

Youth guarantee 2013

To the Ministry of Employment and the Economy

The Ministry of Employment and the Economy appointed a working group to prepare proposals for the realisation of the youth guarantee, the budgetary impact of the proposals and the potential legislative amendments arising from them to the effect that the enforcement of the guarantee can be launched at the beginning of 2013.

In accordance with the Government Programme of 22 June 2011, the youth guarantee requires that each person under 25 years and each recent graduate under 30 years of age be offered work, a traineeship, or a study, workshop or labour market rehabilitation place, within three months of becoming unemployed.

Director-General Tuija Oivo from the Ministry of Employment and the Economy was appointed chair of the working group. The members of the working group were: Director Kirsi Kangaspunta and Director Georg Henrik Wrede from the Ministry of Education and Culture; Senior Adviser Janne Torvinen, Ministry of Defence; Director-General Kristina Stenman, Migration Department of the Ministry of the Interior; Director Kari Ilmonen, Ministry of Social Affairs and Health; Labour Market Counsellor Teija Felt, Ministry of Employment and the Economy; Counsellor Juha Majanen, Ministry of Finance; Economist Heikki Taulu, Confederation of Unions for Professional and Managerial Staff in Finland; Hanna-Mari Manninen, Chairman of the Finnish Youth Co-operation Association; Consultant Mikko Räsänen, Confederation of Finnish Industries; Development Director Saana Siekkinen, Central Organisation of Finnish Trade Unions; Special Adviser Ulla Hyvönen, Student and Youth Issues, Finnish Confederation of Professionals; Senior Consultant Maarit Kallio-Savela, Association of Finnish Local and Regional Authorities; Director Rauno Vanhanen, Federation of Finnish Enterprises; and Lawyer Heidi Giss from the Social Insurance Institute of Finland.

Acting as the Secretary General for the working group were Senior Adviser Liisa Winqvist from the Ministry of Employment and the Economy, and Special Adviser Ville Heinonen and Special Adviser Jaana Walldén from the Ministry of Education and Culture.

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Preface

The realisation of the youth guarantee to promote the employment and prevent the social exclusion of young people forms part of the Government Programme of Prime Minister Jyrki Katainen's cabinet. The youth guarantee is one of the spearhead projects of the Government Programme and therefore falls within the scope of special government investments and monitoring.

The working group on the youth guarantee was appointed on 1 September 2011. The working group's first assignment was to prepare proposals for the full-scale realisation of the youth guarantee, the budgetary impacts of the proposals and the potential legislative amendments arising from them. The working group's assignment began on 26 September 2011 at the House of the Estates (Säätytalo) in Helsinki. The working group has held 13 meetings and organised a researchers' evening comprising 54 expert presentations. The working group will continue its work throughout the government term.

At present in Finland, there are approximately 110,000 young people aged 20–29 who do not have a post-basic qualification. The lack of a secondary education qualification is the single most significant factor behind exclusion from the labour market and society. The number of socially excluded young people without an upper secondary education qualification is approximately 40,000. Of these, the number of "lost ones" missing from the statistics is around 25,000. These young people form the so-called "hard core" of marginalised young people, because they do not participate in education or working life, and are not even registered as jobseekers.

Despite the effectiveness and quality of our country's education system, not all young people's welfare is at an adequate level. There is a number of health and mental problems that hinder the transition to further education and working life. The growth and development of young people is important to the national economy, but so is the prevention of social exclusion. The social exclusion of young people costs society hundreds of millions of euros per year.

Large-scale challenges, for which this report aims to offer solutions, include insufficient social and healthcare service provision; not enough study places; mismatch issues within the education system; insufficient support for student welfare, student guidance counselling and career planning services; and deficiencies in the determination of authorities' responsibilities. The main focus of the enforcement of the social guarantee must be on preventive measures. The full-scale realisation of the social guarantee stems from the idea of representing services in as clear and unified a form as possible in the eyes of young people.

The Finnish Government has allocated 60 million euros in annual appropriations to the enforcement of the social guarantee. The first report of the working group will present solutions for targeting the appropriations as well as other proposals for realising the social guarantee. Using the proposed solutions, the enforcement of the youth guarantee can begin in 2013.

The 60 million euro appropriation allocated to the social guarantee is not adequate for solving all the challenges related to the education, employment and participation of young people. Therefore, the working group suggests in this report that the skills programme for young adults be included as part of the social guarantee. The programme would enable offering vocational education to young people aged 20 to 29 who have no training. In addition to the present investments, the situation calls for structural solutions and a willingness to invest in young people in the long run.

The working group has identified society's large-scale problems related to the education, employment and participation of young people. As a result, the last part of the report presents preliminary outlines for the further efforts of the working group that the group will prepare in connection with its future efforts. They comprise the prerequisites for developing the social guarantee into a holistic, comprehensive and effective operating model for providing all young people with access to education and working life. This development work requires a shared intent and spirit of voluntary work from the whole society. The collective responsibility adopted by authorities, businesses, organisations and young people is integral to the fully successful enforcement of the social guarantee. Finland's youth guarantee will be founded on the *Public-*

Private-People Partnership approach based on which young people themselves are active participants and make decisions regarding their own future.

Abstract

1. Prevention of social exclusion of young people a priority in the Government Programme

Changes to society and the labour market have affected the capacities and opportunities of young people to act as active citizens. Rapid economic fluctuations, structural change of the Finnish economy, high competence requirements in the labour market, and intensifying competition have increased unemployment amongst young people and affected their commitment to work. At the same time, it has become even more important that all young people are provided with access to upper secondary education and complete some form of vocational qualification. Recently, progress has not been favourable for all young people. Ultimately, a proportion of young people only complete basic education and some of those people end up in a situation where establishing a stable career is very difficult.

As the size of the working-age population diminishes, the permanent commitment of young people to working life becomes more important than ever. In order to ensure the availability of workforce and sustainability of public finances, the employment rate needs to reach 72% by 2015, and climb even higher by the end of this decade. This is not feasible if a significant proportion of the younger generation becomes excluded from the education system and working life.

The inability to commit to work and education also causes social and psychological problems. Homelessness, mental health problems and substance misuse among young people are already serious social issues with long-term consequences. Dealing with these issues is hampered even further due to a significant proportion of young people having drifted away from all activities.

The social exclusion of young people has a human as well as an economic dimension. The human impact of social exclusion is difficult to verify in numbers. If the social malaise of individuals multiplies, it may cause a tendency toward social segregation, which in turn results in unwanted phenomena, such as substance misuse and increased criminal activity. The impact on Finland's national economy is linked to both direct and indirect costs arising from social exclusion. The cost of a single person excluded from working life is estimated at approximately 750,000 euros over a period of 40 years – not counting other possible social benefits and costs arising from social exclusion, as well as lost tax income and added value from work input. At the level of the national economy, social exclusion of young people also has an impact on the availability of workforce and length of careers. It is probable that once the current economic low has passed, certain sectors will experience a lack of skilled workforce. Unfortunately, the situation will be made worse by the trend of social exclusion among young people. Completing an upper secondary education qualification or higher would have a significant impact on employees' length of career.

Prime Minister Katainen's Cabinet has highlighted the prevention of social exclusion of young people as one of its spearhead projects. The objective is to provide all young people with realistic opportunities to pursue and complete a post-basic qualification and find employment while paying attention to not allowing young people to become stuck in a period of non-activity for too long.

The Government Programme addresses the trend of social exclusion among young people by means of a youth guarantee:

1. Each young person under 25 and recently graduated people under 30 will be offered a job, on-the-job training, a study place, or a period in a workshop or rehabilitation within three months of becoming unemployed.

The definition of youth guarantee is supplemented and specified in the Government's development plan 'Education and Research 2011-2016'. The plan's introduction of an educational guarantee defines the concept as follows:

2. Every school-leaver will be guaranteed a place in upper secondary school, in vocational education and training, in apprenticeship training, in a youth workshop, in rehabilitation, or by other means.

2. What are the numbers?

Assessing the number of young people who have become or are at risk of becoming socially excluded can be based on a range of starting points. In the first phase of its work, the working group has examined the social exclusion of young people from three points of view:

- young people who do not get a place of study in general or vocational upper secondary education or do not complete a qualification,
- young people who register as an unemployed jobseeker with a TE Office, and
- young people not currently involved in any activities or are otherwise in need of support.

Every year, approximately 60,000 young people complete their basic education. Around 55,000 of them go straight on to pursue a qualification in upper secondary education. Some of the 5,000 comprehensive school graduates who do not apply for or are not admitted to education leading to a qualification choose to continue their studies, for example, in preparation courses for vocational education or in folk high schools. Every year, around 4-5,000 young people from each age group are left without a place in further education.

In December 2011, approximately 54,900 unemployed jobseekers under 30 were registered with TE Offices. An estimated 17,000 of them had completed only basic education, around 32,000 had a vocational qualification, and some 5,300 had completed the matriculation examination.

There are various estimates on the number of young people who lack further qualification after finishing comprehensive school and are not employed or pursuing any form of education. According to recent studies, the number of under 30-year-olds in this situation is approximately 40,000.

The target groups described above partially overlap. However, it was deemed appropriate to present the figures in such manner since they can be used as foundation in designing measures for various needs and purposes. The working group has made a breakdown of the sets of measures by target group. As a result, they are different for the unqualified, the unemployed, and the so-called lost ones. The division is technical; in reality, the supply chain is constructed in such a manner that modes of operation support one another. For instance, unqualified, unemployed young people are primarily signposted towards the sphere of the education system or other services that support their situation in life. In a similar fashion, the best possible solution to support the "lost" young people is sourced for each of them. The solution can be, for example, placement in a youth workshop. In this respect, the working group's proposals form a robust whole.

However, the problem with the social exclusion of young people extends further than what is described above. A percentage of young people are left without a study place after completing their basic education, some 25% prematurely quit vocational education, and another 10% leave their general upper secondary education unfinished. As a result, 15% of each age group do not complete any form of upper secondary education qualification. Among young people aged 20-29, approximately 110,000 have completed only basic education; 70,000 of them are male.

The working group has divided its assignment into two phases: first priority is to ensure that the service network functions for new young people entering the sphere of the social guarantee. The aim is to create a system that provides all young people with realistic opportunities to find employment or a place of study, or

pursue other activities. These measures generate a situation where the number of young people who have become or are at risk of becoming socially excluded ceases to increase with new age groups.

The second priority involves looking after those 110,000 young people who have no upper secondary education qualification and are at risk of social exclusion. Supporting their route to a solid career is realised through increasing education so that by 2016 we have reached what might be termed a “normal state”, in which the service network for young people functions well, and any large-scale marginalisation of young adults has been prevented. However, this cannot be achieved with the 60 million euros reserved for the implementation of the youth guarantee.

The working group will carry out the proposals described in this report during the first phase of its work. After that, the working group will focus on other concerns related to the functionality of the service network for young people that touch on education, finding employment, and young people’s participation in society. This involves more than just the increase and reallocation of public resources; more wide-ranging commitment from society as a whole is required to improve the position of young people. In this context, the selection of methods is extended in cooperation with labour market organisations and actors in civil society. The objective is to start a positive spiral of mutually complementary public and private contributions. The working group will return to these themes at a later phase of its work. The first intermediate report will focus on the proposals drafted in view of the budget for 2013, and those legislative needs supporting them that require swift action.

3. Educational guarantee for young people who do not get a place of study in general or vocational upper secondary education or do not complete a qualification

The education system has certain deficits on account of which a proportion of young people do not complete a post-basic qualification. They include:

- not enough entry positions in vocational education in all regions so that each basic education graduate can go straight on to pursue an upper secondary education qualification
- on account of the student admission criteria for vocational education, a proportion of basic education graduates do not get selected
- apprenticeship training is not an adequate form of education for young people even though it has a positive impact on the employment rate in other respects.

The working group proposes the following:

- Proposal 1. Provide more vocational education in regions with a sub-average ratio of vocational education in comparison with the number of young people. As of 2013, there will be 1,200 entrants, and the costs amount to 17 million euros to the state and 23.6 million euros to municipalities.
- Proposal 2. Amend the student admission criteria for initial vocational education to prioritise basic education graduates without an upper secondary education qualification in the upper secondary education student selection process. The renewed criteria will be adopted in 2013.
- Proposal 3. Amend the criteria for determining the price of apprenticeship training directed at a partial qualification for young people covered by the educational guarantee who have completed a basic education to the effect that the unit price is determined in line with the unit price of vocational education directed at a full qualification. The training compensation for employers of young people covered by the educational guarantee will be increased to 800 euros per month, while the student volume will be approximately 500. The total costs arising from higher training compensation are approximately 5 million euros.

Proposal 4. Support the improvement of young immigrants' study and language skills by increasing related training in folk high schools and community colleges. Tuition fees will be compensated for through granting education vouchers. Costs: 2 million euros; the estimated number of students is 1,500.

In addition to proposals 1–4, the working group suggests that a separate appropriation is reserved for the enforcement of the social and educational guarantees, to be allocated to raising the competence level of undereducated young adults. The working group proposes the following:

Proposal 5. Establish a skills programme for young adults for 2013–2016. Programme costs amount to 27 million euros in 2013, and 52 million euros per year in 2014–2016, distributed as follows:

- Increasing the volume of preparatory training for education leading to a vocational or special qualification by approximately 2,500 entrants: additional costs are 20 million euros in 2013 and 40 million euros per year in 2014–2016,
- Increasing the volume of preparatory training for a vocational or special qualification completed in the form of apprenticeship training by 1,500 entrants: additional costs are 5 million euros in 2013 and 10 million euros per year in 2014–2016,
- Enhancing the guidance and counselling services for adults: additional costs amount to 2 million euros per year.

The implementation of the programme cannot be covered by the 60 million euro appropriation reserved for the social guarantee. Therefore, additional sources of funding are required. Implemented in the form of further vocational education, the programme's public costs would be completely covered by the state.

4. Young people who register as unemployed jobseekers with TE Offices

The working group has divided the client base formed by young unemployed jobseekers into two groups. The first group comprises young people without a vocational qualification. The objective for this group is to create a path that leads to vocational education.

The second group comprises young people who have completed a vocational qualification but require support in finding their place in working life. They are supported specifically through services and support that guide them and are aimed at finding employment in an employment relationship or by starting their own business.

The key issue for both groups is the efficiency and effectiveness of the service process of the TE Offices. The key service on which further measures are based is the employment plan drawn up by the jobseeker together with the TE Office staff. The plan must be drafted within two weeks of starting the job search. In compliance with current regulations, the jobseeker is obliged to participate in drawing up the plan as well as the employment services agreed upon and offered in the plan. The plan includes agreeing on the measures to be offered by TE Offices to young jobseekers, in line with the social guarantee, no later than within the first three months of uninterrupted unemployment.

Young people without a vocational qualification are supported in identifying their own career path and applying for education or training through the following measures proposed by the working group:

Proposal 10. Enhance the TE Offices' vocational guidance and career planning services by increasing the personnel resources for the services by 60 person-years. Some of the additional resources are allocated to services for people with higher education degrees, immigrants and persons with reduced working capacity, as well as for online and telephone services. Costs: 4 million euros.

Proposal 11. Centres for Economic Development, Transport and the Environment (ELY Centres) compile a regional network for the coordination of guidance and counselling services.

- Proposal 12. Provide more guidance courses for young people who are pursuing their first career or who are considering a new career. Costs amount to 1 million euros, allocated to the organisation of 40 days of guidance courses for 780 young people.
- Proposal 13. Provide more labour market training for young immigrants, including courses that help improve their study and language skills. Costs amount to 1 million euros, allocated to the organisation of six months of training for 260 young people.
- Proposal 14. On-the-job training is to provide strong support for career planning. The maximum duration of an on-the-job training period at a workshop under one employer should be made more flexible. Recently graduated young people should not be primarily signposted to on-the-job training positions; instead, their entry into working life should be supported by means of pay-subsidies.
- Proposal 20. Alleviate the obligation to apply for education or training as eligibility criteria for labour market subsidy. The alleviation should be conducted so that the obligation to apply for training in the spring remains unchanged, but the number of application changes is reduced from three to two. The obligation to apply for training in the autumn as eligibility criteria for labour market subsidy should be removed. The significance of the employment plan is to be emphasised. If the employment plan includes an agreement with the unemployed young jobseeker for the use of an alternative solution to training to promote his or her employment, neglecting to apply and/or participate in training must not result in the loss of his or her labour market subsidy.

As measures targeted at young people who have completed a vocational qualification, the working group proposes the following:

- Proposal 15. Support in job seeking through short-term job search training. Costs amount to 2 million euros, allocated to the organisation of two-week job search training courses for 6,300 young people.
- Proposal 16. Lower the threshold of employers to hire recently graduated young people with no previous work experience by making the Sanssi card permanent. Reduce the employers' administrative burden arising from the use of pay subsidy. Costs amount to 9 million euros, allocated to providing a 6-month pay-subsidised work period for 2,800 young people.
- Proposal 17. Promote the entry into the labour market of young people through job coaching that supports both the young jobseeker and the employer. Job coaches advance the placement into working life of young people who have difficulties finding work on their own and need assistance in the workplace at the beginning of the employment relationship (for example, persons with disabilities or reduced working capacity). Costs: 2 million euros, allocated to providing job coaching services for 2,000 young people.
- Proposal 18. More vocational labour market training for young people provided in the form of further and supplementary training, as well as licence training. Costs amount to 4 million euros, allocated for the organisation of three-month training periods for 1,460 young people.
- Proposal 19. Support and develop new forms of advancing self-employment and entrepreneurship (cooperatives, teams, mentoring, etc.) through training, guidance and start-up grants. The amount of entrepreneurship training provided in place of labour market training is increased and the method for implementing entrepreneurship training is developed to meet the needs of young people. Costs amount to 5 million euros, allocated to provide six-month training periods or start-up grants for 1,300 young people.

5. Young people not currently involved in any activities or otherwise in need of support

The most challenging target group are young people who are not currently involved in any activities and are not registered as unemployed jobseekers at a TE Office. This group also comprises young people at risk of social exclusion due to illness or otherwise difficult situation in life. The position of these so-called lost ones is complicated by the unclear division of responsibilities in outreach work and in assisting young people to access services. Furthermore, the new law concerning the matter was adopted only recently. In addition, the current legislation in force does not enable the organisation of vocational rehabilitation for all young people who need it.

The working group proposes the following:

- Proposal 6. Under new legislation, municipalities are made responsible for providing counselling for young people who complete their basic education. Further preparations will include specifying the content of the new legislation and estimating its cost impacts.

- Proposal 7. Use of and access to information related to the transition phase following the completion of basic education is to be regulated by law. Legislative provisions determine in what role and through what means information related to applying for and starting further education is accessible to various authorities, the young person in question, and his or her parents/guardians.

- Proposal 8. Youth services provided by the Centres for Economic Development, Transport and the Environment (ELY Centres) are responsible for the provision of regional training concerning the Youth Act amendment, as well as disseminating the best practices developed by guidance and service networks within their local area. Cohesion is necessary in providing informative guidance to municipalities and local authorities on young people's participation in the guidance and service network.

- Proposal 9. Outreach youth work is to be expanded to cover the whole country. The expansion of operations also takes account of the cooperation and integration of methods in line with the 'Time Out!' approach. The extent and quality of youth workshop activities is improved and cooperation with educational institutions is increased. Workshop services are enhanced through start-up training to facilitate the swift signposting towards services for young people who have been contacted via outreach youth work. Costs: 8 million euros

- Proposal 21. Examine the possibility to specify the admission criteria for vocational rehabilitation provided by Kela, the Social Insurance Institution of Finland, so that vocational rehabilitation services can be granted on the basis of the young person's life situation. This way, in addition to illness, account could be taken of other factors that impact on a young person's life and their ability to work and study, such as a lack of social skills. The estimated additional costs, based on the current number of applicants, for young people aged 16–29 would be 0.4 million euros per year. Based on the current number of applicants, the change would cover approximately 360 young people.

6. Proposals for later discussion

This intermediate report includes proposals for the full-scale realisation of the youth guarantee, the budgetary impact of the proposals, and the legislative amendments required to implement them, effective from the beginning of 2013. In addition to the proposals discussed in the working group, the members have suggested several other proposals and initiatives for debate. However, their implementation is not covered by the 60 million euros reserved for the social guarantee or otherwise requires further examination. The working group will determine and present its position on them in connection with its further efforts. The additional proposals and initiatives are targeted at the following entities:

- Completion of education and transition phases
- Guidance and counselling services
- Guidance counselling, teaching support, and educational institutions' student welfare services
- Increase in apprenticeship training and on-the-job learning
- Financial incentives for young people to pursue a qualification and participate in active measures
- Rehabilitation and employment services
- Stakeholder participation in the enforcement of the social guarantee

Part I The situation of young people entering working life

Part 1 of the report examines the transition phases along the path to further education and working life as well as the related challenges and objectives. It also presents calculations on the costs incurred by society due to the social exclusion of young people. In addition, the voices and ideas of young people themselves are heard. This part of the report serves as background information to the descriptions of the existing offering of services and the working group's proposals for measures introduced in the latter parts of the report.

1. The situation of young people in light of statistics and research

1.1 The first major transition phases of young people

Finnish society includes many factors that support and protect young people's growth and first steps towards independent living. The primary influence of home in supporting young people is undeniable. However, young people's own role as a citizen, a member of a municipality and society, and as an independent actor becomes stronger with the increase of rights, obligations and responsibilities. As young people learn various skills, gain new capabilities and experience success at school, in leisure time activities, at work or while interacting with friends, it helps them cope with whatever situations they may face in life.

The majority of young people are capable of making decisions about work and education independently or through actively seeking assistance. However, some young people need more targeted support and services so that their chances of full participation in society do not diminish significantly. The possible reasons underlying young people's need for support include, for example, the lack of cooperation between society's service processes and services, the young people themselves, or deprivation across generations.

For most young people, the transition phase following basic education runs smoothly, and they continue their studies in upper secondary education to complete a qualification in an initial vocational education institute or upper secondary school. However, despite this, approximately 5,000 young people of those 64,000 who completed their basic education in 2010 were left without a place of study leading to a qualification in upper secondary education. Of those young people, some 3,500 will not get a place of study via the joint application system, and the remaining 1,500 will not apply for education or training at all. Furthermore, on estimate, 4,700 young people drop out of general upper secondary school and 12,000 leave their initial vocational education unfinished every year.

There were 32,700 new upper secondary school graduates in the spring of 2010. Of these, 18% went on to university and 17% to a university of applied sciences in the following autumn, while 4% of the graduates started in upper secondary vocational education. In total, 60% of upper secondary school graduates of 2010 did not continue their studies that same year, although 77% of new upper secondary school graduates applied for further education¹.

The completion rate of education has improved in all vocationally-oriented education courses targeted at young people. In initial vocational education, the completion rate is 71.3%, in universities of applied science 67.8%, and in higher education institutes, the rate is 70.3%.

Not applying for education, exclusion from the joint application system and dropping out of school result in **approximately 110,000 young adults aged 20–29 not having a post-basic qualification**. Of these, 40,000

¹ Source: Statistics Finland

are female and 70,000 are male. Furthermore, approximately 60,000 young people aged 20–24, and more than 50,000 25 to 29-year-olds are without an upper secondary education qualification.

The Finnish Government aims to have more than 90% of 20–24 year-olds complete a post-basic qualification by the end of this decade. At present, the most challenging target group is young men. Among women under 25, the share of those without a post-basic qualification is less than 14%, while the corresponding share of men is greater than 20%.

1.2 Young people in working life

The majority of young people are engaged in studies. Therefore, the employment rate of young people is low in comparison to the employment rate of adults. The employment rate of people aged 15–64 was 68.6% in 2011. That same year, the average employment rate of young people aged 15–24 was 39.1%. The employment rate of young women was 41.2%, and that of men, 37.2%.²

Young people in Finland enter working life relatively late. The median age of people graduating from universities of applied science (education of young people) is 25.1, and the median age of people who complete a higher education degree is 27.3. The Finnish Government aims to lower the median age of people graduating from studies targeted at young people at universities of applied science down to 24.1 years, and the median age of higher education graduates down to 26.3³. The prerequisite for realising the Finnish Government's target employment rate of 72% is that career extension also occurs in the early stages of one's career.

All forms of initial vocational education at the upper secondary level and lower degree studies in higher education include a compulsory period of on-the-job learning or on-the-job training to improve one's professional skills. Completing a university degree may involve participating in compulsory or voluntary training. In addition, 55% of students worked alongside their studies. Working alongside studying is most common amongst university students; 60% of university students are engaged in an employment relationship whilst completing their higher education degree. Working alongside studying increases with age: as many as 70% of over 25-year-olds worked alongside their studies⁴. Young people also gain work experience that supports their future career choices through summer jobs.

Approximately 16% of wage earners work in a fixed-term employment relationship. In 2010, the number of new employment contracts totalled 393,000, of which 56% were concluded for a fixed term. Fixed-term employment may be a desired solution or against the wishes of the wage earner. About one-fourth of wage earners working in a fixed-term employment relationship did not want a permanent position; mostly young people aged 15 to 24. Summer employees are a typical group of people who voluntarily conclude their employment contract for a fixed term.

Temporary agency work is on the rise. However, in 2011, the number of temporary agency workers only totalled 29,000, which is 1% of the entire workforce. Fewer than 5% of under 25-year-old wage earners were hired as temporary agency workers. Temporary agency work is most common in the wholesale and retail business, the accommodation and catering business, and in industry.

According to the Working Life Barometer, young people give higher marks to the quality of their working life than people in older age groups. In the opinion of young people, the most clear improvement can be seen in the equality of treatment and personal encouragement, as well as in the overall quality of working life. The marks given to these attributes have not changed from previous results amongst other age groups. According to the responses of young people, similar improvements did not occur with regard to job security and resources⁵.

² Source: Statistics Finland, Labour Force Survey

³ Education and Research 2011-2016. A development plan.

⁴ Source: Statistics Finland

⁵ Aho et al. Finnish Working Life Barometer 2011. Preliminary data.

Young people as entrepreneurs

The average age of entrepreneurs in Finland is relatively high; approximately 30% of Finnish entrepreneurs are 55 or older. The share of Finnish entrepreneurs aged 35 or under is relatively low, only 19% of all entrepreneurs. In 2008, the number of entrepreneurs aged 25 or under was 4,000, and there were fewer than 10,000 entrepreneurs aged 25 to 29⁶.

The percentage of young entrepreneurs within their age group is low: the share of young people aged 25 and under varies between 0.1% and 1.8%, while the share of 25 to 29 year-olds varies between 2.1% and 3.7%. The share of entrepreneurs increases steadily by age group. It is the highest among 45–47 year-olds; the share of entrepreneurs within this age group is 9.1%.

1.3 Youth unemployment

The youth unemployment rate began to climb as the result of the recession in the autumn of 2008. In 2009, the number of unemployed jobseekers under 25 years of age grew by a massive 56% from the previous year. In June 2010, however, the trend took a downturn. In that year, the number of young unemployed people reduced slightly compared to the previous year. The number continued to decrease in 2011. At the end of December, unemployed jobseekers under 25 years of age numbered 31,600, representing a decrease of 1,900 from the previous December. However, the youth unemployment rate still remains at a clearly higher level than before the recession, when the number of unemployed young people averaged some 21,000 per month.

Table 1. New job seeking periods of under 25-year-olds; share of job seeking periods commenced during unemployment (excluding laid-off people); and the average number of young unemployed people per month in 2008–2011⁷

Year	New job seeking periods/ all young people	Share of job seeking periods commenced during unemployment	Average number of young unemployed people per month
2008	160,617	104,644	21,704
2009	187,912	125,263	33,753
2010	176,810	121,640	33,256
2011	173,463	122,901	29,235

Among the total number of new job seeking periods (of unemployed people), the share of under 25-year-olds was 16% in 2011.

In 2011, the youth unemployment rate was 19.8%. Compared to the rest of the EU for that year, Finland is close to the average unemployment rate of 21.1%. In the Labour Force Survey of Statistics Finland, the term ‘unemployed person’ refers to someone who has been actively looking for a job for the past four weeks and could start a new job within two weeks, but is not employed. For this reason, and especially in the spring, the unemployment statistics of the Labour Force Survey mainly comprise young people engaged in studies who are applying for a summer job. Approximately every one young person in ten is unemployed.

Approximately one-third of all young unemployed jobseekers have only completed basic education. In the long run, the competence requirements of working life have changed to the effect that whereas in 1987 nearly 40% of employed people lacked vocational training, in 2010, the amount of employed people without

⁶ Register of Enterprises and Establishments, Statistics Finland

⁷ Source: Ministry of Employment and the Economy, Employment Bulletin

training was just 17%⁸. As the structural change in business life progresses and the productivity of work increases, new job requirements include more and more competencies. At the same time, less productive jobs that do not require vocational training are disappearing. The share of basic education graduates from the total number of unemployed people is double the share of basic education graduates from the total number of employed people.

