

# FINLAND

## 2.1. A few words about the country

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Finland is the sixth largest country in Europe. It covers a surface area of 338,000km<sup>2</sup> and has a population of 5,200,000 people according to the census of 2001. Out of the country's total area, 70% is covered by forests and 10% by water. After Iceland and Norway, Finland is the most sparsely populated country in Europe: with a ratio of only 17 people per square kilometre. Over 65% of the Finnish population lives in urban areas; about 550,000 people live in the capital city of Helsinki. Finland is a republic with an elected president. [1]

Finland is closely related to the other Nordic Countries, as regards its language and culture. It is also a member of the Scandinavian Council, whose main goal is to promote cooperation and the harmonization of the legal system in the member-states (Iceland, Norway, Sweden, Finland and Denmark). Finland has been a member of the European Union since 1995 and the country's official languages are Finnish and Swedish.

Finland has a strong economy, mainly based on its light and heavy industry, commerce – primarily focusing on the export of timber and its by-products – and high-technology sector [1]. Of its total workforce, 65% is employed in the tertiary sector, 27% in industry and constructions, and 8% is involved with agriculture and forestry [2]. The country has a stable, low-level inflation rate (1.6% in 2002) [3].

### 2.1.1. Living conditions and quality of life

- *Cost of living*

The cost of living in Finland is slightly higher than in the rest of the European Union countries, but quite lower compared to the other Nordic countries [4].

However, its Social Welfare system provides several free services related to medical treatment and education.

- *Accommodation*

Although most Finnish people live in privately-owned houses, it is quite easy to find accommodation for rent or sale [5]. All those who are permanent residents of Finland or work in the country have the right to purchase property, whatever their nationality. It is expected that the cost of renting or buying property will follow an upward trend during the next few years in general terms, but at a slower rate than in the past.

It is also quite common for large companies or organizations to secure accommodation for their own employees.

Those interested in finding accommodation can receive information from [3]:

- *Estate agents*. Anyone interested in buying or renting property can visit a real estate agency, where useful information is also provided concerning potential sources of funding and loans from banks or other credit institutions.
- *Mass media*. There is an abundance of information on accommodation available on the Internet, the websites of large real estate agencies, and the biggest national newspapers of Finland (Helsingin Sanomat); particularly on Fridays, Saturdays and Sundays, when there are numerous small ads about renting or buying property and links are also given to relevant websites.
- *Local municipal authorities*. Quite frequently, the largest municipalities in the country put up property for rent. These are only offered to permanent residents of the area and the rent levels do not differ substantially in relation to the rest of the market.

Related websites:

Real estate agents:

[www.vvo.fi](http://www.vvo.fi), [www.sato.fi](http://www.sato.fi), [www.yhrak.fi](http://www.yhrak.fi)

Other websites:

[www.oikotie.fi](http://www.oikotie.fi), [www.lasipalatsi.fi/kompassi/ilmoitust/](http://www.lasipalatsi.fi/kompassi/ilmoitust/)

The Helsinki City Housing Office:

[www.kv.hel.fi](http://www.kv.hel.fi)

- *Language learning*

Most Finnish people speak very good English, which means that foreigners living and working in Finland are not obliged to learn the local language. Nevertheless, lessons in the Finnish language are provided at [6]:

- summer or winter courses run by Higher Education Institutes in Finland,
- municipal adult training centres,
- public training institutes or state-approved educational institutes and
- private language schools.

The course duration varies depending on the particular organization and the desired level of attainment. Attendance is free for European Union citizens at the public institutes, with the opportunity of acquiring a Finnish language certificate of proficiency following certain exams [6].

Relevant Internet sites:

University summer courses

[www.kesayliopistot.fi/](http://www.kesayliopistot.fi/)

University of Helsinki

[www.helsinki.fi/kksc/language.services/kesan\\_kurssit.htm](http://www.helsinki.fi/kksc/language.services/kesan_kurssit.htm)

International Cultural Centre Caisa

[kulttuuri.hel.fi/caisa/ohjelma/courses\\_en.html](http://kulttuuri.hel.fi/caisa/ohjelma/courses_en.html)

The Centre for International Mobility CIMO

[finland.cimo.fi/studyingfinnish/index.htm](http://finland.cimo.fi/studyingfinnish/index.htm)

The Adult Education Centres

[www.ktol.fi](http://www.ktol.fi)

Tavataan taas! Finnish for Foreigners

[donnerwetter.kielikeskus.helsinki.fi/FinnishForForeigners/](http://donnerwetter.kielikeskus.helsinki.fi/FinnishForForeigners/)

- *Education for children*

The educational system in Finland is structured as follows: Primary school, secondary school (both of which are compulsory) and vocational or higher education [7].

**Primary school** and the first part of secondary school cover nine years (from 7 to 16 years of age). It includes a lower level (from year one to year six) and an upper level (from year seven to year nine). However, these nine years are considered a unified entity. There is also the option of entering Primary school at the age of 6 and continuing one's studies for an additional, tenth year.

