

Article 22 of the Constitution of the ILO
 Report for the period 1 June 2010 to 31 May 2015
 made by the Government of Finland
 on the
EMPLOYMENT SERVICE CONVENTION, 1948 (No. 88)
 (ratification registered on 23 November 1989)

I LEGISLATION AND REGULATIONS

- Act on public employment and business service (916/2012), effective 1.1.2013 (Finlex.fi: <http://www.finlex.fi/fi/laki/kaannokset/2012/en20120916?search%5Btype%5D=pika&search%5Bpika%5D=916%2F2012>)
- Act on Amendment of Act on Centres for Economic Development, Transport and the Environment (1131/2014), effective 1.1.2015
- Government Decree on the Centres for Economic Development, Transport and the Environment (1392/2014), effective 1.1.2015
- Act on multi-sectoral joint services promoting employment (1369/2014) effective 1.1.2015

II

Article 2

The branch of the Ministry of Employment and the Economy (MEE) Group, comprises seven government agencies, three companies and several state-aided institutions and funds plus 15 Centres for Economic Development, Transport and the Environment and 15 Employment and Economic Development Offices.

At the Ministry of Employment and the Economy the Employment and Entrepreneurship Department is responsible authority for steering and guiding employment affairs. The MEE provides resources to the 15 regional Centres for Economic Development and further to Employment and Economic Development Offices (TE Offices).

From the beginning of 2013, each Centre for Economic Development, Transport and the Environment (ELY Centre) will have one administrative TE Office, and there are altogether 15 of these. The goal of this reform was to strive for uniform management, uniform approaches, more flexible resource use and, through these, better effectiveness. With the organisation change, the number of personnel was reduced and some tasks of the TE offices' administrative and human resources management were transferred to ELY Centre.

The development and administration centre for ELY Centres and TE Offices began its operation on 1.1.2015. The Ministry of Employment and the Economy sets the general administrative performance targets for the development and administration centre, and its operations serve the strategic goals of ELY Centres and TE Offices. The development and administration centre manages the ELY Centres' and TE Offices'

- 1) accounting unit and economic system tasks;
- 2) human resources administration's tasks;
- 3) steering tasks, services and service procurements of data administration;
- 4) common communication services and communication service procurements;

- 5) common preparedness tasks;
- 6) tasks of general administration and
- 7) common internal training and development tasks and their procurement; as well as
- 8) tasks concerning paying subsidies and grants, monitoring usage and recovering, on which there are separate provisions.

The development and administration centre develops, produces and procures electronic services and information systems as data administration services.

The office of the development and administration centre is in Mikkeli. All the ELY Centres and TE Offices are official posts for the development and administration centre personnel. In addition, there can be official posts of the development and administration centre in other offices of the Ministry of Employment and the Economy's administrative sector.

Article 3

1. The TE services are organised according to customers' service needs, and they are produced by multiple channels, taking the regional special characteristics into account. The ELY Centres that operate according to the strategy, targets and instructions of the Ministry of Employment and the Economy, are responsible for the TE offices' service network. (Act on Centres for Economic Development, Transport and the Environment, 897/2009). A central possibility for change in organising and providing TE services is brought about by the expanding online and telephone service possibilities and the customer service centres.

The TE Office customers' service direction and steering do not follow geographical borders. According to the multichannel service model, the customer is primarily directed to use online services, whenever it is possible and appropriate as to the customer and their service needs. The telephone services can be realised by both TE customer service centre and by TE Office. Customer is directed to an office visit in those cases, where there is a special need for personal, one on one meeting. Online and telephone services require no special, separate offices. These services can be reached from home with own mobile and terminal devices, from a library, from a joint service or from another joint use Internet connection.

There are circa 120 TE service points which offer services on weekdays during office hours, some of the service points have more limited opening hours.

The Act on multi-sectoral joint services promoting employment (1369/2014) entered into force on 1.1.2015. The multi-sectoral joint services promoting employment means a cooperation model where the TE Office, municipality and the Social Security Institute together evaluate the service needs of unemployed people, plan the appropriate service sets to enable employment and are responsible for the progress and monitoring of the employment process. The target group consists of those, who have been unemployed for over a year and those job seekers that have received at least 300 days of labour market support. Those under 25 years of age are eligible for the service after their unemployment has lasted for six months.

