



PES to PES Dialogue

The European Commission Mutual Learning Programme for Public Employment Services

DG Employment, Social Affairs and Inclusion

PEER PES PAPER

**Peer Review “PES approaches to low-skilled adults
and young people: work first or train first?”**

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Background – PES reform

The Finnish PES reform came into effect on 1 January 2013. The reform is based on the new Act on the Employment and Entrepreneurship Services, which replaced the Act on the Public Employment Services. The new Act integrates employment and entrepreneurship services under the same act while clarifying and simplifying a wide range of partly overlapping products. The aim is to offer a uniform set of services equitably available across the country according to individuals' and employers' needs. The renewed service model is based on three service lines:

Employment and enterprise services is to:

- ensure that vacancies are quickly filled and jobseekers and employers find each other
- promote new business activities and business development, and
- strengthen the expert role of the TE offices within regional enterprise service networks.

Competence development services is to:

- identify the development with respect to the customers' competences and skills,
- improve customers' professional skills and support their employment, and
- ensure the competences required in the labour market are taken into account in the planning and provision of services.

Supported employment services is to:

- promote entry into labour market for those customers who require individual support and/or multi-professional services to a greater degree than average.

General PES approach for low-skilled in Finland

The role of skills development is more and more emphasized as a tool managing change in the policies of the PES. Education and training are key measures to help people to bridge the crisis, meet changing skills requirements and improve the matching of supply of and demand for labour. Guiding working method is used especially in the service line 2.

PES Services for job seekers

The basis for the PES services and contacts are the personal service needs of the customers. According to them the customer will then be guided to the most appropriate service line. The activation rules don't make a distinction between low-skilled and other job seekers.

The PES has to organise the first interview for the jobseeker within two weeks after the job search has started. The interview can be organized in the TE Office, by phone or remote access – depending on the service needs and situation of the customer. The customer is encouraged to register as a jobseeker via the electronic web service. The basis for the service is that further interviews will be organized according to the personal service needs of the customer. In the interview the jobseeker and the employment consultant make the employment plan for the jobseeker, including personal service needs. At the same time, the ways and time frames for further interviews will be agreed. Regarding young jobseekers closer contact times (once in a month) are used, as stated in the Youth Guarantee.

The aim of the youth guarantee in the TE Offices is to make the service processes more efficient and to prevent the prolongation of the unemployment. It aims also to enhance placing of the job seekers either into training or to the labour market and to recognize factors leading to social exclusion. For every job seeker under 25 years old and every recently graduated job seeker under 30 years old an employment, integration or activation plan according to his/her individual service needs will be made before 3 months unemployment.

Youth Guarantee

The youth guarantee entered into force on 1 January 2013. It offers a job to each young person under 25 and recently graduated people under 30 (on-the-job training, a study place, or a period in a workshop or rehabilitation) within three months of their having registered as being unemployed. The educational guarantee included in the youth guarantee guarantees a study place for each young person finishing basic education. The skills programme for young adults, to be implemented as part of the youth guarantee, provides under 30-year-olds who have completed only their basic education with the possibility to complete a vocational qualification.

The Finnish Youth guarantee model is based on *Public-Private-People* Partnership approach, carried out with partners: ministries, social partners, municipalities, youth associations and also young people themselves.

Methods of fulfilling the guarantee include those of the educational guarantee, such as apprenticeship training and training provided by folk high schools and community colleges for young immigrants, to ensure sufficient language skills and other competences required for studying. Also available are employment and economic development services for young people, including the *Sanssi* card, i.e. a pay subsidy for young people, rehabilitation services, including municipal social and health care services, and other individual services for young people, such as outreach youth work and youth workshop activities.

A total of 60 million euros per year have been added to the state budget for the duration of the current Government programme, in order to provide for the enforcement of the youth guarantee. In addition, the skills programme for young adults will receive 27 million euros funding this year, and a further 52 million euros per year in 2014–2016. At the government spending limits discussion in March 2013, additional funding was allocated to the enforcement of the youth guarantee, for the purposes of increasing the number of vocational places of study and developing apprenticeship training for young people.

Use will be made of various administrative branches' existing statistics, follow-up data and other performance management indicators in monitoring of the youth guarantee. The Ministry of Employment and the Economy has launched an extensive research project focusing on the initial year of the guarantee's enforcement. The interim report of this project will be completed in June, the final report will be finished by March 2014.

