Employment fosters equity and economic inclusiveness because those out of work face the highest risk of poverty, and it generates the tax receipts on which the social safety net depends. Further enhancing education and life-long learning would lower hurdles to employment, which are high for the low-skilled. Policies to speed up tertiary graduation, improve work incentives and activation of the unemployed and postpone labour market exit are necessary to bring the employment rate closer to the level of other Nordics. Easing employment regulations and allowing more flexible wage setting would increase both employment and productivity. This working paper relates to the 2016 OECD Economic Survey of Finland.

Keywords: inequality, employment, education, skills, wage bargaining

JEL Classification:

- I21: Health, Education, and Welfare / Education and Research Institutions / Analysis of Education
- J08: Labor and Demographic Economics / General / Labor Economics Policies
- J11: Labor and Demographic Economics / Demographic Economics / Demographic Trends, Macroeconomic Effects, and Forecasts
- J21: Labor and Demographic Economics / Demand and Supply of Labor / Labor Force and Employment, Size, and Structure
- J24: Labor and Demographic Economics / Demand and Supply of Labor / Human Capital; Skills; Occupational Choice; Labor Productivity
- J31: Labor and Demographic Economics / Wages, Compensation, and Labor Costs / Wage Level and Structure; Wage Differentials