finnish companies to one platform. Together, all these measures are being adopted to increase the opportunities for International students as well to leverage their potential and fill skills gap in the job market.

5.3.5 Start-up grants and Support for new entrepreneurs

It was revealed during interview with Mrs. Christina Sundstrom at Yritysespoo that Enterprise Finland is the place for would be new entrepreneur in case they have a scalable new business idea. The Enterprise Finland has regional offices in all municipalities, and its services are free of charge. The interview with Ms. Christina Sundstrom took place in Enterprise Espoo office, located in Otaniemi, Espoo. It was told that once a person contacts Enterprise Espoo for consultation, a meeting time is booked. The prospective entrepreneur is asked to bring a business plan, before first meeting with adviser. The adviser will go through the business plan and explain the process of registering as a private entrepreneur. The process is fairly simple, by filing a start-up notification with €110-euro fee and Y-Form, the National Board of Patent and Registration of Finland will issue a business-ID. Also, entries will be made in VAT register and Prepayment register of the Tax administration. Once this paper work is completed, then trading or service delivery can be started by the private entrepreneur. The Enterprise Espoo also refers to experts for queries related to beekeeping, tax and marketing of the business. It also offers co-working space at their premises for entrepreneurs.

Ms. Christina was of the view that starting up a business requires certain risk taking ability, whereby the risk is one's own. The job of the authorities is to facilitate, guide and help during that process. Ms. Christina informed that start-up grants are discretionary and application is made to, as well as decided by TE Employment office. If a decision for start-up grant is positive, it can be upto €35,95 per work day or €779,00 gross per month. In a sole trader/private entrepreneur setup, taxation is paid on earned income and personal liability exists even though this is the easiest form of business setup. There are certain criteria to meet in order to qualify for start-up grant, the applicant should not have tax liability or debts in recovery. Also certification from Tax administration of having no unpaid taxes is required. Furthermore, for entrepreneur, the YEL pension insurance is mandatory, the normal rate is 23,6% of annual earned income. Whereas, new entrepreneurs get a discount rate at 18% for first four years.

5.3.6 Government support for start-up creation and Innovation

How does government support creation of new start-ups and innovation?

According to Dr. Mika Vehnamaki, the government in Finland has adopted business friendly policies in general, and promotes the creation of start-ups as well. Finland is at the forefront of innovation and start-up creation, where a knowledge based economy provide excellent opportunity for companies to grow. He mentioned the role of TEKES- The Finnish funding agency for Innovation, as an organization geared towards supporting research and development as well as innovation in the country. The TEKES BEAM program manager, Pia Salokoski was present at the SLUSH 2015 event and the thesis author met her. Dr. Mika explained briefly about the BEAM program, which is a partnership between the Ministry of foreign affairs and TEKES. Its main aim is to generate new and sustainable business in developing countries. The BEAM program helps Finnish companies to use innovation to address global development challenges, by converting such innovations into sustainable business in both Finland and developing countries. The program launched in 2015, is a five year plan (2015-19) with a total budget equal to 50 million euros, funded equally by TEKES and Ministry of foreign affairs. It was revealed that innovation is a driver of economic development through generating business activity, creating new job and entrepreneurship activities and increasing trade and commerce. Innovation gives an opportunity to people in participating in the economy and having a positive impact on the society as a whole.

The funding application for TEKES BEAM program can be applied through online application system, which is then evaluated jointly by TEKES and Ministry of foreign affairs. Based on the assessment criteria, if the application is successful, the funding is granted to the concerned organization or institute.

Apart from funding almost 2000 innovation projects annually in companies, universities and research institutes, TEKES also promotes innovation. It is a non-profit agency and does not claim any profit or intellectual property rights. The criteria for funding a particular project is its viability to create long-term benefits for the society and economy.

5.3.7 Overall suggestions for International Students

All the interviewees were asked; *Please provide your overall suggestions for International graduates who intend to start career in Finland?*

Most of the interviewees suggested the students to focus on language training as early as possible once they arrive in Finland to begin their Degrees. For this purpose, own initiative is a prerequisite, since Finnish is not an easy language to learn and a person should be self motivated. Mr. Shabbir from Go International was of the view that International students already compete with their native peers in job market, therefore onus is on them to learn the language and become familiar with the work ethic and culture in Finland. He mentioned, that International students often are multi-lingual and have cultural competence therefore they can utilize their skills to work on different projects. He was of the view that internships and workplacements are a good source of employment, once proving their credentials they can be offered a permanent position in the company. He also placed importance on creating CVs that focus of competences, specially if candidates have some work experience in Finland it should be mentioned, as it creates credibility among Finnish employers. He mentioned that Finnish employers value competence, punctuality, and good educational and academic credentials. All these attributes will make it easier to land a job in ones field of interest or area of expertise.