2. The Employment and Economic Development Offices, the customer service centre of the employment and economic development administration and the Centres for Economic Development, Transport and the Environment must cooperate with other authorities, working life organisations and other stakeholders. The cooperation aims to support the implementation, planning and development of public employment and business services. For the purposes of cooperation, an employment and business services advisory council (*TY advisory council*) works in connection with

the Employment and Economic Development Office. The legislation concerning TY advisory councils entered into force on 1.1.2013.

Article 4

The Employment and Economic Development Office appoints an employment and business service advisory council (TY advisory council) for three years at a time, for the purpose of

- 1) monitoring and predicting changes in the labour market and planning measures required due to the changes, thus promoting and securing the availability of labour and the improvement of employment;
- 2) promoting the generation of new business activity and developing the operational preconditions of enterprises; and
- 3) monitoring and supporting the implementation of the political preconditions of public employment and business service, and making, if necessary, proposals for developing the services.

The task of the TY advisory council is to support the realisation of the 'from work to work regionally' principle, the constant renewal of economic and work life and to utilise the entire potential of the workforce. The representatives of the social partners are members in this advisory council.

The TY advisory council agrees on the approaches that enable the control of the changes in the labour market, gives statements related to its duties to authorities and other parties in order to ensure the supply of skilled workforce and to promote employment, and monitors the attainment of objectives set to TE Offices, as well as evaluates the effectiveness and quality of the TE Office operations.

There are altogether 15 TY advisory councils in Finland.

Article 6

The TE services' service model was reorganised in early 2013. The service model is based on three lines of service and greater enterprise-orientation. The core objective of all the service lines is to ensure the availability of workforce for enterprises and employers and to promote fast employment for job seekers. The service model with different service lines ensures service according to the customers' service needs and use of different service channels according to the customer's service situation.

The customers of the service line Employment and Business Services are aiming directly at the labour market, the customers of Competence Development Services need development of professional competence, and the customers of Supported Employment Services need support in order to be able to find employment on the open labour market. The service line for all customers is determined according to their service needs. All the service lines have access to all public employment and business services, but the use of these services is emphasised in different ways in different service lines.

Professional and regional mobility

An essential task of TE services is to present diverse jobs and places of study to job seekers in all the service and contact situations. The operations aim to promote the professional and regional mobility of the workforce. TE services regularly collect data on the incidence situations of workforce supply and demand in different professions. This data is used to support the training guidance and advice.

The Government's spending limit decision for 2015-2018 contains several measures affecting regional mobility. From a broad perspective, all the measures directed towards i) housing and planning policy, ii) tax and social security policy, iii) education policy, iv) active labour policy and v) transport and communications policy can affect regional mobility, at least in an indirect manner. The most important measures as to regional mobility can be expected to be found among the measures directed towards reducing structural unemployment and promoting the functioning of the housing market. In addition, decisions related to transport policies affect the relationship between regional mobility and commuting. Regional and industrial policies can also affect the location of jobs.

International mobility

Eures, employment exchange from the third countries and worker's residence permit are international employment services. Each TE Office takes care of the basic level guidance and keeps international employment services an active part of their service selection in all service channels and for example during employer visits. The experts of international employment offer their customers also other TE services if needed. There are five TE Offices that have specialised in international employment services. Offices also collect information on the international recruiting needs and follow the international recruitments of their region, and, if needed, partner in recruitment projects.

The offices specialising in international employment also take care of the Eures development tasks in their region. The national Workforce mobility in Europe 2015-2020 project develops new Eures services and approaches, and extends partnerships with private partners.

In addition to the aforementioned, three TE Offices are responsible of processing workers' residence permit applications.

Article 7

The European Globalisation Adjustment Fund (EGF) is EU's financial instrument in large structural changes during the financing period 2014-2020. The European Globalisation Adjustment Fund supports people, who have lost their jobs due to globalisation or global financing and economic crisis, in training, finding a new job and relocation. In large cases of laying off workforce, Finland actively uses the EGF funding in supporting the employment and training of those made redundant. The EGF funding has been used for example in wide lay-offs in ICT sector and shipbuilding industry.

Article 8

The full implementation of the Youth Guarantee started in Finland from 2013 onwards.

The target group of the guarantee is twofold: The Public Employment service (PES) offers a job, a study or an activation place for all young unemployed within three months of the unemployment spell. Secondly, the youth guarantee includes also guarantee for a study place for all comprehensive school graduates. Each graduate will be guaranteed a place in further education.