Table 2. Young unemployed people in December 2011 by base level of education

Level of education	Aged under 25	%	Aged 25-29	%	Total	%
Basic education	9,002	29.9%	7,618	30.6%	16,620	30.2%
Upper secondary education, general	3,460	11.5%	1,899	7.6%	5,359	9.7%
Upper secondary education, vocational, and lower level tertiary	16,279	54.1%	10,311	41.4%	26,590	48.3%
Higher education	848	2.8%	4,267	17.1%	5,115	9.3%
Unknown	488	1.6%	788	3.1%	1,279	2.3%
Total	30,077	100%	24,883	100%	54,960	100%

In December 2011, young unemployed people aged 25 to 29 numbered 24,883, of whom 2,180 had graduated recently (within the last 12 months).

The third sector as an employer of young people

Important places for participating in activities of membership organisations are provided to young people by sports clubs, student associations, youth organisations, cultural organisations, organisations for providing leisure time activities, human rights organisations, environmental conservation organisations, trade unions, labour market organisations, multicultural associations, cultural heritage associations and political parties. Activities of membership organisations are provided at the local, regional and national level. One of the key actors is the nationwide Finnish Youth Co-operation Association, Allianssi ry.

A youth employment project for finding employment for young people in sports clubs, youth and cultural organisations and other organisations within those sectors was launched in 2010 and financed by National Lottery funds. The funds allocated for the project totalled 11.5 million euros. Roughly 2,100 young people and nearly 1,000 employers took part in the project. The length of employment relationships varied from one month to one year. In workplaces within the youth and sports sectors, 40% of young people worked for a longer period than what was originally agreed in their employment contract. In the cultural sector, more than 50% of employers continued to employ the young worker after the fixed-term employment contract ended. Within each of the sectors, some young people gained a permanent position. In the sports sector, for example, more than a quarter of all young people hired for a job continued in that job on a full-time basis after their fixed-term contract had ended⁹.

⁸ Pekka Myrskylä, Unemployment during the recession period (2010)

⁹ 'Sport provides work' project report, and 'Employing young people' final report, Finnish Youth Co-operation Association

The church employs approximately 4,600 people in educational sector jobs or positions. Of these, 1,272 are youth workers. The educational sector offers roles such as child counsellor, child work coordinator and church youth work coordinator. In addition, this group includes those pastors and cantors who are mainly employed within the educational sector, for example, as youth pastors or church musicians working with young people¹⁰. According to the financial statement data of Finnish parishes, the Church's child and youth work expenditure totalled 332 million euros in 2010.

1.4 Welfare problems underlying the social exclusion of young people

According to the Soterko research project description (Soterko is a research consortium of the administrative branch of the Ministry of Social Affairs and Health), problems in the early stages of one's career arise from prolonged studies, challenges related to the transition to further education, taking a year off from studies or work, the low quality of employment relationships, the reconciliation of work and family life, and returning to work after family leave. Factors such as short-term employment relationships of low quality that do not correspond to one's level of training or skills, periods of unemployment and insufficient familiarisation deteriorate young people's self-esteem and life management skills, as well as hinder their socialisation into working life. Young people feel they do not have enough information on working life on which to base their decisions (youth survey conducted in autumn 2011), and their view of working life may frighten them¹¹.

The 1987 Finnish Birth Cohort is a study commissioned by the National Institute of Health and Welfare (THL)¹². It observed all 60,000 children born in Finland in 1987, starting from their prenatal period up to the end of 2008. Based on the outcome of the study, welfare problems have a tendency to accumulate, and parents' problems are closely connected to the future well-being and mental health problems of children. Among those taking part in the study, 40% have mental health problems, and one in five received psychiatric specialised healthcare or medication for mental health problems before the age of 21. Approximately 18% of this age group has not completed any qualification or degree after completing comprehensive school. At some point, 23% of the children born in 1987 have had to resort to social assistance, while 26% have records of minor violations or convictions. In total, 3% of the children in this age group were taken into care or placed outside the home. Children in this age group grew up during the 1990s recession when a substantial share of Finnish families had to face unemployment and financial difficulties. Reductions were made to basic child and family services and preventive work. Municipalities' preventive work and work that supports well-being have not yet been elevated back to their pre-recession level. As a result, the spending on corrective services keeps on growing.

Child welfare service clients, children of single-parent families and children of parents with mental health problems as well as immigrants are examples of the most vulnerable groups with regards to coping in adulthood (the Soterko strategy). Those who are in a particularly weak position are people without training, people with illnesses and disabilities, those who are difficult to employ and the long-term unemployed as well as adolescents and young adults with mental health problems.

Every day in Finland, five young people retire on a disability pension on account of mental health problems¹³. The key issue is the way in which pupil welfare services and youth health services can help to reduce the socioeconomic health gap that emerges at a young age and manifests later in life as early retirement, for example. Rehabilitation services are also an effective method of preventing young people with mental health problems from progressing to disability pension.

In 2011, the average number of TE Offices' unemployed jobseekers under 25 years of age was 29,233 per month. Of those, 1,521 were young people with reduced working capacity. The share of young people with

¹⁰ 2010 statistics of the Commission for Church Employers

¹¹ 2009 survey of the Economic Information Office

¹² Reija Paananen, the National Institute of Health and Welfare (THL)

¹³ Kela 2011

reduced working capacity from unemployed young people under 25 was 5.1%. The most common diagnosis for reduced working capacity among young jobseekers was mental health disorders (58.4%).

1.5 Young people who are not employed or pursuing any form of education

According to a survey conducted by Myrskylä, **there are approximately 40,000 under 29-year-olds who have only completed basic education amongst those not employed or pursuing any form of education**¹⁴. Of these, some 15,000 are registered as a jobseeker with a TE Office – the rest are not.

Even today, parents' low educational level and social deprivation is commonly passed down to their children. A survey of young people engaged in workshop activities¹⁵ showed that 70% of young people who participated in youth workshop activities had parents who had become unemployed within the past two years. The background of young people not involved in education, employment or training reveals an unemployed parent twice as often in comparison to the average amount, while the corresponding number for young people engaged in workshop activities is three to four times the average.

The risk of social exclusion for immigrants is four to six times higher than that of the original population. Nearly one in four socially excluded young people has an immigrant background. The risk of marginalisation is also increased by the housing arrangements of young people, because one in ten socially excluded young people are homeless.¹⁶

Poor educational attainment is the most important factor explaining youth unemployment and the social exclusion of young people. Various surveys indicate that the motivation to study declines rapidly with age. More than 80% of over 25-year-olds who end up marginalised or unemployed never complete a qualification higher than basic education. Studying is worthwhile, because amongst the young people observed in the survey, more than 60% of those who had completed their qualification were employed. Not having an education has far-reaching consequences on the quality and length of young people's future careers. In 2010, the unemployment rate of people with a basic education only was 20%, while the rate for people with upper secondary education was 12% and approximately 5% for higher education graduates. For instance, completing an upper secondary education qualification increases the working life expectancy of men by six years, and by nine years for women¹⁷.

Jari-Erik Nurmi (2011) raises additional social and individual reasons behind marginalisation, such as parents' low level of education, single parenthood, the young person's weak school performance and various learning difficulties. According to Nurmi, one underlying factor of social exclusion may be a self-fulfilling vicious cycle generated by negative thinking, lack of motivation and poor school performance. As examples of possible preventive measures against social exclusion, Nurmi highlights boosting young people's self-esteem and positive thinking as well as helping them learn social skills, draft study plans and make decisions about career goals.

Young men exempted from military and non-military service are also at risk of social exclusion. In comparison to young men assigned for military and non-military service, there are more occurrences of psychological and social problems, substance abuse, financial problems, unemployment and various psychological symptoms amongst those excluded¹⁸.

¹⁴ Pekka Myrskylä, Young people outside the labour market and studies

¹⁵ Ismo Pohjantammi, 2006

¹⁶ Myrskylä 2012, Lost – EVA analysis on the social exclusion of young people

¹⁷ Myrskylä 2012

¹⁸ Appelqvist-Schmidlechner, Kaija. Time Out! Getting life on track. A psychosocial programme targeted at young men exempted from compulsory military or civil service. Acta Universitatis Tamperensis 1653. Tampere. Tampere University Press, 2011.

Discrimination in recruitment, working life and education

Another underlying factor in the social exclusion of young people and youth unemployment may be discrimination. Especially immigrants, the Roma people and members of other minority groups as well as young people with disabilities are faced with prejudice, racism and discrimination. The Non-Discrimination Act (21/2004) prohibits discrimination in recruitment to work and admission to education, for example, based on a person's age, ethnic or native origin, nationality, language, religion, conviction, opinions, state of health, disability, sexual orientation or any other comparable, personal reason.

Nevertheless, discrimination occurs. Approximately 5% of young women aged 16 to 24, and 1–2% of men that age have experienced discrimination in connection with recruitment¹⁹. There is an over-representation of young women in fixed-term employment relationships, which places them in a weaker position in the labour market. In total, 38% of women and 29% of men aged 15 to 24 are in a fixed-term employment relationship.²⁰ Part-time and temporary employees experience the most discrimination in working life²¹.

Finding employment is often especially difficult for members of minority groups such as immigrants, the Roma or others, as well as for young people with disabilities. According to various studies, approximately 35–65% of people with a foreign background believe that their ethnic origin has made finding employment more difficult for them²². Somalis, Sub-Saharan Africans and Arabs are particularly faced with discrimination in connection with the recruitment process as well as in working life in general²³.

During the review period from 1996 to 2006, 15.4% of first generation immigrants who have come to Finland from outside the EU countries did not apply for, were left without a place of study in, or dropped out of upper secondary education at an early stage. The corresponding proportion from the original population was 3.5%. During the 11-year follow-up period, there has been no improvement in the percentage of people left outside of education²⁴.

The most challenging group regarding education are young immigrants who come to live in Finland at a later stage of their basic education. Their situation requires special attention, because they are not able to reach the knowledge and skills level required in upper secondary education in such a short period of time. This especially applies to those young people who have attended school very little or not at all in their home country or country of departure.

The entry into working life of people with disabilities or long-term illnesses may be hindered by the negative attitudes and prejudices of employers. In 2008, 8% of women and 5% of men among people with disabilities or long-term illnesses have experienced discrimination during the recruitment process²⁵. In the opinion of more than half of all employers, employing a person with a mental disability could have a negative impact on the company's image or the work community²⁶.

1.6 Costs arising from the social exclusion of young people

The costs arising from the social exclusion of young people can be analysed using a timeline, where the starting point is the moment they drop out of school without continuing their studies elsewhere or moving on

¹⁹ Lehto & Sutela, 2008; Statistics Finland, 2008; Larja et al., forthcoming

²⁰ Lehto & Sutela, 2008

²¹ Ylöstalo and Jukka, 2011

²² Jaakkola, 2000; Jasinskaja-Lahti et al., 2002; Pohjanpää et al., 2003

²³ Jasinskaja-Lahti et al., 2002; Pohjanpää et al., 2003; Sutela, 2005; Vartia & Bergbom, 2007

²⁴ Finnish National Board of Education, Immigrant students and education – study on learning results, education choices and employment, 2008

²⁵ Statistics Finland, 2008; Sundbäck et al., 2012

²⁶ Ala-Kauhaluoma & Härkäpää, 2006

to working life. From the viewpoint of society, this type of characterisation is justified on the basis of the costs of education being a form of society's investment on the future.

If dropping out has a positive outcome; i.e. the person transitions to another form of education or into working life, no significant additional costs are necessarily incurred by society. In fact, in the case of transitioning into working life, society makes a profit. If the outcome of dropping out is that the young person's livelihood consists of income transfers, society's investment in the education of said young person turns into a non-productive investment.

The following calculation has been conducted to evaluate the costs of social exclusion incurred by society. The hypothesis is that the young person's income consists of labour market subsidy and housing allowance. In 2010, the amount of labour market subsidy was 25.64 euros per day (paid for five days a week), and the average housing allowance was 258.90 euros per month.

Appendix 2 describes one way of evaluating the costs of social exclusion based on the above method while taking account of the amounts of labour market subsidy and housing allowance paid to the young person per month and per year. Multiplying the calculated costs by the number of young people without a post-basic qualification given in Myrskylä's survey, for example, produces the following estimate:

The cost arising from 40,000 socially excluded young people is approximately 300 million euros per year.

According to a report by the National Audit Office of Finland²⁷, the loss to national income arising from one socially excluded person is approximately 700,000 euros (at 2007 prices), if the social exclusion extends throughout the person's expected working age, totalling some 40 years. The corresponding loss to public finances would amount to approximately 430,000 euros.

The costs arising from young people's incapacity for work are accumulated from the loss of work input and payment of treatment expenses and benefits. When a 30-year-old retires due to incapacity for work, the value of lost work input is more than 1.5 million euros. The loss arising from the nearly 4,000 people aged 16 to 34 who retired due to incapacity for work in 2008 totalled 6.6 billion euros. The reference point for the calculations is a career that continues until the person reaches 65. On top of the loss of work input, treatment expenses totalled 2.5 billion euros.

The most common reason for early retirement in 2008 amongst people aged 16 to 35 was depression or some other mental health problem. The loss of work input due to a mental disorder accounted for 4.7 billion euros from the abovementioned 6.6 billion euros.²⁸

2. Consulting young people and various actors

2.1 The voice of young people

Background support for the youth guarantee working group was provided by a group that was led by the Finnish Youth Co-operation Association and comprised a wide range of young active forces. The working group also organised a public consultation with young active forces and entrepreneurs. The online

²⁷ National Audit Office of Finland, 146/2007

²⁸ Source: Finnish Institute of Occupational Health press release of 6 April 2010

consultation “Giving young people a voice”, commissioned by the working group, prompted responses from 6,336 young people between 19 October and 7 November 2011.

Most specifically, the questions focused on the support received and required by young people in their transition from one form of education to the next or into working life. The responses indicate that young people feel they are left alone to make their decisions. Some support was available on the Internet and from close ones, but not a lot at school or the TE Office. In the future, young people hoped they would be supported more, especially by TE Office staff and employers. They would also like to have access to more guidance and counselling services in addition to “clear” yet truthful information on working life.

“Information on various professions; an opportunity to find out what work is like in practice; what are my employment options based on my educational attainment; what type of work would I be most suited to; the opportunity to do a work trial at a workplace; and, thinking about what type of work I actually want to do.”

Less than one-third of all young people excluded from the education system and working life felt there were obstacles hindering them from commencing education (such as securing a livelihood during studies, various health-related issues, difficulties related to the theoretical side of studies and the difficulty in gaining admission to study the subject of their choice). Instead of full-time studying in an educational institution, these young people wished they could acquire a professional qualification through more practical means, and for that, around half of them chose apprenticeship training.

“In general, get more apprenticeship training agreements and strengthen them significantly. You could establish a department or something for phoning employers and asking them if they would hire people to do work under an apprenticeship training agreement, because apprenticeship training is literally a golden opportunity. A job for gaining work experience during your studies. And, well, of course, for completing an education. Apprenticeship training is the best way to study I know of.... Of course being in school is more effective, but I should think that if you are given the opportunity, you should take a job you get paid for, and because it is your place of study, you work with a smile on your face. In a nutshell. Please, get lots of new apprenticeship training places, and advertise them on the apprenticeship training web pages. And create a direct link to those pages from the TE Office web site www.mol.fi. Apprenticeship training is an awesome thing that does not get enough attention. We need it...”

There seemed to be even more obstacles hindering the entry into working life or on-the-job training, the main ones being the lack of job opportunities, various health issues and uncertainty about coping.

“The employment situation is very poor, because there just aren’t any vacancies. I haven’t found employment in the past year, even though I have completed two vocational qualifications and the matriculation examination, and I also have some work experience. For reasons beyond my control (I mean, the poor employment situation), I have to work for free (under preparatory training for working life), which definitely does not boost my motivation but only makes the money tighter because nine euros per day just doesn’t cover the expenses of travelling 40 km to work and buying meals during the work day. Real jobs for young people with previous work experience instead of slave labour for a pittance!!

Young people registered as jobseekers felt they had been heard in connection with drafting their employment plan with the TE Office staff. However, they did not have much faith in the benefits of the plan in reaching their goals. In addition, they did not believe that the measures agreed in the plan would do much to improve their chances of finding employment. The general opinion was that independent job seeking improved the chances of finding employment a little, while on-the-job training and preparatory training for working life got the second-most favourable reviews in that respect.

“In my opinion, the TE Office could pay more attention to individuals, or consider people's employment problems on an individual basis instead of acting according to what was written down

on a piece of paper at one time. I think it would be very nice if I, for example, would be understood so that my benefits would not be removed from me if I don't use the joint application system to apply for education in schools that do not correspond to my career aspirations in any way. I feel frustrated, and the whole situation is distressing. I would like to see a more people-centric approach. If I do not apply for something, I assure you, I have a good reason for not doing so. These regulations could use some rethinking. I have strong plans for the future and I intend to stick to them no matter what. Lastly, I would like to say that the system for providing on-the-job training/pay-subsidised work functions well, and has saved me from becoming socially excluded. Thank you for that."

Nearly half of the respondents said they had considered entrepreneurship as an employment option. Young people's strongest encouragement to pursue entrepreneurship came from their parents and teachers as well as the stories of famous young entrepreneurs. Young people estimated that the role of enterprise service providers and TE Offices in the promotion of entrepreneurship would increase in the future. The respondents felt they had not been supported in their efforts of starting their own business by the TE Office, and therefore were expecting the role of TE Offices to be strengthened in that respect in the future.

Young people were asked about their reasons for not considering entrepreneurship. The main reasons included not being interested in becoming an entrepreneur, not having a business idea, feeling that the risks were too high, and being scared of the responsibility. Other reasons that were mentioned included the lack of seed capital, too much hard work, the lack of professional skills and too much bureaucracy. Approximately 17% of the respondents said they had not received information about entrepreneurship.

"I hope to do versatile work, something that provides challenges too. The scariest thing about entrepreneurship is bearing all the responsibilities alone. I feel I want to keep work as work, and not make it a way of living, as I have seen happen to some entrepreneurs."

At the end of the questionnaire, the respondents were asked to reveal any hopes or fears they had regarding their future career. The range of responses was wide, from a few words to long descriptions of the current situation and expectations for the future. The responses were tinged with positive and negative anticipation.

"I believe that an industrious person will find work. So far, I have acquired work experience from different types of jobs. If a vacancy doesn't present itself in my own field of expertise, I will find something in another line of work. Of course the current economic situation in Finland and around the world makes you wonder. I still trust that come what may, I can pull through. If I were to become unemployed, I would use my time doing something useful, such as voluntary work. I wouldn't sit at home doing nothing. There is no work that I could imagine myself doing for the rest of my life. On the contrary, I want to gain work experience from many fields and do a bit of everything."

Since the responses to the last question may have the same answer expressed in different ways ("I hope to get a permanent position/I don't believe I will ever get a permanent position"), and only half of the respondents gave an answer, what is more important than the content analysis of the responses is the message that they convey – "the voice of the young people". Many responses describe a completely different world from the one that the adults making the decisions today were faced with in their youth: following a "normative life cycle" from education to work, independent living and possibly starting a family is not as self-evident anymore. These days, some young people feel they have to compete for their favoured place of study and, when on the verge of graduating, they need to consider what type of work their qualifications are leading them towards and whether they have acquired enough competence. They are also required to desperately obtain work experience and fiercely battle for jobs in their own field of expertise, while the outcome may be that they remain for years in a completely irrelevant fixed-term position. That is, if they succeed in getting a job in the first place. Far too many of the respondents did not trust that they would find work that is interesting and meaningful, and would provide them with a sufficient income. If such fundamental building blocks are missing, young people do not know how to proceed in constructing their own life. For many, the "golden years of youth" are spent in a battle to survive:

"I have noticed that my attitude to working life, as well as the attitudes of people my age, is different from that of my parents. In addition to providing us with an income, we expect work to be interesting and flexible, and that we, as workers, are appreciated and allowed to have leisure time. I have also noticed that a lot is demanded of workers. Ads for vacancies list dozens of requirements: years of experience, qualifications, personality, uniqueness, diligence, flexibility, dedication, focus...the list goes on. All these are required from jobseekers. In contrast, employers who advertise their job vacancies are not obliged to send a reply to applicants if they are not chosen. Other examples of this conflict include, for example, short-term employment, paying young people less than the minimum wage, and the poor working hours of summer and other jobs. And before we even enter working life, we read in the papers about the politicians deciding we must work longer than our parents ever did. The general atmosphere in society is about blaming the young people. This year, various magazines, and even the Helsingin Sanomat newspaper, have written articles that have caught my eye, describing today's mollycoddled generation and calling all young people lazy. This generation that recalls the 1990s recession and their parents' anxiety related to working life and uncertainty in those days is now trying to find work and cope in the current recession. The result is fierce competition over jobs and high prices of food and housing, and the decreasing number of jobs and study places, as well as their centralisation somewhere far from one's own living environment, mainly in the south of Finland. In the midst of this battle to survive we are bombarded by the media with endless ideals – images of how our lives should be. Discussions about those horrible reality TV shows young people participate in, or about cosmetic surgery and singing competitions; they don't always consider how our parents have built a welfare society according to which the good life includes these type of ideals, and most of all, success. Therefore, my thoughts on today's young jobseekers are: try to cope with the pressure and guilt, and maybe someday someone will tell you that you are a good person."

According to the **School Health Promotion Study**²⁹, only 50% of the boys attending comprehensive school said they liked school quite a lot or very much. It was alarming to see that more than half of the pupils felt that teachers were not interested in how they were doing. The responses showed that various difficulties at school are common. Overall, 26% of upper comprehensive school pupils, 20% of young people in vocational education, and 18% of general upper secondary school pupils said that they were helped with difficulties at school either rarely or not at all.

The results of the School Health Promotion Study also reveal that 8% of the boys and 18% of the girls attending comprehensive school experience moderate or severe feelings of depression, which means they are at risk of developing depression. The incidence of depression is significantly higher in young people aged 15 to 18. Multimorbidity is typical in depression among young people, which makes the illness longer-lasting and difficult to treat. These factors significantly reduce the ability to function, which in turn affects schoolwork and social relationships, and can also have long-term effects. The study also shows that nearly one-half of all comprehensive school pupils and general upper secondary school pupils found it difficult to get an appointment with a psychologist, while more than one-third of them had difficulties getting an appointment to see a physician.

In 2011, amongst comprehensive school pupils, 12% of boys and 6% of girls did not have any close friends. The corresponding numbers for general upper secondary school pupils were 11% for boys and 5% for girls, while in vocational education institutions the amounts were 9% (boys) and 5% (girls). Young people defined loneliness and not having friends as one of the main factors causing social exclusion³⁰. Loneliness was also a typical factor for describing the situation of young people amongst those engaged in youth workshop activities or reached via youth outreach work.

Each year, the Finnish Defence Forces provide training for approximately 23,000 young men liable for military service while roughly 400 women complete voluntary military service. The percentage of men over

²⁹ National Institute for Health and Welfare

³⁰ Youth Leisure Time Research 2009

30 who have completed military service is slightly under 80% of the whole age group. Every year, close to 5,000 conscripts interrupt their military service.

In 2004–2008, nearly half of the respondents (49%) of the **questionnaire on interrupted military service** stated they had interrupted their military service due to physical reasons. The proportion of people who interrupted due to mental health reasons or transferred to non-military service was approximately 19% for the two groups. People with higher educational attainment have a lower percentage of interruptions due to mental health reasons. Amongst the respondents of the questionnaire on interrupted military service, prior to starting their military service, 44% were employed, 15% were pursuing some form of education, 9% had combined work and studying, and 32% did not have a job or place of study.

Amongst the conscripts who complete their military service, 45% are general upper secondary school graduates, 45% have completed vocational training/qualification, 6% have completed comprehensive school, 2% have a higher education/university degree, and 2% have completed apprenticeship training.

Military service causes certain problems related to civil life for approximately half of the conscripts. The problems are related to money, personal relationships, health and work. Approximately 10% of the conscripts have had to take out a loan on account of their military service.

In order to correct the shortcomings related to military service, the Finnish Defence Forces must pay attention to the development of support measures and minimise the factors that hinder the completion of military service. On the basis of surveys and questionnaires, the time spent in the army seems to be a stage in life that provides positive experiences for the majority of the conscripts.

Young people's opinions on work

Young people's respect for work and education has remained high. A clear majority of young people would accept a temporary employment contract instead of unemployment benefits if the income they provided was equal. In the opinion of young people, the most common attribute for describing the Finnish disposition is diligence³¹.

On the basis of surveys and experiences, however, discussions have turned to the change of values related to work which separates generations within working life. As a result, the understanding is that the traditional Finnish work ethic as a determinant of young people's work orientation is clearly deteriorating. Young people's work motivation comes from within oneself. The change has raised young people's expectations and requirements for work and employers to a rather high level.

Young people expect their **own work** to be meaningful and interesting and that the work tasks correspond with their skills and competencies. It is also important for them to be able to become better at their work. However, work and working hours should also be flexible and in balance with family life and leisure time because they too are becoming more and more important factors in young people's lives.

Co-workers and the atmosphere within the work community are highly important to young people. Young people want to do meaningful work together with other people in teams where they are appreciated and equal to others. They appreciate skills and the experience that comes with it. In the eyes of young people, authority must be earned, it does not automatically come with position.

The abovementioned requirements of young people are deemed to present tough challenges for **leadership and supervisory work**. Young people expect their boss to be inspiring, encouraging, fair, and like a friend to them, but also someone who has earned his or her authority and can be assertive if necessary. First and foremost, young people expect the supervisor to pay a lot of attention to them and give them feedback and direct constructive criticism in addition to praise for a job well done. Young people are socially demanding.

³¹ The Youth Barometer 2009 and 2010

A high salary is important to 55% of young people, but a larger proportion, 79%, value a good supervisor. Young people want their immediate supervisor to be unbiased, encouraging and responsible. In the opinion of young people, favouring certain employees at the expense of others is one of the gravest mistakes a person in a supervisory position can make³².

2.2 The voice of TE Office and Labour Force Service Centre advisers and counsellors

The outcome of a survey targeted at TE Offices in the autumn of 2011 highlighted that although collaboration amongst various authorities is conducted, the efforts are not deemed adequate. Most specifically more collaboration is wanted, on the one hand, within mental health and substance misuse services, and on the other hand, amongst employers, entrepreneur organisations and enterprise services.

In general, youth employment counsellors stated in their responses that they had time to talk to a young person two or three times (46 offices chose both) by the end of three months of unemployment. Measures can be offered to young people quickly: within one month of becoming unemployed in nearly half of the TE Offices. According to TE Office staff, young people's access to employment is best supported through apprenticeship training, vocational labour market training and preparatory training for working life. Next in line are pay-subsidised employment and on-the-job training.

The TE Offices were asked for the reason for not drafting an employment plan with every new jobseeker within two weeks of starting the job seeking. The most common reason was the lack of resources. Another reason was that young people do not come to the TE Office soon enough after starting job seeking in order for the office staff to initiate the drawing up the employment plan. For instance, young people with an acute problem related to substance misuse or mental health cannot be immediately helped through employment services. The lack of educational opportunities also prolonged unemployment.

In total, 39 TE Offices did not employ a full-time youth special adviser. One full-time youth special adviser was employed by 32 TE Offices, whereas 16 TE Offices employed four or more youth special advisers. Thirteen TE Offices reported to have in excess of 200 unemployed young people per one youth special adviser, and two of the offices had only one adviser serving more than 500 unemployed young jobseekers under 30 at one time. A full-time educational adviser worked in 44 offices, an occupational guidance psychologist in 74 offices, a rehabilitation adviser in 58 offices, and a business adviser in 45 offices.

According to the respondents' estimates, the TE Offices' personnel resources are insufficient. The TE Office staff estimate that 387 new positions are required to be able to fully enforce the youth guarantee. The hope was to get 167 new youth special advisers, 59 occupational guidance psychologists, 51 educational advisers, 49 rehabilitation advisers and 29 business advisers. Other work titles were also mentioned in the survey responses.

According to the responses returned by Labour Force Service Centres, 40% of the centres employ full-time staff serving young people. More than half of the centres would like to cooperate more with Kela, whereas 48% would like to cooperate more with TE Offices' employer services and 45% with municipal health service providers. The extent of cooperation with local educational institutions was considered insufficient.

2.3 The voice of stakeholders and researchers

The working group asked the representatives of various interest groups for their opinions on the challenges of youth unemployment as well as solutions for facing them. As a result, the working group received some 30 proposals. In order to supplement the proposals, representatives of collaborators and stakeholders were invited to the working group's meetings for further consultation. The working group also organised a consultation with researchers who have analysed the situation of young people from various perspectives.

