



Peer Review on “Social Business for people with mental health difficulties”

Cyprus, 19-20 June 2018

Peer Country Comments Paper - Finland

Building the whole path

designing a comprehensive social enterprise program to support the employment of people with mental health difficulties

DG Employment, Social Affairs and Inclusion

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Directorate-General for Employment, Social Affairs and Inclusion
Peer Review on “Social Business for people with mental health difficulties”
The host country, 19-20 June 2018

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1 Introduction

This paper has been prepared for the Peer Review on "Social Business for people with mental health difficulties". It provides a comparative assessment of the policy example of the Host Country and the situation in Finland. For information on the host country policy example, please refer to the Host Country Discussion Paper.

2 Situation in the peer country

In accordance with the current labour market and social policies in Finland, labour market policy and employment services are governed at national level, while municipalities are responsible for the social services. This is expected to change due to an extensive reform where health, social, employment and enterprise services – the first two now in the hands of municipalities and the latter two run by governmental, although regionally established, offices – are going to be independently administered by a new political level, counties¹. The change will obviously be of great importance to people who are in need of multiple services.

The change comes through a major legislation reform where the initial focus was on health and social services but where employment and enterprise services – now to be called growth services – were decided to be included in the responsibilities of the 18 counties to be formed. The need to reform the health and social services derived from the inability of most of the Finnish municipalities to guarantee proper services due to their small population. Many of the more than 300 municipalities in Finland have less than 5 000 inhabitants while it has been evaluated that more demanding health care services can only be provided by units with at least 200 000 inhabitants. The inclusion of the employment services was the result of the earlier consideration of following Denmark's example of moving them from governmental to municipal level.

The new governance model, complete with county-level political decision-making bodies was originally expected to be launched in the beginning of 2018. However, because of major constitutional challenges it was postponed by one year (to the beginning of 2019). At the time of writing, even this timetable is uncertain.

Work integration social enterprises (hereafter: WISE), i.e. social enterprises that specifically focus on employing persons from vulnerable groups, have been regulated by a law (Act 1351/2003) that requires the number of employees from target groups to be at least 30% of the total staff numbers. The act will be repealed as part of the reform mentioned above. The number of registered WISE has continuously decreased for years, sliding from the peak level of over 200 to less than 40 before the decision to repeal the law took place. The main reasons for the negative development have probably been a lack of support structure and the worsening of financial benefits.

Social enterprises in general are not legally regulated in Finland, but they have to comply with certain criteria in order to be able to use the Finnish social enterprise mark which is administered by the Association for Finnish Work. To fulfil the criteria, the primary purpose and objective of the social enterprise has to be to contribute to social good. Furthermore, it has to use most of its profits to contribute to social good in accordance with its business idea, either by developing its own operations or by donating the profits in accordance with its mission. Thirdly, it has to be committed to openness and transparency of business activities.

While there never was an official WISE representation, the social enterprise movement is strongly advocated and supported by Arvoliitto, the national coalition of social

¹ alueuudistus.fi/en/reform-of-regional-administration , alueuudistus.fi/en/social-welfare-and-health-care-reform/about-the-reform

enterprises, founded in 2013. The future of WISE lies within this network, possibly and hopefully with a more distinct brand image for what work integration means.

Overall, the emphasis in Finland has been on providing working capacity improving services – many of them governed by the Ministry of Social Affairs and Health – and finding ways to increase the transition of people with disabilities to the regular labour market. People with partial working capacity have been one of the Key Strategic Target Areas of the current government, with the development work coordinated by the Ministry of Social Affairs and Health in close cooperation with the Ministry of Employment and the Economy. As a part of this, a number of activities have been launched:

- a web portal has been established. (<https://tietyoelamaan.fi/en/home/>)
- a new professional profile with extensive training program has been launched. (<http://stm.fi/tyokykykoordinaattorikoulutus>)
- the issues that prevent recruitment of people with disabilities have been analysed. (Ala-Kauhaluoma et al. 2017). The three key findings of this study were that (a) potential employers lack information, (b) potential employers expect better compensation for lower working capacity and higher risk and (c) attitude, motivation and competence were the characteristics expected from the job-seekers.
- the potential and challenges for self-employment and entrepreneurship of people with disabilities has been evaluated (<http://vnk.fi/julkaisu?pubid=17804>). One of the key findings was that more flexibility rather than more money is what entrepreneurs with disabilities would expect from the support programs. Other improvements wanted in the present enterprise support programs were improved accessibility and better access to mentoring and peer support networks. A separate project, created by a number of disability organisations together with The Federation of Finnish Enterprises has promoted entrepreneurship of people with disabilities (<http://www.yritystä.fi/>)

One of the reasons behind this approach on the target audience is the rapidly changing working life in Finland, where ever tougher requirements for education, work capacity and flexibility must be met. This means more less chance for people with disabilities on the regular labour market.

