



FINLAND

SKILL SUPPLY AND DEMAND UP TO 2025

2015 edition

Finland: Forecast highlights up to 2025

Between now and 2025:

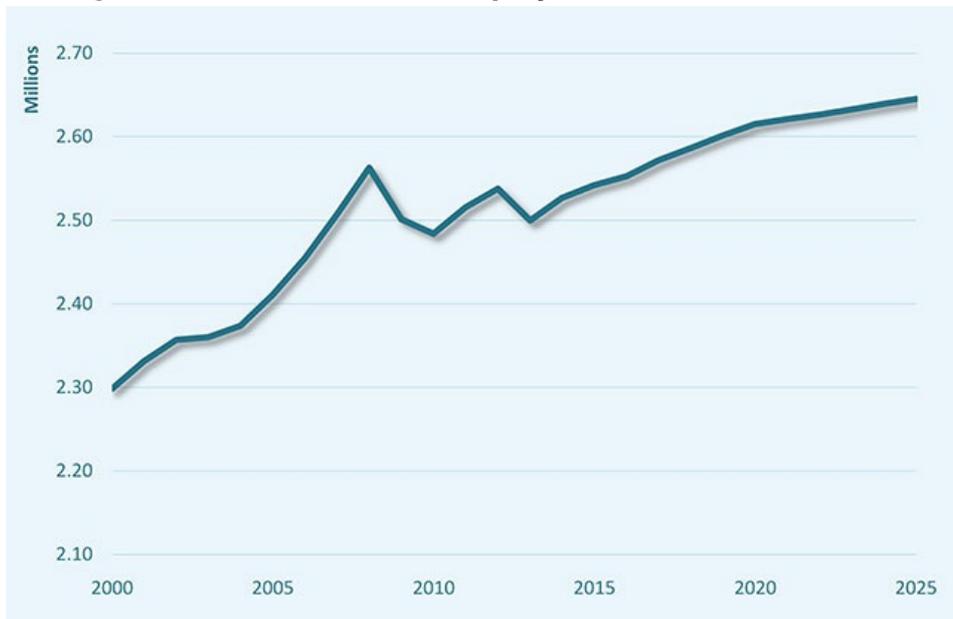
- Employment is forecast to rise, passing its 2008 pre-crisis level by 2016-17 and continue to increase.
- Most employment growth will be in business and other services.
- Most job opportunities, around 25%, will be for professionals.
- Around 37% of the labour force will have high-level qualifications, compared to 39.2% in 2013.

Following the economic crisis in 2008, Finland experienced a 'double-dip' recession. GDP recovered in 2010, but fell back again in 2012-13. In 2013, Finland's unemployment rate was 8.2%, below the European Union (EU) average of 11%. The European Commission forecasts GDP growth for Finland of 0.6% 2015 and 1.1% in 2016.

Employment outlook

According to Cedefop's skill supply and demand forecasts ([see scenario assumptions](#)), economic growth is expected to have positive effects on job growth in Finland and employment is expected to reach its 2008 pre-crisis level by 2016-17 (Figure 1). This is faster than employment growth forecast for the EU as a whole, where average employment is expected to reach its pre-crisis level in 2020.

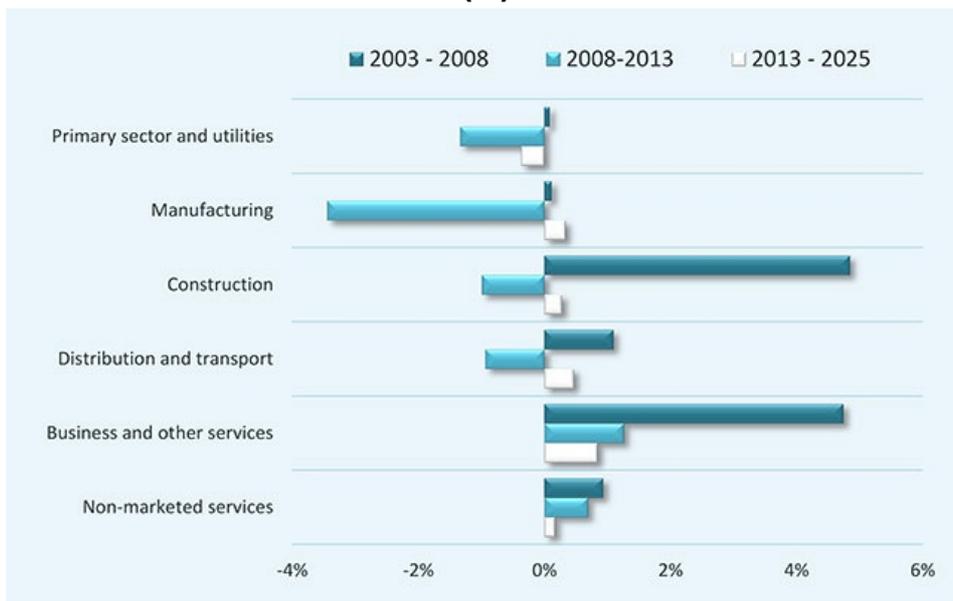
Figure 1 **Past and forecast employment, Finland (millions)**



