Youth Guarantee country by country

Finland
May 2018
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Introduction and context

The Youth Guarantee has become a reality across the EU. It has facilitated structural reforms and innovation in policy design across EU Member States.

This document provides extracts from official Commission documents on the implementation of the Youth Guarantee in Finland. It contains extracts from:

- The country report drawn by the Commission for Finland in the context of the European Semester;
- The conclusions of the thematic multilateral surveillance review of the Employment Committee (EMCO);
- Results from the data collection on Youth Guarantee schemes.

A section at the end of the document is devoted to the assessments made by the Commission the previous year.

Finland presented a Youth Guarantee Implementation Plan on 16 May 2014.
Commission's assessment

From the 2018 country report (FI - SV - EN):

"Finland is implementing a comprehensive reform of its vocational education and training system as of 2018. This is a key reform to address the need for new skills and strengthen provisions for life-long learning. It has the potential to address existing problems of skills shortages in some industries. VET for young people and adults will be consolidated, forming a single system with its own steering, regulation and financing model. VET will become competence-based and customer-oriented: each student will be offered the possibility to follow an individually appropriate path towards finishing an entire qualification or supplementary skill modules for re-skilling and upskilling. Digital and workplace learning will also be increased. The new funding model will encourage VET providers to improve the effectiveness and quality of learning. If implemented successfully, the reform could contribute to reduce skills mismatches and increase the employment rate."

"The implementation of the youth guarantee is partly funded by the ESI Funds through one-stop guidance centres."

"The labour market situation has been improving since 2016. The number of people in employment grew by 0.5 % in both 2016 and 2017 and is expected to continue to rise in 2018 and 2019 (Graph 3.3.1). Increasingly confident about economic expansion, more inactive people have started looking for work and move back to labour force. This explains the slow decrease in the headline unemployment rate, from 8.8 % in 2016 to 8.7 % in 2017. The employment rate has gradually increased from 68.5 % in 2015 to close to 70 % in 2017, still below Nordic peers, and mainly driven by older workers (30). In 2016, the youth unemployment rate contracted markedly by 2.3 pps to 20.1 %, approaching the EU average of 18.8 %. The rates of 15-24 year olds not in employment, education or training started to improve as well, at 9.9 % after 10.6 % in 2015."

In view of the increasing employment, integrated services for the inactive and unemployed are important. Many of the currently existing integrated services are aimed at certain groups only, such as young people or the long-term unemployed. The services could be combined with measures improving the employability of the unemployed, paying special attention to vulnerable groups (e.g. rehabilitation). The range of services is appropriate but the services are dispersed among a number of separate providers and the coordination is not good enough to produce a seamless services chain. Therefore, the vulnerable claimants are falling between different measures. Services for certain groups (young, long-term unemployed) appear to be adequate.

For further youth-related matters please refer to the country report.
EMCO’s assessment

Conclusions of the Employment Committee’s multilateral surveillance review on youth employment, December 2017:

Finland has made very good progress in implementing the Recommendation and has a well-established Youth Guarantee scheme with a strong focus on personalized guidance. Three-quarters of NEETs are included in the Youth Guarantee scheme. A slight increase in the number of NEETs has been observed recently. The strong performance of the one-stop shops was acknowledged, as well as the efforts in building new partnerships and strengthening existing ones.

Finland is likely to meet the key employment challenge if the well-functioning mechanics are maintained. In this respect some concerns were voiced regarding the impact of the planned administrative and VET reforms. Finland affirmed that the positive features of the current system will be retained. It was considered, however, that more needs to be done to address the problem of NEETs in challenging situations.

Youth Guarantee monitoring – Key data¹

1. Main trends in young people’s labour market performance

![Graph of Youth Unemployment Rate and NEET Rate]

Source: Eurostat, LFS (une_rt_a, lfsi_neet_a)

¹ The information below is taken from the country fiche related to the Youth Guarantee Data collection (full results can be found on http://ec.europa.eu/social/main.jsp?catId=1143&langId=en#YGIF).
2. Youth Guarantee delivery

Preparation for the implementation of the Finnish Youth Guarantee scheme began in 2011 with the appointment of a dedicated working group. The scheme was launched in 2013 and combines a previous “social guarantee”, implemented since 2005 by the employment services, with an education guarantee. It is open to all young people aged under 25 and recent graduates aged under 30. Importantly, the Finnish YG scheme guarantees an offer within 3 months rather than 4 months as per the Council Recommendation.