³² The Economic Information Office and T-Media, Youth and Leadership

2.4 The voice of employers

The SME Barometer³³, published jointly by the Federation of Finnish Enterprises, Finnvera Oyj and the Ministry of Employment and the Economy, showed that the key obstacles for employing young people are competence-related factors and deficiencies in them. The most common reasons are related to young people's general capacities for working life and the lack of basic professional skills. Both of these reasons are the primary obstacle to employing a young person in about one-fourth of the cases. In about one-fifth of the cases, the obstacle to employing a young person was the lack of expert skills required for the work task in question. Young people's inability to commit to work turned out to be the least common obstacle, in 13% of the cases.

Young people's lack of general capacities for working life was the biggest obstacle to employing them in industry and the construction sector. The lack of professional skills was especially highlighted in the construction sector, where 33% of the respondent SMEs reported it to be an obstacle to employing young people.

Within the service sector, the lack of work task-specific expert skills was the main obstacle to employing young people. One in four service sector businesses reported it to be the reason preventing the employment of a young person. In trade, young people's lack of commitment to work as the reason preventing the employment of a young person was more common than in other business sectors.

For larger SMEs, the obstacle to employing young people was more often than for others the young person's lack of general capacities for working life. It was reported as the main obstacle by one-third of the respondents. It is also worth noting that the percentage of reasons other than those listed in the survey was significantly higher for large enterprises than enterprises of other sizes.

The shared opinion of the Confederation of Finnish Industries and the Federation of Finnish Enterprises is that the key solution for young people who cannot complete their qualification in an educational institution for one reason or another, is building individual education paths to ensure their basic professional competence. The success of individual education paths requires flexibility and cooperation as regards the use of various methods for organising vocational education (such as educational institutions, apprenticeship training and demonstration examinations) and labour policy measures. Workplaces act as working life partners to various forms of education.

Developing the system of providing opportunities for on-the-job learning on the basis of the starting points of SMEs requires close collaboration amongst various operators within the education system. Since the workplaces' capabilities for providing guidance for students are limited and vary greatly, the main responsibility for providing supported guidance for young people lies with the providers of education. Teachers are experts in learning, guiding and assessing. Their input and know-how are necessary in the development of workplaces in their role as learning environments. On-the-job counsellors also need support and instructions on how to confront young people and provide guidance to them.

By providing summer jobs and training positions, enterprises can help young people in their decisions about their education and career as well as in obtaining work experience.

Expanding the opportunities for on-the-job learning requires a significant increase in the number SMEs willing to provide young people with jobs that allow them to learn as they work. The key solutions for increasing the number of such enterprises is linked firstly to financial factors and secondly to the administrative obligations of enterprises.

³³ SME Barometer 2012

The municipal sector employs 434,000 people. By 2025, more than half of all municipal sector employees will retire. According to Keva's (former Local Government Pensions Institution) data, this group includes old-age pensions and disability pensions. In December 2011, 3.3% of municipal employees were aged under 25, and 10.4% were under 30.

For the most part, work tasks within the municipal sector are regulated by law and require professional skills and training. Without educational qualifications, finding employment in the municipal sector is difficult. From the viewpoint of municipal sector employees, the provision of post-basic education for all young people is a necessity.

Part II Services promoting the education and employment of young people

1. Education

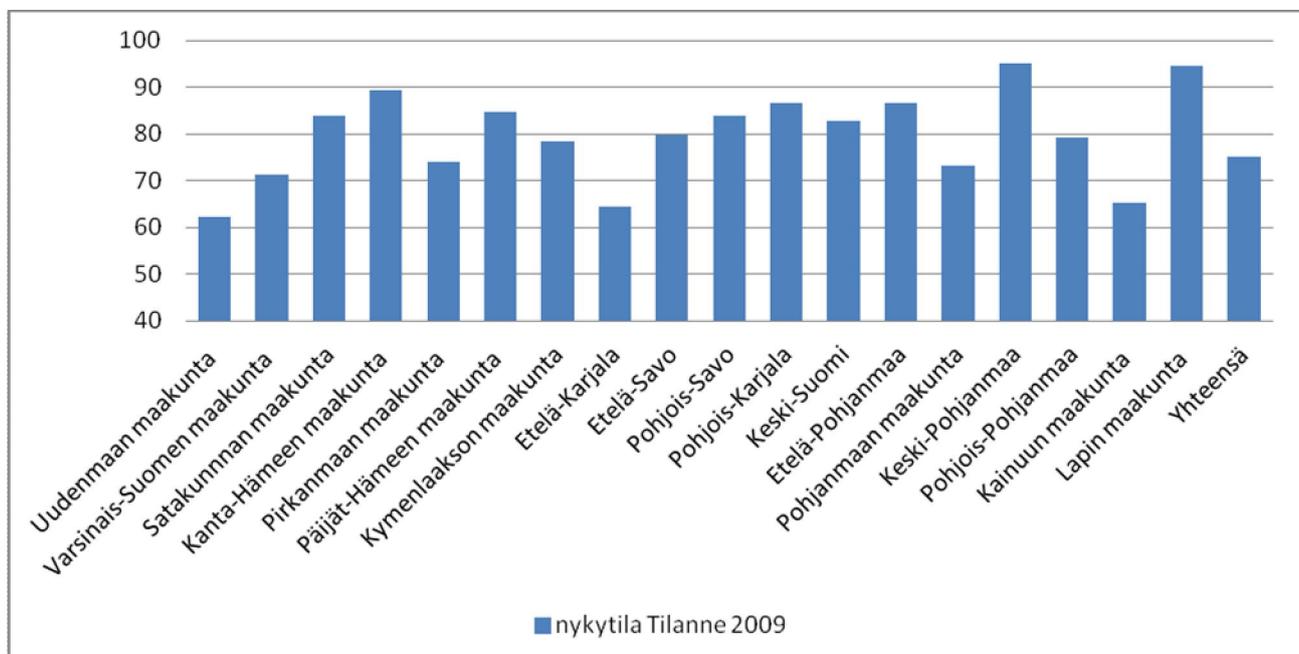
1.1 Availability of education

The age group transitioning to upper secondary education grows smaller from 2009 to 2016 by approximately 8,000 people. This means that despite cutting back the offering of vocational education, its relative availability will improve. There is significant variation in the demographic trend between different parts of the country.

Throughout the country, the average age group of 16–18 year-olds in 2016 will be approximately 88% of the level in 2009. In Uusimaa, the level will be equal to 2009, while in Kainuu, for example, only 78% of the 2009 level will be reached. After 2020, the number of 16 to 18-year-olds will start to rise again, but not in all regions.

At present, the availability of vocational education in relation to age group is unevenly distributed by region. The computational amount of entry places per each young person transitioning to upper secondary education in Uusimaa is 0.62, while in Lapland, the corresponding figure is 0.95.

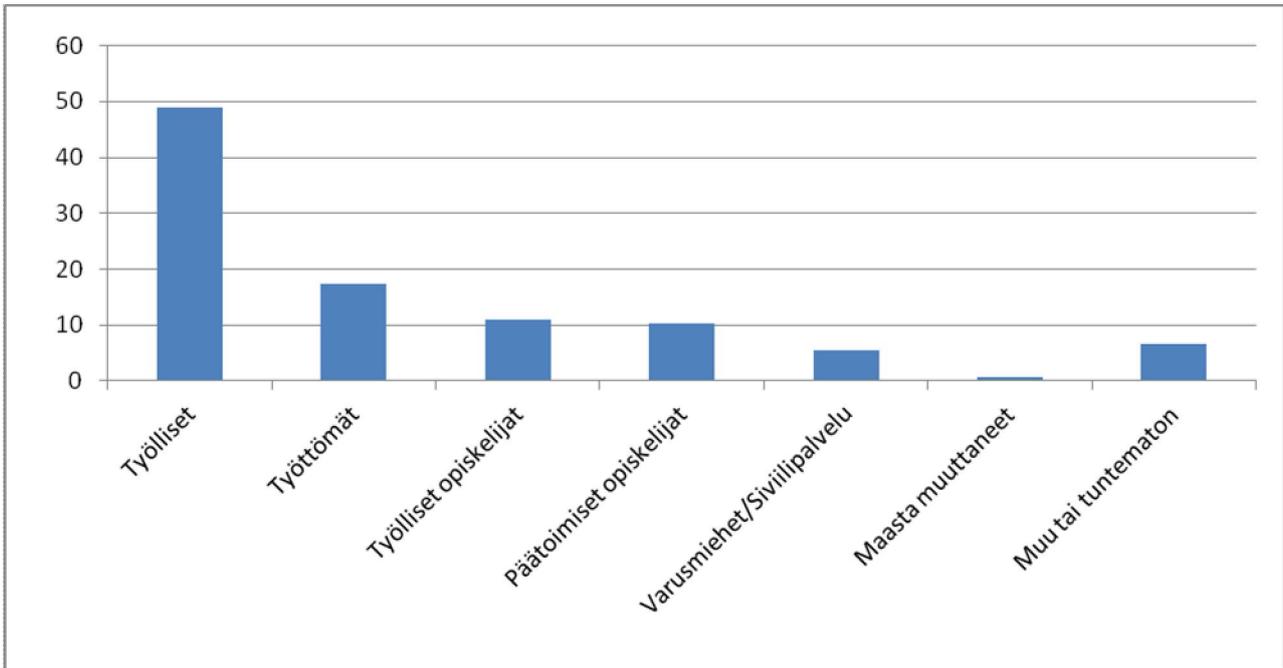
Figure 1. The availability of vocational education by region in relation to the average age group of 16 to 18-year-olds in 2009.



Finding employment and moving on to further education

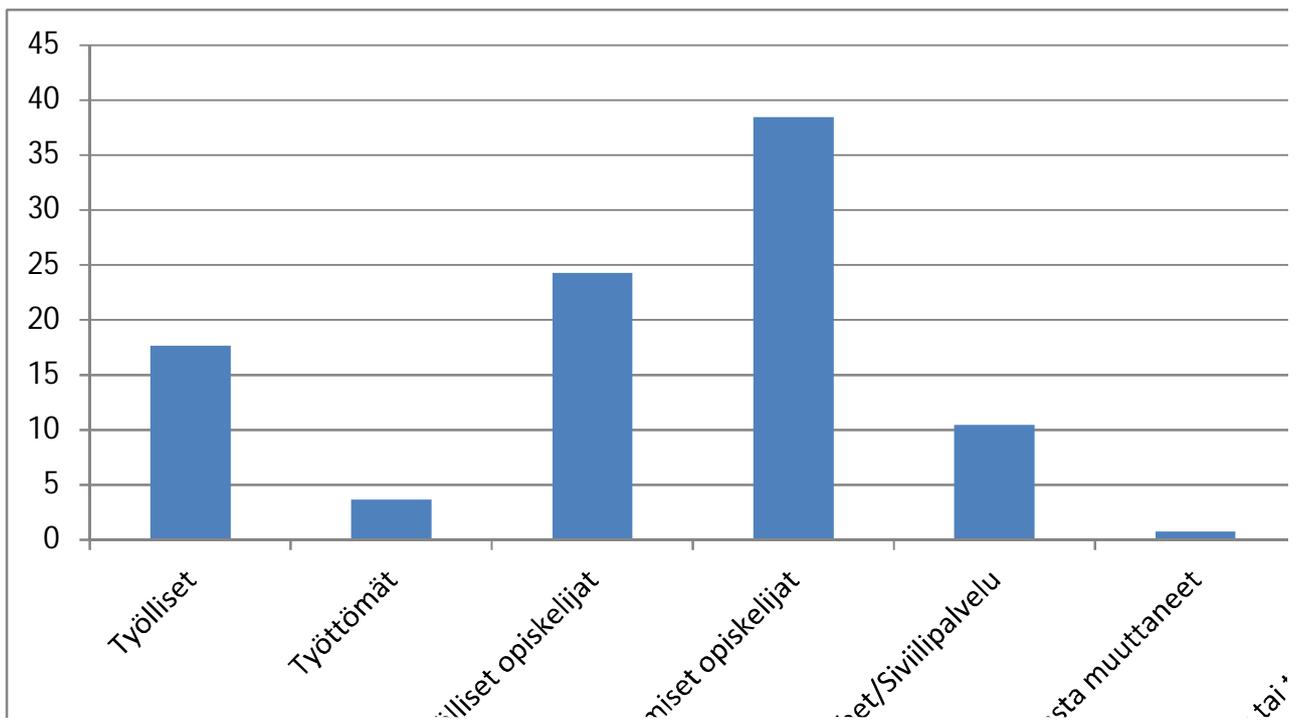
After initial vocational education, approximately half of those who complete their qualification are employed. If the number of students who are employed is added to the amount of employed people, the total share exceeds 60%.

Figure 2. The end of 2009 situation of people who completed (curriculum-based) initial vocational education in 2006–2009 (spring term)



Fewer than 65% of people who took the matriculation examination in 2008 moved on to further education by the end of 2009.

Figure 3. The end of 2009 situation of people who completed general upper secondary school in 2008.



1.2 Operating models within the education system that support the objectives of the social guarantee

Basic education

The objectives of the social guarantee are supported by means of flexible basic education (Finnish abbreviation: JOPO), the KiVa anti-bullying programme for schools, intensified and special needs support, voluntary additional basic education and cooperation during the transition phase.

Flexible basic education (JOPO)

Pursuant to the Basic Education Act, a local authority may provide instruction preparing for basic education, voluntary additional basic education and, to the extent determined by the local authority, flexible basic education activities to be provided alongside basic education to pupils attending grades seven to nine. The local authority makes the decisions concerning the organisation of basic education to persons other than those of compulsory school age.

The aim of flexible basic education activities is to reduce the dropout rate in basic education and prevent social exclusion. The activities of flexible basic education refer to education organised in accordance with the core curriculum of basic education and the provision of support for learning and growth. Instruction is organised for small groups at schools and workplaces as well as in other learning environments in the form of guided studies. Flexible basic education emphasises action-based and work-oriented study methods. The activities emphasise cooperation that is multiprofessional and carried out jointly by various administrative bodies and organisations. Vocational education institutions, general upper secondary schools, open education providers and youth workshops, among others, are welcome to participate in the cooperation.

Pupils participating in flexible basic education activities are provided with an individual learning plan. The plan includes descriptions of the organisation of flexible basic education for the pupil at school and in other learning environments, the forms of multiprofessional cooperation utilised, the support and guidance services necessary for the pupil, and the methods used for monitoring the provision of flexible basic education. Through flexible basic education, pupils can be provided with the general or intensified support they need.

In the school year 2010–2011, the scope of flexible basic education (JOPO) activities covered approximately 1,250 pupils. In the Budget, six million euros have been allocated to support flexible basic education activities. Based on the number of pupils covered in 2010–2011, this would amount to approximately 3,300 euros of additional funding per pupil.

The KiVa anti-bullying programme

The KiVa anti-bullying programme comprises national measures to reduce and prevent bullying in schools. In addition to pupils, the measures are targeted at parents. The measures are used at the class and school level. According to research results, the KiVa anti-bullying programme has successfully reduced bullying in all basic education grades. 90% of all Finnish schools take part in the KiVa anti-bullying programme.

Intensified and special needs support

Intensified support refers to increasing the quantity and enhancing the quality of general preventive support measures as well as organising instruction for appropriately-sized groups of pupils. Intensified support includes support methods such as differentiation, remedial instruction, co-teaching, part-time special education and pupil welfare services.

Intensified support comprises special education and other types of support provided in accordance with the Basic Education Act. The provision of special education is organised in the same space as other instruction, or in a special class on a part-time or full-time basis, or in some other suitable space.

The Act on Intensified and Special Needs Support (642/2010) to amend the Basic Education Act entered into force on 1 January 2011. However, the sections on pupil welfare services and data security were applied as of 1 August 2010. The core curriculum was adopted no later than on 1 August 2011.

The new Act supplements the existing regulations concerning special education and other forms of support provided to pupils. The aim is to boost various forms of early and preventive support for learning and growth provided to pupils in a systematic manner. The decision concerning special needs support was made for a fixed term.

The regulations on the processing, safeguarding and disclosing of personal data were supplemented in order to set more detailed provisions on the processing of pupil-related matters and the disclosing of confidential information in multiprofessional pupil welfare service work, as well as on the education providers' right to information and obligation to disclose information in certain situations.

Nationwide action to develop intensified and special needs support (the KELPO project) was launched in 233 municipalities in the spring of 2008. The priorities have included:

- The creation and permanent establishment of structures and operating models for the provision of support for studying through cross-administrative cooperation
- The organisation of instruction in accordance with the local school principle
- The provision of preventive and early support; early recognition and appropriate support
- The enhancement of the general forms of support as support measures provided to all pupils, and the boosting of intensified and special needs support

The Ministry of Education and Culture allocated a total of 29.7 million euros for the development of intensified and special needs support in 2008–2010. In the 2011 Budget, 15 million euros was reserved for the Kelpo project. The 2012 Budget will also include resources for the development of intensified and special needs support.

Voluntary additional basic education

It is possible to organise voluntary additional basic education, compliant with the Basic Education Act, for the duration of one school year for young people who have completed the basic education syllabus. Voluntary additional basic education in the “tenth grade” is available for young people who have received their comprehensive school leaving certificate in the same or previous year. Tenth grade students will be provided with at least 1,100 hours of instruction and counselling.

Cooperation during the transition phase

Student needs related to transition phases have increased. During the transition phase from comprehensive school to upper secondary education, cooperation between student guidance counsellors and comprehensive school guidance counselling is emphasised. Student welfare services also play a significant role in the welcoming of new students. More cooperation is now carried out with the labour administration, higher education institutions, apprenticeship training providers, workplaces and trade unions after the completion of education. In certain areas, a regional guidance counselling network is in operation that coordinates the cooperation related to the education and employment issues of students.

In order to promote young people's transition from basic education to vocational education, education providers emphasise the dissemination of information, the transfer of data and the provision of teaching-related support measures, as well as meetings and visits to comprehensive schools to discuss the shift of responsibility from one actor to the next in line or arranging visits to vocational education institutions for comprehensive school pupils. In situations where a student is at risk of becoming excluded from services, efforts are made to provide the student in question with an individual pathway to services through working together with various operators.

Vocational education

In vocational education, the objectives of the social guarantee are supported by the following activities:

- Preparatory and rehabilitative instruction and guidance for people with disabilities
- Preparatory training for initial vocational education for immigrants
- Training providing guidance and preparation for initial vocational education – vocational start
- Household management training
- Vocational special education
- Revision of initial vocational qualifications
- Expansion of on-the-job learning
- Apprenticeship training
- Programme for boosting the completion rate of studies in vocational education
- Student welfare and student healthcare services

Preparatory and rehabilitative instruction and guidance for people with disabilities is primarily intended for students who need special support. The students' capabilities of acquiring everyday life skills are supported through instruction and guidance in addition to clarifying their plans for the future and providing support for achieving a future placement in education or working life. In 2010, a total of 2,903 students participated in preparatory and rehabilitative training activities.

Preparatory training for initial vocational education for immigrants is designed to improve the students' language skills, other skills required to complete a vocational qualification, and life management skills. The aim of preparatory training is to provide students with the linguistic skills and other necessary capabilities for moving on to vocational education. The extent of the training is at least 20 credits and at most 40 credits. Since linguistic skills play a key role in the transition to and successful completion of initial vocational education, the students selected to pursue initial vocational education must have sufficient skills in either Finnish or Swedish. The individual study plan includes courses for familiarising the student with various professions and carrying out vocational studies. In 2010, a total of 1,570 students took part in training preparing immigrants for initial vocational education.

Training providing guidance and preparation for initial vocational education, known as the vocational start, is intended for those young people who have completed basic education, but have not yet made permanent career choices, are willing to try different fields available within vocational education and training, and also want to improve their study skills and the knowledge base required for studying. Students who have dropped out of vocational education or general upper secondary school at an early stage of their studies may also be accepted to take part in this training. In the autumn of 2010, there were 49 providers of vocational start training with a permanent licence. In total, 1,466 students took part in vocational start training in 2010.

Household management training can be organised outside the vocational education system. In a school of household management that organises household management training, students are provided with practical knowledge and skills on how to manage a household and maintain a lifestyle that promotes health. The training period is one school term, about five months. The training does not lead to a qualification, nor does it provide students with the general eligibility for further education. Nevertheless, it improves the students' possibilities of transitioning to further education. In 2010, 550 students took part in household management training.

The vast growth in the volume of **vocational special education** in recent years presents challenges for the providers of vocational education and training regarding their operations, service network and finances. Highlighted as development targets within vocational special education are: encouraging the use of individual study paths by students pursuing a qualification in initial vocational education, adult education and apprenticeship training; developing cooperation with working life; supporting employment; improving the service network; and developing the competencies of teaching and other staff. The policies of the

Government Programme support the mission of vocational special education to promote educational integration and equality and prevent exclusion from the education system and working life.

The **revised national qualification requirements for vocational education and training** were adopted as of 1 August 2010. Through the reform, vocational qualifications have been amended so that they are even more strongly based on the operational entities and competence requirements found in working life. Furthermore, more versatile opportunities have been created for completing a qualification, such as providing the opportunity to progress one specialised qualification component at a time as well as more flexibility in choosing components from other vocational qualifications to complement one's syllabus. This especially supports those students who do not yet have the stamina or motivation to complete the entire syllabus by studying without interruptions.

The qualification requirements also include regulations on student welfare services. According to the qualification requirements, education providers must draw up the sections of the curriculum concerning student welfare services together with the local authorities or other parties responsible for social and healthcare services in the municipality/municipalities where the educational institution is located. In conjunction with this cooperation, the parties should agree on the activities for preventing social exclusion and the organisation of expert services in student healthcare and psychosocial support work.

On-the-job learning is one component of initial vocational education. The purpose of on-the-job learning periods carried out at workplaces, worth at least 20 credits, is to boost the work-based and practical nature of the training, increase cooperation between educational institutions and business and other working life actors, help students find employment and provide enterprises and other workplaces with skilled workforce. In the piloting of the expanded on-the-job learning system, launched in 2007, new operating models of on-the-job learning are being developed in addition to incentives for employers to participate more in the organisation of opportunities for on-the-job learning. The pilot project especially aims to encourage the entry into education of those students who are practically oriented or have been experiencing various difficulties related to studying. In addition, the project aims to reduce the dropout rate within vocational education and training and promote the completion rate of vocational qualifications.

On-the-job learning requires close and functioning cooperation within working life to succeed. To achieve this, the central labour market organisations have signed a recommendation concerning on-the-job learning and demonstrations of competence.

Apprenticeship training is mainly implemented in connection with performing work tasks in the workplace under a fixed-term employment contract. Nearly all upper secondary vocational qualifications can be completed through apprenticeship training. Quite detailed provisions have been laid down on apprenticeship training. They include terms and conditions related to matters such as the content of individual study plans and the employee regulations applicable to apprenticeship training.

The share of apprenticeship training from the total volume of vocational education is approximately 15%. The number of apprenticeship training contracts concluded in 2011 is approximately 45,000. There are roughly 90 providers of apprenticeship training. The approximate share of under 25-year-olds amongst all students participating in apprenticeship training is 75%, whereas the share of under 20-year-olds is roughly 10%.

The level of apprenticeship training as a form of vocational education for young people has remained stable apart from certain providers of apprenticeship training that have been targeted for inspections. The challenge has been the employers' high threshold for committing to long fixed-term employment contracts preparing for an initial vocational qualification that include proper employment security against layoffs and dismissals, among other things.

Since 2009, the Ministry of Education and Culture has been using discretionary state aid resources to fund projects concerning subsidised apprenticeship training. The projects' aim has been to develop new practices to be used in the education leading to a qualification and on-the-job learning of students participating in

apprenticeship training. Subsidised apprenticeship training strengthens the selection of measures that have been proven to aid especially those young people who cannot thrive in a traditional teaching environment.

The **programme for boosting the vocational education completion rate** helps to reach those students who have an above-average risk of dropping out of school. The programme also strives to find solutions for supporting students whose studying has been, or is at risk of becoming, prolonged. A third key goal is to develop practices for the completion of education for those students who have interrupted or are about to interrupt their studies, for example, on account of moving on to working life.

The regulations on **pupil and student welfare services** are compiled together to also cover general upper secondary and vocational education. In connection with preparing the new Act, the possibility of making the services of a municipal curator and psychologist available to upper secondary education students will be examined. At present, such services are provided to pupils attending basic education in accordance with the Child Welfare Act, but they are not available to students attending upper secondary education or adult education.

The **development plan 'Education and Research 2011–2016'** contains a number of measures for contributing to the situation of young adults with low-level education attainment as well as finding employment for people who are about to complete a qualification or degree. Those measures include:

- Redirecting the region-specific and sector-specific supply of education, in a way that the availability of vocational education becomes more equally divided amongst various regions and people who have completed their education have realistic opportunities for finding employment in their own field.
- Reducing gender differences in competencies and education significantly, through the action programme to promote equal opportunity in education and minimising the effect of socioeconomic background on participation in education.
- Promoting the participation of immigrants in education through various measures.
- Developing pupil and student welfare services, with an emphasis on the student welfare services available to upper secondary education students.
- Implementing the reform of the government transfer system so that the criteria for government transfers take into account the factors related to life situation and targets related to the productivity of education in a more fundamental way.
- Implementing the programme for boosting the vocational education completion rate aimed at reducing the drop-out rate, supporting the progress of studies and enabling the completion of qualifications on schedule.
- Continuing the development of the qualification structure of vocational education.
- Utilising work-centred study methods and alternative approaches to education in vocational education.
- Developing electronic information, counselling and guidance services.
- Amending the basic education requirements for people in guidance roles, in order to meet the increased competence requirements for guidance work.
- Developing the system of student financial aid for upper secondary education, which has not kept up with the wider increases in incomes.

2. Guidance within youth work cooperation networks

Development Programme for Child and Youth Policy

The enforcement of youth policy is outlined by the Development Programme for Child and Youth Policy for 2012–2015, and was approved by the Finnish Government in December 2011. In accordance with the Youth Act, the target group of the programme is anyone under the age of 29. According to the programme: *‘Increased, equal opportunities in education and employment will be created for all young people. The aim is to promote the active citizenship, solidarity and social participation of all young people.’*

Young people’s need for support

There are numerous underlying factors in the lives of young people who need support, such as loneliness, underachievement, inter-generational social problems, dropping out of school, health problems, inability to concentrate, early independence in relation to the young person’s capability to cope with everyday life, language difficulties, absence of a trusted adult, lack of self-initiative, or an inability to recognise future prospects. The risk of social exclusion of young people is also increased due to not having a service system that is efficient enough to identify young people’s need for support, the inability to offer enough support to young people with respect to their support needs, or due to the lack of services.

The four main reasons or factors that require the provision of support or rehabilitation services to young people, or perhaps multiprofessional cooperation, which keep coming up with regard to young people who participate in workshop activities and do not have an upper secondary education qualification are: 1) learning difficulties (most commonly, unidentified mild dyslexia), 2) cognitive restrictions (mild and unidentified), 3) limited social and interactive skills, and 4) self-esteem issues (most commonly, depression). These main factors do not necessarily appear immediately, but instead manifest as dropping out of school and not being able to fully commit to the services provided. As a result of the possible invisibility of the main reason, the support provided may “treat” a symptom or the outcome, but does not compensate for the underlying problem that requires solving³⁴.

The Youth Act and multi-sectoral cooperation within municipalities

The Youth Act (72/2006) was amended as of 1 January 2011 with a provision that obliges local authorities to conduct *multi-sectoral cooperation*. Municipalities must have a youth guidance and service network for the general planning of cooperation amongst local authorities and for developing its implementation. The network must include representatives from education, social, health and youth services as well as the labour and police administrations. The network may also include other municipal, government or church officials or representatives from other sectors. The network must interact with various providers of services for young people. Municipalities may also put together shared networks. The regional coverage of the youth guidance and service network in November 2011 is presented in Appendix 4.

The tasks of the youth guidance and service network include:

- 1) gathering information on the growth and living conditions of young people and using them as the basis for assessing the situation of young people for the purpose of supporting local decision-making and planning;
- 2) promoting the integration and effectiveness of services targeted at young people with the aim of securing the supply, quality and availability of the services;
- 3) planning and boosting shared procedures for steering young people to use services and, if necessary, guide them from one service to the next;

³⁴ Source: 2008–2011 reports concerning the system to guide the assessment of rehabilitation activities

- 4) promoting the fluent exchange of information related to the provision of services for young people through planning shared procedures to be used by various authorities.

