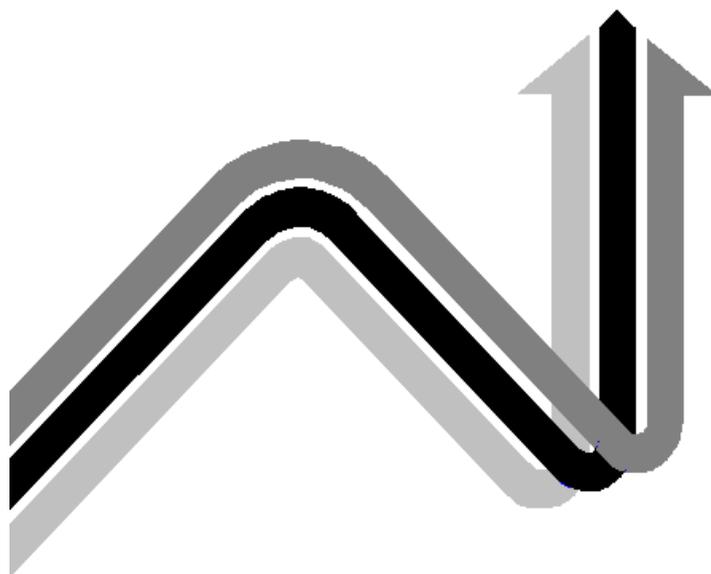


**THEMATIC REVIEW OF THE TRANSITION
FROM INITIAL EDUCATION TO WORKING LIFE**



FINLAND

BACKGROUND REPORT

OCTOBER 1998

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TABLE OF CONTENTS

CHAPTER I: CONTEXTUAL AND INSTITUTIONAL FACTORS	4
1.1 Background information	4
1.2 Economic development.....	6
CHAPTER II: CLARIFICATION OF PERCEPTIONS - THE TRANSITION FROM INITIAL EDUCATION TO WORKING LIFE.....	8
2.1 Overview of links between education and working life in Finland and the related changes	8
2.2 Principal transitional phases	11
2.3 Working during studies, financial possibilities while studying and the financial payback for studying from the perspective of the subsequent career.....	18
CHAPTER III: POLICY CHANGES AND CONCERNS ABOUT TRANSITION PROCESSES AND OUTCOMES	22
3.1 Some general features of the educational policy and problems connected to transition processes ...	22
3.2 Recent solutions.....	25
3.2.1 Internal development of the education system	25
3.2.1.1. Development of upper secondary education.....	25
3.2.1.2 Development of higher education.....	28
3.2.2 Creating closer links between education and working life.....	29
3.2.2.1 Working life contacts and on-the-job training.....	29
3.2.2.2 Apprenticeship training and youth workshops	32
3.2.2.3 Transferring development and reaction responsibilities to regional and local levels	34
3.2.2.4 Anticipation	35
3.2.2.5 Educational guidance and career and recruitment services	37
CHAPTER IV: CONCERNS ABOUT THE LABOUR MARKET	40
4.1 Recent trends in the labour market	40
4.2 Unemployment.....	41
4.3 Educational level of the labour force.....	42
4.4 Recruitment of new employees.....	43
4.5 Employment, age and education.....	44
4.6 Youth unemployment, young people's expectations and views on the connection between education and employment.....	45
CHAPTER V: CHANGES OF EXPECTATIONS AND OBJECTIVES OF LABOUR MARKET ORGANISATIONS AND ENTERPRISES	48
5.1 The role of labour market organisations and enterprises.....	48
5.2 Expectations and objectives of social partners and the market	49

CHAPTER VI: POLICY FOR THE TRANSITION PROCESS.....	54
6.1 Structure of the labour and educational administration and their current policy priorities.....	54
6.1.1 Labour administration and its current policy priorities	54
6.1.2 Educational administration and its current policy priorities.....	55
6.2 Co-operation and cross-sectoral relations between the relevant ministries	57
6.2.1 Some background.....	57
6.2.2 The Youth Committee	57
6.2.3 Government Programme and its Employment Programme.....	58
APPENDICES	64
APPENDIX I: The Finnish Education and Training System	64
APPENDIX II: Primary occupation of those aged 15-29 in 1990-1996	69
APPENDIX III: Exclusion.....	73

CHAPTER I: CONTEXTUAL AND INSTITUTIONAL FACTORS

1.1 Background information

The surface area of Finland covers 338,000 km², making it the 7th largest European country in terms of area. Forest covers about 70% of the country and lakes account for a further 10%. The official languages are Finnish and Swedish. Swedish is spoken by about 6% of the population. The Swedish-speaking population is concentrated on the country's southern and eastern coasts. In the northernmost part, known as the Sami region, the Sami language (Lappish) can also be used to deal with the authorities and in education.

The country is divided into 6 provinces. The provinces are Southern, Western, Eastern, Oulu, Lapland and the autonomous province of Åland. The basic units of local government are municipalities. In all, Finland has some 450 municipalities. Some small island municipalities have only a few hundred inhabitants, while the capital city, Helsinki, has half a million.

Finland is a relatively sparsely populated country - the average population density is 17 inhabitants per square kilometre. The population is concentrated in the south of the country, particularly in the Helsinki metropolitan area, which accounts for about a fifth of the entire population, equivalent to approximately one million people. Approximately 80% of the population live in densely populated areas. In all, there are six cities with more than 100,000 inhabitants.

The population in Finland is growing at an annual rate of 20,000-30,000 people. The current population of 5.1 million is being increased because of the positive birth ratio as well as because of immigration and the steadily declining death rate. However, the proportion of foreign nationals in Finland is still among the lowest in Europe, accounting for only 1.1 per cent of the population.

The relative proportion of those belonging to the older age groups is on the increase in Finland, as in other Western countries. At present, there are plenty of working-age people compared with children and pensioners, which is attributed to what are called the 'large age groups' born after the Second World War (born 1945-1950). Those belonging to the large age groups are at present in the middle of the population pyramid (aged 48-53), and they will be retiring within 10-15 years, at which point the proportion of elderly people will increase dramatically. Even at present, the country's labour force is older than ever before. Regional differences in the population structure have been influenced by the active internal migration of the 1960's and 1970's, which has reduced the working-age population of municipalities in almost all parts of the country except for Southern Finland. In some municipalities, pensioners account for even more than 30 per cent, whereas in municipalities gaining in migration, the figure may still remain below 10 per cent.

In the first decade of the next millennium, the size of the large age groups retiring from the labour force will amount to 80,000-90,000 people. At the same time, the size of the age groups entering the labour market will only amount to approximately 60,000. Consequently, the annual net reduction in the labour force will be approximately 20,000-30,000. Due to the diminishing age groups, the number of those under

15 years of age has decreased by almost 400,000 in 25 years. During the same period, the number of pensioners has more than tripled.

The following table illustrates the primary occupations of the Finnish population between 1980 and 1995. The proportion of gainfully employed out of the population has decreased from 44% to 38% during the same period. The amount of unemployed as a percentage of the total amount of employed people has increased from 5% to 25% during this period. The number of pensioners outside working life has increased, but there are less students to some extent. This can partially be attributed to the diminishing age groups.

Table 1. Population according to primary occupation 1980 - 1995 (per 1,000 population)

Year	Popula- tion	Employed	% of popula- tion	Empl. women	Unempl.	% of empl oyed	Aged 0- 14	Students, others	Pen- sioners	Depen- -dency rate ¹
1980	4,785	2,108	44	1,035	114	5	965	777	819	127
1985	4,911	2,277	46	1,152	139	6	951	605	938	116
1987	4,939	2,320	47	1,129	149	6	953	516	1,001	112
1988	4,954	2,353	48	1,136	130	6	960	500	1,012	110
1989	4,974	2,373	47	1,143	108	6	962	503	1,026	112
1990	4,998	2,332	47	1,134	141	6	964	520	1,040	114
1991	5,029	2,169	43	1,073	301	14	966	543	1,051	132
1992	5,055	2,014	40	1,003	444	22	968	567	1,062	151
1993	5,078	1,878	37	919	535	28	971	613	1,081	170
1994	5,099	1,917	38	937	492	27	972	623	1,095	166
1995	5,117	1,933	38	939	477	25	972	633	1,103	165

¹⁾ Dependency rate = (unemployed/employed) x 100

The population of Finland, and particularly the younger age groups, is highly educated by international standards. Primary education, as secondary education, is guaranteed to all regardless of domicile, language and wealth. Very few discontinue their comprehensive school education, and age groups move almost entirely on to upper secondary level education, and many continue to higher education. Education has been regarded as nationally important in Finland, and it is widely appreciated.

The population's level of education in Finland is clearly above the average of OECD countries. The younger age groups are particularly close to the top of these countries. In Finland, 83% of those aged from 25 to 34 have at least completed upper secondary level education, whereas the average for OECD countries is 71%. The differences in the level of education between age groups in Finland are, however, among the highest in the OECD countries. This can be attributed to the fact that up until the 1960's, a relatively small proportion of each age group participated in post-lower secondary education in Finland.

The educational attendance rate in Finland is also among the top OECD countries. Of Finns aged 5-29, almost two thirds (64%) participate in some form of education. In Sweden, for example, the corresponding figure is 52%, whereas those for France, Germany and the United States are 60%, 56%, and 57%, respectively.

1.2 Economic development

The growth of the economy and welfare in Finland had been rapid, in international terms, during the entire period of independence prior to the recession of the 1990's. The strong growth trend had only been interrupted by the depression of the 1930's and the Second World War, which saw a reduction in production. Soon after the war, however, a long period of growth started. This lasted three decades and saw the GDP increase by about 5% per year. Finland also recovered relatively well from the oil crisis, which strained the economies of the industrial countries in the mid-1970's. The growth of production only came to a temporary standstill, giving way to a new, intense boom in 1978. The growth of production was steady during the entire 1980's, on average almost 4% per year, and the employment rate remained at a good level.

The period of growth ended in the recession of the 1990's, which put a major strain on Finland. Between 1990-1993, the total production decreased by 13% in all and the unemployment rate rose at its worst to about 19% in 1994. The recession had been preceded by the country's rapidly growing foreign debt, which continued whilst the recession grew worse.

On the other hand, the recession of the 1990's lessened belief in the ability of forecasts to predict future events. Nonetheless, a stable, linear development has not been typical of the development of the Finnish post-war economy, but it has been characterised by a structural change strong in international comparison, which has involved radical change in the economic structure. During the 1950's and 1960's, the semi-agrarian country moved from the agrarian phase almost directly over the industrialisation phase to the service phase exceptionally quickly. During the post-war period, the rustic society changed to being a society of blue-collar workers and the middle class, which primarily consisted of white-collar workers. Along with the structural change and the transition to the information society, the entire population's level of knowledge, together with the labour force's level of expertise as demanded by business life, has increased considerably. This trend is still continuing vigorously.

The structural change has meant drastic migration both within the country (from the northern and eastern parts to the western and southern parts) and away from the country. During the recession, internal migration decreased, but began to rise again when things turned for the better. The new onset of migration has meant acceleration in urbanisation and rural depopulation, even leading to total desolation of some areas.

The Finnish economy surged upwards again during the third quarter of 1993, when the annual change in GDP volume became positive. At the same time, Finland started to recover from the collapse of eastern trade caused by the disintegration of the Soviet Union, succeeding to compensate for it by directing exports to other countries. Membership of the European Economic Area and subsequent integration into the European Union has increased the volume of trade with other Western European countries. Finland's international competitiveness is currently very good, because the country's currency was devalued at the beginning of the 1990's whilst the cost development remained and has continued to remain at a moderate level with high growth in production. According to the appraisal published by the Swiss International Institute for Management Development (IMD) in the spring of 1998, Finland is the world's fifth best country in terms of competitiveness. This appraisal is particularly based on the labour force's high level of education, well-functioning infrastructure and investment in science and technology.

In spite of the positive economic trend and prospects, however, Finland is still wrestling with mass unemployment. According to the traditional view, the development of employment is clearly associated with economic growth: the larger the growth, the better the employment rate. However, Finland has lately needed more rapid economic growth than its rival countries, in order to improve the employment

situation. Since the deepest phase of the recession, the economic growth rate in Finland has been fast, but the unemployment rate has been slow to decrease.

According to a survey commissioned by the Centre for Finnish Business and Policy Studies (EVA), two thirds of citizens do not believe in full employment. Moreover, quite a few experts also doubt whether it is possible to achieve full employment, at least not through economic growth alone. Because of the structural change of the economy, it has been estimated that the scarce increase in jobs after the recession of the 1990's is a permanent phenomenon, regardless of the rapid economic growth. The history of recent decades also shows that the unemployment rate has continuously increased during the last thirty years. At the end of the 1960's, it rose from one to 2-3%. After the oil crisis of the 1970's, it settled at 6%. In the government's budget proposal for the year 1999, the unemployment rate is estimated to be 9%.

CHAPTER II: CLARIFICATION OF PERCEPTIONS - THE TRANSITION FROM INITIAL EDUCATION TO WORKING LIFE

2.1 Overview of links between education and working life in Finland and the related changes

From an individual's point of view, the social order of Finnish society has to date been based on relatively clear-cut, long periods: from comprehensive school to upper secondary and tertiary further education, after completing education to a permanent, long-term job, and finally from work to retirement. This has been the reality for the majority, but now the social order for young people moving from education to working life is much more fragmented and intermittent. Employment under contracts of definite duration alternates with periods of unemployment and supplementary and continuous education.

Education - both for the young and the adult population - is used to achieve various individual and societal goals. Increasing the level of education has often been regarded as also having a positive effect on the unemployment problem. However, doubts are also raised in public as to the usefulness of education as a promoter of growth and employment. These doubts are based on Finland's high level of public expenditure on education compared with that of many other industrial countries. Increasing the provision of education has also been a means to decrease open unemployment. On the other hand, educational measures have at any rate improved the level of competence, particularly for young people. Therefore, young people increasingly replace older and ageing people in job placements.

Unemployment risk varies by sector, but is strongly influenced by the individual's age and level of education. A high level of education improves the probability of finding employment in all age groups. In an economic recession, the least well-educated are the first to lose their jobs. In an economic recovery, they are the last to find work. In future, education as such - even at the highest level - will not necessarily be enough to guarantee a job; as the volumes of highly educated people continue to grow at an increasing pace, not all of them can find placements on the labour market as easily as before. Suggestions to this effect can be seen in employment statistics from 1996. On the other hand, it has to be borne in mind that the demand for the entirely uneducated labour force is nevertheless the lowest; education can no longer guarantee a job, but no education will almost certainly guarantee unemployment.

