

**MUTUAL LEARNING PROGRAMME:
PEER COUNTRY COMMENTS PAPER - FINLAND**

What works in moving early school leavers towards participation in learning or employment: a brief comparison of practices in Slovenia and Finland

Peer Review on “Project Learning for Young Adults: A social integration programme helping young people back into work and education”

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1 LABOUR MARKET SITUATION IN THE PEER COUNTRY

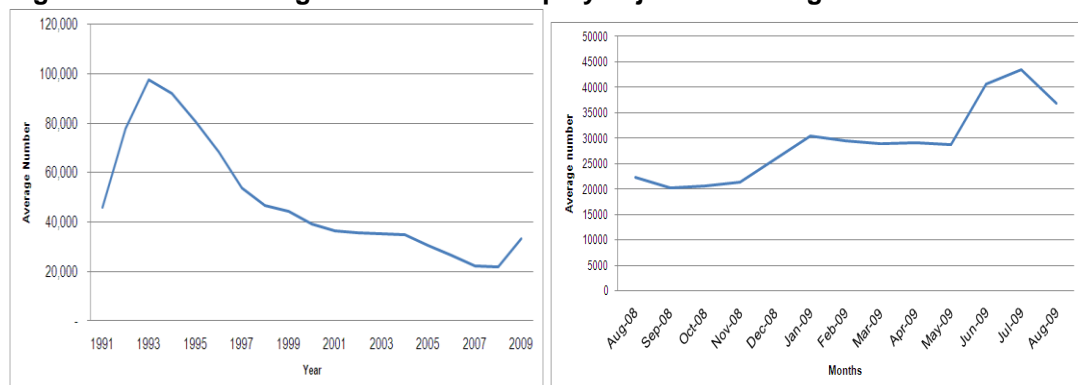
This paper has been prepared for a Peer Review within the framework of the Mutual Learning Programme. It provides information on Finland's comments on the policy example of the Host Country for the Peer Review. For information on the policy example, please refer to the Host Country Discussion Paper.

In 2007, youth unemployment in Finland was slightly above the EU-27 average of 15.3%. At 16.5%, the rate was more than twice the general rate of unemployment in the country, which stood at 6.9%¹. As a result, youth unemployment has been a serious concern in Finland (as in Slovenia) and efforts to (re)integrate unemployed young people into education, training or employment have been high on the policy agenda.

The economic crisis has further reinforced the need to focus on the reintegration of unemployed and inactive young people as young people have been hit particularly hard by the crisis. As in Slovenia, the rate of unemployment in Finland started to rise quite sharply in the second half of 2008 after 14 years of decline (in particular in January 2009) as a result of the economic downturn. Furthermore, since a peak in 1993 the number of unemployed young people had declined until September 2008; from nearly 98 000 unemployed young people in 1993 to just under 22 000 in 2008². This is illustrated by Figure 1 below.

However, youth unemployment figures for the last twelve months show a worrying trend. As shown by Figure 2 below, the number of unemployed jobseekers aged 15-24 increased by 65% between August 2008 and August 2009. At the same time, the total number of unemployed jobseekers in the country rose by 38%, which indicates that young people are more susceptible to the effects of the crisis than the adult population. This trend is also supported by LFS data which shows that the unemployment rate stood at 7.6% in August 2009, which is two percentage points higher than 12 month earlier. The youth unemployment rate saw a considerable increase to 17.7%, up by 5.9 percentage points from August 2008³. In addition to registered unemployment data, it has been estimated that a further 29 000 young people are outside these statistics; those who are inactive, not in education or training and/or not registered as jobseekers and are therefore in a particularly vulnerable position in the labour market⁴.

Figures 1 and 2: Average number of unemployed job-seekers aged 15-24



Source: Both figures adapted from information compiled by the Ministry of Employment and the Economy, 2009

¹ Based on Eurostat figures in Employment in Europe, 2008.

² Information is based on monthly statistics gathered by the Ministry of Employment and the Economy on the TE centres' customer registers. Registration is necessary to receive unemployment benefits.

³ Martikainen, J. (2009) *Elokuussa työllisiä 95 000 vähemmän kuin vuosi sitten*. Tilastokeskus. 22.9.2009.