Finnish children must complete compulsory education, which begins in the autumn of the year they turn seven. Compulsory education is considered complete when they have successfully completed this course of studies (Peruskoulu/Grundskola), or other equivalent studies or have attended school for ten years.

Finnish children attend courses in their mother tongue, i.e. Finnish, Swedish or Sami. All children living in Finland have the right to education regardless of their nationality when they reach school age.

The academic year begins in August and ends on the last working day **of the twenty-second week in May**. It is divided into two semesters. Children are enrolled in school with age as the only criterion, since education is compulsory. Exceptions to this rule are only allowed under special circumstances. Compulsory education is provided free of charge.

There are also several schools in Finland where teaching takes place in the most common European languages [4].

At the lower level, one foreign language is taught either as a compulsory or an optional subject. It is optional in cases when one of the other national languages has been selected as a compulsory foreign language.

In the upper level, the teaching of the initial foreign language continues and pupils also start a second foreign language; the most common being English, French German and Russian.

Pupils completing compulsory education receive a graduation certificate, which gives them the opportunity to continue their studies in the **second part of secondary school**, with a general or vocational focus. Free education is provided to all pupils, along with all necessary books, equipment and materials. The municipal authorities also provide free meals and, depending on the distance, free transport or accommodation. Hostels also provide their services free of charge.

The second part of secondary education with a general focus (Lukio/Gymnasieskola) includes three years of general education for pupils aged 16 to 19. It is in fact a continuation of the educational curriculum of the previous course of studies, providing pupils with the necessary qualifications for further studies. There are three types of courses: compulsory, specialized and applied. Each pupil must complete the compulsory set of courses within a pre-determined period.

The academic year begins in August and ends on the last working day **of the twenty-second week in May**, except for the third and final year.

Pupils who have completed compulsory education can register for the second part of secondary school (general). Applications are submitted through a unified national system; and certain institutions use the pupils' average grades in theoretical subjects as a criterion for admission.

Attendance of the second part of secondary school (general) is free. In exceptional cases, the national educational council has the ability to allow schools to charge fees. Pupils usually have to buy their own books and materials.

During the second part of secondary school (general), the foreign language courses that began in the first part continue. And there is also the opportunity of learning other languages.

The Finnish state supports secondary education by providing grants, loan guarantees and interest rate subsidies to pupils. The municipal authorities also offer free meals on a daily basis and, until 1993, were compelled to provide transportation for free. At present, the competent authorities continue to receive state subsidies for transport and decide on the free provision of this service.

In Finland, **tertiary education** is provided at Universities and other tertiary education institutes (Ammattikorkeakoulu/Yrkeshøgskola).

The *university sector* comprises 20 institutions, 10 of which include various faculties (Yliopisto/Universitet) while the remaining 10 are specialized (Korkeakoulu/Høgskola), like the faculty of economic studies, business administration etc. The structure of university degrees has been recently revised in almost all departments, covering all courses. According to the new system, a lower level of studies (Bachelor) has been introduced to almost all departments. In many universities, one part of the courses is taught in English.

All students who succeed in the general exams in Finland, have the right to enter tertiary education. Since 1991, the same right is granted to students who have

college degrees or vocational education degrees from relevant institutions. The same right is also given to holders of the international Baccalaureate. European Union citizens from other countries can also enrol if their graduation certificate or other relevant certificate gives them the right to enter tertiary education institutions in their own country. Each university picks its students according to its own selection criteria. Entrance exams are used to evaluate the interest shown by each candidate in a specific field of study, and to assess his eligibility and skills. Candidates are admitted according to the following criteria:

- their general exam grades, their graduation certificate from the second part of secondary school, and their results from the selection process (this is the most common system)
- their entrance test results
- their general exam grades and their graduation certificate from the second part of secondary school.

There is a limited number of admitted candidates in all sectors and selection is determined via the entrance exams.

*Tertiary (non-university) education* is provided by ammattikorkeakoulu, which runs in parallel with the universities offering new types of degrees. These degrees have been legally recognized as higher education degrees, but with a stronger vocational orientation than purely academic degrees. This type of higher (non-university) education has been functioning on a model basis since 1991. Students who have completed secondary education can ask to enter ammattikorkeakoulu, provided they have completed:

- a vocational qualification (in the same field),
- general exams and hold a graduation certificate for the second part of secondary school (general) (for all sections of the ammattikorkeakoulu) or
- equivalent studies abroad.

Tertiary education is provided free, although in recent years the option of charging fees has been discussed. The only compulsory payment is the annual fee for registering with the student union, which ensures the provision of a range of free services. Students purchase their own educational material, and cover their food and travel expenses, but can apply for financial assistance via public funds.

Both in the universities and higher (non-university) education institutes, the academic year begins on August 1<sup>st</sup> and ends on July 31<sup>st</sup>. According to the universities' timetable, lectures usually take place between September and May, covering two

semesters. At higher (non-university) education institutes, courses begin in August and end on the final working day of the **twenty-second week of May**.