The majority of those with no vocational education are men. Girls continue to move into general upper secondary school and other forms of education more often than boys. It must be noted that nowadays even vocational education cannot secure a job. The primary problem is the diminished demand for labour during and because of the recession.

Study and the transition from education to working life have been facilitated by making educational structures more flexible, increasing students' options, providing alternative and individual educational paths, as well as by reducing the rigidity of the education system and increasing local latitude at all levels of education. The core challenge for vocational education is still to create closer links between education and working life. This is pursued by such means as the following:

- by increasing on-the-job and practical training at all levels of education;
- by expanding the use of apprenticeship training;
- by developing the anticipation of educational needs;
- by transferring development and reaction responsibility to educational institutions and providers;
- by developing student counselling and creating career and recruitment services;
- by expanding the use of competence-based examinations in vocational education.

These measures will be presented in more detail in Chapter 3.

When investigating the factors influencing young people's transition from education to working life, there are issues on several different levels, which have to be considered. These include the following:

1. macroeconomic factors - essentially the recession of the early 1990's, which probably caused permanent changes in the mechanisms of finding employment;
2. the (global) change of socio-economic structures, including the transition to the information society;
3. factors related to the education system, such as the efforts to create closer links between education and working life.

Moreover, such issues as age group sizes, general supply of labour, etc. must also be taken into account. The scope of this report did not allow any extensive and, at the same time, analytically deep investigation into the bearing of these various factors on the creation and development of the current situation.

As for the efficiency and cost-effectiveness of the reforms introduced in the education system, it is as yet difficult to evaluate these, as most of the reforms (the AMK institution system, increased choice at upper secondary level, expansion of apprenticeship and on-the-job training, career and recruitment services, etc.) are so new that their effects cannot be seen clearly yet. Moreover, the evaluation of their effects is specifically complicated by the fact that the simultaneous changes in the surrounding society and in the world as a whole may either support or diminish the impact of these measures.

The mass unemployment, on the one hand, and the simultaneously occurring labour shortage in certain fields and occupations, on the other, have been and will probably continue to be a feature of the Finnish labour market in the near future. According to the expert contributors to the Futures Barometer for Education 1997, unemployment and labour shortage will continue to go hand in hand over the next few years. According to the Barometer, the problem will probably be at its worst in 1999. The aim of monitoring the demand for labour is to anticipate developments at the earliest possible phase and to direct persons who need relatively little training to jobs in growth fields. The rapid growth in demand for labour in the strategic fields - such as the electricity, electronics and telecommunications industries - and its primary concentration on young people with the highest education in these fields places great demands on the education system.

In order to meet this challenge, the government adopted a programme to increase education in the field of the information industry in March 1998, to be implemented during the period 1998-2002. This programme will, on the one hand, increase expertise and the volume of degrees by non-recurrent measures in the next few years and, on the other, will raise the permanent provision of education of universities and AMK institutions. The measures will cover more than 20,000 students during 1998-2002. It is estimated that the programme will increase the volume of degrees taken by a good third during 1998-2002. As a non-recurrent measure, people with qualifications in relevant fields will take a degree in an information

industry-related field with approximately two years of additional education. The permanent measures include an increase in the provision of education in the above-mentioned fields with high demand for labour.

Educational differences between generations are relatively large in Finland. The population's level of education in Finland falls within the world's top class, particularly for young people. Conversely, adults' level of education is lower. Roughly speaking, the older the age group in question, the lower the level of education. From this perspective, young people's position on the labour market is not very bad - particularly considering that those belonging to the older age groups will be retiring in great numbers in the near future. It can be observed that adults with the lowest level of education are in a weaker position to find jobs compared with younger generations and that their job opportunities seem to continue deteriorating. The adult population's most considerable deficiencies lie in the general skills required in the information society, including foreign languages, information technology and internationality. Conversely, these are the very trump cards for young people.

The large age groups, with lower education levels than younger people, will be retiring after the turn of the millennium. These age groups will be replaced on the labour market by considerably smaller age groups, which should decisively alleviate the unemployment situation. The labour market is starting to favour (well-educated) young people. This can be seen in the fact that regardless of the relatively positive employment trend over the last few years, the older age groups' employment situation has continued to deteriorate. Conversely, there has been a distinct improvement in the employment trend of younger people (cf. Section 4.8).

Nevertheless, the transition from school to working life is not devoid of problems. Traditionally, the educational institution's responsibility for its students terminates upon distribution of graduation certificates. Students will have to seek further education or employment on their own, although employment authorities may assist them in these tasks in the form of careers counselling and employment services. For the subsequent job placement of young people, it is of the utmost importance that they will be able to continue their studies after compulsory education at a general upper secondary school or in vocational upper secondary education. In this respect they are assisted by student counselling. However, educational institutions' responsibility for students' job placements will also be increased in the following phase, in which graduates from vocational institutions should enter the labour market. Universities have already established recruitment units to assist graduates in finding employment, and these are now being set up in AMK and vocational institutions too.

The transition from school to working life is also being promoted by curricular means. Extensive vocational skills have been emphasised in Finland ever since the 1970's as a flexible way of finding employment on the continuously changing labour market. This was the reason for introducing extensive study programmes in the 1980's, aiming to provide general eligibility for the largest possible range of occupations and further studies, rather than mastering several individual work processes, which may quite soon become obsolete. This was also the reason for increasing the proportion of general education material in vocational education. In the 1990's, special attention has been given to entrepreneurship and self-employment. Entrepreneurship is part of the regular curriculum in all vocational institutions.

The Development Plan for Education and University Research for 1995-2000 adopted by the Council of State includes the objective to reform upper secondary level vocational study programmes by the year 2000. The programmes will last three years. The core reform principles are extending the breadth of the programmes on the one hand, and increasing on-the-job training and the correspondence of education to working life requirements on the other. People who will have completed the new study programme must have both extensive basic vocational skills for various assignments in their field and more specialised

expertise and vocational skills required by working life in one sector of the study programme. The reformed study programmes leading to basic vocational qualifications will include a competence-based examination to demonstrate that the objectives of vocational studies have been achieved. These competence-based examinations included in the study programmes will be planned and organised in co-operation with businesses and other representatives of working life. The Ministry of Education and the National Board of Education are investigating models for arranging the competence-based examinations in co-operation with the social partners.

2. 2 Principal transitional phases

When considered from the perspective of the structure of the education system (cf. adjacent figure), young Finns are entering the labour market in two main waves: after vocational upper secondary education (at the age of 18-19) or after tertiary level education (at the age of 24-29). The number of people entering working life directly after comprehensive school is very low. The clearest direct transition points to working life occur upon graduation from vocational and higher education, whereas the general upper secondary school is chiefly a passage to further education. The majority of those who have completed upper secondary school education will not continue their studies immediately, but will temporarily move out of the education system. For boys, this is influenced by the compulsory military service, which most boys do after the matriculation examination. Transition from university to working life may occur at several different phases: either after taking a Bachelor's or Master's degree or after completing a postgraduate degree (Licentiate, Doctorate). In terms of AMK institutions, the transition to working life happens after taking the first degree or after completing specialisation studies supplementing the degree.

Alternating between work and studies has become increasingly common, and it is not necessarily possible to present any absolute transitional phases. Transition seems to have increasingly developed into a long-term process, where work and studies alternate or may even go side by side. It is increasingly common that a young person starts working whilst still studying. Neither does job-seeking terminate upon finding the first placement, but a more permanent position is usually acquired only after a few years of short-term, alternating periods of employment, unemployment and study. There are several different paths between various forms of education and work; consequently, it is not possible to present absolute boundaries as such.

This development can be attributed to changes in the labour market (such as the atypical forms of employment brought about by the recession, which do not promote a long-term attachment to or placement in working life), on the one hand, and to the transition of socio-economic structures towards the information society, on the other. This change requires a continuous learning process and a parallel acquisition of work experience and education. Moreover, the lifestyle of young people has also undergone some change: 'from education to work and from work to retirement' certainly does not satisfy all young people, but instead of the 'tubular' progress, there are many people who prefer to alternate study and work periods and self-motivated, individual courses and routes of life.

The parallelism and/or alternation between work and studies are part of the principle of lifelong learning, which has been included in such schemes as the Development Plan for Education and University Research for 1995-2000. Based on the principle of lifelong learning, education and training is seen as an integrated whole extending from institution-centred study methods to all educational forms and environments and all stages of life. Moreover, working life and societal duties external to the formal education system are regarded to include elements of learning and teaching.

Participation rates in education for people aged 15 to 29 years, 1995.

Age in years	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Total															
All full-time education	99	93	92	83	42	42	47	46	41	34	28	22	18	15	12
Men															
All full-time education	99	92	93	78	32	28	38	40	38	33	27	22	17	14	12
Women															
All full-time education	99	95	92	89	53	57	57	52	44	35	29	23	19	15	13

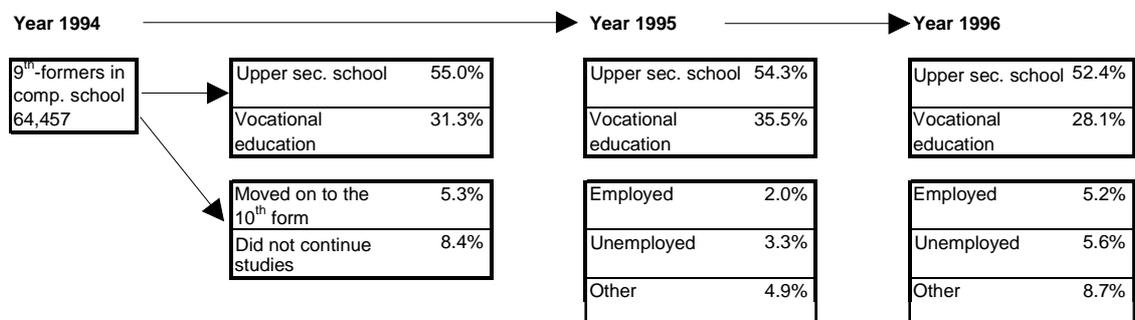
As the figure shows, women participate in education to a greater extent than men in almost all age groups examined.

The following subsections present the transition points from education to working life, further education, unemployment or elsewhere by level of education.

Transition from lower secondary education

The completion of comprehensive school education provides the first opportunity to move from education into working life. In practice, however, this is relatively rare. Almost all - about 90% - of those completing comprehensive school education will continue their studies on the upper secondary level, either at a general upper secondary school or in vocational education. Moreover, the number of those discontinuing comprehensive school education or leaving school without a leaving certificate is extremely low and, consequently, this type of marginalisation does not occur much in Finland and does not constitute a problem. The number of people discontinuing comprehensive school education is approximately 200 per year, which is less than 1% of the age group of 65,000 young people.

Placement in education and primary occupation in 1994-96 of those who completed comprehensive school education in 1994



Placement in education and primary occupation in 1994-1996 of those who completed comprehensive school education in 1994							
Year	Form of further education and primary occupation	Total	male	female	Total %	male %	female %
	9 th -formers in comprehensive school	64,457	33,009	31,448			
1994	Upper secondary school	35,471	15,016	20,455	55.0	45.5	65.0
	Vocational education	20,161	13,810	6,351	31.3	41.8	20.2
	Moved on to the 10 th form	3,434	1,497	1,937	5.3	4.5	6.2
	Did not continue	5,391	2,686	2,705	8.4	8.1	8.6
1995	Upper secondary school	34,975	15,011	19,964	54.3	45.5	63.5
	Vocational education	22,871	14,520	8,351	35.5	44.0	26.6
	Employed	1,319	744	575	2.0	2.3	1.8
	Unemployed	2,103	1,219	884	3.3	3.7	2.8
	Other	617	367	250	1.0	1.1	0.8
	Unknown	2,572	1,148	1,424	4.0	3.5	4.5
1996	Upper secondary school	33,793	14,569	19,224	52.4	44.1	61.1
	Vocational education	18,101	10,668	7,433	28.1	32.3	23.6
	Employed	3,381	2,121	1,260	5.2	6.4	4.0
	Unemployed	3,601	2,543	1,058	5.6	7.7	3.4
	Other	1,146	918	228	1.8	2.8	0.7
	Unknown	4,435	2,190	2,245	6.9	6.6	7.1

Although the majority of those who have finished comprehensive school continue their education, it must be noted that not all of them get to study the field of their choice. For this reason, or for other reasons, they may discontinue their studies even at this early stage. From society's point of view, these young people form a central group exposed to the risk of marginalisation. Those who have discontinued their studies cannot be reached by student counselling and not always by the employment offices. Alternative channels have been and are still being developed for these young people, such as workshop activities (see Section 3.2.2.2). The number of young people excluded from post-comprehensive school education and working life is presented in Appendix III. It shows that the number of these young people (aged 15-29) is both in absolute and relative figures (8.1%) lower when compared to 1970 (11.7%), for example, but somewhat higher compared with 1990 (6.4%).

Transition from upper secondary education

The majority of each age group continues to upper secondary level (ISCED 3) after completing comprehensive school education - either at an upper secondary school providing general education or in vocational upper secondary education at a vocational institution or in apprenticeship training. In 1996, of the 63,600 pupils who had finished their comprehensive school education, 55% moved up to general upper secondary schools and 34% to vocational institutions, whereas 4% continued to the additional 10th form of comprehensive school. Only 7% did not continue their studies immediately.

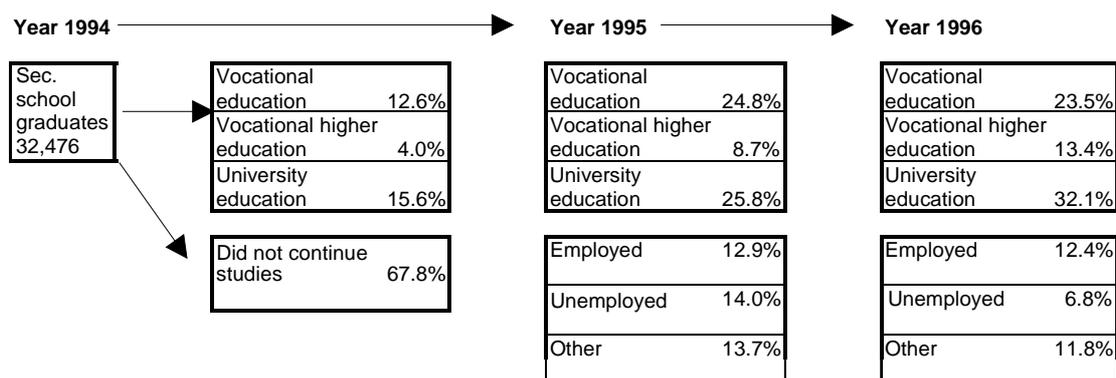
The division of the age group into two different educational routes after comprehensive school education defines the position of education as being part of young people's operating environments. For upper secondary school students, various educational organisations present the fora dominating their lives during the transition process to adulthood. Moreover, the level of education has a more significant impact on the lives of those who have completed upper secondary school education compared with those progressing through the vocational route, where transition from youth to adulthood is more uniform. Those young people who have chosen the vocational route enter the labour market at the age of 18-20, depending on the duration of their education and on whether they are male or female. After upper secondary school education, the transition to working life occurs at the age of 22-26.