The Government has invested funds for the Youth Guarantee in its financial framework decision for 2013-2016. The Government allocated additional resources of 60 million euros for education and training, employment services and activation programmes and active inclusion. In addition, the government invested 52 million euros to a temporary Skill programme, which provides second level education for young adults between 20-29 who have been left outside of education during previous

years. The number of civil servants responsible for the Youth Guarantee has been increased by 33 persons.

Along with increase of the education places, the unemployment benefit system should include strong conditions for searching education places or job seeking. Receiving labour market support in Finland requires that the young unemployed have applied for an education place at the secondary level.

The objective of the youth guarantee is to help young people gain access to education and employment. Successful execution of the youth guarantee requires cooperation among national and municipal authorities, the business sector and organizations. Means of implementing the Youth guarantee include measures related to the educational guarantee, the skills programme for young adults, employment and economic development services for youth (PES) and rehabilitation services, including municipal social and health care services and other individual services for young people, such as youth outreach work and youth workshop activities.

Public employment service

The Youth Guarantee operating model requires the Employment and Economic Development Administration and services (PES) to enhance the service process for young people. Everyone under the age of 25 and recent graduates between the ages of 25 and 29 must be offered an active choice most appropriate to the person's situation no later than three months into a period of continuous unemployment. The objective of all youth services is to support sustainable career solutions, instead of merely interrupting the young person's period of unemployment. A successful result also requires active participation from the recipient of the service.

For PES-services to be successful, it is important primarily to focus on evaluating a young person's need for services and on the speed of the service process by making use of the wide range of services in existence. Based on the charted service needs, the PES office will draw up an employment plan together with the young person as soon as possible after he or she has registered as an unemployed jobseeker. The charting of service needs must be carried out within two weeks of the person registering as a jobseeker. The employment plan will then be specified further by meeting the young person according to his or her service needs. The young person must be offered active measures to facilitate employment before he or she has been continuously unemployed for a period of three months. The services agreed upon in the employment plan are jointly agreed upon by the young person and the PES office, taking the young person's opinion into account, and are mutually binding.

If the young person does not have vocational training, often the first step to take is to gain a vocational educational qualification. Methods such as work try-outs, career coaching, vocational guidance and career planning can be used to help select the appropriate education. Telephone and online services are available to all young persons (Education line, educational counselling on Facebook, career line, the AVO career selection programme, Ammattinetti, etc.).

The employment plan or an equivalent plan must also offer the following services if required: job search coaching, work coaching, labour market training, training try-outs, start-up grants (for those starting their own enterprise) or wage subsidised work (Sanssi card).

If a skilled or unskilled young person requires public services other than those offered by the PES office, such services will be arranged in cooperation with other authorities. Not all young people can participate in public employment services due to limitations set by the person's ability to work or function. In such cases, the PES office will strive to arrange other services for the young person

in cooperation with other actors, particularly municipal social and health care services, in order to improve the person's chances of benefiting from PES services at a later date. Services arranged in cooperation can include workshop activities arranged by social services, the opportunity for a young person falling under the scope of the activation condition to participate in rehabilitative work activities, and the rehabilitative services offered by social and health care services.

Education Guarantee

The Education Guarantee is a part of the Youth Guarantee. The program started as of the 1st of January 2013. The program ensures 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, in rehabilitation, or via some other means. The definition of the Education Guarantee is designed to cover young people who have completed basic education in the same year. The Education Guarantee will apply to graduates who complete basic education in 2013 and later. The implementation of the Education Guarantee involves creating genuine opportunities for all basic education graduates to transition straight on to further education.

In practice the Ministry of Education and Culture began to implement the Education Guarantee in 2012 by increasing the number of students accepted into vocational education at the secondary level in the capital region and in some other fast-growing areas. The supply of vocational education has been improved in the areas that have a high number of uneducated and unemployed young. The new criteria for selecting students for vocational education were amended in autumn 2013 alongside the implementation of a new electronic application system. The criteria were renewed so that those who have just finished compulsory education and those without a secondary degree certificate can be chosen before those who already have a secondary degree vocational certificate.

The Education 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 is being offered on a temporary basis during the years 2013–2016.

A program aiming to reduce the dropout rate in vocational education has managed to reduce the number of dropouts by 6% in schools that participated in the program.