Youth workshop activities

Youth workshop activities boost young people's life management skills and social independence, provide early support, promote collective growth at one's own pace and encourage learning by doing. Workshops provide young people with the opportunity to work under guidance and support as well as a tailored pathway to education, help towards completing one's education through working together with the education provider, or support for finding employment through the open labour market.

The number of young people participating in workshop activities has increased significantly in the 2000s. In 2010, more than 13,000 young people under 29 participated in workshop activities. The increase in unemployment in 2009, particularly in those sectors dominated by men, raised the share of young males to 63% of all workshop participants. In total, 73% of young workshop participants had not completed vocational education. The share of young participants who had completed basic education was 65%, however, 2% of them did not receive a comprehensive school leaving certificate. There are 196 workshops, and their activities cover 80% of the municipalities in Finland. The ratio between coaches and participants is presented in Appendix 7, along with the regional distribution of youth workshop activities.

The number of young unemployed people signposted to participate in workshop activities has remained unchanged for a long time, but the number of those directed to workshops by educational institutions and social and health care service providers has increased (Appendix 6). As many as 55% of young people are referred to workshops by an Employment and Economic Development Office (TE Office). In addition, young people are sent to workshops by upper secondary education institutions (13%) and social and health care service providers (15%). The combined share of participants arriving at workshops directly on their own initiative or via youth outreach work is 10%. The majority of work periods in workshops last six months. However, the duration may vary according to the need for support. In total, 75% of young people participating in workshop activities were successfully placed in training, work or other activity.

The number of people arriving at workshops on their own initiative has reduced by half due to the launch of the piloting of youth outreach work and the expansion of the work. Prior to the launch of youth outreach work, the share of young people arriving at workshops without referral from an authority was 8–10%, but now their share has reduced to approximately 5%.

Youth outreach work

The legislation on youth outreach work entered into force on 1 January 2011. Youth outreach work is financed by targeted government subsidies. In 2011, youth outreach work was carried out in 223 municipalities (map included in Appendix 5). The task of youth outreach work is to reach those young people under 29 who are in need of support and direct them to the sphere of such services or other forms of support that promote their growth and independence as well as their access to education and work. Young people's participation in the support measures provided under youth outreach work is voluntary. More than 97% of the young people reached by youth outreach workers wanted to be helped immediately.

In 2010, youth outreach workers were in contact with almost 11,000 young people. A mapping of service needs was performed on 5,724 of them (i.e. young people who were reached). The share of young people who were reached through social networks of young people was 24%, while 76% were contacted on the basis of a request from the authorities. Of the total amount of young people who were reached, 63% were male, 37% female. Amongst the young people who were reached, 28% had completed comprehensive school without pursuing any further education, 28% had interrupted their studies in upper secondary education, 9% were still in comprehensive school, and 16% studied at the upper secondary education level. Some other form of education was completed by 13% of the young people who were reached. The share of those young people without any post-basic qualifications of those reached by outreach youth workers was 70%. In total,

3,937 young people who were reached were provided with access to services. Ultimately, they received help through some 13,800 individual services.

The number of young people who were reached who defined themselves as unemployed was 2,688, even though 1,256 of them had not registered as a jobseeker with a TE Office. In total, 1,337 of young people who were reached were in the middle of their studies.

Disclosing the contact information of a young person

The Youth Act lays down provisions on the disclosure of information for the purposes of youth outreach work. Primarily, the personal information of a young person can be disclosed with specific consent from the young person in question. If the young person cannot be reached to obtain the consent, the contact and personal information of a young person is to be disclosed for the purposes of youth outreach work in the following cases:

- 1) an education provider discloses information on a young person who has completed basic education, but has not found placement in post-basic education;
- 2) an education provider discloses information on a young person under 25 who drops out of vocational education or general upper secondary school;
- 3) the Finnish Defence Forces and the Centre for Non-Military Service discloses information on a young person under 25 who is exempted from military or non-military service due to lack of fitness for service or who interrupts the military or non-military service.

Other authorities are legally entitled to disclose information relating to a young person for the purpose of youth outreach work if it is the authority's assessment, in an official capacity and based on the information provided while taking account of the overall situation of the young person, that the young person in question is in need of support. Reporting to outreach youth work is not necessary if the situation requires making a child protection notification.

City of Vantaa's subsidised apprenticeship training model

The City of Vantaa Youth Services has developed an operating model for the subsidised apprenticeship training of young people that allows young people to complete a qualification while working for the city. Before the apprenticeship training, there is a period of on-the-job training. In addition, the student is provided with support and counselling not only in studying and work tasks, but also in matters related to housing, finances and health. If necessary, the City of Vantaa Youth Services provides assistance for on-the-job counsellors and immediate supervisors in matters related to counselling and apprenticeship training. In the last four years, 78 students have started in apprenticeship training, and 41 have completed the training. In total, 94% of those who completed the apprenticeship training are currently employed by the City of Vantaa or some other employer.

The strengths of the operating model adopted by the City of Vantaa include it being similar to the youth work approach, the versatile support related to apprenticeship training provided for students, a strong cooperation network, and the positive role for Youth Services as an employer that emphasises youth participation and develops the operating model. The prerequisites for the successful implementation of the operating model include:

- Listening to young people, interacting with them, and taking their needs into account as regards learning at the workplace and at school
- The strong role of on-the-job counsellors
- Timely support, close relations between collaborators and partnership that all help to prevent interruptions in apprenticeship training
- Sharing of experiences amongst students, workplaces and educational institutions

The City of Vantaa's annual (net) subsidised apprenticeship training costs for the provision of apprenticeship training leading to a vocational qualification for young people is 20,028 euros per person, which comprises personnel costs, on-the-job guidance, psychosocial support, theoretical training and administrative costs. The income comprises a government subsidy and training compensations. The city's tax revenues can also be regarded as income. The alternative cost to subsidised apprenticeship training would be the benefits, mainly social assistance, paid by the City to a young unemployed person living on his or her own, which would amount to approximately 10,000 euros per year³⁵. The cost of studying at the Vantaa Vocational College Varia is approximately 10,000 euros. The calculations have not taken account of central government expenditure items such as student social benefits or labour market subsidies³⁶.

Enhancing young people's welfare through social and health services

The accessibility, timeliness, quality and sufficient supply of social and healthcare services play a key role in supporting young people in their journey to full members of society. The service system for families, from maternity clinic to child welfare clinic, as well as special services such as educational and family clinics and home help services for families with children create a support structure for the full growth, development and learning of a child. Early support enables the prevention of social exclusion at an early stage and provides children and young people with capabilities to cope in the latter stages of life as regards education, job seeking and working life.

Mental health and substance misuse services are too far apart within the service system. Mental health services mainly fall under health services, whereas substance misuse services fall under social services. A scattered service system hinders the access to services of people who are in need of them, and also makes it easier to become excluded from them. Some of the services are provided by municipalities themselves, while others are provided by organisations and private sector service providers. The development of outpatient care has become a secondary goal because a disproportionate share of the mental health and substance misuse service expenditure is spent on institutional care. However, it is also important to develop the work that promotes good mental health and a substance-free life and prevents problems.

Through the National Development Plan for Social Welfare and Health Care (the Kaste Programme), a special appropriation is allocated for the development of the municipal service structure from 2012 to 2014. The programme will include the launch of regional projects for developing the psychosocial outpatient care services for children and young people in their own growth environment. In compliance with the Government Programme, a cross-administrative action plan for reducing social exclusion, poverty and health problems will be launched. It will include measures that support the realisation of the youth guarantee.

3. TE Offices' current operating model for the social guarantee

TE Offices have utilised a youth guarantee operating model for preventing the long-term unemployment of young jobseekers since 2005. As a result, periods of unemployment among young age groups have been shorter than those of the older age groups. Between January and June 2011, the share of young people who had been unemployed without interruption for one year was 2% of all young unemployed people.

Under the Act on Public Employment Service, an employment plan is drawn up at the TE Office, together with young unemployed jobseekers within two weeks of becoming unemployed. In accordance with the current operating model for the social guarantee, young people under 25 must be offered a measure that promotes their employment and suits their situation in life within three months of uninterrupted unemployment at the latest.

The aim of the employment plan is to support job seeking and finding employment, and jobseekers are entitled to have one drawn up for them. Refusal to participate in drawing up an employment plan, not

³⁵ Source: City of Vantaa Adult Social Work (12 December 2011)

³⁶ Source: Principal Pekka Tauriainen, Vantaa Vocational College Varia

attending the drawing up or review of the plan or neglecting to comply with the plan may result in the loss of one's unemployment benefits.

In 2011, the activation rate of young unemployed people was 37%. In total, 71% of young people placed under active labour market measures started on-the-job training under the labour market subsidy or preparatory labour market training in 2009. A considerably smaller share of young unemployed people, 29%, were placed in pay-subsidised work or vocational labour market training, which provide much better opportunities for permanent placement than on-the-job training or preparatory labour market training. From the viewpoint of young people, the opportunities for finding a place in working life are most effectively achieved through long-term measures³⁷.

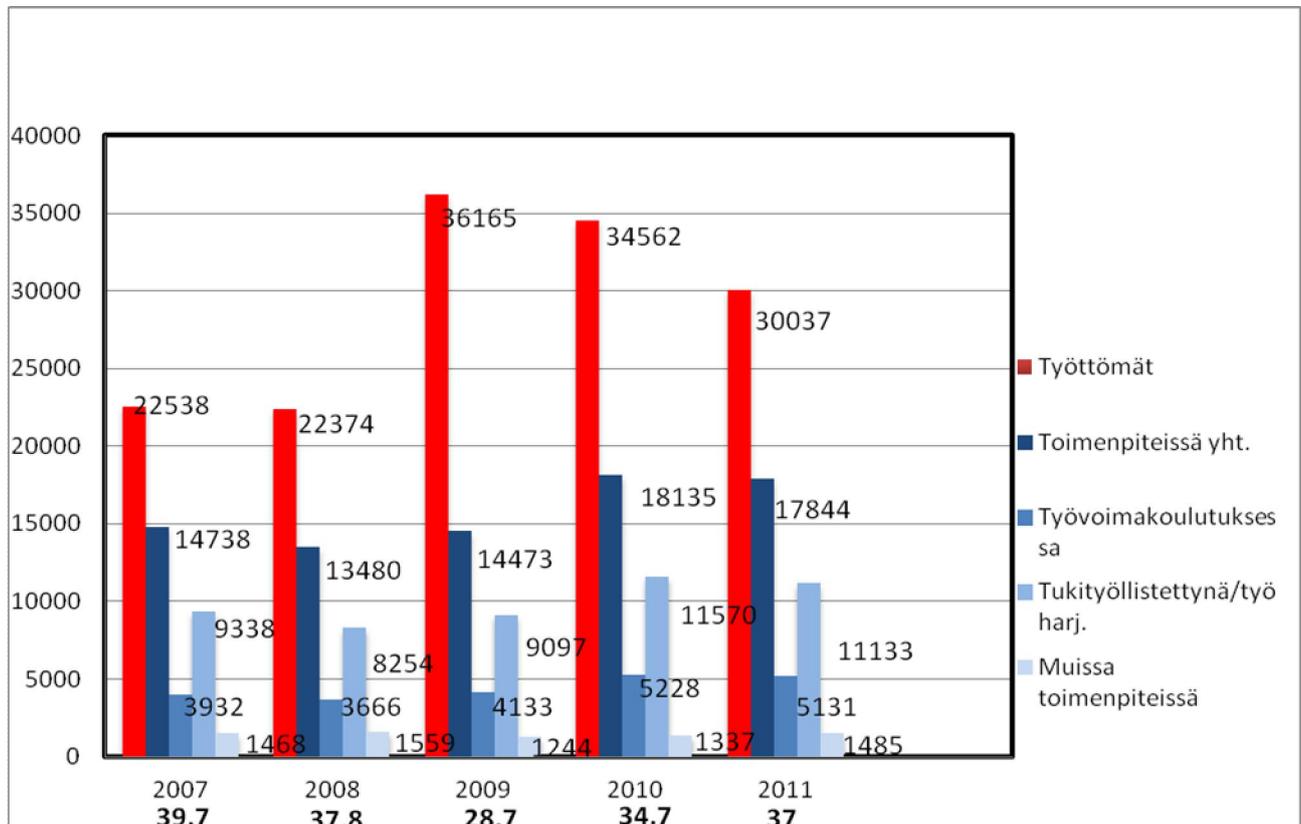
For young people, on-the-job training is often part of a longer path to employment. As such, its effectiveness cannot be assessed merely on the basis of immediate employment within the open labour market. It is common for young people to transfer from job training to institutional vocational education or some other support measure that advances their career. On-the-job training assists young people in career planning and choosing between various forms of education and training.

Finding employment after the activation measures is somewhat dependent on educational background and age. More than one-fifth of basic education graduates found employment, as did one-third of people with vocational qualifications. In 2009, the most successful cases of placement into the open labour market through vocational training and subsidised work were found among those aged between 20 and 34.

For many young people, active labour market measures coincide with the transition phase from basic education to further education, which also involves making career decisions. Active labour market measures also prevent young people from becoming excluded from the education system and working life.

³⁷ Nio et al., 2011

Figure 4. Youth unemployment and active labour market measure trends 2007-2010, activation rate at the bottom



On-the-job training is designed for recipients of labour market subsidy who are under 25 and lack vocational training. The aim is to familiarise people with working life, promote their placement in working life and improve their professional skills. In addition, young people can test their personal suitability to a specific field or profession through on-the-job training. The maximum length of participation in on-the-job training is 12 months; however, the maximum duration of a training period with the same provider of on-the-job training is six months. Calculating the length of participation in on-the-job training restarts when a person has been unemployed for an uninterrupted period of at least three months after completing the maximum amount of on-the-job training.

Those who can be guided to participate in **preparatory training for working life** include: 1) people under 25 who have completed vocational education and are eligible for labour market subsidy; 2) people aged 25 or over, regardless of their education; and 3) unemployed jobseekers covered by the unemployment benefit system (for example, earnings-related allowance and basic unemployment allowance schemes), regardless of age and education. The aim is to support entry and re-entry into working life as well as improve the professional skills and labour market capabilities of unemployed people. The maximum length of participation in preparatory training for working life is 12 months; however, the maximum duration of a training period under the same provider of preparatory training for working life is six months. Calculating the length of participation in on-the-job training restarts, when a person has been unemployed for an uninterrupted period of at least twelve months after completing the maximum amount of on-the-job training.

TE Offices are entitled to grant a **pay subsidy** to employers for covering the employment costs of hiring an unemployed person if the jobseeker is not able to find employment in the open labour market. **The Sausi Card** for boosting the employment of recently graduated young people was introduced in May 2010. The

Sanssi Card lets the employer know that a pay subsidy is granted to cover the costs from hiring the young person carrying the card. By the end of 2011, a Sanssi Card was granted to 23,894 recently graduated unemployed people aged 30 or under, and 5,332 of them were hired.

Educational and Vocational Information Service: TE Offices' educational advisers advance private clients' placement in working life and lifelong learning by providing information on education opportunities in general, vocational and higher education; various professions and their competence requirements; and the labour market in general. The aim is to provide clients with sufficient and understandable information to aid in making decisions about applying for education or professional development. In addition to personal discussions, information on studying and working life can be obtained by participating in group sessions organised by educational advisers and online. In 2010, nearly 176,000 counselling sessions were organised.

Vocational guidance and career planning services aid in solving issues related to career choices, development of professional skills and competencies, and finding employment during the various transition phases throughout a person's education and career. In 2010, close to 34,000 TE Office clients used these services. The number of clients has decreased on account of reductions in personnel resources. The TE Offices' psychologist resources for 2010 totalled roughly 200 person-years, as opposed to approximately 215 person-years in 2008. In recent years, the client structure of personal guidance services has been focusing more clearly on adults aged 25 or over.

Most young people are able to make the right decisions about their career independently. People who work as employment counsellors estimate that 80% of young people can make a career choice independently or with a little support. Electronic services can be used for meeting the service needs of a wide range of people. It is therefore important to develop online services that meet young people's service needs. Self-motivated use of online services, accompanied by support that is provided early enough, can prevent future problems that may lead to social exclusion.

The Finnish-language AVO career planning tool, developed to support vocational guidance and career planning services, is available on the website www.mol.fi. It has been used by approximately 45,000 people. More than half of the users of AVO were young people under 20 years of age, who were making their first career choice. Funded by an ESF grant, the Ministry of Employment and the Economy has been developing interactive career guidance services, such as the Career Line telephone service. The completion and introduction of the services requires personnel resources.

Labour market training for adults is aimed at developing and maintaining the professional skills and competencies of adults and improving the participants' possibilities of maintaining their job or finding a new one. Vocational labour market training mainly comprises training leading to a qualification, which provides the opportunity to complete an initial vocational, vocational or specialist vocational qualification in full or in part. The participants of vocational labour market training may also aim to complete their unfinished studies in higher education. Vocational labour market training also includes periods of on-the-job learning or on-the-job training. In addition, further or supplementary training and entrepreneurship training is available for those starting or considering starting their own business. In 2010, the number of people who started vocational labour market training when they were under 25 was 6,291, which is 7% of all new participants.

One other form of labour market training is preparatory training. It can steer individuals towards a specific field or profession or help develop one's job seeking skills, or it can be provided in the form of computer training or language training for immigrants. In 2010, the number of people who started preparatory labour market training when they were under 25 was 9,051, which is 18% of all new participants. That same year, the number of people who started labour market training when they were under 30 was 28,062, which is 33% of all new participants.

TE Office service reform

The implementation of the TE Office service reform will be initiated at the beginning of 2013. As the result of the reform, service production will be organised in line with the service needs of clients and national

service lines³⁸. A multi-channel service model will be fully utilised, especially by means of increasing the use of e-services. The service structure will be renewed by gathering up all administrative operations into 15 regional TE Offices which will have the necessary amount of branch offices operating under them. The service selection will be simplified by removing certain services and combining others to form new packages.

TE Offices carry out extensive cooperation with local and regional networks of actors. The cooperation partners include municipalities (providers of social services, youth services, youth outreach work, workshop activities and healthcare services), educational institutions, rehabilitation centres, specialised medical care providers, prisons and others. TE Offices procure services for their clients, including labour market training, preparatory training, research and vocational rehabilitation assessments. In order to collect information on each private client's competencies, professional skills and level of aptitude as well as the employment and education options available to them, TE Offices may procure analyses of competencies and professional skills, examinations and evaluations of working capacity, and other types of expert assessments and services.

Labour Force Service Centres (known under the Finnish acronym **TYP**) operate under a model based on multiprofessional cooperation in which TE Office and municipal officials, and in some cases the staff of Kela, work together to provide clients with work rehabilitation services. At present, TYP activities cover 138 municipalities, and in future they will be expanded to cover the whole country. At least 50% of TYP clients must be people who have been paid a minimum of 500 days of labour market subsidy due to unemployment. In addition, TYP can take on clients who have been unemployed for a shorter period of time and are in need of multiprofessional services. For instance, young people about to be released after serving a custodial sentence can best be helped through TYP. In 2011, the average number of Labour Force Service Centres' clients under 25 of age was 2,080 per month.

Social enterprise as an employer of young people

The Act on Social Enterprises entered into force on 1 January 2004. The share of workers employed by social enterprises is either 30% of people with reduced working capacity, or the same share as a combination of people with reduced working capacity and the long-term unemployed. In February 2012, the register of social enterprises included 161 names. The share of people with reduced working capacity and the long-term unemployed from the total amount of unemployed people under 25 is relatively low. Therefore, social enterprises mainly provide employment to people other than the young unemployed. The outcome of placing young people into working life has been good; however, the lack of clarity concerning the de minimis regulations, for example, has been working against the efforts. Opening a new branch office in another locality is impossible without shutting down an existing one. The need to amend the legislation on social enterprises will be assessed before autumn 2013.

Young people and corporate social responsibility

Corporate social responsibility refers to the responsibility of enterprises for the impacts their operations have on society³⁹. Enterprises need to link the social, environmental and ethical issues, as well as those related to human rights and consumption, to their core operations in order to maximise the accumulation of welfare to owners, stakeholders and society as a whole. Corporate social responsibility is central for the full enforcement of the youth guarantee. Young people without previous work experience have difficulties finding employment and gaining the necessary work experience if enterprises do not offer them any opportunities. The situation calls for public debate on the ways that enterprises can offer jobs and on-the-job learning and training positions of high quality in greater numbers.

Five municipalities – Huittinen, Kotka, Kuopio, Uusikaupunki and Vantaa – have launched a pilot programme called 'The Market of New Opportunities', which aims to offer every young person without a job the opportunity to gain work experience for a period of at least two months. The piloting is carried out in cooperation with enterprises, youth organisations, municipalities and TE Offices. The initiative for the pilot was generated by the Amaze Your Community forum.

³⁸ The service lines are: 1) employment and enterprise services, 2) competence development services, and 3) subsidised employment services.

³⁹ European Commission

Youth guarantee monitoring and assessment

One of the performance targets of the employment and economic development administration for 2011 was that the share of the unemployment periods of young people that lasted more than three months out of all ongoing periods of unemployment would be no more than 17% of the total amount of new unemployment periods. The target was reached at a national level; 16.4 % of new periods of unemployment of young people lasted longer than three months. The performance target was regionalised in the performance agreements of ELY Centres. The regions that came closest to the target were North Karelia (11.9%), Uusimaa (12.6%) and Ostrobothnia (13.6%). The percentage of the age group 25 to 29 year-olds was 29%, which is an indication of the prolonged periods of unemployment within an age group for which a service similar to the guarantee has not been offered (see table in Appendix 5). The targeting of services at those under 25 has helped shorten periods of unemployment. The performance target for 2012 is that the flow of young people into periods of unemployment that exceed three months does not make the share more than 14% of ongoing periods of unemployment.

The operating model and outcome of the youth guarantee were assessed in a study completed in 2007⁴⁰. The youth guarantee has had a positive impact, particularly on the situation of young people who possess relatively good capabilities for finding employment. They have benefited from the intensified service process and stronger steering to active measures. Contrastingly, the youth guarantee has been less effective with those who need above-average amounts of support. The critical factors underlying this were related to operational resourcing and the commitment levels of various actors.

4. Division of responsibilities and services in vocational rehabilitation

Research shows that the welfare and health of unemployed people is poorer in comparison to employed people⁴¹. Those most sensitive to the health effects of unemployment are recently graduated young people.

The report on working capacity assessment and healthcare services of unemployed people⁴² includes more detailed discussion on unemployment, health and healthcare services, the assessment of working capacity and the tasks of various actors. TE Offices provide their clients with information on rehabilitation opportunities and, if necessary, guide them to use the rehabilitation services provided by an authorised pension provider or Kela, the Social Insurance Institution of Finland. The vocational rehabilitation organised by TE Offices is a discretionary service, and the need for such services is assessed together with the client. The employment and economic development administration organises vocational rehabilitation for people with reduced working capacity in the form of personalised rehabilitation services, preparatory and vocational labour market training, and work trials carried out in the workplace, in addition to other support measures.

In addition to TE Offices, the parties that organise and fund vocational rehabilitation include Kela, authorised pension providers and occupational accident and motor liability insurance companies. The primary responsible parties are those with a statutory obligation to organise vocation rehabilitation; i.e. the client is entitled to the services that the parties provide. In such cases, the goal of rehabilitation is to minimise the threat of unemployment or support the return to working life of people who have been found incapable of work.

In the occurrence of an incident, occupational accident, occupational disease or traffic accident covered by an occupational accident and motor liability insurance, the rehabilitation benefits of the insured persons and recipients of compensation primarily fall under the responsibility of the said insurance schemes. The provision of rehabilitation services is based on the statutory right to receive rehabilitation as part of the compensation for a loss arising from an occupational accident, occupational disease or traffic accident.

⁴⁰ Pitkänen et al.

⁴¹ Heponiemi et al.

⁴² Publications of the Ministry of Employment and the Economy 10/2011

If the injury or illness of the insured person is likely or very likely to cause a threat of medical incapacity for work in the near future, or long-term incapacity for work, or if the person's work ability and capability to earn a living has to be regarded as significantly diminished due to an illness, defect or injury, the responsibility to organise and fund rehabilitation falls on authorised pension providers or Kela. The distribution of responsibility in such cases is determined on the basis of the insured person's level of involvement in working life.

The aim of employment pension rehabilitation is to allow people to continue working despite an illness, defect or injury, or help them return to working life after being on rehabilitation allowance or disability pension. As regards the provision of employment pension rehabilitation, it is essential that the recipient has a permanent position in working life and has maintained a connection to working life. A permanent position in working life requires that the person has accumulated employment pension earnings in the minimum amount of 31,492.15 euros (at 2011 prices) during the five calendar years previous to applying for rehabilitation, and that his or her employment or self-employment relationship is valid or has not been terminated a long time ago.

Vocational rehabilitation by Kela

Kela, the Social Insurance Institution of Finland, organises rehabilitation for preventing incapacity for work or improving the capacity for work or earning a living. A person is entitled to participate in appropriate vocational rehabilitation, if an illness, defect or injury is likely to cause a threat of incapacity for work, or if the possibility of continuing to work and earning a living has been fundamentally weakened due to an illness, defect or injury. For young people, this refers to a situation that requires assessing whether an illness, defect or injury in their current life situation causes fundamental restrictions in choosing a profession or a job.

In the evaluation of the appropriateness of rehabilitation, Kela considers factors such as the person's age, profession, previous activities, education, and various social and economic factors. In addition, it is necessary to evaluate the rehabilitation's likelihood of resulting in the applicant's ability to continue in or return to a job that is suitable for his or her state of health, or the opportunity to successfully make the transition to working life.

As regards vocational rehabilitation, Kela is specifically responsible for the rehabilitation of young people and those who have not established a place in working life. Vocational rehabilitation offers young people with reduced working capacity the opportunity to discover the right professional field to pursue an education or make a start in working life. The possibility of returning to working life via vocational rehabilitation is also provided to young people who have previously been granted a fixed-term or temporary disability pension.

An **evaluation of rehabilitation needs** is conducted on young and working-age people whose ability to work or function has been found limited due to factors that affect coping at work and the success of rehabilitation in ways that have not yet been sufficiently analysed, and that also hinder the planning of rehabilitation. The evaluation involves examining the person's physical and mental state of health and the ability to function in relation to the demands of working life, as well as mapping the situation in life and at work.

A **rehabilitation examination** can be performed on young people if the expertise or means of healthcare services, educational services or other local operators are not sufficient for drawing up a vocational rehabilitation plan. The examination involves carrying out extensive medical, social and psychological testing to analyse the situation of the person applying for rehabilitation.

Work trials are a suitable option for young people who are having difficulties finding employment, completing their vocational qualification, or deciding on the appropriate field of education. Work trials are also suitable for adults whose return to work or change of career needs further evaluation. During a work trial at a workplace, the rehabilitee will try out various work tasks under supervision. The maximum duration of a work trial period is 40 days, with one to three follow-up days or visits.

Job coaching is targeted at people who need support in entering or returning to working life, and reassurance for their career plans. The goal is to help the transition to working life either directly or via training, for example. The training periods last for a maximum of 120 days, with three to 23 follow-up days.

The primary medical reason that diminishes the capacity for work and makes finding employment more difficult for the applicants selected to participate in **job coaching for people in mental health rehabilitation** is mental illness. In conjunction with supporting employment-related goals, job coaching for people in mental health rehabilitation aims at comprehensive rehabilitation to support coping with normal everyday tasks and participating in activities outside the home. The coaching periods last at most 240 days (approximately 12 months), with 23 follow-up days.

A **training trial** is designed for young people with severe disabilities or those experiencing specific difficulties in choosing the field of education they want to pursue. The aim is to obtain an overall picture of the requirements the rehabilitee will be facing and the capabilities required from the rehabilitee to complete the education or training in question. The usual duration of a training trial period varies from a few days to two weeks.