3 Assessment of the policy measure

The legislation for social enterprises in the host country resembles in many ways the Act of social enterprises that has been valid in Finland for over 14 years and is now about to be repealed. There is a difference in the required share of persons from vulnerable groups, which is somewhat higher (40%) in the host country than in the Finnish Act (30%). Also, there is a stronger emphasis on the participation in the decision-making of the people involved in the enterprise, and there seems to be less focus on transitions to open job market.

There are more differences in how the model and the legislation are planned to be implemented. The host country approach seems more comprehensive and systematic. Many of the elements in the host country model have been tried or used in Finland but not in a systematic and simultaneous manner. In more detail, the differences between the action plan created in the host country for the development of a social enterprise ecosystem and the experiences in Finland are as follows.

Formation of a favourable business environment:

- There was no specific unit for social entrepreneurship in Finland (Action 3), nor was there ever a commission for social entrepreneurship in Finland (Action 4).
- Public contracts and procurement are potentially a significant tool for promoting employment of vulnerable groups. This was not straightforward legislated when

the Act of social enterprises was introduced in Finland about 15 years ago. The host country has an advantage in this respect. This topic has been worked upon in Finland by two European Social Fund funded projects (Hankinnoista Duunia 2016-18 and Social Innovations and Employment through Public Procurement 2018-2020). (Action 5).

- In Finland, the incentive to employ people with disabilities was initially made in the form of project funding and, later on, mostly with the help of better-than-regular terms for wage subsidies.

Promotion of a social entrepreneurship culture:

- The approach in Finland was very similar to what is now planned in the host country. However, in Finland, much of the support structure and the creation of the social entrepreneurship culture (for the WISE) was either based on project work or non-governmental organisations. This led to strong dependence on governmental or municipal funding.

Enhancement of access to funding:

- In Finland, the use of wage subsidies has proven to be a very powerful tool for supporting employment of vulnerable groups. Although there has been variation in terms of the level and the duration of wage subsidy support, it can be said that typically wage subsidy covers 50% of wage costs and is granted for a period up to 12 months. Initially, there were favourable terms available for social enterprises employing people with disabilities, but this advantage has more or less disappeared due to two reasons. The first was a set of legislative changes which strongly harmonised the benefit levels of social enterprises and regular firms. The second is the negative development of wage subsidy financing and simultaneous prioritisation of certain long-term unemployed groups and regular companies with the allocation of wage subsidy funding.

In general, WISE in Finland have focused on a much broader target group than just people with mental health problems. This is caused by legislation and the types of background and owner organisations – and thus their competence and expertise – alike. Some of the WISE with a background in mental health NGO's have been rather successful. One of them was a key actor in the trial with job banks (Ministry of Social Affairs and Health) between 2009 and 2016. This trial was a serious attempt to find efficient, low cost models to lower the bar to open labour market employment of people who otherwise would find it difficult to obtain employment. One of the learnings from the trial was that specific target groups, like people with mental health difficulties, necessitate relevant competences and skills from the staff, as well as adequate partner networks from the service provider.

Furthermore, the tendency of Finnish authorities to prioritise models for the increasement of transitions to regular labour market over more permanent employment in social enterprises and similar, has meant limited available funding for WISE. The WISE, however, are the organisations who want to provide jobs for people with disabilities or mental health problems.

4 Assessment of success factors and transferability

The most impressive part of the initiative to enhance employment opportunities of people with mental health problems in the host country is its holistic approach combined with a clear focus on just this target group. It has to be remembered that mental health problems are a leading reason for people ending up on pension at early age. Furthermore, solutions for this group cannot automatically be expected to be the same as for other vulnerable groups.

The situation in Finland is such that there will be no legal framework for WISE once the act is repealed, probably within a few months from June 2018. This does not necessarily

mean that many of the activities in the host country could not be transferred to Finland or that the Finnish government could not provide support through a specific program. In general, it would make more sense to create a legal package to cover the whole supported employment issue and include the role of WISE in that package. While such laws do not exist, it could be interesting to further evaluate some parts of the host country approach.

