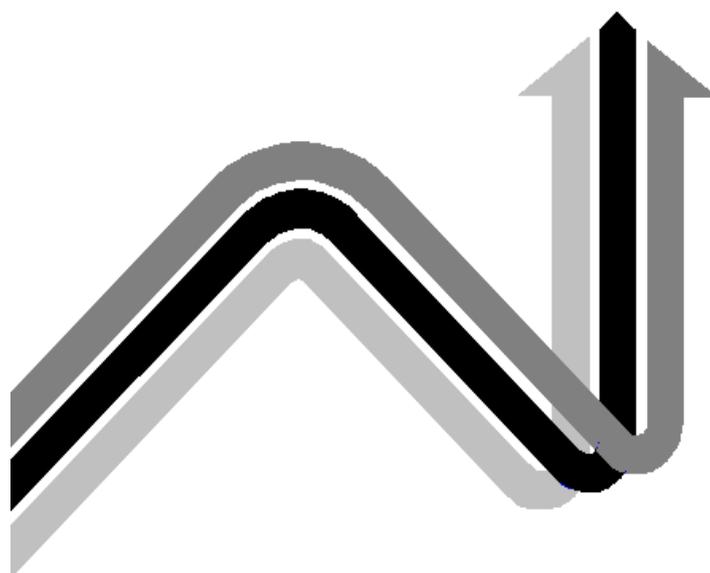


**THEMATIC REVIEW OF THE TRANSITION
FROM INITIAL EDUCATION TO WORKING LIFE**



FINLAND

COUNTRY NOTE

NOVEMBER 1999

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1. INTRODUCTION

The objectives and the organisation of the thematic country reviews

As part of OECD's follow-up work to the "Jobs Study" and to other preceding work¹, the Education Committee launched in 1996 a series of country reviews focusing on institutional frameworks and policies affecting young people's transition from initial education and training to employment. The target group of these reviews is young people in the age span from about fifteen to thirty, that is from just before the end of compulsory education to the age where the predominant activity of the large majority of the age group is in the labour market rather than in education. These reviews are to examine both education and labour market institutions and policies and, in particular, the interaction between both as it affects young people.

Altogether fourteen countries have participated in this review. Australia, Austria, Canada, the Czech Republic, Norway and Portugal were visited in 1997. Denmark, Finland, Hungary, Japan, the United Kingdom, the United States, Sweden and Switzerland were visited in 1998 and early 1999. Each visit lasted between 10 days and two weeks and was undertaken by a team of four reviewers, coming from different countries and from different administrative, research and policy making backgrounds. Within countries, the visits were co-ordinated by education ministries, often in co-operation with other ministries concerned. Each country prepared a detailed Background Report according to common guidelines previously agreed by country representatives and the OECD Secretariat.

The visits enabled the reviewers to deepen and analyse the information contained in the country background reports on the basis of discussions with representatives of administrations, educators, employers and trade unions and -- last but not least -- young people. Site visits to schools, colleges, enterprises, labour offices, information and guidance services and to organisations in charge of co-ordinating education and training provision and labour market services provided further opportunities for improved understanding of the main transition problems and interesting responses to these in each country. After each visit, the review team prepared a Country Note synthesising the team's observations and suggestions. An Interim Comparative Report was prepared on the basis of the first six country visits in 1997². The Final Comparative Report, based on observations from all 14 countries will be presented to the Education Committee at its Fall 1999 meeting.

The participation of Finland

The visit in Finland took place on 2 - 11 November 1998. The names of the co-ordinator, steering group, the authors of the Background Report and the members of the expert team can be found in Annex I. The team recalls with great pleasure and gratitude the warm hospitality with which we met in those early Winter days of the visit. We would like to profit from this opportunity to thank all those who through their knowledge, openness and patience have contributed to improving our understanding of the objectives and implementation of several interrelated reforms currently underway in Finland concerning the organisation of transition pathways.

Finland has in the past decade experienced one of the most uneven economic development processes within OECD. Being among the most successful economies at the end of the 1980s, the country was plunged into its deepest economic crisis since the Second World War as a consequence of the collapse of the Soviet Union. However, from 1994 onward economic growth has recovered and currently exceeds that of most other OECD countries. At the same time Finland was able to consolidate its public budget according to the Maastricht criteria.

Young people's transition from initial education to working life was strongly affected by these developments. Between 1991 and 1993, youth unemployment rose massively and more rapidly than adult unemployment. Since 1994, due to increased retention in education, labour market programmes and the preference of employers for well qualified young workers the situation of young people in the labour market improved more rapidly than that of the adult labour force.

It is not easy to distinguish the effects of education policy responses to the particular challenges of the early 1990s from the effects of longer-term educational reforms many of which started in the 1980s and will be completed only after the turn of the century. The Country Note tries to explore some of the complexities of the interrelationship between re-active and pro-active policy approaches and to examine the role of the central government and administration, of regional and local actors -- including schools and employment offices -- and of the social partners in the ongoing reform processes.

Section 2, 3, 4 and 5 present briefly the economic context of transition, the education and training system and major reforms, labour market institutions and policies and aspects of governance and administration respectively. Section 6 discusses in greater detail major issues and concerns with regard to the ongoing reforms. The conclusions, finally, provide a summary of the main issues and policy suggestions discussed during the visit.

2. THE CONTEXT OF TRANSITION IN FINLAND

Up to the 1990s: good economic performance and a well developed welfare state

Until the beginning of the 1990s the Finnish economy was among the most successful ones of the OECD countries. Growth of GDP was above OECD-Europe, and GDP per capita was higher than in the other countries of the European Community³. During the 1980s, the Finnish economy developed the base for high-tech infrastructures in support of the emerging information society. The proportion of R&D personnel in the labour force grew much faster than in most other OECD-countries.⁴ During the late 1980s the number of persons obtaining a degree, or a qualification, in information technology or the media rose substantially. Between 1985 and 1990 the share of new students in these subject areas had doubled.⁵ Unemployment was low at that time: between 3 and 4 per cent towards the end of the 1980s.⁶ Employment rates reached more than 70 per cent, similar to the US and considerably higher than the EU average.⁷

During the 1970s and 1980s product market policies supported the development of the forest industry and its peripheral sectors, in order to exploit the country's natural resources.⁸ Nevertheless, overall the Finnish economy, like that of other OECD countries, experienced a long-term decline of the primary sector. The share of GDP produced by the manufacturing sector, however, remained steady at about 40 per cent until the mid 1980s and declined thereafter. By 1990, the employment share of the primary and manufacturing sectors together had declined to 36 per cent whereas employment in the service sector had grown to 64 per cent.⁹

Like in other Nordic countries, public policies in Finland had adopted high standards of social welfare largely financed through relatively high taxes. During the eighties, about ten per cent of the labour force benefited from labour market measures or income support.¹⁰ The standards of eligibility for social benefits and of the duration and level of income support were generous: the maximum duration of unemployment allowance was almost two years, about twice the average of the European Union and other Western countries. For the elderly unemployed it could even last up to seven years. The period of prior employment required for eligibility was shorter than in other countries.¹¹ Young people were eligible for unemployment benefits immediately after leaving compulsory school or higher levels of initial education.¹²

The crisis of the early 1990s: high unemployment and rapid economic recovery

In the beginning of the 1990s the Finnish economy and society experienced one of its deepest recessions, and subsequently an impressive process of recovery. The recession had severe consequences on employment and unemployment and on the overall system of welfare and public policy:

- Between 1990 and 1994 the number of employed persons fell by about 450.000; the employment rate fell by more than 10 per cent (from about 70 per cent in 1990 to less than 60 per cent in 1994).
- The unemployment rate, which at 3.2 per cent was one of the lowest in the OECD in 1990, peaked at 16.6 per cent in 1994 (Annex 2). In August 1994, 484.000 unemployed job-seekers were registered with the employment offices.
- That situation also created severe challenges to the welfare system and to the basic features of Finnish labour market policy. The burden on the unemployment insurance system increased suddenly, accompanied by growing taxes for wage-earners and an increase in the unemployment insurance contributions by employers. The resources of the employment offices were severely overburdened. Labour market measures became less effective for several reasons: due to the loss of jobs, no job offers could be provided as an alternative to passive or active measures; active measures were used to restore the access to passive measures; and subsidised employment was frequently used by the enterprises to merely cut their labour costs.¹³
- The crisis, and subsequent rising number of social benefits claimants, led to an increase in social transfers from 27 per cent of GDP in 1990 to 37 per cent in 1993. After 1991, in order to consolidate the development of public finances, a series of austerity packages were implemented. This resulted in annual budget savings of about 6 per cent of GDP until 1995, compared to initially projected expenditure levels. During the following years savings of about 4 per cent of GDP have been generated. Approximately one third of the cuts concerned central government transfers to municipalities, leading also to a temporary decline in spending on education. After increases of 2.1 per cent and 3.4 per cent in 1990 and 1991 respectively, expenditures for education were reduced by 2.4 per cent in 1992 and by 4.7 per cent in 1993. Subsequently education budgets increased again, peaking at a growth rate of 7.7 per cent in 1995.¹⁴

The recession culminated in 1993. Since then, the Finnish economy has achieved an impressive recovery. Between 1994 and 1997 real GDP expanded on average by almost 5 per cent and fiscal consolidation allowed the Maastricht criteria to be fulfilled with relative ease. This process was underpinned by successful innovation in high-tech industries and industrial restructuring, resulting in a very successful performance of export industries. However, unemployment remained relatively high and regional disparities increased. Economic success concentrated strongly in certain regions, especially the south-western parts of the country.

The context of transition frameworks and processes has been heavily influenced by the dramatic changes in economic and social conditions during the 1990s both, during the deep recession as well as the rapid recovery. Changing labour market conditions have particularly affected certain groups of persons and certain regions:

- A redistribution of employment chances in favour of younger and better educated people seems to have taken place during the recovery, paired with severe problems for older, less educated groups.

- Regional imbalances increased: northern and eastern regions became poorer while the south-western parts of Finland benefited more than proportionally from the recovery. These imbalances may to some extent have been reinforced by changing priorities of regional policy, with a shift of focus from reducing regional disparities towards encouraging geographical mobility.

The rapid and profound changes during the 1990s were very much highlighted in the Background Report. In considering the conditions of young people's transition from education to working life today, it is not always easy to distinguish between the consequences of the exceptional recent economic crisis and related policy responses on one side and, on the other side, developments due to the education and training reform policies put underway in the 1980s. Similarly, it is difficult to foresee how transition will function once Finland will return to a more "normal" pace of development.

3. THE EDUCATION AND TRAINING SYSTEM

The system of pathways

The Finnish education and training system has been subject to a number of profound reforms during the past decades which will continue at least for another decade. Major developments in that reform process may be summarised as follows:¹⁵

- the expansion of higher education into a network of universities covering the whole country during the 1960s and 1970s;
- the shift from the two track system of compulsory education to the comprehensive school during the 1970s;
- the overhaul of upper secondary vocational education and training in the 1980s;
- the establishment of the polytechnics (*AMK*- institutions) at the tertiary level in the 1990s;
- the development of individual pathway options and of internationalisation during the 1990s, adding flexibility to the earlier improvements concerning educational standards and equity.
- The structure of educational pathways has undergone substantial change. Presenting a picture of the current situation therefore requires an understanding of the main orientations of the various reforms.

Compulsory education is today provided through nine-years in the comprehensive school, including primary and lower secondary education. Presently, the normal age for entering primary school is 7, but in future, children will enter at the age of 6. Compulsory education is followed by two main pathways at the upper secondary level - general and vocational education. A third pathway -- apprenticeship -- was added in 1994. Many of the vocational schools have traditionally covered both upper secondary education and one or two years of post-secondary vocational education.

At the upper secondary level three main kinds of institutions can be distinguished:

- the *general upper secondary schools* offer a 3 year general education curriculum leading to a national matriculation examination;

- the *upper secondary vocational schools*, which are part of the vocational institutions comprising various types of 2 and 3 year programmes as well as one or two years of post-secondary vocational education¹⁶ (for a more detailed presentation see footnote 16);
- the apprenticeship sector, set up initially as a route to qualification for adults and, since 1994, also as an alternative for young people at the upper secondary level.

The curriculum structure of the vocational schools is currently being reformed in order to develop a system of qualifications responding better to the needs of the employment system. Development began in the 1980s: today a system of thirty occupational categories in seven sectors comprise the main structure.¹⁷ The overall structure is established at the national level, including guidelines for the courses in the different occupational categories. Another important feature of education and training pathways in Finland is their organisation in the form of modules¹⁸ and credits¹⁹ which have replaced the traditional subject areas.

At the post-secondary level there are two kinds of institutions:

- universities
- polytechnics (*AMK*- institutions)

Universities confer three main levels of degrees: the Bachelor's degree (3 to 4 years to completion), the Master's degree (5 to 6 years) and the Doctorate degree. In addition, there is also a special kind of Licentiate's degree at Finnish universities. In order to cover the widespread territory and to account for regional disparities, a system of 20 universities -- half of them multi-disciplinary -- has been developed. Those located in the most remote areas are intended to stimulate modernisation and development in these regions.

As indicated above, the polytechnics (*AMK*- institutions) were set up in 1991 as pilot projects ("temporary polytechnics") with the aim of upgrading initial vocational education at the tertiary level. Since 1996 that system is being consolidated. By the year 2000, a total of 31 polytechnics (*AMK*- institutions) are planned, the majority of which will be multi-disciplinary.

Another important feature of the Finnish education system is that vocational and technical education and training are provided to young people who are continuing their careers immediately after compulsory school; to young people entering upper secondary vocational education after having completed upper secondary general education; and to adults. Similarly, the new apprenticeship system also serves both young people and adults. Recently the reintegration of drop-outs from upper secondary education has also become an important objective for the vocational education sector.

A system of benefits²⁰ supports the participation of adults in continuing education and training, including training provided by institutions normally serving young people. The bulk of adult education, however, is provided in separate adult oriented study lines for vocational education, which have expanded considerably during the last decade.

A long lasting process of educational reform

Following the comprehensive reform at the lower secondary level in the 1970s an ongoing process of reform has taken place in vocational education over recent decades. At least three waves of increasingly complex reforms may be distinguished:

- First, a new system of pathways was set up at the upper secondary level during the eighties. That reform, lasting from 1982 to 1992, included a curricular reform and a new structure of vocational education fields. Twenty five basic study lines were created for the first year after compulsory school, followed by 250 fields of specialisations, compared to some 650 occupations previously. The new specialisation courses could also be taken by students from upper secondary schools holding the matriculation exam. These students were usually taught in separate groups, and were not obliged to take the first basic year. Initial vocational studies were offered at the secondary level as well as at the post-secondary level. In addition, a more coherent framework of legislation for the vocational education sector was introduced by a new law in 1987 which assembled within a single act the existing dispersed regulations concerning vocational institutions.²¹
- Second, in the late eighties, the "*Polytechnic Experiment*" was started as a pilot project for the reform of post-secondary vocational education. The aim was to establish a non-university sector with a clear vocational mission at the tertiary level, both to upgrade the existing post-secondary studies in vocational institutions and to provide a more practically and professionally oriented alternative to university studies which remain highly theory and research oriented.²² The new sector was to be embedded in the local and regional social and economic environment. The system of polytechnics (*AMK*-institutions) was launched in experimental form in 1992. Since then that sector has developed and expanded step by step. Selected vocational colleges were provisionally upgraded to tertiary level institutions, with accreditation mechanisms to guarantee the expected high quality of programmes and qualifications. In 1995 the legislation was amended, allowing for the transition from "temporary" to "permanent" polytechnics (*AMK*-institutions). In 1996, 9 institutions acquired permanent status and 6 new temporary ones were added. In 1997 there were 14 temporary and 16 permanent polytechnics. From the year 2000, the Polytechnics (*AMK*-institutions) system is expected to function with a total of 31 permanent institutions. All of the expanding enrolments in the tertiary education sector are to be absorbed by polytechnics (*AMK*-institutions) rather than universities.
- Third, since the early nineties a comprehensive reform plan for the overall system has evolved gradually. Its elements include: (a) administrative reform of the university system, (b) continuation of the polytechnic reform, (c) curricular reform of general and vocational education at the upper secondary level, comprising modularisation, more flexible and individualised choices and study programmes, permitting combination of general and vocational courses from different schools, etc. (d) creation of a new apprenticeship system, (e) implementation of extended on-the-job-learning in vocational education, and (f) development of continuing education for adults, in particular the implementation of a new system of competence based qualifications and new financing mechanisms for improving access to education and training.
- These three waves of reform of vocational and technical education were accompanied by changes in the administration of education and training. The administration of various societal sectors in Finland has traditionally been entrusted to specific central boards. When church control over education ended more than one hundred years ago, the Board of Education, later the *National Board of General Education*, was founded to manage educational matters. That board was principally responsible for general education, whereas responsibilities for vocational education were scattered among a large number of organisations and authorities. In 1968 the *National Board for Vocational Education* was founded to co-ordinate the management and steering of all vocational education and training. In 1991, the two boards were merged into the current *National Board of Education*. More recently, central administrative tasks have been transferred to the Ministry of Education. The

National Board of Education has now become an expert, planning and advisory body for the Ministry of Education.

The most recent changes mentioned in the Finnish Background Report are the following:

- New legislation for higher education replaced the various acts for individual universities by a single University Act which gave more autonomy to the universities (implemented since mid 1998);
- new legislation for vocational education and training (implemented in early 1999);
- new modes of decision making have been introduced in vocational education and training, in particular through the creation of *Training Committees*, which are now starting to function;
- in January 1998 the government and the social partners put forward a recommendation in favour of increased opportunities for on-the-job training for young people. The expansion of training places is just starting to be implemented.

4. THE LABOUR MARKET: INSTITUTIONS AND POLICIES AFFECTING TRANSITION

The effects of the economic crisis: steeply rising unemployment

During the recession, together with overall unemployment, youth unemployment increased suddenly to the highest levels in the European Union as well as in the OECD.

Education has played an important role in countering the social consequences of the recession by trying to keep young people in initial education and, to some extent, by bringing young people at risk back into educational pathways. According to the information provided in the background report that policy has been successful: participation in initial education is rising, and young people seem to highly value education and training.

At the same time, the budget for education was reduced, so more young people had to be educated within a declining infrastructure. Educational providers compensated for declining government money by raising additional resources, as reflected in the divergence of real unit costs compared to the calculated unit costs.

As the economy recovered, well educated young people were absorbed relatively rapidly by the labour market and unemployment concentrated on the elderly and on less educated young people. The overall number of registered unemployed persons in 1994 was five times higher than in 1990. The numbers for the younger age groups have expanded strongly as well, but considerably less than those for adults, especially among 15-19 year olds²³. Among older persons, unemployment among the 55-59 year old expanded far higher than average. During the recovery period from 1994 to 1998 the overall unemployment rate decreased by almost one quarter. However, while the number of unemployed young people (15-24) declined by 50 per cent, unemployment among older workers increased further by more than 30 per cent.

Nevertheless, the unemployment rates for the younger age groups, based on the labour force survey, remained very high. That may be partly due to decreases in the labour force participation of young people during the recession. Some small effect can also be attributed to a decline in the younger population during the early nineties, so that the potential supply in the 20-24 age group declined. In the recovery period, the unemployment figures from the labour force survey differ markedly from the registered unemployed, especially in the 15-19 age group: for that group the labour force survey shows a fairly constant figure of

about 37-39 per cent, whereas the rate calculated from the register data was only 11 per cent. The opposite trend, rising and much higher registered unemployment as compared to the figures from the labour force survey, can be observed for the older age groups.

The unemployment rates based on registered unemployment, both relative to the labour force and to the population, indicate more severe problems in the 20-24 age group. The policy of preventing youth unemployment through longer participation in education seems to have proven relatively successful, both during the crisis when young people were kept away from the labour market and since the recovery when the labour market seems to favour well educated young people. Overall, however, the data show that youth unemployment still is a serious problem. Studies by Statistics Finland (reported in the Background Report) show that educational attainment affects the employment opportunities for young people. Tertiary education ensures far higher likelihood of employment than secondary vocational education.

The OECD-Database shows the development of youth unemployment in Finland as compared to other OECD countries. From 1990 to 1993 youth unemployment in the overall 15-19 age group rose from a relatively low level to the highest level of the countries included. Subsequently, during 1993-97, the unemployment figures declined markedly, however remained at the highest level in comparison to the other countries taking part in the thematic review. This holds true irrespective of whether one looks at the unemployment/population ratio or the unemployment/labour force ratio. During the recovery youth unemployment fell while adult unemployment stagnated (it continued to rise for older workers).