Transition from general upper secondary education

Of the forms of upper secondary education, the general upper secondary school has been the most popular. This preference for the upper secondary school, i.e., the general education form, and the subsequent 'jam' of upper secondary school graduates has been regarded as a problem. Consequently, there have been efforts to increase the attraction of vocational education by raising its status. Moreover, more and more of those who feel that institutional education is unsuitable for them have been offered apprenticeship training as an alternative way of acquiring vocational skills.

The scope of the syllabus of the general upper secondary school lasts three years, but in practice students may complete their studies individually either in more or less time (a maximum of four years). This was made possible by what is called the non-graded upper secondary school system with no division to forms. Its purpose has been to prepare students for university-like studying, where the primary responsibility for progress and choices rests with the students themselves. At the same time, the new system has allowed a wider range of choice and specialisation.

Placement in education and primary occupation in 1994-96 of those who completed their matriculation examination in 1994



Placement in education and primary occupation in 1994-1996 of those who completed their matriculation examination in 1994							
Year	Form of further education and primary occupation	Total	male	female	Total %	male %	female %
		32,476	13,520	18,956	100.0	100.0	100.0
1994	Vocational education	4,099	655	3,444	12.6	4.8	18.2
	Vocational higher education	1,300	429	871	4.0	3.2	4.6
	University education	5,074	2,316	2,758	15.6	17.1	14.5
	Did not continue	22,003	10,120	11,883	67.8	74.9	62.7
	Total sec. school graduates	32,476	13,520	18,956	100.0	100.0	100.0
1995	Vocational education	8,070	1,760	6,310	24.8	13.0	33.3
	Vocational higher education	2,841	1,080	1,761	8.7	8.0	9.3
	University education	8,393	3,684	4,709	25.8	27.2	24.8
	Employed	4,180	1,724	2,456	12.9	12.8	13.0
	Unemployed	4,548	2,885	1,663	14.0	21.3	8.8
	Other	2,038	1,626	412	6.3	12.0	2.2
	Unknown	2,406	761	1,645	7.4	5.6	8.7
	Total sec. school graduates	32,476	13,520	18,956	100.0	100.0	100.0
1996	Vocational education	7,616	2,399	5,217	23.5	17.7	27.5
	Vocational higher education	4,360	2,001	2,359	13.4	14.8	12.4
	University education	10,416	4,715	5,701	32.1	34.9	30.1
	Employed	4,034	1,654	2,380	12.4	12.2	12.6
	Unemployed	2,208	994	1,214	6.8	7.4	6.4
	Other	782	452	330	2.4	3.3	1.7
	Unknown	3,060	1,305	1,755	9.4	9.7	9.3
	Total sec. school graduates	32,476	13,520	18,956	100.0	100.0	100.0

Of the 34,700 upper secondary school graduates in 1996, 17% continued at university, 10% at an AMK institution and 12% in vocational education. The majority (61%) did not continue their studies immediately. However, as many as three out of four apply for a place in further education during the first year after upper secondary school, and during the next four years, 98% of all upper secondary school graduates have applied to further education at least once.

Acquiring a study place can take a few years for many upper secondary school graduates. The average delay in starting further education is two years from the completion of the upper secondary school syllabus. However, it must be borne in mind that for men, these figures include the one year of military service, which the majority will do directly after upper secondary school. Transition to further studies for upper secondary school graduates happens a few years later, but on the whole, the majority will succeed in finding a further study place.

There are considerable regional differences in the behaviour of upper secondary school graduates; Southern Finnish graduates seem to acquire a job while waiting to go to university, whereas those from Northern and Eastern Finland opt for vocational education to obtain a vocational qualification prior to being (possibly) admitted to university.

Transition from vocational upper secondary education

Vocational upper secondary education is the other channel to post-comprehensive school education. This channel is also open to general upper secondary school graduates, who receive credits for their upper secondary school studies for between 6 and 12 months (worth 25-40 credits, with one credit corresponding to one 40-hour week). Contrary to what was done previously, students who have completed general upper secondary education are no longer provided with separate study lines in vocational upper secondary education, but separate study groups are possible.

In recent years, more and more young people who had initially only completed their comprehensive school education have entered vocational upper secondary education. This can partially be attributed to the adverse employment situation and partially to measures to encourage young people to obtain a vocational education, which is the prerequisite for receiving what is known as cash labour market support (see Section 6.2.3). Since the majority of young unemployed people had previously only completed lower secondary level education, it was regarded as appropriate to encourage them to study a trade instead of just being passively unemployed. For further information on this reform, see Section 6.2.3.

Vocational upper secondary education can at present last 2, 2½ or 3 years. By the year 2001, all education will be based on three-year programmes. A consistent three-year education is needed because a compulsory on-the-job training period of at least six months will be attached to the study programmes and introduced in all fields. Moreover, the reform will clarify the structure of education and abolish inequalities in opportunities in further education, for instance; all three-year study programmes will provide eligibility for institutions of higher education.

People who graduate from vocational upper secondary education are of approximately the same age as those graduating from general upper secondary schools, i.e., at the age of 18 or 19, provided that they have started their studies directly after leaving comprehensive school. Conversely to general upper secondary education, vocational upper secondary education provides direct vocational qualifications, and many people enter working life after graduation. Field-specific job placement data will be presented in the following section.

Transition from higher education to working life

Higher education (ISCED 6-7) in Finland consists of two sectors: universities and AMK institutions (polytechnics). General upper secondary school graduates have a universal eligibility for higher education, which means that they can apply to both. Those who have completed a vocational qualification in a three-year programme (120 credits) are also granted universal eligibility for higher education as from 1 August 1998. Those who have completed a shorter vocational education programme (lasting 2 or 2½ years) have the opportunity to apply to AMK institutions providing studies in the same field; in order to be granted universal eligibility for higher education, they will have to take the matriculation examination at a general upper secondary school or at least certain subjects included in the examination. The difference in the eligibility for further education will be abolished when all vocational education is based on three-year programmes in the year 2001.

University degrees are Master's degrees. Moreover, it is also possible to complete Bachelor's degrees. The estimated time needed to take the lower qualification, the Bachelor's degree, is about three years (total of 120 credits, 40 credits per year), while for the upper qualification, the Master's degree, it is about five years. Postgraduate degrees are Licentiate and Doctorates. Researcher training provided by universities was intensified by the establishment of graduate schools in 1995. The aim was to lower the

age, at which Doctorates were completed and to educate doctors, in particular, with a view to meeting working life needs.

AMK degrees are the basic degrees provided by AMK institutions. The programmes leading to AMK degrees consist of basic and professional studies, optional studies, practical training to promote vocational skills, and theses. The extent of studies leading to an AMK degree is as a main rule either 140 or 160 credits, sometimes also 180 credits. Professional specialisation studies are either programmes based on the AMK degree and leading to a further vocational qualification or other extensive supplementary programmes. The extent of professional studies is 20-40 credits.

Placement from education to working life or elsewhere (within one year of graduation) by educational segment and level is illustrated in the tables in the Appendices, together with the primary occupations of graduates at the end of 1996 by educational level and field.

2.3 Working during studies, financial possibilities while studying and the financial payback for studying from the perspective of the subsequent career

Students' working patterns

An increasing number of young people start working whilst still studying. About one in four students combined work and studies at the end of 1995, amounting to approximately 106,000. Working was most prevalent among university students, with 42% having a job.

Of students, 14% worked throughout the year. Of university students, a little over a quarter worked throughout the year. Of these, a higher percentage of men than women had jobs. Of AMK students, a little less than a fifth had a job, whereas the figure for students at vocational institutions was a little less than one tenth.

Working during studies lengthens graduation time for students. On the other hand, working may facilitate finding a placement on the labour market after graduation, since people have already obtained the necessary work experience during their student years, especially if the job was related to their field of study.

Financial aid for students

In general, tuition is free at all levels of education. Comprehensive school education is completely free for pupils but, starting from the upper secondary level, students may have to pay for teaching materials, meals and transport.

Student financial aid is available for full-time post-comprehensive school studies lasting at least two months at an upper secondary school, folk high school, vocational school, AMK institution or a university all the way up to a doctorate. Financial aid is also available for study abroad. Full-time studies include those courses, which require the student's day-time attendance, as well as those that yield at least 3 credits per month, or require the student to dedicate at least 25 hours per week to studying.

Student financial aid is intended to secure the livelihood of students in so far as the student's parents are not considered to be responsible for it and the funds are not available under any other provisions. In order

to qualify, a student must have gained admission to a school, be studying full time, and be in need of financial assistance. Ordinary financial aid for students consists of a study grant, a housing supplement and government-guaranteed student loans. The study grant and housing supplement are government-financed benefits paid monthly. The study grant is subject to tax.

The amount of aid depends on the type of school, the age and marital status of the student, and the type of accommodation. The student's overall financial status is also taken into account. When the need for financial aid is evaluated, the student's own income is considered as well as that of his or her parents under certain circumstances. Consequently, the current system of livelihood during the years of study is composed of the financial responsibilities of both the individual and his or her family as well as those of society.

The state pays for the means-tested cash benefit and guarantees the student loans. Responsibility for the remaining part of the subsistence remains with the student or, in certain cases, with his or her parents and can take the form of a student loan, income from work or parental assistance. The parents' financial responsibility is especially important for young people studying at institutions other than universities and living with their parents. The current scheme is subject to performance in the sense that aid can only be granted as long as students progress in their studies. Failing that, the payment of the aid may be suspended. In this case, students will have to provide for themselves by other means.

From the incentive and equality perspective, there are still problems, which particularly concern the low level of study grant in relation to the forms of benefit granted for more passive contingencies and the strict means-testing, based on the student's parents' earnings, applied to those under 20 studying at institutions other than universities. Consequently, the parents of non-university students must participate in financing their children's educational costs more than parents of university students.

Relations between the student financial aid scheme and other forms of income security have been clarified by combining the schemes (living allowance and unemployment security). The aim has been to avoid situations where people find themselves excluded from both schemes and to ensure that education would be a more attractive alternative than existence on a 'passive' benefit. The threat of falling outside the schemes has been reduced by clarifying the rules governing transfers from within one form of support to another. Applying for education has been promoted by tightening the terms of granting labour market support in such a manner that it is only payable to a person under 25 years of age without vocational education for the period of education or practical training. A young person's living allowance can also be reduced if he or she has refused education.

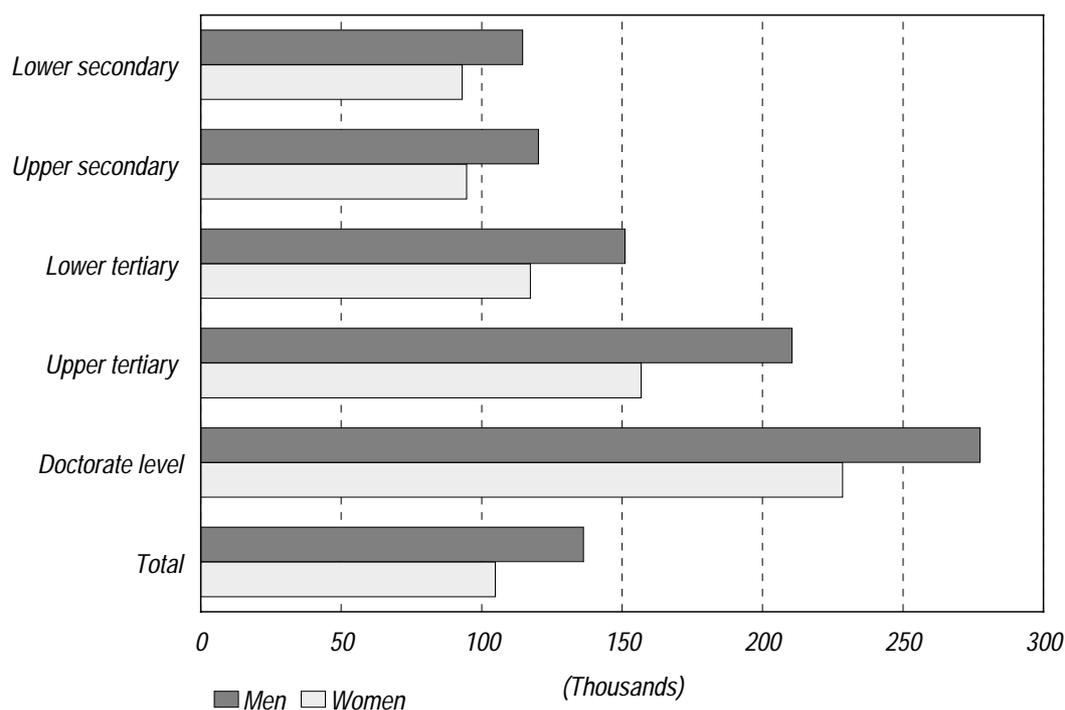
The various forms of benefit with the amounts (in FIM) are illustrated in the following table:

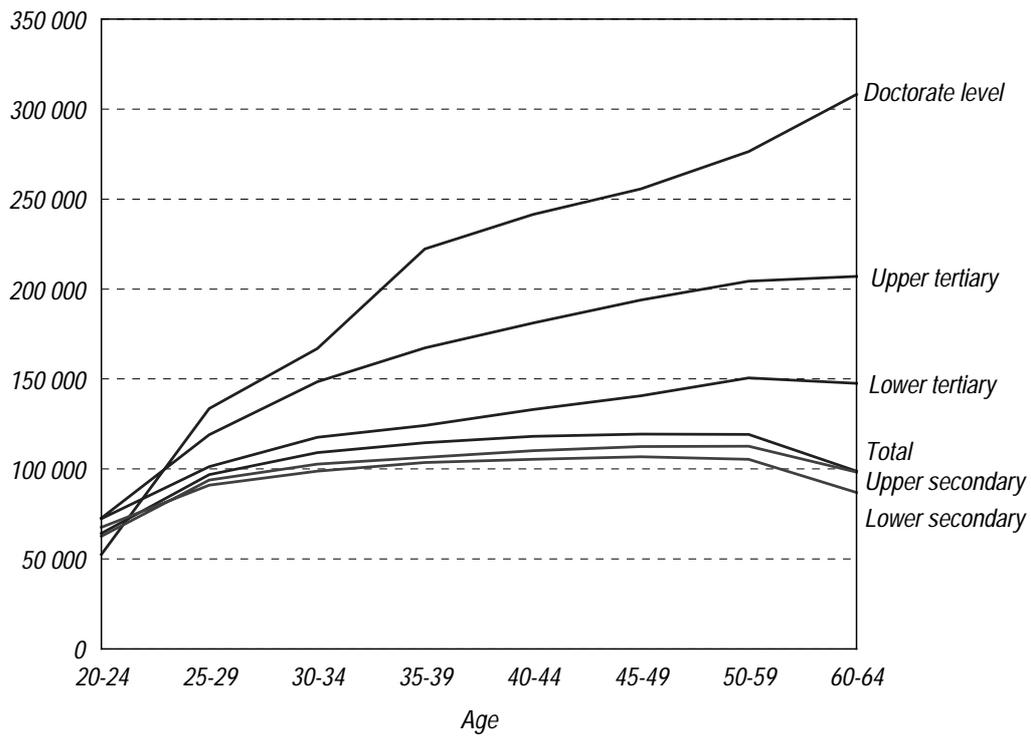
Family allowance	535
Study grant	130 - 1,540
- with student loan	1,030 - 2,840
Adult study grant	1,540 - 2,800
- with student loan	3,340 - 4,600
Labour market support	2,500
- living with parents	1,500
Living allowance	2,021
- living with parents	1,475
- if education refused	1,180
State pension	2,532

Earnings of the gainfully employed by level of education, age and gender

Education in Finland has been economically attractive and profitable in the sense that almost without exception, the average income from work has generally been higher, the higher the person's level of education (see tables below). On the other hand, it has to be borne in mind that long-term study involves costs, and calculations must also allow for earnings lost during the years of study. Consequently, a person who has entered the labour market after, say, upper secondary education has already been employed for several years before a person of the same age who has moved up to higher education even starts to be economically active. According to some estimates, a graduate from the higher education system reaches the point of financial 'payback' for educational costs and earnings lost during the years of study at the average age of 40. On the other hand, it has to be borne in mind that during periods of high unemployment, employment opportunities have not necessarily existed in reality, which means that there has been no alternative to studying in terms of working and earning. Moreover, it is notable that at present, the earnings of those who have received higher education are essentially higher only within the older age groups, among which the difference is obvious when compared to less well-educated people.

Earnings of the gainfully employed by level of education, age and gender





CHAPTER III: POLICY CHANGES AND CONCERNS ABOUT TRANSITION PROCESSES AND OUTCOMES

3.1 Some general features of the educational policy and problems connected to transition processes

One of the leading principles of Finnish educational policy is the provision of post-compulsory education for the whole of each age group. In international comparisons, a large proportion of each age group does indeed continue in post-comprehensive school upper secondary education: more than 90% of those completing comprehensive school move up to either general upper secondary schools or to vocational upper secondary education. Finnish educational policy aims to raise the entire population's level of education and to satisfy society's educational and economic needs. The Development Plan for Education and University Research includes the objective of providing higher education for 60-65% of each age group. The intention is that 15,000 young people and 5,000 adults will start at universities and 24,000 young people and 8,000 adults will start at AMK institutions each year.

Education is highly appreciated in Finland. Education in general has been noted to have had and to still have a strong influence in defining the courses people follow in life. The duration of education and the level of the qualification completed have strong ties with the type of work a person does, the level of earnings, the standard of living and lifestyle, etc. Participation in education has been increasing continuously in Finland - studies are pursued over longer and longer periods and to higher and higher levels. On average, boys who started comprehensive school in 1995 had 15 years of education ahead of them, whereas girls had 16 years.

In addition to the high esteem attached to education, citizens trust the Finnish education system. The Education Barometer (1998) published by the National Board of Education shows that a large proportion of Finns regards the level and quality of teaching in Finland to be generally good and that the vast majority (about 2/3 of those interviewed) also trust the ability of the education system to provide opportunities to succeed at work and in life. Conversely, the ability of the education system to meet the changing requirements of working life was only considered to be good by less than half of those interviewed, whereas one in four considered it to be poor or very poor.

The series of Youth Barometers implemented on the initiative of the Advisory Council for Youth Affairs (NUORA) was started in 1994. The background for the Barometers was the severe economic recession and the subsequent mass unemployment, which was particularly hard on young people. With the aid of the Barometers, the Advisory Council for Youth Affairs has aimed to determine the effects of changes in the country on young people's lives, values and attitudes. The central themes of the Barometers have included young people's relationships with work, unemployment and education. In terms of these issues, based on the surveys conducted, young Finns have proved that they have retained a strong belief in education and its possibilities to guarantee a channel to the labour market. In addition to valuing education, young people also appreciate the education system as such and the general societal capabilities it provides. Unemployment seems to have little bearing on young people's opinions on education and its significance,

since esteem for education has remained at a high level, according to the Barometers, among unemployed people as well.

The general esteem for the school system is also partially influenced by young people's ideas of the competence provided by schools to function as a member of society. The Barometer of the autumn of 1997 presented young people with the following statement: 'The school system has provided me with good competence to function as a member of society.' Almost 90% of all those interviewed agreed either fully or to some extent with the statement.

The main objective of educational policy has been to create equal opportunities for all and to open educational channels from the primary to higher level for everyone. This has meant that education must be sufficiently extensive to provide competence for further studies - also within the vocational sector. The simultaneous study of vocational expertise and the (broadest possible) general educational material has also led to pressure to lengthen the duration of study.

Recent educational policy definitions also emphasise the correspondence of education with working life requirements, particularly in vocational upper secondary education. In order to improve this correspondence for vocational education, vocational qualifications are being reformed during 1998-2001. The basic qualifications will be based on three-year programmes, and at least six months of this period will take place at workplaces. The purpose of the new qualifications is to ensure that those who have completed a vocational qualification will have extensive basic vocational skills for the various assignments in their field together with more specialised expertise and skills required by working life in one sector of the study programme in question. The study programmes aim to promote the transition to working life immediately after completing a qualification, to ensure mobility and flexible transfers on the labour market from one task to another within the field, and to otherwise emphasise the vocational skills required in working life.

Even at its best, the education system produces workers with basic education for new occupations with a few years' delay, and the extensive study programmes, which do produce a diversely educated labour force, have further prolonged graduation times. In the rapidly developing telecommunications and similar fields, companies have been known to recruit new employees directly from educational institutions, prior to their graduation. Particularly in the fields of technological sciences and specifically in the information industry, students are being pulled to working life before graduation in an untimely way.

In principle, all educational channels are open, but the number of openings does not meet demand in all fields, which means that some young people and also some adults are excluded from the field of their choice. This especially applies to universities, to which about a third of the 30,000 young people who complete the matriculation examination each year are admitted as soon as they graduate. In addition, the majority of upper secondary institutions have a limited number of study places, particularly in the more popular fields. Consequently, not all young people obtain study places in the field of their preference. They may interrupt their studies to change fields and are recorded in the statistics among those who have discontinued their studies. They may also wait for the following year to reapply for their preferred study place.

In order to increase the efficiency of education and to improve its correspondence with the requirements of working life, educational flexibility and students' individual options have been expanded. This means that students may flexibly include studies of their choice in their study programme without having to apply for a separate right to study a particular subject and/or to complete entire programmes (at the same level) from the beginning. However, flexibility and freedom of choice are to some extent difficult to achieve in a sparsely populated country with a relatively comprehensive, but geographically dispersed

institutional network. The prerequisites for education aiming at flexible progress and combination of different types of study are not always as good as they can be. Education is tied to existing facilities, equipment and teaching staff resources.

For a long time the Finnish education system has believed in institutional education with a high proportion of theoretical studies. Apprenticeship training and various forms of on-the-job training have only started to have a stronger emphasis in recent years.

The Finnish university system has changed dramatically over the last 40 years. There has been a transition from a situation of university education only being available to a small proportion of each age group to a situation where more than half of each age group can be eligible for universities. As the numerus clausus system applies to all educational fields at universities, it has been evident that not all applicants have been able to gain access to university education. This so-called graduate jam has led to a situation where many upper secondary school graduates have opted for vocational education with a view to repeatedly applying to university. Consequently, increasing the attraction of vocational education and directing educational ambitions towards vocational studies as well have constituted one of the main concerns in Finnish educational policy. There has been a similar problem in most OECD countries.

The system of AMK institutions (polytechnics) was brought up in discussions in the early 1980's, when the OECD conducted a country-specific investigation on the Finnish educational system. At that time, researchers noticed the unclear structure of the vocational education system and its insufficient transparency. The proposal was rejected at the time, but discussions were resumed at the end of the 1980's.

The AMK reform was launched in experimental form in 1992. Based on the experiences and evaluations gained from the experiment, it was decided to set up a permanent network of AMK institutions as of the autumn term of 1996. The government proposed that specific objectives of the reform should be to raise the educational level, fulfil new vocational skill requirements, increase the attraction of vocational education, enhance the international comparability of vocational education and to improve the functionality of the vocational education system and its regional effectiveness.

The government's proposal stated that AMK degrees were to be more oriented towards vocational and practical skills when compared to the degrees provided by scientific universities and art academies and that their starting points should be more clearly focused on the knowledge and skills required in expert positions in working life.

The intention has been to create a system of higher education consisting of two complementary sectors with both having clearly distinctive profiles of their own. The Finnish higher education model is a system consistent with the German and Dutch dual model, where the university and AMK systems operate side by side. University studies are scientific-theoretical in nature, whereas AMK studies are vocational-practical. Scientific research is the main task of universities, whereas AMK institutions particularly focus on research and development work in co-operation with working life.

Just over 70% of those entering AMK institutions have taken the matriculation examination at upper secondary school. This proportion varies considerably from one institution and field to another. The Ministry of Education has emphasised the need to maintain a 'wide' enough channel for those coming from the vocational education sector. The performance agreements include a set objective for AMK institutions, stating that gradually 35% of those entering AMK institutions should come from vocational institutions.

Diverse co-operation activities have been established between universities and AMK institutions in areas such as international projects and continuing education for AMK teaching staff. However, for the most part, this co-operation is still seeking its final form.

Universities are maintained by the State, thus falling directly under the supervision of the State and the Ministry of Education. Universities were among the first to introduce the management by results practice implemented gradually in the state administration. Conversely, the ownership and financial base of AMK institutions differs from those of universities. The Council of State grants licences for maintenance of AMK institutions to municipalities, federations of municipalities, registered associations or foundations, and the institutions receive state funding, which accounts for 57% of their basic funding.

3.2 Recent solutions

There have been attempts to facilitate and accelerate students' transfers within the education system and further on to working life with the aid of measures such as the following:

- a) by enhancing the education system's internal flexibility by means of increasing individual choice and possibilities for flexible progress in studies;
- b) by creating closer links between education and working life at all levels of education.

3.2.1 Internal development of the education system

3.2.1.1. Development of upper secondary education

The flexibility of upper secondary level education at general upper secondary schools and vocational institutions has been increased in many ways. Flexibility has been promoted by measures such as a less stringent time allocation at upper secondary schools, the temporal dispersal of taking the matriculation examination and the general transfer from national curricula to institutional curricula based on national framework curricula. The framework curricula define the starting points for education provided in upper secondary education (upper secondary schools and vocational institutions).

In the framework curricula, the following factors create opportunities for flexible educational solutions:

- 1) a considerable increase in options in the national decision on time allocation;
- 2) the modular structure of the curriculum;
- 3) the possibility for a non-graded education structure;
- 4) the essentially less stringent definition of course contents than previously;
- 5) the stronger role of the institution in the preparation of the curriculum;
- 6) the emphasis on the process-like nature of the curriculum;
- 7) the intensification of co-operation and interaction between educational institutions.

Educational policy definitions have set objectives, which may be grouped into those concerning study programmes and those concerning teaching arrangements:

Objectives related to study programmes:

- Possibilities to form personal study programmes are to be increased.
- Possibilities to choose courses from different educational institutions are to be increased.

Objectives related to teaching arrangements:

- Co-operation between upper secondary schools, vocational institutions and other educational institutions is to be increased in such a manner that a young person may utilise the region's entire educational provision to the largest possible extent.

The new legislation, effective as of 1 January 1999, aims to promote students' flexible choice firstly by obligating providers of education to prepare the institution's curricula in such a manner that they support individual students' personal choices as much as possible, utilising the services of another provider of education, if necessary. Secondly, providers of education will be obligated to co-operate in the provision of education. Thirdly, they will be obligated to recognise previously completed studies and those to be completed at another institution. Fourthly, the providers will be granted complete freedom in organising their institutions.

Development of general upper secondary education

In their general upper secondary studies, students must complete the compulsory courses to be complemented by a certain number of what are called specialisation and applied courses. Students may choose these specialisation and applied courses from those provided by their own school and also by other institutions. This means that a student may choose courses suitable for his or her own study programme from a vocational institution, for example. General upper secondary schools may give their instruction a certain emphasis by focusing on a special field of their choice in their specialisation and applied courses (such as various aesthetic subjects, mathematics, languages, etc.).

New curricula were introduced at upper secondary schools gradually starting from the autumn of 1994. The new time allocation gives students the opportunity to choose freely at least 40% of the total number of courses they take. Some of the choices must be directed at specialisation courses deepening the knowledge obtained from common subjects, but quite a considerable part of the studies may be chosen from applied courses crossing the subject boundaries. The upper secondary school syllabus requires the minimum number of 75 courses to be taken - there is no maximum. The more extensive a study programme students prepare for themselves, the larger the proportion of free-choice courses they have.

The non-graded form of the upper secondary school allows students to include individual courses of their own choice (38 hours' worth) in their study programmes. Students may choose the number of courses in each subject over and above the common basic courses. This is also possible in common subjects, in which all students previously proceeded according to uniform syllabi. A student's study programme may also include courses completed at other institutions or abroad.

