



**FOR INTERNAL USE**

# **European Network of Public Employment Services**

PES Capacity Questionnaire  
Country Factsheet

Finland

Ministry of Economic Affairs and Employment  
2019



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*Social Europe*

## **EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion  
Directorate B — Employment  
Unit B1 — Employment Strategy

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The European Network of Public Employment Services was created following a Decision of the European Parliament and Council in June 2014<sup>1</sup>. Its objective is to reinforce PES capacity, effectiveness and efficiency. This activity has been developed within the work programme of the European PES Network. For further information: <http://ec.europa.eu/social/PESNetwork>.

This activity has received financial support from the European Union Programme for Employment and Social Innovation 'EaSI' (2014-2020). For further information please consult: <http://ec.europa.eu/social/easi>.

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<sup>1</sup> DECISION No 573/2014/EU

## About the Ministry of Economic Affairs and Employment

<b>Name of PES</b>	Ministry of Economic Affairs and Employment
<b>PES Website address</b>	www.tem.fi (Ministry) www.te-services.fi (Employment and Economic Development Offices)
<b>PES contact person and email address</b>	Tiina Oinonen tiina.oinonen@tem.fi

## 1. Background

### 1.1. Status of the national PES

The Finnish employment service (the PES) is organised as an executive administration under the Ministry of Economic Affairs and Employment (MEAE). Parliament approves the annual budget of the MEAE and sets its main business objectives and targets. The main objectives of the PES service are to:

- Support growth and employability by developing the skills of the work force
- Promote the functionality of the labour market
- Support jobseekers in quickly accessing the labour market
- Support business start-ups
- Strengthen skills within employers and increase competitiveness.

### 1.2. Geographical organisation

The PES is organised according to the following structure:

Level	Description
<b>National</b>	<i>Ministry of Economic Affairs and Employment (MEAE).</i> The Development and Administrative Centre (KEHA) was established in 2015. It is a national agency under the steering of the Ministry providing development and administration services for the ELY centres and the TE (Employment and Economic Development) offices.
<b>Regional</b>	<i>Regional centres for Economic Development, Transport and the Environment (ELY centres) (15).</i> They are responsible for steering and supervising the activities of the fifteen TE offices to ensure that the necessary and statutory employment services are in place and available for all those who need them. The centres are also responsible for developing and coordinating employment services, as well helping to promote employment opportunities and prevent discrimination and social exclusion by supporting TE offices in their regional role. <i>TE offices (15)</i>
<b>Local</b>	Locally there are 'one-stop-shops' offering both public and other services at one service point

### 1.3. Relationships and cooperation with other organisations

The PES operates and cooperates with a range of organisations and with different types of relationships, the principal ones being as follows:

- As an executive administration, the PES has a close and dependent relationship with the relevant ministry, the MEAE;
- The PES works with other providers of employment and related services (including the payment of benefits) in the one-stop shops delivering services at a local level, working together with, among others, municipalities and training providers. The 15 regional centres also deliver services.

### 1.4. Key PES responsibilities







The key activities and tasks and the PES responsibilities within them are set out in the table below:

Activity/Task	PES Responsibility
Implementation of services of individualised assistance (e.g. intensive counselling and guidance, job-search assistance) and follow-up for unemployed people provided as part of a planned path towards durable (re-)employment (cf. services as in Eurostat LMP database Category 1.1.2)	Fully
Implementation of ALMP (Active Labour Market Policies) measures (any measures within Eurostat LMP database Category 2-7) financed by national funds or ESF (the European Social Fund) co-funding	Fully
Administration of national unemployment benefit (UB) scheme (handling of UB claims, payments, financial planning and reporting, etc.)	Not responsible
Administration of social types of allowances (e.g. child allowances for UB recipients), please specify each allowance separately:	Not responsible
Administration of benefits for people with disabilities or handicapped people, please specify which exact group(s) are covered:	Not responsible
Approval of layoffs by employers. Please specify if this concerns specific conditions or situation only:	Not responsible
Licensing and supervising private employment agencies (PrES), please specify whether this covers PrES, temporary work agencies, or another type of service provision by private companies:	Not responsible
Notification of apprenticeship places and placement of apprenticeship candidates	Fully - in cooperation with the Ministry of Education and Culture