Relevant Internet sites and addresses:

Ministry for Education: [www.minedu.fi](http://www.minedu.fi)  
International Schools: Die Deutsche Schule Helsinki: [www.dsh.edu.hel.fi](http://www.dsh.edu.hel.fi)  
The English School: [www.eschool.edu.hel.fi](http://www.eschool.edu.hel.fi)  
The International School of Helsinki: [www.ish.edu.hel.fi](http://www.ish.edu.hel.fi)  
The Lycée franco-finlandais d'Helsinki: [www.hrsk.fi](http://www.hrsk.fi)  
École française Jules Verne Helsinki: [www.france.fi/ecole/](http://www.france.fi/ecole/)  
Turku International School: [www.tkukoulu.fi/~kvkoulu/](http://www.tkukoulu.fi/~kvkoulu/)  
Oulu International School: [edu.ouka.fi/~esco/documents/](http://edu.ouka.fi/~esco/documents/)  
The Finnish-Russian School: [www.svk.edu.hel.fi](http://www.svk.edu.hel.fi)

## 2.1.2. Working conditions

- *Ways of finding work*

In Finland, people seek employment through means similar to those that exist in most European Union countries. More specifically, there are the following options [5]:

- Expressing direct interest in companies or organizations, by sending a detailed curriculum vitae and a cover letter, in which applicants justify their interest in working for that particular company.
- Expressing interest in job offers published in the Finnish press (daily or specialized), on job search websites, on major company web pages or in databases related to employment.
- Contacting the municipal employment offices that provide free information concerning available posts, working conditions, unemployment benefits and access to specialization.

Relevant Internet sites and addresses:

Ministry for Employment: [www.mol.fi](http://www.mol.fi)  
Press: Helsingin Sanomat, [www.oikotie.fi](http://www.oikotie.fi)  
Internet: [www.jobline.fi](http://www.jobline.fi)  
Employment offices: [www.mol.fi/english/employment/services.html](http://www.mol.fi/english/employment/services.html)

- *Unemployment*

The Finnish workforce numbers approximately 2,370,000 women and men. If we compare this figure to the country's total population, we find that the percentage of employed people between the ages of 15 and 64 is relatively high in Finland (67.7% in 2002) [8]. During the last few years, unemployment has remained stable (9.1% during 2001-2002) and is almost on an equal level for both men and women.

After the economic crisis of the early 90s, a radical surge in employment rates was observed. Between 1994 and 2001, work positions increased by 319,000, i.e. 1.7% per year. The employment index during that period rose from 59% to 67.7%. Then during the period 2001-2003, the rapid growth in employment slowed down as a result

of economic recession. Work positions in the sector of services, constructions and the public services continued to increase, but there was an obvious reduction in the fields of industry, agriculture and **forestry**. An improvement in this scenario is expected from 2004, but at a smaller degree of development compared to the beginning of the 90s [9].

The unemployment rate is now following a downward trend; to 9.1% in 2002 from 16.6% in 1994, with a further reduction to 8% predicted for 2008. The percentage of long-term unemployment decreased steadily in 2002 to 2.3% [9]. However, the employment indexes do not reflect a homogeneous situation throughout the country, since the metropolitan area of Helsinki and areas near large cities show a greater increase in employment opportunities [10].

Relevant websites and addresses:

Ministry for Employment:

[www.mol.fi](http://www.mol.fi)

The Research Institute of the Finnish Economy:

[www.etla.fi](http://www.etla.fi)

- *Workers' rights*

When offered work, employees usually sign a contract (of a limited duration, as a rule) detailing their responsibilities, their salary and other benefits. In such cases, it is possible to terminate a contract only for very serious reasons, e.g. if the company goes bankrupt or the employee consistently neglects his/her duties. The employer then has to give the employee a minimum of two weeks (or up to 6 months) prior notice of dismissal, depending on the duration of the contract.

In Finland, minimum wages are determined by collective labour agreements that exist for each sector. The salary level must be the same for Finnish workers and foreigners. In addition to minimum wages, employees are also entitled to special compensation for working overtime or during public holidays.

According to the law, the number of working hours per day is 8, i.e. 40 hours per week (in some sectors, collective labour agreements call for 37.5 hours of work per week). Overtime is strictly controlled and must not exceed 250 hours per year. Employers are obliged to keep overtime and relevant compensation records for all their employees [11].

Leave duration is also determined by the state. Employees who have worked for under a year are entitled to 2 days of leave per month of work, while those who have worked for over a year are entitled to 2.5 days per month [12]. In some cases, collective labour agreements determine a longer leave entitlement. Apart from annual leave, employees are also entitled to sick leave and family leave (maternity, paternity,

parental), the duration of which is determined by the relevant legislation and collective labour agreements.

The employer is obliged to provide safe working conditions and insurance coverage for all employees in the case of accidents. Employees are also insured against all diseases related to their profession [12].