Nearly all upper secondary schools operate without division into forms, which means that the students' progress is not tied to year classes. Students may choose the point at which to complete the courses provided by the school. However, the upper secondary school must be completed within a maximum of four years - a continuation of the completion period may only be granted for very good reasons.

Development of vocational upper secondary education

In addition to the common objectives set for upper secondary education presented above, the development work of vocational education focuses on increasing the correspondence of education with working life requirements. In order to improve this correspondence for vocational education, vocational qualifications are being reformed during 1998-2001. The basic qualifications will be based on three-year programmes, and at least six months of this period will take place at workplaces. The purpose of the new qualifications is to ensure that those who have completed a vocational qualification will have extensive basic vocational skills for the various assignments in their field together with more specialised expertise and vocational skills as required by working life in one sector of the study programme in question. The study programmes aim to promote the transition to working life immediately after completing a qualification, to ensure mobility and flexible transfers on the labour market from one task to another within the field, and to otherwise emphasise the vocational skills required in working life.

The new qualifications will include a competence-based examination to demonstrate that the objectives of vocational studies have been achieved. These competence-based examinations will be planned and implemented in co-operation with businesses and other representatives of working life. The aim of these examinations is to ensure that the graduates have both theoretical and practical skills in their chosen occupation. A further aim is to strengthen the confidence of businesses and other representatives of working life in the competence of those who have completed their vocational education. They also function as a method of evaluating the quality of education.

The purpose of increasing the correspondence of education with the requirements of working life is to facilitate students' transition to working life and to strengthen the confidence of businesses and other representatives of working life in the competence of those who have completed vocational education, as well as to create a general foundation for national welfare by securing skilled labour supply for business and working life. In this sense the Finnish education system is regarded to have partially passed the working life needs - the actual vocational skills necessary in working life have remained inadequate.

Increased correspondence of education with working life requirements and particularly the expansion of on-the-job training is being pursued through two channels: by developing the vocational institutional training and by expanding the use of apprenticeship training. Apprenticeship training and the on-the-job training period to be included in all forms of vocational education both support the set objective - part of vocational education will be transferred to workplaces.

On-the-job training presents the educational institutions in particular with several challenges: education is being transferred to companies and other workplaces. Consequently, on-the-job training primarily means the expansion of learning in companies and other workplaces. However, this development will not be led by institutions - the development work entails stronger co-operation, or partnerships, between institutions and companies.

Vocational education has been developed from the traditional year-class-based studies towards a non-graded, course-form study model and modular programme structure, with the aim of reducing the duration of studies and of avoiding unnecessarily overlapping education by recognising previous studies. The study programmes consist of study modules, which students may partially choose by themselves and complete at different institutions.

It is an increasingly common goal to prepare a personal study plan for students, which determines their individual study programmes. This should lead to studies not tied to year classes, where students have the opportunity to proceed in accordance with their personal qualities. This requires efficient student

counselling, since appropriate study planning calls for diverse information about the study opportunities available.

Youth level pilot projects

Post-comprehensive school upper secondary education has been developed in the national youth level pilot projects since 1991. The aim of the experiment has been to examine how to arrange the best opportunities for students to choose studies from their own and other institutions on the same level. Through students' different choices, the experiment has formed different combinations of general and vocational studies. To some extent, it has also been possible to choose courses provided by universities and AMK institutions.

The basic idea of the pilot projects is to investigate how to make general and vocational, i.e., theoretical and practical instruction to enrich each other and the students' study programmes. In the experiment, upper secondary schools and vocational institutions have networked regionally/locally and developed common provision of courses, student counselling and teaching arrangements to support personal study programmes.

According to the results of the experiment (1997), 35% of students who have completed either upper secondary school or vocational studies have selected courses from other institutions besides their own. Students utilise the expanding freedom of choice to diversify, extend or deepen their study programmes. The choices varied from acquiring practical skills, courses supporting hobbies, orienting towards a certain occupation or improving further study opportunities to the full completion of two parallel qualifications. Approximately 4% of students in vocational education took the matriculation examination and 2% of upper secondary school students completed a vocational qualification as well as their own studies. Conversely, the popularity among students of the new youth level qualification called 'combination studies', initiated in the experiment and consisting of vocational and upper secondary school studies, has remained very moderate.

The new school legislation coming into force in 1999 will introduce co-operation between upper secondary schools and vocational institutions as the obligation of all education providers. Curricula will have to be prepared so as to provide students with the possibility to make personal choices, as well as to utilise education offered by other providers, if necessary. Students are entitled to get credit for those courses completed elsewhere, which comply with the curriculum in terms of objectives and core contents.

3.2.1.2 Development of higher education

A student's personal responsibility in study planning is emphasised in university studies. In order for the education to be able to fulfil the needs of students and working life in a more flexible manner, efforts have been made to increase students' options. Since 1995, the Ministry of Education has been strengthening the flexible minor subject experiment for universities. The aim is to get universities to create operation models best suited to their own needs. The development has advanced furthest within the framework of co-operation in the Helsinki metropolitan area. The working group, which investigated the reasons for prolonged study periods in September 1998, states that student counselling should be particularly increased in the early stages of study, in order for students to be able to build their study programmes smoothly.

The degree programmes of AMK institutions are planned and arranged by individual AMK institutions, orienting towards a field of working life requiring vocational expertise and its development. The degree programmes are confirmed by the Ministry of Education. AMK institutions provide students with more extensive options for those study modules, which meet the requirements of working life. A further aim has also been to shift the focus of teaching methods to independent study and project work instead of class-form studies. Working life contacts have been arranged in the degree programmes in the form of compulsory practical training. In addition to practical training, AMK institutions keep in touch with working life with the aid of consultative committees, instruction provided by working life experts, various co-operation projects, etc. Practical training at AMK institutions has also been extended abroad. Topics for degree work come primarily from real problems in working life, and often degree works are also commissioned. Work experience plays an important role in AMK teachers' professional skills. Consequently, AMK institutions use a large number of experts from working life in their instruction.

3.2.2 Creating closer links between education and working life

In recent years, working life contacts in education have been vigorously developed with a view to expanding on-the-job training, as well as increasing working life skills and entrepreneurship. There have been attempts to increase the correspondence of education with the requirements of working life and students' employment opportunities by means such as the following:

- by increasing and deepening on-the-job and practical training;
- by expanding the use of apprenticeship training;
- by improving the anticipation of educational needs;
- by transferring development and reaction responsibility to the providers of education;
- by developing student and careers counselling and by creating career and recruitment services.

3.2.2.1 Working life contacts and on-the-job training

Comprehensive school and general upper secondary school

Just before the end of comprehensive school, a practical training period of about two weeks will be arranged for all pupils. At upper secondary schools, issues related to working and business life are mostly dealt with in the form of course contents; there are no actual practically oriented periods. Concrete working life contacts are included in student counselling at upper secondary schools and case-by-case in special projects within different subjects.

Vocational upper secondary education

Vocational institutions may have one or more consultative committees to develop their contacts in local working life. The members of a consultative committee are selected from among representatives of the

institution, its teaching staff, the core labour market organisations of its field and other experts involved in the development of the institution..

In order to ensure teachers' knowledge of working life, vocational teachers are required to have 1-3 years' experience in their own field. To keep up their work experience, teachers work in companies in their field from time to time. In addition, representatives of working life organisations are used as lecturers.

Vocational institutional education includes practical training worth a minimum of four credits. Practical training is planned in co-operation with representatives of working life. The objectives, forms, content and scope of practical training are determined according to the vocational skills required in the field in question and the central subject areas of the education. Practical training is evaluated as part of vocational studies. The task of the institution is to ensure that the student's practical training complies with the objectives set and that he or she receives appropriate instruction in the workplace.

There are also attempts to increase students' capabilities as they enter working life by means of entrepreneurship training included in the education, together with diploma projects done in companies, simulated practice enterprises operating in educational institutions and practical assignments commissioned by external customers from the institutions.

At present, the central development projects to increase the correspondence of education with working life requirements are

- the on-the-job training reform; and
- the experiment to combine institutional education and apprenticeship training.

The on-the-job training reform primarily concerns the transfer of education from institutions to workplaces. The vocational skills, which form the objective of the study programmes, are partially obtained at workplaces in genuine working conditions. Whereas the scope of practical training has varied previously, most commonly being worth four credits, the reformed study programmes will include at least 20 credits' worth of on-the-job training. Training can be arranged either as one period or so as to make institutional studies alternate with practical training periods in working life. The reform is to be implemented during 1997-2001.

At the beginning of 1998, an experiment was launched to combine institutional education with apprenticeship-type on-the-job training to create a three-year programme leading to a vocational qualification. The experiment to combine institutional education and on-the-job training into three-year programmes is being implemented with co-funding from the European Social Fund under the title 'Bridge from Vocational Education to Working Life'. The experiment is looking for solutions for contractual usage and financing alternatives and for the division of work between employers and institutions. The experiment also includes training for on-the-job instructors and teachers. The experiment will involve approximately 2,000 students and 1,800 on-the-job instructors and teachers during the period 1998-2000.

Higher education

Universities have recently consolidated their working life contacts. New, less stringent degree decrees allow students to plan their studies more flexibly. According to the degree decrees, degree programmes may always include practical training. According to university curricula, this is either compulsory or optional depending on the field in question. Universities also offer programmes based on Bachelor's

degrees, which are usually multidisciplinary and planned to serve new working life needs, leading to Master's degrees. Practical training should be developed so as to also be directed at the open sector to a larger extent than at present. In 1998, all universities have prepared their individual development strategy for practical training. The aim is to increase training particularly in the private sector. Also an increasing number of theses are prepared for working life needs. Similarly, postgraduate education involves participation in working life research projects. Entrepreneurship training has been increased at universities on a cross-curricular basis. Technology and science parks operating in connection with universities provide job opportunities and support postgraduate education.

The new University Act, which came into force in 1998, means that universities' administrative bodies may also include representatives of working life. In addition, several universities have established their own consultative committees to develop working life relations.

The responsibility of the universities for the job placement of their graduates has been emphasised within the academic community in recent years. Consequently, a student's job placement is one of the performance indicators set for universities and is also used as a basis for granting performance-based funding. In recent years universities have established guidance and counselling services to promote working life relations and job placements. These services co-operate with employment offices, which have simultaneously set up about 20 extra university advisors' posts for this co-operation. University advisors either work at the employment offices or, as is often the case, spend part of their working hours at universities' recruitment centres. Universities' continuing education centres also promote universities' working life relations, as do the recently established recruitment and career planning services. Moreover, co-operation with companies has been emphasised in the recent development efforts of universities' research activities, and the share of external funding has increased considerably.

AMK institutions have close contacts with working life at a local level. Co-operation has been organised in various forms, always with a view to creating continuous contacts with working life to develop educational contents and to take regional needs into account. In recent years, AMK institutions have vigorously developed their teaching methods. The aim has been to increase independent and self-motivated study opportunities for students. Various projects and group work assignments have been increased, and studies have been increasingly transferred to take place outside the institutions. The role of the teacher has clearly become more instructor-oriented.

The compulsory practical on-the-job training of 20 credits included in AMK studies enables students to combine their final thesis with hands-on job experience and to apply their theoretical knowledge in practice. Topics for theses are primarily based on real problems in working life, and often theses are also commissioned. AMK institutions' boards and delegations may include representatives of business and working life.

The strong increase in international student and trainee exchanges has aimed to facilitate students' placements in international jobs. Universities and AMK institutions also support teachers' international mobility to strengthen their know-how and pedagogical capabilities. The objectives of international exchanges are agreed in the performance negotiations between the Ministry of Education and institutions of higher education. The ongoing Language Strategy and Information Strategy programmes aim at fortifying students' linguistic, cultural and technological skills.

3.2.2.2 Apprenticeship training and youth workshops

Apprenticeship training has been the form of education with the closest links to working life. It actually provides experiences, which are being applied to the development of the entire vocational education sector. As on-the-job training is being included in all vocational programmes, other vocational education is also becoming 'apprenticeship-type' education. The volumes of apprenticeship contracts were very small in the 1980's. Owing to the development measures taken, the volume of apprenticeship training has tripled during the 1990's. Apprenticeship training has been expanded in many ways and obstacles to training have been removed.

However, apprenticeship training is not one and the same issue in all respects. There are several types of education arranged in the form of apprenticeship training. Firstly, the government's priority choices concerning the development of apprenticeship training give preference to basic vocational education for young people - the target proportion has been 20% of the education provided for the young. Secondly, the basic and additional education provided in the form of apprenticeship training for unemployed young people under 25 is being granted extra support within the framework of the Objective 3 programme of the European Social Fund during the ongoing programme period (1995-1999) of the Structural Funds. Thirdly, there has usually been a preference to market apprenticeship training as a form of education with exceptionally close links to working life.

The quantitative growth of apprenticeship training has been rapid in the 1990's. The volume of apprenticeship contracts has more than tripled. The expansion of the activities has also been promoted by information campaigns, implemented particularly in 1997 and 1998, and the active abolishment of obstacles to training. The new educational legislation will introduce apprenticeship training as one form of arranging vocational training as of 1 January 1999. The number of training providers will increase. The legislation will also make it possible to create closer links between apprenticeship training and vocational institutional education. Consequently, it will be possible to utilise the best qualities of both forms of education - both institutional education and apprenticeship training - in vocational education.

According to the apprenticeship training priorities set by the government, the apprenticeship training to be provided as basic vocational education will fall outside quantitative regulation - the volume of apprenticeship training within basic education will not be restricted. Completion of basic vocational qualifications will also be supported by means of higher unit prices compared with additional education.

The programmes of the EU's Structural Funds co-funded by the European Social Fund include several schemes to support the transition of young people to working life. Within the framework of the Objective 3 programme, Structural Funds projects falling under the administrative field of the Ministry of Education can be implemented within the following three measures:

- Youth workshops
- Apprenticeship training: basic education
- Apprenticeship training: additional education

Youth workshops

During the recession, workshops for young people played a major role in keeping some young people active and also in preparing them for further studies and subsequently for the labour market. Some of

those young people who have completed their comprehensive school education experience considerable difficulties in choosing their future occupation and educational route. When the requirement to participate in practical training was included in the eligibility criteria for labour market support for unskilled young people in 1996-1997 (see Section 6.2.3), youth workshops have provided these people with opportunities for work experiments and to search for their own strengths. There are also vocationally educated young people in these workshops, who want to practise and gain the experience needed to start their own company, for example.