The unemployment/population ratio is considerably higher among the 20-24 olds than among the 15-19 year olds. There are several countries at a similar level as Finland in the younger group, whereas in the older age group the Finnish ratio is the highest between 1992-96. The only other country which has reached an unemployment/population ratio similar to that of Finland in 1997 is Sweden. Due to low employment participation the unemployment/labour force ratio in Finland is higher among the 15-19 year olds than in age group of 20-24 year olds, and very high for both groups compared to the other countries.²⁴ The incidence of long-term youth unemployment in Finland is below OECD average and shows a marked decline for the 20-24 year olds in comparison to other countries. (For detailed statistics and comparative charts see Annex 2.)

Labour market institutions and policies

Labour market institutions and labour market policy developed during the prosperous times of the Finnish welfare state when unemployment was very low. In the end of the 1980s 2 per cent of GDP was spent for labour market measures, distributed about equally across active and passive measures. Approximately 10 per cent of the labour force participated in such measures, not taking into account another 10 per cent receiving a disability pension. The composition of participants in labour market programmes during the late eighties was as follows²⁵:

- about two-thirds received some kind of unemployment compensation (pension, state unemployment assistance, unemployment assistance from insurance funds)
- about one-third were employed in subsidised jobs (selective measures or job programmes such as public works, ESF objective 3 measures)
- about one third of participants in active labour market policy measures were enrolled in labour market training, the remaining two thirds in subsidised employment (in 1989 the absolute figures were 15.000 to 30.000, in 1991 about 20.000 to 40.000).²⁶

Finland has a highly developed system of adult education, consisting of a broad range of opportunities within schools and universities, independent adult education, personnel training, and labour market training. In the early 1990s, the average participation for adults was 15.000 - 20.000 in labour market training; 10.000 to almost 20.000 adults in initial vocational education programmes; nearly 30.000 (1993) in independent adult education; 40.000 in open university courses; and 62.000 in continuing university education. The relatively high participation in training provided within companies (310.000 in 1995) is offset by the short average duration (4 days per person and per year), resulting in an average equivalent of about 3.400 units of full time education. In addition to adult education, a new system of apprenticeship training was developed during the nineties.²⁷ So far, most of the apprentices in the 26.665 annual training places are adult workers. 66 % are over 25-years old.

The system of labour market institutions and policies has suffered deeply through the severe recession. The Programme for Employment in Finland 1996 - 1999 states the problem as follows: "The Finnish labour market policy system was never designed to cope with mass unemployment."²⁸ Several significant changes in the system of unemployment benefits and labour market policy have therefore been proposed and implemented since the mid-1990s. The following paragraphs provide an overview and discussion of the most important policies concerning young people.

Labour market policies for young people

Soon after the beginning of the economic crisis, the government took policy action against youth unemployment. As indicated earlier, policy makers expanded the number of study places within education in fields where employment opportunities remained intact. However, budget cuts necessitated by the pressures on public finances limited the ability to create an appropriate number of additional places.

In 1993 the *Youth Committee* developed an "Action plan to combat youth unemployment", based on a co-operative strategy of education, labour market and social policy. Three main challenges were addressed:

- How to provide ongoing educational opportunities for comprehensive and upper secondary school leavers?
- How to ensure traineeships for students at all levels in order to provide qualifying work experience?
- How to ensure youth transition from initial education and training to initial employment?

The work of the *Youth Committee* was an important step to create a co-ordinated action plan for solving the problems on the youth labour market. Several joint policy measures were created by the committee which involved the Ministries of Education, Labour, and Social Affairs and Health. The development and expansion of an apprenticeship pathway, subsidised through labour market measures, is one important example. Furthermore, the "Employment Programme" developed in the mid 1990s, formed an important basis for government policy and integrated the issues of vocational education into the overall strategy of employment policy. Programmes for creating closer links between education and work and for reintegrating young people without vocational qualifications into education or practical training were also developed in that context.

To complement the provision of additional study places in education (the Background Report mentions an overall number of 100.000 additional places during a period of three years)²⁹, and other policies aiming at improved linkages between education and working life (e.g. revision of the national framework curricula), the Committee proposed an expansion of the existing but very small apprenticeship system. That proposal aimed to:

- increase educational supply by involving industry;
- improve the content and quality of training by clearer and more demanding education and training objectives;
- create an additional educational pathway which could adapt more quickly to the changes in labour demand and serve the needs of more ‘practically oriented’ young people;
- provide an effective alternative to passive unemployment subsidies by including a strong training component into active labour market measures.

The expansion of apprenticeship training was implemented in co-operation with the labour administration, which provided employment subsidies to employers creating apprenticeship places. According to the Background Report, the number of apprenticeship contracts grew from between 3.000 - 8.000 students a year during the 1970s and 1980s to about 17.900 in 1995 and 25.000 in 1997. That support of apprenticeships was a first major labour market policy measure to aid the transition of young people. As the measure concerned *unemployed* young people, it was implemented as part of the *European Social Fund (ESF Objective 3)*³⁰. In the beginning of the 1990s apprenticeship training was aimed at adults. The new strategy expanded apprenticeship into youth education (basic training for young people under 20 years, lasting on average for 2.5 years), and enrolled young people aged 20-25 years into the adult programmes (further training, lasting on average for 6 months). The new apprenticeship programmes for the unemployed were financed on the basis of a reallocation of labour market policy budgets. About 20-25 per cent (depending on the actual share of young people within apprenticeship for further training) of the overall expenditure planned within the *ESF* policy for objective 3 was allocated to the apprenticeship programmes. The distribution of public and private contributions differs between the basic apprenticeship training for young people (23% *ESF* : 49% public : 29% private) and apprenticeship for further training (18% *ESF* : 35% public : 46% private). In relation to the expenditure for national labour market policy the public amount for apprenticeships (national + *ESF* contribution) may be estimated at 3%.

A second series of measures to assist young people’s transition targeted the least educated young people. For unemployed young people who had not completed upper secondary vocational training or education, the entitlement to benefits from the Labour Market Support Scheme³¹ was made conditional on either actively applying for vocational education or participating in a labour market measure. The scheme and the conditions mentioned were first implemented in 1996 for young people aged 18-20 and expanded to 18-25 years-olds in the beginning of 1997. For 17-year old unemployed the support is paid only for periods of participation in labour market measures, whereas young people under 17 years are not entitled to labour market support under any circumstances. These measures were aimed at increasing the longer term employment probability for young people at risk by providing them with an upper secondary vocational qualification.

This scheme also aims at providing at least practical training, or some other kind of active labour market measure for those young people who did not continue beyond compulsory school. The *Youth Work Shops* created with support of the *ESF* programme are an important measure to cope with the problems of these young unemployed.³²

Workshops for young unemployed people in Finland

The task of the workshops intended for young unemployed people is to help them to manage their own lives. The majority of young people in the workshops lack a vocational education or have been unemployed for extensive periods, thus being excluded from society. Workshops help young people to identify their own strengths, which are used as a basis for customising personal pathways through

education to working life. There are approximately 40,000–50,000 young unemployed people in Finland; of these, about 15,000–20,000 (summer 1999) are very difficult to employ or have multiple problems.

Initially, workshops were intended to provide these young people with a job, in which they could acquire the necessary work experience, as the labour market could not offer it due to the economic depression. However, the activities proved that young people's questions and problems call for a more thorough investigation into their concerns; therefore, after establishing their basic operations, workshops have also engaged in supporting young people to manage their lives. Now that there is work available on the labour market, there are roughly speaking three kinds of young people in the workshops:

- a) young people whose circumstances require total readjustment or a "life renovation programme" (those with multiple problems);
- b) young people with a poor comprehensive school leaving certificate and lacking vocational education and work experience; and
- c) young people taking a year off from their studies, searching for something of interest.

Together with young people, workshop instructors plan a personal pathway for each workshop participant in line with his or her circumstances. Since the questions and problems vary, a workshop instructor must have a broad range of know-how in various domains (such as measures to help intoxicant abusers, finding a dwelling, or drawing up a debt payment scheme). In the most difficult cases, instructors must first help young people to sort out their lives, in order to enable them to build a pathway through education to working life.

Workshops have a 30-year history in Finland, but they reached their current importance only during the 1990's; in 1990 there were about 50 workshops for young unemployed people, whereas since 1997 the figure has stabilised at about 350. Of these, 95% operate under municipal youth, educational, cultural, or social and health administrations, and other background organisations include associations and educational institutions. The average time a young person works at a workshop is six months, and the total annual number of young people in the workshops is 12,000.

Workshops have a wide range of work assignments; the most traditional are crafts shops (such as ceramics, textile, wood, printing) and repair shops, others include workshops operating in services (such as help for the elderly, cleaning) and media and information technologies. A factor common to all Finnish workshops is that they all train young people to use computer software, since these skills are needed for study and in the workplace.

The results of the workshop activities are evaluated by surveys and studies, which are conducted by an independent body. According to the results, workshops can, due to their flexible organisation, rapidly react to societal changes, and more than 60% of young people involved have found a study or workplace after periods of varying duration spent in a workshop. In young people's own opinion, workshops help them to manage their lives and to plan their careers, as well as to clarify their career choices. According to these findings, workshops have succeeded extremely well in preventing the marginalisation of young people.

An evaluation showed that for young leavers from compulsory school this measure has reduced registered unemployment considerably, and increased application for studies in upper secondary vocational education. For boys of that group, the study estimated a one-third reduction in unemployment (half of the decrease being due to participation in education); for girls, the increase in education almost equalled the decrease in unemployment. This means that, especially for young males, this measure also contributed to an increase of unreported unemployment, an issue which is also mentioned in the Background Report.

<p style="text-align: center;">Box 1 - The innovative workshop project of vocational institutions</p>
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The project is being carried out from 1st August 1998 to 31st July 2001 at 28 vocational institutions in different parts of Finland. The objective is to identify regional and/or institutional practice aiming to prevent dropping out, to develop student counselling, student-tutor activities and student welfare work, as well as to set up co-operation networks. A further goal of this experiment is to render the functioning of educational institutions more flexible and more diversified. The project is co-funded by the European Social Fund.

The responsibility for the experiment rests with the Ministry of Education, and it is co-ordinated by the National Board of Education. The educational institutions design the projects and are responsible for their implementation. The steering and monitoring of the overall strategy is assigned to a steering group appointed by the National Board of Education.

The projects differ in terms of implementation methods, but the students involved are always those of the institution concerned. The most common reasons for participating in 'inno-shop training' are numerous absences, deteriorating study motivation, intentions to drop out or studies already interrupted, problems with life management, and learning difficulties. Workshops provide an opportunity to finish incomplete studies and to return to normal instruction in a flexible manner. The objective of all workshop students is an initial vocational qualification.

The activities emphasise the individual guidance of each student and the preparation of a personal study plan. On-the-job training is an integral part of the practical implementation. Students' abilities to manage their lives are supported and improved through common programmes and recreational leisure activities.

The educational institutions involved in the project are provided with in service training 2 to 3 times per year. There are also several ongoing or planned studies on the project within the institutions. The National Board of Education ensures that the experiences and good practices gained from the experiments will be conveyed to other educational institutions, students, teachers, labour administration, local authorities and other interest groups. The results and innovations of the experiments will be disseminated through various publications, seminars, workshops and bulletins, as well as via electronic media, such as the web-site of the National Board of Education.

Based on the results of an evaluation study, the incentives to remain in educational careers were clearly successful for young people who had been previously unemployed, and who had only a comprehensive school background. 52 per cent of girls and 30 per cent of boys of that group started at least one period of apprenticeship or other subsidised employment, or labour market training. Compared to earlier cohorts, considerable increases due to these measures are reported. The overall estimated maximum number of additional unregistered unemployed youth is reported to be close to 3.500. It should be kept in mind that young people applying for education have to be accepted by the schools. Huge differences in supply and demand seem to exist across different fields of study. This suggests that access to the more popular fields have not been facilitated by the reform.³³

Special pilot projects for developing new and innovative strategies for young people threatened by social exclusion have also been set up under the *Community Initiative Employment Youth Start Programme*. The background analysis in the Operational Programme shows that 20 per cent of compulsory school leavers, about 10.000 young people, dropped out of initial education or have not been accepted for further studies. 6 to 8 per cent of an age group, 3.500 to 5.000 young people, were estimated to be threatened by exclusion. These projects, though small in scale, seem to have been successful in providing more vulnerable young people with basic experience which promotes the development of sustainable strategies for actively finding employment or engaging in further education.³⁴ Several innovative projects have been implemented in that programme which are currently under evaluation.

The more recent "*Employment Action Plan Finland*" confirms and reinforces these policies through the following priorities concerning young people:³⁵

- the obligation for young job seekers to take basic vocational training in order to qualify for labour market support;

- the number of persons beginning apprenticeship is planned to increase to about 20 per cent of the yearly intake in post-compulsory vocational training;
- the reforms in vocational education will continue: prolonging all upper secondary vocational education to three years and including on-the-job-training in all qualifications;
- in order to prevent youth unemployment: employment services are requested to give priority to the acquisition of additional vocational qualifications through advice and guidance; in 1999, each young unemployed person is to be provided with a job-seeking plan; the maximum duration of subsidised trainee work has been extended from 12 to 18 months; specialised services for unskilled young people are to be established in every employment office;
- the workshop activities carried out under *ESF* programmes should be continued in order to cope with the problems of drop-outs from upper secondary education (who are estimated at a comparatively low rate in that document).

Altogether the success of Finnish policies aiming to combat youth unemployment is very impressive, considering the exceptionally dramatic situation in the early 1990s. During the recovery, young people entering the labour market were clearly at an advantage over adult unemployed and especially the elderly:

- Since 1994, absolute figures of registered unemployment fell for young people while they continued to grow for adults.
- The rate of registered unemployment fell more strongly for young people than for adults, while it continued to rise for elderly workers.
- The unemployment rate from the labour force survey fell more strongly for the 20 - 24 year olds than for 15 - 19 year olds, but the very large majority of the younger age group are still enrolled in initial education.
- While OECD data do not show a clear advantage for young people in the decline of unemployment it shows that long-term youth unemployment in Finland is lower than in other Scandinavian countries and below OECD average.
- Labour force participation rose for young people while it stagnated for adults³⁶.

5. ASPECTS OF GOVERNANCE AND ADMINISTRATION

Responsibilities at national, regional and local level

Policies for education and employment are determined by the Parliament and the Council of State. The main executive bodies are the Council of State, the Ministries of Education and Labour and the *National Board of Education (NBE)*. The latter is an important expert agency which assumes most of the development and evaluation work for primary and secondary education, including vocational education and training. It is in charge of developing core curricula and the modularisation of the upper secondary curriculum, as well as a system of standardised competency based vocational qualifications. In addition, the *NBE* conducts multiple evaluation activities of educational institutions, both with regard to their regular functioning and their involvement in pilot projects of educational reforms.

A major recent trend in the administrative framework of the Finnish education and training system is the increasing devolution of responsibility and decision making power from the Ministry of Education to providers, i.e. municipalities and educational institutions. The Ministry, supported by the *National Board of Education*, sets objectives and provides financial support (see section below on financing), while the providers are relatively free to elaborate their own strategies of achieving these objectives. One important development is the creation of partnership networks among different institutions either on a bi-lateral basis or, more frequently, as "consortia" of several municipalities and industries.

Vocational institutions are maintained either by municipalities, federations of municipalities, the state or private associations. The trend is to municipalise and privatise state institutions. In practice, municipalities maintain the majority of vocational institutions. Vocational and polytechnics (*AMK*- institutions) are mostly run by federations of municipalities which are organised through joint municipal boards. The autonomy of the educational institutions depends on the administrative culture of the local authorities. The degree of independence varies: some local boards only provide guidelines, while others are involved in detailed decision making. In addition, it is the statutory obligation of municipalities to organise apprenticeship training which is supervised by inspectors jointly hired by one or several municipalities from the regional apprenticeship office. The inspector is responsible for organising the contacts between students and employers as well as for other practical measures.³⁷

At the regional level, Finland presents a somewhat complicated picture. There are 19 regions, 6 provinces, 15 *Employment and Economic Development Centres* and 46 *Regional Apprenticeship Offices*. Regional councils have no particular responsibilities with regard to education and training. Provincial governments are, among other things, responsible for ensuring continuous vocational training capacity and for allocating certain government subsidies. However, their role with regard to education has decreased in recent years. The aim of administrative reforms has been to share responsibilities in the education sector directly between the central administration and the local authorities. Only universities are genuinely self-governing bodies, under the direct responsibility of the Ministry of Education.

Employment and Economic Development Centres (EEDCs) are joint regional offices of the Ministry of Labour, the Ministry of Trade and Industry and the Ministry of Agriculture and Forestry. They are responsible for promoting trade and industry at the local level. They also plan and organise regional labour market training, mostly for the unemployed, as well as development activities, including training measures for small and medium-sized enterprises. In addition, *EEDCs* will have increasingly important responsibilities for anticipation and planning of skill requirements and other needs and trends related to the functioning of regional economies.

Regional Apprenticeship Offices, run by groups of municipalities, have traditionally been responsible for the implementation and supervision of apprenticeship training. However, with the reform of vocational education and training effective as of January 1999, these responsibilities will be transferred directly to education and training providers, mostly municipalities and schools. At the time of the visit it was not yet clear how this shift in responsibility would affect the *Regional Apprenticeship Offices*.

The involvement of the social partners

National level policy makers in Finland are advised by a large number of expert committees, commissions and working groups involving to various degrees the social partners and other stake holders. Of particular importance for transition issues is the *Youth Committee*, established in 1993 with the aim of co-ordinating policy measures in favour of young people among the relevant ministries (Labour, Education, Social Affairs and Health). This committee prepared the *National Youth Programme*, an action plan dealing with the provision of continuing education for comprehensive and upper secondary school leavers, traineeships for vocational students as well as effective transition from vocational secondary education to full-time employment. A *Presidential Working Group on Employment* produced a *Programme for Employment in*

Finland 1996-1999 which provided the basis for the government's action plan adopted in October 1995. In October 1997, the *Committee for Lifelong Learning* developed a report on the basic principles of Finnish policy in that area..

Another example of co-operative relationships is the common recommendation of January 1998, signed by the Prime Minister, the Minister of Education and Science, the Confederation of Finnish Industry and Employers and five major trade unions in favour of the provision of training places in industry and of teacher and trainer training (cf. Box 2). The vocational education reform foresees formal contracts between schools and enterprises as a basis for high quality traineeships for all vocational education students. It also foresees to expand the proportion of apprenticeship trainees among vocational education students from currently 5 per cent to 20 per cent. All this requires a formidable mobilisation of industry and of the vocational education providers.

Finally, *Training Committees* involving employers and trade unions have recently been created, based on an act of October 1997. Thirty *Training Committees* (6 sectoral committees and 24 occupational sub-committees) corresponding to the structure of education and training fields in the re-designed study lines were established. They will advise the *NBE* on the content of vocational courses, the development of competency-based vocational qualifications and the number of education and training places corresponding to the need for qualified labour in different parts of the economy. The tasks of these committees include:

- the promotion of interaction between education and working life;
- the anticipation of skill requirements;
- the development of education and training programmes and structures within their sector.
- The development of competency-based qualifications.

In addition, industry is represented in boards of educational institutions and of local and inter-municipal education consortia as well as in regional advisory councils. They contribute to adjusting educational provision to local needs and opportunities.

Box 2 - Recommendation concerning young people's on-the-job learning

The basis for securing Finland's success and competitiveness is a competent work force capable of renewal. The rapid changes in the industrial structure and in qualifications entail closer contacts between training and the workplace. In vocational training, emphasis will be on work-based instruction, or on-the-job learning.

According to the objectives set by the Government, measures will be taken to increase the share of on-the-job learning in vocational training, to expand apprenticeship training, to intensify interaction between industry and training, and to enhance appreciation of vocational training.

The social partners have issued a recommendation for the arrangement of on-the-job learning and work practice in vocational training. The recommendation enables each branch to stipulate on ways to promote on-the-job learning and work practice. The recommendation stresses the role of co-operation within fields and at each workplace in creating traineeship for on-the-job learning and internships. At the same time, it is intended to prevent conflicts by securing the status of the staff within the business enterprises.

The aim of the present recommendation is to guarantee that young people have opportunities to acquire high-standard vocational skills and knowledge, that enterprises have access to skilled work force and that young people can find jobs after vocational training.

The undersigned recommend that the educational institutions and their owners, organisations and enterprises, and the public administration, each in its sector and at workplaces within the sector, explore the possibilities to increase the number of internships. The parties consider it important that the partners involved institute a sufficient number of internships, participate in the guidance of young people at the workplace and launch various initiatives to promote on-the-job learning. Measures must be taken to promote the upgrading of teachers' professional skills in the methods of on-the-job learning as far as possible, according to the conditions of each workplace. Similarly, the expertise of business and industry in the planning and implementation of training must be increased.

The Ministry of Education, in co-operation with the confederations of the social partners, will launch the legislative and other follow-up measures needed to expand on-the-job learning.