Sector developments

The economic crisis reduced employment mainly in manufacturing, but also in the primary, construction and distribution and transport sectors between 2008 and 2013 (Figure 2). However, employment in business and other services and non-marketed (mainly public sector) services increased over the same period. Most future employment growth in Finland up to 2025 will continue to be in business services, but all sectors, except the primary sector should see some job growth.

Figure 2 **Employment trends by sector, average annual growth rate, 2003-25, Finland (%)**



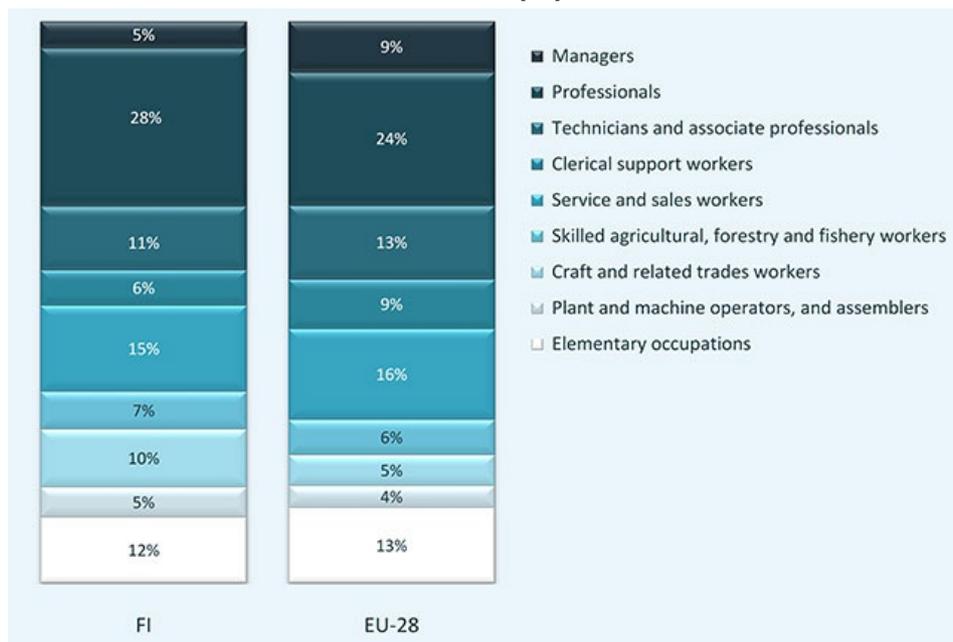
Source: Cedefop skills forecasts (2015)

Occupations and qualifications prospects

Cedefop’s forecasts give insights on job opportunities between now and 2025 (Figure 3). Total job opportunities are the sum of newly created jobs (expansion demand) and job opportunities arising because of the need to replace people who either go on to other jobs or leave the labour market, for example due to retirement (replacement demand). Often, replacement demand provides more job opportunities than expansion demand, which means that there will still be job opportunities even if the overall level of employment falls. Despite creating new jobs, Finland’s relatively high employment rate means that, between now and 2025 replacement demand is forecast to provide about nine times more job opportunities than expansion demand.

In Finland, most job opportunities, around 28%, will be for professionals (high level occupations in science, engineering healthcare, business and teaching) (Figure 3). The share of job opportunities in Finland, around 10%, forecast for craft and related traders workers is far above the EU average of 5%, for this occupational group.