Dr. Mika Vehnamaki suggested that students should engage in the entrepreneurship societies at their respective Universities, and establish contacts and be active in forging networks. This approach gets them noticed and creates recognition among employers and provides references for jobs and interviews. He mentioned that several universities regularly organize recruitment fairs, with top employers in attendance and as well as various matchmaking events bringing foreign students and companies together. Therefore, International students can keep track of these events and attend them on a regular basis in order to inculcate a career oriented thinking during their studies. He also encouraged students to come up with their innovative business ideas and test them in innovation labs and existing support framework at the University level.

Similarly, Christina Sundstrom, as Development manager at Enterprise Espoo highlighted the excellent support and advisory services offered to would be entrepreneurs. She stated that International students who may be interested to adopt entrepreneurship as a career may take advantage of these opportunities of guidance, support and training. She encouraged that working in teams, where each member has different skills and competences, increase the chances of success for start-ups. In addition, a certain amount of risk is always necessary to take into account when launching a startup or starting as an entrepreneur. Therefore, anyone choosing this path should be prepared for the risk. Also, she suggested to have a small amount of saving while applying for startup grants, as it helps the lending institutions to evaluate the overall application. It gives a positive impression, considering the applicant is willing to invest own funds and believes in the success of the new venture.

6. CONCLUSIONS

In this chapter, discussion is presented and the importance of integrating International students in the Finnish job market is highlighted. Thereafter, the main findings of research and the insights gained through interviews are also presented. Finally, suggestions are given for further research in the area of integrating International students in the Finnish job market. Finally, a set of recommendations is put forward for all the stakeholders to adapt.

6.1 Discussion

The issues of competitiveness of economy, ageing population and changing demographics, as well as skills shortage, which Finland is facing currently, affect almost all major countries in the continent. The entire continent of Europe is going through a phase of rapid transformation, where some of the problems faced by countries are valid in the wider context. Some of these countries, such as Germany, France, Sweden and including Finland are aware of the fact that highly skilled immigration is inevitable to sustain their economies. While some countries have adopted robust mechanisms, for boosting work-based immigration, others such as Sweden have offered different incentives, in the form of offering permanent residency status, to post-graduate students who may pursue phd level education there.

The continent faces internal challenges from within, such as the Greek financial meltdown and severe economic crisis as a result of that in 2014. That country barely avoided default on its debt and managed to remain in the EU, shaking public confidence in the ability of the EU to solve these crises. On the other hand, Europe's external borders have been under a lot of pressure due to the influx of refugees from Middle East countries in turmoil. At a time, when native populations are questioning the wisdom of granting refuge to those fleeing persecution abroad, the debate on immigration and integration is becoming even more intense at home. Although, integration has been a buzz word for sometime, the lack of integration creates an environment of mistrust and confusion where native population may feel

that immigrants are only there to gain social benefits. Similarly, immigrants may feel that they are viewed as less equal members of the society and unfit for the work environment etc.

The EU program of Horizon 2020 is also geared towards stimulating growth and innovation in the continent to make it competitive in the long-term.

Though, official statistics and reports reveal that Finland's integration policies have been well planned and implemented resulting in better integration of immigrants in general. However, the author gained insights, that a general lack of integration of International students in the job market exists in Finland. International students often find it difficult to gain an entry to and later foothold of the local job market in Finland due to limited opportunities. The main barrier is that of language, in addition, the bureaucracy around residence permits, difficulty in finding suitable jobs are also some of the key barriers. Therefore, in this thesis study, the author argues to extend the definition of integration to apply to International students as in addition to immigrants. Since, so far the word integration is used only in the context of immigrants, as workers, refugees and those seeking humanitarian protection but not necessarily International students. Also, as argued before, the main aspect to look at when measuring the success of integration is how successful is a person in finding suitable work corresponding to their skill level.

Finland has an excellent education system, which can be leveraged to train the work force of the future. As different sectors of the economy will face acute shortage of skilled workers, more workers from outside the country are needed to fill the skills gap in Finland. As the International students graduate, and more opportunities are created by opening up the job market to them, more graduates will be employed and pay taxes. In this regard, all stakeholders have been working on different initiatives, including the employment office, higher education Institutions and on their part, International students who are in search of job opportunities after graduation. It has been observed though, a general lack of coordination between the initiatives taken by employment offices, HEIs and students. In some situations, where Universities take initiatives of organizing career fairs, or business networking events, proper marketing is not done prior to the event, thus limiting the

advertisement and publicity so that word can reach maximum number of prospective attendees.