Activity/Task	PES Responsibility
Career advice and guidance for young people still in education	Not responsible
Acting as Managing Authority for the ESF	Fully (Ministry of Economic Affairs and Employment)
Managing training centres for jobseekers (that are an integral part of the PES)	Not responsible
Issuing of work permits for third country nationals (e.g. dealing with applications, approving and then issuing, keeping records, reporting, etc.)	Partly - the Employment and Economic Development Offices issue a partial decision on a residence permit for an employed person, the Finnish Immigration Service then make the final decision.
Other – please specify:	None

### 1.5. PES good practices

Examples of good practice in the Finnish PES identified by the European Network of PES are listed below:

EN		PES Practice: Pilot of New Forms of Work and Entrepreneurship	2019
EN		Promising PES Practice: Social Impact Bonds for the Employment of Immigrants (updated)	2019
EN		PES Practice: One-Stop-Shop Guidance Centres for young people	2018
EN		Promising PES Practice: Social Impact Bonds for the Employment of Immigrants	2018
EN		PES Practice: The 'Multi-Sectorial Joint Service Enhancing Employability' for long-term unemployed	2017
EN		PES Practice: Measuring the net effect of vocational training	2017

Source: EC DG EMPL, PES Practices: <http://ec.europa.eu/social/main.jsp?catId=1206&langId=en>.

## 2. Annual expenditure

Total PES expenditure fell by EUR 58.9 million or 8% between 2013 and 2018, reaching EUR 682.3 million at the end of this period. Within this total, expenditure on ALMPs (Active Labour Market Policies) decreased by around 20%.

Other types of expenditure developed in a similar fashion as can be seen in Table 1.

The principal source of funding for PES activities is the Government Budget.

**Table 1. Annual expenditure summary (EUR million)**

Expenditure Category	2013	2014	2015	2016	2017	2018
Total PES	741.2	843.6	781.8	711.3	666.5	682.3
All types of benefits	0.0	0.0	0.0	0.0	0.0	0.0
ALMPs	529.1	616.7	526.2	458.9	425.2	424.0
Staff costs	140.1	136.7	139.4	130.7	134.1	135.4
Staff training costs	1.0	1.4	0.6	0.2	0.9	1.0
Budget intended for other institutions	0.0	0.0	0.0	0.0	0.0	0.0
Other expenditure	71.0	88.8	115.6	121.5	106.2	121.9

Source: Annual PES Benchmarking Data Collection.

### 3. Human resources

The total number of PES staff increased by 468 FTE (Full Time Equivalent) or 17% over the period 2016-2019, reaching 3 211 FTE at the end of the period, mainly because early in 2017 a new service approach with more frequent interviews to unemployed jobseekers was implemented (a result of the government budget session in August 2016). Similarly, the proportion of staff in direct contact with clients (front office staff) increased by around 6%. No additional changes are planned in the staff numbers or allocations for 2019.

PES staff do not specialise in client types, but services are provided for clients according to their service needs, on three different service lines as follows:

- Employment and enterprise services
- Competence development services
- Supported employment services.

At the end of April 2019, it is estimated that around 2 954 FTE staff or 92% of the total were directly engaged in dealing with clients in various functions.

Overall staff turnover in 2019 was 8%.

**Table 2. Staffing summary (FTE, as at 30 April each year)**

Staff Category	2016	2017	2018	2019
Total PES staff	2 748	2 964	3 042	3 211
Of which (absolute and in % of total PES staff):				
Front office staff	N/A	N/A	2 647	2 954
% front office staff	N/A	N/A	87%	92%
Staff turnover (for all reasons – figure for calendar year)	10%	10%	N/A	8%

Source: Responses to PES Capacity Questionnaire.

#### 4. Registered unemployed

The number of registered jobseekers decreased by 36 115 or 12% between 2013 and 2018, ending the period at 262 689. Over the same period, participants in ALMPs increased by 10 964 or 12%, with 106 178 in ALMP measures in 2018.

