



Mutual Learning Programme

DG Employment, Social Affairs and Inclusion

Peer Country Comments Paper- Finland

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**Comprehensive and individual support to LTU
locally - with multi-sectoral joint service**

**Peer Review on *"Approaches to integrate long-term
unemployed persons"***

Berlin (Germany) 13-14 October 2016

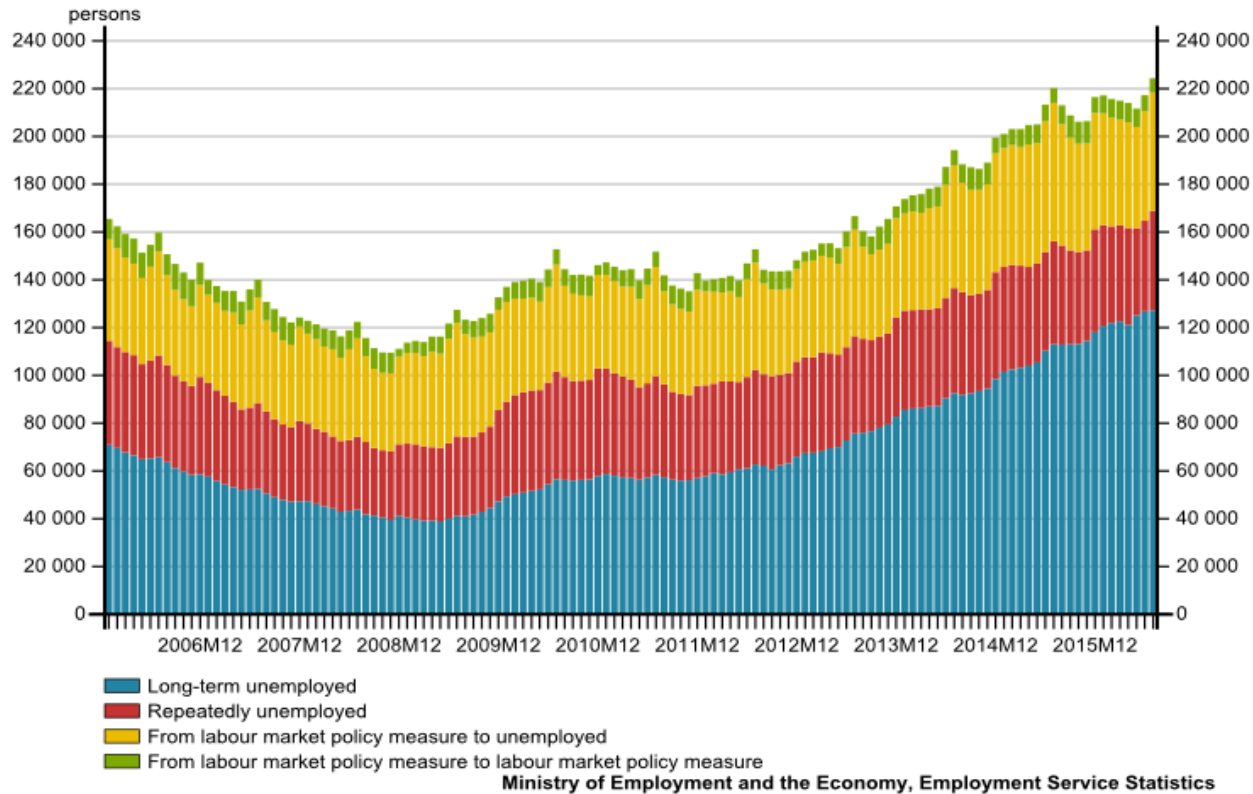
Context

- Long-term unemployment continues to grow in Finland
- About one in four of the unemployed in Finland are LTU