The actions taken to increase the popularity of apprenticeship

As a part of the Youth Guarantee the subsidy provided for employers who take on apprentice students who have recently finished compulsory education will be increased. It is expected that the increase will encourage employers to take on apprentices. The subsidy will be 800 € per month for the first year, 500 € per month for the second year and 300 € per month for the third year. The government budgeted about €5m for the action.

The enterprises have taken part in the realisation of the Youth Guarantee in apprenticeship training. In 2014, an employer who employs a young person who has finished 9. or 10. grade will receive an increased training compensation.

The Ministry of Education and Culture is preparing a preliminary phase of apprenticeship training. The phase will not be based on a working contract and it is aimed to lower the threshold for employers as well as for students to enter into an apprenticeship contract.

Apprenticeship training will be increased by increasing the number of students who complete study modules and aim later for a certificate. This will be done by increasing the subsidy paid to educators who provide apprenticeship training in modules.

The Ministry of Education and Culture will develop modes of study that combine classroom education with apprenticeship training. One of the aims is to develop the professional skills of workplace coaches in a way that the guidance of on-the-job learning is sufficient and supports the student as well as the workplace community.

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 2012 youth outreach work was carried out in 283 municipalities. 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 2013, youth outreach workers were in contact with almost 27,000 young people. A mapping of service needs was performed on 14,614 of them (i.e., young people who were reached). The share of young people who were reached through social networks of young people was 21.8 %, while 78.2% were contacted on the basis of a request from the authorities. Of the total amount of young people who were reached 59% were male, 41% female. Amongst the young people who were reached, 23% had completed comprehensive school without pursuing any further education, 36.6% had interrupted their studies in upper secondary education, 8.4% were still in comprehensive school, and 13.9% studied at the upper secondary education level. Some other form of education was completed by 8% 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 83%. In total, 10,918 young people who were reached were provided with access to services. Ultimately, they received help through some 33,060 individual services.

Article 9 para 4

- a) On a local level, each TE Office has the responsibility of induction of new personnel, and the manager has the primary responsibility of induction and its appropriate implementation. There can be several inductors according to topic areas. Induction contains for example discussions with the inductor, getting to know different online and written materials, following customer work and monitored working. On a national level, the Data marketplace (Tietotori) contains material that helps a person and an inductor from an agency to find the information necessary in the new task and to develop competence. The purpose of the Data marketplace material is to give stimuli to the induction process and to support the agency's own induction that eventually results in mastery of one's own work and in good competence.

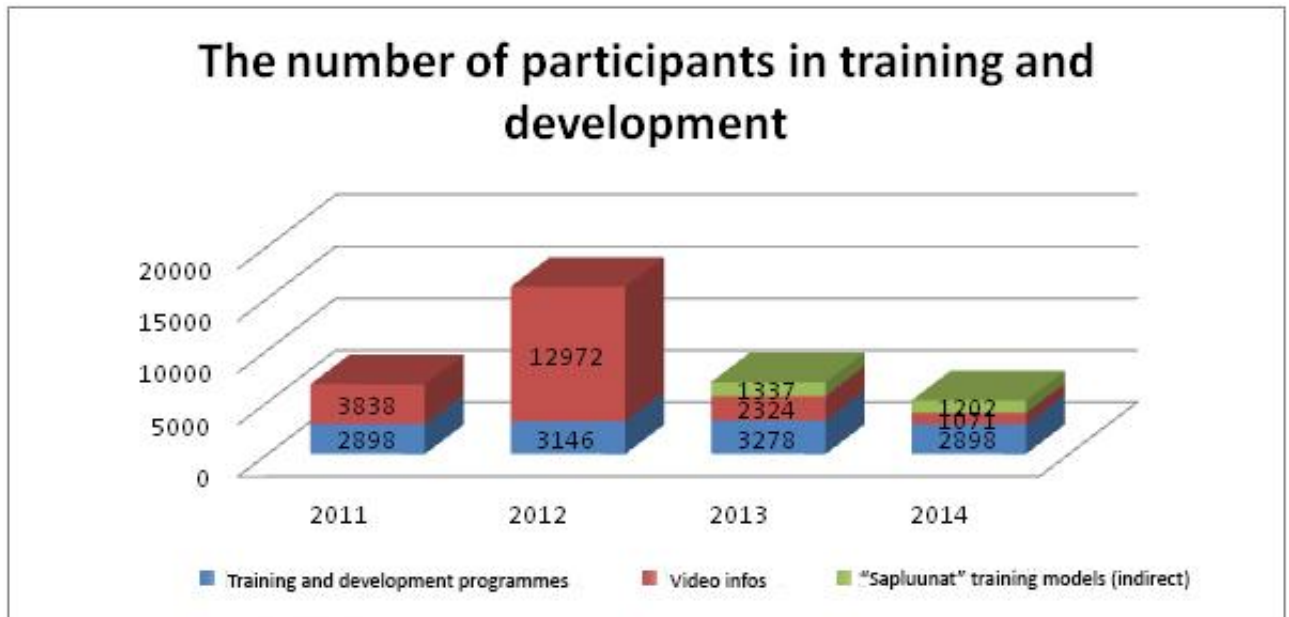
The material is based on acts, decrees, instructions issued by ministries and on strategies by Employment and Economic Development Administration, as well as other central documents.