**Table 3. Registered unemployed jobseekers and participants in ALMPs (average monthly stock each year)**

Client Group	2013	2014	2015	2016	2017	2018
Registered unemployed jobseekers*	298 804	333 632	361 211	359 292	312 441	262 689
Participants in ALMPs**	90 040	104 474	100 797	100 896	99 912	101 004

\*The number of people registered with the PES, who are available for the labour market and who are, or should be, looking for a job, excluding those on any active labour market policy (ALMP) measure.

\*\* The number of people participating in ALMP measures in the following categories (according to the LMP database): Training (Category 2); Job rotation and job sharing (Category 4.3); Sheltered and supported employment and rehabilitation (Category 5); Direct job creation (Category 6).

Source: Annual PES Benchmarking Data Collection.

#### 5. Job Vacancies

The monthly average of job vacancies notified to the PES increased by 18 437 or 47% between 2013 and 2018, reaching 57 592 in 2018. The proportion of monthly average job vacancies notified to the PES that were filled stood at 96% in 2018, of which 88% were filled within 60 days of notification.

The share of the job finders who found their present job through PES involvement at any point decreased slightly from 2013 to 2018 ending the period at 14.1%.

**Table 4. PES Job vacancies**

Vacancy measure	2013	2014	2015	2016	2017	2018
Vacancies notified to the PES (monthly average inflow) *	39 155	38 946	40 967	46 792	49 338	57 592
Vacancies notified to the PES that were filled (monthly average outflow at the end of the month) *	37 787	37 329	40 559	44 510	47 626	55 347
Vacancies notified to the PES that were filled within 60 days of notification (monthly average outflow at end of month) *	35 329	34 635	36 753	41 123	43 472	50 923
Share of the unemployed who stated in Eurostat's Labour Force Survey that the PES was involved at any moment in finding their current job (proxy for vacancies filled with PES assistance) **	16.2%	15.1%	14.2%	13.5%	14.1%	14.1%

Source:

\* Annual PES Benchmarking Data Collection.

\*\* European Union Labour Force Survey (EU LFS).

## 6. Active labour market policies (ALMPs)

Three new employment measures were introduced in 2018 (see Table 5). One amendment was made to existing measures last year (see Table 6).

**Table 5. New ALMPs introduced in 2018**

Intervention name	Target group(s)	Type
<i>New model to activate unemployed</i>	Unemployed jobseekers	This measure cannot be classified according to the LMP database classification and should be considered a more general employment policy change.
<i>Starting business activities during unemployment</i>	Unemployed jobseekers willing to start a business	7
<i>Reform of vocational upper secondary education – degree-based labour market training shifted from the Ministry of Economic Affairs and Employment (MEAE) to the Ministry of Education and Culture</i>	Unemployed	2

\* Classification of ALMPs according to the EU LMP database: Training (Category 2); Employment incentives (including job rotation and job sharing) (Category 4); Sheltered and supported employment and rehabilitation (Category 5); Direct job creation (Category 6); and Start-up incentives (Category 7).

Source: Responses to PES Capacity Questionnaire.

**Table 6. ALMPs modified in 2018**

Intervention name	Target groups	Type	Main modifications
<i>Rekryointikokeilu Trial recruitment (a trial period of work, voluntarily agreed between the employer and the potential employee, with unemployment benefit preserved during the period. No formal 'employment relationship' exists during this period)</i>	All target groups	4	Temporary trial recruitment started in the beginning of 2017 and was finished at the end of 2018.

\* Classification of ALMPs according to the EU LMP database: Training (Category 2); Employment incentives (including job rotation and job sharing) (Category 4); Sheltered and supported employment and rehabilitation (Category 5); Direct job creation (Category 6); and Start-up incentives (Category 7).

Source: Responses to PES Capacity Questionnaire.



The following table shows the types of ALMPs that are primarily used for each of the client sub-groups listed in the table.