Anyone interested in applying for an unemployment benefit, must register as a potential employee with an employment bureau. The unemployed receive a daily allowance in the form of an unemployment benefit; the amount depends on their income and the maximum is 830€/month for a period of 500 days [12]. Those who do not manage to enter the job market or continue to be unemployed for a longer period than 500 days, are entitled to a financial assistance of 470€/month from the Social Welfare Institute. In both cases, unemployed persons must prove that they are available to work and will do so as soon as they are offered some form of employment.

Relevant Internet sites and addresses:

Ministry for Employment:	<a href="http://www.mol.fi">www.mol.fi</a>
Social Insurance Institution	<a href="http://www.kela.fi">www.kela.fi</a>
Ministry of Social Affairs and Health	<a href="http://www.stm.fi">www.stm.fi</a>
Occupational health Services	<a href="http://www.occuphealth.fi">www.occuphealth.fi</a>

- *Workers' and engineers' representatives*

The fact that employment in Finland is mainly defined by collective labour contracts means that workers' unions have an important role to play both in the private and public sector.

There are various associations for engineers. The Finnish Association of Graduate Engineers –TEK represents its members at negotiations on collective labour agreements related to pay and working conditions in the private and public industry sector. It also handles all professional, educational and social issues related to this field on a local, national and international level, and promotes science for the benefit of man, the environment and society [13].

It has approximately 57,000 members – 34,500 of which are professional engineers while the other members are students [13] - which make the Association of Graduate Engineers –TEK the second largest association belonging to the Confederation of Unions for Academic Professionals.

The association provides a variety of services to its members: information on finding work, advice on training and professional issues, social insurance in the case of unemployment (through the IAET, an insurance fund for engineers, architects and



economists), travel insurance, discounts on particular items through the member's card, and updated information on current issues concerning their profession through various publications [13]. The annual membership fee is 243.60€.

There is also the Union of Professional Engineers in Finland, which offers legal advice on labour issues, such as [14]:

- contracts and their interpretation
- salaries
- work permits
- working hours and overtime compensation
- legal aspects of being dismissed from work.

In addition to its advisory role, the Union also insures members facing problems at work and covers their legal expenses to the amount of 17,000€ [14]. It also supplies information to its members on matters related to taxation, social security and pensions; and provides insurance coverage in the case of unemployment. The Union of Professional Engineers in Finland includes approximately 55,737 members, 11% of which are women.

Finally, there is also the Association of Swedish-speaking Engineers in Finland, which has 3,143 members.

Architects are represented by the Finnish Association of Architects, whose main objective is to provide the necessary means so that its members can achieve their common goal: quality in the built environment. This is ensured through its participation in the formulation of relevant legal provisions, and also by monitoring the architects' pay scale and safeguarding their working conditions. It also offers support on professional matters related to contracts, employment and training [15]. It organizes open and closed tenders for architectural projects and numbers 3,304 members, 39% of which are women.

There is also the Association of Finnish Architectural Offices.

Relevant Internet sites and addresses:

The Finnish Association of Graduate Engineers:	<a href="http://www.tek.fi">www.tek.fi</a>
The Union of Professional Engineers in Finland:	<a href="http://www.insinooriliito.fi">www.insinooriliito.fi</a>
The Association of Swedish-speaking Engineers in Finland:	<a href="http://www.diff.fi">www.diff.fi</a>
The Finnish Association of Architects	<a href="http://www.safa.fi">www.safa.fi</a>
The Association of Finnish Architectural Offices:	<a href="http://www.atl.fi">www.atl.fi</a>
Confederation of Unions for Academic Professionals in Finland – AKAVA:	<a href="http://www.akava.fi">www.akava.fi</a>

## 2.2. Recognition of degrees and professional rights

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### 2.2.1. Engineers

- Studies-titles-specialities

Courses in engineering are offered at multi-faculty Universities and Schools of Technology that correspond to Greek Polytechnic Schools [16].

The duration of studies is usually around 5-6 years and mainly cover the following subject areas:

- civil engineering,
- topographical engineering,
- electronical engineering,
- electrical engineering,
- chemical engineering,
- mechanical engineering,
- automations engineering,
- environmental engineering,
- industrial and management engineering,
- information engineering,
- communications engineering,
- physics and materials engineering

#### Relevant Internet sites and addresses:

Åbo Akademi University:

Tavastgatan 13  
FIN-20500 Åbo  
Tel. +358 2 215 4836  
Fax +358 2 215 3230  
E-mail: [international@abo.fi](mailto:international@abo.fi)  
[www.abo.fi](http://www.abo.fi)

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Tel. +358 9 451 2110  
Fax +358 9 451 5332  
E-mail [kv-info@hut.fi](mailto:kv-info@hut.fi)  
[www.hut.fi/english/](http://www.hut.fi/english/)

Lappeenranta University of Technology

P.O. Box 20  
FIN-53851 Lappeenranta  
Tel. +358 5 621 6080  
Fax +358 5 621 6099  
E-mail [ibt@lut.fi](mailto:ibt@lut.fi)  
[www.lut.fi](http://www.lut.fi)