Helsinki, the 21st of January 1998

Prime Minister Paavo Lipponen

Minister of Education and Science Olli-Pekka Heinonen

TRADE UNION OF EDUCATION IN FINLAND

Chairman Erkki Kangasniemi

EMPLOYERS' CONFEDERATION OF SERVICE INDUSTRIES

Managing Director Jarmo Pellikka

FINNISH CONFEDERATION OF SALARIED EMPLOYEES

Chairman Esa Swanljung

CONFEDERATION OF UNIONS FOR ACADEMIC PROFESSIONALS IN FINLAND AKAVA

Chairman Mikko Viitasalo

CENTRAL ORGANISATION OF FINNISH TRADE UNIONS

Chairman Lauri Ihalainen

CONFEDERATION OF FINNISH INDUSTRY AND EMPLOYERS

Director General Johannes Koroma

Steering and financing mechanisms

The funding policies in the Finnish education and training system differ somewhat across types and levels of education and training. In principle, the state subsidy system is based mainly on unit costs per student (or, since 1998 in initial vocational education on full time equivalents). The funding of educational services is part of the state subsidy for the municipalities. The present system developed through several partial reforms since 1993. The funding mechanisms are similar in comprehensive schools, upper secondary schools, initial vocational schools and the polytechnics (*AMK*- institutions), however there are different forms of "ownership" for each of the main types of institutions³⁸:

- Compulsory schools, and most schools for upper secondary general education are owned by the municipalities.³⁹
- The maintenance of institutions in vocational and technical education and training (upper secondary vocational schools and polytechnics (*AMK*- institutions) is mixed and currently under reform as indicated before. Different kinds of groupings or provider networks (e.g. consortia) are emerging at the municipal level. The polytechnics (*AMK*- institutions) are owned by municipalities, combinations of municipalities, or may be private association. They get most of their funding from the state and municipalities (in 1998 their core funding for running expenses covers about 94 per cent of their operational expenditure, 5.5 per cent is earned by project funding, and 0.5 per cent is performance-based funding).
- Universities are maintained by the state, and most of the funding for their basic tasks is included in the state budget (in 1997 the proportions of core funding, project funding and performance-based funding were 90 per cent, 5 per cent and 5 per cent respectively). State funding is complemented by additional external funding. Approximately 70 per cent of the overall budget of universities is provided by the state and the remaining 30 per cent by additional external money. The funding system will gradually be related to activities (degree programmes, research, etc.) and results, especially the number of degrees completed.
- The funding of adult education differs from that of initial education. General adult education is financed partly by a fixed state subsidy percentage (usually 57 per cent of unit costs), whereas continuing vocational training is financed according to a subscriber-provider model through the provincial *State Offices*, the latter buying services predominantly from centres for vocational adult education owned by the Ministry of Education.⁴⁰

The maintainers of the educational institutions, which -- apart from the state -- may be municipalities, federations of municipalities, private organisations and trusts receive funding calculated on the basis of the share of unit costs and the number of students. The government supports 25-70 per cent of the costs related to the foundation of educational institutions and 45 to 60 per cent of their operating costs. The number of students are calculated twice a year, a mechanism which to some extent inhibits flexibility of student choice. The incentives for taking over students from another institution between the calculation dates are few as the money remains in the former institution. The unit costs are re-calculated every two years. Due to cuts in government spending, all unit costs were reduced from 1993-1997. Thus, with the exception of the upper secondary schools, the expenses were higher than the unit costs.⁴¹

Funding linked to number of students typically encourages institutions to grow. Fixed amounts of money per student are calculated in advance, depending on the type of institution and the occupational field. A fixed cost approach creates incentives to save money and to reduce unit costs. Clear regulations concerning the quality of the services, as well as fines and penalties which can go as far as the withdrawal of the licence to run a programme, are used to guarantee the proper provision of services. When the law to reform

the financing system was passed in 1998, Parliament required its effects to be monitored. After three years (in 2001) a comprehensive evaluation must take place in order to see whether the reform produces skilled workers sufficient to meet employers' demands and aids co-operation among the various actors.

6. ONGOING REFORMS: ISSUES AND CONCERNS

The variety of recent and ongoing reforms of the education and training system in Finland incorporates several major elements, which this section describes in more detail:

- Anticipating the needs for education
- Combining general and vocational education
- On-the-job learning
- Apprenticeship
- The development of occupational qualifications in tertiary education
- Guidance, counselling and placement services
- Competency-based qualifications
- Strategies of reform and evaluation

Anticipating the needs for education

Finnish education policy at the national level is driven by a vision of an information society that demands higher level skills, developed through interaction between educational institutions and employers. There are indeed indications of high current demand for highly qualified young people. The most frequently cited source is a survey among employers, indicating recruitment needs for 30.000 young people per year between 1998 and 2000. Of these, 11.000 are expected to come from higher education (5.000 from universities, 6.000 from polytechnics (*AMK*- institutions), 16.000 from vocational schools, while the expected educational origins of the remaining 3000 persons are not specified.⁴² The objective to expand enrollment in tertiary education to 60-65 per cent of an age group is supported by strong consensus in the Finnish society.

Presentations and discussion during the visit of the review team indicated, however, that anticipation exercises on the education side may be undertaken in relative isolation from the employment side. Clear planning procedures are provided for educational development planning.⁴³ The government adopts a plan for a five year period every fourth year. It includes a strategic statement about the priorities in the various fields of education policy, and an estimated target number of students by educational sector (including estimates for youth as well as for adult students).

The process includes discussions among the various organisations of the Finnish economy and society, and demands for qualifications are included in these consultations. However, this process is relatively new, both with regard to participating bodies and to the methods for estimating skill needs. Therefore the review team did not obtain an entirely clear picture as to how anticipation in labour demand is currently functioning on the employment side. The system apparently remains relatively supply-driven, with educational institutions adjusting for the anticipated demand for initial education.

A recent study for the European Commission gives an extensive overview about the ongoing activities concerning anticipation, and shows how the various approaches and projects are to be seen in the overall anticipation system.⁴⁴ A map about the ongoing anticipation projects within *ESF* policy comprises about 90 projects at different levels and for different issues and purposes. These projects relate to various levels and sectors of anticipation, including basic forecasts of inflow to and outflow from the labour force; regional training needs analyses; several sectoral projects concerning training needs or potential for development clusters; macro-level projects about the future of telework or the information society; projects concerning the relations of polytechnics (*AMK*- institutions) to their regional environment, and the like.

Seven distinct mechanisms for anticipation are described in more detail in the study:

1. The multisectoral model to forecast employment shifts (PTM-model, Ministry of Labour)
2. The occupational structure model (Ministry of education)
3. A model for regional labour market and training needs forecasting (Vaasa model)
4. Forecast for demand for educated staff in metal industries (FIMET model)
5. Development plan for education and university research
6. Core curriculum reform of vocational education
7. Development project of competence-based qualification system

(1) and (2) are the main anticipatory activities carried out at the national level. (3) and (4) are examples for regional and sectoral analyses. (5) - (7) are pragmatic rather than scientific methods of anticipation at fairly disaggregated levels which build on the expertise of the various actors in a consultative process. Overall it can be expected that the various anticipation activities will probably produce very interesting results in the near future.

More qualitative approaches to anticipating the needs for skills, involving the actors within economic sectors and at the regional level, are to complement the traditional technical methods of quantitative forecasting. However, it was not clear how the new, more qualitative approaches relate to the traditional quantitative forecasting methods. We had the impression that the closer links between educational institutions and enterprises are expected to support more direct exchange between the actors who determine supply and demand, as well as ongoing feedback and innovation. As these links develop, longer term cycles of anticipation and more central implementation will become obsolete.

The system of *Training Committees* which have been set up since 1998, covers the newly defined fields of vocational education. These organisations are designed to play an important role in developing education and training within their respective fields. However, the committees are still developing their modes of functioning and at the time of the visit it was difficult to see exactly how they will contribute to the anticipation of the skill demands of both young people and employers.

Combining general and vocational education

As indicated above, the Ministry of Education has, during the 1990s, initiated several important reforms in upper secondary education. These reforms aim above all to strengthen the connections between school and working life in several ways. These include upgrading vocational qualifications by increasing the duration of two year upper secondary vocational programmes to three years; providing more and better work-based

learning opportunities for students; increasing apprenticeship opportunities for young people; creating "education consortia" at the local level to better connect schooling with employment; and giving more decision-making authority to local educational institutions.

The desire for change partly came about because of dissatisfaction with the upper secondary vocational programme, where training is primarily school-based. Employers felt that vocational students were not well prepared for working life, a feeling born out in the recent recession where upper secondary vocational graduates experienced a higher unemployment rate relative to other groups. On the other hand, few expressed concerns over the quality of the upper secondary general school, which enjoys higher status than the vocational programmes. The success of the upper secondary general students is partly due to selection processes, as the "better" post-compulsory students pursue the general upper secondary programme of studies. A significant proportion (over 10 per cent) return to vocational upper secondary education afterwards while waiting for a study place in university or an polytechnic (AMK- institution).

In 1992, the ministry began an experiment to create more flexibility in the upper secondary school curricula. First known as the "Youth Education Experiment" and later as the "Mutual Enrichment Strategy" the idea behind this reform was to create a new type of upper secondary education in which vocational and general students could take courses in each programme, thereby benefiting from what each had to offer. Promising vocational students can take advanced general education courses, while general education students can develop work-related knowledge and skills by taking vocational courses. Students are also free to take up to 40 per cent of their credits in other schools. This flexibility in course taking also means that the most ambitious students can gain double academic and vocational qualifications, thereby enabling vocational students to matriculate to university.

In addition to creating flexibility for students to choose classes outside their own school, the curriculum is modularised and ungraded. This means that particular courses are no longer tied to a particular year of schooling, thus enabling more choice and freedom in course selection within a school programme. Students can decide the order and pace of their studies within limits of course availability and the maximum time allowed for completing their studies. The curriculum comprises 120 credits or "study weeks" and on average takes three years to complete. Flexibility, as represented in "choice" or ungraded curricula, is intended to "move the point where students start to make their own decisions" earlier in their school career.

From discussions with the *National Board of Education* and written materials on the experiment, it is clear that curriculum flexibility and student choice is seen as a first step in reforming upper secondary education. After an initial learning phase, reformers hoped that schools and teachers would begin to co-operate in ways to enhance mutual enrichment. In this second stage of the strategy co-operation would include, for example, designing and organising course content, creating new integrated projects, and developing new teaching methods.⁴⁵

An interesting aspect of the youth experiment is its dependence on student initiative: it is entirely up to the students to take advantage of the choices offered. At this point in time, few students in the experimental schools actually take part. Available data from the National Education Board indicate that about 20 per cent of students choose a few courses from other schools; 60 per cent do not take any advantage of the choice option. Only about 6 per cent of vocational students have taken the university matriculation exam⁴⁶; about 2 per cent of general students have double qualifications.

At a combined school visited by the OECD study team, only about 5 per cent of students, primarily general education students, are taking advantage of flexibility even though the general and vocational schools are located in the same building.⁴⁷ Some students took language courses in different schools over the summer months, primarily to better prepare for the matriculation exam or to retake a course they had failed. A final example of flexibility concerned the development of short, two-hour practicum where, for example, chemistry students might visit a lab in a factory, complete a practical project, and write a memo about their

work. Students may have six or seven such opportunities each year. This type of activity did not seem widespread, but rather a special arrangement between a teacher and employer that would only involve students in that teacher's class.

Although the type of flexibility provided in the *Youth Education Experiment* is arguably an advance over the older, more rigid system, it is worth asking why so few students seem to take advantage of the new choices offered. Several reasons emerged in our discussions and in studies of the experiment. First, scheduling problems create barriers to students taking courses in other schools, as the vocational and general schools in the same area must be structured with the same number of study periods, typically five or six weeks in length. Alternatively, the schedules must permit students to take classes at a particular time, say one afternoon a week, at another institution without losing coursework in their home school.

Second, the majority of vocational and academic schools are in completely separate institutions, each with their own building, administration and faculty. This means that students aged 16-19 must travel from one school to another in the course of an already busy school day. Thus, distance, lack of public transportation, or lack of time may prohibit interested students from choosing to take courses at another school.

Third, while students had opportunities to choose, they do not seem to get much guidance. The parallel structure of schooling makes it difficult for teachers in either setting to have much knowledge of courses or opportunities in the other school, so it is difficult to see how students or their parents can get the information they need to make useful choices.⁴⁸ Similarly, administrators and teachers in each institution have little experience collaborating with their peers in the other. The experiment does not provide any extra resources for teachers to collaborate or even learn about other schools' programmes, nor does it provide incentives for school administrators or municipalities to create co-ordinated school schedules.

Despite the low participation rate by students, nearly all seem enthusiastic about the experiment, which the Ministry of Education will likely expand through new education legislation.⁴⁹ Even though very few students attempt double qualifications, those who participate can take other courses that interest them or that may be useful later when they enter the labour force. School administrators also note some economies of scale with this reform, especially where schools are close together. An often cited example concerned language teachers, as one teacher could teach courses to both vocational and general students rather than having a teacher for each language in each school. As currently implemented, however, even supporters seem to agree that this reform is not likely to attract very many students.

In sum, it is not clear whether the *Mutual Enrichment Experiment* should be seen as a glass that is half full or half empty. It seems half full if the intent is to provide some flexibility for a small minority of students who will choose courses outside the prescribed menu and gain some personal satisfaction from doing so. Theoretically, the reform has the potential to enhance understanding between two very separate secondary institutions, even if implemented on a small scale. It seems half empty if the intent is to academically enhance vocational schooling or to make the latter more attractive to secondary students and their parents. As currently structured and implemented, it will certainly not affect teaching or the general education curriculum in any significant way nor help promote "parity of esteem" between academic and vocational students or programmes.⁵⁰

In order to promote the kind of co-operation between teachers and schools that will lead to curriculum and teaching reforms, the experiences in other countries suggest that much more may need to be done. Studies of similar efforts in the U.S., for example, to "integrate" academic and vocational education, suggest that teachers need several direct supports, including professional development on the goals of the reform, models of new curriculum and teaching practices, and time to collaborate during the school day. If vocational and academic teachers and administrators are not used to working together (the case in Finland and in most American schools), then additional time is needed to bridge the "cultural" gap between the two groups. Collaboration requires time, and time requires money. More successful efforts in the U.S. allocated resources for collaboration at the state level. Local funding can be both unstable and insufficient to support

long-term implementation efforts, as reforms of this type can take five or more years. Without some significant, direct support for collaboration, it is highly doubtful that stage two of the *Mutual Enrichment Strategy* will succeed.⁵¹

As in many of the English-speaking countries there is a relatively sharp division between academic and vocational schooling in Finland which may underlie both the shape of the reform and the results thus far. This division is perhaps best illustrated by considering the history of the *Youth Education Experiment*. Originally, a working group appointed by the Ministry of Education in 1989 recommended a unified upper secondary education and a binary model of tertiary education. However, the political climate at the time (towards neo-liberal conservatism) made the unification model unacceptable. As a result, the academic and vocational education remained separated, a move primarily intended to preserve the status of the general upper secondary school. The experiment emphasised co-operation rather than unification as the route toward broadening the scope and variety of courses for students to choose. According to one report, this solution was politically acceptable because it incorporated the liberal ideas of decentralisation and individual choice.⁵² In discussions about the *Upper Secondary Experiment*, a few sceptical voices expressed the belief that the decision to make the students responsible for implementing the reform, rather than creating some stronger institutional supports for it, is due to the strength of the general education sector and their unwillingness to change. In Finland, the matriculation examination is an important culmination of secondary schooling and a condition for entry into the tertiary system. The value of the matriculation examination -- some say it is overly valued -- creates strong resistance to changing the general school. Indeed, most of the reforms to upper secondary school, whether legislated or experimental, have most strongly affected the vocational sector.⁵³

Considering this history, the reform may also be seen as an attempt to initiate an innovative, bottom-up strategy that would eventually unify general and vocational studies at the upper secondary level over the long term. Local decision-making, curriculum flexibility and student choice can be seen as the first steps, followed by teacher collaboration to further develop new curricula and pedagogies. As discussed above, however, the experience of other countries suggests that more significant resources must be invested to support and realise such a bottom-up strategy.

The varied reforms to upgrade the vocational programmes at the upper secondary level have several purposes and are tied to the state of the tertiary sector. Although the tertiary reforms are discussed in more detail elsewhere, it is important to mention this connection here to show how changes in higher education can affect lower level schools. By enhancing vocational programmes it is hoped that graduating students will be better prepared for working life. In addition, it is also hoped that more vocational students will gain the qualifications needed to matriculate to university or to vocational colleges or polytechnics (AMK-institutions). Third, it is hoped that more students entering secondary education will choose the vocational path, rather than the general path. Presently, a shortage of university positions means that many students suspend their schooling for a few years after secondary school until they find a place at university. In effect, many of these students have a short spell in the labour market while waiting to go on to school and thus compete for entry-level jobs with vocational school leavers. The expansion of tertiary education, especially through the polytechnics (AMK- institutions), is meant to alleviate this situation over the coming years.

On-the-job learning

Another important reform in upper secondary vocational schooling involves new requirements for work-based learning. In the former system, vocational programmes typically took two years and included four weeks of work-based learning over that time period. The purpose of work-based learning was primarily exposure to "real working life" or for "practical training". It was not intended to enhance the students' school-based programme or provide opportunities for students to learn specific work skills or

competencies. Under this system, it was generally felt that too much of vocational education was school-based and thus provided little "real" experience.

The new approach not only lengthens work-based learning to a minimum of six months, but includes a number of structural features to institutionalise the conduct and quality of these work-based learning experiences. Once a placement is identified, an agreement is made between the vocational school and the employer. The *"Agreement on Training Provided in Connection with Practical Work at the Workplace"* specifies goals, objectives and responsibilities associated with the work placement. It includes the form (unpaid, non-employment relation), duration and content of training, the tasks and duties of the educational institution and the enterprise, how the two institutions will co-operate, reimbursements to employers, other arrangements (i.e., clothing or other gear, subsidies, safety and liability, meals), and termination procedures. The standard text of the agreement, elaborated by the Ministry of Education, is presented in Annex 3. The document is signed by representatives from the school and work site and the student receives a copy. Both teachers and students may identify the work placement, and, by all reports, many students are able to find a work placement for themselves. The general plan is for students to participate in work-based learning for a few weeks during the first two years of school, then end the last year with a longer experience lasting as many as six months. Both employers and students are likely to benefit from this arrangement, as the student comes to the workplace with more knowledge and is mature enough to cope with work. The final work experience may also give students an advantage in the labour market, especially if the same employer hires them after graduation.⁵⁴

Work-based learning is also designed to be quite flexible, as students can use the experience to satisfy other curricular requirements. With the modularization of the vocational education curriculum, teachers and students can assess how a potential work experience satisfies the learning objectives attached to a particular module. This process enables close connection between school-based and work-based learning for the students, and also helps teachers to identify gaps in students' preparation or opportunities to enhance the curricula in ways that better meet employers' needs.

Vocational teachers traditionally have ties to the labour market, which also enhances the likelihood of identifying placement opportunities and ensuring good matching between students and employers. Vocational teachers are responsible for developing work-based learning agreements, assessing quality, and monitoring students on the job. Schools may also organise three-way exchanges between teacher, student and employer to assess student performance and further enhance quality control. In addition, some schools operate their own student-run enterprises (e.g., shops, computer assembling, and hair dressing) as a way to provide work-based learning.

The work-based learning reform is being phased in from 1997-2001, beginning with the business programmes in spring 1997. The goal is to reach 30 per cent of upper secondary vocational students by 1998, 70 per cent by 2000, and 100 per cent by 2001. While the reform looks very promising at the moment, it is too soon to tell how well it will fare as it scales up to incorporate more industry sectors and students.⁵⁵ As the reform continues, it will be important to evaluate several key aspects of the programme. Most important is the question of employer participation. Experience in other countries (e.g., expansion of work-based learning programmes in North America and the United Kingdom) suggests that the capacity or interest of employers to participate in these programmes may vary with sector even when students are not paid employees (as is the case in Finland). Size of establishment can also make a difference, as small employers often lack the resources to provide the needed training and supervision. In addition, employers may have different motivations for participating, which can affect their willingness at any point in time.⁵⁶ Unemployment in Finland is still rather high, which creates issues with trade unions who will not want unpaid students substituting for qualified, employed workers.