⁴ Statistics gathered by Ilkka Nio in Työ- ja elinkeinoministeriö (2009) *Nuoret miehet työelämään*.

Note: 2009 figure only indicative in the first figure as it is based on average from January to August.

Youth unemployment is particularly high among young men in Finland; the unemployment rate for this group has been twice as high as the unemployment rate for young women. The crisis has worsened the labour market situation for young men proportionally more than for young women as job reductions have been extensive in many male-dominated sectors such as construction, and the machinery and metal industries⁵. Overall, the youth unemployment situation has quickly become almost as acute as the situation of the mid-1990s when Finland underwent its last severe recession.

In comparison with the EU average, Finland has a relatively low level of early school leaving, but early school leavers are still in a very vulnerable position in the labour market and the situation is getting worse with the on-going economic downturn. Young people who have only lower secondary level education are the ones who are having the toughest time finding a job. In recent years early school leavers have made up around 6% of their age cohort although their share of the total of all unemployed young people rose from 31% in 2005 to nearly 40% in March 2008⁶. The number of early school leavers as a share of the total number of young unemployed people has started to decline in the last few months as a result of large numbers of young people graduating from upper secondary schools, vocational institutes, polytechnics and universities. Many of these qualified graduates would normally have been able to find employment relatively soon after graduation, but now struggle to make the transition from education to the labour market. Thus, while the statistics suggest that the share of early school leavers among all unemployed young people has declined with the crisis, in reality their position has worsened as they now have to fight for a very small number of available jobs against a much greater pool of qualified and skilled young people.

⁵ Työ- ja elinkeinoministeriö (2009) *Nuoret miehet työelämään*

⁶ Young people with a HE qualification make up 3.7% of all unemployed people, followed by young people with a general upper secondary qualification (34.8%) and VET qualification (49.6%).

2 ASSESSMENT OF THE POLICY MEASURE

A range of different policy approaches are in place in Finland to tackle youth unemployment. One of the mainstream approaches is the **social guarantee for young people** (*nuorten yhteiskuntatakuu*), which was introduced in 2005. All young people out of work are offered an education, training or workshop place after no more than three months of unemployment. Furthermore, the Ministry of Employment and the Economy aims to ensure that 90% of young unemployed people have a tailored job-seeking plan before they have been out of work for three months⁷.

In relation to the early school leaving agenda, the Finnish approach is focussed on prevention and a range of measures are in place to support school completion. With regards to specific measures to support the **reintegration** of early school leavers into education, training or employment, four key policy responses are highlighted here⁸. All four initiatives have proven to play an important part in the youth agenda, each targeting disengaged young people. First, **the 10th grade** seeks to ensure that young people do not leave the education system without compulsory school certificate and consequently lose the opportunity to gain the qualifications necessary to successfully enter the labour market. It is aimed at school dropouts and young people whose results have not been high enough to qualify for further studies. The courses are normally accompanied by intensified career guidance provision, 'catch up' learning opportunities, innovative pedagogic practices and work-based learning opportunities. Second, **the aim of preparatory labour market training** is to improve employability of young people and it can be tailored to address the specific needs of early school leavers. Preparatory labour market training can include vocational training, basic skills training, IT and language courses, and/or vocational guidance in order to improve basic and career management skills of young people.

Third, **the Career Start programme** (*ammattistartti*) has been piloted since 2006 and the Government has now decided to introduce it as one of the mainstream activities in the education to work transition agenda. It is aimed at school dropouts and young people who have not decided on their career direction. The programme allows young people to try out different vocational routes, visit work and training places, access professional career guidance and other support options in order to explore different career and job opportunities before selecting their study or employment route. The programme lasts for 20-40 weeks, depending on the needs of the individual and students are able to move easily from courses offering preparatory instruction to courses leading to certifications, which will take into account prior learning undertaken during the preparatory phase.

Finally, **Youth workshops** (*nuorten työpajat*) are a similar approach to the Slovenian PLYA programme and this is the policy discussed throughout the rest of the report. Youth workshops have existed in Finland since the late 1980s but have only been used in their current form since the mid 1990s. The workshops typically occupy a 'middle ground' between the education system, work, social and health services aiming to overcome a range of barriers and obstacles that early school leavers must overcome if they are to make a successful transition to further education/ training or employment. The Youth workshop activity aims to support young people's social growth, deal with social and personal problems and reinforce their skills in life (e.g. learning a daily training/work routine), thus preventing exclusion and guiding young people into education and the labour market. The

⁷ The Lisbon strategy for growth and jobs – the Finnish National Reform Programme, 2006-08, Appendix 6.

