

Article 22 of the Constitution of the ILO

Report for the period from 1 June 2014 to 31 May 2022 made by the Government of Finland
on the

Labour Administration Convention, 1978, No. 150

(Ratification registered on 25 February 1980)

I LEGISLATION AND REGULATIONS

Act on Public Employment and Business Services (916/2012)

The following amendments have taken effect during the reporting period:

Act (337/2022), in force from 23 May 2022; chapter 12, section 6, subsection 2 to 31 December 2024 and chapter 13 section 1 a to 31 December 2023

Act (21/2022), in force from 1 March 2022 to 31 December 2033

Act (1379/2021), in force from 2 May 2022

Act (1344/2021), in force from 1 January 2022

Act (422/2021), in force from 1 June 2021

Act (1270/2020), in force from 1 March 2021 to 30 June 2025

Act (1139/2020) in force from 1 January 2021 to 30 June 2022

Act (496/2020) in force from 1 July 2020 31 December 2020

Act (295/2020), in force from 1 May 2020 to 31 December 2020

Act (166/2020), in force from 9 April 2020

Act (887/2019), in force from 1 August 2019

Act (880/2019), in force from 1 January 2020

Act (548/2017), in force from 1 January 2018

Act (210/2017), in force from 1 June 2017 to 31 December 2017

Act (1474/2016), in force from 1 January 2017

Act (1456/2016), in force from 1 January 2017, partly to 31 December 2018, chapter 12, section to 31 December 2020

Act (1452/2016), entry into force from 1 January 2017

Act (1450/2016), entry into force from 1 January 2017

Act (1555/2015), entry into force from 1 January 2016

Act (474/2015), entry into force from 1 January 2016

Act (1375/2014), entry into force from 01.01.2015

Act (1371/2014), entry into force from 01.01.2015

Act (1366/2014), entry into force from 01.01.2015

Act (1133/2014), entry into force from 01.01.2015

Act (390/2014), entry into force from 01.06.2014

Act (10/2014), entry into force from 01.07.2014

Act on Local Government Pilots on Promoting Employment (1269/2020)

Act on Local Government Pilots on Promoting Employment (1269/2020), in force from 1 March 2021 to 30 June 2023.

Act amending the Act on Local Government Pilots on Promoting Employment (421/2021), entry into force on 1 June 2021

Legislation on Ministry of Employment and Economy

The Rules of Procedure of the Ministry of Employment and the Economy (367/2015); entry into force on 15 April 2015

The Government Decree on the Amendment of the sections 3 and 5 of the Government Decree on the Ministry of Employment and Economy (818/2020), entry into force from 19 November 2020

The Government Decree on the Amendment of the Government Decree on the Ministry of Employment and Economy (216/2016), entry into force from 1 March 2016

II

-

III APPLICATION OF ARTICLES IN FINLAND

Ministry of Economic Affairs and Employment of Finland

Organisation and tasks

The Ministry of Economic Affairs and Employment is headed by two ministers and a permanent secretary. The ministry has four departments, which are responsible for the ministry's main tasks, and three separate units.

Departments are: Employment and Well-functioning Markets, Energy, Innovations and Enterprise Financing, Regions and Growth Services. Units are: Corporate Steering Unit, Labour Migration and Integration Unit, Human Resources and Administration Unit, Media and Communications Unit. The administrative branch of the MEE covers eight agencies, five companies, three funds, as well as 15 ELY Centres and 15 TE Offices.

MEAE is responsible for the operating environment underpinning entrepreneurship and innovation, securing the functioning of the labour market and workers' employability, as well as for regional development. Implementation of the energy policy and integration of immigrants are also the ministry's responsibility.

Labour immigration administration

The Ministry of Economic Affairs and Employment is responsible for policies and legislation concerning the migration of workers, students, trainees and researchers, as well as for the guidance and supervision of the Finnish Immigration Service in these matters together with the Ministry of the Interior.

Ministry of Economic Affairs and Employment Economy is also responsible for the international employment services of the Centres for Economic Development, Transport and the Environment Employment and Economic Development Offices, as well as the European Employment Service. In addition, the Ministry of Economic Affairs and Employment, together with the Ministry of Education and Culture, is responsible for the preparation and coordination of the national Talent Boost programme. The Ministry of Economic Affairs and Employment has a Labour Migration and Integration Unit subjected to the Permanent Secretary.

The main responsibility for the preparation of policy and legislation related to labour migration and policy coordination, as well as for EU and other international preparation related to labour migration,

was transferred from the Ministry of the Interior to the Ministry of Economic Affairs and Employment as of January 1 2020. The background is the entry in Prime Minister Sanna Marin's government programme, according to which the labour migration administration will be transferred to the Ministry of Economic Affairs and Employment in order to streamline processing.

Following the transfer, the Ministry of the Interior retained, inter alia, humanitarian, family and non-EU, non-employment, entrepreneurial, traineeship, study and research migration, international protection and return migration, prevention of illegal immigration, return and return of Union citizens, with the exception of specific issues relating to the employment of Union citizens.

In the future, the Ministry of the Interior will continue to be responsible for all general provisions related to residence permits, which are mainly laid down in chapter 4 of the Aliens Act.

Nordic labour market service model

In the Nordic labour market service model, jobseekers apply for work on their own initiative and receive individual and intensive support for their job search at an earlier stage. Each jobseeker's need for services and prospects to apply for work are assessed individually. Jobseekers are required to apply for a certain number of jobs in order to continue their right to receive unemployment security. The model and the amendments to the Act on Public Employment and Business Services (916/2016) entered into force on 2 May 2022.