A second question concerns who teaches in the workplace. In order for students to gain the maximum benefit from their work-based learning experience, they need support, training and guidance from experienced workers. In addition, the workplace should be generally oriented toward training and skill

development and provide a learning and working environment that is accepting of young people as workers.⁵⁷ Perhaps the most well-known models for work-based training of young people are the German, Swiss and Austrian apprenticeship systems, in which trained "Meister" have responsibility for teaching or training on the job. However, even this system has some known shortcomings: even Meisters may receive only a few weeks of training in approaches to pedagogy, and apprentices may receive training from any number of individuals who do not hold the Meister's certificate.⁵⁸ Finland has no equivalent to the Meister system, but reformers do recognise that prospective trainers of young students need training. To begin to address this issue, a project has been established under the *ESF* programme. This project will provide three weeks of training for 5000 trainers.⁵⁹ To meet the needs of the reform, however, it is clear that this project will fall considerably short of training the number of individuals who will be needed to train and supervise students at work.

A third issue concerns how to ensure quality in the absence of standards. Presently, for example, the content of modules is somewhat flexible: teachers interpret national guidelines to define the content that is to be covered within each module. Work-based learning experiences, in turn, may substitute for portions of various modules that students must complete. Thus there are several occasions in which judgements about curricular content are made. Students graduate with a certificate and a record of modules completed (with grades) and work-based learning experiences.⁶⁰ There is no specific exam leading toward certification, although the development of a competency-based testing scheme is well advanced in adult training and will in future also be applicable in initial education and training. Until clear orientations have been elaborated for the initial education and training sector, it will be difficult to judge the quality of work-based learning experiences across an occupational sector (e.g., business studies).

Although both the employer groups and government officials seemed to acknowledge the issues just raised, they also seem fairly confident that enough employers would be found and that the different pieces will come together. Importantly, together with the government, social partners at the national level have put forth the recommendation concerning young people's on-the-job training, the text of which is reproduced in Box 2 above. This recommendation encourages partners to identify internships and to provide needed training to teachers and trainers to implement work-based learning on a broad scale. The *National Board of Education* will be assessing whether vocational institutions, teachers, and students, who have the initial responsibility for finding placements, are able to carry out this task. Should they experience problems, the *NBE* will plan ways to help. In addition, the Finnish approach does include a specific written agreement (the contract model discussed earlier) which will help structure and institutionalise the work-based learning arrangements in several ways and provide some measure of quality control. Studies in other countries have found that structured agreements of this type are important for ensuring the quality of work-based learning. It will also be important to establish ways to train work-based trainers after the current *ESF* project ends. Although the written agreement will focus attention on the trainers' role and responsibilities toward providing a useful work-based learning experience for students, it will likely not substitute for "training the trainers". As this reform progresses, it also seems prudent for the social partners to further explore the experiences of other countries and to identify other viable options (e.g., school enterprises, virtual training companies) for providing educationally relevant applied learning opportunities.

Apprenticeship

In 1992 new legislation was introduced superseding the Apprenticeship Contracts Act of 1967. The objective was to strengthen the status of apprenticeship training as an alternative equivalent to school-based vocational education. Apprenticeship includes on-the-job instruction and theoretical studies either in the enterprise or in vocational institutions. Apprentices spend 70-80 per cent of their time at the workplace. According to the Act the employment contract between the apprentice and the employer must also define a personal study programme for each student, according to the needs of both students and employers. The enterprises providing apprenticeship training have to be approved by the local education providers (municipal boards, education consortia).

Qualification requirements and framework curricula for apprenticeship training are defined at the national level. The *National Board of Education* and the Ministry of Education are advised by a number of expert councils involving representatives of labour market organisations, teachers and researchers. Of particular importance in this respect are the *Training Committees* referred to above.

The apprenticeship system is largely financed by the budget of the Ministry of Education. The ministry pays an annual unit price to local education providers. In 1998 it amounted to FIM 27.000 per initial vocational education student. This covers salaries of local government staff, the training compensation paid to the employer and the purchase of theory lessons and proficiency tests. The amount paid to the employer depends on the field of study and on the student's experience and level of education. Students receive wages agreed in collective agreements during on-the-job periods and social benefits during theoretical training.

During the 1970s and 1980s the number of apprenticeship contracts was comparatively low, varying between 3000 and 8000 apprenticeships per year. With the new legislation in 1992 the status of apprenticeship was strengthened as an equal alternative to vocational training. The number of apprenticeships has risen sharply to 17.900 annual training places in 1996 and even 26.665 in 1998. 34% of the apprentices were under 25-years old. However, with 66%, the majority of apprenticeship places is still taken by adults (over 25-years old). There are many reasons why the popularity of apprenticeship has increased. The state's objective is to improve co-operation between educational institutions and the world of work. The Ministry of Education has been funding and implementing many promotion activities as a part of on-the-job training policies. The aim was in particular to encourage employers, students and education providers to adopt apprenticeship training for which good examples of learning at school and at work exist already. Besides, the Ministry of Education and the Ministry of Labour together have been allocating the money from the European Social Fund and other resources for the support projects such as training for on-the-job instructors implemented in 1996 - 1999. Apprentices use the apprenticeship scheme to gain formal further vocational training while being paid about 80-90 per cent of a skilled worker's wage. By the year 2000 it is intended to provide 20 per cent of the yearly intake of basic vocational education and training for young people in the form of apprenticeship for young people.

At the time of the review visit the expansion of apprenticeship for young people was just beginning and it was difficult to appreciate the extent to which the relatively ambitious quantitative and qualitative objectives will provide a means of mobilising all the players involved or whether participation targets can indeed be reached in the envisaged time span. In any case, the system will have to be closely monitored in order to achieve the intended outcomes. There are a number of issues which seem to deserve particular attention.

In meetings with representatives of the social partners and with teachers our impression was that, whilst generally in favour of apprenticeship, the social partners were perhaps less firmly attached to the 20 per cent target than the national education authorities. Above all they seemed to support the development of alternative opportunities for high quality work-based learning, be it in the framework of apprenticeship or in the new school-based forms of work experience. Some trade union representatives expressed reservations about apprenticeship training in branches where high quality schools exist and where apprentices are seen to be at risk of being used as "cheap labour". The hotel and catering sector was cited as an example where such cases might occur. It was also pointed out that apprenticeship exams involve fewer general education elements than qualifications obtained in vocational schools and that many employers prefer students from vocational schools.

Employer representatives expressed concern that comprehensive school leavers at the age of 15 or 16 may not be mature enough for apprenticeship. Experience in the German speaking countries shows that the requirements of academic preparation differ across occupational fields and that some intake into apprenticeship can take place successfully at that age. However, to the extent that Finnish employers cannot be convinced to recruit young people who want to enter apprenticeship after comprehensive school

other solutions will have to be found, for instance in the form of one or two years of up-front school-based vocational education at the upper-secondary level preceding fulltime apprenticeship training in the enterprise⁶¹. Otherwise an educationally unproductive "waiting loop" could emerge for comprehensive school leavers waiting to be old enough for apprenticeship. For young people who are not at ease with abstract learning this raises questions about how to organise more motivating and applied forms of learning within schools, a challenge which all countries seem to be struggling with.

Another issue relates to the fact that 65 per cent of apprenticeship places in 1997 were supplied in firms with more than 500 employees, although these account for less than 0.1 per cent of all Finnish companies. In order to reach the 20 per cent target small and medium sized enterprises will have to provide considerably more apprenticeship training places. In our visit to a labour office we were told that the demand for apprenticeship places by far exceeds the supply. Since in most sectors there are no strong apprenticeship traditions small and medium-size enterprises (SMEs) must be made aware of existing needs and supported to provide high quality training. This will above all require highly qualified trainers. The three week training programme for 5000 trainers which is supported by the European Social Fund is a good start for technically qualified persons especially in large enterprises. Longer programmes involving technical up-dating for future trainers might be needed, especially for smaller firms.

Similar training needs will arise for teachers in vocational schools. Careful selection of the workplace is essential to guarantee appropriate training for the apprentice. So far, inspectors appointed by the *Apprenticeship Offices* are ensuring that the company meets certain requirements with regard to training qualifications of experienced staff, the quality and volume of production, and up-to-date tools and equipment. The team was told that in future the responsibility for assessing training companies could be shifted more towards vocational school teachers. While such teachers should in general have a good perception of the requirements which training companies should fulfil they may need specific training programmes to prepare them for the administrative aspects of this task.

To make apprenticeship attractive to employers, young people and parents, it will be important to implement competency-based qualifications in initial training. In addition, social partners must view these as equivalent to qualifications obtained through school-based combinations of practical and theoretical learning. At this early stage the reform should be closely monitored to ensure that the apprenticeship system develops as a genuinely equivalent route to school-based programmes and not just as a track for the least successful students.

Finally, the review team saw reasons for concern with apprenticeship wages which reach 80-90 per cent of skilled workers' wages. Up to now, most apprentices have been adults. For young people, however, who do not have work experience such wages seem to be very high. Considering that apprenticeship wages are largely subsidised by the public budget and that apprenticeship places for young people will increase, the burden on public finances could be excessive. While there seems to exist a general consensus in Finnish society that initial vocational training should be free, current apprenticeship wages cover much more than the living expenses of young trainees, especially if they live with their parents. Since the apprentices are to receive formal training during their time at the work place a lower wage should be acceptable. A distinction may need to be made between the wages for adult apprentices on the one hand and young people on the other.

The development of occupational qualifications in tertiary education

Like other parts of the education system in Finland, tertiary education is undergoing profound reform. Since 1992 polytechnics (*AMK*- institutions) have been created in order to provide more occupationally oriented tertiary level qualifications in addition to the highly theoretical and research oriented university qualifications. Polytechnic studies are of a more practical nature and include 20-40 credits of traineeships

in enterprises. Major aims of the reform were to raise the level of educational attainment, to respond to changing skill requirements and to increase the attractiveness of vocational education.

Clear quantitative planning for the further development of tertiary education foresees an almost exclusive expansion of study places in polytechnics (*AMK*- institutions). Between 1994 and 1996 the intake of *AMK*-institutions almost tripled with 20.000 additional students, while the number of university places increased by just 16 per cent during the same period and is planned to remain relatively stable. Currently there are 20 universities with a total of 140.000 students.

General upper secondary education is the major pathway leading to tertiary studies. However, the majority of those who have completed upper secondary education (62 per cent in 1998) do not immediately continue their studies. Most of them wait for admission to university either in short-term jobs or in upper-secondary vocational programmes. Seventy five per cent of upper secondary graduates in 1996 applied for a place in tertiary education, but only 17 per cent continued at university, 10 per cent at polytechnics (*AMK*- institutions) and 12 per cent in upper secondary vocational education. As indicated by their repeated applications to university many of the graduates who opted for vocational education would have preferred a study place in tertiary education. Acquiring a study place can take a number of years. 98 per cent of upper secondary graduates apply for tertiary education at least once. The average delay between graduation from secondary education and the beginning of tertiary education is two years. The team was told at various occasions that many school leavers prefer a year outside of the education system, either in the labour market, to complete military service (male students only), or in order to travel. While this may well be the case, the severe "numerus clausus" system which applies to all educational fields at university and the still limited number of polytechnic places partly explain the late start of many students in tertiary education. In the long run at least 85 per cent of matriculated students are expected to complete a tertiary degree or a vocational upper secondary qualification in later years.

Until 1997 about 70 per cent of those entering polytechnics (*AMK*- institutions) took the matriculation exam at general upper secondary school and 30% in vocational schools. Only 21% of the school-leavers from vocational schools entered polytechnics institutes directly after graduation⁶². Up to now, entrance to *AMK*- institutions is restricted to those who completed a three year course or a shorter vocational programme providing studies in the same field. From the year 2001 all school-leavers from upper secondary vocational schools will be granted universal eligibility for higher education. A greater participation rate of school-leavers from vocational schools might be expected from a regulation passed in August 1998 that anyone who completes a vocational qualification in a three-year programme will be eligible for higher education. Since all vocational training shall take three years after the year 2000, all vocational school-leavers will be eligible for admission. The government supports this increase by setting the objective of leave for 35 per cent of those entering *AMK*- institutions to come from vocational schools. The easier transition from vocational upper secondary schools into the tertiary education sector might convince pupils to accept this pathway as an alternative to the general upper secondary school. However, in discussions with various partners the team has observed a very strong tendency in the Finnish population to see the matriculation examinations from general schools as the ultimate goal. Therefore, to establish this career path, guidance at comprehensive schools should emphasise this possibility and upper secondary vocational students should be encouraged and supported to achieve this goal.

The expansion of the *AMK* sector should facilitate the transition from upper secondary school to tertiary education. The target is to provide places for 66 per cent of the age group with places in higher education. For 1999 it has been planned to offer 29.600 openings at *AMK*- institutions (with 20 per cent for adults) and 20.800 openings at universities (with 9 per cent for adults). This will provide study places to a total of 66 per cent of the age group (64.500). While in 1994 only 20 per cent of the school-leavers from general upper secondary schools were able to get into university or *AMK*- institutions directly after school, in 1996 this has increased to 27 per cent. While this is still far off from the target, questions have also been raised about possible effects of such a high transition rate into the tertiary sector.

The target to provide 66 per cent of the age group with tertiary education seems to be very high in comparison to other countries even when a certain drop-out rate has to be considered. In the US, where the percentage of university graduates is considered as relatively high, the proportion of degree holders (Doctorate, Professional, Master or Bachelor) is highest in the age group of 35 to 44 years and adds up to 26 per cent in 1996⁶³. In Germany the percentage with a degree from university and *Fachhochschule* accounts for 16 per cent of the age group 30-40 years⁶⁴. Is Finland's target for an entry rate of 66 per cent of the age group realistic with regard to completion and employment opportunities? The policy should be carefully monitored to see if it:

- leads to an over-qualification for the jobs which are available after graduation,
- lowers the general level of qualifications acquired at *AMK*- institutions or
- leads to a varying level of qualifications taken at the *AMK*- institutions.

Discussions with personnel from *AMK*- institutions suggested that the standards of the *AMK*- institutions may actually vary to a significant extent. While some of them can choose among many applicants, others in the same field have problems filling their places. This may partly be related to regional imbalances which may be counteracted by the development of a national standard framework.

Guidance, counselling and placement services

Guidance, counselling and placement services are important at all three educational levels (comprehensive school, upper secondary school, and tertiary institutions) and in connecting young people with the labour market.⁶⁵ In Finland, the Ministry of Education plans the school-based services, while the out-of-school services are handled through the Ministry of Labour. These government agencies have special departments dedicated to working on these services, and the efforts of each are intended to complement one another. These agencies have the primary responsibility for organising guidance and counselling services in the public sector, although the municipalities, which also maintain educational institutions share this responsibility for school-based services.

The general goal of guidance and counselling services is to help individuals make choices concerning their education, training and career planning at different stages of their lives. The services are available to all individuals (students, employed workers, unemployed or outside the labour market). Schools are responsible for student counselling, and the guidance and counselling services of the employment offices complement the careers guidance services of the schools, by being in principle available for everybody.

The counselling services at schools begin to intervene in the last stage of comprehensive school (7th-9th grades) and include a minimum of two courses (each 38 hours), study visits, visits to workplaces and personal counselling. In upper secondary schools, general education students follow the same plan, except only one course is required. Students in vocational schools spend less time in a regular course (20-40 hours), as guidance is usually integrated into teaching programmes. Vocational students can also receive personal and group counselling and help in finding jobs. At each of these schools, student guidance counsellors are usually trained teachers who have received supplementary training in guidance and counselling (typically one year of specialist training). Counsellors also act as liaison agents between schools and employment offices. At upper secondary schools, all the teachers are involved in helping students to develop study skills, draw up their individual curricula, understand requirements for matriculation, and so on.

Guidance and placement services are also being set up at universities and *AMK*- institutions. The government is supporting experiments at both levels to develop new guidance and counselling models. Our

meetings with guidance workers from both types of institutions suggest that these models will lean more heavily toward guidance and counselling than toward placement. One university, for example, is focusing its efforts on helping students to identify their own vocational goals and aspirations by providing information about occupations (type of work, salary, etc.) and by providing specific assistance, such as writing resumes or introductory letters or suggesting ways to contact employers. When asked how employer demands for workers is assessed and used in the guidance system, the impression was that this information was not considered to be of particular importance. Every individual is different and takes a different path to employment and therefore the focus should be on each individual. At this university, about 40 per cent of the students used the counselling services. If employers happened to contact the service concerning available jobs or work-based learning opportunities, the staff passed the information on to the various departments. Faculty and departments, then, still have the main responsibility for connecting students to the labour market. The counselling staff at this university was also making attempts to teach their counterparts at the *AMKs* how to provide similar services. These developments seemed fairly new and it is premature to comment on their success.

At one of the other *AMK*- institutions visited, however, administrators and teachers strongly underlined the importance of connections to the workplace, with some emphasis on finding opportunities for students to work abroad. In addition, these institutions create direct connections between students and employers through project work. For example, a student team may get an assignment from a firm to develop a real product (e.g., a machine to recycle waste materials from a metal making process) and handle all aspects of product design, development, testing, and marketing. While this kind of an activity is not guidance and counselling per se, it does serve the purpose of informing students about real work options and creates links between schools and employers that may enhance students' post-school employment opportunities. Again it is difficult to assess whether such connections are widespread among *AMK*- institutions or whether the quantity and quality of connections between school and work is quite variable across schools and regions.

In Finland, students also play an important role in tutoring other students. At vocational schools, students act as tutors to help other students cope with practical day-to-day matters. The Union of Finnish Polytechnic Student's URRE-project co-ordinates career planning and recruitment services for *AMK* students' local associations at the national level. The effort aims to make students more active in their own career planning and provides assistance in a number of ways: it develops and disseminates guidelines for students to build portfolios and engage in self-reflection, conducts national seminars, and provides information about international opportunities. It encourages and provides support for students to tutor one another, primarily concerning school-related matters, such as which courses to take. This philosophy -- that students need to help one another -- goes with a general belief that it is important for students to take responsibility for their own educational and career planning. It is perceived to be an important condition for success in working life and also seems valued in the Finnish culture more generally.

As mentioned earlier, it was difficult to obtain a clear picture of how guidance and counselling services operate at the upper secondary level, particularly within the *Mutual Enrichment Experiment*. We found it difficult to understand the process by which students make their choices and how guidance counsellors or teachers are involved in this process. The impression was that counsellors in general schools emphasise preparation for examinations and university matriculation, while those in vocational schools are more connected to working life, both in finding work-based learning opportunities for students and in communicating with employers about skill needs in the workplace. There exists no special policy or system for counselling students in the *Mutual Enrichment Experiment*, which may affect the rate or patterns of participation. Other studies of the upper secondary reform found that counsellors, not surprisingly, were most informed about the experiments and had some concerns about the added paperwork required to track students as they take options in different schools. In their view, this administrative burden detracted somewhat from their pastoral role. In addition, many teachers seemed unaware of what the experiments were designed to achieve, a situation partly attributed to a desire to keep a low profile on the uppersecondary experiments.⁶⁶ At any rate, although upper secondary teachers are

supposed to counsel students in planning their individual course menu, many teachers may lack information about curriculum options in other schools.

In speaking with counsellors in schools and in employment offices, the division of labour and responsibilities between the two types of offices is apparent. The school-based counsellors do not venture much into the job search or job finding territory that belongs to employment offices. When students cannot find a job, they visit the local employment offices (organised around 16 labour regions across the country). The employment offices follow a common job-finding process, initiated about two years ago, incorporating several steps. The process and philosophy encourages individuals to actively participate in job finding and to discourage them from expecting compensation right out of school. In order to receive any unemployment benefits an individual must first enter the labour market or pursue training. Visiting the employment office is an important first step. The process for young people (under 25 years) is to register and attend an information meeting about the available services. An appointment is made with an employment counsellor, after which the job seeker joins a group and receives training for job finding. After three months, the counsellor checks on the client's activities. If the client is still not employed after six months, he or she may receive additional counselling and assistance. Few young people remain unemployed after nine months⁶⁷. The remaining group includes the disabled, those with little education or students from upper secondary vocational schools. The latter group is harder to place because they graduated before the new reforms were in place, and have only two years of schooling (not three) and little direct work-based learning experience. After six months, individuals who have participated in employment service activities (or those with an upper secondary vocational certificate) can obtain unemployment benefits.⁶⁸

In addition to job seekers, employment offices deal with individuals who are already employed and seek information about training or other work opportunities. Individuals may also just visit the office to get information. The offices have computer systems and other materials containing information on the labour market⁶⁹, jobs (description, demand, salaries, benefits), universities and other education or training options, local job opportunities, etc. One office estimated their market share at about 50 per cent: job seekers can also seek employment services from private providers. The employment service lists vacancies for all municipal and state jobs and other offices in the public sector (e.g., teacher positions). Generally, these jobs are not the "best" or highest level, and large companies do not use their services.