**Table 7. Types of ALMP for specific client groups**

Type of ALMPs \ Target group	Young people (aged under 25)	Long-term unemployed	Older workers	Disabled	Refugees*
2: Training	✓	✓	✓	✓	✓
4: Employment incentives	✓	✓	✓	✓	✓
5: Supported employment and rehabilitation	✓	✓	✓	✓	✓
6: Direct job creation	✓				
7: Start-up incentives	✓	✓	✓	✓	✓

\*Applies only to those with a temporary or permanent resident permit (status).

Source: Responses to PES Capacity Questionnaire.

## 7. Main strategic targets for 2018

Table 8 lists the main strategic targets set by the PES for 2018 for all clients and for sub-groups. The first column describes the indicators used, while the second column contains the actual targets set.

**Table 8. Targets for all clients in 2018**

Indicator, including target group and time frame where applicable	Target(s) set for 2018
The matching of the supply and demand of labour will improve. The amount of agencies/companies having faced recruitment problems	23%
Structural unemployment will decrease. Number of people who are difficult to employ, maximum	155 200
Unemployment periods get shorter. Flow to unemployment of more than 3 months, maximum	35%
Inclusion of youth will increase. Youth (under 25 years old) who have experienced more than 3 months unemployment, maximum.	35%
The inclusion of immigrants will increase; Immigrants (citizens) who experience more than three months' unemployment, maximum.	40%
Entrepreneurship will increase; number of new enterprises	10 000
Overall matching effectiveness of the PES Ratio based on how far the performance of an average region (ELY region) is from the best region.	90%
Overall effectiveness of the PES Combination of the previous indicator (overall matching effectiveness of the PES) and the latter indicator (cost-effectiveness of the PES).	94%
Cost-effectiveness of the PES The ratio shows how the average region with its resources has performed in relation to the best region with its resources.	92%

Source: Responses to PES Capacity Questionnaire.

## Supporting Youth

### Implementing the Youth Guarantee

#### Responsibilities for the Youth Guarantee

The Youth Guarantee was introduced on January 1, 2013. Finland presented a Youth Guarantee Implementation Plan, in line with the European Council Recommendations of April 2013, in May 2014.<sup>2</sup>

The Ministry of Economic Affairs and Employment used to be the authority in charge of establishing and managing the Youth Guarantee (YG) scheme and coordinating partnerships across all levels and sectors. The overall coordination responsibility for the YG has been moved to the Ministry of Education and Culture. The other main actors include various Ministries (Education and Culture, Social Affairs and Health, Defence and Finance); business organisations (Federation of Finnish Enterprises, EK – the Confederation of Finnish Industries); professional organisations and trade unions (Akava – Confederation of Unions for Professional and Managerial Staff in Finland, STTK – the Finnish Confederation of Professionals, SAK – the Central Organisation of Finnish Trade Unions); youth organisations (Allianssi – Finnish Youth Cooperation) and others (the Association of Finnish Local and Regional Authorities, the Social Insurance Institution of Finland and the Finnish National Board of Education).

The PES is just one of the implementers of the national YG scheme. The main areas that the PES is responsible for within the YG are:

- Registration of young people
- Provision of PES services including YG services to young people
- Coordination of partners
- Outreach to NEETs (Not in Education, Employment or Training) – the Ministry of Education and Culture, rather than the PES, is responsible for NEETs. However, the PES regularly cooperates with other actors in delivering outreach activities targeted at unregistered NEETs
- Follow-up of all young people who received YG services
- Design and maintenance of the YG monitoring system (including indicators)

#### Involving young people and youth organisations

The Finnish PES involves both young people and youth organizations in designing/re-designing or improving the YG measures, e.g. youth organisations have particularly been involved in the development of *One-Stop Shops*.

#### Partnerships in place and main developments

The PES has three types of partnerships in place for implementation of the YG:

*Partnerships to ensure that young people have full information and support available* - the PES has acted previously as a chair of the working group that coordinates the design and implementation of the YG. This has allowed the PES to build strong partnerships with the Ministries and the partners involved. The cooperation between different actors and the internal cooperation with institutions and companies has been strengthened and the One-Stop Shops Guidance Centres have been developed as a part of the Youth Guarantee scheme.

- *Partnerships aimed at increasing employment, apprenticeship and traineeship opportunities* - to increase employment, apprenticeships and traineeship opportunities, the PES focused on enhancing cooperation with employers.