There is also a framework for induction programme, created nationally to help in induction, that can be used as appropriate by the TE Offices. In addition to this material, there is online self-study material available on TE Office's electronic services called **From the office to the Internet**, accessible in the online learning environment Moodle of the Employment and Economic Development Administration.

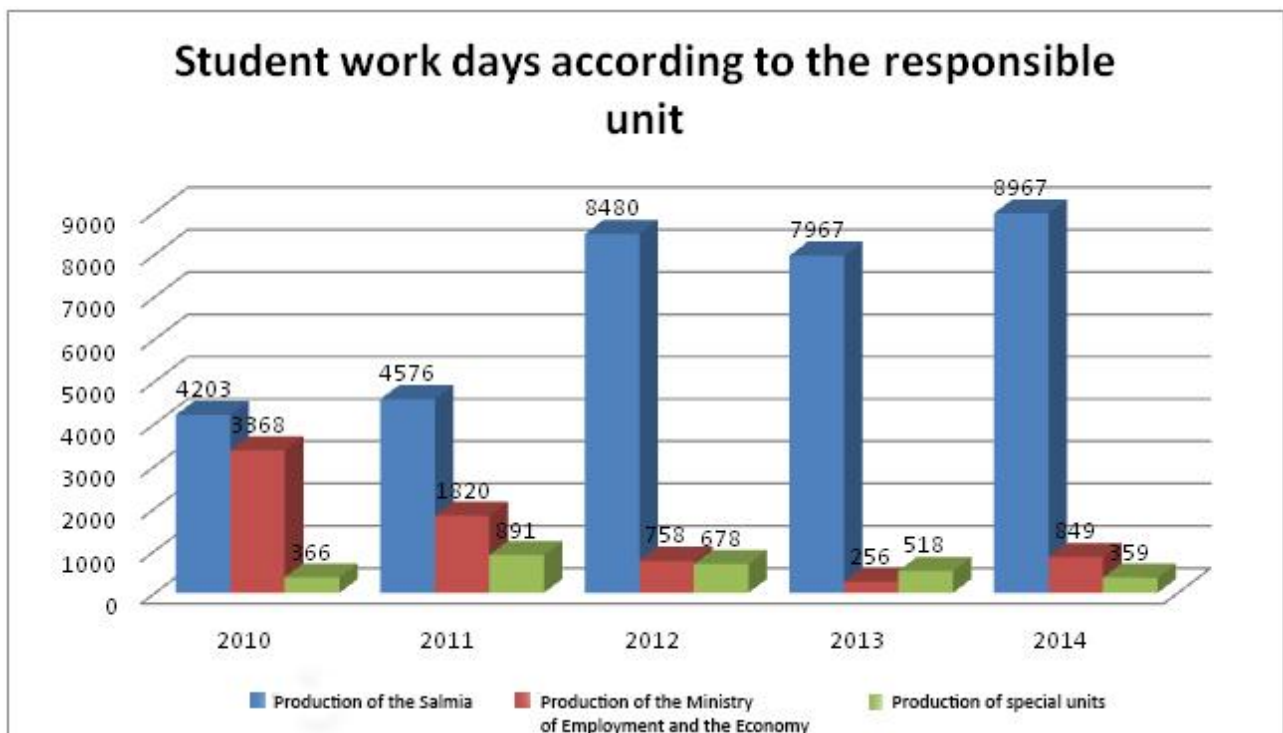
- b) The national Training and Development Programme has supported the implementation of strategies, management, processes, development of customer service and coping at work. The

national personnel trainings have been divided in invitation and application trainings. There have been trainings both via video and online, as face to face training in Training and development centre Salmia and all around Finland, and as on-the-job learning in a TE Office (Sapluunat training models). In addition, there have been local trainings. The annual national training and development programme has been available for the personnel, and the personnel have discussed seeking competence development measures with their manager.