⁸ These four measures must be seen within a context of a multitude of other active labour market policies, and education and integration policies supporting school completion and transition of disadvantaged young people from education to work.

workshop is also a place where young people can review their options for the future and make plans for reaching such goals. Workshops have different orientations allowing young people to learn practical skills in different fields such as graphic design, metal works, carpentry, textiles, catering, etc.

Most young people participate in the workshops for six months but can stay there up to a year. They can also follow apprenticeship or workplace training as part of a workshop activity. Youth workshops supported just under 9 000 young people in 2008, reaching nearly a third of all unemployed young people in 2007⁹.

There are many similarities between the Finnish Youth workshops and the PLYA programme. Both programmes have a relatively long history in each country with both having been developed into their current formats (with constant modification) during the economic downturns of the early/mid 1990s. Both target vulnerable individuals who have dropped out of education (primary or secondary) and are unemployed. Both programmes suffer from similar challenges in terms of funding uncertainties and differences in the motivations of municipalities/regions to fund such activities due to the voluntary nature of the programmes. With regards to former, in Slovenia funding comes from three different sources, whereas the workshops are funded from five different sources (self-funding; subsidies from referral agencies, including social, youth and labour market authorities; income made from the sale of work carried out by workshop participants¹⁰; a subsidy from the Ministry of Education; and other project funding, including ESF). Funding from the Ministry of Education is the only stable source of funding but only accounts for a tenth of total costs. The funding situation is further complicated by growing – albeit not yet serious - competition between workshop providers to provide workshop activities. With regards to the availability of provision to young people, the PLYA project is available in eight out of 14 regions and Youth workshops are available in three-quarters of Finnish municipalities. In both cases, the implementation depends on the priorities of local and regional authorities.

Both are holistic, person-centred approaches that aim to identify and address the full range of barriers and issues faced by the young person involved. For instance, both programmes aim to support their beneficiaries in terms of developing self-confidence, learning key 'life management skills', identifying their personal goals and developing the motivation to pursue these. They are put in place to help those in need of the most support. Thus, the target groups tend to be young people experiencing 'multiple disadvantages' - who have left school early but who have additional support needs alongside their low level of qualifications, such as social, behavioural or emotional problems, lack of motivation to participate, or other problems related to the individual (e.g. health problems, offending) or their individual circumstances (e.g. caring responsibilities). In other words, both programmes aim to help the young person with their personal challenges while they start the reintegration process back into learning or employment. Both programmes are also voluntary in nature and both reinforce the message that support should not be forced upon the young person.

However, there are also some differences between the Slovenian and the Finnish approaches. The Slovenian programme seems to be more focussed on social integration while the Finnish programme appears to place a greater focus on labour market integration. In fact, a representative of the Finnish National Workshop Association identified that the workshops have had to increase the share of activities geared towards 'social integration' over the current decade in a form of preparatory coaching with the aim of helping a young

⁹ Ministry of Education, 2009 and Häggman, E. (2008) *tilastoraportti nuorten työpajatoiminnasta, 2007*.

¹⁰ It is required that the workshops sell services and goods that do not endanger the livelihood of entrepreneurs and SMEs in the locality and that the pricing of workshop products takes competitive issues into consideration.

person to manage their everyday life (e.g. in terms of substance abuse, helping to find accommodation) before they can move onto other aspects of the programme. The current decade has seen an important increase in the number of young people with more serious social and personal problems – problems that used to be less common among participants when the programme first started.

Youth workshops pay a great deal of attention to the provision of on-the-job training and thereby on the labour market integration of participants. Indeed, the support given in the Slovenian programme seems to be provided mainly by experts from social and psychological fields while Finnish mentors come from two separate backgrounds. Mentors dealing with social and psychological concerns include professionals such as nurses, youth workers, psychologists and social workers. Importantly, participants are also supported by labour market mentors who help young people by looking for work-based training places, helping to develop skills required in the labour market (e.g. time management, workplace behaviour) and teaching practical skills related to their trade in the workshop¹¹. Young people therefore have an opportunity to develop their vocational skills in the workshop (and when possible in companies too) and thereby obtain valuable work experience, which can help them to find work after the programme. When appropriate, mentors also help young people to identify whether their interests and skills can be tied with self-employment options (e.g. examples of businesses set up by former participants include bike repair shops).