Tampere University of Technology

Korkeakoulunkatu 10

P.O. Box 527  
FIN-33101 Tampere  
Tel. +358 3 3115 2447  
Fax +358 3 3115 2640  
E-mail [interoff@tut.fi](mailto:interoff@tut.fi)  
[www.tut.fi](http://www.tut.fi)

Ministry of Education  
P.O. Box 29 (Meritullinkatu 10)  
FIN-00023 Government  
Tel. +358 9 160 04 or 578 14  
Fax +358 9 135 9335  
[www.minedu.fi](http://www.minedu.fi)

National Board of Education  
P.O. Box 380 (Hakaniemenkatu 2)  
FIN-00531 Helsinki  
Tel. +358 9 774 775  
Fax +358 9 7747 7865  
E-mail [opetushallitus@oph.fi](mailto:opetushallitus@oph.fi)  
[www.oph.fi](http://www.oph.fi)

- Starting to work

The engineer's profession is subject to the general system of degree recognition and not to any distinct regulations, which means that engineers can generally work in Finland without having to be issued with a work permit [7].

Relevant Internet sites and addresses:

The Finnish Association of Graduate Engineers: [www.tek.fi](http://www.tek.fi)  
The Union of Professional Engineers in Finland: [www.insinooriliito.fi](http://www.insinooriliito.fi)  
The Association of Swedish-speaking Engineers in Finland: [www.diff.fi](http://www.diff.fi)

- Recognition and equivalence of degrees

Each engineer has the right to apply for recognition of his degree according to European Union Directives, provided his professional titles allow him to practise engineering in his country of origin. Subject to recognition is the relevant title or titles that give him the right to practise engineering in the member-state of his origin [7].

If substantial differences exist between an engineer's training in the country of origin and the host country, then the latter can require an apprenticeship period or eligibility exams (at the candidate's discretion). The existence of such differences justifies the implementation of compensatory measures, but not a refusal to recognize a person's degree [7].

In such a case, the host country authorities have to respond to the application for degree recognition within 4 months. If recognition is denied, then a justification has to be provided and the applicant can make a court appeal according to the laws of the host country. If no decision is reached within the 4-month period, then this is considered an indirect rejection. The institutional bodies of the EU cannot annul administrative decisions taken by national authorities. Only the competent national bodies can annul a decision to reject an application for professional degree recognition. The decisions of the European Court are limited to recognition of law

violation by a state due to wrongful implementation of community law or because of the existence of a national legislative framework that is incompatible to community law. The authorities of the said state are then responsible for amending decisions that have been taken according to a practice or law that has been condemned by the Court [7].

After the recognition of their professional degrees, all interested persons can apply for an engineer's position (just like holders of national degrees), enjoying the same rights and obligations.

Relevant Internet sites and addresses:

The Finnish Association of Graduate Engineers:	<a href="http://www.tek.fi">www.tek.fi</a>
The Union of Professional Engineers in Finland:	<a href="http://www.insinooriliito.fi">www.insinooriliito.fi</a>
The Association of Swedish-speaking Engineers in Finland:	<a href="http://www.diff.fi">www.diff.fi</a>
National Board of Education	<a href="http://www.oph.fi">www.oph.fi</a>

## 2.2.2. Architects

- Studies-titles-specialties

In Finland, courses in architecture are run by three educational establishments and have a duration of 5-6 years. They usually include theoretical training and practical work.

Relevant Internet sites and addresses:

University of Oulu	P.O. Box 8000 FIN-90014 University of Oulu Tel. +358 8 553 4042 Fax +358 8 553 4041 E-mail <a href="mailto:international.office@oulu.fi">international.office@oulu.fi</a> <a href="http://www.oulu.fi">www.oulu.fi</a>
Helsinki University of Technology	P.O. Box 1100 (Otakaari 1, Espoo) FIN-02015 HUT Tel. +358 9 451 2110 Fax +358 9 451 5332 E-mail <a href="mailto:kv-info@hut.fi">kv-info@hut.fi</a> <a href="http://www.hut.fi/english/">www.hut.fi/english/</a>
Tampere University of Technology	Korkeakoulunkatu 10 P.O. Box 527 FIN-33101 Tampere Tel. +358 3 3115 2447 Fax +358 3 3115 2640 E-mail <a href="mailto:interoff@tut.fi">interoff@tut.fi</a> <a href="http://www.tut.fi">www.tut.fi</a>

- Starting to work

Architecture and the architect's profession are not subject to any special regulations in Finland, which means that people are free to practise their profession [7].

Σχετικοί δικτυακοί τόποι και διευθύνσεις:

The Finnish Association of Architects	<a href="http://www.safa.fi">www.safa.fi</a>
The Association of Finnish Architectural Offices:	<a href="http://www.atl.fi">www.atl.fi</a>

- Recognition and equivalence of degrees

In the European Union, the architect's profession is covered by the 85/384/EEC Council directive (10th June 1985), according to which recognition depends on the existence of the relevant formal qualifications mentioned in article 11 of this directive or in the announcement stated in article 7 [7].