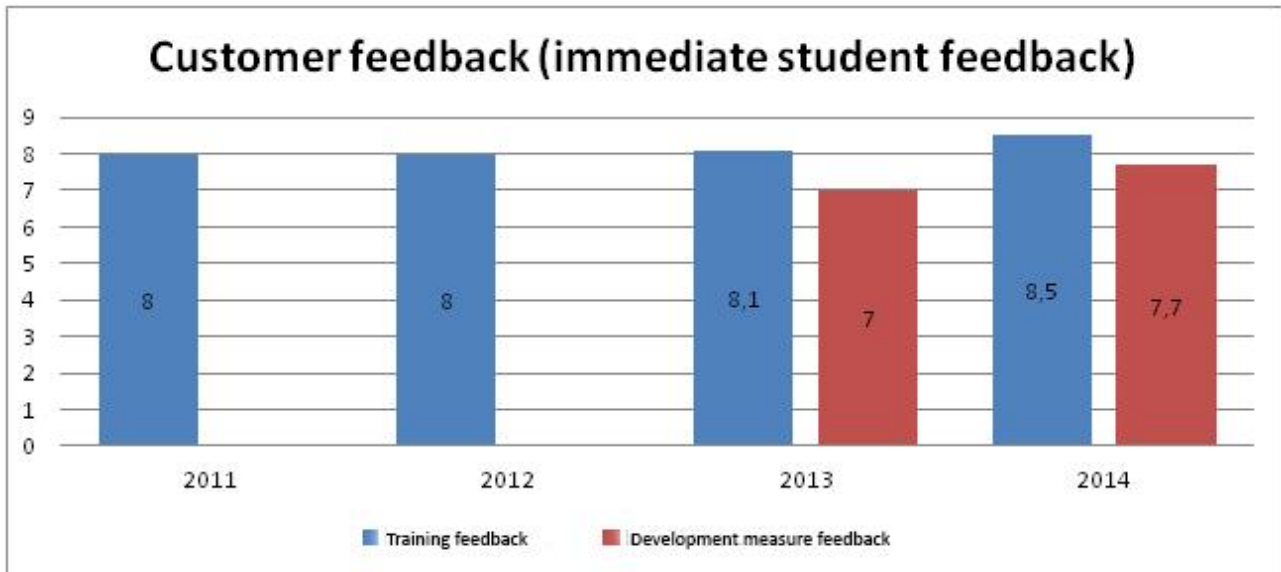
The number of participants in national trainings and development measures in 2011-2014:



The division of student work days of national trainings according to the organiser in 2010-2014.



Customer feedback from the participants of training and development measures in 2011-2014



Article 10

Please see answers to Article 3 (2) and Article 4.

Other comments

Evaluation of the service structure of labour policy

The service provision system within Finnish labour policy must currently weather the storm of many challenges, as these are continuing to grow in number. Structural changes are continuing at a swift pace, and more unpredictably than ever before, in both the labour market and in working life more generally. This notably increases the need for labour policy services and places greater demands on these services to be provided in new and more individually tailored ways. At the same time, the sustainability gap in public finances requires that services are provided more efficiently than before. In the face of this twin-pronged challenge, the Finnish Government launched a broad-reaching evaluation and development project of its labour policy service structure.

The objective of the evaluation was to review the current system of employment policy as a cross-administrative and cross-sectoral entity and to assess its capacity to produce services that are even more effective from the perspective of both the customer and society.

The joint evaluation project implemented by the Ministry of Employment and the Economy (MEE) for the period June 2013 to April 2015 involved branches of government (Ministry of Education and Culture, Ministry of Social Affairs and Health, Ministry of Finance, in addition to the MEE itself), labour market organizations, the Federation of Finnish Enterprises, and the Association of Finnish Local and Regional Authorities. The evaluation themes included the following: 1) division

An international peer review of labour policy service structures

(https://www.tem.fi/files/41677/TEMjul_56_2014_web_11122014.pdf) produced the core basis for analysis in broad-based group work. The peer review presented the following key recommendations: 1) Improvements must be made to the cooperation between actors in public employment services, private recruitment agents, and service providers, and; 2) Procedures

associated with the management of the labour policy system and assessment of its performance must be reformed.