Overall, employment office representatives were not very concerned about finding placements for young people under the age of twenty five. Many of their clients are seeking short-term employment while they wait for a place at the university. This age cohort is also shrinking in number. Their greatest challenge, then, is not with youth but in finding work for unemployed persons over fifty. Many in this age group lost jobs during the recession and experience difficulties re-entering the labour market. These offices also do not work with the hard-core unemployed, those who opt-out of seeking unemployment benefits or employment services. Some individuals may obtain aid through social services, but these are usually unconnected to the employment programs⁷⁰. At any rate, the number of young people who are "out of the system" appears to be very small (estimated to number only about 3000 individuals).

Employment offices have little contact with schools or school-based counselling services, except to let students know they exist and the services they can provide. The general feeling was that school counselling and guidance is not very effective and quite variable, often depending on the available resources in each municipality. Schools lack good information on jobs and employment services. Thus, students seeking this information must go to the employment office.

Box 3

Another effort to support counselling, guidance and placement was spearheaded by Statistics Finland during the past ten years. They provide two types of services. First, upon requests by individual schools tailored statistical packages containing detailed data about their graduates are provided (e.g., occupational status, employment sector, average

income, further studies). Schools can use these data to understand how their students fare in working life and presumably to modify their services or programs of study. A second project is the SijoittumisCD or "the key to the future". This is a PC program mainly used as an aide for counselling students in their career choices or for helping students make decisions about further studies. Schools, enterprises and employment agencies make use of this product, which contains data according to education (426 degrees or educational qualifications) and occupation (359 classes of occupation). Individual students may also use the information to search about job characteristics (e.g., description of work, expected wages). Since this SijoittumisCD project is new, it is not yet clear how clients may make use of this information for guidance and counselling purposes. A more detailed description of these two services is provided in Annex 4.

In sum, the employment-related guidance and counselling system in Finland is primarily delivered through schools and employment offices, with somewhat distinct roles for each. Co-operation and networking is encouraged, but the scope and form of co-operation between labour and education authorities vary locally and regionally. At the present time, it is difficult to assess the "system" as a whole, as there are many activities and innovations going on at all levels.

Competency based qualifications

Following the example of Anglo-Saxon countries, Finland has introduced a national system of modularised and competency-based qualifications. The qualifications allow adults to obtain formal recognition of their competencies, independent of training programmes or types of schools. Competency-based examinations are designed and supervised by examination boards which include representatives of employers, employees and teachers. The design of standardised competency-based tests for each qualification module by the *National Board of Education* with support from the sectoral *Training Committees* is intended to ensure high quality training across the country and to build up confidence in qualifications acquired at the work place. This process is currently underway. It was reported that some pilot testing of the competency-based examinations in the apprenticeship system proved too difficult even for very experienced workers.

The competency-based qualification system covers nearly 300 vocational titles in eight broad sectors. Three levels of competency-based qualifications parallel the structure of school-based vocational qualifications: basic *vocational qualifications* requiring the command of basic skills; *further vocational qualifications* required of a skilled employee; and *specialist vocational qualifications* encompassing the command of the most demanding skills and knowledge of the trade. Basic *vocational qualifications* correspond to the level achieved at the end of upper secondary vocational education. *Further vocational qualifications* correspond roughly to one additional year of post-secondary vocational education and *specialised vocational qualifications* are higher level technician qualifications. These correspond to longer programmes of the former post-secondary vocational colleges many of which are currently being transformed and integrated into networks of *AMK* polytechnical schools.

As indicated above, vocational education programmes for both young people and adults usually offer 40 hour training modules preparing for partial qualifications at each level. These qualification modules can be accumulated according to individual needs, preferences and learning rhythms. Adults may obtain the certification of previously acquired competencies without preparatory training, on the basis of work experience or other forms of personal development demonstrated through competency based examinations.

The current reform of the apprenticeship system foresees the introduction of competency-based qualifications in initial apprenticeship programmes for young people. Given the modularisation of all upper-secondary vocational education since the mid-1990s this is intended to develop apprenticeship as an integral part of the altogether reformed system of initial vocational education and training, without questioning its role as part of the larger system of life long learning. It was not entirely clear to the review team, however, what exactly will be the combination of practical and theoretical modules in different occupational fields, and whether apprenticeship qualifications will be organised according to the eight sectors of adult qualifications or the 30 fields of school-based vocational programmes. Another issue is to

what extent apprenticeship qualifications and school-based vocational qualifications will be formally equivalent and can be expected to be equivalent in practice. These questions were still being debated at the time of our visit. To judge from experience in other countries, it is probable that the combination of practical and theoretical modules and their value in the labour market will vary across different occupational areas. The slightly hesitant support for the ambitious 20 per cent target for apprenticeship could be related to unsolved questions of this sort. Thorough experimentation, negotiation and close monitoring will be of great value in this domain as well.

Strategies of reform and evaluation

As indicated before, a crucial feature of recent reforms concerns the devolution of wide-ranging decision making powers to local education providers, coupled with the modularisation of courses and programmes at the upper secondary level and with the current introduction of competency-based vocational qualifications. All of these changes are underpinning major policy objectives such as closer links between vocational education and working life, the expansion of on-the-job learning, the individualisation of education and training pathways, and greater flexibility and responsiveness of education and training provision to changing labour market conditions in the local and regional environment. With the reduction of public budgets, cost effectiveness has become another crucial dimension of the ongoing reform processes.

The reforms are led by clear policy objectives and basic quantitative targets for participation in different education and training pathways are laid out in the government's five-year development plan. At present the *Development Plan for the Period 1995-2000* is being implemented, and the plan for the next period is in preparation.⁷¹ The structure of education and training provision is thus largely determined at the central level of the Ministry of Education, so far with limited reference to systematic anticipation of labour demand developments, be it at the national or regional level. Municipal responsibility and institutional autonomy seem to relate rather to the implementation of innovation processes through which centrally determined objectives and targets are being achieved. Recently, however, the system of anticipation of education and training needs in the society and economy has started to undergo a major overhaul aimed at underpinning and supplementing the traditionally centralised and predominantly quantitative forecasting methods. New approaches incorporate closer co-operation with forecasting activities of the Ministry of Labour and the systematic involvement of different stakeholders in anticipation and planning tasks (industry at local and regional level, educational institutions, municipalities). Such developments are supported by the *ESF* policy (*Objective 4*).⁷²

It was not entirely clear to the review team how more quantitative and centralised planning approaches on the one hand and more qualitative advisory contributions by local and regional actors on the other will converge into orientations for coherent action at central, regional and local levels. The intention is to combine the ongoing development of framework curricula and of targets and standards at the national level (after wide consultation with *Training Committees* and regional actors) with a high degree of responsibility for implementation at institutional, local and regional levels.

Decentralisation was coupled with incentives for municipalities and schools to engage in local and sub-regional provider networks, not least in order to combine their resources and to provide complementary rather than competing programmes in view of local labour market needs. One less positive consequence of these developments are increasing inequalities between different regions, due to decreasing state intervention. The northern and eastern regions of Finland which have suffered particularly from the economic crisis are also those participating least in the recent recovery and where significant population decreases are occurring. Their disadvantages are reflected in weaker education and training provisions which are far from being compensated by the central state budget.

Another problematic aspect of current administrative arrangements concerning young people's transition to the labour market relates to the lack of a common regional structure for different administrations. In particular, it seems difficult to establish effective co-operation between educational planning and development strategies in the 6 provinces and in different sorts of municipal or inter-municipal *education consortia* on one hand and, on the other, labour market planning and employment measures conducted by the 15 regional *Employment and Economic Development Centers*.

An impressive feature of Finnish policy making and governance is the care with which education and training reforms are planned, implemented and evaluated. Examples are the gradual upgrading and confirmation of selected post-secondary vocational colleges to polytechnics (AMK- institutions) institutions in the framework of the *Polytechnic Experiment* and the "*Upper Secondary Experiment*" aiming to provide students with more individualised pathway options and encouraging more integrated forms of general and vocational education within and across schools. Similarly, the introduction of competency-based vocational qualifications in adult education, followed by their gradual extension to initial education, can contribute to ensuring high and equal standards for both competency-based and curriculum-based qualifications. Systematic recourse to external evaluation, including international comparisons, is another cornerstone of quality assurance in the Finnish approach to education and training reform.⁷³ However, such monitoring and evaluation have so far largely been restricted to the responsibilities of the Ministry of Education—Similarly careful approaches should be applied to reforms and innovations which relate to the interaction between education and the labour market (e.g. anticipation of and educational responses to changing labour demand).

One important reform area where the review team remained somewhat sceptical as to the chances of success within the envisaged time frame relates to the creation of opportunities for work experience. The introduction from 1999 onwards of at least 6 months work placement for all students in upper secondary vocational education and the target of 20 per cent of upper secondary vocational education and training in the form of apprenticeships appear quite ambitious. While both the employer organisations and the trade unions with whom we met expressed strong support, especially for the reform of school based vocational education and training, it remains to be seen whether enough training places will actually be available in industry. In addition, as underlined before, it is unclear whether trainers within enterprises will be sufficiently prepared for their tasks, notwithstanding substantial public support through ESF funding for trainer and teacher training and student/apprentice remuneration. The implementation of the reform will require a major mobilisation of employers including, in particular, those in small and medium-sized enterprises. As we were told during our meeting with employer and trade union representatives: taking into account the demographic situation and the trend away from vocational and technical studies "employers and unions agree that they need to be more involved in reproducing the skilled labour force. Too much responsibility is left to the state, too little is assumed by industry, especially at the branch level. Until now the understanding was that society is responsible for initial education and industry for further education and training of adults. That must change."⁷⁴

7. CONCLUSION: SUMMARY OF ISSUES AND SUGGESTIONS

This last section pulls together major observations by the review team which may be of particular relevance to policy making. It highlights the very comprehensive approach towards transition policy in Finland as well as a number of issues which seem to be somewhat neglected or "postponed" for future action.

Main policy orientations

The main objectives of Finnish transition policy can be identified as follows:

- The highest possible levels of education and training for all young people;
- Improved preparation for working life through various forms of work experience and feedback from the employment system to education;
- Open and flexible transition routes within the education and training system;
- Targeted policy against exclusion and youth unemployment.

The objective of high levels of educational achievement was highlighted continuously during our visit. It has been stated particularly clearly with regard to the 60-65 per cent of an age group who are expected to enter high-quality tertiary education in future. The institutions we saw during the country visit did not show any readiness to make concessions with regard to quality. Similarly, the standards for competency-based qualifications in the apprenticeship system are very demanding. Finally, enterprises are expected to provide high quality apprenticeship and on-the-job learning schemes.

There are clear attempts to create closer links between education and the world of work, mainly through direct forms of co-operation in organising opportunities for work experience and enterprise related study projects for students organised and supervised by teachers. In addition, representatives of enterprises are invited to contribute to educational programmes and to serve in consultative bodies and committees. This strategy is relatively recent. The representatives of the sectors involved have clearly expressed their determination to participate in this implementation process. It is of course too early to make any judgement about the success of such efforts.

Current policies aim to develop flexible transition routes within the education system by increasing the possibilities for students to choose individual combinations of courses. The modularization of the curriculum and the steps taken to establish a system of competency-based qualifications which can be reached independently of study courses provide the foundations for a more flexible system. However, these policies seem to meet with strong obstacles. Educational institutions themselves control their intake and the supply of tertiary level study places is much lower than the demand. This is especially true for universities which reject the majority of applicants. To a somewhat lesser extent the same phenomenon occurs in certain popular fields of study in polytechnics (*AMK*- institutions). Finally, the possibilities for genuine integration of general and vocational education through individualised pathways at the upper secondary level still remain an objective rather than a reality for a very large majority of students.

While labour market measures and changes in the social benefit system during the crisis of the early 1990s have included effectively targeted policies against exclusion and youth unemployment, we have not been able to reach clear understanding of the extent to which that policy priority has been pursued during the economic recovery. While it seems justified to highlight the positive aspects of recent developments in young people's conditions of education, training, and transition it may be that remaining problems of exclusion, especially in disadvantaged regions, are perhaps receiving less than desirable attention.

Widening participation in education and training and improving linkages between education and working life

Overall, the review has provided a picture of coherent policies driven by a vision of the mid- and longer-term development towards a learning economy and information society. Comprehensive implementation strategies take quantitative and qualitative aspects into account and create closer interaction between education, the economy, and society.

More recent waves of education policy have to a large extent concentrated on the development of tertiary education. Reforms in the secondary sector were largely driven by the underlying objectives. They aim at solving the longstanding bottleneck problem of waiting lines at the entry to universities and at responding to the growing social and economic demand for higher level qualifications

The effectiveness of policies for reform of upper secondary vocational education and training may suffer from this orientation to the extent that admission criteria of universities and polytechnics (*AMK*-institutions) encourage young people to choose general rather than vocational education. It is difficult to say whether the measures taken will be convincing enough to improve the attractiveness of vocational education and training at the secondary level or to at least prevent its further devaluation. In the longer run, the vocational sector could thus find it difficult to overcome its second class image of a "rescue pathway" for those selected out of the general education "mainstream". Nevertheless, a broad range of measures have been developed which may improve the integration and parity of esteem between general and vocational pathways. Success will depend on the proper implementation of modularization; high quality work-based-learning; the development of vocational qualifications and standards; and, especially, on appropriate measures of evaluation and quality control. It seems not entirely clear to what extent issues of variable standards and quality across institutions is taken into account by current policies. Close follow up concerning the responses of polytechnics (*AMK*- institutions) to the increasing number of students will be of particular importance in this growth sector of tertiary education.

Education, employment, labour market and social policies in Finland have developed co-operative strategies to deal with the consequences of the recession for young people. A genuine framework of transition policies has been elaborated with a view to its main objective: providing young people with high-level and relevant qualifications. The plans for developing a high quality apprenticeship system may prove an important area of future development. If it succeeds, apprenticeship could turn out as the axle of a co-operative relationship between different actors aiming at the integration of vocational education and human resource development, the learning enterprise and the learning society. The creation of a new apprenticeship system from scratch may provide the opportunity to invent new approaches to which more traditional apprenticeship systems are aspiring but which they find difficult to put into practice because of the deadlock caused by traditional positions and power struggles.

Changing practices required by all actors: opportunities and risks

The Finnish policy is bound to develop new relationships among the three main categories of actors responsible for education: policy institutions, expert bodies and the grass-root level providers of education and training. A clearly stated objective is to develop a relationship in which:

- the decision making and administrative institutions, especially the parliament, the government and the ministries, should provide the strategic aims and the framework for their implementation;
- the expert bodies, especially the *National Board of Education*, the newly established *Training Committees* and others should develop the support materials to underpin implementation, monitoring and evaluation;
- schools and enterprises should develop their capacities for organising effective learning, teaching and training processes.

During recent years marked progress towards stronger autonomy of education and training institutions has been achieved. In particular, the modularization of the curricula in vocational education aims at moving away from rote teaching of traditional subjects and towards new forms of co-operative, team oriented teaching and training and the acquisition of more complex competencies. The implementation of that

reform challenged teachers and the school management to rethink and develop their pedagogical and organisational practice.

The reform process provides broad scope for the interpretation of its aims and objectives and thus expresses high trust in the qualifications and motivations of teachers, school administrators and the local actors involved. During our visit we saw examples of experimentation involving a significant reorganisation of teaching and learning processes encouraged by the *Secondary Education Experiment* and the new emphasis on work-based learning. However, the high autonomy and initiative of individual institutions and teachers also carries a number of risks such as the mere reproduction of traditional practice or quick but poorly developed new approaches. Moreover, the monitoring and evaluation of education and training processes and outcomes through central authorities appears to have lost some of their traditional thoroughness in the course of reform.

All reform strategies are to some extent confronted with a trade-off between tightly controlling every step towards innovation and thus limiting creativity and initiative and, on the other hand, producing a plethora of unintended results by more or less relinquishing any control of ongoing changes. The Finnish approach seems to be closer to the latter. It thus provides an interesting case for observation especially by those countries whose reform strategies are tending more toward the other side of the continuum. Two kinds of conclusions might be drawn with regard to the Finnish experience: the recent plans for monitoring and evaluation should be implemented vigorously, and more support might be needed to orient and strengthen the reform across the education and training system as a whole.

The anticipation of economic demand: clear objectives, but monitoring and evaluation remain open for improvement

Anticipation of economic demand must take into account the structure of the labour market in terms of categories of labour demand. The categories most commonly used are occupations, branches of activity and levels of qualification. Labour market research has developed distinctions between different segments of the labour market, such as external labour markets characterised by flexible wages and limited regulation, internal labour markets based on specific modes of in-firm training and careers, and occupational labour markets based on regulated training for standardised occupational qualifications. Due to ongoing changes and the consequences of the dramatic recession in the early 1990s it is not easy to situate the Finnish labour market in such terms.

The following reforms of vocational education have introduced new structures of qualifications on the labour supply side:

- changes in the qualification structure in upper secondary vocational education during the 1980s;
- creation of a new level of qualifications through the development of the non-university tertiary sector (polytechnics (AMK- institutions));
- recently development of a system of competency-based qualifications in adult education which are soon to be applied to the secondary and post-secondary levels of initial education and training as well.

Things are much less clear with respect to economic demand for qualifications. During our visit, different opinions were expressed by different interlocutors as to the relevance of the current structure and content of occupational qualifications and educational fields for the Finnish economy. However, several observers made the point that educational levels do indeed matter very much in the Finnish labour market, and that their importance has grown during the recent upswing of the economy. There is strong consensus about the

rising demand for tertiary qualifications due to the rapid development of the information society in Finland. The strong orientation towards information technology by the educational authorities, reflected by the development of the polytechnics (*AMK*- institutions), reveals a proactive approach towards the provision of qualifications. To some extent it seems to precede and shape the economic demand for qualifications which has apparently not sent very clear signals to the education and training system in recent years.

The mechanisms for anticipating labour demand are currently under review. In particular, quantitative projections and scenarios are complemented by qualitative forms of observation and communication involving the representatives of the various occupational fields and qualifications. It is too early to attempt an assessment of the success of these innovations.

Employment opportunities and transition to the labour market: progress for the young and the highly educated

The information in the Background Report as well as our discussions during the review visit testify to the success of Finnish education and employment policies in preventing many more young people from being unemployed during the recession and in preparing them for high quality jobs which became available during the recent upswing. The strategies aiming at re-integrating low qualified young people in the education system also seem to have been relatively successful, even if this problem area seems to receive less attention today. However, severe problems subsist for the elderly and for young people leaving the education systems with low levels of qualification. A particular reason for concern is the decrease in recent years of employment chances for graduates from upper secondary vocational schools relative to those with tertiary level qualifications. This problem is exacerbated by the limited access of vocational education students to tertiary education. Current reforms in vocational education and training are aiming to improve this situation through more integrated forms of general and vocational education, wider access to tertiary education and a stronger emphasis on work-based learning. It is too early to assess the success of all these efforts.

Delaying transition from initial education to working life to the post-secondary level: benefits and costs

Finnish educational policy has taken a clear orientation towards providing tertiary education to a large majority of young people. Nevertheless, access to tertiary institutions remains highly selective and many young people are circulating in "waiting lines" at the entrance to tertiary education. It seems to be agreed that the expansion of tertiary education will take place exclusively through the development of polytechnics (*AMK*- institutions) while the university sector remains at its current size. However, we have not been able to understand how the intended further development of the polytechnics (*AMK*- institutions) sector is expected to solve the problem. The growing number of potential applicants still seems to outweigh the number of planned polytechnics (*AMK*- institutions) places in coming years. Furthermore, questions could arise in future about societal esteem for and the labour market value of polytechnics (*AMK*- institutions) qualifications compared to those of universities. Will there be a "mass sector" and an "elite sector", or will the two sectors be perceived as "different but of equal value"?

The planned expansion of education at the tertiary level leads us to expect further changes at the preceding levels, especially at the upper secondary level. The links and the articulation between upper secondary qualifications and further careers may turn out to be crucial in that respect. To the extent that general upper secondary education remains the main pathway toward preferred fields of study at the tertiary level, young people's choices can be expected to shift even further in that direction. This would imply that growing numbers of young people would be kept away from full integration into working life for relatively long periods of initial education.

Consequently, the achievement of parity of esteem seems to be a major condition of success of the Finnish transition policies. In addition, opening up the general track of upper secondary education and extending the possibilities and encouragement for combining general and vocational education at the secondary level could be of utmost importance in future, especially if the general education pathway continues to expand.

Prolonging the majority of educational careers into the tertiary stage could be a costly strategy, especially if it were accompanied by delayed opportunities for work experience. If the expansion of tertiary education is to improve young people's transition into working life it needs to be complemented by educational provision at the secondary level which allows work experience for general education students at the secondary level as well.