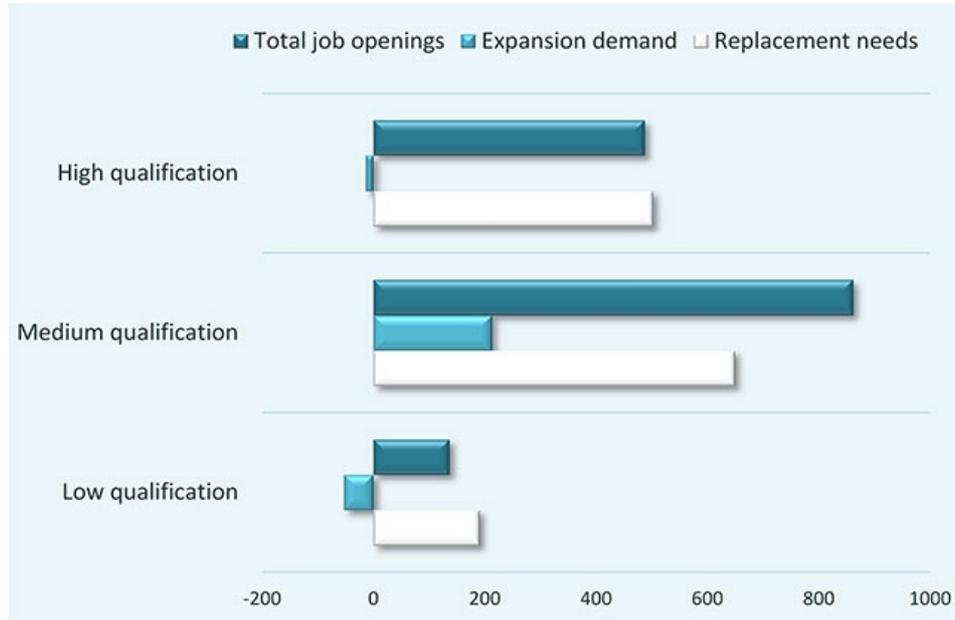
Figure 3 **Distribution of total job opportunities by occupation, 2013-2025, Finland and the EU (%)**



Source: Cedefop skills forecasts (2015)

Most job opportunities created through both expansion and replacement demand in Finland will require medium-level qualifications (ISCED 97 levels 3 and 4) (Figure 4). However, because of replacement demand, there will be significant numbers of job opportunities requiring high-level qualifications (ISCED 97 levels 5 and 6).

Figure 4 **Total job opportunities by qualification, 2013-25, Finland (thousands)**



Source: Cedefop skills forecasts (2015)

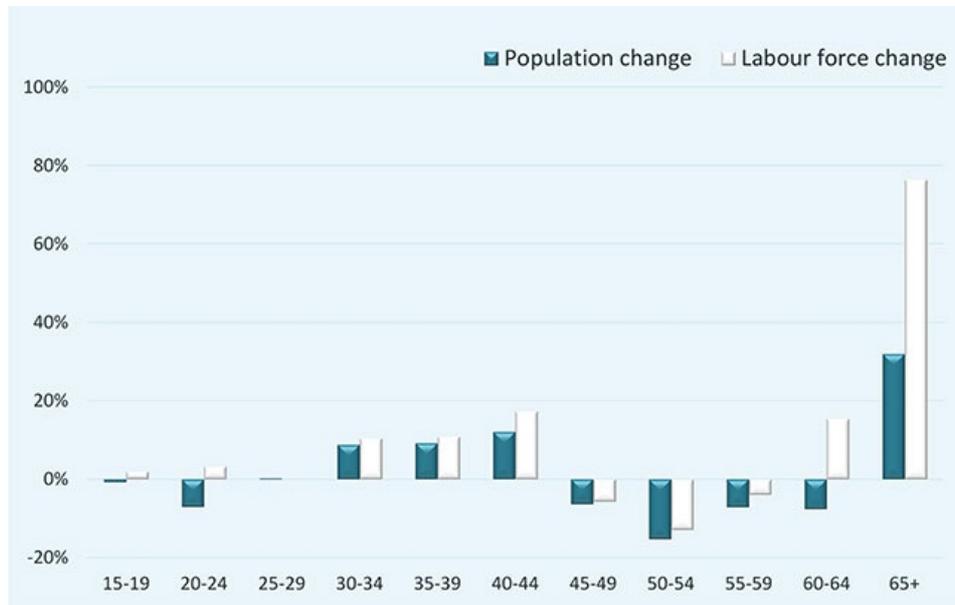
Labour force trends

Future labour supply trends depend mainly on demographics and the size of the working-age population (defined in the forecasts as people aged 15 and older), participation in the labour force (people in the working-age population either in or actively seeking work) and how quickly people acquire formal qualifications.

Eurostat's latest population projection (Europop 2013) for Finland reflects current trends in fertility rates and net migration flows. Finland's working-age population is projected to grow by about 6% between now and 2025. Labour market participation in Finland is forecast to remain around 58% in 2025, higher than the EU forecast average of 55.5%.

Unlike the EU demographic trend, Finland's population is not ageing overall (Figure 5). Between now and 2025, although numbers of people aged 15 to 29 are expected to fall, the biggest increases in Finland's labour force are projected in the age groups of between 30 and 44 and over 65. Numbers of people in the labour force aged between 45 and 64 are expected to fall.