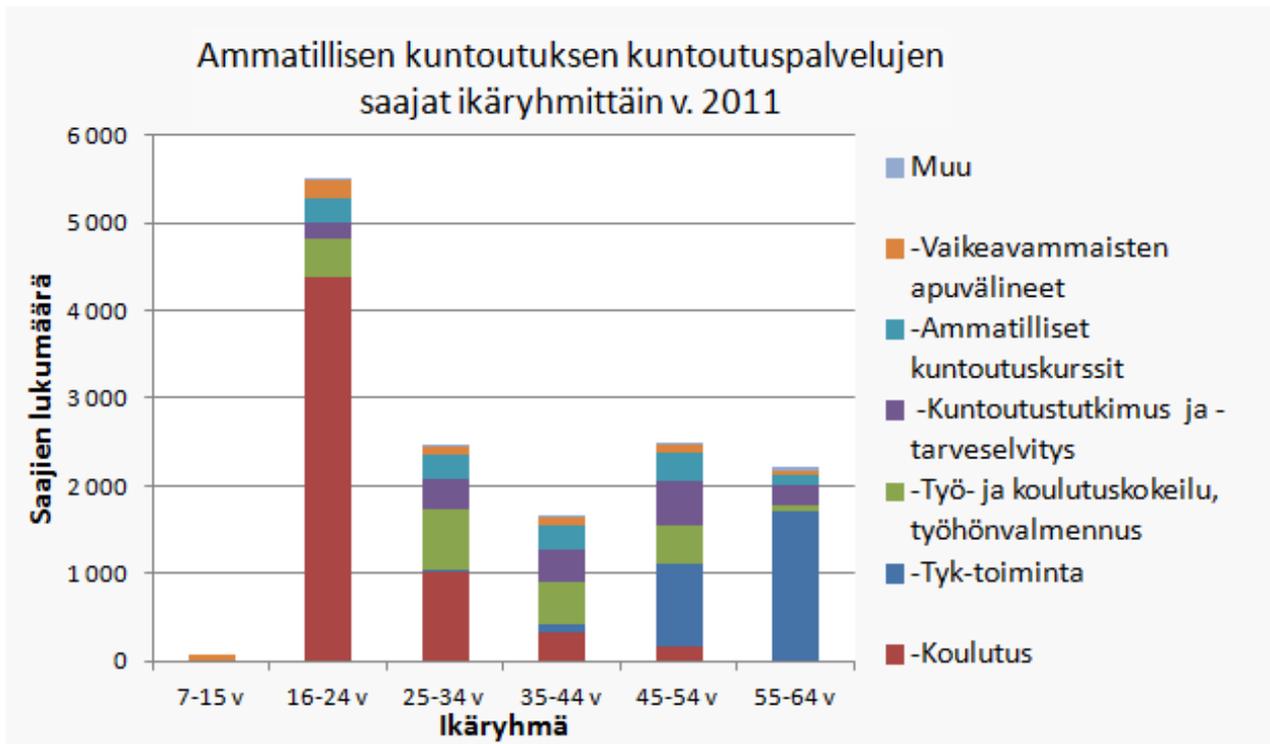
Another form of vocational rehabilitation is granting access to **training** that enables participation in working life despite an illness or injury and/or reduces the risk of losing one's capacity for work. The target educational or professional field should be suitable with respect to the person's illness or injury, and should also make earning a living possible in a job that matches the newly acquired qualifications.

Vocational rehabilitation courses for young people are aimed at those aged 16 to 25 without education or those who have dropped out of school, as well as young people with vocational qualifications who are experiencing difficulties in finding employment. In addition to illness, obstacles to committing to work/studies may include social exclusion and the lack of life management skills. The aim of the courses is to assist young people in entering working life either directly after completing on-the-job training or by helping them to find a suitable educational or professional field. The courses also aim to identify the personal resources and strengths of young people as well as develop their life management and social skills, increase their active participation, improve their vocational capabilities and create a functioning support network for them in their place of residence. The total duration of the courses is 125 days.

Vocational rehabilitation courses for adults are intended for people aged 26 to 60, with or without a vocational qualification, whose impairment/difficulties in life management limit their placement in working life. The target group also includes those people aged 26 to 60 with reduced working capacity who have been, or are at risk of becoming, excluded from working life, and those receiving a sickness or rehabilitation allowance, who are in need of the support that the courses provide for returning to working life. The courses aim to assist people to enter working life or help them find a suitable educational or professional field. Additional aims are to identify one's personal resources, improve life management skills, increase active participation, and learn how to benefit from local networks and peer support. The offering includes both short-term (51 days) and long-term (112 days) courses.

Another type of vocational rehabilitation provided by Kela is paying compensation for the necessary, expensive and challenging **assistive devices** required due to an illness, defect or injury that are essential for completing an education that leads to employment or for coping at work.

Business subsidies can be granted to support the employment or coping at work of entrepreneurs participating in rehabilitation measures. The purpose of business subsidies is to support people with reduced working capacity to start up or restart their own business and purchase the necessary tools and equipment.



Other rehabilitation services by Kela

In addition to vocational rehabilitation services, Kela may grant young people aged 16 to 19 with reduced working capacity a rehabilitation allowance for the purpose of ensuring their vocational rehabilitation and promoting their entry into working life. Eligibility requirements of the **rehabilitation allowance for young people** include that the capacity for work and earning a living or the possibilities for choosing a profession and a job has fundamentally weakened due to an illness, defect or injury. Furthermore, the resulting decrease in the ability to function must be so great as to require intensified rehabilitation and assessment of working capacity. The intensified rehabilitation and assessment of working capacity refers to the person's need for special support measures during studies and participation in other forms of rehabilitation. An additional requirement is that both a study and rehabilitation plan has been drawn up for the young person locally. The aim of granting the allowance is to encourage young people with reduced working capacity or disabilities to complete an education and seek entry into working life.

The objective of **medical rehabilitation** in turn is to secure or improve the ability to work or function of the person participating in rehabilitation. A person is considered to have a severe disability if he or she has a common medical and functional handicap due to an illness, defect or injury which causes the need for at least one year of rehabilitation, and if said handicap is severe enough to cause significant difficulties or burden in coping with day-to-day activities at home, school, work and in other life situations outside public inpatient care. The conditions for granting medical rehabilitation also require that the person is paid, at minimum, an increased care or disability benefit. As a result, changes in the level of disability benefits impact the person's right to medical rehabilitation, which in turn hinders the planning of vocational rehabilitation and entry into working life.

The forms of medical rehabilitation for people with severe disabilities are outpatient therapy (including physical therapy, occupational therapy, speech therapy, neuropsychological rehabilitation, music therapy, multimodal therapy and day rehabilitation), individual rehabilitation periods provided in an inpatient or outpatient setting, rehabilitation courses and adaptation training.

In 2011, the main diagnosis of 12,507 young people aged 16 to 29 who participated in rehabilitation organised by Kela was mental and behavioural disorders. Consequently, targeting rehabilitation services at people with mental health problems is important. Kela will reimburse the costs of appropriate **rehabilitative psychotherapy** services to insured persons aged 16 to 67, in order to support or improve their ability to work or study, if a duly identified and diagnosed mental disorder threatens those abilities. The conditions of reimbursement require that the insured person has been receiving appropriate care for at least three months since the mental disorder was diagnosed. Kela will reimburse the costs of rehabilitative psychotherapy for three years at most. The maximum number of reimbursed rehabilitative psychotherapy sessions per year is 80, and 200 over the course of three years. The costs arising from rehabilitative psychotherapy services are reimbursed to the rehabilitee according to the levels of compensation laid down in a government decree. In addition to rehabilitative psychotherapy, Kela provides support for people with mental disorders by organising mental health courses, job coaching for people in mental health rehabilitation, and other such services.

Kela also organises **discretionary rehabilitation** in line with the annual government funding. A plan for the organisation of discretionary rehabilitation covering the next three calendar years is drawn up each year to determine the allocation of funds and priorities for development. The types of discretionary rehabilitation organised by Kela include individual rehabilitation periods, rehabilitation courses for treating various illnesses, adaptation courses and neuropsychological rehabilitation services. In addition, the costs of certain vocational rehabilitation services may be covered by Kela under discretionary rehabilitation. If Kela's criteria for granting vocational rehabilitation services are not met by a young person in need of support for achieving professional targets and placement in working life, then, in the form of discretionary rehabilitation, it is possible to grant access to a vocational rehabilitation course, for example. This is one example of the efforts made to lower the threshold of gaining access to rehabilitation.

The funds allocated for discretionary rehabilitation can also be used for research and development activities. The development efforts of Kela concerning the rehabilitation services provided for young people include the *development project for the outpatient mental health rehabilitation services for students in initial vocational education*, carried out in 2011–2013 (under the OPI programme) and the *development project for the group-oriented rehabilitation services for young people*, carried out in 2011–2015 (under the NUKU programme). The OPI programme involves developing the inpatient rehabilitation services for students that are organised close to the students' everyday life environment and can be attended alongside studies. In addition, the cooperation amongst rehabilitation providers, educational institutions and student healthcare and support service providers is developed, and effective collaboration practices are created. The NUKU programme in turn involves testing and assessing the success of the group-oriented rehabilitation model and its suitability for young people aged 13 to 15 with a neuropsychiatric disorder. The objective of the development project is to discover new target groups and rehabilitation models within the field of mental health, and neuropsychiatric rehabilitation services for children and young people that can be integrated with the established rehabilitation activities of Kela. Another aim is to strengthen young people's social skills, which involves supporting their coping in social situations, boosting their self-awareness, and minimising their day-to-day problems and possible feelings of isolation caused by a neuropsychiatric disorder.

It is important to ensure that young people with reduced working capacity have timely access to other necessary services besides rehabilitation. The working capacity-based service model developed by Kela is part of the efforts to promote cooperation amongst various authorities. **Working capacity counselling** aims to prevent prolonged periods of unemployment and promote the return to work of people who are on sickness allowance by means of timely and effective rehabilitation services and other measures that support a return to work. Kela's advisers on working capacity work together with parties such as providers of social and healthcare services, TE Offices and other organisers of rehabilitation services to investigate the situation of a young person and create a common chain of services. The advisers on working capacity also monitor the progress of each young person and discuss follow-up measures. Through these efforts, the service model is used for preventing the social exclusion of young people and ensuring they have access to the services they need.

In 2011, the number of people who participated in rehabilitation services provided by Kela was 87,318. Of those, 16,640 were young people aged 16 to 29. The number of 16 to 29-year-olds participating in vocational rehabilitation for people with reduced working capacity was 6,362, while 3,137 participated in medical rehabilitation for people with severe disabilities, 5,188 in rehabilitative psychotherapy and 5,520 in discretionary rehabilitation.

Rehabilitative work activities

According to the Act on rehabilitative work activities, the municipality and the TE Office are obliged to draw up an activation plan for unemployed jobseekers who meet the conditions for activation. The possibilities for offering a job or measures promoting employment must be investigated in connection with drawing up the activation plan. In addition to the abovementioned measures, the plan may include social, health, rehabilitation and training services that enhance the possibility of finding employment. One of the measures included in the activation plan may be rehabilitative work activities.

The activation conditions for people under 25 are:

- an employment plan has been drawn up, and the person has been paid labour market subsidy for at least 180 days during the past twelve calendar months
- an employment plan has been drawn up, and the person has been paid unemployment allowance for the duration of the benefit period
- the jobseeker's interview has been conducted, and the person's income for the past four months has comprised social allowance

The activation conditions for people over 25, who are eligible for labour market subsidy or receiving social allowance, are:

- an employment plan has been drawn up
- labour market subsidy has been paid for at least 500 days
- after the benefit period for unemployment allowance has ended, labour market subsidy has been paid for at least 180 days
- the person's income for the past twelve months has comprised social allowance

In 2011, the number of persons who commenced rehabilitative work activities was 26,796. Of those 1,766 were under 25-year-olds. That year, an activation plan was drawn up for 6,675 persons under 25, which is 19% of all activation plans.

5. Special measures

5.1 Services for young immigrants

According to the Non-Discrimination Act (21/2004), it is the duty of authorities to foster equality in a planned, goal-oriented way in all they do, and consolidate those administrative and operational practices that will ensure the fostering of equality in preparatory work and decision-making. In particular, the authorities shall alter any circumstances that prevent the realisation of equality. In addition, a person commissioning work or arranging training shall, where necessary, take any *reasonable steps* to help a person with disabilities to gain access to work or training, to help them cope at work and to advance in their career for the purpose of fostering equality.

At times, the realisation of equality requires *specific measures of positive discrimination*. This refers to measures that help improve the status and circumstances of a group of people susceptible to discrimination (such as ethnic, religious and linguistic minorities, people with disabilities, or sexual and gender minorities) and are used for safeguarding the achievement of de facto equality. In effect, the measures aim to safeguard the same starting points for everyone, and they must not lead to discrimination against others.

The youth guarantee is essential to immigrants, because more than 70% of immigrants are under 35. The percentage of children with a foreign mother tongue is rising rapidly in Finland. Immigration to Finland focuses strongly on the largest cities. In Helsinki, the share of residents with a foreign mother tongue is 11%, whereas the average share of immigrants elsewhere in the country is 4%. According to Statistics Finland, in 2009 there were 12,631 persons with a foreign mother tongue and aged between 15 and 29 who were excluded from the education system and working life⁴³.

The integration of immigrants requires individual, supported pathways. Therefore, the education system must provide various types of support to meet immigrants' language learning and other special support needs. An immigrant child who has participated in early education will cope well in the Finnish education system. However, immigrant children and young people arrive in Finland at various stages of their lives.

One of the starting points of the Finnish education system is that all applicants of upper secondary education have completed comprehensive school in Finland. However, more than 20% of people with a foreign mother tongue who have completed basic education in Finland are still not able to pass the Finnish language proficiency test when applying for upper secondary vocational education via the joint application system.

Only 52% of people with a foreign mother tongue who applied for upper secondary vocational education were admitted in 2011. That year, the corresponding share for general upper secondary schools was 89%. Immigrants rarely apply for general upper secondary schools (only 1,057 applicants in 2011), but once they do, they are often admitted and rarely drop out. Moreover, the largest group of applicants for upper secondary education is immigrants aged 20 to 24, who already fall under the sphere of adult education.

Between 1996 and 2006, 15.4% of first generation immigrants who have come to Finland from outside the EU countries did not apply for, were left without a place of study at, or dropped out at an early stage of upper secondary education. The corresponding proportion from the original population was 3.5%. This is proof of not being able to provide sufficient support in basic education. Another cause for concern is that during the 11-year follow-up period, there has been no improvement in the percentage of people left outside of education⁴⁴.

The organisation of education for young immigrants who come to Finland at the later stage of basic education has not been planned and developed systematically, even though the education challenges that this particular group is faced with have been identified and brought up in many studies. For instance, many studies concerning the situation of instruction and education provided for immigrants that covered various school types were carried out by the Finnish National Board of Education in 2005 and 2006. In 2005, one of the studies examined the organisation of basic education for immigrants and the solutions used for supporting immigrants who have come to Finland at the later stage of basic education⁴⁵.

The Participative Integration project will be implemented in the form of pilot training courses in 2011–2013. The pilots model alternative types of education to be used for providing the opportunity to receive a comprehensive school leaving certificate and transition to upper secondary education for young immigrants who have come to Finland at a later stage. The results of the pilots will be evaluated in the autumn of 2013 and proposals for developing the organisation of education for immigrants will be presented on the basis of the evaluation. During the later stages of basic education, it is worth investing in the provision of guidance counselling and individual support for pupils with an immigrant background.

In line with the youth guarantee, it would be appropriate to establish a permanent model for compiling an education package targeted at immigrants. The 2013–2015 funding allocated specifically for developing the education of young people with an immigrant background could be directed at piloting this model and its further development into a permanent education model in accordance with conclusions based on the

⁴³ Myrskylä, figure from 2 February 2012

⁴⁴ Finnish National Board of Education: Immigrant students and education – study on learning results, education choices and employment, 2008

⁴⁵ Korpela 2006

evaluation of the Active Participant in Finland project. At present, measures related to young people are implemented partly in the form of labour policy measures and partly as open education measures, among others.

5.2 Military and non-military service

The time spent in military or non-military service represents a significant transition phase for young people with respect to education and working life. The recruitment procedure reaches an entire age group of young men. In 2004, the Time Out! approach was introduced. It is designed for young people at risk of social exclusion during the recruitment process and early stages of military service.

A study analysing the Time Out! approach⁴⁶ showed that the backgrounds, lifestyles and life situations of men exempted from military and non-military service varied significantly more than the backgrounds of those who were recruited. In total, 40% of the men exempted from military and non-military service had mental health problems. The personal guidance-oriented support provided in line with the Time Out! approach had a positive impact on the lives of young men.

Some of the conscripts have already completed a qualification or obtained a place of study when they commence military or non-military service. For the rest, it is important to keep the process of career planning alive in order to have a clear plan and the opportunity to implement it after they have completed their service. In its final report, the Working Group on the Conscript System has proposed boosting the provision of study and career guidance for people in military and non-military service (including volunteer women) by intensifying the cooperation amongst various administrative sectors.

For the purpose of expediting access to education, the possibilities of people serving their military and non-military service to apply for education is secured by arranging the opportunity to conduct sufficient independent study search in the military unit as part of the learner's online service coordinated by the Ministry of Education and Culture.

Timely study guidance services are provided in the military units of the Finnish Defence Forces and the Centre for Non-Military Service (including non-military service locations) during military service by social service curators and the Conscript Committee (under the Defence Forces) while making use of the information, counselling and guidance services of regional educational institutions, TE Offices and other actors. Sufficient opportunities to conduct independent job seeking and career guidance services (guiding/preparatory training) are provided for people serving their military or non-military service by TE Offices and employers together. In addition, the use of pay subsidies in order to organise support for transitioning to working life after the completion of military or non-military service will be investigated.

The study and career guidance services provided by the Defence Forces and the Centre for Non-Military Service exploit the Time Out! approach, pursuant to Section 7 of the Youth Act, for young people at risk of social exclusion.

5.3 Sentenced young offenders

The Criminal Sanctions Agency works with more than 2,000 young people under 25 each year. In 2011, a total of 1,042 young people under 25 were released from prison. That same year, 1,274 young people under 25 were given a community sanction. People completing their community service hours are often already registered as unemployed jobseekers at the moment the sentence is enforced. Community sanctions include supervision of conditionally sentenced young offenders, supervision of parolees and the more rarely used juvenile punishment. The most common form of community sanction is community service. It comprises carrying out unpaid work while participating in a programme such as a substance misuse programme. A new form of sanction is a monitoring sentence, under which the mobility of the offender is restricted and monitored electronically via an ankle tag, the use of intoxicating substances is monitored and the offender is

⁴⁶ Appelqvist-Schmidlechner 2011

obliged to perform certain activities (including work, education, substance misuse treatment). A sanction similar to the monitoring sentence is supervised probationary freedom which involves the early release of the offender from prison.

Upon arrival in prison, the background, life situation and factors underlying the criminal behaviour of the inmate and the general targets for activities during prison time are recorded at the assessment centre (there is at least one in each of the three criminal sanctions regions). The assessment centres and, in some cases, community sanctions offices evaluate a person's suitability for community service upon the request of the prosecutor. The release from prison is prepared at the prison, where the plans for implementing supervised probationary freedom are also made and the content of the obligation to perform certain activities is agreed as fully as possible.

The plans drawn up for a sentence period by an assessment centre, the follow-up data of the plans, and the release plans drawn up by prisons have elements that overlap with the reviews and employment plans drawn up by TE Offices and the activation plans drawn up by social services. **The need for cooperation is especially highlighted in the enforcement of supervised probationary freedom and monitoring sentences, because the obligation to perform certain activities often comprises on-the-job training, preparatory training for working life in the workplace, labour market training or workshop activities.** However, most of the time the prisoner will be released without so much as an appointment with a TE Office. Furthermore, information on the prisoner's activities during their time in prison (work, education, substance abuse rehabilitation) is often not transferred to the employment counsellor who conducts the assessment of service needs and draws up the employment plan. The assessment centres could also benefit from information on the plans and measures the person in question has already been involved in at a TE Office or Labour Force Service Centre.

6. Lifelong guidance as part of the youth guarantee

The realisation of the youth guarantee requires a functioning guidance system. Guidance services as well as the knowledge and capacities required in working life must be strengthened throughout all levels of education, starting from basic education. The need for guidance is also addressed through the use of the lifelong learning model.

The lifelong guidance model associated with lifelong learning refers to measures that help citizens of all ages determine what their capacities, skills and interests are at any given point in their life. The measures also assist in making decisions about their education and career as well as controlling one's individual trajectory of learning, work and other such activities where capacities or skills are learned and used. The guidance services are produced in various operating environments, including the education system, labour administration, workplaces, guidance associations and the private sector⁴⁷. The steering and cooperation committee for lifelong guidance has outlined the concept of lifelong guidance as follows:

1. Guidance services are equally available and meet individual needs
2. Individual career management skills are strengthened
3. Guidance staff have the necessary skills for the task
4. Quality assurance in guidance provision is developed
5. Guidance provision is a coordinated whole

The development of lifelong guidance, educational counselling and information services is supported by the joint ESF-funded development project of the Ministry of Education and Culture and the Ministry of Employment and the Economy, which comprises three sub-areas:

⁴⁷ CEDEFOP 2005

- the development of e-services
- the improvement of the guidance, counselling and teaching staff competence
- the establishment of regional guidance and counselling networks

The development project includes a sub-project called *Opin ovi* ('door to learning'), which focuses on the development of the counselling and guidance services provided during the search and application phases prior to the commencement of education or training.

Various surveys and studies clearly highlight the need for guidance. More guidance is needed, especially within the vocational and higher education systems. A recent study suggested that the guidance services provided in general upper secondary schools should be taken as a special development target (Hautamäki et al. 2012). The sufficiency of guidance provision during the basic education phase has been discussed by various national committees in the past. Access to sufficient guidance services during education supports young people's transition from education to working life and develops their career management and job seeking skills.

The electronic application system for upper secondary education will be expanded by the end of 2013. As a result, it will cover adult education and other forms of education excluded from the joint application system. The development work will be carried out as part of the Learner's service package included in the eServices and eDemocracy project (SADe). The goal of the Learner's service package is to provide citizens with a comprehensive selection of services supporting studying and applying for studies, learning and career planning in line with the principle of lifelong learning. An electronic centre of culture and education will be established as part of the Learner's service package in accordance with the Government Programme.

The goal of the Learner's service package is to develop a customer-oriented, unified and cost-effective set of e-services that supports the improvement of cross-sectoral work and operating practices. It is created through combining existing and newly developed services with the information systems that support their production.

Part III First phase proposals for the enforcement of the youth guarantee

In accordance with the assignment, the first report of the youth guarantee working group focuses on those policy lines and proposals that have either legislative or budgetary impacts and the preparation of which should primarily be implemented in 2012. This forms a foundation for the comprehensive and simultaneous enforcement of the youth guarantee as of 2013 within several sectors that provide youth services.

This part of the report presents the definition process for the target group for the working group's assignment as well as the division of responsibilities in the administrative sector. It also lists the working group's proposals by sector, accompanied by justifications and cost estimates. The implementation of the proposals on the youth guarantee will take account of the gender effects of the measures and the realisation of equality.

1. Definition and target group of the youth guarantee as of 2013

- 1. Each young person under 25 and recently graduated people under 30 will be offered a job, on-the-job training, a study place, or a period in a workshop or rehabilitation within three months of becoming unemployed.**
- 2. Every school-leaver will be guaranteed a place in upper secondary school, in vocational education and training, in apprenticeship training, in a youth workshop, in rehabilitation, or by other means.**

The development plan 'Education and Research 2011-2016', approved by the Government in 2011, calls this an educational guarantee, a part of the youth guarantee.

1.1 Target

Young people should find out what their post-basic education options are whilst still engaged in basic education. Problems should be addressed as soon as they emerge and further education planning enhanced, if necessary, through multiprofessional cooperation. During or after the selection of upper secondary education options, "drop outs" should be contacted in a manner agreed by the municipality's youth network actors. If the transition from basic to further education fails, the situation should be addressed immediately in order to prevent the young person from being excluded from the education system and working life. The responsibility to support young people in the transition phases of their life needs to be clearly defined. Responsibility would shift smoothly from one actor to the next in line.

The youth guarantee should appear to all young people as a complete whole formed by various administrative sectors. Sufficient time should be reserved to meet and interact with each young person so that a bond of trust can be created between the young person and the representative of the authority. The

terminology and content of services should be designed in a way that enables young people's participation and commitment to them.

Joint functions related to the legislation, financing principles and other systems of various administrative sectors as well as defining their mutual responsibilities is vital for the youth guarantee. The responsibilities, rights and obligations of young people covered by the public service system and the social guarantee must be defined. The development of the social guarantee takes account of gender equality and the promotion of equality.

1.2 Division of responsibility for enforcing the youth guarantee

It is appropriate to divide the responsibility for enforcing the youth guarantee by administrative sector. Therefore, from the viewpoint of administrative responsibility, the social guarantee is divided into three parts that cover labour policy, education policy and youth policy.

Education policy measures (Ministry of Education and Culture) primarily address part 2 of the social guarantee (the educational guarantee):

- The definition of the educational guarantee is designed to cover young people who have completed basic education in the same year. The educational guarantee will apply to graduates who complete basic education in 2013 and after. The enforcement of the educational guarantee involves creating genuine opportunities for all basic education graduates to transition straight on to further education. As before, all young people must apply for education or training as part of the normal process for deciding where to study.
- The educational guarantee will be supplemented with the skills programme for young adults aimed at providing people without an upper secondary level qualification the opportunity to complete a vocational qualification. The programme will be implemented on a temporary basis in 2013–2016.

Labour policy measures (Ministry of Employment and the Economy) address the social guarantee's part 1 on unemployed young people. Starting from the beginning of 2013, the guarantee will cover all persons who register as unemployed jobseekers:

- those aged under 25 (17–24), and
- those under 30 (19–29) who have recently graduated.

Recently graduated refers to people who have completed vocational education or a higher education degree within the past 12 months prior to becoming unemployed. Their primary goal is to find employment. The primary goal of people who have completed the matriculation examination is to move on to further education.

Youth policy measures (under the Ministry of Education and Culture) address the needs of those young people covered by the youth guarantee who need:

- assistance in accessing the services and support necessary for them that promote the growth and independence of young people as well as their access to education and the labour market, or who are about to drop out of school or terminate their service relationship, and therefore, to reach them, the above-mentioned ministries' authorities need the assistance of youth outreach work (the target group for youth outreach work);

- guidance related to social skills and everyday tasks, the possibility to work under guidance and with support and through on-the-job learning, or a tailored path to starting education, completing education in cooperation with the organiser of the education or finding a place in the open labour market (the target group for workshop activities for young people).

In addition to the expansion of youth outreach work and the enhancement of workshop activities for young people, youth policy measures oblige municipalities to organise training related to the introduction of the youth guidance and service network and monitor the enforcement of the amendment to the Youth Act.

Under the Basic Education Act, **municipalities** are obliged to organise basic education for all persons of compulsory school age residing within the borders of the municipality. **Municipalities** monitor the immediate placement of young people after finishing basic education, and ensure that those left without a place receive the information, counselling and guidance they need. The responsibility (related to basic education) of municipalities to provide guidance for pupils ends once a pupil has received his or her comprehensive school leaving certificate. In practice, however, many municipalities handle the follow-up guidance and monitoring of young people who have completed basic education.

Pursuant to the Youth Act, the youth work tasks of municipalities include providing educational guidance to young people and premises for youth work activities, a range of leisure time activities, and information and guidance services, as well as, if necessary, the organisation of workshop activities for young people and youth outreach work. Also pursuant to the Act, municipalities must have a youth guidance and service network for the general planning of multidisciplinary cooperation amongst local authorities and for developing its implementation.

Municipalities have the responsibility of organising statutory social and health services. Central government transfers to municipalities are granted for the organisation of services. In part, the costs are covered by separate government subsidies. Each municipality must provide social and health services in a manner that completely covers the need for them. Only a few separate regulations include definitions for the subjective right to service (such as basic income security or children's day care). Certain legislative provisions on social and health services lay down obligatory time limits for the service system, known as a guarantee of service, by which the client's service needs are assessed and access to service is provided.

The vocational guidance and career planning services under **the employment and economic administration** are responsible for providing vocational guidance and career planning services to persons outside the education system. **TE Offices** signpost young people to pursue employment, education, or other activities.

The Social Insurance Institution of Finland Kela organises rehabilitation services and grants rehabilitation allowances in compliance with the Act on the Social Insurance Institution of Finland's Rehabilitation Services and Rehabilitation Allowances. Kela is obliged to organise occupational rehabilitation for people with reduced working capacity, medical rehabilitation for people with severe disabilities, and rehabilitative psychotherapy. In addition, Kela may organise other types of rehabilitation services in the form of discretionary rehabilitation. Part of the funding for discretionary rehabilitation is allocated to the development of rehabilitation services. Kela compensates travel expenses arising from the use of rehabilitation services and pays a rehabilitation allowance for the time spent in rehabilitation.

2. Educational guarantee

2.1 Definition and target group

The educational guarantee is enforced as part of the social guarantee starting from the beginning of 2013 to ensure that everyone who completes basic education has a place in further education in general upper secondary school, vocational education and training, apprenticeship training, a youth workshop or in rehabilitation, or by other means.