Nevertheless, the above-mentioned directive does not include provisions for the full harmonization of architects' training, which means that there may be other courses of study on architecture that do not conform with this directive, but are still perfectly legal. Such studies (and the relevant degrees received) can be recognized based on article 52 of the EU treaty, as interpreted by the European Court in its decision of 7 May 1991 concerning the C-340/89 "Vlassopoulou" case. According to this case law, when a job application is submitted in line with regulations by a mobile worker, who has the right to practise the same profession in his/her country of origin or homeland, then the member-state and host country is obliged to take into account the applicant's degrees, certificates, other titles and professional experience. If the formal qualifications are equivalent to those required by the country's national legislation for practicing architecture, then applicants should be granted the same permit also. If this is not the case, then they should be given the chance to complete their training accordingly. Finally, any administrative decision must be justified and be subject to appeal in order to check its conformity with community law [7].

The recognition pertaining to this directive (and that based directly on article 52 of the EU treaty) is not valid for degrees acquired by EU citizens in non-EU countries. When a degree has been completed in a third country, then its recognition is optional and is subject to the decisions of each member-state. Furthermore, recognition of such a degree by a member-state does not automatically oblige other member-states to recognize the degree in question. The legal definition of architecture and the legal status of the architect's profession (e.g. rights, obligations, competencies, incompatibility) are determined by the national legislation of the member-state host country. Consequently, the legal status for mobile workers and those who have acquired their formal qualifications in the member-state host country is one and the same. In certain cases, this may result in mobile workers not having some competencies in the host country that they were entitled to in the member-state they originated or came from [7].

Relevant Internet sites and addresses:

The Finnish Association of Architects  
The Association of Finnish Architectural Offices:

[www.safa.fi](http://www.safa.fi)

[www.atl.fi](http://www.atl.fi)

## **2.3. Working relations**

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### **2.3.1. Engineers**

In Finland, engineering is considered a very prominent profession due to the rapid developments in the fields of technology and communications; 85% of engineers are employed in the private sector, 12% in the public sector, and 3% work as freelancers [14].

More specifically, engineers are hired in the constructions sector (5%), R & D (8%), business administration (10%), equipment operation and maintenance (12%), trade and economy (17%), studies (32%), teaching (3%) or perform other engineering duties (11%) [14].

Salaries in the private sector are based on the free market; in the public sector they are determined by collective labour agreement. An average salary for an engineer in Finland is approximately equal to 3000€ [17].

The national legislation as regards public works construction or other related matter is specified by the Ministry of the Environment, with the exception of electricity projects which come under the auspices of the Ministry of Industry.

### **2.3.2. Architects**

Architects in Finland can work in technical firms or offices, as civil servants or as freelancers. In the private sector, their wages are determined through private contracts, and in the public sector by collective labour agreements. An average salary for an architect in Finland is approximately equal to what an engineer receives (3000€) [18].

## **2.4. Social security**

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### **2.4.1. Engineers**

The social security system in Finland includes the social security services, social welfare, public social services and health services. A summary of the social services provided by these organizations is given below.

In Finland, social and health services come under competency of municipalities. For example, assistance to the elderly and to disadvantaged groups (e.g. child care), are handled by the municipal social services. Basic health services are usually provided

medical centers run either by one or more neighbouring municipalities. Apart from the public services there is also a private contribution. Each municipality must have an agreement with a hospital for the provision of specialized treatment and hospital services. Access to social and health services is dependent upon one's place of residence and governed by the relevant legislation.

Social security in Finland includes two pension schemes determined by state legislation: a social pension, based on place of residence, and an old-age pension that is based on income. The social security provisions also cover sickness, accidents or unemployment. The aim of a compulsory social security system is to provide coverage to all citizens, in relation to old age, sickness, accidents and professional diseases, unemployment and financial losses due to the death of the head of the family, within the framework of the above-mentioned laws.

Social security involves social pensions, sickness and maternity compensation, and basic daily unemployment benefits. These fundamental guarantees are granted to all persons living in Finland, regardless of nationality. Benefits paid out by social security are funded by the employers and the contributions of the insured, which are withheld from their income statements. Additional funding is also provided by the state and the local authorities.

Old-age pensions are based on income and granted to salaried employees and business people by private insurance companies, organizations and pension funds. The competent organization is the Social Insurance Institution, according to the relevant law. Employers are obliged to pay a contribution towards their employees old-age pension scheme. Employees also contribute 4% of their salary, which is withheld by their employer. The employers themselves are also obliged to enter a pension scheme on an individual basis.

Employers are also obliged to insure their employees with private insurance companies as regards accidents in the workplace.

Apart from the general insurance system against unemployment, there is also an optional system in Finland of this kind that is based on income and operates through special funds managed by the trade unions.

In order to register for social security based on place of residence, applicants should first register at the relevant Finnish office and then fill out a special form requesting from the local social security office to be registered on the national health system. The applicant's passport or ID card is required when submitting this application. When the

process is completed, insured persons have access to all services defined by the Finnish legal system.