The Nordic labour market service model will increase the resources of TE services by EUR 70 million a year. About 1,200 experts will be hired for customer service. This represents an increase of 40% compared with the resources of TE Offices in 2019. The resources of TE services were temporarily increased because of the coronavirus crisis. The increased resources of the Nordic labour market service model will be permanent, so they will be calculated in relation to the human resources of TE Offices during normal conditions. New permanent funding for the Nordic labour market service model will be allocated to organising the service process for individual customers. This means a significant increase in customer service for jobseekers in particular.

The Nordic labour market service model is estimated to increase employment by about 9,500–10,000 people. The most significant impact on employment is related to meetings with the TE Office or the participating municipality that support job search. In the early stages of job search, meetings will be held every two weeks. The aim is to provide more support to jobseekers at different stages of job search. Based on research, regular interaction with jobseekers, active employment services and job search monitoring will shorten the periods of unemployment. For example, an evaluation study on regular interviews with unemployed jobseekers found that the interviews make it easier to refer jobseekers to services and promote their activation and employment in the open labour market. The impact on employment is expected to be fully achieved from the beginning of 2025.

Local Government Pilots on Promoting Employment and TE services reform 2024

As stated in Prime Minister Marin's Government Programme, the role of local governments as organiser of employment services will be strengthened. The Act on municipal experiments to promote employment (1269/2020) entered into force on 1 March 2021, and pilots will run from 1 March 2021 to 31 December 2024. During the pilots, certain tasks of TE Offices are transferred to local governments. The pilots aim to increase the effectiveness of employment services by integrating central and local government resources, skills and services. Another objective is to create new solutions to ensure availability of skilled labour. The purpose of the pilots is to improve access to the

labour market especially for the long-term unemployed and those in a more vulnerable position in the labour market. A total of 25 areas and 118 municipalities participate in the pilot projects. Municipalities can develop services based on the needs of jobseekers and employers in their area.

Unemployed jobseekers and jobseekers covered by employment services who are not entitled to earnings-related unemployment allowance are transferred to the pilot projects in the areas. The target group also includes all jobseekers under the age of 30 and all immigrants and foreign-language speakers who are either unemployed or covered by employment services in the TE Offices in the pilot areas. The municipality is responsible for providing public employment and economic development services (TE services) to these customer groups.

The Government is currently preparing the TE services 2024 reform, which involves a permanent transfer of TE services to municipalities. The customers of local government pilots will continue as customers of the municipalities until the permanent transfer of services during 2024. The transfer of TE services to municipalities brings them closer to customers. Transferring the responsibility for employment, municipal education and business services to one organiser promotes the objective of faster employment. Municipalities are in a good position to offer targeted and tailored services that meet the needs of customers and local labour markets. In connection with the transfer, a funding model will be created for municipalities to develop their employment promotion activities in order to increase employment by 7,000–10,000 people.

Reform of digital TE services

The reform aims to provide jobseekers and employers with digital services that will meet their needs better and that will ease the use of services. A new digital service platform for jobseekers and employers, Job Market Finland, was launched in May 2022. The Job Market enables jobseekers to create and publish a job search profile, which helps both jobseekers and employers to find each other better than before. The new information system services of the TE Administration will be entirely functional by the end of 2023. The reform is expected to improve employment by approximately 200–1,200 jobs per year. In particular, the effect will be achieved by artificial intelligence-based means that improve the matching of jobseekers with jobs. The profiles of both jobseekers and vacancies are based on competences. The job search profile can be published anonymously, which increases equality. The matching functionality based on artificial intelligence suggests suitable jobs to jobseekers and suitable jobseekers to employers. The use of the job search profile does not have any legal effects. However, it is a way for the jobseeker to demonstrate activity as required by the Nordic labour market service model. The reform also clarifies and updates the regulation on the processing of customer data in public employment and business services.

Amendment (Act 337/2022) on reform of digital TE Services entered into force on 23 May 2022.

IV

A copy of this report has been sent to the following labour market organizations:

1. The Confederation of Finnish Industries (EK)
2. The Central Organization of Finnish Trade Unions (SAK)
3. The Finnish Confederation of Salaried Employees (STTK)
4. The Confederation of Unions for Academic Professionals in Finland (AKAVA)
5. The Local Government and County Employers (KT)
6. The State Employer's Office (VTML)

7. The Federation of Finnish Enterprises

Statements of the labour market organisations

The Central Organization of Finnish Trade Unions (SAK)

The Nordic employment service model introduced in May 2022 gives the unemployed greater required personal support for jobseeking and mitigates sanctions related to unemployment benefit. The revision nevertheless also incorporates a substantial tightening of jobseeking obligations of the unemployed. SAK has already heard that jobseeking obligations have been too strict, having regard to the realistic employment opportunities of jobseekers.

Even though additional resources were allocated to employment and economic development offices when launching the Nordic employment service model, SAK has been continually concerned about the adequacy of resources. The inadequacy of labour administration resources has also been evident in some municipal trials seeking to manage employment in major urban areas that were also covered by Finnish news media. For example, reports concerning a municipal trial in the Vantaa and Kerava area found that working conditions were perceived as highly stressful, placing extreme demands on the ability of staff to manage the workload.

While SAK is not opposed to the Government's TE-Digi reform of employment and economic development offices or the digitalisation of employment services, it is important to bear in mind that the digital skills of jobseekers vary greatly. Access to employment services must be equitable, irrespective of digital skills. This is also crucial because logging into the Job Market Finland platform enables an unemployed person to acknowledge the jobseeking obligations of the Nordic jobseeking model. This means that jobseekers with good digital skills are at a lower risk of suffering unemployment benefit sanctions for failing to search for work.

The Confederation of Unions for Professional and Managerial Staff in Finland (Akava) and The Finnish Confederation of Professionals (STTK)

Akava and STTK agree with the SAK's statement.