Activation measures offered to for young people by the PES

Types of intervention	Description of service/measure
Guidance services	<p>Vocational guidance and career planning: Employment and economic development authorities may offer vocational guidance and career planning to support jobseeker clients in making career choices, in occupational development, placement in working life, and lifelong learning.</p> <p>Coaching: The employment and economic development office may offer a jobseeker client coaching in:</p> <ol style="list-style-type: none"> 1) jobseeking (<i>jobseeking coaching</i>); 2) clarification of vocational choice and career options, seeking vocational training and development of working life capacities (<i>career coaching</i>); and 3) placement in work and training at the workplace (<i>work coaching</i>). <p>Try-outs: The employment and economic development office may steer a jobseeker client to:</p> <ol style="list-style-type: none"> 1) a work try-out at a workplace in order to examine vocational choice and career options; or 2) a work try-out at a workplace to support returning to the labour market. <p>The employment and economic development office may steer a jobseeker client to:</p> <ol style="list-style-type: none"> 1) a training try-out in an educational institution
Work-based integration	<p>The Youth guarantee includes the implementation of an apprenticeship training pilot project that supports both the organiser of the training and the employer by providing additional resources. The pilot's objective is to develop apprenticeship training into a suitable form of training for young basic education graduates. The additional resources also bring additional responsibilities for the actors in organising instruction and guidance that takes account of the target group for apprenticeship training. The training compensation for employers of young people covered by the Youth guarantee will be increased to 800 euros per month, while the student volume will be approximately 500.</p>
School-based integration	<p>Every primary school has a student counselor who will provide career guidance to students</p>
Subsidies paid to employers	<p>Pay subsidies that amount to approximately 700€ per month. For those falling into target groups of the guarantee there is a pay subsidy card (Sanssi-card) which is used for marketing purposes. Sanssi card promotes the use of pay subsidy among employer and employees. Pay subsidy can be paid for max. 10 months.</p>
Subsidies paid to employees or trainees	<p>Those young people who are in activation measure will receive labour market subsidy.</p>

“Chance-card”

Sc. Sanssi-card (Chance-card) was made a permanent ALM-measure from the beginning of 2013. It is targeted at unemployed young people in the age of less than 30. The aim is to provide them with work experience. The amount of the subsidy for an employer is a maximum of 700 Euros per month for a maximum of 10 months. According to the study, the employers find the model positive. It also activates young unemployed graduates, while its employment impact has remained low. About 770 persons used the card in 2012. A campaign for boosting the use of Sanssi-card will be launched in autumn 2013. According to a survey conducted to employers last year, employers expressed their interest to employ or train nearly 950 young people immediately or 2000 within next 6 months.

Other measures included in the Youth Guarantee

- Additional resources for young job seekers in the PES: more career counselling opportunities in the employment offices
- More training and language courses and counselling for young immigrants
- Re. Local youth work networks: Municipal responsibility will be increased in counselling comprehensive school graduates, outreach youth work and youth workshops will be widened to the whole country
- More study places to be made available through skills programme (see below)
- Increased monthly compensation to employers for apprenticeship training (2013-); a new model for young people under preparation
- More guidance for those completing basic education

“Skills programme” for young adults

As a part of Youth Guarantee measures, the temporary Skills Programme for young adults will be implemented in 2013–2016. Additional study places will be targeted for those 20-29 year olds who have completed only secondary school.

The skills programme is intended for young people aged 20–29 who lack a post-basic education qualification entirely. Through the skills programme, young people under the age of 30 with no qualification or degree are provided with the opportunity to complete a vocational qualification or a part of it. It is possible to complete a vocational or specialist vocational qualification or initial vocational education as part of the programme. This training can be provided at an educational institute or in the form of apprenticeship training. Guidance and counselling supporting young adults to apply for education and complete their education will be increased.

More information:

Ministry of Employment and the Economy:

<http://www.tem.fi/en>

TE Services:

<http://www.mol.fi> (new web site will be launched the 7th of June)

Report on the Youth Guarantee (March 2013):

http://www.tem.fi/files/33973/English_version.pdf

Youth Guarantee web site:

http://www.nuorisotakuu.fi/en/youth_guarantee