The definition of the educational guarantee is designed to cover young people who:

have completed basic education in the same year. The educational guarantee will apply to graduates who complete basic education in 2013 and after. The enforcement of the educational guarantee involves creating genuine opportunities for all basic education graduates to transition straight on to further education. As before, all young people must apply for education or training as part of the normal process for deciding where to study.

However, this definition excludes a large number of young adults who do not have a post-basic education qualification or degree and are at risk of social exclusion from the scope of the educational guarantee. Every year, approximately 5,000 young people are left without a place in further education leading to a qualification in the same year that they complete basic education. Furthermore, on estimate, 4,700 young people drop out of general upper secondary school and 12,000 leave their initial vocational education unfinished every year. As a result, approximately 110,000 young adults aged 20-29 do not have a post-basic qualification; of these, 40,000 are female and 70,000 are male.

The educational guarantee will be supplemented with the skills programme for young adults aimed at providing people without an upper secondary level qualification the opportunity to complete a vocational qualification. The programme will be implemented on a temporary basis in 2013–2016.

2.2 Availability of education

When considering the educational guarantee, it is vital that young people gain access to further education as soon as possible after completing their basic education. Young people's access to education is influenced by the regional availability of education opportunities (the number of places of study) and the student admission criteria in use.

Around 2% of basic education graduates do not apply for post-basic education leading to a qualification through the joint application system after completing comprehensive school. In 2011, this meant around 1,400 graduates. Approximately 5.5% of joint application system applicants – around 3,500 young people – are not selected. Every year, a total of 5,000 basic education graduates are left without a place in upper secondary education leading to a qualification. Some of them seek other forms of education and training, such as vocational start courses, folk high schools or workshop activities for young people.

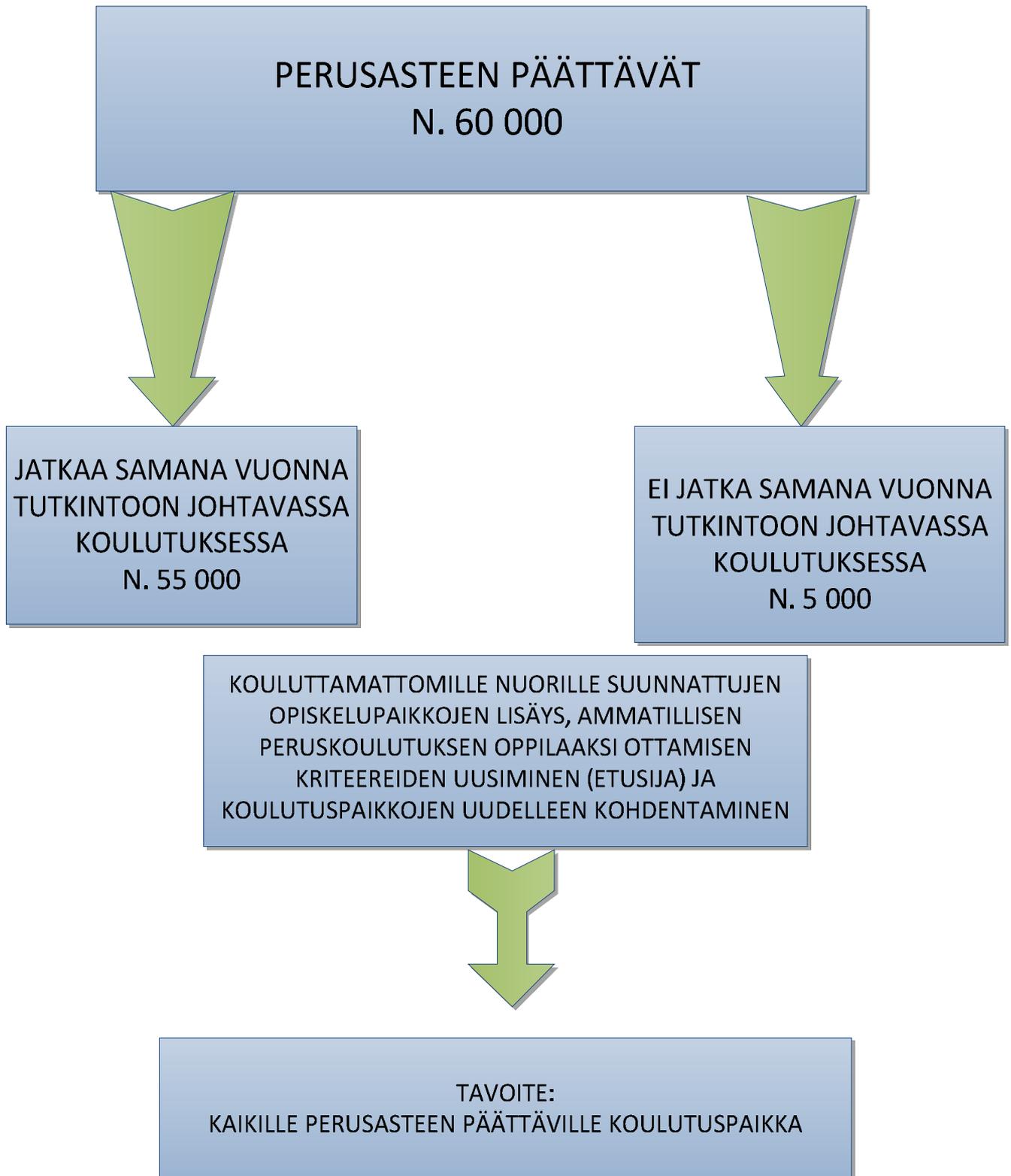
The number of entrants to initial vocational education for young people in 2016 proposed in the Government's development plan for education and research is 47,880, which corresponds to 81.4% of the predicted size of the age group of young people transitioning from basic to upper secondary education in that year. In 2009, the corresponding share was 75%. Due to the decrease in the size of the age groups, the availability of education can be improved at the national level.

At the regional level, however, the situation is different. The availability of vocational education in relation to the size of the age group of young people transitioning to upper secondary education is regionally uneven. In some provinces, availability is clearly poorer than in others.

Proposal 1. Provide more vocational education in regions with a sub-average ratio of vocational education in comparison with the number young people. As of 2013, there will be 1,200 entrants.

Costs: 17 million euros for the state and 23.6 million euros for municipalities

Figure 5. Place of study for all basic education graduates



2.3 Student selection criteria

Increased supply alone will not guarantee the provision of education for all basic education graduates. It is also important to ensure that they are selected. At present, part of the education supply targeted at young people actually focuses on multiple education, which means education designed for people who have already completed some type of qualification. The student admission criteria must be renewed to enable the prioritisation of basic education graduates and people without an upper secondary education qualification in the student selection process.

Proposal 2. Amend the student admission criteria for initial vocational education to prioritise basic education graduates without an upper secondary education qualification in the upper secondary education student selection process. The renewed criteria will be adopted in 2013.

2.4 Development of apprenticeship training

In 2009, 174 young people aged under 18 commenced initial vocational education in the form of apprenticeship training. This is approximately 2.5% of all entrants. A total of 9.5% (675) of entrants commenced apprenticeship training when they were under 20, and fewer than 44% (3,095) of entrants were younger than 25. In 2009, the total number of entrants in initial vocational education in the form of apprenticeship training was 7,075.

Apprenticeship training is a demanding form of education. Apprenticeship training is carried out under an employment relationship and requires good motivation and self-direction from the student. It has mainly interested those students who are not transitioning straight from basic education and who have some previous work experience. However, with the right type of support, apprenticeship training could also open up new opportunities to those young people who are oriented to enter working life straight after completing basic education. It should also be made possible for those people to conclude an apprenticeship agreement for a period shorter than the nominal time period required for completing a qualification. At present, the unit price for an apprenticeship agreement concluded for a period shorter than the time period required for completing a qualification in full is determined in line with the apprenticeship agreement's unit price for vocational further education that does not lead to a qualification. Thus, the price is significantly lower than it would be in accordance with the unit price for initial vocational education. As a result, in practice, apprenticeship agreements for initial vocational education are not concluded for time periods shorter than three years.

Young people covered by the educational guarantee need more support from the employer to improve their competence than students in apprenticeship training in general. However, the existing level of training compensation for employers is not sufficient for providing more efficient support than normal at the workplace.

The educational 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.

Although the proposal provides better conditions for education leading to a partial qualification, the end goal for young people is always the completion of a full qualification.

Proposal 3. Amend the criteria for determining the price of apprenticeship training directed at a partial qualification for young people covered by the educational guarantee who have completed their basic education to the effect that the unit price is determined in line with the unit price of vocational education directed at a full qualification.

The training compensation for employers of young people covered by the educational guarantee will be increased to 800 euros per month, while the student volume will be approximately 500.

Costs: higher training compensations amount to approximately 5 million euros

2.5 Improvement of young immigrants' study skills and language training

The entry of young immigrants and young people with an immigrant background to post-basic education requires special measures. The proportion of persons who have not applied for or been selected for further education and who have dropped out of school is greater among young immigrants than the corresponding proportion from the whole population. The situation is particularly challenging for young people who have come to live in Finland at a later phase of their basic education.

Education and training preparing immigrants for vocational education will be organised. According to the development plan 'Education and Research 2011–2016', education preparing for general upper secondary education will be provided as of autumn 2014. In addition, it is necessary to increase the volume of education and training targeted at young immigrants that supports the development of their study and language skills and can be flexibly tailored to meet the needs of this target group. Educational institutions providing open education have excellent capabilities for organising such activities. Student fees can be lowered by up to 100% through the use of education vouchers.

Proposal 4. Support the improvement of young immigrants' study and language skills by increasing related training in folk high schools and community colleges. Student fees will be compensated for through granting education vouchers.

Costs: 2 million euros; the estimated student volume is 1,500.

2.6 Skills programme for young adults

A temporary skills programme for young adults will be implemented as part of the youth guarantee. The objective is to provide an opportunity to complete an upper secondary vocational qualification for those persons under 30 with or without a basic education qualification, who were left without a place of study before the youth guarantee was adopted. The skills programme for young adults also assists in reducing open unemployment.

A proportion of the existing study places can be targeted at achieving the skills programme's objectives, for example, through enhancing vocational education and training and keeping the reduction rate lower for study places than for the size of the age group, as well as through regional retargeting of study places and the renewal of student admission criteria. These measures can help bring down the number of unqualified people under 30 at the rate of approximately 5,000 entrants per year. However, other measures will be necessary as well.

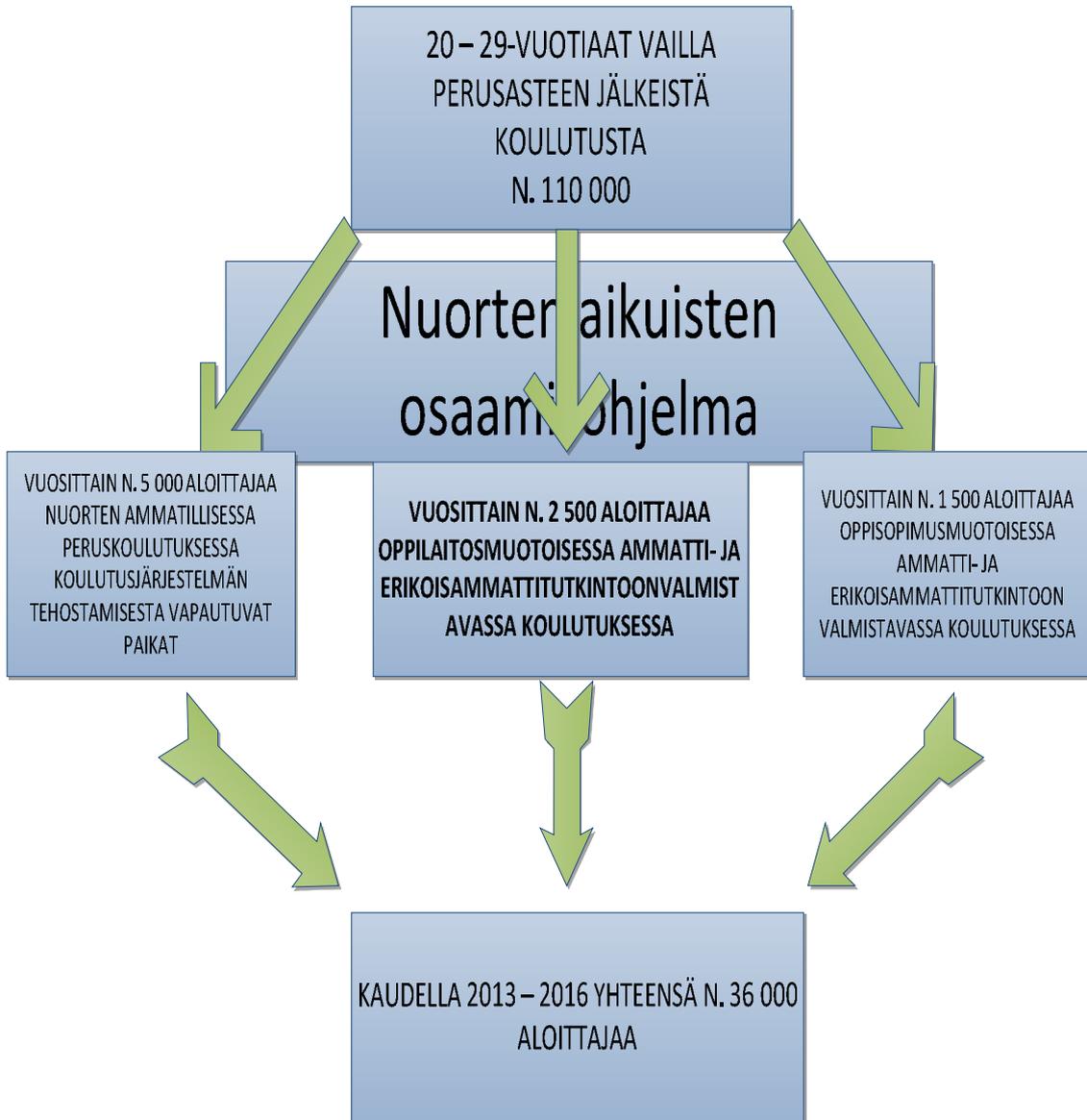
Proposal 5. Establish a skills programme for young adults for 2013–2016.

Programme costs amount to 27 million euros in 2013, and 52 million euros per year in 2014-2016, distributed as follows:

- Increasing the volume of preparatory education for education leading to a vocational or special qualification by approximately 2,500 entrants: additional costs are 20 million euros in 2013 and 40 million euros per year in 2014–2016**
- Increasing the volume of preparatory education for a vocational or special qualification completed in the form of apprenticeship training by 1,500 entrants: additional costs are 5 million euros in 2013 and 10 million euros per year in 2014–2016**
- Enhancing the counselling and guidance services for adults: additional costs amount to 2 million euros per year**

The implementation of the programme cannot be covered by the 60 million euro appropriation reserved for the social guarantee. Therefore, additional sources of funding are required. Implemented in the form of further vocational education, the programme's public costs would be completely covered by the state.

Figure 6. Skills programme for young adults



3. Guidance within cooperation networks

3.1 From basic to upper secondary education

Basic education actors' responsibility to provide guidance and counselling ends with the young person completing his or her basic education. TE Offices sometimes also provide guidance services for those under 17. However, because young people have to search and apply for the service themselves, they often fail to find the right service to meet their needs. According to the Government Programme, municipalities' responsibilities to provide guidance and counselling for young people who complete their basic education must be increased. The Association of Finnish Local and Regional Authorities has also outlined in its educational policy programme that municipalities are to guide each young person with a comprehensive

school leaving certificate to further education or some other suitable controlled activity⁴⁸. This task is new to municipalities, and not yet regulated under the existing legislation.

The learner's service package prepared and compiled under the eServices and eDemocracy project (SADe) will include a section designed for local and regional administration staff for recording data on each young person's participation in the joint application process, every offered and accepted place of study, and all completed studies. Systematic post-guidance and its monitoring require more wide-ranging exchange of information amongst counselling and guidance personnel. Moreover, young people must have access to all the necessary data. If a young person is left without a place of study during the transition phase from basic to further education, his or her contact information must be automatically transferred to the local authority's body responsible for youth outreach work in accordance with the Youth Act. The perspective and needs of the social guarantee should be taken into account in the development of information management systems.

At present, information is transferred from the KOULUTA information management system to upper secondary education providers, and then forwarded to Kela and TE Offices on the basis of special agreements and through separate computer runs and data transfers. Basic education student counsellors are provided with a list of students who were offered a place of study in further education, but they are not informed about those that are rejected. Furthermore, information on who has received special needs education is not provided.

During the initial phase, problems with the flow of information must be resolved for the existing systems and regulations. In the future, the SADe project must provide seamless support in enforcing the youth guarantee.

Proposal 6. Under new legislation, municipalities are made responsible for providing guidance for young people who complete their basic education. Further preparations will include specifying the content of the new legislation and estimating its cost impacts.

Proposal 7. Use of and access to information related to the transition phase following the completion of basic education is to be regulated by law. Legislative provisions determine in what role and through what means information related to applying for and starting further education is accessible to various authorities, the young person in question, and his or her parents/guardians.

3.2 Ensuring the introduction of a youth guidance and service network within municipalities

In the best possible scenario, in accordance with the Youth Act, the youth guidance and service network will enable the exploitation of information related to the course of life and living conditions of a joint target group for various sectors, as well as rapid reactions to changing situations, such as economic fluctuations. Network-based cooperation establishes the principles of joint work. Each sector will improve and develop its own services for young people whilst being fully aware of other actors' goals and progress.

According to a nationwide evaluation of basic service provision published in early March 2012, a statutory youth guidance and service network has already been established in 60% (191) of the municipalities in mainland Finland. Add to that number the networks under preparation (in 99 municipalities), and the obligation is realised in 90% of all municipalities. No network was complete or under preparation in 30 municipalities; for some, the justification for the situation was an upcoming municipal merger. Each youth guidance and service network must comprise six sectors, however the healthcare sector is missing from one in ten of the networks, and police administration is not included in one in five of the networks. The majority of network chairs estimate that the Youth Act steers various bodies to adopt a way of thinking that is

⁴⁸ 2011 Educational policy programme of the Association of Finnish Local and Regional Authorities: Future direction of education 2020

compliant with youth policy and provides a structure for the tasks of the network. Moreover, it has improved cooperation related to handling the affairs of young people within the municipality⁴⁹.

On the basis of the evaluation and other information, informative guidance and instructions are necessary to conduct the following matters related to the organisation of the networks and the implementation of the statutory tasks:

- joint network meetings will be arranged for the representatives of all sectors or administrative bodies referred to in the Youth Act
- participation in the activities of the youth guidance and service network will be included in the job description of the authorities and representatives appointed to the network
- assistance will be provided for the network for handling statutory tasks, and
- assistance will be provided for establishing practices for collecting and processing information

Proposal 8. Youth services provided by the Centres for Economic Development, Transport and the Environment (ELY Centres) are responsible for the provision of regional training concerning the Youth Act amendment, as well as disseminating the best practices developed by youth guidance and service networks within their local area.

Cohesion is necessary in providing municipalities and local authorities with informative guidance related to participation in the youth guidance and service network.

3.3 Youth outreach work will be expanded throughout the country and workshop activities for young people will be enhanced

Legislative provisions on **youth outreach work** entered into force on 1 January 2011. In 2010, 75% of the 5,724 young people contacted through youth outreach work were either engaged in education or training or some other form of public service, or were about to terminate their participation in the activity which meant that the youth outreach work officials in question could not reach the young people they were trying to contact. One in four of all young people were reached as a result of an initial contact made by the young person, or a friend or parent of the young person. This group of young people is often excluded from public services.

In 2011, youth outreach work was conducted in 70% (223) of the municipalities of mainland Finland. The target group of youth outreach work comprises young people who are not in education or employment and are excluded from public services. The increased number of municipalities applying for state subsidies as well as the evaluations on the need for youth outreach work carried out by municipalities show that the need for youth outreach work has been identified by municipalities. Expanding youth outreach work to cover the whole country will reduce young people's feelings of being excluded as well as the risk of social exclusion. Applicant municipalities have achieved a good level of preparedness for a rapid launch of operations.

The provision of guidance and support for young men who have been exempted from military or non-military service primarily exploits the joint Time Out! approach for putting one's life back on track, adopted by the municipalities, the Finnish Defence Forces and the Centre for Non-Military Service. The approach focuses on providing psychosocial support that promotes well-being and coping and prevents problems. Youth outreach workers participate in the activities of local Time Out! networks and provide support services in cooperation with counsellors and youth workers from other sectors.

The provision of **workshop activities for young people** covers almost 80% of the country. In a nationwide survey conducted in 2010, 66% of the workshops reported not being able to accept all young people wanting to participate in their activities. Reasons for this included, for example, a lack of guiding personnel, suitable premises for the activities, and financial resources for the workshop.

⁴⁹ Regional State Administrative Agencies' status report on basic public services in 2011, published on 6 March 2012

More places in workshops must be created for young people, because in addition to the employment administration, educational institutions and social services, young people are signposted to participate in workshop activities through youth outreach work. At the same time, cooperation between workshops and youth outreach work will be strengthened in the provision of low threshold services for young people. The expansion of start-up training will also be promoted. Start-up training involves assessing the young person's service needs and, if necessary, mapping his or her working capacity, ability to function and skills. The target group comprises young people who need strong support in the management of everyday life and for finding a path forward.

The expansion of workshop activities for young people provides them with services that support everyday life skills and help maintain existing skills, and also prevent young people's social exclusion or reduce the periods of time that they are left outside of education and working life.

It is estimated that the proposed measures will reach 6,000 more young people than the youth outreach work and workshop activities for young people did in 2010.

Proposal 9. Youth outreach work is to be expanded to cover the whole country. The expansion of operations also takes account of the cooperation and integration of methods in line with the 'Time Out!' approach.

The extent and quality of workshop activities for young people is improved and cooperation with education institutes is increased. Workshop services are enhanced through start-up training to facilitate the swift steering towards services of young people who are contacted by means of youth outreach work.

Costs: 8 million euros

4. The employment and economic administration's measures for promoting the employment of young people and supporting their transition to the labour market

Under current regulations, an employment plan is drawn up together with the unemployed young person within two weeks of them becoming unemployed. Each jobseeker is entitled to make a personal employment plan. Refusal to draw up an employment plan and neglecting to comply with the plan may result in the loss of one's unemployment benefits. A person aged 18–24 loses the right to labour market support, for example, if he or she does not accept a job offer or place in training, or refuses to participate in certain labour policy measures. An additional requirement is that the young person has applied for vocational education.

In line with the employment plan, young people must be offered a measure that promotes their employment within the first three months of unemployment. However, in 2011, 16% of new periods of unemployment of young people lasted longer than three months. For people aged 25–29, the corresponding share was 29%. For the successful realisation of the youth guarantee, the offering of jobs, places of study and other active measures for young people must be increased.

4.1 Enhancing the employment and economic administration's career guidance services

Young people's need for guidance and support in making decisions about education and a career has been verified by numerous surveys. As the personnel resources decrease and the demand for services grows, one may have to queue for guidance services for several months in certain regions. Meeting the service demand calls for added personnel resources as well as the efficient use of various service channels. Guidance can also be provided as part of labour market training. Through on-the-job training, young people gain knowledge about working life that is necessary for making decisions about their education and career.

Enhancing guidance and counselling services

The vocational guidance and career planning services under the employment and economic administration are responsible for providing guidance to people excluded from the education system. The majority of young people are capable of making their own career choices independently or with the help of online or telephone services. However, for many young people, there are certain obstacles to applying for a place of study or a job, and crossing them requires individual ways of tackling the situation and searching for a solution. It is important that both during participation in active measures and after completing them, young people have access to counselling services that lead to education or employment.

The number of vocational guidance psychologists has decreased in 2005–2011 by 25% to around the equivalent of 200 person-years. At the same time, psychology resources have clearly been targeted at adults more than before. The proportion of under 25-year-olds among the TE Offices' counselling service clients is one-third. The proposed additional resources for counselling services enable offering the services to approximately 10,000 young people.

It is necessary to increase cooperation among TE Offices, educational institutions, municipalities and other actors in organising counselling services in order to ensure the availability and high quality of services. At the regional level, ELY Centres must take on the responsibility of coordinating the development of cooperation.

The education administration is developing the electronic Learner's service package, which will include a Study Path portal. It brings together information on education and training opportunities, descriptions of qualifications and degrees and details about various sectors and professions, as well as career planning programmes for people who are making decisions about their studies and career. The Ministry of Employment and the Economy develops the electronic services in collaboration with the education administration. Extensive counselling networks have been created under the ESF-funded Opin Ovi projects.

It is also essential to create an interactive counselling service online. The Career Line telephone service, piloted in 2011, can be introduced if the resources for it are secured.

Proposal 10. Enhance the TE Offices' vocational guidance and career planning services by increasing the personnel resources for the services by 60 person-years.

Some of the additional resources are allocated to services for people with higher education degrees, immigrants and persons with reduced working capacity, as well as for online and telephone services.

Costs: 4 million euros

Proposal 11. Centres for Economic Development, Transport and the Environment (ELY Centres) compile a regional network for the coordination of guidance and counselling services.

Providing more guidance courses for young people who are pursuing their first career or who are considering a new career

Versatile guidance courses are offered to young people under preparatory labour market training. The target group for such courses comprises young people who lack basic knowledge about professions, study options and working life, as well as those transitioning from one profession to another or are considering starting a business. The courses' content may focus on the development of skills required in working life and studying, on job seeking and applying for education, on vocational planning, on applying for apprenticeship training, or on training for entrepreneurs. Individualised support services may be integrated to the programme in preparation for learning difficulties or other such special needs or a need for additional support.

A large share of unemployed young immigrants have only completed basic education, or have not completed it at all. It is necessary to increase the volume of labour market training to develop the study skills of young immigrants and to improve their language skills.

Labour policy measures are primarily directed at unemployed persons who are 20 or older. The increased resources for counselling are also directed at enhancing counselling services for young immigrants in TE Offices and strengthening the networks covering integration experts and organisers of training within the municipalities.

Proposal 12. Provide more guidance courses for young people who are pursuing their first career or who are considering a new career.

Costs and volume: 1 million euros, 40-day guidance courses for 780 young people.

Proposal 13. Provide more labour market training for young immigrants, including courses that help improve their study and language skills.

Costs and volume: 1 million euros, six months of training for 260 young people.

On-the-job training to support career and education choices

On-the-job training allows young people to try out different work tasks, gain more work experience and obtain knowledge about working life for making further decisions. On-the-job training under labour market subsidy will not incur additional costs in comparison to the costs arising from unemployment. The objective will be that approximately 12,000 young people are given the opportunity to do a three-month period of on-the-job training.

The working group, assigned to examine the terms and conditions for pay subsidies and labour market measures implemented at the workplace without an employment relationship, will be submitting more detailed proposals by the end of May 2012.

Young people will participate in workshop activities under a pay-subsidised employment relationship or as on-the-job training. The maximum duration of a single on-the-job training period under one provider has been limited to six months. This means that periods of on-the-job training carried out in workshops cannot exceed six months.

Proposal 14. On-the-job training is to provide strong support for career planning. The maximum duration of an on-the-job training period at a workshop under one employer should be made more flexible.

Recently graduated young people should not be primarily signposted to on-the-job training positions; instead, their entry into working life should be supported by means of pay subsidies.

4.2 Supporting young people's transition to working life

More than half of all unemployed young people have completed an upper secondary vocational qualification, but they are experiencing difficulties in finding their first job in their own field of work.

Support for self-motivated job seeking is vital for young people with qualifications. A survey targeted at young people conducted in the autumn of 2011 showed that some young people have deficient job seeking

skills. Some of the young people were offered job search training, which includes, for example, instructions on using electronic services and writing a CV. Job search training enables peer support within groups of jobseekers.

Vocational rehabilitation services provide individual support and counselling for job seeking to young people facing more than the usual challenges in finding employment. Vocational rehabilitation services ensure jobseekers' entry and placement in the open labour market in line with the goals of a rehabilitation plan. Outsourced job coaches will visit companies in order to support employers in their efforts to customise jobs for young people. The work conducted by job coaches has produced excellent results.

The threshold of employers to hire recently graduated young people has been lowered through pay subsidies directed at young people and the **Sanssi card**, accompanied by a publicity campaign that lasted until the end of 2011. The Sanssi card indicates to employers that they can apply for pay subsidies for the purpose of hiring young people. The amount of pay subsidy for full-time work is approximately 650 euros per month for the duration of the apprenticeship training or up to a maximum period of ten months. The Sanssi card is used when applying for a job with companies, associations, foundations or municipalities.

Vocational labour market training may also be necessary for young people; it may involve supplementing the worker's skills to meet the employer's needs, taking part in skills conversion training and/or licence training, or other means of supplementing one's skills. Primarily, labour market training is offered to people over 20, and to those aged between 25 and 29 in particular.