Youth workshops also seem to be based on a greater degree of co-operation between a range of different agencies that work with vulnerable young people. The cooperation began between the labour administration and youth services at national and local levels and has now spread to social, health-care, education and youth justice sectors. Such cooperation with the relevant authorities in these areas is seen to be a key success factor in order to identify individuals at risk of exclusion, to motivate young people to take part and to facilitate their transition to mainstream education or employment.

¹¹ Mentors are qualified practitioners in their fields.

3 ASSESSMENT OF THE SUCCESS FACTORS AND TRANSFERABILITY

As identified in the previous section, the Slovenian programme offers a successful package of measures that help disengaged young people to reintegrate back into education, training or employment. The PLYA programme offers a comprehensive, longer term but flexible solution for vulnerable young people. Its strengths lie in its professionalism, the provision of non-formal and formal guidance and the flexibility of the approach, which is tailored to fit local circumstances and address the individual needs, aspirations and wishes of young people. The availability of initial training for mentors is another important success factor, together with the use of alternative teaching methods. Furthermore, a key element in engaging disaffected young people is to offer something that is not associated with their previous experience of formal schooling. What has proved to be effective in the PLYA programme includes providing young people the opportunity to learn outside of an actual school environment.

Many elements of the PLYA approach exist in the Finnish policy agenda and most elements are transferable to other countries and contexts. As mentioned earlier, there are many similarities between the PLYA programme and Youth workshops, although differences do exist. Both programmes have relatively high success rates, particularly given the difficulties and barriers faced by their target groups. In recent years both programmes have helped to find a training/employment solution for around three-quarters of beneficiaries (in Finland a slightly lower rate of 73%). It has however been forecast that the success rate will suffer in 2009 due to the shortage of employment and work-based training opportunities available for young people in Finland.

Both programmes have shown that young people have the best chance of reintegrating if they are supported in all aspects of their reintegration journey and if their needs are addressed in a holistic manner. However, such approaches are not without costs. Investment in holistic interventions are supported by a Finnish labour market study which found that relatively one-dimensional youth practical training programmes, which are the most common ALMP measure aimed at young jobseekers, are the least expensive intervention but also the least effective¹². A study on workshop activities in Finland found that if a workshop can cover one-third of its costs with the work done by the participants, a balance can be found between investments and the costs for the society.

The main innovations of the Finnish programme which may be of interest to the PLYA programme are:

- In the past few years, Youth workshops have paid growing attention to collaboration and contracts between workshops and accredited learning providers, which can help to make sure that some parts of learning gained as part of workshop activities is recognised and accredited by local training providers (e.g. that in some cases young people can receive credits towards IVET qualifications). This ensures that the time spent on interventions such as Youth workshops can be used towards moving forward in the qualification ladder. Although it is not the main aim of workshops, the recognition of learning is expected to act as a motivating factor for both municipalities and young people as avoiding repetition leads to shorter study times and lower training costs.

¹² Hämäläinen, K and Ollikainen, V. (2004) Differential Effects of Active Labour Market Programmes in the Early Stages of Young People's Unemployment. Government Institute for Economic Research Finland (VATT)

- The last three years have seen a growing focus on outreach work in Finland; community outreach activities to identify and reach 'hardest-to-help' individuals. This is an aspect of the programme which is expected to continue to grow in importance. A Finnish study has shown that a lifetime of disengagement per young person costs EUR 27 500 per year (or EUR 1.1 million per person over 40 years)¹³. Therefore investments in activation and re-engagement measures can pay themselves back to the society.
- Another important component underpinning the Finnish 'approach' towards reintegration is the multi-agency approach; a range of different agencies can refer young people to workshops. Such an approach has been found to reduce over-reliance on single providers and offers an opportunity to provide a more holistic service. It also prevents the chances of young people 'slipping through the net', or missing out on support appropriate to their needs due to lack of coordination across the range of support services offered. Adequate funding is however particularly important for such an approach to work, as the creation of a true partnership between a range of different actors, agencies and professionals takes time and resources. The potential long-term benefits can however be significant as an integrated, strategic approach can maximise synergies.
- The Finnish programme seems to pay greater attention to practical, hands-on labour market integration support and this is an aspect for which further funds are being sought. It is important that young people are guided from the re-engagement stage all the way through the process until they have settled in employment. This is not a cheap process but when it works it tends to produce sustainable results and such an approach is particularly important during an economic downturn when there are only a few practical training opportunities available in companies. Hence provision of support for micro and SME businesses to take on young trainees is particularly important.