Percentage of active population																
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Females	2.7	2.3	2.0	1.9	2.0	1.9	1.8	1.4	1.1	1.1	1.4	1.2	1.2	1.3	1.6	1.8
Males	2.8	2.7	2.5	2.5	2.2	2.3	2.1	1.7	1.2	1.6	2.5	2.2	2.1	2.0	2.2	2.7
Total	2.7	2.5	2.2	2.3	2.1	2.1	1.9	1.5	1.2	1.4	2.0	1.7	1.6	1.7	1.9	2.3
Percentage of unemployment																
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Females	25.5	23.6	21.6	21.9	21.9	22.4	21.9	19.3	16.1	14.8	18.9	16.8	16.5	17.3	19.6	20.3
Males	30.6	30.8	27.7	27.8	25.6	28.7	28.0	26.0	20.3	18.2	27.6	26.0	24.9	23.2	24.1	27.8
Total	27.9	27.2	24.7	25.0	23.8	25.6	24.9	22.6	18.2	16.7	23.8	22.0	21.2	20.6	22.1	24.4

Context

- The perspective of structural unemployment in Finland:



- The position of those difficult to employ have become harder and the numbers have increased.
- Decreased demand for labour, a reduction in the availability of labour market measures and tightened access to unemployment pension since 2010.
- Reducing the number of LTU/structural employment is a long standing objective for the Finnish PES