Supporting young people's job seeking

The experiences garnered from job search training have been positive. However, more operating models need to be developed, such as job search groups operating via a web service. The new operating models require further development measures, productisation and dissemination.

Traditional job search groups for young people are still necessary in addition to groups operating via a web service. For the majority of TE Offices' younger clients, the threshold to start job seeking is high. Therefore, it is important to provide young people with support and encouragement face-to-face.

Proposal 15. Support in job seeking through short-term job search training.

Costs: 2 million euros, volume: 6,300 young people/two-week job search training

Facilitating the employment of young people in companies through pay subsidies

The pay subsidy system is a form of compensating for young people's lack of work experience to the employer. Companies' employment of recently graduated young people through the pay subsidy system has been supported with the Sanssi card, accompanied by a publicity campaign. According to a study that evaluated the Sanssi card, 75% of employers and 60% of young people are satisfied with it (Pitkänen & Aho 2012).

The Sanssi card was granted to approximately 24,000 young people between June 2010 and the beginning of 2012. By using the card, around 5,300 young people were employed. The card was given to around 14,200 men, and a pay subsidy was utilised to hire some 3,100 of them. Approximately 9,700 women received the card, and some 2,200 of them were taken on.

The working group, assigned to examine the terms and conditions for pay subsidies and labour market measures implemented at the workplace without an employment relationship, will be submitting proposals on the terms and conditions of the pay subsidy system and the measures for reducing employers' administrative burdens arising from the pay subsidy system by the end of May 2012. The development of the pay subsidy system also supports the apprenticeship training provided for unemployed young people. The

renewed terms and conditions of the pay subsidy system must take account of the objective of the youth guarantee to offer unemployed young people employment measures within the first three months of unemployment.

Proposal 16. Lower the threshold of employers to hire recently graduated young people with no previous work experience by making the Sanssi card permanent.

Reduce the employers' administrative burden arising from the use of pay subsidy.

Costs and volume: 9 million euros, a six-month pay-subsidised work period for 2,800 young people.

Proposal 17. Promote the entry into the labour market of young people through job coaching that supports both the young jobseeker and the employer.

Job coaches advance the placement into working life of young people who have difficulties finding work on their own and/or need assistance in the workplace at the beginning of the employment relationship (for example, persons with disabilities or reduced working capacity).

Costs: 2 million euros, volume: 2,000 young people.

Supplementing young people's professional skills

Vocational labour market training can be offered to young people who have not completed their studies in vocational upper secondary education or higher education, or whose final marks are so poor that the level of their professional skills does not meet the needs of the labour market, or for whom it is necessary to change profession due to health or other reasons.

The objective of participating in the training may be to complete a full or partial vocational qualification, to supplement and enhance one's existing professional skills to better meet the demands of working life, to gain additional qualifications, or to obtain certain permits, passes or licences necessary in working life.

Vocational training programmes can also be specifically designed for and targeted at young people, but it is more common to send young people to participate in training that is suitable for them together with adults. Before that, however, they take an aptitude test to show that they have sufficient study skills.

The option of offering individualised support services may be integrated into the training programmes, for example, in preparation for learning difficulties or other such special needs or a need for additional support.

Proposal 18. More vocational labour market training for young people, provided in the form of further and supplementary training, as well as licence training.

Costs: 4 million euros, volume: 1,460 young people/3 months

4.3 Supporting young people's entrepreneurship as an alternative to paid work

The development of entrepreneurship among young people focuses on developing different types of entrepreneurship as well as new methods. Entrepreneurship of young people also needs to be supported in connection with changes of generation or ownership.

In a survey targeted at young people conducted by the Ministry of Employment and the Economy in the autumn of 2011, 45% of the respondents said they had considered entrepreneurship as an employment option. The respondents felt they had not been supported in their efforts of starting their own business by the TE Office, and were expecting the role of TE Offices as providers of advice and guidance to be strengthened. In total, 17% of the respondents said they had not received information about entrepreneurship. (editor's remark: 83% of the respondents were given information?)

Young people need guidance and support if they are considering starting their own business. Business advisory services should be developed to meet the needs of young people in particular, and individual service needs should be identified more effectively. Furthermore, business advisory services should include providing support in drafting a business plan, for example.

Collective entrepreneurship especially interests young people. Young people want to share responsibilities and challenges, as well as exploit the support provided by a more experienced entrepreneur. Team and communal entrepreneurship can be promoted through mentoring and cooperatives. The benefits of forming a cooperative include the need for less capital and a more limited financial responsibility. In order to increase the opportunities for peer support and sparring, Start Up workshops and business incubators should be established. In addition, part-time entrepreneurship must be supported to provide young people with the possibility to test their business ideas and their capability to cope as an entrepreneur.

The entrepreneurial skills of young people will be improved through labour market training. Labour market training provided in the form of entrepreneurial training (for unemployed people over 20 who have a qualification or degree) can be a combination of developing professional and business skills.

Start-up grants of 670–1,080 euros may be granted for 18 months at most. The percentage of young people from all applicants awarded a start-up grant is approximately 10%, which is about 800 young people per year. Amongst all labour policy measures, the start-up grant is one of the most effective methods for establishing a position in the labour market. The survival rate of businesses founded with the support of a start-up grant is clearly higher than for businesses launched through other methods.

Proposal 19. Support and develop new forms of advancing self-employment and entrepreneurship (cooperatives, teams, mentoring, etc.) through training, guidance and start-up grants.

The amount of entrepreneurship training provided in place of labour market training is increased and the method for implementing entrepreneurship training is developed to meet the needs of young people.

Costs: 5 million euros, six-month training periods or start-up grants for 1,300 young people.

4.4 Labour market subsidy for young people – rights and obligations

Persons under 17 years of age are not entitled to labour market subsidy. If a 17-year-old lacks vocational education, he or she can be granted labour market subsidy only for the duration of participating in a labour policy measure. People aged 18–24 are also entitled to labour market subsidy during unemployment, provided that they have not turned down, or resigned from, or been dismissed from, a job, a place of study or training position, or certain labour policy measures. A further requirement is that the person has applied for and been accepted onto suitable vocational education, eligible for student financial aid, and he or she has not turned it down, dropped out or been expelled. The right to labour market subsidy may be returned once the person has held a job, or been in on-the-job training, a work trial or in labour market training that meets a specific condition regarding his or her employment history, for an uninterrupted period of at least five months, or has completed a vocational qualification, or has turned 25.

The Ministry of Education and Culture and the Ministry of Employment and the Economy have commissioned a report that examines how young people find their way to education and training and on what grounds they are granted labour market subsidy⁵⁰. The report studies the obligation of young people to apply through the joint application system for at least three different places of education or training, and in the event of being accepted, how they are obliged to start and complete the education or training in order to become entitled to labour market subsidy if and when they become unemployed.

According to the results, a large percentage of young people do not apply for education or training in a manner required by the obligation. The resulting sanctions are common. Regardless of this, nearly 90% of young people have completed a vocational qualification or are pursuing one at the end of the review period. Not completing one's education is common, especially in upper secondary education, but the obligation itself does not significantly increase the drop-out rate. There is general discontent regarding the structure and content of the obligation to apply, and the joint application process for the autumn term in particular was criticised by all the respondents participating in the study. The key conclusions of the researchers include alleviating the obligation to complete education or training, and the need to provide more information and guidance for young people. According to the report, on the other hand, young people did not object to the obligation to participate in certain activities in order to receive labour market subsidy.

Proposal 20. Alleviate the obligation to apply for education or training as eligibility criteria for labour market subsidy.

The alleviation should be conducted so that the obligation to apply for education of training in the spring remains unchanged, but the number of application changes is reduced from three to two. The obligation to apply for education or training in the autumn as eligibility criteria for labour market subsidy should be removed.

The significance of the employment plan is to be emphasised. If the employment plan includes an agreement with the unemployed young jobseeker for the use of an alternative solution to education or training to promote his or her employment, neglecting to apply and/or participate in training must not result in the loss of his or her labour market subsidy.

In the event that regulations are amended through the above-mentioned alleviation methods, more detailed analysis on the consequences of the proposals on the number of people eligible for labour market subsidy must first be conducted.

4.5 Steering young people to working life through rehabilitation

Provisions concerning cooperation on client services within rehabilitation are laid down in the Act on Cooperation on Client Services within Rehabilitation (497/2003). The Act aims to assist rehabilitees to obtain the rehabilitation services they need and, for that purpose, promote cooperation amongst relevant authorities and other organisations and institutions in situations that require measures from several organisations providing rehabilitation. The Act provides for the principles regarding the cooperation of different administrative sectors and the client's status as well as for the procedures to be observed in that cooperation. According to section 2 of the Act, social welfare and healthcare authorities, employment and educational authorities and Kela, the Social Insurance Institution of Finland, shall cooperate with each other at the local, regional and national level. These authorities shall also cooperate with other rehabilitation providers.

Cooperation on client services is primarily carried out as a part of the usual activities of the relevant authorities. Furthermore, cooperation is carried out in local, regional and national cooperation bodies. A local cooperation body will be a cooperation group for client services within rehabilitation, to be appointed by the municipal authorities for a four-year term at a time.

⁵⁰ Aho et al. 2012

As regards young people with reduced working capacity, cooperation amongst various actors is essential for the purpose of ensuring the timely provision of services for young people by various parties, and to prevent the marginalisation of young people. Employment support provided by TE Offices should be integrated into the vocational rehabilitation services designed to improve people's capabilities for finding employment. For instance, when young people participate in a vocational rehabilitation course organised by Kela, a TE Office representative should be included in the process, making plans for the future as well as for new on-the-job training positions from the perspective of providing post-rehabilitation employment opportunities. This type of cooperation would help guarantee that young people are provided with all the services and support they need to make the transition to working life a reality.

The vocational rehabilitation services provided by Kela specifically cover people with reduced working capacity who are young and who have not established their place in working life. However, Kela's criteria for granting vocational rehabilitation services are mainly designed to meet the rehabilitation needs of people who have already established their place in working life and those seeking a return to work. Identifying the risk of losing the capacity to work is problematic with young people, because they usually have no work experience or lack a clear understanding of future employment targets. In addition, difficulties related to career planning arising from illnesses and injuries of young people and the unemployed essentially differ from the situation of people who are in an employment relationship. Young people with reduced working capacity may find themselves in the position of a marginalised person, if they cannot meet Kela's criteria for granting vocational rehabilitation services.

Proposal 21. Examine the possibility to specify Kela's criteria for granting vocational rehabilitation services so that the services can be granted on the basis of a person's situation in life. This way, in addition to illness, account could be taken of other factors that impact on a young person's life and their ability to work and study, such as a lack of social skills.

The estimated additional costs, based on the current number of applicants, for young people aged 16-29 would be 0.4 million euros per year. Based on the current number of applicants, the change would cover approximately 360 young people.

Placing young people with disabilities and reduced working capacity into working life

The significance of counselling provided during transition phases is especially emphasised with respect to young people with disabilities or reduced working capacity, leading to special demands on the knowledge base of student counsellors of educational institutions and the staff of TE Offices. Municipalities' resources vary. Young people with disabilities who have completed their education may face significantly poorer municipal services, for example, after graduating from school and returning to their municipality of domicile.

Young people with disabilities, including those eligible for a pension, are also entitled to services provided under the youth guarantee. A disability pension is often awarded on the basis of a handicap (such as blindness), which means that the person may well be able to work despite his or her handicap.

Pay subsidy is an excellent solution for employing young people with disabilities. However, young people with disabilities are at a greater risk of ending up in a spiral of recurring periods of pay-subsidised work or on-the-job training. They should be placed in on-the-job training positions or employment relationships that correspond to their level of competence. The competencies and know-how of highly educated people with disabilities in particular are left unutilised in the labour market. According to the Finnish Disability Forum, the number of highly educated young people with disabilities in the labour market in 2010 was approximately 1,000. Another previously identified problem is that the TE Offices guide young people with disabilities to use Kela's rehabilitation services.

From the viewpoint of job seeking, this is problematic, because Kela has no information on open jobs and on-the-job training opportunities. **An effective service that supports finding employment is vocational rehabilitation. It could be integrated more often into other employment services provided by TE**

Offices. A proposal concerning specialised employment counsellors is included in the working group's proposal 16.

Various parties briefed the working group on the importance of modifying the attitudinal climate. In their experience, employers have many prejudices against employees with disabilities. Employers also have insufficient knowledge about the pay subsidies that are available when hiring people with disabilities. In accordance with the Non-Discrimination Act (21/2004), a person commissioning work or arranging training shall, where necessary, take any *reasonable steps* to help a person with disabilities to gain access to work or training, to help them cope at work and to advance in their career.

As regards young people with disabilities, cooperation amongst various actors is essential for the purpose of ensuring the timely provision of services to young people by various parties.

Figure 7. The youth guarantee

NUORTEN YHTEISKUNTATAKUU/ TEM

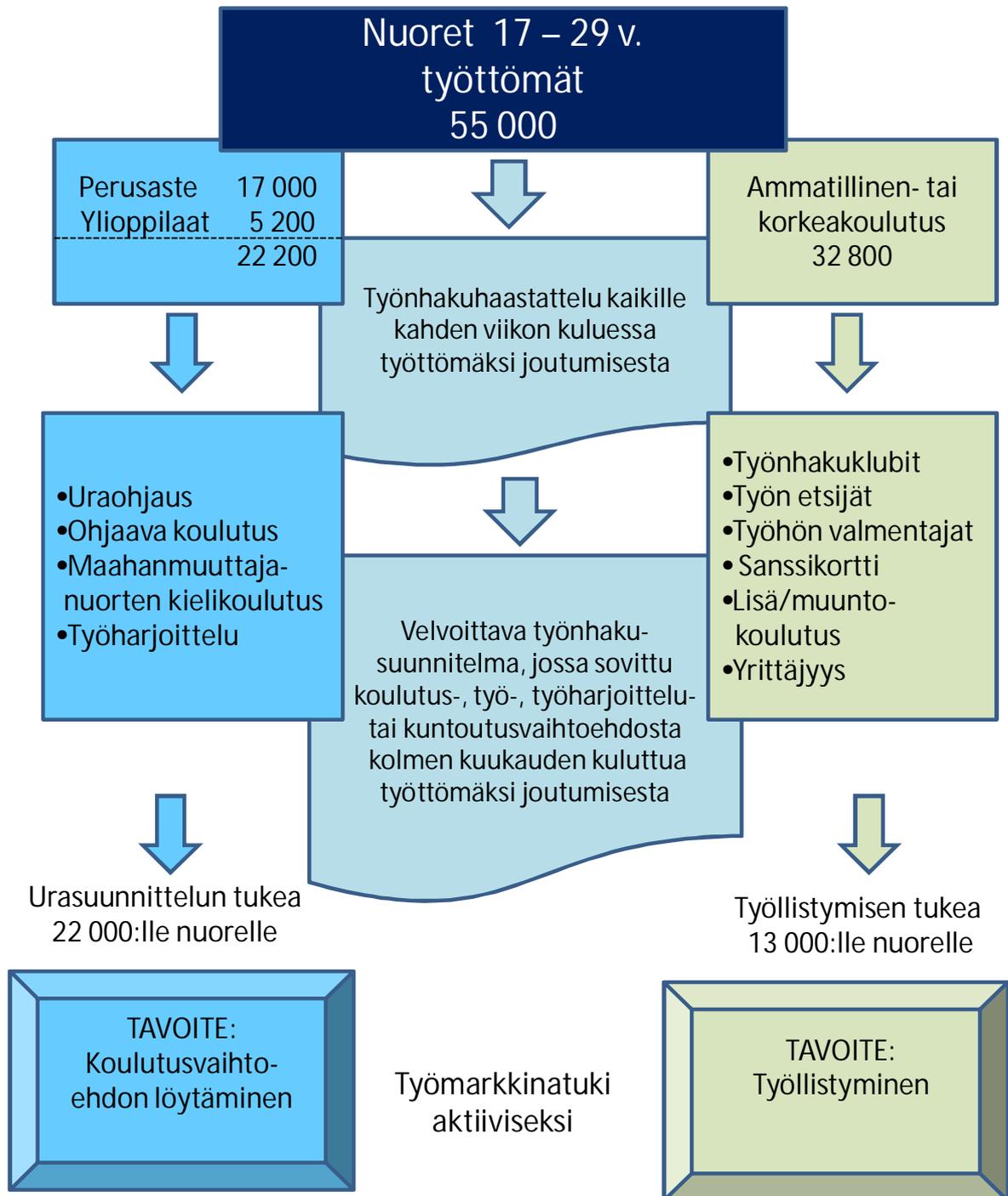


Table 3. State budget's allocation of appropriations for social guarantee and estimated volumes of participants

Responsibility	Measure	Appropriations	Estimated number of persons
Ministry of Education and Culture	Increasing vocational education	€17 million	1,200 entrants per year
Ministry of Education and Culture	Increasing education and training that supports the youth guarantee, with young immigrants as a special target group at folk highs schools, adult education centres and community colleges	€2 million	1,500 young people per year
Ministry of Education and Culture	Expanding youth outreach work throughout the country and enhancing youth workshop activities	€8 million	6,000 more than in 2010
Ministry of Education and Culture	Increasing subsidised apprenticeship training	€5 million	500 young people per year
Ministry of Employment and the Economy	Enhancing career planning services <ul style="list-style-type: none"> - increasing TE Offices' career planning service resources by 60 person-years, and developing the online and telephone services - guiding/preparatory education and young immigrants - On-the-job training under labour market subsidy 	€6 million <ul style="list-style-type: none"> - €4 million - €1 million - €1 million 	10,000 young people per year 780 young people/40 days 260 young people/6 months 12,000 young people/3 months
Ministry of Employment and the Economy	Measures supporting transition to working life <ul style="list-style-type: none"> - job search training - pay subsidies: the Sanssi card, apprenticeship training - job coaches - additional training 	€17 million <ul style="list-style-type: none"> - €2 million - €9 million - €2 million - €4 million 	6,300 young people/2 weeks 2,800 young people/6 months 2,000 young people 1,460 young people/3 months
Ministry of Employment and the Economy	Measures for promoting entrepreneurship	€5 million	1,300 young people/6 months
		Total: Ministry of Employment and the Economy €28 million Ministry of Education and Culture €32 million	Total: 46,100

Table 4. Costs arising from the skill programme for young adults in 2013–2016

Responsibility	Measure	Costs 2013	Costs per year 2014–2016	Estimated number of persons per year
Ministry of Education and Culture	Increasing the volume of preparatory education for education leading to a vocational or special qualification	€20 million	€40 million	2,500
Ministry of Education and Culture	Increasing the volume of preparatory education for a vocational or special qualification completed in the form of apprenticeship training	€5 million	€10 million	1,500
	Enhancing the guidance and counselling services for adults	€2 million	€2 million	
		Total: Ministry of Education and Culture €27 million	Total: Ministry of Education and Culture €52 million	4,000

5. Evaluation and monitoring of the realisation of the social guarantee

The working group prepares the evaluation and monitoring of the realisation of the social guarantee in its further efforts in 2012.

Statistical monitoring of the youth guarantee

Possible indicators for monitoring the realisation of the youth guarantee include, among others:

- Offering of initial vocational education in relation to the size of the age group transitioning to upper secondary education in a certain area
- Persons who did not participate in the joint application process and were left without a place of study
- Flow of young unemployed jobseekers to unemployment that exceeds three months
- Unemployment rate of young people
- Activation rate of young people
- Number of young people in apprenticeship training and number of companies providing apprenticeship training
- Number of young people participating in youth outreach work and workshop activities
- Under 30-year-olds not employed or pursuing any form of education
- Finding employment after completing a qualification or degree

Young people's position in the labour market is monitored by the EU in line with the following indicators, for example

- employment rate of 15 to 24-year-olds, men and women
- unemployment rate of 15 to 24-year-olds, men and women
- activation rate of 15 to 24-year-olds
- activation rate of young people before reaching a specified period of unemployment

Research needs

In the course of its work, the working group has identified further needs for research, including:

- development of statistics and their follow-up, including young people not employed or pursuing any form of education
- positive and effective measures for various target groups comprising young people
- costs of unemployment and social exclusion of young people regarding public finances and the national economy
- evaluative research that helps develop the youth guarantee.

Part IV Proposals for later discussion

This part of the report presents the initiatives and proposals concerning the working group's further efforts to ensure that the youth guarantee is enforced comprehensively, efficiently and fully through the cooperation of various operators. The members of the working group have suggested several other proposals and initiatives for debate. However, their implementation requires further examination before the working group can form its common position on them. The working group is entitled to discuss other themes in addition to the proposals listed below.

Completion of education and transition phases

The further efforts of the working group will pay special attention to the completion of education and the transition phases from one form of education to the next and into working life. Although approximately 95% of each age group transition to further education after completing basic education, some 15% of each age group are left without an upper secondary education qualification. More attention will be paid to improving the completion rate of studies in all sectors of education. The development plan Education and Research 2011-2016 includes developing the funding of education in a way that places more emphasis on the completion of qualifications and degrees as criteria for funding, and launching the project to improve the completion rate of studies in vocational education. In addition, transition phases will be expedited through funding and the development of application systems, among other methods. Furthermore, the working group will continue to pay attention to the regional availability of education.

Guidance and counselling services

The significance of guidance and the need for it have become more emphasised. The promotion of guidance is considered a key factor in improving and sustaining employability. Guidance services are used in the prevention of dropping out of school. The need for guidance is especially emphasised during transition phases, but more is needed throughout all levels of education. The guidance services provided by general upper secondary schools need to be developed in particular. Access to sufficient guidance services during education supports young people's transition from education to working life and develops their career planning and job seeking skills.

The significance of guidance within the provision of social, youth and health services is also great, and resources for it need to be significantly increased. In addition, the guidance skills of various operators and the quality of guidance require improvement. Cooperation related to the provision of guidance to young people in prison and to those being released from prison also needs to be developed.

Teaching support and educational institutes' student welfare services

The aim is to offer teaching support and pupil welfare services to pupils in need of support at an early stage of the occurrence of problems. The implementation of corrective measures is more expensive and less effective compared to well-targeted preventive services.

Problems related to studies appear most often during the transition phases, such as in connection with transitioning from basic to upper secondary education, continuing to further education, or applying for education or training. Basic education provision should include the possibility to offer sufficient guidance and support services to pupils who are faced with these situations. In upper secondary and further education, the need for support needs to be identified more efficiently, especially during the first and last year of studies.

Pupil and student welfare services need to be brought into focus. Government transfers to local authorities have been reduced by 631 million euros, which weakens the municipalities' possibilities to organise basic service provision, including pupil and student welfare services. It is also necessary to clarify the rights of pupils and the roles and responsibilities of various operators in regulations. Furthermore, everyone should be provided with immediate access to mental health services when necessary. The arrangement of housing for students in the municipality they study in is also one prerequisite for pursuing an education.

Increasing apprenticeship training and on-the-job learning

The further efforts of the working group need to identify solutions that enable the significant increase of apprenticeship and on-the-job learning places for young people, especially in enterprises. The members of the working group have presented alternative solutions for arranging apprenticeship training in enterprises and for developing the models of on-the-job learning. The feasibility of the proposed solutions will be analysed from the perspective of employers' (particularly those in SMEs) views on the threshold for hiring, administrative burden and financial incentives, as well as from the viewpoint of students realising their education targets. Based on the analyses and discussions, the working group will present their solutions for providing more apprenticeship training and on-the-job learning places. There is a demand for more cooperation between educational institutions and employers, and working life skills of young people need further development.

Financial incentives for young people to pursue a qualification and participate in active labour market measures

In addition to unemployment benefits, a maintenance allowance to compensate for travel and other maintenance expenses is paid for the duration of participation in active labour market measures. However, maintenance allowance is paid for days of participation in on-the-job training only if the recipient has been paid an unemployment benefit for at least 500 days. In practice, this condition excludes young jobseekers from eligibility for maintenance allowance. For the purposes of preventing staying at home from appearing a more attractive option than participation in on-the-job training, the working group will analyse the possibilities of paying a maintenance allowance for young people for the duration of on-the-job training.

For a long time, student financial aid for upper secondary education has not kept up with the general increase in income levels. The level of student aid impacts on the prerequisites for full-time studies, especially for those not living with their parents.

Removing the condition of the parents' income affecting the amount of student financial aid should be considered as regards providing study grants to upper secondary education students aged 18 or 19.

The amount of social assistance is determined on a family-specific basis in such a way that the income and expenditure of each family member have an impact on the eligibility for social assistance. The income of children under 18 years of age reduces the amount of social assistance. In addition, the regulations on social assistance lay down provisions on the amount of earned income not taken into consideration in granting social allowance. The limit is 150 euros per month. No incentive is created for a 17-year-old to participate in active labour market measures, because labour market subsidy is almost entirely regarded as joint family income and therefore reduces the amount of social assistance. As a result, the possibility of not taking into consideration the earned income of a 17-year-old in connection with granting social assistance should be discussed.

Kela may grant young people aged 16 to 19 with reduced working capacity a rehabilitation allowance for the purpose of ensuring their vocational rehabilitation and promoting their entry into working life. With the introduction of guarantee pensions on 1 March 2011, a disability pension provides a larger financial benefit to young people with reduced working capacity than the rehabilitation allowance for persons under 20. Increasing the amount of rehabilitation allowance for persons under 20 to match or exceed the amount of a guarantee pension would encourage young people to use rehabilitation services instead of retiring.

Rehabilitation and employment services

In its further efforts, the working group will investigate the methods for supporting young people's re-employment through rehabilitation. For instance, the challenges related to young people with mental health problems include the timely signposting to rehabilitation services and the sufficient supply of mental health services. The working group's future evaluation targets include, among others, the possibility of raising the amount of reimbursement for the costs of rehabilitative psychotherapy services as part of the effort to facilitate people's access to mental health rehabilitation services. Also under evaluation are the possible termination of the link between the medical rehabilitation of people with severe disabilities and disability benefits, as well as the reconciliation of rehabilitative services and services that support people's entry into working life which are currently provided by a range of operators. The terms and conditions for activation laid down in the Act on rehabilitative work activities, and the possibility to organise rehabilitative work activities at an earlier stage in accordance with jobseeker needs, require further evaluation. Furthermore, the quality of rehabilitative work activities is to be developed.

Stakeholder participation in the enforcement of the social guarantee

The participation of all operators in society is essential for the successful enforcement of the youth guarantee. This undertaking covers all of society and its realisation requires a shared spirit of voluntary work. For that reason, it is vital that third sector organisations, the Church and volunteers from various other bodies, among others, take part in the enforcement of the youth guarantee. Various modes of collaboration will be established during the year.