Teaching practice and support for teachers

The ongoing policy reforms concentrate very much on the overall goals and the regulatory context of learning and teaching practice in educational institutions. It is clearly one of the major objectives of Finnish education policy to develop a better division of labour among the various actors. The political institutions, including the Ministry of Education, define the overall strategy and agenda, the *National Board of Education* provides expertise in support of their implementation, and the educational institutions are free to act within this framework according to their own conditions and preferences. The most important changes introduced during the past decade, e.g. new funding mechanisms, the modularisation of the curriculum, the reorganisation of the educational fields, and new forms of co-operation among institutions, have opened up room for variety, innovation, creativity and flexibility. This means that the most important part of the reform process, i.e. their everyday implementation, lies in the hands of educational institutions, teachers and other local actors. During our discussions we were told of different types of reactions in response to these innovations (e.g. mere adaptation of old practice to the new ideas or genuine experimentation with new approaches which may of course fail to some extent). High expectations for the motivation, creativity and capability of the actors involved have not always been accompanied by clear targets or necessary methodological and logistic support.

We were impressed by the examples of innovation which we saw both in upper secondary schools and in polytechnics (*AMK*- institutions). These innovations were realised at least partly under the pressures of financial austerity and concomitant growth in student numbers. We heard critical remarks about teacher training being slow to react to reform. Research indicates that especially teachers in vocational schools have expressed reservations with respect to a 'technocratic' reform approach.⁷⁵ Teachers may not have unambiguously positive attitudes about reform policies that create additional demands under relatively difficult conditions. If the various reforms are to produce the expected outcomes across the education system as a whole it may be necessary to engage in more widespread follow-up and monitoring of developments at the "grassroot-level" in order to respond to the need for different forms of support.

More emphasis on the effective use of available information

A very rich statistical data base about various aspects of transition is available in Finland. However, its presentation seems to be rather complex and it cannot easily be used for an assessment of ongoing developments. In addition, we had the impression of a certain lack of communication between the experts developing and providing the information on one hand and the users, i.e. decision makers and administrators on the other. Perhaps these two groups could communicate more effectively, especially in developing indicators that provide a simpler and more telling picture of the complex issues involved in transition from initial education to working life. Closer monitoring and follow-up of flows through all levels of education, including tertiary education, and into the labour market seem desirable.

The review team was provided with a thorough presentation of the very comprehensive statistical information base for education and employment in Finland. That presentation also showed the complexities of data concerning changes related to European integration and internationalisation more generally. Different indicators are used to describe the development and functioning of the labour market, to the point where some confusion may arise. The growing complexity of education pathways makes it difficult to choose descriptive indicators which provide a valid and straightforward picture. Such problems are common across many countries. However, we had the impression that in spite of the availability of comprehensive and thorough data bases, policy makers in the different areas concerned do not always make use of them.

As far as education policy is concerned, valuable quantitative information is available and utilised for development planning. Qualitative issues, however, seem to be less successfully monitored. The development of evaluation and monitoring procedures for the qualitative aspects of reform was reported to be currently underway. We can only encourage further steps in this direction.

Regional disparities, social equity and young people at risk

The problem of regional disparities was mentioned in the Background Report, and that issue came up at several occasions during the country visit. We were told that changes in regional policies during the 1990s have shifted emphasis somewhat away from alleviating regional disparities through regional development and more towards individual mobility. The consequences of such a shift for education policies seem to be difficult to apprehend. In particular, the question of the regional distribution of tertiary institutions was mentioned several times. A trade-off operates between the size of such institutions and the impact which they may have on regional development. The university of Oulu was presented as an example of the considerable impact that the early establishment and continuing further development of universities can produce with regard to regional development. However, it is not entirely clear to what extent this example can be replicated elsewhere, not only for reasons of scale but also because of its relatively long history. Today, attention seems to focus on polytechnics (*AMK*- institutions) as more promising development agents than universities. Nevertheless, their effectiveness will also depend to a significant extent on sufficient financial support, especially in the less developed regions.

Current transition policies seems to favour the notion of geographical mobility of well educated young people to the prosperous regions of the south-western parts of Finland, a notion which is reinforced by policy recommendations of international economic organisations such as the OECD. On the other hand there are aspects of the current educational reforms which seem to call for more intense regional development including, for instance, the possibilities at upper secondary and tertiary levels to combine modules from several institutions also in less populated regions.

Finland has a long tradition of furthering equality of opportunity for all members of society. In addition, there is evidence that the more advantaged groups in society have shared at least some of the deprivation caused by the austerity measures during the economic crisis. During the recent economic upswing the situation of the majority, especially among young people, has improved and Finnish policy makers show strong determination to focus and build on the positive aspects of recent developments. Hopes seem to prevail for a continuous upswing which will gradually include all groups of society. Nevertheless, problems of social exclusion, marginalisation, and remaining social inequality, especially due to regional disparities, are still evident. Our impression was that some social groups and regions have been left behind in the recent process of economic recovery.

The issue of young people at risk deserves particular attention in this respect. It may be masked to some extent by the waiting lines for tertiary education. The majority of those who do not continue their educational career immediately after upper secondary education may be expected to succeed later on. However, one should bear in mind that the waiting lines also include young people who may not succeed

in future years. It appears difficult to obtain precise information on the size or the educational characteristics of that group and on their situation in the labour market. Our discussions in Finland suggested that this problem may be underestimated to some extent.

Keeping in mind Finnish traditions of equity and solidarity and recognising that especially older people are still suffering from the consequences of the economic crisis, policy makers may want to pay particular attention to the provision of education and training opportunities in disadvantaged regions and to young people at risk of leaving initial education without recognised labour market qualifications.

ANNEX 1

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ANNEX 2

Table 1 - Number of registered unemployed persons per age groups in Finland for selected years 1988-98

	15-19-yrs.	20-24-yrs.	15-24-yrs.	25-54-yrs.	55-59-yrs.	60-64-yrs.	55-64-yrs.	Total (15-64)
1988	9300	19300	28600	79400	8200	3100	11300	119300
1990	7400	14400	21800	61800	7900	2000	9900	93500
1994	27500	64700	92200	324100	43400	7800	51200	467500
1998(II)	11400	36600	48000	246900	57400	10300	67700	362600

Table 2 - Percentage change of the number of unemployed persons in Finland 1990-94-98 (in %)

	15-19-yrs.	20-24-yrs.	15-24-yrs.	25-54-yrs.	55-59-yrs.	60-64-yrs.	55-64-yrs.	total
1990/94	371.62	449.31	422.94	524.43	549.37	390.00	517.17	500.00
1994/98(II)	41.45	56.57	52.06	76.18	132.26	132.05	132.23	77.56

Table 3 - Unemployment rates from labour force survey per age groups in Finland for selected years 1989-98 (in %)

	15-19-yrs.	20-24-yrs.	15-24-yrs.	total	55-59-yrs.	60-64-yrs.
1989	14,1	5,3	8,1	3,1	3,5	2,0
1990	14,1	6,2	8,8	3,2	3,2	0,9
1994	36,1	28,7	31,1	16,6	21,4	9,9
1998	28,1	18,6	21,8	11,4	15,4	6,3

Table 4 - Labour force (absolute) per age groups in Finland for selected years 1989-98 (N x 1000)

	15-19-yrs.	20-24-yrs.	15-24-yrs.	25-54-yrs.	55-59-yrs.	60-64-yrs.	55-64-yrs.	total
1989	130	276	406	1962	154	65	220	2612
1990	129	264	393	1970	157	64	222	2606
1994	94	197	293	1971	165	46	211	2488
1998	106	216	322	1973	169	52	221	2532

Table 5 - Labour force participation per age groups in Finland for selected years 1989-98 (in %)

	15-19-yrs.	20-24-yrs.	total (15-74-yrs.)	55-59-yrs.	60-64-yrs.
1989	43,0	76,7	70,1	60,0	26,0
1990	42,7	75,9	69,7	62,1	25,3
1994	28,8	64,9	65,1	62,0	18,8
1998	32,2	67,2	65,3	60,5	20,9

Table 6 - Population (absolute 15-64-yrs.) per age groups in Finland for selected years 1989-98 (N x 1000)

	15-19-yrs.	20-24-yrs.	15-24-yrs.	25-54-yrs.	55-59-yrs.	60-64-yrs.	55-64-yrs.	15-64-yrs.
1989	302	359	662	2174	257	251	509	3344
1990	302	348	650	2195	253	254	507	3352
1994	327	304	631	2261	266	245	511	3403
1998	329	322	650	2264	280	247	527	3441

Source: Labour Force Survey, Statistics Finland (3-6)

Table 7 - Registered unemployment rate per age groups in Finland for selected years 1988-98 (in %)

	15-19-yrs.	20-24-yrs.	15-24-yrs.	25-54-yrs.	55-59-yrs.	60-64-yrs.	55-64-yrs.	15-64-yrs.
1988	8.4	7.5	7.8	4.1	5.4	4.8	5.3	4.7
1990	6.7	5.9	6.1	3.1	5.1	3.3	4.6	3.7
1994	37.2	34.6	35.3	16.3	25.4	16.3	23.4	18.9
1998(II)	11.3	17.6	15.5	12.5	34.5	20.0	31.1	14.4

Table 8 - Registered unemployment/Population rate per age groups in Finland for selected years 1988-98 (in %)

	15-19-yrs.	20-24-yrs.	15-24-yrs.	25-54-yrs.	55-59-yrs.	60-64-yrs.	55-64-yrs.	15-64-yrs.
1988	3.0	5.2	4.2	3.7	3.1	1.2	2.2	3.6
1990	2.5	4.1	3.4	2.8	3.1	0.8	2.0	2.8
1994	8.4	21.3	14.6	14.3	16.3	3.2	10.0	13.7
1998(II)	3.5	11.4	7.4	10.9	20.5	4.2	12.9	10.5

Source: Finnish Labour Review, Vol.41, No.3, 1988, Tables 1, 3, 4, 12, 14, recalculated.

Table 9 - Development of youth unemployment in the OECD Countries selected for the Thematic Review

15-24-y.	Unemployment/Population							
Country	1990	1991	1992	1993	1994	1995	1996	1997
Australia	9,29	11,55	13,32	12,42	11,11	10,07	10,42	10,67
Austria					2,99	3,02	3,63	3,55
Canada	8,77	10,89	11,60	11,22	10,40	9,69	9,90	10,22
Czech Republic				3,97	4,17	4,00	3,54	4,04
Denmark	8,48	8,42	8,88	10,30	7,03	7,26	7,81	6,01
Finland	5,38	8,54	12,81	15,30	14,42	12,34	11,51	11,27
Hungary			7,93	9,03	7,93	7,16	6,66	5,94
Japan	1,90	2,03	2,03	2,41	2,59	2,90	3,25	3,23
Norway	7,12	7,40	7,71	7,54	7,00	6,63	7,38	6,75
Portugal	6,02	5,30	5,21	6,16	6,89	7,17	7,39	
Sweden	3,10	5,15	8,22	12,47	12,09	10,32	10,75	10,53
Switzerland		2,28	3,21	4,63	4,06	3,61	3,09	4,02
United Kingdom	7,89	10,36	11,24	12,37	11,36	10,66	10,41	9,49
United States	7,51	8,87	9,41	8,83	8,27	8,00	7,87	7,39

15-24-y.	Unemployment/Labour Force							
Country	1990	1991	1992	1993	1994	1995	1996	1997
Australia	13,20	17,09	19,49	18,60	16,25	14,44	14,82	15,94
Austria					5,03	5,27	6,51	6,48
Canada	12,68	16,17	17,77	17,65	16,53	15,57	16,10	16,69
Czech Republic				7,39	7,72	7,90	7,15	8,37
Denmark	11,53	11,51	12,34	14,60	10,18	9,92	10,59	8,09
Finland	8,88	14,95	24,48	30,79	31,06	26,90	24,91	23,30
Hungary			17,54	21,20	19,44	18,64	17,98	15,94
Japan	4,32	4,46	4,36	5,11	5,45	6,09	6,73	6,64
Norway	11,76	12,84	13,58	13,59	12,62	11,86	12,37	10,90
Portugal	9,97	9,28	10,02	12,52	14,73	16,01	16,65	
Sweden	4,49	7,83	13,62	22,68	22,61	19,59	21,05	20,99
Switzerland		3,18	4,54	6,39	5,98	5,45	4,66	6,00
United Kingdom	10,12	13,57	15,46	17,35	16,17	15,28	14,73	13,47
United States	11,16	13,44	14,23	13,37	12,46	12,07	12,01	11,29

15-24-y.	Ratio Young/Adult Unemployment Rate (Labour Force) (in %)							
Country	1990	1991	1992	1993	1994	1995	1996	1997
Australia	255,3	229,7	239,4	213,3	220,2	223,2	213,9	239,3
Austria					144,1	146,0	163,6	156,9
Canada	177,3	176,9	177,2	176,3	179,1	185,1	188,1	211,8
Czech Republic				229,5	255,6	240,1	224,1	210,8
Denmark	149,4	132,9	145,7	145,0	133,4	155,5	175,0	166,1
Finland	415,0	291,4	251,1	215,9	212,6	193,8	189,7	208,6
Hungary			200,7	205,2	210,2	214,3	212,8	215,1
Japan	236,1	254,9	234,4	231,2	211,2	218,3	225,1	219,1
Norway	301,5	271,5	293,9	286,1	299,1	306,5	338,9	358,6
Portugal	279,3	282,9	324,3	283,9	254,8	263,3	269,4	
Sweden	345,4	320,9	297,4	300,4	283,7	251,5	246,8	237,7
Switzerland		206,5	176,7	194,8	165,7	178,7	129,1	153,5
United Kingdom	169,8	190,9	182,1	194,9	192,7	205,7	211,0	226,8
United States	251,9	243,5	228,8	234,2	255,3	277,5	287,3	299,5

Source: OECD-Database

Unemployment/Population								
15-19								
Country	1990	1991	1992	1993	1994	1995	1996	1997
Australia	9,45	11,10	13,48	11,84	10,92	11,18	11,12	10,30
Austria					2,48	2,68	3,00	3,65
Canada	8,15	9,22	10,30	9,98	9,34	9,01	9,52	10,19
Czech Republic				3,75	4,29	3,88	3,42	3,66
Denmark	5,70	4,84	5,51	5,91	4,28	5,87	7,41	5,46
Finland	5,96	8,17	10,22	11,49	10,40	9,15	8,59	9,54
Hungary			6,19	6,90	5,68	5,23	4,65	4,09
Japan	1,20	1,21	1,24	1,29	1,34	1,39	1,69	1,61
Norway	7,09	6,94	6,38	6,64	6,39	5,96	7,50	7,55
Portugal	4,75	3,97	3,90	4,42	4,48	4,35	4,31	
Sweden	3,58	4,97	6,22	8,30	7,42	6,41	6,40	6,74
Switzerland								
United Kingdom	8,19	10,39	10,37	11,42	11,14	10,34	10,99	10,12
United States	8,34	9,66	10,31	9,80	9,30	9,28	8,74	8,27
20-24								
Country	1990	1991	1992	1993	1994	1995	1996	1997
Australia	9,12	11,99	13,16	12,95	11,29	9,09	9,77	11,02
Austria					3,40	3,30	4,17	3,47
Canada	9,34	12,43	12,81	12,38	11,41	10,35	10,28	10,24
Czech Republic				4,25	4,03	4,12	3,65	4,37
Denmark	11,13	11,96	12,09	14,36	9,64	8,49	8,18	6,49
Finland	4,89	8,88	15,29	19,23	18,75	15,79	14,61	13,06
Hungary			9,94	11,57	10,56	9,48	8,90	7,72
Japan	2,70	2,90	2,83	3,48	3,72	4,20	4,55	4,57
Norway	7,14	7,74	8,63	8,16	7,41	7,08	7,30	6,16
Portugal	7,34	6,66	6,58	7,97	9,29	9,86	10,17	
Sweden	2,74	5,29	9,73	15,54	15,44	13,04	13,82	13,28
Switzerland								
United Kingdom	7,68	10,35	11,83	12,99	11,51	10,88	10,00	8,99
United States	6,87	8,29	8,75	8,12	7,48	6,96	7,12	6,60

Unemployment/Labour Force								
	15-19							
Country	1990	1991	1992	1993	1994	1995	1996	1997
Australia	16,47	20,97	24,95	23,00	20,29	19,99	19,47	19,34
Austria					5,53	6,33	7,31	9,37
Canada	14,17	16,77	19,79	19,97	18,93	18,48	20,11	21,79
Czech Republic				11,38	13,00	13,35	13,25	15,90
Denmark	8,89	7,63	8,61	9,43	6,99	8,79	11,16	8,04
Finland	13,95	21,19	31,07	36,27	35,79	30,30	28,57	29,81
Hungary			26,96	33,14	29,75	31,11	30,38	28,79
Japan	6,63	6,56	6,70	7,06	7,59	8,22	9,72	9,03
Norway	16,07	17,35	16,67	18,07	17,07	15,88	17,87	16,49
Portugal	10,39	9,40	10,70	13,99	15,51	17,05	18,34	
Sweden	6,97	10,56	15,55	25,69	24,60	20,85	22,34	24,22
Switzerland								
United Kingdom	11,56	14,94	16,27	19,12	18,60	17,30	17,77	16,23
United States	15,54	18,71	20,11	19,04	17,64	17,33	16,73	16,02
	20-24							
Country	1990	1991	1992	1993	1994	1995	1996	1997
Australia	10,89	14,64	16,13	16,07	13,88	11,08	11,87	13,80
Austria					4,78	4,74	6,10	4,98
Canada	11,70	15,78	16,51	16,23	15,04	13,75	13,61	13,55
Czech Republic				5,31	5,06	5,61	5,07	6,22
Denmark	13,50	14,45	15,18	18,47	12,59	10,76	10,15	8,14
Finland	6,42	12,00	21,55	28,17	28,79	25,13	23,08	20,00
Hungary			14,00	16,88	15,97	14,72	14,53	12,97
Japan	3,68	3,91	3,77	4,65	4,99	5,68	6,14	6,16
Norway	9,80	10,97	12,39	11,95	10,96	10,37	10,14	8,37
Portugal	9,70	9,20	9,65	11,81	14,38	15,61	16,09	
Sweden	3,32	6,61	12,84	21,68	22,00	19,19	20,66	20,01
Switzerland								
United Kingdom	9,25	12,77	15,02	16,48	14,93	14,20	12,96	11,70
United States	8,84	10,81	11,36	10,54	9,72	9,09	9,26	8,51

Source: OECD Database.

Table 10 - Incidence of long-term (6 months and over) unemployment (ie percentage of all unemployment in the age group that lasts for 6 months or more)

Age 15-19									
	1990	1991	1992	1993	1994	1995	1996	1997	1998
Australia	35,5	44,7	47,7	46,9	44,5	40,4	40,4	38,2	41,9
Austria					4,7	34,5	38,8	50,2	51,6
Czech Republic				27,5	27,5	41,7	37,7	32,5	33,0
Denmark	32,9	36,4	23,4	28,7	22,6	18,6	25,8	19,0	16,2
Finland						14,8	15,7	9,7	13,0
Hungary			30,8	39,5	44,0	57,6	61,5	58,6	57,1
Norway	21,4	20,8	22,6	30,8	20,6	30,0	0,0	0,0	0,0
Portugal	61,5	53,7	24,2	36,6	36,5	40,7	51,5	34,7	49,0
Sweden	22,4	18,3	21,3	17,6	22,3	29,8	25,3	22,3	23,3
United Kingdom	28,8	34,4	41,0	50,6	45,0	39,3	39,4	35,7	30,8
United States	3,2	4,0	6,7	6,0	9,4	8,8	8,7	8,1	8,1
OECD-Average	46,1	44,8	41,9	44,9	44,9	45,5	45,0	43,5	43,5
Age 20-24									
	1990	1991	1992	1993	1994	1995	1996	1997	1998
Australia	37,4	48,1	57,7	53,9	56,2	47,5	44,8	50,5	45,0
Austria					12,2	31,8	33,0	32,7	19,3
Czech Republic				29,9	35,2	45,2	43,7	42,9	46,1
Denmark	43,5	39,6	37,0	31,8	36,4	25,7	22,5	21,1	27,0
Finland						40,2	33,1	27,6	20,4
Hungary			44,8	53,4	60,2	70,5	69,4	68,4	62,6
Norway	35,0	35,8	33,5	39,1	35,5	27,8	26,1	15,8	18,8
Portugal	56,7	54,2	33,3	34,4	48,0	57,4	56,3	55,9	56,2
Sweden	11,8	18,3	23,4	31,0	40,9	38,5	42,3	41,7	44,6
United Kingdom	41,0	42,3	55,1	58,6	61,6	54,6	51,6	46,7	36,9
United States	5,8	8,1	11,6	11,6	14,0	12,7	12,9	12,3	12,3
OECD-Average	49,1	48,6	49,1	50,9	52,5	51,7	51,3	49,7	48,5

Source: EULFS (or LFS where no EULFS data available).