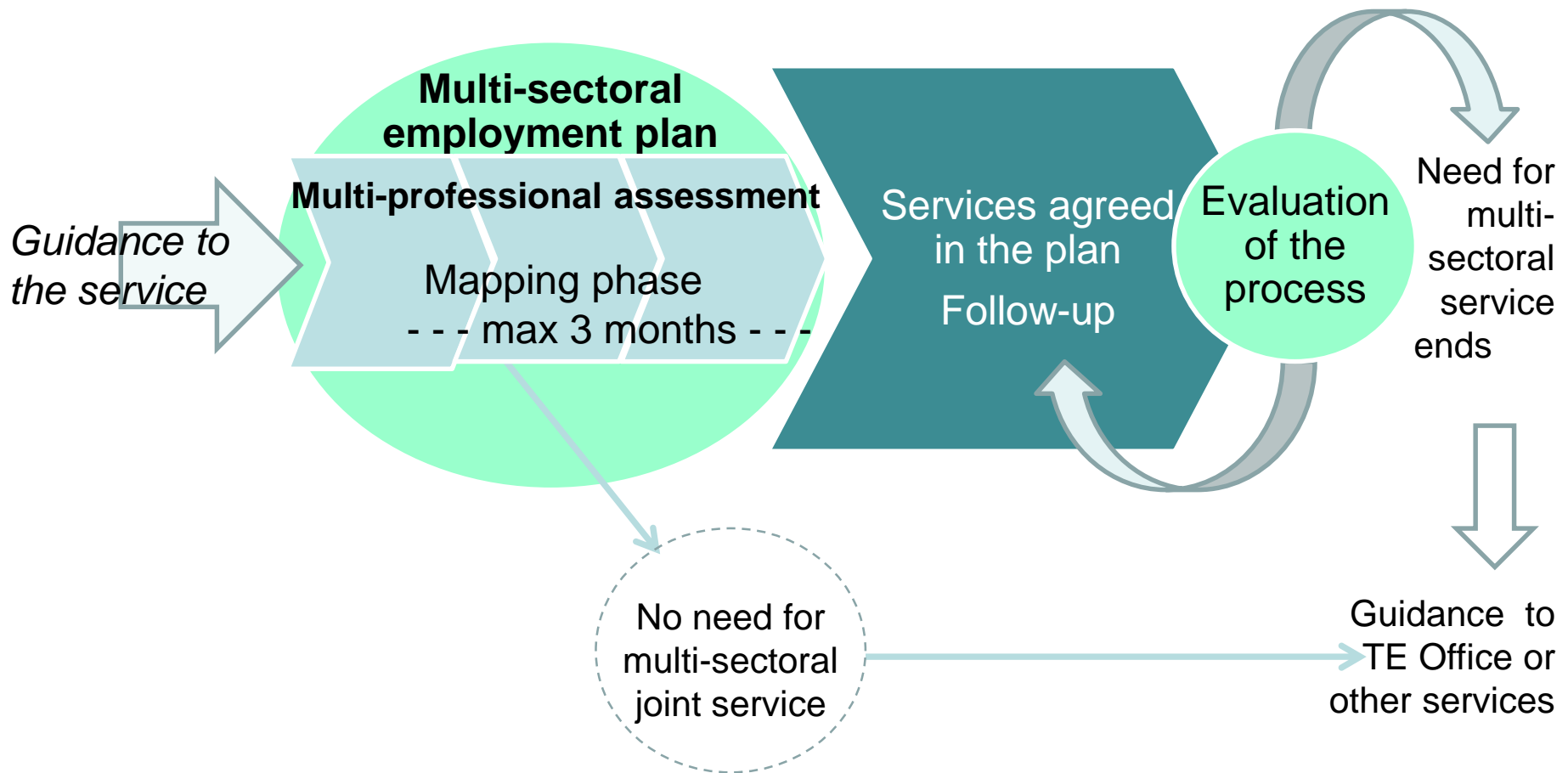
Context and Main challenges

- In Finland there are three kinds on unemployment benefits:
 - 1) Basic unemployment allowance; 2) Earnings-related unemployment allowance; 3) Labour market subsidy.
- It was recognised several years ago that many of the LTU clients need comprehensive support and that PES alone cannot provide a sufficient solution to this.
 - Needed for example if the client has health or social problems
 - Need for multi-sectoral joint service
 - Data protection regulation in this context
- Provision of health care services
 - In the beginning provision of health care services were involved rather lightly in the service selection
 - Health counselling and health checks available to unemployed (since 2010 in the Health Care Act)
- Subsidising intermediate labour market or arranging rehabilitative work -> weak employment effects (transition into the primary labour market).
- Tailor-made solutions for clients produce better results
 - Challenging task for PES because staff numbers and budget allocations are decreasing, while number of more demanding customers is increasing

Effective practices – multi-sectoral joint service

- The idea of establishing activation centres in Germany is very similar to the Finnish Labour Force Service Centre (LAFOS) and the New LAFOS
 - The idea is to bring actors together to intensify the individual support for those jobseekers who are furthest away from the labour market.
 - In Finland this started with pilots of joint services of the labour administration and municipalities – pair working.
- Both are characterised by comprehensive and individual support to LTU, including multi-professional services and one-stop shop principle.
- Multi-sectoral joint service (The New LAFOS) is a working-model, where experts of three authorities of the public administration together with the client evaluate his/her needs for services, draw up a functional employment plan and take joint responsibility for the progress and follow-up of the process.
- Regional networks, not organisations.
- The networks brings together the services of three public agencies/ authorities: the Employment and Economic Development office (TE Office), the municipalities and The Finnish Social Insurance Institution (Kela).
 - Public employment services (PES)
 - Social and healthcare services provided by municipalities
 - Vocational rehabilitation and other services of Kela
- Each service is provided according to the legislation of the relevant administrative sector.