It would seem as if both the Slovenian and Finnish programmes could potentially benefit from:

- Greater use of peer mentoring / role model opportunities, which are used more extensively by similar projects in some other European countries.
- Closer involvement of parents in reintegration activities (in both cases many participants come from difficult and/or lone parent families, where parents rarely support their children in their learning journeys).
- Longer-term planning and sustainability of funding. A Finnish study has found that workshop activities become an established part of local services only if they have permanent employees who are in a position to plan action in the long term. Similarly, the creation and maintenance of a multi-agency network requires time and commitment from permanent staff in order to work efficiently.
- Greater investment during economic downturn. Funding of many Finnish ALMP measures have been cut since 2008 (despite additional budget increases during 2009) although the demand for this kind of intervention is growing.
- Consideration of methods to encourage all regions/municipalities to invest in reintegration measures of disengaged young people.

¹³ Valtiontalouden tarkastusvirasto, 146/2007 in Työ- ja elinkeinoministeriö (2009) *Nuoret miehet työelämään*.

4 QUESTIONS

- What types of services are available for young people in regions which do not run the PLYA programme? Can young people from other regions take part in the programme?
- What kind of financial support do young people receive during their time in the programme?
- Do you have any experiences of good practice in motivating regions to invest in the project?
- Are any incentives used to encourage at risk groups to take part or are any outreach methods or campaigns used to identify and reach those at most urgent need (hardest-to-help)?
- Does the project work in collaboration with other partners, such as employment offices, career and guidance centres, youth and social services? Does the project work directly with employers to provide training places for participants or former participants?
- Evaluation has found that most participants come from families where they are not really supported by their families in the educational journey. Does the PLYA project collaborate with parents in any way and try to engage them more closely with their children's learning?
- Is any form of after care available for former participants?

ANNEX 1: SUMMARY TABLE

Labour market situation in the Peer Country
<ul style="list-style-type: none"> • Youth unemployment declined between 1993 and 2008 but increased by 65% between August 2008 and August 2009. • Young men and early school leavers (low-qualified young people) have suffered most with the economic crisis. • Early school leavers now have to fight for a very small number of available jobs against a much greater pool of qualified and skilled young people.
Assessment of the policy measure
<ul style="list-style-type: none"> • A range of policies and programmes are in place to address youth unemployment. Early school leaving policies range from preventative approaches to corrective ones which seek to reintegrate the dropout into education, training or employment. • Youth workshops in Finland are a similar approach to the PLYA programme. • Youth workshops and PLYA suffer from similar challenges related to funding and differences in the motivation of local/regional authorities to fund the activity. • Many similarities between programmes, including history, target group, social reintegration methods, flexibility, individualisation and holistic nature of the responses, etc. • Youth workshops differ from PLYA by placing a greater emphasis on labour market integration, mentors from two different backgrounds and a multi-agency set-up.
Assessment of success factors and transferability
<ul style="list-style-type: none"> • Strengths of PLYA include comprehensive and person-centred approach to reintegration, provision of guidance, flexibility, provision of an alternative learning environment, professionalism, etc. • Aspects of Youth workshops that may be of interest to PLYA include opportunities to accredit learning gained in workshops, focus on outreach work and labour market integration methods. • Both programmes could potentially benefit from use of peer mentor / role model opportunities, closer involvement of parents, longer term sustainability of funding, etc.
Questions
<ul style="list-style-type: none"> • Services for young people in regions which do not run the PLYA programme? • Financial support during the time in the programme? • Experiences of good practice in motivating regions to invest in the project? • Are any outreach methods or campaigns used to identify and reach those at most urgent need of help (hardest-to-help)? Is there inter-agency collaboration? After care? Collaboration with parents?