As mentioned before, integration is a two-way process, while as aliens and foreigners, immigrants are expected to adapt the language and cultural values of the host country. Similarly, the host country and society needs to reciprocate and create acceptability for International students. Whereas Immigration is still a somewhat new idea in Finland, beginning in early 1990. More recently, work-based immigration to Finland is on the rise, where special experts, specially in the field of ICT, Information and communication technology come to work in Finland. The country has an excellent environment to live with a family, therefore professionals are willing to relocate.

Also, Finland has been more of a non-aligned and neutral country, with high standard of living, untouched nature, good public services and generally well educated population. However, due to the changing demographics, an ageing population and predicted skilled shortage, immigration is considered to be inevitable for the country.

As it has been argued in this report, that integration is vital for the success of immigration. In other words, success of large proportion of immigrants in adapting to host country, learning the language and finding work. The importance of jobs and employment has also been discussed in this preport, as it plays a central role in integration efforts of immigrants and International students.

On the contrary, lack of integration can lead to severe problems for both immigrants, international students as well as the host country. The immigrants may find it hard to adjust to the new life, without proper job, and not being able to speak the language are open to exploitation in low skilled or unskilled jobs. Thus, forced to work on lowest paid wages, and often loosing their potential as they are educated. This may also lead to a feeling of alienation and isolation from the wider society, which has limited opportunities and less acceptability. The host country on its part, loses an investment made in educating the International student, if they are forced to leave the country due to lack of opportunities. Similarly, given the opportunities to work, and prosper in their career, International students will find it easier to settle

down in the country and pursue their career goals. Thus resulting in a positive contribution towards the society as a whole, having meaningful work, family ties and relationships.

One of the secondary objective of this thesis was to collect data from International students at Lahti University of applied sciences, in support of the OSSI-Skills up project. The project aim is to help people of immigrant background meet their training need. In this research, it can be concluded that immigrants and International students have training and career guidance needs which cannot be met with the existing frameworks of Universities and employment offices. Instead, training models need to be developed and implemented vigorously, in order to level the playing field and prepare the potential foreign workers to compete with their local peers. In this regard, language training is a key aspect which is often overlooked in University curriculum. By adding enough language courses of Finnish language for all International students from the beginning of a Degree program, enough opportunities can be created for language training. Similarly, the business networking and matchmaking events will enable students of foreign background to link up with companies looking to Internationalize.

Finland is a small country with less buying power in the market, therefore Internationalization is a good option for Finnish companies. This way, companies will find new partners and buyers in foreign markets. The Finnish job markets also needs new entrants to offset job losses and retirements. The economy itself is under strain due to loss of competitiveness and high labour costs, as a result the cost of doing business in Finland is high. This situation is predicted to result in a scenario, where jobs in particular, IT jobs will move offshore. Due to overseas competition, and emergence of new technology, traditional industries have faced job losses.

International students can assist Finnish companies to overcome barriers in entering key foreign markets, through market research and cultural knowledge.

Similarly, through facilitation of work-based immigration, Finland can follow the example of countries such as Australia and Sweden in attracting skilled workers. This thesis study reveals that in the era of globalization, people and goods move across the world with increasing frequency. And globally, the race is on to attract

more skilled workers and experts in different fields. Both the above mentioned countries have a points based immigration scheme, where applicants can qualify for permanent residency status. Thus giving them opportunity to freely move and travel, work as special experts in their field and ofcourse pay taxes and contribute towards the economy.

Furthermore, it is expected that with the introduction of mandatory tuition fees from academic year 2017, the number of incoming students from non-EU countries may decline considerably for next few years. Since, the research reveals that tuition-free Degree programs are a major selling point for Finnish higher education system. To maintain this attractiveness, a robust scholarship system needs to be developed which may cover the costs of tuition fees for talented students from developing countries and non-EU background. This is also a need of the hour, since there will be a need to recruit candidates from abroad to work in Finland anyways. Thus, it is only logical to train those International students who have graduated in Finland, and prepare them to work in the country.

Finally, the main insight gained during this thesis study, is that International students are better off creating opportunities for themselves and generating innovative business ideas through entrepreneurship activity. Thus, creating jobs and contributing towards the economy through tax reveeneues, in simple words choosing entrepreneurship as a career.

6.2 Main Findings

The main findings of this report suggest that overwhelming majority of International students regard the opportunity to study in Finland as a way of boosting their career. Most of the students are willing to work in Finland after graduation, however few are considering entrepreneurship as career choice. In this report it is revealed that integration of students of foreign background into local job market or start-up scene is a two-way process. At one end, students need to compete with better skills and academic credentials. On the other hand, the Finnish society

as a whole, needs to open up and change attitude towards International students and people of foreign background in general.