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<sup>2</sup> <https://ec.europa.eu/social/main.jsp?catId=1161&langId=en>

- *Partnerships aimed at supporting transitions from unemployment, inactivity or education into work*

The major developments over the period April 2017–April 2019, for all types of partnerships is represented by the fact that *One-Stop Shops* extended their services and have now a wider range of services than before.

### **New projects focusing on young people**

In the past 24 months (April 2017-April 2019), PES have developed a project that introduce low threshold mental health support to *One-Stop-Shops*. Through this inter-ministerial project, 20 psychologists and social workers were recruited to youth *One-Stop Shops*. They are able to offer short but intensive support for young people who need light mental health support. The aim is to offer services for young in need and also to develop the integration of PES and social services.

Another project was also developed, where the PES offices were able to purchase services from private service providers. The aim was to find new service paths and increase cooperation between PES and private services. The budget was EUR 15 million and as a result the PES has guided about 8 500 young to the services.

## **Resources for implementing the Youth Guarantee**

### **Human resources**

The PES has staff dedicated to the implementation of the Youth Guarantee and at the end of April 2019 there were 120 FTE PES staff working at the guidance centres (the Ohjaamo Guidance Centre and the Navigator Guidance Centre), all working as client-facing employment counsellors. Besides this, there are other staff in PES who work with young customers.

During the April 2017-April 2019 period, over 75% of the PES staff working on the implementation of the YG received relevant training. The staff are located at the Ohjaamo Guidance Centre and the training has involved various topics: working in a multi-professional environment, counselling and how to work with youth and communication.

### **Funding for youth programmes**

Specific YG measures are principally funded by the government and the ESF with additional funding from sources in the municipalities.

## **Reaching out to young people, including NEETs**

The Ministry of Education and Culture, rather than the PES, is responsible for NEETs. However, the PES regularly cooperates with other actors in delivering outreach activities targeted at unregistered NEETs, including:

- *Cooperation with NGOs and youth organisations* – with outreach youth work and youth workshops. Youth workshops can be run by NGOs as well as municipalities and the PES can guide young people to the workshops.
- *Employing or working with designated youth outreach workers* – outreach youth work and cooperation with youth workers.
- *Single point services (one-stop shop)* – these are being further developed and expanded to new towns and cities with the initiative led by the Ministry of Economic Affairs and Employment.
- *Mobile PES services* – pop-up PES services for young people.
- *Awareness-raising events and campaigns.*

Although not specifically implemented by the PES itself, it also cooperates with other actors such as outreach youth work and school councillors in *proactive work with schools*. If someone is concerned about the wellbeing of a young person still in school, they can contact outreach youth workers who will then try to contact the young. School councillors are available for students.

Cooperation between PES and the municipalities, as well as outreach youth work, is in place to *follow up young people who drop out of activation schemes/no longer access benefits*.

## Information management

The PES has access to the following sources to support implementation of the YG:

- Database of apprenticeship vacancies – apprenticeship places can be announced on the PES database
- Database of traineeship vacancies (from 2016)
- Unemployed jobseekers and their participation in ALMPs
- Common database for one-stop shop guidance centres

## Timing in the provision of PES services

- A first interview with a counsellor - within 1 month of registering in the YG scheme.

Note: there is no average time for making an offer. Finland does not monitor the average time for making an offer.

## Monitoring and evaluation

### Time-bound targets

- The PES aims to make an offer within 3 months from the moment when a young jobseeker registers as unemployed.

### Monitoring and evaluation activities

- *Satisfaction surveys of young jobseekers*
- *Satisfaction surveys of employers*
- *Monitoring how many young people receive an offer within the 4-month target*
- *Follow-up of young clients once they have entered employment or training*
- *Follow-up of young clients once they have been referred to education and training providers*
- *Education and youth work statistics.*

## Mutual learning activities

During the period April 2017-April 2019 PES staff took part in the following mutual learning or technical assistance activities related to youth:

Name of event or activity	Location and Host	Date
Peer Support	Spain	2018-2019