Figure 5 **Changes in working-age population and labour force by age, 2013-25, Finland (%)**

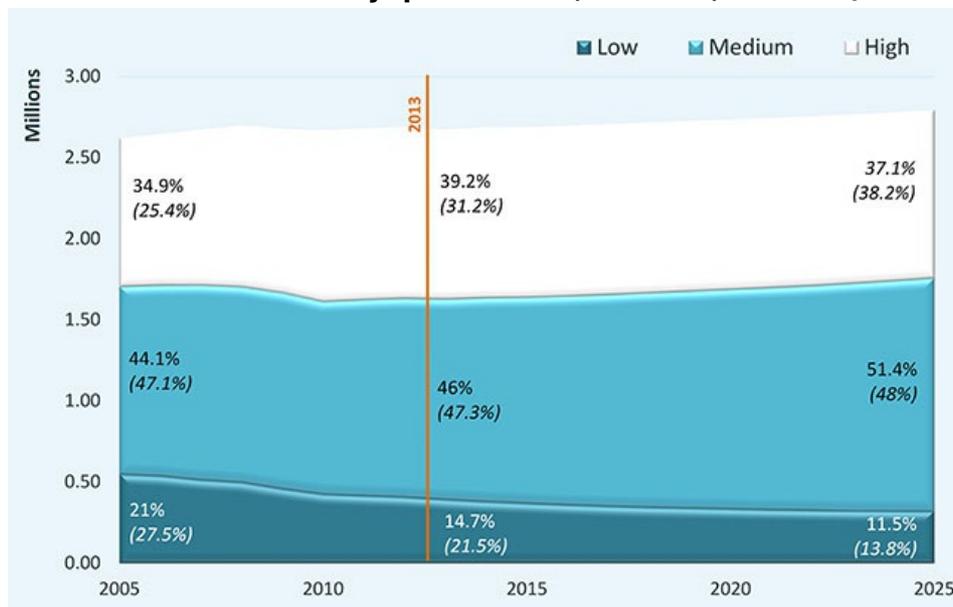


Source: Cedefop skills forecasts (2015)

Finland is an exception to the general EU trend towards the labour force becoming more highly-qualified (Figure 6). By 2025, the share of Finland’s labour force with high-level qualifications is forecast to fall to 37.1% compared to 39.2% in 2013, but still higher than the 34.9% in 2005. People with medium-level qualifications in 2025 will account for 51.4% of the labour force compared to 46% in 2013. The share of the labour force with low-level or no qualifications is forecast to fall from 14.8% in 2013 to 11.5% in 2025.

According to Cedefop’s forecasts, by 2020, in Finland around 38% of 30 to 34 year olds will have high level qualifications, below the EU’s educational attainment benchmark of 40% by 2020. On current trends around 33% of 30 to 34 year olds in Finland will have high-level qualifications by 2025.

Figure 6 Labour force trends by qualification, 2005-25, Finland (and EU) (%)



Source: Cedefop skills forecasts (2015)

In 2013, in Finland 9.3% of young people left the education and training system with low-level qualifications. Finland's target is to reduce this to 8% by 2020. In the EU, the average in 2013 was 11.9%, still above its benchmark of less than 10% of young people leaving the education and training system with low-level qualifications by 2020.

Experts' view

Cedefop's forecasts and their assumptions are regularly discussed with national experts. **Mr. Pekka Tiainen, Ministerial counsellor at the Ministry of Employment and Economy** considers the forecasts' underlying assumptions and results plausible.

He adds that the Europop 2013 population projection slightly underestimates population trends compared to national forecasts, which foresee a larger working-age population than Cedefop's forecasts. The European Commission's economic forecasts are broadly in line with national ones.

He concludes that Finland's employment rate target for 20 to 64 year olds is currently 73%, close to the EU target of 75% by 2020, but below the national target of 78% for the same year. This is due to weak labour demand following structural changes.

Cedefop skills supply and demand forecasts' scenario

Cedefop skills supply and demand forecasts take account of global economic developments up to October 2014. Despite significant differences between countries, the forecasts generally assume that a modest economic recovery will slowly increase confidence in the EU, increasing investment, consumer spending and exports. Inflation stays in target range and interest rates low, while higher tax revenues help governments reduce debt.

The assumptions reflect the latest Eurostat population forecast (Europop 2013, published in spring 2014) and the short-term macroeconomic forecast produced by the European Commission in November 2014.

Cedefop's forecasts use harmonised data and methodology for all countries covered to allow cross-country comparisons. They do not substitute national forecasts. Total employment data correspond to those reported in national accounts.

Cedefop's latest skills demand and supply forecasts up to 2025 cover 28 EU Member States plus Iceland, Norway and Switzerland. Results are regularly updated and together with key assumptions and methodological developments are reviewed by national experts.

For the latest update and more detailed skills forecast data visit: www.cedefop.europa.eu/forecast

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