Relevant Internet sites and addresses:

Old-age pensions based on income:	Eläketurvakeskus Opastinsilta 7 PL 11 00521 Helsinki Puh: 09 - 1511
Social pensions:	Kansaneläkelaitos Koskelantie 5 PL 82 00601 Helsinki Puh: 09 - 777 01
Finnish Centre for Pensions:	<a href="http://www.etk.fi/english/etusivu.asp">www.etk.fi/english/etusivu.asp</a>
Insurance against accidents in the workplace:	Tapaturmavakuutuslaitosten Liitto Bulevardi 28 00120 Helsinki
Social Insurance Institution:	<a href="http://www.kela.fi/">www.kela.fi/</a>

#### 2.4.2. Architects

The health services provided to architects and engineers are the same, since all citizens living in Finland are covered by the national health system regardless of profession.

### 2.5. **Taxation**

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In Finland, there is a unified system of taxation for all the working population.

Permanent residents must pay income tax for all the income they have received in Finland or abroad. However, Finland has signed agreements with the other member-states in order to avoid double taxation of the same income. If, therefore, income is earned in another member state, then the taxpayer is obliged to pay tax on this income only in the member-state in question [7].

Income taxation refers to the income acquired during a single tax year (which coincides with the calendar year). It is divided into two categories: capital income and work income. They are both subject to the national income tax regulations; the former is taxed according to a flat rate, while the latter is taxed according to a progressive rate, and a municipal tax that is calculated at a proportional rate. Taxpayers are eligible to tax deductions for expenses and other reasons, while family status is also taken into account [7].

Tax is also withheld at the source based on a flat rate in relation to profit from domestic portfolio investment companies. This tax is then deducted from the taxpayers' total income tax. Furthermore, tax is also withheld at the source in relation to the majority of the interest earned from Finnish banks and investments in public bonds, and is calculated according to a flat rate. This taxable income is then not



included in the overall income used to calculate income tax, and the initial capital is not included in the overall capital used to calculate property tax [7].

Income tax from the employees' wages or salary is withheld by the employer who then hands it to the tax authorities on their behalf. This withheld tax is then deducted from the total income tax due for the year and, in many cases, salaried employees do not have to pay any further income tax [7].

Those who are self-employed have to pay income tax in advance according to an estimate for the current year, based on their tax income statement of the previous year. This tax is paid in instalments and the relevant amounts are deducted from the total income tax due at the end of the year [7].

Taxpayers must complete their tax statements by January 31<sup>st</sup> of the year following the tax year, and tax authorities must send a tax return statement by October 31<sup>st</sup> of the same year [7].

It is also possible to opt for the so-called tax assessment process, during which the tax authorities make a tax assessment proposal that must be checked, corrected and completed by the taxpayer accordingly. This proposal in actual fact constitutes a tax income statement. If additional tax is due (after deducting the tax withheld at the source or by estimate), then it is paid in two instalments: the first at the end of the year following the tax year, and the second at the beginning of the year after [7].

In addition, members of the Evangelical, Lutheran or Orthodox church are also subject to church income tax based on a flat rate which varies according to the taxpayers' place of residence [7].

If the taxpayers' net property value (i.e. the total value of their assets after deducting liabilities) exceeds a minimum percentage on December 31<sup>st</sup> of the tax year, then property tax also has to be paid according to a flat rate [7].

Property tax is calculated according to the value of the property and is received by the municipal authorities. The rates vary according to the taxpayers' place of residence [7].

If there is a property transfer through an inheritance or donation between living persons, then there is the possibility of tax having to be paid according to the current value of the asset in question [7].

Relevant Internet sites and addresses:

Finnish National Tax Administration: [www.vero.fi](http://www.vero.fi)

## 2.6. Frontier workers

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The principle of free movement for workers within the European Union also applies to frontier workers, i.e. people who work in one EU country and live in another. However, the definition of frontier workers can vary according to the sector (e.g. taxation law, residence rights, social legislation etc.).

Due to the special circumstances of frontier workers, who by definition work in a different country from the one they are living in, community law does not require residence permits to be issued by the former country. Nevertheless, the competent authorities may issue a special permit [7].

The concept of frontier workers is not very clearly determined as regards residence rights. A frontier worker is any person, who works in a member-state and has his residence in another, returning to it daily or at least once a week [7].

Community rules for social security matters include special provisions for frontier workers. The EU definition of frontier workers (used in EU legislation to coordinate social security systems) states that they are salaried employees or self-employed persons, who carry out a certain business activity in a member-state that is not the one they reside in, returning to their homes at least once a week.

Frontier workers are covered by European social security legislation in the same way as all other categories of people mentioned in the relevant provisions. However, special rules apply concerning sickness and unemployment benefits. In particular, frontier workers are entitled to sickness benefits in kind either in their country of residence or where they work. If they are unemployed, they are only entitled to an unemployment benefit in their country of residence [7].

Personal income tax has not been harmonized at a community level. It is still regulated by individual national legislative systems and numerous bilateral agreements in order to avoid double taxation. Still, despite the lack of a harmonized system, similar regulations have to comply with the fundamental principles of community law, particularly in relation to the principle of free movement of workers within the European Union and the principle of equal treatment [7].