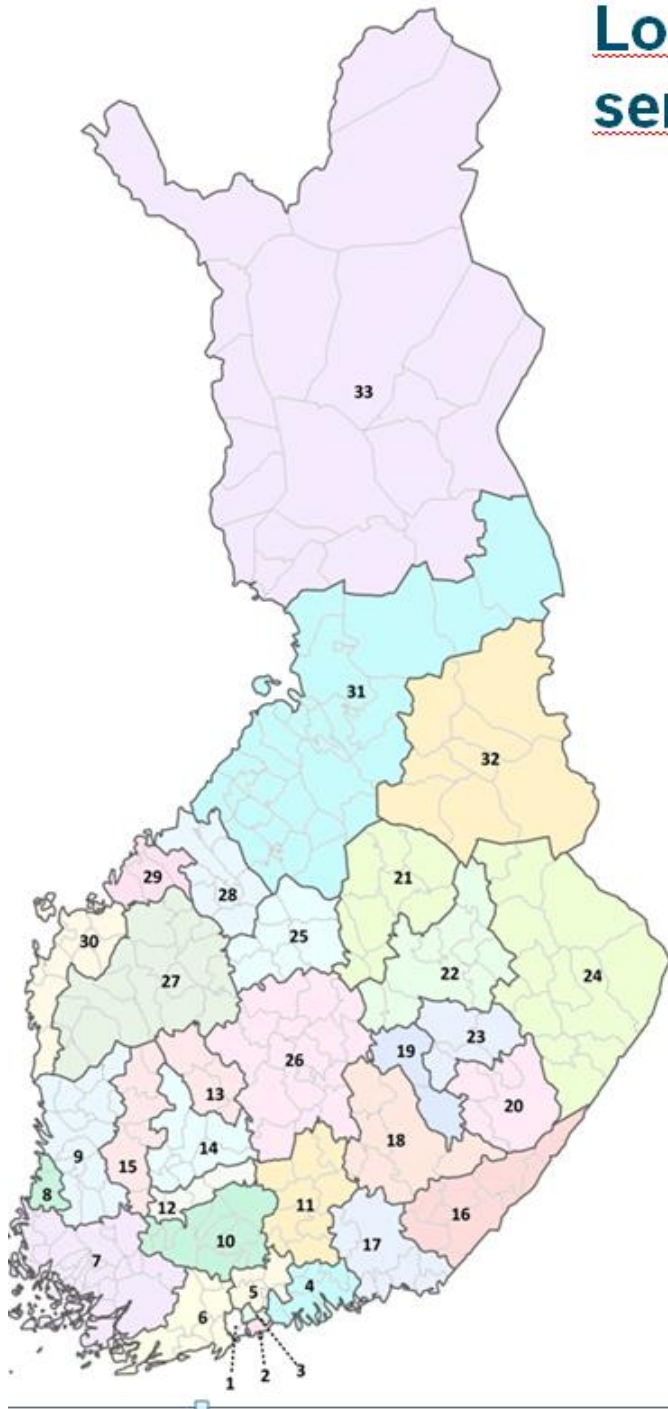
The New LAFOS process (source: Finnish MEAE)



Effective practices – multi-sectoral joint service

- Now based on Act on multi-sectoral joint service to enhance employability
 - Came into force 2015 ensuring and enlarging the multi-sectoral joint service as a nationwide service in Finland.
- One of the crucial phases in the process is that following the mapping stage.
 - How smoothly clients move into service that has been identified to meet the needs of the client? How these processes are ensured?
- The exchange of information is ensured via the TYPPI client database available for all New LAFOS multi-professionals. This has been enabled by legislation.
- According to the evaluation study on the preceding phase of LAFOS the service concept has proved to be:
 - Functional at the local level
 - Multi-sectoral service provision has positive results in assessing and supporting the work capabilities
 - Private and third sector service providers work in a close co-operation with the PES, municipalities and Social Insurance Institution.
 - Detected challenges were related to the transition to the open labour market and the complexity of management of the multi-sectoral network.

Local networks of the multi-sectoral joint service



PES-office region	Nr.		Municipalities in the network
UUSIMAA	1	Espoo	2
6 networks	2	Helsinki	1
	3	Vantaa	1
	4	Eastern Uusimaa	7
	5	Central Uusimaa	7
	6	Western Uusimaa	8
SOUTHWEST FINLAND	7		27
1 network			
SATAKUNTA	8	Rauma region	3
2 networks	9	Satakunta	16
HÄME	10	Forssa - Riihimäki region	11
2 networks	11	Lahti region	9
PIRKANMAA	12	Southern Pirkanmaa	4
4 verkostoa	13	Upper Tampere region	4
	14	Tampere City region	8
	15	Western Pirkanmaa	6
SOUTHEAST FINLAND	16	Etelä-Karjala	9
2 networks	17	Kymenlaakso	7
SOUTH SAVO	18	Mikkeli region	6
3 networks	19	Pieksämäki region	2
	20	Savonlinna region	4
NORTH SAVO	21	Iisalmi region	9
3 networks	22	Kuopio region	8
	23	Varkaus region	4
NORTH KARELIA	24		13
1 network			
CENTRAL FINLAND	25	Northern network	7
2 networks	26	Southern network	16
SOUTH OSTROBOTHNIA	27		17
1 network			
OSTROBOTHNIA	28	Central Ostrobothnia	8
3 networks	29	Pietarsaari region	5
	30	Vaasa region	10
NORTH OSTROBOTHNIA	31		30
1 network			
KAINUU	32		8
1 network			8
LAPLAND	33		21
1 network			



Thank you!

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