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Youth guarantee in Finland – Some experiences and results

Colloquium Gent 23th of October 2014 **Tommi Eskonen** Senior Adviser, Employment Policy Association of Finnish Local and Regional Authorities



Background: Situation in Finland in autumn 2011

- Each year about 3–5 % of age group did not continue directly to the secondary degree or to preparatory class.
- About 120 000 young aged between 20-29 had only basic education.
- About 1000 young aged under 30 retire due to mental health problems each year.
- 55 000 unemployed under 30 years, of which nearly 33 000 already had a vocational excamination.
- There were about 40 000 NEETs under the age of 30 who had only basic degree (of these some 15 000 were now and then jobseekers in TE-offeces)

The estimated expenses raising from NEETs is estimated to be around 300 M€ each year!



Youth guarantee 2013 – definition





Every young person under 25 and recent graduates under 30 will be offered a job, a work trial, a study place, a workshop place or rehabilitation, within three months after registering as unemployed.

Every person completing basic education will be guaranteed a place in upper secondary school, vocational education, apprenticeship training, a workshop, rehabilitation or a place in some other form of study.



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Youth Guarantee

as from 1st of January 2013

Goal • to help young people gain access to education and employment. Implemented across administrative borders – collaboration is vital!





Promoting youth employment







Employment plans prepared for unemployed youth before unemployment exceeds three months, 2013

Total	92.6%
Men	92.7%
Women	92.3%

Most of those young people for whom a job-seeking plan has not been drawn up are entering military service, taking maternity leave or have another valid reason for not having an employment plan.





The wage subsidy and the Sanssi card

- Young persons can be issued with a Sanssi card at the PES-Office (TE office) to use it for applying jobs. Wage subsidies are granted for work performed on an employment contract or for apprenticeship training.
- Municipalities, companies and other private-sector employers such as associations, foundations and social corporations can get wage subsidies provided that the conditions for granting the subsidy are met.
- Employers can receive a subsidy of approximately EUR 700 per month for a maximum of 10 months, with the exception of apprenticeship training in which wage subsidy can be granted for the entire training period.
- The employer applies for the wage subsidy from the PES-Office. The administrative procedures for applying for pay subsidies and for their payment have been lightened in order to make wage subsidies as effortless as possible for employers. Wage subsidy application procedure is nowadays fully electronic. Pay subsidies cannot be granted for employment relationships which have begun before the PES-Office has made a decision on granting the subsidy.
- In case employer har laid off employees the state cannot provide pay subsidies for recruiting.

More information:

http://www.te-services.fi/te/en/jobseekers/finding_job/young_people/sanssi_find_job/index.html https://www.youtube.com/watch?v=09zFIKClq6o



Unemployed youth under 25, whose unemployment has lasted longer than three months

	2012	2013	Men,%	Women, %
Finland as a whole	25	30,5	32,6	27,4
Uusimaa	19,4	28,4	28,2	28,8
Southwest Finland	24,3	26,1	28,9	22,4
Satakunta	29	25,2	26,2	23,6
Häme	23,6	27,1	26,1	28,6
Pirkanmaa	28,9	43,9	45,2	42
Southeastern Finland	32,8	36	42,1	26,5
Southern Savonia	25,3	31,2	34,6	26,1
Northern Savonia	22	18,4	22,4	12,9
North Karelia	23,1	24,6	26,6	21,7
Central Finland	32,2	35,8	36,4	34,9
South Ostrobothnia	22,5	30	33,5	25,4
Ostrobothnia	22,1	28,3	32,6	22,8
Northern Ostrobothnia	28,9	38,2	42,4	32,6
Kainuu	25,1	38,9	40,5	36,2
Lapland	24,3	32,3	37,8	23,4



Unemployment periods that ended before exceeding selected time in months





The average duration of unemployment in weeks





How many have found work, education or entered in PES – service within three months in August 2014





Education guarantee: backgroun

Age group completing basic education per year 60 000

Continues directly to the secondary degree about **55 000**

 New study places for those young who do not have secondary degree certificate, new criteria for student selection and regional distribution of study places under scrutiny Do not continue directly to the secondary degree about **5000**

Goal:

Each basic schoold graduate are guarantee a place in secondary level or in preparatory class



The implementation of the education guarantee



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More Training Opportunities

Strengthening apprenticeship training for young people More training and language courses and councelling for young immigrants

Developing on-the-job learning and educational models which combine education in educational institutions and apprenticeship training

A fixed-term skills programme for young adults in 2013–2016

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Cross-sectoral authority network, youth outreach and youth workshops





Youth guidance and service network in municipalities

Based on Youth Act (72/2006) 7§a with the purpose of improving the inter-operability and impact of services geared to young people, the guidance and service network shall:

- 1) compile information about young people's growth and living conditions and, based on this, assess young people's situation in support of local decisionmaking and planning;
- 2) promote the coordination and impact of services geared to young people with the aim of providing sufficient accessible services of high quality;
- 3) plan and enhance joint procedures in guiding young people to services and, where necessary, for transferring young people from one service to another;
- 4) promote the flow of information relating to the provision of youth services by planning common procedures for different authorities.



Rehabilitation as part of the Youth Guarantee





Some findings from the research monitoring the implementation of the Youth guarantee

The Rehabilitation Foundation Kuntoutussäätiö and the Reseach Centre for Social and Helath Economy at the Diaconia University of Applied Science have provided reaseach support of monitoring and evaluating implementation of the youth guarantee during 2013: report in April 2014.

The first year of Youth guarantee has:

- increased attention to the youth unemployment and to the need to further develop services for unemployed young
- raised Youth guarantee to the center of politics at local level
- increased cooperation among actors:
 - more than 50 % of organizations offering services for young have changed the way they operate
 - the changes concern resouces available, day to day operating and networking



Some findings from the research monitoring the implementation of the Youth guarantee

- The availability of social and health services are estimated to be inadequate than most other services for young.
- Greatest challenges were estimated to be the lack of rehabilitation service for those suffering from addiction and the lack of mental health services.
- Finding proper services for young can be challenging depending on municipality where young lives.
- Most of the professionals working with young feel that the possibilities to implement the guarantee are good or at least fair.



Key Indicators

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	Source
Efficiency Indicators 1: promoting Youth Employment	
1 The unemployment rate of those under 25 years	Tilastokeskus, Työvoimatutkimus
2 The share of unemployed jobseekers under 25 of the whole age group, the youth unemployment ratio	TEM, Työnvälitystilasto
3 The youth unemployment ratio of 25-29 years old recently graduated	TEM, Työnvälitystilasto
4 Un employment spell of unemployed under 25 more than 3 months	TEM, Työnvälitystilasto
5 Un employment spell of recently graduated unemployed under 25 more than 3 months	TEM, Työnvälitystilasto
Efficiency Indicators 2: implementation of education guarantee	
6 The share of those who did not continue to study immediately after finishing compulsory education	Kouluta-tietokanta
7 The share of school drop outs aged 20-29 of the whole age group	Tilastokeskus, Työssäkäyntitilasto
Efficiency Indicators 3: preventing marginalization of young people	
8 The NEET rate (NEET=not in education, employment, training)	Tilastokeskus, Työssäkäyntitilasto
9 The number of those aged 18-24 who have received income support for a long time	SOTKAnet
10 The number of those aged 16-29 who have received income support for a long time	Kelasto; Tilastokeskus, väestötilasto
Efficiency Indicators 4: The risk factors of marginalization of young people 11 The share of those compulsory school and secondary degree students who do not have any close friends (%)	THL, Kouluterveyskysely

Alaviite





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Thank You!

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