There are about 350 youth workshops, which are chiefly maintained by municipalities. Funds for young people's practical training are allocated by the local employment office in the form of either labour market support or employment assistance for employers. Just over 80 workshops also receive development grants from the Ministry of Education.

Workshops are careers counselling and work education experiments, which may support young people's occupational orientation and customise individual work experience schemes. According to follow-up studies, the majority of young people who have worked in the workshops (60-70%) will find a place in further education or employment. According to results from the Nordic countries, poorly educated young people tend to withdraw from the labour market entirely, even when the general employment situation is relatively good. In Finland, workshops provide a useful way of preventing early marginalisation.

Apprenticeship

Organised in the form of basic vocational training for unemployed people under the age of 20, Finland currently provides apprenticeship training within the Objective 3 programme, with partial funding from the EU Social Fund. Finance has also been received from the Social Fund for apprenticeship training provided in the form of further vocational training for unemployed young people mainly under the age of 25. The aim of this additional training is to improve the prospects of young people to find a job and to offer them an opportunity to complete the qualifications they will need in the labour market. For those who already have a basic vocational education, apprenticeship training provides an opportunity to upgrade their skills and abilities. The decision to grant employment assistance to employers offering apprenticeship training places has encouraged larger numbers to take on apprentices and has increased the number of apprenticeship places available to young people.

Steps taken during the 1990's to promote apprenticeship training as a real alternative to other forms of education have considerably strengthened its place within the Finnish system of vocational training. At the same time, apprenticeship training has become increasingly flexible so that the needs and interests of both the companies involved and the students can be taken into account better. Decision-making powers have increasingly been shifted to local authorities.

The Ministry of Education has appointed an executive task force to monitor the achievement of targets set for apprenticeship training as well as for on-the-job training leading to upper secondary level vocational qualifications. The task force will continue to monitor the situation up to the year 2000. As part of ongoing efforts to increase the number of apprenticeship training places, a supervisor training project shall be carried out at workplaces in 1996-1999 in order to ensure that quality targets are met. This project is supported by the Social Fund of the European Union. The new system of vocational qualifications also serves the purpose of quality assurance of apprenticeship training.

3.2.2.3 Transferring development and reaction responsibilities to regional and local levels

One of the central development policy lines of the 1990's has been the transfer of educational development and reaction responsibility to the education providers. This development has been similar in all segments and at all levels of education.

In Finland, all universities are maintained by the State. Universities have been given more power to decide independently on their operations and finance by management by results, for example. The new University Act, effective as of 1 August 1998, confirmed this development policy definition and further increased the autonomy of universities to decide on their own organisation.

Legislation concerning other forms of education has been reformed in the 1990's in such a manner that the decision-making powers of municipalities and other providers of education have grown continuously. Transferring the development and reaction responsibility to institutions and providers means that their own responsibility will be emphasised in such ways as catering for the expertise needs of working life. Consequently, a reform was effected in the field of vocational upper secondary education as of the beginning of 1998, relaxing the quantitative regulation of education. The reform essentially increases the independent decision-making powers of the maintaining bodies of vocational institutions in arranging their education. The policy of transferring educational decision-making powers will be continued in the new school acts, which will come into force on 1 January 1999 and introduce the comprehensive legislative reform of education.

The following are involved in the field of education and training at the regional and local level (besides universities, AMK institutions and vocational institutions themselves):

- Municipalities	452 municipalities
- Regional Councils	19 regions
- Provincial Governments	6 provinces
- Employment and Economic Development Centres	15 centres
- Regional Apprenticeship Offices	46 offices

The impact of local authorities on the education sector has always been significant in Finland. The municipalities provide the basic services for residents; they also run vocational education and training institutions, AMK institutions (polytechnics) and regional apprenticeship offices. Comprehensive schools and upper secondary schools are mostly run by single municipalities. Vocational institutions and AMK institutions are mostly run by federations of municipalities, which are organised through joint municipal boards. The rate of autonomy of the educational institutions depends on the administrative culture of the local authorities. The degree of independence varies; some local boards only provide the guidelines, but there are also local officials who are interested in overseeing details.

Finland has no elected regional administration. Regional development and planning is the job of joint boards called **regional councils**. The role of these councils is to unify regional participants in strategic planning and to carry out the regional strategy as a participatory project. Regional councils have no specific duties concerning education and training.

For the purposes of the State's regional administration, Finland is divided into six provinces. Over the past few years, the duties of the **Provincial Governments** have decreased; in education they now only manage the national joint application system (see Appendix I) within the province, allocate continuous vocational training capacity and allocate certain extraordinary government subsidies. Provincial involvement in

educational administration has decreased - the aim has been to create a two-tier administration system only involving the state central administration and the local authorities.

The **Employment and Economic Development Centres** (EEDCs) combine the regional administration and tasks of the Ministry of Labour, the Ministry of Trade and Industry and the Ministry of Agriculture and Forestry. The common goal of the new centres is to promote trade and industry at a regional level. The duty of the centres is to plan and organise regional labour market training (mostly for the unemployed), to promote the setting up and development of enterprises (SMEs), to assist enterprises in foreign trade and internationalisation and to promote rural development. In the field of labour market and SME training the EEDCs will be the major regional providers. Their labour market departments are responsible for the enforcement of the regional labour policy and for the guidance and monitoring of employment offices.

In order to target the labour and industrial policy to comply with the needs of individual regions and their inhabitants, the EEDCs must enhance their ability to anticipate the change needs related to working life, the labour market, labour organisations, labour needs and labour force skills, so that the advance information could be better utilised in the planning and development of the operations of both the EEDCs and other regional participants. Indeed, the majority of the EEDCs have already launched either projects related to this anticipation or their own planning efforts.

The employment offices work in close co-operation with educational and training institutions in the provision of guidance and counselling services. The main services provided to comprehensive schools and upper secondary schools are vocational guidance services and training and vocational information services. Vocational schools, AMK institutions and university career services centres also make use of the employment exchange services. (See Section 3.2.2.5).

Regional Apprenticeship Offices supervise apprenticeship training. They are appointed by local municipalities. Along with the legislative reform of education, effective as of 1 January 1999, apprenticeship training will become one of the forms of arranging vocational education - the separate act governing apprenticeship training will be repealed. The number of apprenticeship training providers will increase, and the organisation of training administration will be decided independently by the bodies, which have been granted the licence to arrange training.

3.2.2.4 Anticipation

Educational administration

The tasks of the various participants in the anticipation of educational needs can be briefly described as follows:

Ministry of Education

- is responsible for producing information for anticipating educational needs for the entire educational administration, organises resources to this effect and co-ordinates the generation of information;

- gives assignments related to anticipation to research institutes, the National Board of Education and Provincial Governments;
- supports institutions of upper secondary and tertiary education and their maintaining bodies in the development of their own anticipatory activities.

Training committees

are tripartite bodies composed of the social partners and operating under the supervision of the Ministry of Education. Their tasks are to participate in the development of vocationally oriented education by such means as monitoring and anticipating the development in occupational and skill requirements of business life and other sectors of working life, and to make assessments of the development of educational volumes based on the demand for labour in working life. Training committees provide an opportunity to anticipate and develop national and field-specific education and working life relations in particular. The system has been reformed as of 1 January 1998. There are 30 training committees operating in conjunction with the Ministry of Education in total.

The National Board of Education

produces anticipatory information for such bodies as the Ministry of Education and the training committees operating under the Ministry. To this effect, the National Board of Education has established two projects related to the anticipation of basic vocational education, of which one focuses on quantitative and the other on qualitative anticipation.

Provincial Governments

produce, make firm and utilise regional anticipatory information in co-operation with the EEDCs to steer further vocational education to meet the expertise needs of the region's adult population and to promote the development conditions of enterprises and other sectors of the economy in particular.

Institutions and maintaining bodies

produce and utilise anticipatory information related to their own operations.

Statistics Finland

is the most important collector and producer of the basic information needed in the anticipatory work, conveying this information to such bodies as the Ministry of Education and the National Board of Education. Statistics Finland collects, processes and publishes any information that is needed for the statistical representation of educational activities and the evaluation of the education sector. Statistics Finland prepares all the key official educational statistics concerning the education system, adult education and the population's educational structure. These are submitted to educational and other authorities, representatives of business life and other interest groups, researchers, the media and international organisations. Educational statistics are planned in close co-operation with educational authorities. Statistics Finland also develops and distributes classifications of standards for the field of statistics. Statistics concerning the education system cover all educational institutions. Statistics are

compiled from institutions, the number of those applying and admitted to the institutions, students and student quantities, qualification volumes, qualifications and graduates, institutions' personnel and finance. Statistics on the population's educational structure contain information on the qualifications completed by the population, people who have taken qualifications and their placements in the labour market.

Labour administration

The labour administration carries out surveys on and research into the development of working life and particularly adult employment training (especially for the unemployed and those in risk of unemployment). The labour administration keeps several registers, which can be utilised in the anticipation of education at regional and national levels. For example, the data systems of employment offices contain estimates of each job-seeker's educational needs, and information on the educational needs generated by the demand for labour may be combined with employer and job information in the system. The establishment of the Employment and Economic Development Centres (see Section 3.2.2.3) increases the generation and utilisation of anticipatory information, since anticipatory practices are being created in the EEDCs. The intention is to increase co-operation between labour and educational administration at regional and national levels in the future, in order to improve the utilisation and co-ordination of anticipatory information.

3.2.2.5 Educational guidance and career and recruitment services

Application to the majority of post-comprehensive school education happens through the joint application system of upper secondary education. Basic vocational study programmes, day-time general upper secondary schools and part of education provided by folk high schools fall within this system. The aim of the system is to simplify and facilitate application and selection to education. The National Board of Education publishes extensively circulated educational guidebooks, providing applicants with information on the provision of education, application procedures and student selection. All pupils at the final, ninth form of the comprehensive school will receive their own copy. Various information measures related to the joint application system also aim to reach those young people who do not fall directly within the framework of guidance measures. The selection criteria for vocational education give preference to young applicants lacking basic vocational education. The system includes what is known as the flexible selection procedure, which also aims to facilitate access to vocational education for those applicants who have specific difficulties in acquiring a study place.

Application to permanent and experimental AMK institutions mostly happens through the national joint application system of the AMK institutions. The aim of the system is to simplify and facilitate application and selection to education. The National Board of Education publishes extensively circulated educational guidebooks, providing applicants with information on the provision of education, application procedures and student selection. All students who are about to graduate from upper secondary school will receive their own copy. Various information measures related to the joint application system also aim to reach those young people who do not fall directly within the framework of guidance measures.

In Finland, students have the opportunity to receive educational guidance and careers counselling at all educational levels. Institutions' student counsellors and teachers also offer individual and group guidance and instruction in issues related to studies, education and career choice. Moreover, the careers counselling services and educational and occupational information service of the employment offices are available to all students, and some of them turn or are referred to these services, when necessary. In Finland, labour administration has a diverse knowledge of careers counselling, enabling both personal student counselling

and computer-aided introduction to various occupations and careers counselling. Guidance programs on the Internet are also available to educational institutions. There is co-operation in guidance services between people in charge of institutional guidance and those responsible for counselling services at employment offices. The forms of co-operation and division of work vary considerably according to locality, employment office and institution. The starting point for co-operation is the common client base, such as young people graduating from one form of education and thinking about their further plans. The types of expertise of the different providers of counselling services are thus complementary.

Careers counselling aims to help students find their own occupational field and study place. General education emphasises the need to find a suitable occupational field, whereas vocationally oriented education focuses on finding on-the-job training places and jobs after graduation.

In recent years, career and recruitment services have been developed for students graduating from vocational and higher education as co-operation between institutions and employment offices. Institutions bear the main responsibility for the operations, whereas employment offices support these operations by providing graduates with their traditional services: employment exchange, educational and occupational information services, international services (working, training or studying abroad) and careers counselling. The aim of the career and recruitment services is to promote graduates' job placements and/or access to further education.

Career and recruitment services operate at universities, and are currently being developed at AMK institutions as well as vocational upper secondary level institutions. Career and recruitment services have been developed in the most diverse manner at universities, which also have the best resources. All universities have well-functioning career and recruitment services, which provide assistance to help graduating students or recent graduates enter the labour market. Information points offer information on career planning, job application training, employer companies and training and education aiming at supplementing vocational skills. Employers use career and recruitment services to recruit new employees.

At the upper secondary level, career and recruitment services are currently under development. In 1996, a pilot project was launched to make upper secondary level institutions' career and recruitment services fully functional. This experiment has provided positive experiences, which have been used to train institutions' student counsellors to start operations at those institutions that fall outside the pilot project.

Career and recruitment services are planned locally or regionally in co-operation between institutions and employment offices. The organisation methods vary to some extent according to region, since the organisational responsibility rests with the institutions, whose operation modes and fields of education also determine the nature of the services provided. Institutions and employment offices have built up networks to provide services in a flexible manner. However, the development of career and recruitment services is specifically promoted by the fact that both the institutions and the employment offices share the objectives of monitoring post-educational placement and improving the employment situation. These objectives are included in the government's Employment Programme (1995) and will also form part of the reformed educational legislation, effective as of 1 January 1999.

The Finnish Guidance and Counselling System

Comprehensive Schools/

Upper Stage (7th - 9th grades)

Guidance personnel:

- * student counsellors (teacher training + 1-year specialist training)

Methods:

- *classes (minimum of 2*38h)
- *study visits
- *visits to work places
- *personal counselling



Employment Offices

Vocational guidance

Guidance personnel:

- *Vocational guidance psychologists (university education in psychology)

Methods:

- *guidance sessions
- *aptitude tests
- *work try-outs and training experiments

Upper Secondary Schools

Guidance personnel:

- *student counsellors (teacher training + specialist training)
- *group advisers, other teachers

Methods:

- *classes (1 course = 38h)
- *study visits
- *visits to work places
- *personal counselling

Training and vocational information service

Guidance personnel:

- *employment consultants (post secondary vocational training)

Methods:

- *personal counselling
- *lending service
- *self service

Vocational Schools

Guidance personnel:

- *student counsellors (teacher training + specialist training)
- *all teachers

Methods:

- *separate classes
- *integration into other instruction
- *personal counselling
- *study visits

Employment exchange service

Guidance personnel:

- *employment consultants (post secondary vocational training)

Methods:

- *personal employment exchange service
- *informative employment exchange service
- *self service
- *career guidance training

AMK Institutions (Polytechnics)

Guidance personnel:

- *specialised counsellors

Methods:

- *personal counselling
- *integration into other instruction
- *career service centres
- *student affairs counselling



Universities

Guidance personnel:

- *specialised counsellors

Methods:

- *personal counselling
- *integration into other instruction
- *career service centres
- *student affairs counselling



Centre for International Mobility CIMO

- *National Resource Centre for information, guidance and counselling in the field of education and training
- collects, produces and distributes information about education and training opportunities in Finland and abroad

CHAPTER IV: CONCERNS ABOUT THE LABOUR MARKET

4.1 Recent trends in the labour market

Finland experienced an unparalleled decline in the number of jobs in the first part of the 1990's. The number of jobs dropped from approximately 2.4 million to less than 1.9 million, which led to record unemployment and prevented many young people gaining access to the labour market. The newly graduated age groups no longer replaced those retiring or opting to stay at home, but ended up out of work. Fewer and fewer unemployed people could find work, although state-subsidised employment and labour market training were considerably increased. Due to the lack of jobs, many students continued their studies. More study places for young people were made available at educational institutions and within the framework of labour market training.