In total, the evaluation process generated 35 recommendations regarding the development of the labour policy services. These recommendations serve to promote the efficient implementation of the labour policy service system through five key performance drivers. These performance drivers are direct responses to the challenges evolving as a result of changes in the internal (efficiency, productivity) and external (working life, labour markets) operating environment of the labour policy service system.

The evaluation of the labour policy's service structure "Työpolitiikan palvelurakennearviointi: "Asiakaslähtoisempää ja tuloksellisempaa palvelua" (MEE Publications, Employment and Entrepreneurship 1/2015) (https://www.tem.fi/files/41831/TEMjul_1_2015_web_15012015.pdf) proposes that the efficiency and overall performance of the service system should be strengthened through ongoing investment in strategically targeted development work as follows: 1) Honour the strategic promise for a more customer-orientated approach; 2) Consolidate the accountability of the service system; 3) Make full use of the potential of digital service solutions; 4) A networked approach to the management of service production; 5) Ensure that governmental structures are uncomplicated, enabling, and equal.

VI

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

- 1 The Confederation of Finnish Industries (EK)
- 2 The Central Organization of Finnish Trade Unions (SAK)
- 3 The Finnish Confederation of Professionals (STTK)
- 4 The Confederation of Unions for Professional and Managerial Staff in Finland (AKAVA)
- 5 The Commission for Local Authority Employers (KT)
- 6 The State Employer's Office (VTML)
- 7 The Federation of Finnish enterprises

Statements of the labour market organisations:

Akava

After 2010, the number of unemployed with a higher education degree has nearly doubled in Finland. The number has grown from 25 000 persons to nearly 45 000 persons. The number of unemployed that have recently graduated from a university has increased almost at the same rate. Also long-term unemployment has strongly increased among those with a higher education degree. According to the most recent data, nearly 14 000 persons with a higher education degree are long-term unemployed. That means nearly every third unemployed person with a higher education degree has been unemployed for at least a year.

For years, Akava has been concerned about the resourcing of public employment services, which has already for a long time decreased both as to appropriations and especially to person-years. Especially with the current economic recession and extensive unemployment, it should be crucial that the resources and the service quality of public employment services were on a high level. As to those with a higher education degree, especially the quality of services and the special competence to match the needs have been seen as lacking in TE Offices.

Some years ago, there still was a special network of university advisers in TE Offices to serve those with a higher education degree, but this network was ran down for different reasons. There is a network of university contact persons now launched as a compensation, but its operations are still in early stages and its volume does not yet measure up to that of the earlier abolished network. It does have potential, though, and Akava hopes that the network's operations would in the future be supported by the ministry's good coordination and by the presence of also other parties.

Akava has wished for increased cooperation between the TE Office services and the career and recruitment services of universities, as well as the member unions of Akava. There has been varying cooperation during the years and especially recently, in connection with the evaluation of the service structure of labour policy, the cooperation has taken a real leap forward. The cooperation has intensified and new kinds of forms for it have been agreed on, in the form of different partnership agreements and other engagements.

The competences of private employment services are to be utilised more in the employment entity, and perhaps in a more close cooperation with the public authority. In order to support the development work, a pilot project was launched in the end of 2014. The project aims at clarifying the possibilities and options of cooperation. Akava takes a positive view to the increase of private services' role in employment services. Employment services must in any case have a central role in public employment services.

The Central Organisation of Finnish Trade Unions

The Central Organisation of Finnish Trade Unions SAK agrees with the statement of Akava as regards resourcing in public employment services. SAK, like Akava, has been concerned about resourcing of public employment services, which has already for a long time decreased both as to appropriations and especially to person-years.

In addition, SAK would like to point out that during the reporting period 2010 - 2015, TE Offices' personnel has been cut by almost 1,000. At the same time, the number of unemployed jobseekers and therefore new customers has grown by approximately 100,000. The workload has become unreasonable, and directing the unemployed to e-services has not improved the service level.

As regards reporting on article 8 on the youth guarantee, SAK notes that the intention is to use the youth guarantee funds to recruit 60 additional employees into TE Offices. However, in the final youth guarantee report, one can see that the actual addition was only approximately 20 employees due to savings. Cuts to employment appropriations have also had a negative impact on the implementation of the youth guarantee. This year, regions ran out of employment appropriations as regards pay subsidies and start-up grants already in the spring, and negative grant decisions have resulted in neglecting youth employment and apprenticeship training.