Table 11 - Previous qualification of the new polytechnic entrance in 1997

		%
Upper secondary qualification	23 080	89
General (Matriculation examination) only	13 880	54
General (Matriculation examination) and vocational qualif.	3 600	14
Vocational qualification only	5 600	21
Tertiary degree or qualification	2 800	11
New students total	25 880	100

Table 12 - Previous qualification of the new university entrance in 1997

		%
Upper secondary qualification	16560	90
General (matriculation examination) only	15200	82
General (matriculation examination) and vocational qualif.	1360	8
Tertiary degree or qualification	1900	10
New students total	18460	100

Figure 1

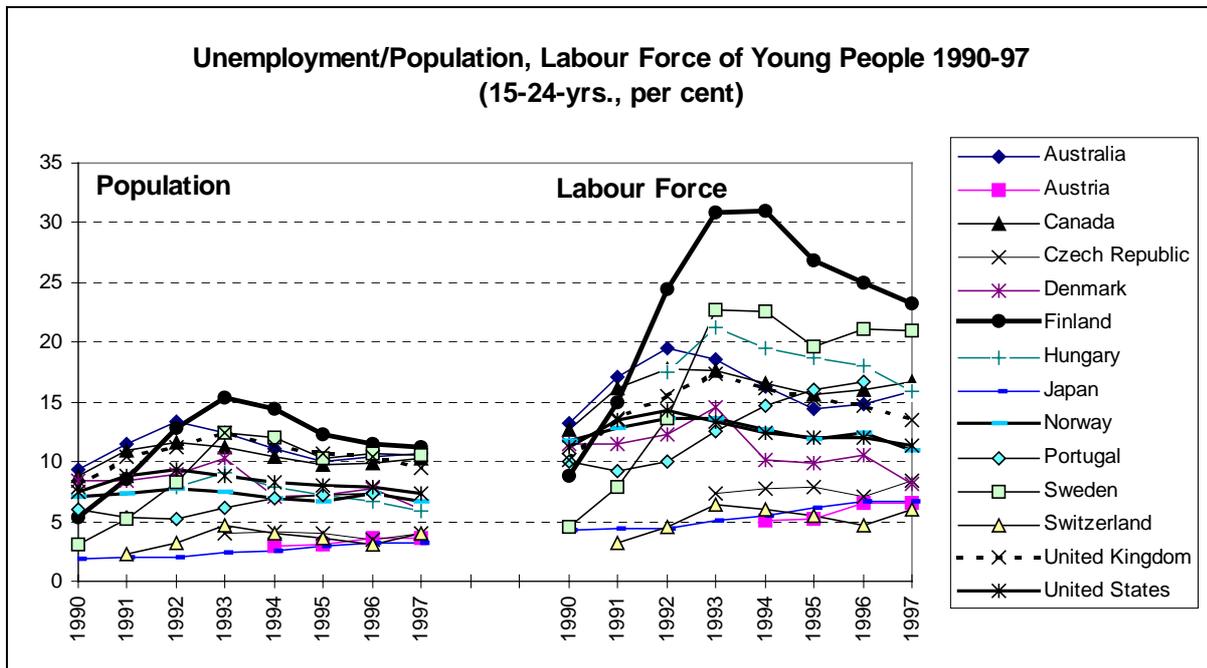


Figure 2

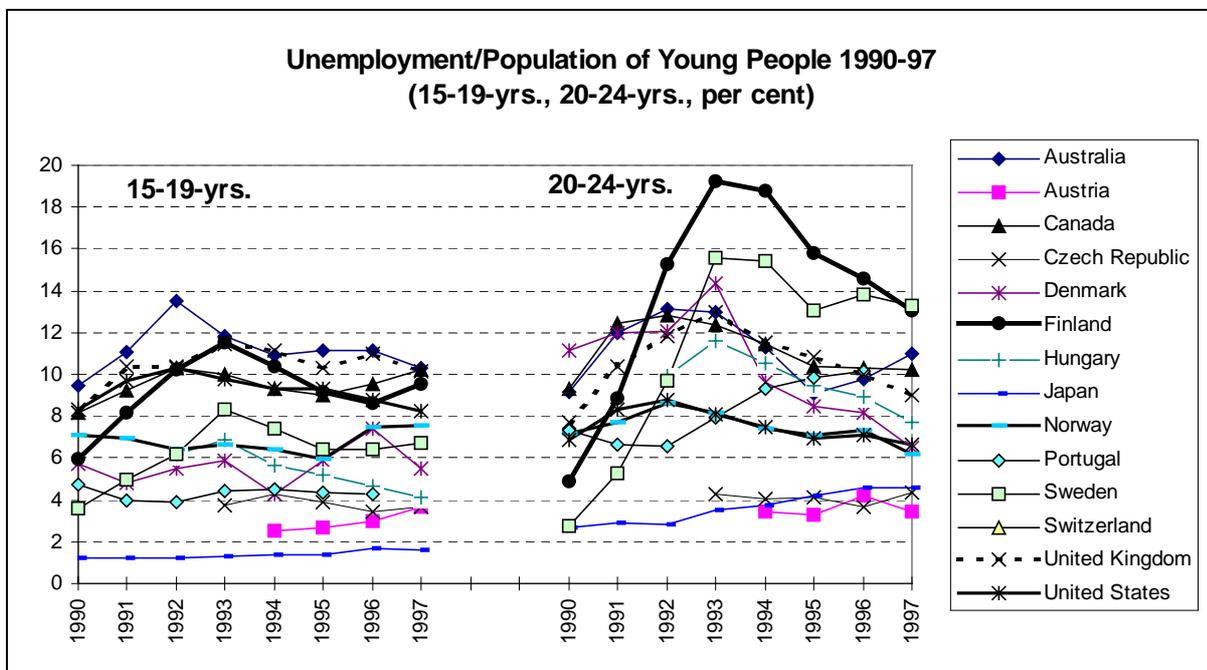


Figure 3

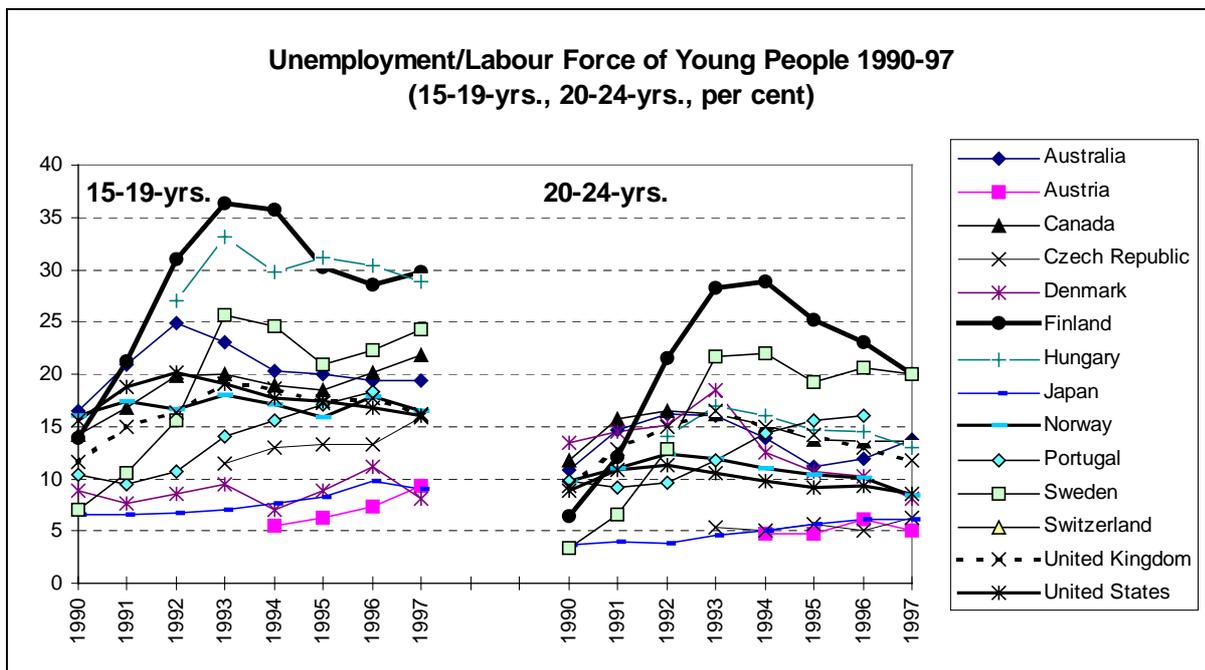


Figure 4

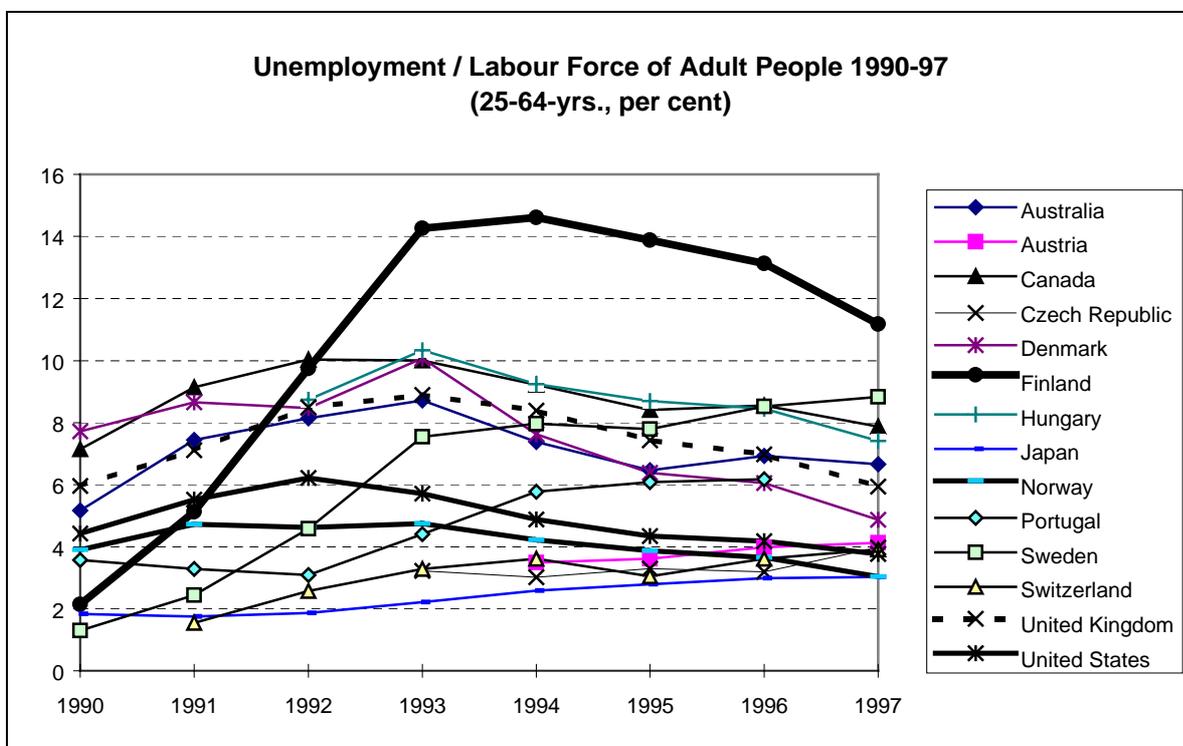


Figure 5

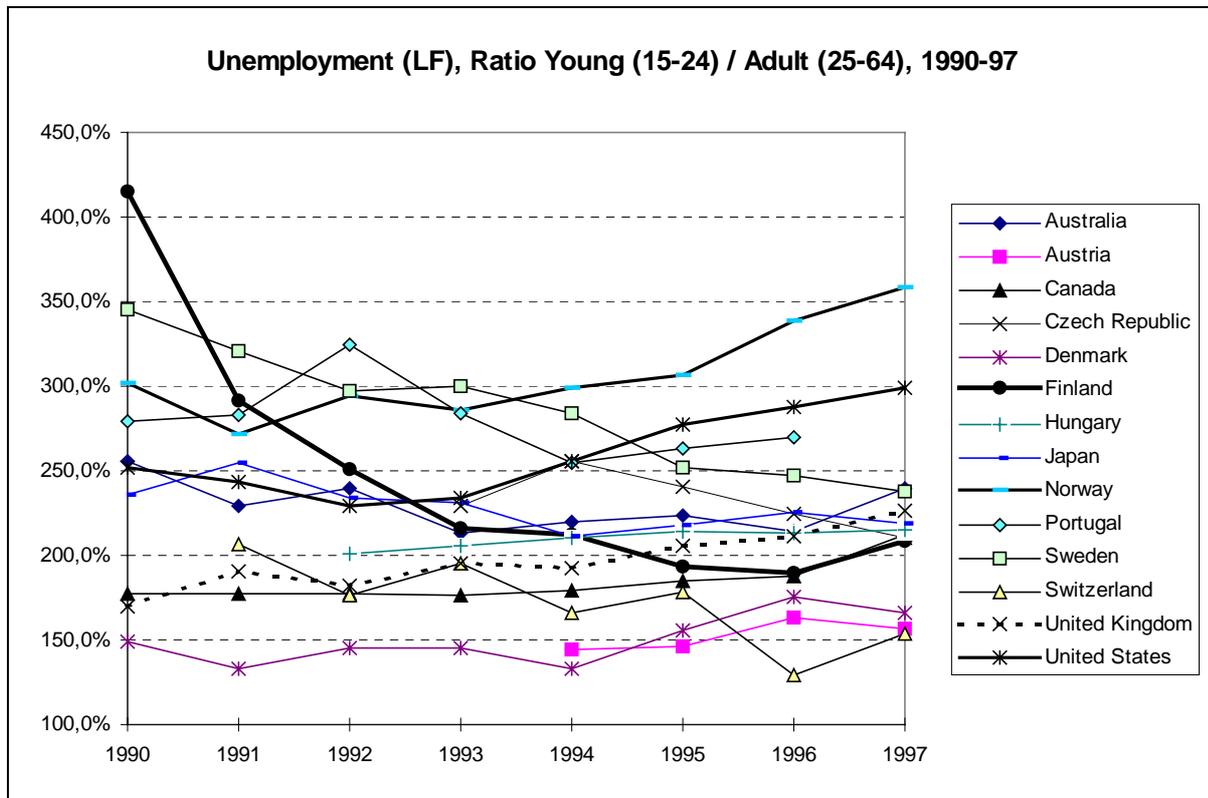


Figure 6

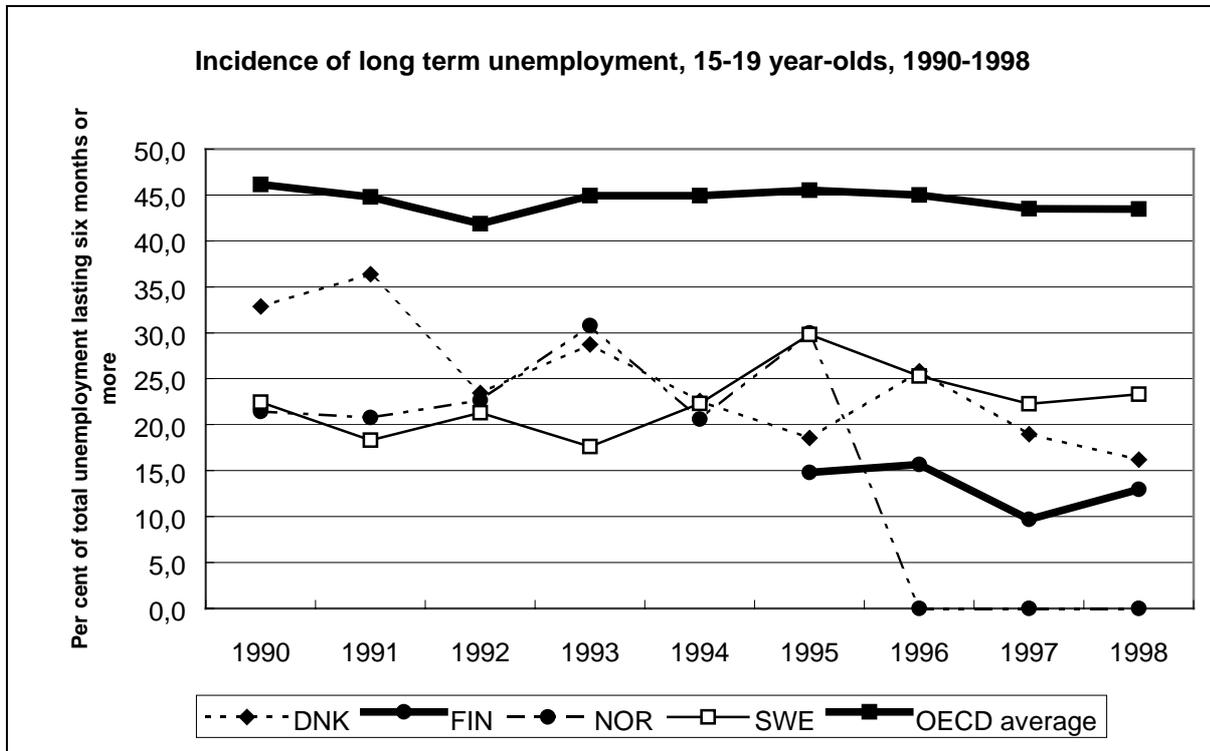
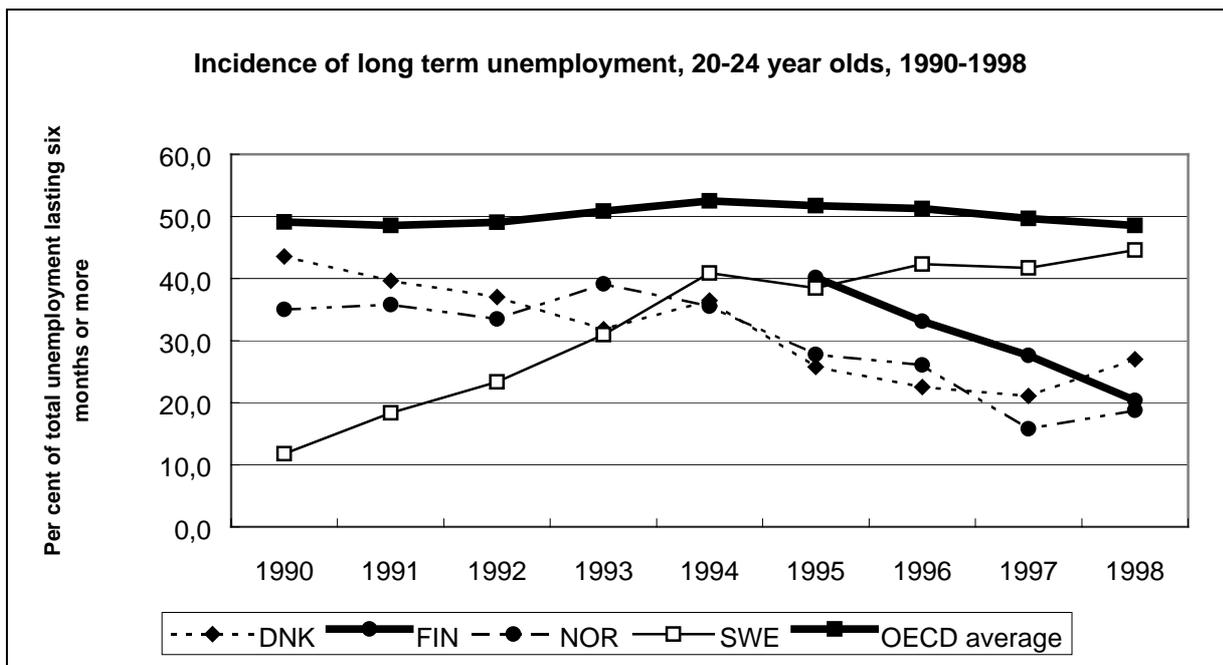


Figure 7



ANNEX 3

AGREEMENT ON TRAINING PROVIDED IN CONNECTION WITH PRACTICAL WORK AT THE WORKPLACE

PARTIES

Educational institution/Training provider

Contact person/Teacher

Tel:

Enterprise/Other organisation
Workplace

Contact person/On-the-job instructor

Tel:

1. FORM OF TRAINING

This agreement applies to training provided in connection with practical work at the workplace (on-the-job training) defined in the Vocational Education Act.

The trainee does not have an employment relation with the enterprise and is not paid wages, unless otherwise agreed in an employment contract.

2 DIPLOMAS AND STUDENTS

Diplomas to which the agreement applies

Number of students/year

Student(s)
(An annex where needed)

Personal identification number

Tel.

3. DURATION OF TRAINING

(An annex where needed)

Training terminates

Periods

4. AIM OF TRAINING

The aim of the on-the-job training is to enable the student to learn part of the vocational skills and part of the syllabus in a real working environment, following the rules applied there. On-the-job learning is planned and guided and the objectives are determined jointly by the teacher, the contact person at the workplace and the trainee.