Since 1993-1994, the number of jobs has started to grow again. The growth is primarily concentrated on just a few fields, and its regional distribution is not balanced. New jobs are being created in the rapidly growing fields and in growth centres in particular. The most rapid growth in demand for labour is in the metal and electronics industries. The growth in these fields is only concentrated on a few (mainly coastal) regions (Uusimaa, South-West Finland, Tampere Region and Northern Ostrobothnia). Industrial growth is followed by services provided for business life as well as public services in the same regions. In areas where the demand for labour is not growing or is actually decreasing, the number of consequential jobs within the service sector will also decline. This will happen in the eastern and northern sub-regions of the country. The declining employment will be followed by a reduction in population in these areas. Consequently, private and public service provision will become less and less profitable, and, as the provision of services declines, the remaining population's living conditions will further deteriorate, which will again increase people's readiness to move away. The regions most affected by this are Lapland and Eastern Finland.

However, the labour shortage in growth sectors may cause bottlenecks in the expansion of production and thus hinder the positive development of the entire economy. This underlines measures to mobilise the labour force (regionally and occupationally) so as to prevent a situation where the country would simultaneously suffer from mass unemployment, on the one hand, and a severe labour shortage, on the other.

Certain fields will always suffer from labour shortage. Even during the worst years of the recession (1992-1993), one in ten employers complained about labour shortage. Employers regard the lack of education, experience and expertise as the most severe obstacles to finding staff. One field, which typically suffers and, according to forecasts, will continue to suffer from a labour shortage, is information technology. It has been estimated that the current number of study places in this field will only meet half of the prospective need for labour (within 5 years).

A business survey shows that the most considerable increase in the number of employees will happen in units, which produce quality products, are innovative and also invest in their personnel's opportunities for

training and learning. At the same time, these are the most flexible companies in terms of introducing new technology, new forms of work organisation, as well as working hours and forms of payment. The expansion of operations is often connected with exports and functional co-operation.

Large companies (companies with more than 500 employees) employ 34% of the labour force in the private sector and in companies, in which the State is the principal shareholder. Moreover, a considerable proportion of new jobs has also been created in large companies, which means that they have gained in significance as employers over recent years. In 1993-1995, a total of 23,000 jobs were created in companies with less than 20 employees. Proportionally, most new offices have been created in industry, business services and trade.

4.2 Unemployment

According to the Labour Force Survey conducted by Statistics Finland, the average number of people employed in 1997 was 1,845,000, which amounts to 45,000 or 2.5% more than the previous year. The number of jobs increased more rapidly in the second half of the year than at the beginning. The proportionally largest growth in jobs, 13%, occurred in the construction industry. In educational, health and day-care services, the number of jobs increased by 15,000 in all, an increase of 5%. The average number of unemployed people in 1997 was 367,000, amounting to a decrease of more than 30,000 from the previous year. The unemployment rate (the proportion of unemployed people in the total labour force) decreased by 1.3% to 14.5%.

The following table shows unemployment, the unemployment rate and the amount of people under the age of 25 as a proportion of the total amount of unemployed people:

Unemployment and unemployment rates in 1990-1996

year	Unemployed Total	Under 25	% of those aged under 25 of all unemployed	Unemployment rate, % Total	Under 25
1990	140,961	31,989	22.7	5.7	1
1991	300,716	68,218	22.7	12.2	2
1992	443,549	100,124	22.6	18.0	3
1993	535,290	105,462	19.7	22.2	4
1994	491,556	90,371	18.4	20.4	3
1995	476,567	83,797	17.6	19.8	3
1996 (expected)	467,858	71,219	15.2	19.5	3

Source: Statistics Finland employment statistics

Unemployment data from the job applicant register of the Ministry of Labour

The long-standing low demand for labour caused by the economic situation has led to the unemployed constituting a very heterogeneous group. The proportion of those who had been out of work for more than two years in the total number of the unemployed has multiplied tenfold during this decade. It is still growing and constitutes a potential group in the process of being excluded from the labour market. In the spring of 1995, those unemployed for more than two years amounted to an average 43,000 per month, i.e., 9% of all unemployed people. Of this group, 2/3 had only completed lower secondary education (comprehensive school, the old system's folk school, lower secondary school, etc.). Many of these, some 40%, were at the ideal working age (aged 35-49).

In order to prevent unemployment and improve employment, labour, educational and industrial policy measures and their co-ordination are required. The prevention and treatment of the unemployment problem calls for different solution models and a diverse range of measures. Sporadic measures are insufficient, particularly with regard to those who have been unemployed for a long time, those in the process of exclusion or those at most risk from the threat of long-term unemployment. A new, more comprehensive and client-centred service strategy is required, including personal client-specific service packages, which form a path from unemployment to employment.

The interest of business life in recruiting young employees will increase over the next few years. The age group with the highest demand on the labour market, those aged 25-49, will decline by 150,000 over the next twenty years. Correspondingly, the 50-64 age group will grow by 170,000 people.

4.3 Educational level of the labour force

The educational level of the labour force has risen rapidly in Finland over the last few decades. Whereas in 1970, almost 70% of the labour force had only completed lower secondary education, the corresponding figure for 1995 was just 30%. The number of workers with upper secondary level education more than doubled, and its proportion in the total labour force rose from 24% to 53%. The supply of labour with higher education almost tripled between 1970 and 1995; its proportion in the total labour force rose from 6.3% to 16.9%.

The following table shows the educational structure of the labour force (those aged 15-74) by age group (in 1995), in %

Age	15-19	20-24	25-29	30-54	55-59	60-74
Lower secondary	49.5	22.0	17.3	28.4	54.0	62.0
Upper secondary	50.5	71.8	60.5	53.4	32.7	24.7
Tertiary	0.0	6.2	22.1	18.2	13.3	13.2
Total	100	100	100	100	100	100

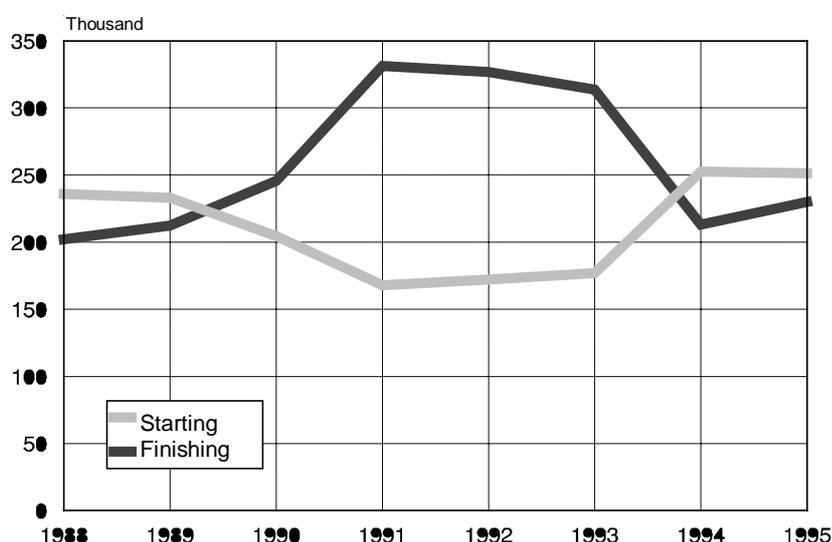
The proportion of those included in the labour force varies according to their level of education. At the lower educational levels, the proportions are smaller than at the higher levels. The labour force includes the gainfully employed and the unemployed outside gainful employment. The labour force does not include students, conscripts, those staying at home, pensioners, etc. In 1995, the proportion in the labour force of those aged 20-64 with lower secondary education was 67.5%, whereas the corresponding proportion for those with higher education was 86.5%. The small proportion of those with lower

secondary education can be attributed to the fact that this is the group containing a particularly large number of students.

4.4 Recruitment of new employees

The recruitment of new employees has traditionally focused on young, graduating age groups. These have replaced the annual loss of labour force, i.e., people retiring or opting to stay at home each year, who have amounted to approximately 100,000 people per year in ‘normal times’. As late as at the end of the 1980’s, more than 90,000 people entered the labour market from education, but during the worst years of the recession at the beginning of the 1990’s, the annual number of graduates finding employment only amounted to 40,000.

Those starting and finishing as gainfully employed in 1988-1995



As unemployment increased, public measures were taken to reduce unemployment. However, fewer and fewer of the annually increasing number of unemployed people found employment, although State support measures, subsidised employment and provision of labour market training, were considerably increased. Of those unemployed in 1988, almost half had found employment within the next 12 months, whereas of those in 1993, only 21% found employment within the next 12 months. In spite of the measures taken, unemployment became a long-term problem for many people. Moreover, the number of those applying for unemployment or early retirement pensions also showed a slight increase.

Prior to the recession, almost all graduates found a placement either within a year of graduation or the following year. In the worst years of recession, only half of all graduates found employment immediately. Due to this closure of the labour market, many students continued their studies and thus remained within the education system. This led to an increase in student volumes. In addition, working while studying became less common; of just over 500,000 young Finns studying at upper secondary schools, vocational institutions and institutions of higher education, an increasingly larger proportion only studied, whereas only a few years earlier about a third of them were classified among the gainfully employed labour force.

The number of students was also increased due to efforts to make more study places available to young people and, especially, to young, unemployed people. Combined, these measures led to a situation where

the number of full-time students rose from 308,000 to 470,000. On the labour market, the situation of those with qualifications continued to worsen. In 1992 and 1993, of the young graduating from institutions, the number of those finding employment was about the same as those ending up unemployed. Since 1988, the annual number of students ending up unemployed has grown fivefold, from 8,800 to 46,700. The group of people finding themselves unemployed after graduation has increased the educational level among unemployed people to mean that more than 300,000 unemployed people have a vocational qualification.

Table 3. Occupation at the end of the following year of those studying in 1987-1994

Occupation at the end of the following year									
Year	Students	Employed	%	Unempl.	%	Students	%	Pensioners	Others
1987	310,102	-->93,647	30.2	10,355	3.3	183,233	59.9	1,234	21,643
1988	308,841	-->92,833	30.1	8,756	2.8	183,297	59.3	1,779	22,255
1989	317,099	-->87,062	27.5	12,067	3.8	191,256	60.3	1,430	25,284
1990	329,058	-->66,071	20.1	26,140	7.9	210,014	63.8	1,739	25,094
1991	359,214	-->51,143	14.2	24,283	6.8	236,193	65.8	1,875	25,335
1992	375,649	-->42,832	11.4	47,153	12.6	260,108	69.2	1,407	22,149
1993	424,656	-->52,404	12.3	47,725	11.2	306,074	72.1	2,066	23,222
1994	441,366	-->71,133	16.1	46,774	10.6	326,330	69.9	2,032	24,682
1995	476,737								

4.5 Employment, age and education

The risk of unemployment varies according to sectors, but is strongly influenced by age and level of education. A high level of education increases the likelihood of finding employment in all age groups. In an economic recession, the least educated will be the first to lose their jobs and in a recovery, they are the last to find work. Conversely, a reverse mechanism applies to the highly educated. This can also be seen in the unemployment statistics of the 1990's. The employment situation for those with upper secondary and higher education has improved since 1993, whereas the unemployment situation of those with lower secondary education has continued to deteriorate even since 1993.

During the recession, the difficulties of young people in finding employment grew more rapidly than those of people who had already been on the labour market for longer periods. Youth unemployment worsened in proportion to that of older graduates during 1990-1993. However, the economic recovery alleviated youth unemployment more rapidly when compared with older graduates. As the upswing has continued, the position of young graduates seems to have further improved - employers appear to prefer to recruit younger and more recently graduated people.

The employment situation of all those who graduated in 1987 developed positively up until 1990, although there were extremely large differences between educational levels and fields. Among those who had received postgraduate education, those gainfully employed accounted for about 90% even during the years of recession. The proportion of gainfully employed has been slightly lower among Bachelors and Masters, whose employment opportunities narrowed during the recession. Compared with these groups, the rate of employment among those with a lower or upper level qualification from upper secondary education was lower; the recession reduced their proportion in the total labour force by 15-20 percentage points.

The phase of the economic cycle plays a significant role in the placement of an unemployed person. During the boom, the probability of unemployed people with just a lower secondary education finding employment was higher when compared with people with higher education in the worst recession year, 1993. Moreover, the probability of finding employment was more equal during the boom, when the probability of a person with lower secondary education finding employment was 67% of that of a person with higher education, whereas in 1993, the figure had dropped to 45%. In 1994, the probabilities started to grow among those with a higher level of education. However, similar growth has not occurred among those with lower secondary education and, therefore, the difference compared with the higher level has continued to increase (41%).