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Appendices

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- Appendix 2. An analysis of the costs of social exclusion
- Appendix 3. Flow of unemployed young people into unemployment that exceeds three months for those aged 24 and under and those aged 25 to 29 by ELY Centre in 2011
- Appendix 4. The coverage of the Youth Act-compliant youth guidance and service network in 2011
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Appendix 1. The youth guarantee – the themes, consulted parties and materials of working group meetings

Some of the (Finnish-language) materials of the experts consulted at the meetings of the working group on the youth guarantee are available at: www.tem.fi/Yhteiskuntatakuu

			Materials available on the Web
	Keynote speaker:	Title/topic of presentation	
1. Meeting 1			
2. Meeting 2			
Sakki – association for vocational students	Olli-Pekka Koljonen		x
Union of Finnish Upper Secondary School Students	Joonas Mikkilä		x
City of Helsinki Education Department	Head of Department Rauno Jarnila	Services in Helsinki	
Omnia – the Joint Authority of Education in Espoo Region	Director Sampo Suihko		
City of Helsinki Education Department	Satu Haime	Counselling service challenges and proposals for solutions	x
National Institute for Health and Welfare	Researcher Riikka Puusniekka	Results of the School Health Promotion Study	x
Ministry of Education and Culture	Ville Heinonen	Evaluation report, basic education,	x
		transition to post-basic education,	
		upper secondary education graduates and drop-outs	
Ministry of Education and Culture	Director Kirsi Kangaspunta	The social guarantee, area of responsibility of the Ministry of Education and Culture	x
3. Meeting 3			
Ministry of Employment and the Economy	Liisa Winqvist	Statistical Review	x
Ministry of Employment and the Economy	Harry Pulliainen	Statistical Review	x
Work Research Centre	Senior Researcher Simo Aho	Young people and labour market subsidy	
Vantaa TE Office	Raimo Hokkanen	The situation in Vantaa	
Ministry of Employment and the Economy	Matti Sihto	Effectiveness of the measures	
National Workshop Association	Mari Ahonen-Walker	Youth outreach work and workshops	x
Helsinki Deaconess Institute	Ulla Nord	Youth outreach work and workshops	x
Ministry of Education and Culture	Jaana Wallden	Youth outreach work and workshops, progress report	x

4. Meeting 4			
Ministry of Employment and the Economy	Liisa Winqvist	TE Office and TYP surveys	
Ministry of Employment and the Economy	Harry Pulliainen	Summary of the youth survey	
National Union of University Students in Finland	Janne Koskenniemi	Entry into working life of people with vocational qualifications	x
	Suvi Eriksson		
ISS Finland	Sirpa Huuskonen	Entry into working life of people with vocational qualifications	x
	Maria Dahlberg		
	Sabina Ågren-Hellman		
	Suvi Barsk		
Ministry of Employment and the Economy	Johanna Laukkanen	Views of the working group on higher education	x
Ministry of Employment and the Economy	Natalia Härkin	Young people into entrepreneurs – current situation and needs	x
Regional Organisation of Enterprises in Helsinki	Päivi Ojala	Competence development programme for entrepreneurs	x
Monkeybusiness	Tatu Tuohimetsä	Young people into entrepreneurs – current situation and needs	
Heylook Oy	Lotta Norokytö	Young people into entrepreneurs – current situation and needs	
Research Evening			
Ministry of Employment and the Economy	Titta Tuohinen	Young people and work motivation	
Statistics Finland	Pekka Myrskylä	Young people at risk of social exclusion	
Ministry of Employment and the Economy	Matti Sihto	The role of registers in social exclusion research	
Researcher	Tommi Kiilakoski	Reluctance towards participation in the youth field	
Kela, the Social Insurance Institution of Finland	Helka Hytti	Activation of young people	
Researcher	Tommi Hoikkala	Research on the social guarantee	
Finnish Institute of Occupational Health	Kirsi Ahola	Young people and working life	
5. Meeting 5			
Heinon Tukku Oy	Kristiina Forss-Rissanen	Challenges in the employment of young people	x
Ministry of Employment and the Economy	Ahti Avikainen	Experiences from other countries	
Federation of Finnish Enterprises	Rauno Vanhanen	The views of the Federation of Finnish Enterprises	x
Central Organisation of Finnish Trade Unions	Saana Siekkinen	The statements of employee organisations	x
City of Vantaa	Eija Ahola	Subsidised apprenticeship training contracts for young people	x
Ministry of Education and Culture	Pasi Rentola	Apprenticeship training	x

Local government employers	Riikka-Maria Yli-Suomu	Local government as employer of young people	x
6. Meeting 6			
	Harry Pulliainen		
7. Meeting 7			
Ministry of Employment and the Economy	Paula Karjalainen	Immigrant employment statistics	x
Finnish National Board of Education	Sanna Penttinen	Joint application process statistics	x
Vates Foundation	Rautjärvi Teppo	The perspective of organisations for people with disabilities	x
Vates Foundation	Pauliina Lampinen	The perspective of organisations for people with disabilities	x
Finnish Disability Forum	Pirkko Mahlamäki	The perspective of organisations for people with disabilities	x
Trade Union of Education in Finland	Nina Lahtinen	Opinions of the Trade Union of Education in Finland	x
8. Meeting 8			
Sosiaalikehitys Oy	Sari Pitkänen	Preliminary results of the Sanssi research	
9. Meeting 9			
Ministry of Employment and the Economy	Päivi Kerminen	Unpaid internships	
10. Meeting 10			
City of Helsinki Education Department, Apprenticeship Training	Kari Viinisalo	Development of apprenticeship training	x
Katnos Oy	Katja Noponen	Social entrepreneurship	x

Appendix 2. An analysis of the costs of social exclusion

The following cost analysis has been carried out in accordance with the precautionary principle, which means focusing on those costs that can be verified if necessary. This also means that all other possible additional costs, such as those arising from illness, have been ignored.

The principal income transfers of society applicable to people who have interrupted their education and are no longer involved in any form of education or employed include the labour market subsidy, housing allowance and social assistance. In some cases, the income transfer may be in the form of a rehabilitation benefit, for example, but in this context such cases have been ignored for the sake of clarity.

Social assistance is a discretionary, last-resort form of social benefit. However, in some cases it has become the main source of income for young people. In addition, it often supplements other forms of social benefits.

The costs to society can be presented in at least three justifiable ways:

- 1) *Gross costs* – return to society is ignored completely.
- 2) *Net costs 1* – takes account of the share of taxes deducted from the labour market subsidy.
- 3) *Net costs 2* – takes account of the share of tax returns arising from consumption.

1) *Gross costs* refer to the amount of society's money that must be reserved for implementing some form of the abovementioned social income transfers which would not build up if the people in question participated in working life and earned a living in the form of a salary.

2) *Net costs 1* takes account of the share of taxes deducted from the total amount of labour market subsidy on the basis of the justification of returning the share immediately back to society.

3) *Net costs 2*, in turn, is based on the assumption that all the money paid to a person is expenditure and therefore, in practice, society imposes a tax on the money in the amount of at least value added tax. The problem with such cases is determining the total amount of tax to be deducted from the expenditure.

For the review period of the year 2010, cost calculations are even more challenging, because the general value added tax was raised from 22% to 23% on 1 July 2010 and, at the same time, the tax on foodstuffs was raised from 12% to 13%. In addition, the amounts of excise duties on consumer goods need to be calculated (including products such as fuels, alcohol and tobacco, for which more than half of the price is made up of tax). For the calculations here, no consumption profile was available. Therefore, it was assumed that consumption mainly focused on foodstuffs, on the basis of which it was further assumed that the total amount of excise duties and value added taxes was 22%.

The best method is to analyse the gross costs. This is based on a scenario where people earn their basic income in the form of a salary because, as a result, they will also be paying returns to society no matter what.

Costs

Firstly, let us analyse the annual costs per one person. Let us assume that the person in question has dropped out of school, has registered as an unemployed jobseeker, and is living on his/her own. The person receives social assistance on an irregular basis. The person does not use, for example, mental health or other healthcare services. The granting of social assistance has been presented separately in the calculations, because it may either supplement other social income transfers or constitute the main source of income. If social assistance is the main source of income, it is assumed to be equal to the amount of labour market subsidy. If social assistance is regarded as a form of supplementary income, it is assumed to be granted for 30% of the time and in the amount of the national average.

The 30% period of use for social assistance is an estimate based on the 2000–2010 analyses of the customer groups of workshop activities and social enterprises⁵¹ and their customer relationships based on social assistance. The number of customers on social assistance amongst the customer base of workshops increased steadily during the review period.

The figures of 2010 are used in the calculations, and therefore:

- Labour market subsidy was EUR 25.64 per day (paid for five days a week).
- The amount of general housing allowance varies by region of the country, but the average housing allowance paid in 2010 was EUR 258.9 per month⁵².

⁵¹ Pro-Ces Tmi, SYTA analysis of operations

- In 2009, the average amount of social assistance per person was EUR 280 per month⁵³.

Monthly costs per person, comprising only labour market subsidy and housing allowance.

- Gross costs €10.16
- Net costs 1 €99.91
- Net costs 2 €602.89

Annual costs per person

- Gross costs ca. €9,722
- Net costs 1 ca. €8,399
- Net costs 2 ca. €7,235

Monthly increased amount of costs due to social assistance (paid for 30% of the time)

- Gross costs €94.16
- Net costs 1 €783.91
- Net costs 2 €668,41

Annual increased amount of costs due to social assistance

- Gross costs ca. €10,730
- Net costs 1 ca. €9,407
- Net costs 2 ca. €8,021

Costs per one person based on the total time when no employment history was accumulated (with the annual inflation rate of 3%)

The cost calculations presented above have not taken into account the possible additional costs incurred by society due to social exclusion, such as costs arising from healthcare services. In addition, the loss of work input that would increase the GDP has not been taken into account in the calculation of costs. If an annual inflation rate of 3% was to be applied, based on the calculation criteria here, the gross costs of basic income alone for a period of 40 years would exceed 740,000 euros. Let us note that this does not include social assistance or other costs arising from social exclusion.

Costs to society per year when the number of socially excluded people is 40,000

As the surveys of Myrskylä and Häggman show, there is more than one socially excluded person. In order to analyse the overall responsibility of society, the precautionary principle is used, social assistance is ignored, and only unemployed people who have completed only basic education are taken into consideration in the analysis. According to a survey, the total number of such people was 40,000. As the result, the total costs to society are as follows:

Per month

- Gross costs €2,406,400
- Net costs 1 €2,996,320
- Net costs 2 €24,115,450

Per year

- Gross costs €88,876,800
- Net costs 1 €35,955,840
- Net costs 2 €89,385,395

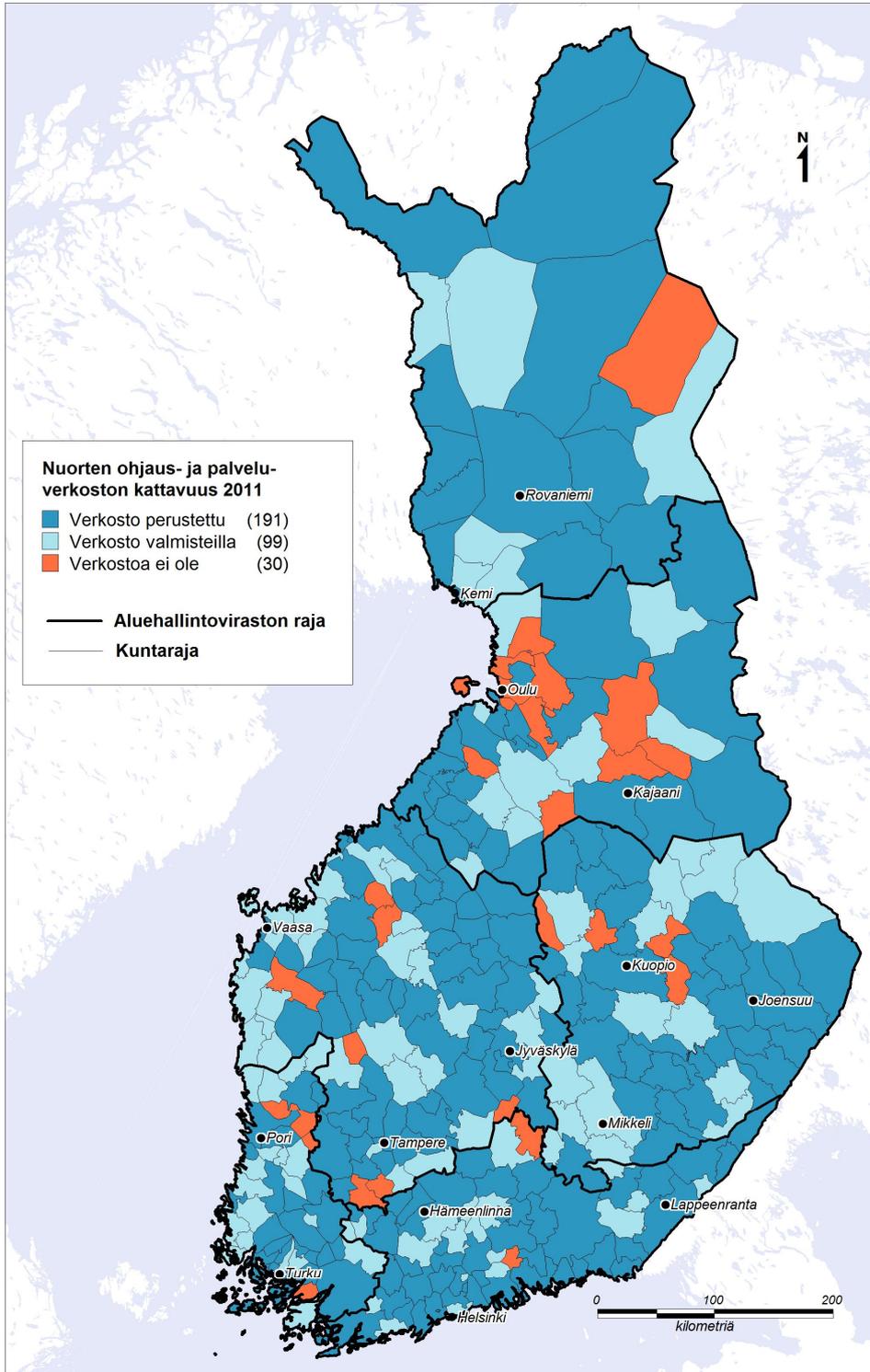
⁵² Kela's statistics on housing benefits

⁵³ Statistical Summary by the National Institute for Health and Welfare and Suomen Vahinkotarkastus SVT Oy: Households and individuals receiving social assistance and the average amount of primary social assistance paid in 2010 by region, municipality and province

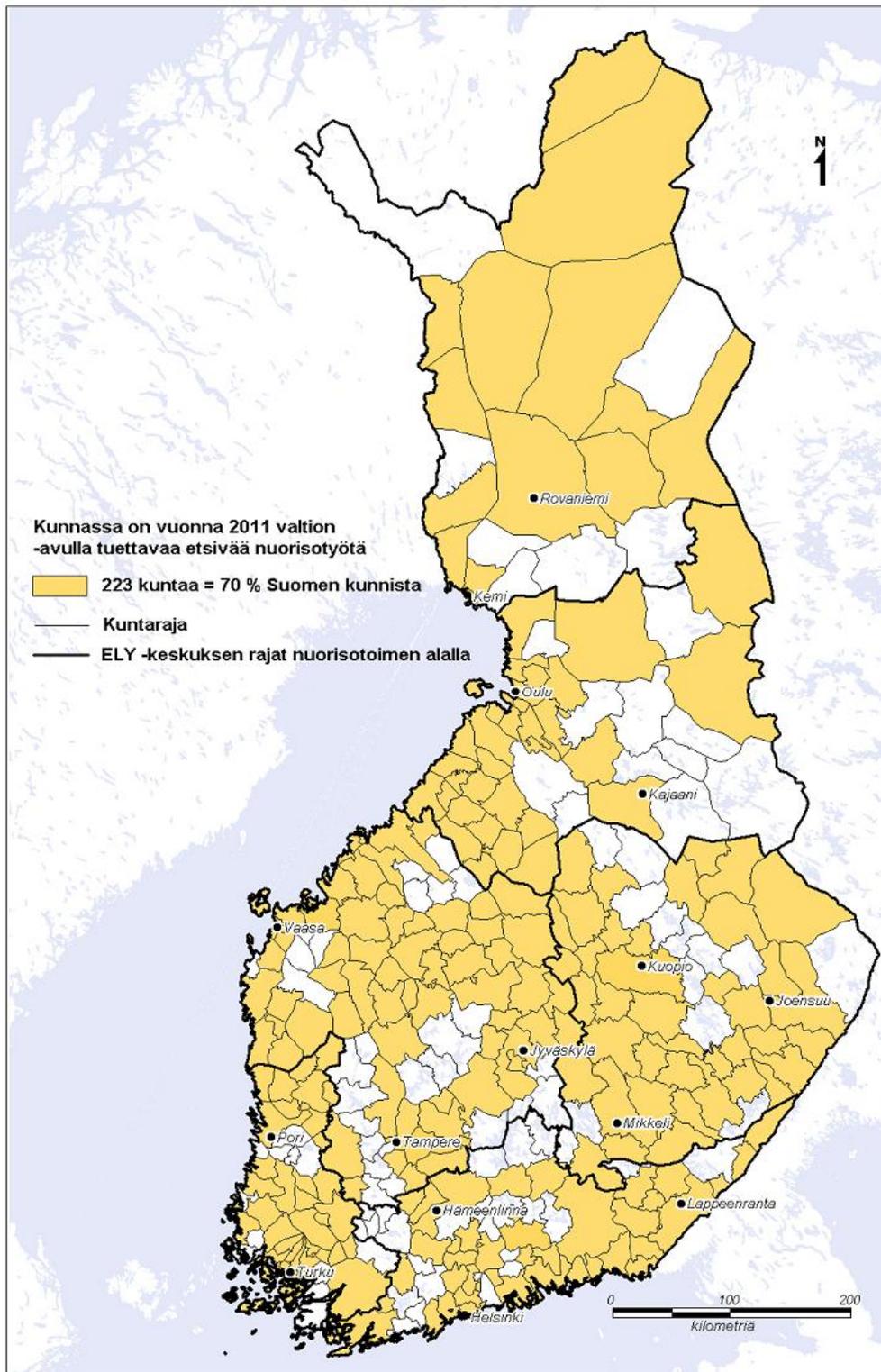
Appendix 3. Flow of unemployed young people into unemployment that exceeds three months for those aged 24 and under and those aged 25 to 29 by ELY Centre in 2011

ELY Centre	Young people under 25		Young people aged 25 to 29	
	Unemployment exceeds three months	Flow into unemployment that exceeds three months, %	Unemployment exceeds three months	Flow into unemployment that exceeds three months, %
WHOLE COUNTRY	34,394	16.4	32,220	29.0
UUSIMAA	5,334	12.6	7,459	32.8
SOUTH-WEST FINLAND	3,066	16.3	2,922	25.5
SATAKUNTA	1,644	19.3	1,348	30.0
HÄME	2,512	15.4	2,200	28.5
PIRKANMAA	3,871	20.6	3,531	35.2
SOUTH-EAST FINLAND	3,014	23.7	2,097	32.7
SOUTH SAVO	961	15.0	803	26.6
NORTH SAVO	1,772	15.7	1,614	28.7
NORTH KARELIA	1,116	11.9	1,230	27.7
CENTRAL FINLAND	2,644	19.2	2,009	29.1
SOUTH OSTROBOTHNIA	1,048	13.9	878	22.2
OSTROBOTHNIA	1,105	13.6	1,007	23.5
NORTH OSTROBOTHNIA	3,847	19.3	3,079	27.7
KAINUU	578	14.1	541	25.2
LAPLAND	1,804	15.4	1,442	22.4
ÅLAND ISLANDS	75	15.0	53	24.3

Appendix 4. The coverage of the Youth Act-compliant youth guidance and service network in 2011



Appendix 5. The scope of youth outreach work



Appendix 6. Young people's means of gaining access to workshop activities

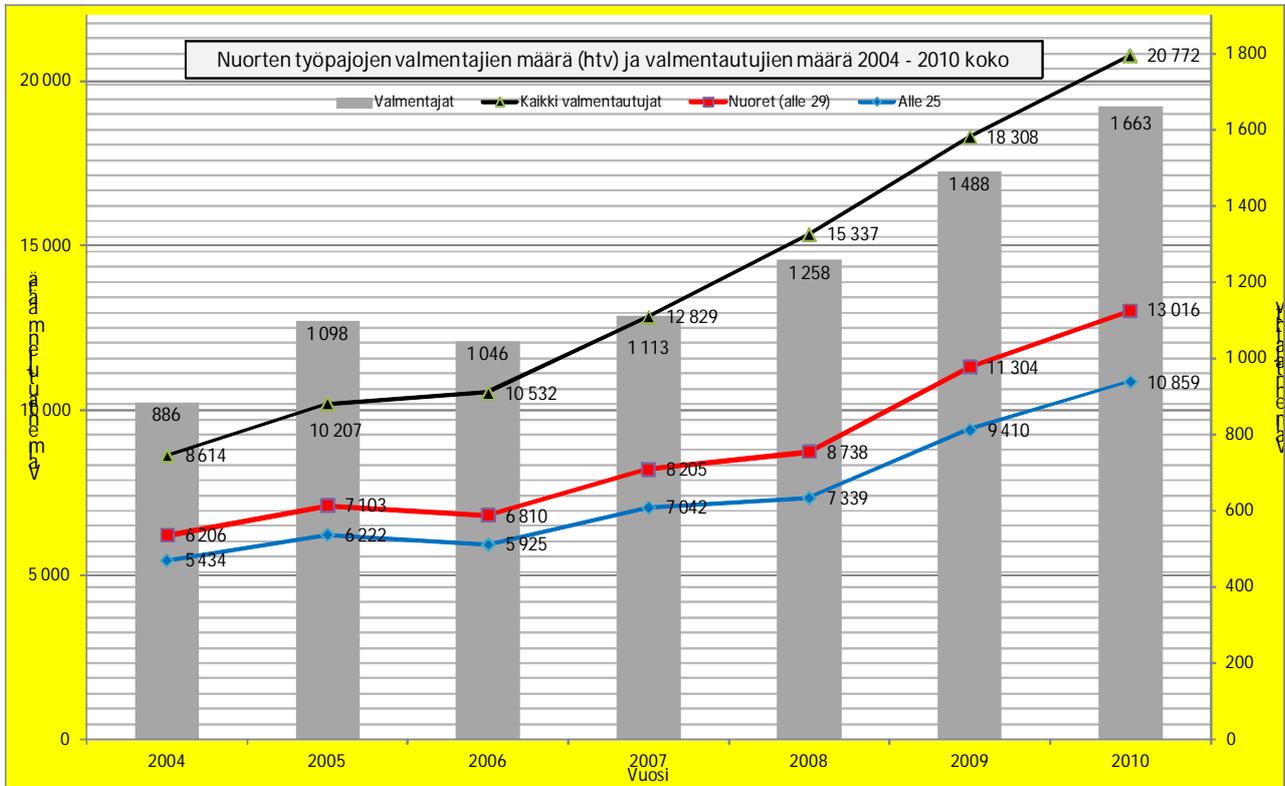
What means have under 29-year-olds used to gain access to youth workshops activities in 2005–2010?

Young people

Means of access	2005	2006	2007	2008	2009	2010
Labour administration	66.77	66.51	62.45	61.12	56.79	54.81
Providers of education and training	10.62	11.85	15.09	11.75	11.64	13.32
Kela, authorised pension provider, courts, social services	11.73	12.37	11.15	11.12	14.44	14.93
Direct access	5.43	7.65	7.25	4.81	5.42	6.67
Youth outreach work	*	*	*	2.70	4.56	5.01
Other	*	*	*	4.46	4.10	4.75
No data	5.45	1.62	4.06	4.04	3.05	0.51
Total	100	100	100	100	100	100.00

* Not an option

Appendix 7. The number of coaches and participants in youth workshops in 2004–2010



Appendix 8. Youth unemployment rate in 27 EU countries in 2008-2011 (second quarter)

	Youth unemployment rate				Youth unemployment ratio		
	2008	2009	2010	2011Q2*	2008	2009	2010
EU-27	15.8	20.1	21.1	21.0	6.9	8.7	9.0
Euro area	16.0	20.2	20.9	20.5	6.9	8.7	8.7
Belgium	18.0	21.9	22.4	18.3	6.0	7.1	7.3
Bulgaria	12.7	16.2	23.2	27.0	3.8	4.8	6.7
Czech Republic	9.9	16.6	18.3	18.7	3.1	5.3	5.7
Denmark	7.6	11.2	13.8	14.0	5.5	8.0	9.3
Germany	10.6	11.2	9.9	8.9	5.5	5.8	5.1
Estonia	12.0	27.5	32.9	21.8	5.0	11.0	12.6
Ireland	13.3	24.4	27.8	29.8	6.7	11.3	11.6
Greece	22.1	25.8	32.9	42.9	6.7	8.0	10.0
Spain	24.6	37.8	41.6	45.0	11.7	17.1	17.8
France	19.3	23.9	23.7	23.3	7.2	9.2	8.9
Italy	21.3	25.4	27.8	27.7	6.6	7.4	7.9
Cyprus	8.8	14.0	17.2	20.0	3.8	5.7	6.8
Latvia	13.1	33.6	34.5	30.2	5.6	14.0	13.9
Lithuania	13.4	29.2	35.1	33.2	4.1	8.9	10.4
Luxembourg	17.3	16.5	15.6	14.0	5.2	5.5	3.5
Hungary	19.9	26.5	26.6	25.1	5.0	6.5	6.6
Malta	11.8	14.4	13.1	14.7	6.4	7.4	6.7
Netherlands	6.3	7.7	8.7	7.0	3.9	4.8	6.0 ^b
Austria	8.0	10.0	8.8	8.3	4.9	6.0	5.2
Poland	17.3	20.6	23.7	24.9	5.7	7.0	8.2
Portugal	20.2 ^e	24.8 ^e	27.7 ^e	28.7	6.8	7.9	8.2
Romania	18.6	20.8	22.1	22.8	5.7	6.4	6.9
Slovenia	10.4	13.6	14.7	14.3	4.5	5.6	5.9
Slovakia	19.0	27.3	33.6	32.7	6.2	8.6	10.4
Finland	16.5	21.5	21.4	20.1	8.8	10.9	10.6
Sweden	20.2	25.0	25.2	22.8	10.7	12.8	13.0
United Kingdom	15.0	19.1	19.6	20.4	9.2	11.4	11.6

* The quarterly youth unemployment rate is seasonally adjusted.

e: estimate

Source: Eurostat (une_rt_q, lfsi_act_a)



Source: Eurostat

Appendix 9. International examples of countries where the youth unemployment rate is low

Finland's ranking among 27 EU countries in mid-2011 was middling, at 20.1%. The highest ranking countries within the EU in this respect were Germany, the Netherlands and Austria (with less than 10%).

In the Netherlands, for example, the government established a youth unemployment plan supported by the 'Act investing in young people'. The Act obliges municipalities to offer young people aged 18 to 27 a job, a place of study, or a combination of the two. If the young person accepts a place of study, he or she will be granted financial support equal to the amount of a social benefit. If the young person accepts a job, he or she is paid a salary. If the young person refuses all offers, no benefit will be paid. The plan has a budget of 250 million euros.

Finland has been following the implementation of measures in other Nordic countries, and the actions of Denmark in particular. "Ungepakke 2" is the policy agreement concerning the measures for reducing the unemployment of young people, concluded by the previous government of Denmark on 5 September 2009. The responsibility for the package is divided between the Ministry of Children and Education and the Ministry of Employment. It comprises a total of 38 initiatives aimed at encouraging young people aged 15–17 to commence studies or enter the labour market. The project "Unge – godt i gang" was part of the package. This pilot project concerning employment measures for young people was implemented between November 2009 and December 2010, and its target group comprised young unemployed people aged 18 to 29. The pilot involved testing various support measures and activation methods utilised in finding employment for young jobseekers. Two groups, a test group and a control group, participated in the experiment. The service provision of employment offices to the members of the test group was very active. Among others, they were offered personal counselling sessions and targeted internship positions in enterprises. The service provision of the employment offices to the members of the control group was carried out in line with the offices' established procedures. The results of the experiment showed that finding employment was more effective for those young people in the test group who already had some post-basic qualifications, while the trend was negative for those without any post-basic qualifications. However, these young people gained access to education and training more often than the members of the control group, so the education trend for them was positive. The conclusion based on the experiment is that strengthening the measures of employment offices can help boost the employment of young people.

The factors and risks underlying social exclusion in society have diversified. Therefore, it becomes harder to find a single factor to explain the marginalisation of a young person. In Norway, determining young people's need for support has been approached via various areas of marginalisation:

- social exclusion reflects the young person's need for support in personal interaction capacities and skills
- exclusion from education reflects the young person's relationship to studying or level of education attainment
- exclusion from working life reflects the young person's relationship to the labour market
- exclusion based on the state of health reflects the young person's access to healthcare services
- exclusion based on legal status reflects the young person's access to the necessary services (including legal services)
- exclusion based on financial standing reflects the young person's need to earn a living.

Many OECD countries have experimented with temporary programmes for providing financial support for providing opportunities for enterprises to take on young people for apprenticeship and on-the-job training as well as for young people to finish their training period. An OECD Synthesis Report (OECD 2010) summarises the experiences of various countries with such programmes and also includes an analysis of the outcomes of the programmes. Some examples are given below:

In 2009, a programme was implemented in Australia to encourage enterprises to take on a young person who had interrupted a training period so that he or she could complete the training. The employer was entitled to a compensation of AUD 2,800 (approximately EUR 2,200) if the young person was to complete the training and receive a certificate to confirm it. Starting in late 2009, another programme was implemented in Australia with a budget of AUD 100 million. Under the programme, financial support in the amount of AUD 3,350 (EUR 2,700) could be paid to an employer providing a young person under 20 with an on-the-job training position. The employer was paid AUD 850 after three months of training, and the rest (AUD 2,500) after the ninth month of training.

In Canada, a subsidy of CAD 2,000 (approximately EUR 1,500) is enforced for the purpose of supporting the completion of a qualification of persons participating in apprenticeship training.

In France, each enterprise that employed a young person under 26 prior to June 2010 was exempted from paying the employee's social security fees for one year. Small enterprises (with fewer than 50 employees) were granted a subsidy of EUR 1,800 for each student taken on for apprenticeship training. In addition, each enterprises that employs a young person under an apprenticeship training contract is entitled to a compensation of EUR 1,000 per young person, and if the young person in question has not completed a bachelor's degree or higher, the compensation is EUR 2,000.