In addition, the issue of integration is not as simple at the outset, it is connected with the economic performance of Finland. Whereas, the Finnish economy faces challenges such as loss of competitiveness, skilled labor shortage and demands for future, as well as high cost of labor. At the same time, tuition free education until now had been given to foreign students, while efforts to retain those students have fall short. Therefore, in order to retain more students, and have them enter the labor market, should be a key goal of policy makers in the country.

6.3 Recommendations

The key recommendation is to promote entrepreneurship as a career choice, where entrepreneurship training is given on campus. In addition, through partnership with other stakeholders, various off campus activities can be organized to promote entrepreneurship. The idea is to create more jobs through promoting an innovation and start-up culture among International students, where entrepreneurship is encouraged. Similarly, a reform in the residence permit application process is also required, whereby the bureaucracy around it can be simplified in order to facilitate International student's transition into the work environment.

The cooperation between the business sector and Universities also needs to be strengthened, whereby start-up campuses and innovation labs can provide a conducive environment for International students. Such environment can help to promote scaleable business ideas and solutions.

Above all, the society needs to be more open and accepting for International students, this can be achieved by providing cultural competence training to employers, business managers and teaching staff at Higher education institutions. Currently, there are many notions associated with foreign students, such as they are being viewed as a burden since their education is funded by the tax payers. However, it is evident that these students can become part of labour market and contribute towards working and paying taxes, this aspect should be gaining momentum in public discussions.

In addition, employers need to be educated regarding workplace diversity and having people from different cultural background. Since, Finnish employers tend to recruit candidates from similar background and are hesitant to promote diversity in the workplace, these attitudes need to be changed.

6.4 Suggestions for future research

For future research, it is recommended to carry out study on career support structures in Finland for International students and how they can be improved. This can be done by taking into account the higher education institutions, employers and business sector as well as officials incharge of formulating policy. This area of research will open up the issue of study to work life transition of International students.

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APPENDICES

APPENDIX 1

QUESTIONNAIRE 1: INTERNATIONAL STUDENT SURVEY

INTEGRATION OF INTERNATIONAL STUDENTS IN FINNISH JOB MARKET

1. What was your key motivation to study in Finland? *

- Choice of Degree Program
- Tuition Free education
- University ranking
- Job opportunities after graduation
- Other- please specify:

2. What is your field of study? *

- Science
- Information Technology/Computer Science
- Engineering
- Math
- Business
- Health/Nursing
- Social Sciences
- Other- please specify:

3. What is the level of your studies? *

- Bachelor's
- Master's

4. When is your expected graduation? or Which year did you already graduate? *

- 2013
- 2014
- 2015
- 2016
- 2017
- Other- please specify:

5. Did your overall study experience meet your expectations? *

- Yes
- No
- To some extent

6. Were you successful in finding an internship/workplacement in Finland during your studies? *

- Yes
- No
- if Yes- please specify: for e.g, through reference, networking etc.

7. Do you plan to start a career in Finland after graduation? *

- Yes
- No
- Undecided

**8. Do you plan to launch your own startup in Finland during or after your graduation?
Choose one applicable below: ***

- Yes
- No
- Undecided
- I already own a startup company in Finland

**9. If you plan to move out of Finland, which of the following factors have played a role in your decision?
choose all applicable: ***

- Lack of Job opportunities in my field of study
- Difficult job market access
- Lack of networks, social connections
- Difficulty to learn Finnish language/language barrier
- Personal/Family reasons
- Cultural gap between home culture and host culture
- Other- please specify:

10. What is your employment status? *

- Employed
- Unemployed
- Entrepreneur/Self employed

11. If employed, is your job in your field of study/area of expertise? *

- Yes
- No
- To some extent

12. Which of the following factor(s) helped you to gain employment in Finland? *

- Personal reference
- University Career advice services
- Network of friends/colleagues
- Open application
- Internship/work placement
- Own initiative
- Newspaper/media advertisement
- Other- please specify:

13. The Job market appears to be welcoming for International students and graduates? *

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

14. As tuition fees become mandatory for non-EU/EEA students from academic year 2017, do you think you would have come to study in Finland if you had to pay tuition fees? *

- Yes
- No
- Undecided
- Not Applicable

15. Do you have any particular suggestion(s) regarding the integration of International students in Finnish job market?

APPENDIX 2

Questions for Interviewees- Semi- structured interviews

- Q1. Are Finnish companies focused on Internationalization and entering into foreign markets?
- Q2. Can you please elaborate on the start-up ecosystem in Finland and how International students can be linked with startups?
- Q3. Is Finnish language proficiency a must for International students for getting hired in a Finnish company?
- Q3. Which initiatives the government is taking to enhance the opportunities for International graduates in Finland?
- Q4. How does government support creation of new start-ups and innovation?
- Q5. What sources of funding exist for start-ups?
- Q6. Please provide your overall suggestions for International graduates who Intend to start career in Finland?