5. TRAINING CONTENT

Training is provided in the following work tasks:
(An annex where needed)

Work task	Period	Special work occupational safety considerations
-----------	--------	---

6. TASKS AND DUTIES OF THE EDUCATIONAL INSTITUTION

The educational institution appoints a contact person or a teacher to represent it in the planning, organisation and supervision of on-the-job learning.

The educational institution assists and advises the enterprise in the implementation of the training and provides all information the enterprise needs about the training and vocational skills the student has acquired so far.

The responsibility and liability to insure in the case of an accident occurring in connection with on-the-job learning is determined under the Employment Accidents Insurance Act and the Decree concerning indemnity in accidents occurring in the course of studies.

The educational institution prepares the student for on-the-job training and sees to it that the student is aware of his or her responsibility to conform to the order and the rules and regulations concerning work and occupational safety applied at the workplace.

The educational institution makes sure that the student is aware of the content of this agreement and of his or her duty to conform to it and to provisions concerning vocational education.

7. TASKS AND DUTIES OF THE ENTERPRISE

The enterprise appoints a contact person / the on-the-job instructor who is competent to provide training and who represents the enterprise in the planning, organisation and supervision of on-the-job learning.

The enterprise provides the student with necessary information about conditions relating to the work and to the working environment and about the tools of the trade.

The enterprise is responsible for and ensures the student's safety under the Employment Accident Insurance Act and the Decree concerning indemnity in accidents occurring in the course of studies.

The enterprise takes care that the personnel at the workplace are sufficiently aware of the student's tasks relating to on-the-job learning and of the relevant agreement.

8. COOPERATION

The respective duties of the educational institution and the enterprise in the arrangement and implementation of on-the-job learning:

Planning:

Organisation:

Instruction:

Monitoring and evaluation:

Whenever needed, the contact persons of the educational institution and the enterprise will agree on the arrangement of on-the-job learning in more detail.

The enterprise will inform the educational institution without delay about any foreseeable major changes in the student's tasks or working conditions. Correspondingly, the educational institution will inform the enterprise without delay about eventual changes in the student's training.

The educational institution may provide applicable training for the contact person / the on-the-job instructor under separate agreement.

The following has been agreed concerning other co-operation between the educational institution and the enterprise:

9. REIMBURSEMENTS

Eventual reimbursement of the employer for on-the-job training:

10. OTHER MATTERS

The parties are aware of the responsibilities relating to occupational safety, industrial accidents and compensations. Liability in cases of accident is determined under the Damages Act.

Additional insurance:

The enterprise takes a liability insurance
The educational institution takes a liability insurance.

Other matters relating to working conditions:

Working hours (a day/a week/on average)
Meals
Workwear
Protective equipment
Expense compensation

11. VALIDITY

This agreement will be in force until further notice / for the duration of training provided in connection with practical work at the workplace, at the outside until xxx. The agreement may be terminated after a period of notice of one month or, if so agreed, without a period of notice.

12. SIGNATURES

The agreement has been signed in two copies, one for each party. A conform copy will be provided for the student.

Date

For the enterprise/organisation

For the educational institution/training provider

ANNEX 4

Statistics Finland
Services offered to schools
(Memo 5.11.1998)

Tailored statistical packages

The tailored statistical packages offered to schools contains detailed data about graduates from a certain schools. The packages are produced yearly, usually in the fall. Almost all types of schools have their own packages. Comparison data is also available.

Depending on the type of schools, following data is offered:

- main type of activity
- further studies (ongoing and completed)
- occupational status
- employment sector
- average income
- area of employment (usually by province)
- industrial sector.

The most popular package is the one produced for universities, but also vocational schools are very interested in following their graduates way through working life. This year we are for the first time also able to produce a package for polytechnics, who so far has been excluded. The demand for this kind of packages is growing all the time.

The appendix contains the package for Kerava Business College (four tables) and a preliminary table for Lahti Polytechnic (this table has not yet been offered to the polytechnics).

SijoittumisCD - "the key to the future"

SijoittumisCD is a PC-program produced by Statistics Finland and probably a unic product, at least in Scandinavia. The 4th version of the programme (SijoittumisCD 2.0) was published in September.

SijoittumisCD is mainly used as an aid for counselling students in their career choices of for helping students decide about future/further studies. Schools are the natural target group for this product, but among our customers we also have for example business enterprises and employment agencies.

SijoittumisCD contains data both according to education (426 different degrees = educational qualifications) and occupation (359 classes of occupation).

Data about degrees:

- basic data (year of graduation, language, classifications)
- main type of activity (1995 and preliminary data for 1996)
- employment by age
- employment by region
- industrial sector
- employment sector
- median earned income

- most common occupation.

Data about occupation classes:

- basic data (education on a rough level, language, short description of the occupation in question)
- employment by region
- industrial sector
- employment sector
- median earned income
- most common education.

SijoittumisCD is easy to use. Since the previous version many new functions have been added. Almost every table can also be viewed as a diagram. All tables and diagrams can be printed to paper or saved on disk for use in other programmes.

SijoittumisCD also contains a map to show how usual or unusual a degree or an occupation is geographically. Other functions are:

- quick search for extremes (most unemployed, lowest earned income etc.)
- comparison function
- search for degree/occupation by name.

The programme is available on PC-diskettes or on CD-ROM and soon also through the Internet. The price for one user is FIM 1500.

Endnotes:

-
- ¹ The Changing Role of Vocational and Technical Education and Training (VOTEC); Round Table on School to work Transitions in OECD countries (1995); OECD Employment Outlook 1996, Chapter 4.
- ² OECD Document DEELSA/ED(98)11, Thematic Review of the Transition from Initial Education to Working Life, Interim Comparative Report ; this document as well as the country notes and background reports are available or will be made available on the OECD Web site in 1999.
- ³ OECD (1998) Economic Surveys. Finland. Paris: OECD, 13, 55.
- ⁴ OECD (1994) Jobs Study. Evidence and Explanations, Part I, 155-156.
- ⁵ Statistics Finland (1997). On the Road to the Finnish Information Society. Helsinki: Statistics Finland, 58-62.
- ⁶ OECD (1998) Economic Surveys. Finland. Paris: OECD, 136; there are slight differences in unemployment figures due to different statistical sources.
- ⁷ Ministry of Labour (1998), Employment Action Plan Finland. Publication of Labour Administration No.209. Helsinki, 5.
- ⁸ Presidential Working Group on Employment (1994), Unemployment Down to 200 000. Helsinki: Ministry of Labour, 22.
- ⁹ Statistics Finland (1997). On the Road to the Finnish Information Society. Helsinki: Statistics Finland, 19-21.
- ¹⁰ OECD (1998) Economic Surveys. Finland. Paris: OECD, 59.
- ¹¹ Cf. Programme for Employment in Finland 1996-1999. Halving Unemployment. (October 1995) Helsinki (ISBN 951-735-069-4), 52.
- ¹² OECD (1998) Economic Surveys. Finland. Paris: OECD, 56-57; Programme for Employment in Finland 1996-1999 (1995). Halving unemployment. Helsinki (ISBN 951-735-069-4), 51-57.
- ¹³ Programme for Employment in Finland 1996-1999 (1995). Halving unemployment. Helsinki (ISBN 951-735-069-4), 51-54.
- ¹⁴ OECD (1998) Economic Surveys. Finland. Paris: OECD, 44-46, esp. Table 9, 46.
- ¹⁵ Ministry of Education (1998), The Financing of Lifelong Learning. Finland's country report to the OECD. Helsinki, 11.
- ¹⁶ The structure of initial vocational education was reformed in 1995. Before that reform three levels of initial vocational education and training were provided by vocational institutions: basic qualifications at ISCED level 3, college-level qualifications at ISCED level 5, and higher-level qualifications at ISCED level 6. Each of the three levels could be attained either directly from compulsory school, or from upper secondary school after the matriculation examination. For pupils who enrolled directly after compulsory school the

three levels of vocational programmes lasted 2-3 years (basic), 2-5 years (college), 4-5 years (higher). The two year upper secondary vocational programmes have come under reform in 1991, the two-year courses being gradually phased out, and post-secondary programmes being upgraded to *AMK* (polytechnical) programmes. Pupils from general upper secondary schools were able to complete their vocational programmes in six months to one year less time. There were separate curricula and classes for the two kinds of pupils, but the qualifications were the same. The 1995 reform cancelled the multi-level system by a separation of initial or basic vocational programmes to be attended after compulsory school on the one hand, and on the other hand, college and higher level vocational programmes to be attained after completion either of initial vocational programmes or the matriculation exam. Until 2000, in the course of the *AMK* reform, the provision of post-secondary vocational programmes at the upper secondary level will be integrated into the *AMK*-sector, cf. National Board of Education (1996), *The Development of Education 1994-96. National Report of Finland*. Helsinki: NBE, 14-15; Ministry of Education (1998), *The Financing of Lifelong Learning. Finland's country report to the OECD*. Helsinki, 19-20; see also OECD (1995). *Finland. Higher Education. Reviews of National Policies of Education*. Paris: OECD, Part One, Ch. 4, Part Two, Ch. 5.

¹⁷ Renewable natural resources sector (agriculture, horticulture, fishery, forestry, other primary industries); Technology and transport sector (14 fields); Administration and commerce sector (business administration); Hotel, catering and home economics sector (hotel, restaurant and catering, home economics and cleaning services); Social and health care sector (social and health care services, beauty care); Culture sector (crafts and design, communications and visual arts, theatre and dance, music); Humanities and education sector (leisure activities, physical education); see National Board of Education (1996), *The Development of Education 1994-96. National Report of Finland*. Helsinki: NBE, 40-41.

¹⁸ Modules in vocational education are principally constructed on the basis of competencies following real compositions of complex tasks in working life (e.g. marketing of some special goods or services). One module normally gives 2-3 credits. The allocation of content matters to modules is done by the schools, on the basis of national objectives and guidelines.

¹⁹ One credit is earned for one week or 40 hours of study, and the number of credits give the overall length of a specific course. The education and training institutions have responsibility for defining the concrete allocation of credits to the school year.

²⁰ The following types of benefits are particularly targeted to adults: Adult study grant, vocational training allowance, adult education supplement to redundancy pay, job alternation compensation and additional partial vocational training allowance. The minimum age limit for the first three programmes is 30 years. About 22.100 recipients for the amount of about 262 M FIM are reported during 1996 (about 12.000 FIM/recipient), the main categories being the adult study grants (47% of recipients and 59% of expenditure), and the adult education supplement (34% of recipients and 16% of expenditure). In addition, the labour market training allowance, which is not targeted exclusively to adults, is also consumed for adult training to a high extent (in 1996 about 100.000 recipients for the amount of 1.220 M. FIM are reported in that programme; about 12.000 FIM/recipient); see Ministry of Education (1998), *The Financing of Lifelong Learning. Finland's country report to the OECD*. Helsinki, 35-38.

²¹ Ministry of Education Finland (1989) *Development of Education 1986-1988. Finland. Report to the 41st Session of the International Conference on Education*, Geneva; Ministry of Education Finland (1990) *Development of Education 1988-1990. Finland. Report to the 42nd Session of the International Conference on Education*, Geneva; Ministry of Education Finland (1996). *Education & Research 2000. Development Plan for Education and University Research for the Period 1995-2000*. Helsinki: Ministry of Education; National Board of Education (1996), *The Development of Education 1994-96. National Report of Finland*. Helsinki: NBE; National Board of Education (1998a). *Vocational Training and Education in Finland*. Helsinki: NEB; National Board of Education (1998b). *The Educational System of Finland 1997*. Prepared by Eurydice Finland for Eurybase Database. Helsinki: NEB.

²² OECD (1995). *Finland. Higher Education. Reviews of National Policies of Education*. Paris: OECD; Ministry of Education Finland (1998). *Higher Education Policy in Finland*. Helsinki: Ministry of Education

²³ Figure 1 Annex 2.

²⁴ cf. Annex 2.

²⁵ Programme for Employment in Finland 1996-1999 (1995). Halving unemployment. Helsinki (ISBN 951-735-069-4), 52.

²⁶ Programme for Employment in Finland 1996-1999 (1995). Halving unemployment. Helsinki (ISBN 951-735-069-4), 55, Diagram 8.

²⁷ Ministry of Education (1998), The Financing of lifelong learning: Finnish country report to the OECD, Helsinki; for further discussion of the apprenticeship system see below.

²⁸ Programme for Employment in Finland 1996-1999 (1995). Halving unemployment. Helsinki (ISBN 951-735-069-4), 51.

²⁹ see Background Report, Ch.6.2.2.

³⁰ EU-Commission-ESF (1995), Finland. Single Programming Document. Objective 3 1995-1999, 67-77.

³¹ The Labour Market Support scheme (sometimes also called Labour Market Subsidy) covers the previously employed unemployed members/non members of the unemployment fund, whose eligibility for the unemployment insurance/allowance had ended after 500 days, or for those persons, who are not eligible for the unemployment allowance because of longer time periods out of labour force, or *who are applying for a job for the first time*. Previously those new job applicants had been easily eligible for Labour Market Support.

³² For a description see Background Report, Ch 3.2.2.2; see also . EU-Commission-ESF (1995), Finland. Single Programming Document. Objective 3 1995-1999, 68-72.

³³ Aho, S. & J. Vehvilainen (1994), Activating the Young Unemployed into Education? Working Papers Työraportteja 53/1997. Tampere: Work Research Centre.

³⁴ Ministry of Labour (1995), Operational Programme for the Community Initiative Employment in Finland 1995-1999.

³⁵ Ministry of Labour Finland (1998), Employment Action Plan Finland. Helsinki, 10.

³⁶ OECD Data Base

³⁷ National Board of Education, The Education System of Finland 1997, Helsinki 1998 and Finnish Background Report.

³⁸ See Ministry of Education (1998), The Financing of Lifelong Learning. Finland's country report to the OECD. Helsinki, Ch.7.

³⁹ At the beginning of 1998 there were 452 municipalities in Finland, 67 of which were urban municipalities, 70 semi-urban municipalities and 315 rural municipalities; Statistics Finland (1998), Finland in Figures 1998, 3. Municipalities are the main actors of local administration, the regions do not have as much relevance in Finland as in many other countries.

⁴⁰ Ministry of Education (1998), The Financing of Lifelong Learning. Finland's country report to the OECD. Helsinki, 102-106.

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- ⁴¹ Compared to 1993 in 1997 the unit costs were 93.2% in comprehensive schools (19.500 FIM), 96.5% in vocational institutions (33.400 FIM), and 77.7% in upper secondary schools (where the amount of 17.200 FIM was exceptionally low, the year before it was 20.100 FIM).
- ⁴² Source: Presentation at the Confederation of Industries (TT).
- ⁴³ See Ministry of Education Finland (1996). *Education & Research 2000. Development Plan for Education and University Research for the Period 1995-2000*. Helsinki: Ministry of Education.
- ⁴⁴ Kekkonen, K. (1998), *Instruments, tools, and policies to anticipate the effects of industrial training on employment and vocational qualification. Country report Finland*. Helsinki: ESF-Publication Series 20/98.
- ⁴⁵ See J. Lasonen and M. Young (eds.), *Strategies for achieving parity of esteem in European upper secondary education. Final report on the "Post-16 Strategies project of the LEONARDO da VINCI Programme*. Institute for Educational Research, University of Jyvaraskyla, Finland, 1998.
- ⁴⁶ These estimates were provided by a NEB researchers; others estimated 4 per cent of vocational students took the matriculation exam.
- ⁴⁷ Note: twenty students reportedly participate, in a combined school with 238 general students and 130 vocational students.
- ⁴⁸ Although the Ministry of Education is aware of the critical role of guidance in this reform and has efforts underway to improve guidance and counselling at all school levels, little was evident at the local level. This may be due to the newness of the reforms or to the situation at the local sites that the OECD team happened to visit.
- ⁴⁹ The youth education experiment was planned for seven years, from 1992-1999.
- ⁵⁰ See J. Lasonen and M. Young, *op cit*.
- ⁵¹ See, for example, S. Bodilly, C. Stasz, et al. (1992). *Integrating Academic and Vocational Education: Lessons from Eight Early Innovators*. Berkeley, CA: National Center for Research in Vocational Education, University of California.
- ⁵² J. Lasonen and M. Young, *op cit*.
- ⁵³ In addition to the mutual enhancement experiment, the vocational schools have experienced a major curricular reform (to modularization), and an expansion of the basic programme from 2-3 years, including the addition of an extensive work-based learning requirement.
- ⁵⁴ This labour market advantage has been noted in other countries as well, for example in studies of returns to co-operative education programmes in the U.S. See David Stern, et al., *School to work: Research on programs in the United States*. Washington, DC: Taylor and Francis/Falmer Press, 1995.
- ⁵⁵ One estimate anticipated that 40,000 work-based learning placements would be needed by 2003.
- ⁵⁶ See Thomas Bailey (ed.), *Learning to work: Employer involvement in school-to-work transition programs*. Washington, DC: The Brookings Institution, 1995; T. Bailey, K. Hughes, and T. Barr, *Achieving scale and quality in school-to-work internships: Findings from an employer survey*. Berkeley, CA: National Center for Research on Vocational Education, University of California, 1998.
- ⁵⁷ For further discussion see C. Stasz and T. Kaganoff (1997). *Learning how to learn at work: Lessons from three high school programs*. Berkeley, CA: National Center for Research in Vocational Education, University of California.

58 Cf. Lassnigg, L & A.Schneeberger (1997), Transition from initial education to Working life. Country Background Report: Austria

59 The total number of trainers who will benefit from this program was given as both 5000 and 2000. In a related Social Fund project, a two-week module is being developed for vocational teachers to assist them with the new work-based learning requirements, such as developing agreements with employers.

60 Grades are awarded on a scale of excellent (5), good (4-3) to fair (2-1). In order to be awarded a qualification certificate, the student must have passed the study modules of his or her training programme with a grade average of at least fair. We have no information as to whether the grades matter to employers.

61 see also the "2 + 2" model in Norway.

62 Tables 11 and 12 show the participation in tertiary education according to the previous educational qualification.

63 <http://www.census.gov/population/socdemo/education/table01.txt>

64 Bundesministerium fuer Bildung, Wissenschaft, Forschung und Technologie, Grund- und Strukturdaten 1997/98, data are for 1996.

65 Guidance: Educational and Vocational Guidance in Finland, Brochure from Ministries of Labour and Education, National Board of Education, and CIMO, January 1998.

66 U. Numminen and M. Virolainen (eds.) Open school for the youth: Three European views on developing youth education in Finland. Report 5, Experimental Reform of Upper Secondary Education of Finland. Helsinki: Helsinki University Press, 1995. See especially the contribution by M. Young, "The Experimental Reform of Upper Secondary Education in Finland."

67 Cf. Table 10 on long-term youth unemployment.

68 The strategy to have people actively seek jobs or training before they can obtain unemployment benefits was instituted because young people in rural areas, where unemployment rates are often much higher, do not want to leave home. Research indicates that the "activation" policy is working well (cf. S.Aho and J. Vehvilainen, "Activating the Young Unemployed into Education?: Studies of the effects of a recent policy in Finland and on the hidden rationalities of uneducated young people." Working Paper, University of Tampere, Work Research Centre, 1997.

69 Similar to the Berufsinformationszentren, BIZ, in Germany.

70 At least one region is experimenting with a "one stop" system where social services, unemployment and employment services are all co-ordinated in one location. The government is conducting some seminars to disseminate this model to others.

71 See Ministry of Education Finland (1996). Education & Research 2000. Development Plan for Education and University Research for the Period 1995-2000. Helsinki: Ministry of Education.

72 EU-Commission-ESF (1995), Finland. Single Programming Document. Objective 4. 1995-1999; Kekkonen, K. (1998), Instruments, tools, and policies to anticipate the effects of industrial training on employment and vocational qualification. Country report Finland. Helsinki: ESF-Publication Series 20/98.

73 For example: U. Numminen and M. Virolainen eds, Open School for the Youth – Three European Views on Developing Youth Education in Finland, Ministry of Education , 1995.

74 Citation from the review team's meeting with employer and trade union representatives on 9 November 1998.

Heikinnen, A. (1996) Vocational Education as a "life project"? Reflections from the case of Finland. EUROPROF Research paper. Tampere: University of Tampere; A more recent book which gives a comprehensive overview n about teacher education in Finland also refers to an international evaluation exercise performed in Finnish teacher education. However, the consequences provided for further development seem to be a little bit "inward looking" emphasising institutional aspects and questions of internal development rather than the practical effects of teacher education on development in the overall education system; Tella, S., Ed. (1996), Teacher education in Finland. Helsinki: University of Helsinki.