Further information is available in the Finnish Youth Guarantee Implementation Plan of May 2014 and on the dedicated Youth guarantee website.

YG monitoring data 2016

<table>
<thead>
<tr>
<th>Proportion of NEETs covered by the YG, 2016 % NEET population aged 15-24</th>
<th>Out of all young people that exited the YG in 2016…</th>
</tr>
</thead>
<tbody>
<tr>
<td>74.9%</td>
<td>5.1% took up an offer &lt; 4m</td>
</tr>
<tr>
<td></td>
<td>22.7% took up an offer &gt; 4 m</td>
</tr>
<tr>
<td></td>
<td>48.3% unknown</td>
</tr>
<tr>
<td></td>
<td>24.0% unemployment or inactivity</td>
</tr>
</tbody>
</table>

Source: DG EMPL, YG monitoring database 2016

More challenging national goal to provide an offer within 3 months of registration.

49.1% of young people aged 15-24 remained in the YG preparatory phase beyond the national 3-month target, the same proportion as the EU average for 4-month target.

Just under half (48.3%) of those leaving the YG in 2016 took up an offer within 3 months of registration.

The Finnish YG scheme covered three quarters (74.9%) of all NEETs aged under 25 in 2015, despite the fact that monitoring data cover only young people registered with the PES and miss those benefitting from YG services delivered by municipalities.

Young people aged 25-29 are also covered by the Finnish YG. Coverage of NEETs in this age-group is on a par with that of the main target group but direct monitoring indicators suggest that the older group is harder to place – a higher proportion remains in the YG beyond the 3-month target (63.2%) and fewer of those leaving benefit from a timely offer (43.5%).

Follow-up data are not available to assess the sustainability of outcomes.
Previous year

2017

From the 2017 country report (FI - SV - EN):

"The activity rate among the 25-39 age group has declined since 2005, in contrast to the EU average, where it has increased. The rate is now below the EU average. Those who would like to work but are not seeking employment have increased, from 93 000 in 2008 to 152 000 in 2015 (63 % increase vs 12 % at EU level). Disincentives to accept work and sluggish mobility between sectors and regions remain a challenge and can be a source of mismatches between labour supply and demand. Promoting job creation and the integration of those furthest away from the labour market (for example young not in employment, education or training, non-EU nationals) are major challenges for the Finnish labour market."

"Youth unemployment and the number of young people not in employment, education or training declined in 2016. The unemployment rate for those aged 15-24 declined by about 2 pps, to 20.1 % in 2016. The share of people not in employment, education or training increased steadily since 2011, reaching 10.6 % of the population aged 15-24 in 2015. In 2005-2015, the employment rate for the younger cohorts, especially men, declined more than the average for the economy. The lower employment rates for the young highlight the continued need for policies catered for the youth. Budget cuts in the youth guarantee services may affect in particular young people not in employment, education or training."

"The vocational education and training reform is expected to be finalised in 2018. It aims at making vocational education and training more responsive to labour market needs by reducing the number of vocational qualifications available in Finland, broadening the qualification content and allowing for more individual study paths. This is expected to help reduce skills mismatches. Initial analysis of the impact of earlier cuts in government spending shows that vocational education and training providers have neither reduced study places nor the number of teachers and trainers, but have saved on other aspects such as equipment and investments. Therefore quality, free access for all and territorial coverage have so far not suffered. These issues will warrant close monitoring during the following stages of the reform."

For further youth-related matters please refer to the country report.
Link to further information

Youth Guarantee Database - Promising examples
http://ec.europa.eu/social/main.jsp?catId=1327&langId=en

Youth Guarantee Implementation Plan
http://nuorisotakuu.fi/en/frontpage

Where to register for the Youth Guarantee?

Youth Wiki Finland
https://eacea.ec.europa.eu/national-policies/en/content/youthwiki/overview-finland