According to the tax agreements that have been signed between the member-states of the European Union, frontier workers' income can be taxed in both or only in one country. In the first case, the tax paid in one country is taken into account when calculating the tax due in the other country (in order to avoid double taxation of the same income). The definition of the term "frontier worker" is particularly restrictive on

this matter and very often, according to the existing agreements, depends on whether the workers reside and/or work in a frontier area and on how often they return to their country of residence [7].

When workers who do not permanently reside in the country where they work (a broader category that does not only include frontier workers) are taxed in the latter country, then the principle of non-discrimination stated in community law obliges these countries, in certain cases, to treat these workers in the same way as workers who are permanent residents of that country. This happens when workers who are not permanent residents are in a comparable state with that of a permanent resident, i.e. when they earn the majority or their whole income in the country where they work, while their income in their country of residence is not taxed. The workers' personal and family status is also taken into account. If these conditions are fulfilled, then the country of work must offer workers (who are not permanent residents) the same tax deductions, due to their family status, as those granted to permanent residents.

The system of taxation related to frontier workers is somewhat complex. That is why it is recommended that people seek advice from the local tax authority where they work or from some expert on taxation issues.

If the frontier workers do not live in Finland but work there, then the Finnish authorities usually have the right to tax the income from the workers' employment (although this may depend on how long they have lived in Finland). Mobile workers may be entitled to some or all tax deductions granted to Finnish residents when the tax due is calculated, as regards the national and municipal income tax of Finland, withheld at the source by the employer.

If the frontier workers do not live in Finland but are self-employed, then the Finnish authorities are entitled to tax the income from his non-salaried work (as well as any other income from loans). Mobile workers may also be entitled to some or all tax deductions granted to Finnish residents. The tax due is usually paid according to the system of preliminary estimates in ten monthly instalments.

## **2.7. Comments-Observations**

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Finland offers ideal working conditions for engineers, particularly in sectors related to research and technological developments. The country's current economic status and the predictions for its future course guarantee a rapid entry into the job market and satisfactory earnings.

## 2.8. Useful addresses

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The following table is a brief list of the most useful web addresses in Finland.

Information about Finland	<a href="http://www.finland.fi">www.finland.fi</a> , <a href="http://www.suomi.fi">www.suomi.fi</a> , <a href="http://virtual.finland.fi">virtual.finland.fi</a>
<u>Ministries and public organizations</u>	
Ministry of Agriculture and Forestry	<a href="http://www.mmm.fi">www.mmm.fi</a>
Ministry of Defence	<a href="http://www.defmin.fi/">www.defmin.fi/</a>
Ministry of Education	<a href="http://www.minedu.fi">www.minedu.fi</a>
National Advisory Board on Research Ethics	<a href="http://www.pro.tsv.fi/tenk/english1.html">www.pro.tsv.fi/tenk/english1.html</a>
Ministry of the Environment	<a href="http://www.ymparisto.fi/eng/moe/moe.html">www.ymparisto.fi/eng/moe/moe.html</a>
Government Institute for Economic Research (VATT)	<a href="http://www.vatt.fi">www.vatt.fi</a>
Ministry of Finance	<a href="http://www.vm.fi">www.vm.fi</a>
Statistics Finland	<a href="http://www.tilastokeskus.fi">www.tilastokeskus.fi</a>
Tax Administration	<a href="http://www.vero.fi/">www.vero.fi/</a>
Directorate of Immigration	<a href="http://www.uvi.fi/englanti/index.htm">www.uvi.fi/englanti/index.htm</a>
Ministry of the Interior	<a href="http://www.intermin.fi/en">www.intermin.fi/en</a>
Ministry of Justice	<a href="http://www.om.fi/333.htm">www.om.fi/333.htm</a>
Ministry of Foreign Affairs	<a href="http://www.formin.finland.fi/english/">www.formin.finland.fi/english/</a>
Ministry of Labour	<a href="http://www.mol.fi/english/index.html">www.mol.fi/english/index.html</a>
Office of the Ombudsman for Minorities	<a href="http://www.mol.fi">www.mol.fi</a>
Advisory Board on Health Care and Ethics (ETENE)	<a href="http://www.etene.org/e/index.shtml">www.etene.org/e/index.shtml</a>
Central Pension Security Institute	<a href="http://www.etk.fi/english/etusivu.asp">www.etk.fi/english/etusivu.asp</a>
Institute of Occupational Health	<a href="http://www.ttl.fi/internet/english">www.ttl.fi/internet/english</a>
Ministry of Social Affairs and Health	<a href="http://www.stm.fi/Resource.phx/eng/index.htm">www.stm.fi/Resource.phx/eng/index.htm</a>
Ministry of Trade and Industry	<a href="http://www.ktm.fi/english">www.ktm.fi/english</a>
Ministry of Transport and Communications	<a href="http://www.mintc.fi/">www.mintc.fi/</a>
Prime Minister's office	<a href="http://www.sivut.fi">www.sivut.fi</a>

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