During the trial with job banks it became apparent that different target audiences necessitate different types of competences from the social enterprises. For instance, people with intellectual disabilities could normally be fitted to work with the help of job tailoring or job carving. People with visual or hearing impairment can mostly be helped with suitable tools and utilities. Also the type of financial support depends on the background of the persons in question.

The most interesting parts of the host country approach are the development of a support unit and commission, as well as establishment of an incubator. It will be interesting to learn about this in more detail, as these could be useful tools in Finland, too.

The plans regarding enhancement of access to funding is also very interesting and could prove to be useful elsewhere. In Finland, the Clubhouse of Southern Finland (Fountain house concept) has tried to find a way to get funding for a rather large WISE for people with mental health problems, considering Social Impact Bonds, trying crowdfunding etc. but so far there has been very limited success.

5 Questions

- Is there an overall budget considered for the new program?
- What is the situation for social entrepreneurship in general in the host country?
- Are similar programs or legislation being considered for other vulnerable groups?
- What is the attitude of labour market and enterprise organisations on the program?

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Viljanen, S. & Juuti, P. (toim.). 2018 *Arvovallankumous. Eettisyys innovaatioiden lähteenä yhteiskunnallisissa yrityksissä*. Edita Publishing Oy. Helsinki 2018.

Clubhouse of Southern Finland

<http://www.eskot.org/>

Entrepreneurship and support of people with disabilities

<http://vnk.fi/julkaisu?pubid=17804> (study)

<http://www.yritystä.fi/> (project promoting entrepreneurship of people with disabilities)

EU Commission definition for social enterprising

http://ec.europa.eu/growth/sectors/social-economy/enterprises_en

Finnish Social Enterprise Coalition Arvoliitto (Arvo ry)

www.arvoliitto.fi

Finnish Social Enterprise Mark

<https://suomalainentyo.fi/en/services/finnish-social-enterprise/>

Hankinnoista duunia project (European Social Fund, 2016-2018)

<https://thl.fi/fi/tutkimus-ja-kehittaminen/tutkimukset-ja-hankkeet/hankinnoista-duunia-handu>

Reform of regional administration (including employment services)

<http://alueuudistus.fi/en/reform-of-regional-administration>

Social Innovations and Employment through Public Procurement project (European Social Fund, 2018-2020)

<https://thl.fi/fi/tutkimus-ja-kehittaminen/tutkimukset-ja-hankkeet/sosiaalisia-innovaatioita-ja-tyota-julkisilla-hankinnoilla-siepp->

Social welfare and health care reform

<http://alueuudistus.fi/en/social-welfare-and-health-care-reform/about-the-reform>

The trial with the job banks

<https://julkaisut.valtioneuvosto.fi/handle/10024/80679>

Tie työelämään web portal (The Road Back to Work)

<https://tietyoelamaan.fi/en/home/>

Program for work capacity coordination

<http://stm.fi/tyokykykoordinaattorikoulutus>

Government Representative Interview

Mr. Markus Seppelin Ministry of Social Affairs and Health 4.6.2018

Annex 1 Summary table

The main points covered by the paper are summarised below.

Please summarise the main points covered by the paper. Give a maximum of five bullet points per heading.

Situation in the peer country

- No legal frame for social enterprising in the future
- Emphasis on transitions to open job market
- Persons with partial working capacity as a resource for job market is one of the governments strategic key areas

Assessment of the policy measure

- The approach in the host country is more comprehensive and holistic than the gradual development in Finland
- Many of the activities in the host country program have been tried and tested separately in Finland
- Focusing on one vulnerable group – albeit a large and important one – is very positive

Assessment of success factors and transferability

- Lack of legal frame in Finland does not prevent learning from the host country
- The support frame – unit, commission, incubator – looks very promising
- There could be mutual learning regarding funding alternatives

Questions

- Overall budget for the program
- General situation and prospects for social enterprises
- Attitude of labour market and enterprise organisations

Annex 2 Example of relevant practice

Short summary of a relevant policy practice/example, key fields indicated below (max. 1 page)

Name of the practice:	Trial with the job banks
Year of implementation:	2009-2016
Coordinating authority:	Ministry of Social Affairs and Health
Objectives:	To find low-cost and efficient ways to increase the number of transitions to open job market for a number of vulnerable groups (but especially long-term unemployed)
Main activities:	Selection of job banks, intensive coaching and training programs and business model development support, financial support to get going and incentives for successful transitions
Results so far:	Did not reach original targets but did move hundreds of people to employment