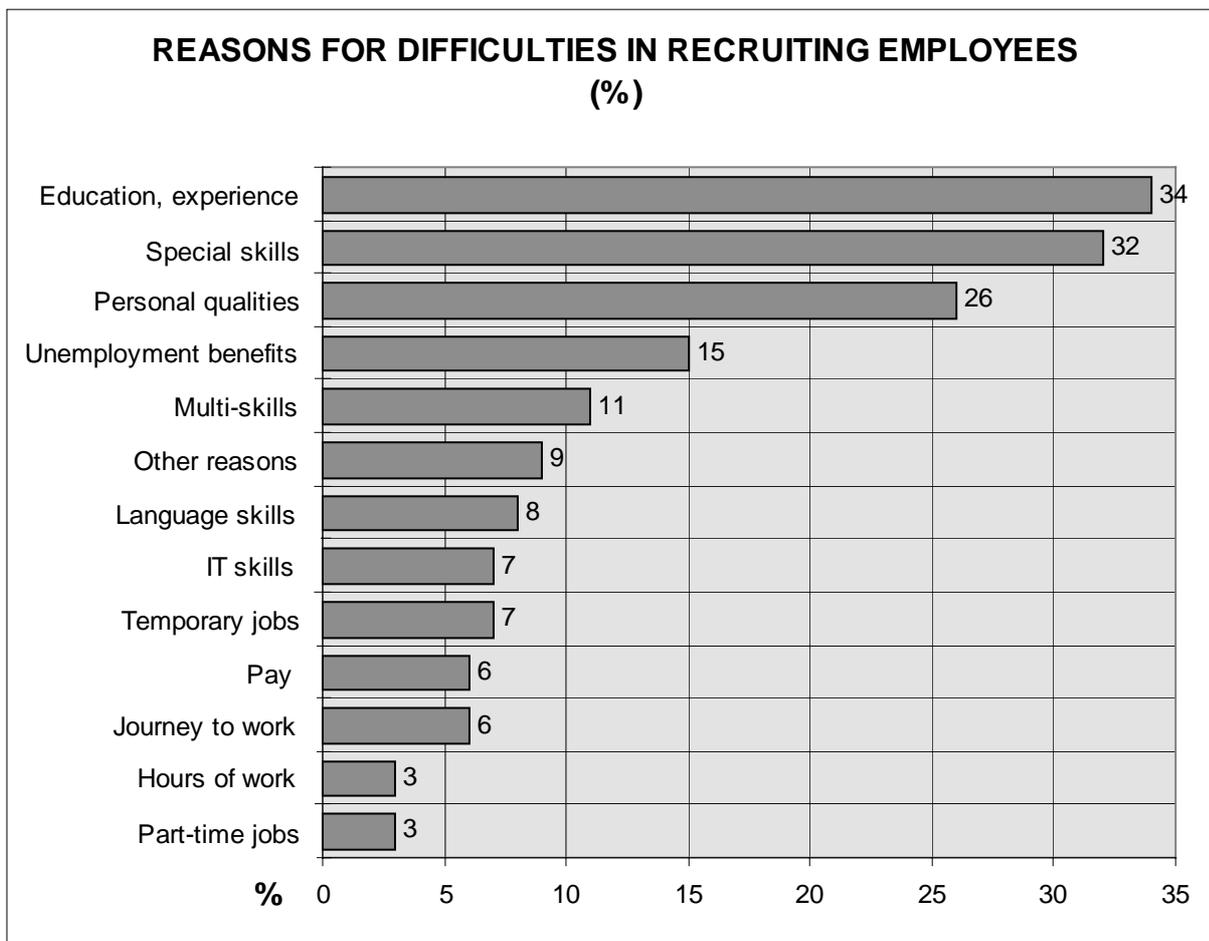
Age has a significant bearing on employment opportunities. Among the older age groups, the significance of education diminishes; education appears to have no bearing on finding a placement for an unemployed person aged 45 or over. Differences between educational levels are smaller in the older age groups compared with the younger ones. The employment opportunities of highly educated older people have not improved as the recession has abated. Even well-educated people may be more permanently excluded from the labour market, if they have turned 55.

4.6 Youth unemployment, young people's expectations and views on the connection between education and employment

Youth unemployment

According to data collected from the job applicant register of the Ministry of Labour, the number of unskilled young people has decreased considerably during 1994-1998. Young people have been systematically directed towards vocational education. Although the labour market demand for young people is relatively good, the initial unemployment of young people graduating from vocational institutions is a severe problem in certain fields and areas. Young people's advantages include a fresh basic vocational knowledge, mastery of the basic skills of the information society and language skills. The following chart, illustrating youth unemployment in 1990-1998, shows the structural change in youth unemployment: on the one hand, the increase in the provision of education and the suspension of labour market support have decreased the number of unskilled people but, on the other hand, educated young people have entered and are currently entering the labour market in increasingly larger numbers. Consequently, there are more people with vocational upper secondary level education among unemployed job applicants when compared with those only with lower secondary level education. Previously, the ratio was the opposite.

In addition to basic vocational education, employers often require job applicants to have work experience and/or special expertise. These young people have been provided with opportunities for practical or apprenticeship training, which enables them to gain work experience or job-specific expertise. By means of ongoing reforms, all those receiving vocational education will be offered opportunities such as on-the-job training. The adjacent figure shows the most common reasons for recruitment problems from the employers' perspective:



In evaluating the overall youth unemployment situation, it must be taken into account that young people's open unemployment has been reduced by such means as directing them to education (e.g. by increasing the provision of education and with the aid of the labour market support reform, see Section 6.2.3).

The reduction in youth unemployment appears to be stabilising. For example, the reduction in unemployment among those aged under 20 only amounted to 1,000 in 1997, whereas in previous years the rate had been approximately 5,000 people per year. There is a threat that there will no longer be a significant reduction in unemployment among those aged under 20, leaving a group of 7,000-8,000 young people, who struggle with problems of life management and whose education or employment cannot be influenced by the measures available. Conversely, unemployment declined by about 10,000 people in the 20-24 age group, which is approximately 3,000 more people than the previous few years. It is likely that unemployment will decline in this group, following the development of the general labour market situation, and that this trend will continue in the near future.

Young people's expectations and views

The Advisory Council for Youth Affairs has systematically followed young people's attitudes with its Youth Barometers since 1994. Throughout this period, the vast majority of young people have believed that education will essentially improve their employment opportunities. A general optimism concerning the improvement of the employment situation has increased over the last few years.

Young people in all respondent groups endorse the significance of vocational education as one way of treating unemployment. According to the Youth Barometer from the spring of 1998, 64% of those interviewed saw themselves possibly applying for vocational education within the next five years. In 1994, the figure was 60%. Of unemployed young people, 70% intended to apply for vocational education, based on the results from 1998. The figure is exactly the same as in 1994. However, there is a noteworthy change in that the proportion of those who answered 'definitely not' has decreased by 3% among all respondents, whereas among unemployed people, this proportion has increased by 7%. Consequently, it would seem that there is a group of unemployed young people, who have very negative attitudes both towards education and other alternatives offered to them.

The 1998 Barometer also asked what the young regarded as the most significant factors of marginalisation on the basis of their own experiences. According to the answers given, marginalisation is primarily associated with personal reasons, such as a lack of friends and the individual's lack of initiative. Aversion to education, dropping out or being unemployed are regarded as being effects of these personal factors of marginalisation - and not as being their causes.

CHAPTER V: CHANGES OF EXPECTATIONS AND OBJECTIVES OF LABOUR MARKET ORGANISATIONS AND ENTERPRISES

5.1 The role of labour market organisations and enterprises

At a national level, the organisations representing different fields of the labour market and working life participate in the planning and development of vocationally oriented education at all educational levels as members of the training committees operating in conjunction with the Ministry of Education. The tasks of the training committees include the promotion of interaction between education and working life, the anticipation of the development of working life skill requirements and the setting of initiatives to develop educational programmes and structures. The training committee system was reformed at the beginning of 1998. There are three training committees operating in conjunction with the Ministry of Education in total.

At a local level, educational institutions have their own consultative committees to attend to working life contacts, comprising of representatives of companies, labour market organisations, administration and the institution/education provider. The task of the consultative committees is to plan education from a regional and local perspective and, first and foremost, to attend to the contacts between the education provider/institution and working life. The consultative committees participate in tasks such as curricular work, arrangement of on-the-job training and maintenance of teachers' knowledge of working life.

In order to promote students' job placements, for example, on-the-job training will be attached to vocational study programmes more and more. In co-operation with organisations representing the labour market, the State issued a recommendation in January 1998 concerning young people's on-the-job training, which aims to create closer links between education and working life. According to the objectives set by the Council of State, vocational education will increase on-the-job training, expand apprenticeship training, deepen the interaction between education and working life and improve the status of vocational education. The recommendation accentuates the responsibility of institutions, labour market organisations, companies and public administration for investigating their field- and job-specific possibilities to increase on-the-job training places for young people at their workplaces. Based on the recommendation, the Ministry of Education has, in co-operation with the central organisations of labour market organisations, launched legislative and other additional measures needed to expand on-the-job training.

The recommendation aims to ensure sufficient provision of on-the-job training places, involvement of companies in the instruction of young people in workplaces and utilisation of working life expertise in planning and implementing instruction. On-the-job training will be implemented in practice by means of contracts between institutions and companies in such a manner that students are not regarded as being paid employees during on-the-job training.

Co-operation between working life and education is also emphasised in the expansion of apprenticeship training. The volume of apprenticeship training in young people's basic vocational education will be increased, thus providing a broader opportunity for on-the-job training compared with vocational

institutional education. Apprenticeship training is based on an employment contract between the student and the company.

5.2 Expectations and objectives of social partners and the market

The following discussion illustrates the opinions of certain significant bodies:

According to *the Research Institute of the Finnish Economy (ETLA)*, the following features and problems occur in Finland in terms of the relations between education and working life (cf. Section 3.1):

- General education has dominated the education system.
- Vocational education has not been sufficiently based on the needs of working life. The labour needs of various fields and the contents of their job descriptions and occupational profiles have not been systematically investigated; nor has this type of information been used as the basis for determining the volumes and contents of education (educational standards, curricula, course requirements).
- Education provided by vocational institutions is a mixture of a science- and subject-based approach, administrative decisions on educational fields and their student quantities and determined by institutions' teacher and other resources. The most obvious and acute working life needs have been taken into account, but the attention given to the needs of various sectors has generally been unsystematic, patchy and ad hoc in nature.
- Institutions of vocational upper secondary and higher education have not been accountable for their students' placement in work.
- Vocational education provided by the private sector has been restricted by various means, such as favouring institutions belonging to the public education system and their standard education.

The Central Organisation of Finnish Trade Unions (SAK) states that the job placement of both young people and adults after education depends decisively on the general labour market situation. Education is an essential, but not sufficient, prerequisite for finding employment.

With regard to young people's education, it is important to emphasise the creation of temporally sustainable capabilities. In addition to direct vocational skills, these include general capabilities, such as communication, language, information technology and learning skills. Education must, as far as possible, anticipate changes in the labour market by utilising the regional information of the Employment and Economic Centres on labour market developments, for example. Occupational flexibility will become the most important factor promoting competitiveness and production reforms in 21st century working life. The education sector cannot just react to the needs of the labour market, since this type of reaction usually happens too late due to the length of study.

In Finland, institution-based education has ensured that fluctuations in the employment situation have not been reflected in education, unlike in those countries where education is carried out in working life. Conversely, in times of lower employment, it has been possible to increase the provision of education and thus reduce open unemployment. This has simultaneously provided for the development of vocational skills for the subsequent upswing.

The increase in on-the-job training has a very positive effect both on young people's motivation and on their prospective job opportunities. At the same time, a growing responsibility for education also promotes

positive attitudes towards education within working life, which will be reflected in the further education opportunities of those already working.

The competence-based examinations for adults, independent of how the vocational skills have been acquired, constitute a good support system to increase the possibilities of those already in working life - both young people and adults - to maintain and improve their vocational skills.

The Confederation of Finnish Industry and Employers (TT) states that the rapid technological development and changes in the expertise needed at work promote the transition of today's young people from basic education to working life. As age group sizes have diminished and the average age of the personnel employed by companies has increased at the same time, skilled young people have increasingly better opportunities to find a job immediately they graduate.

Industry has previously criticised the excessive concentration of vocational education on institutional instruction. Therefore, decisions to the effect that all vocational education will include an on-the-job training period of at least six months have been welcomed as being correct in industrial circles. As a result of these decisions, it is to be expected that young people entering working life will have vocational skills, which meet today's requirements better than before. It has also been noticed that young people's first jobs are usually in the company where they worked during their student years. Increasing working life contacts are also believed to improve job opportunities after graduation.

The expertise needs surveys conducted within industry have shown that when industrial enterprises recruit new employees, they are more and more interested in the educational level of those they recruit. The latest survey indicates that 50% of the people to be recruited over the next few years will preferably have either an AMK or a university degree. It can therefore be stated that the increase in the level of education generated by the establishment of AMK institutions has complied with the needs of trade and industry. Studies at AMK institutions and universities of technology have involved preparing theses for a long time. In many cases, these cover topics given by companies and are prepared by participating in companies' ongoing development projects. The first job will usually be at the same company.

Within the industrial sector, the largest companies have their own specialised vocational institutions. The requirement for eligibility for these institutions is either a qualification from a public vocational institution or the matriculation examination of the upper secondary school. About ten specialised vocational institutions offer one- or two-year study programmes, after which almost all students will be employed by the company in question. Other specialised institutions provide shorter periods of education in topical issues.

Apprenticeship training has traditionally led to employment in the company providing the training. However, apprenticeship training has not become as important a form of arranging basic vocational education as it has in Central Europe. In recent years, employment through apprenticeship training has increased because, after the basic training period, a contract concerning further training has been made between the company and the student. During this additional training period, students have learned the specialist skills needed by the companies in question. At the same time, they have prepared for taking their vocational qualifications.

Industrial enterprises have welcomed with considerable satisfaction the newly launched training projects for on-the-job trainers, aiming to contribute to the development of changes in training culture at workplaces. Moreover, labour market organisations have, through mutual contracts and the provision of information to their members, endeavoured to promote industry in fulfilling its own share of training at workplaces.

The Employers' Confederation of Service Industries in Finland (PT) states that the closer education is to working life requirements and the more flexible it is in adjusting to working life changes, the easier it will be for young people to find jobs after graduation.

Employers expect student counsellors in comprehensive schools to have a broader knowledge of working life, in order for them to be able to give their students diverse and up-to-date information on the various choices available once they leave school. In this respect, the qualification requirements of student counsellors need to be readjusted.

Apprenticeship training is important for young people's placement in work. For example, according to a survey conducted in the Province of Kyme in 1997, the employment rate of apprentices was more than 87%, whereas the figure for those graduating from vocational institutions at the same time was a little more than 53%. Of employed people, 81% got to stay at the place where they did their apprenticeships. Consequently, the majority of companies providing apprenticeship training want to keep the employees they have trained after the training period. The objective of the employers' organisations is to reduce the initial pay in apprenticeship training or to obtain some relief from social security payments, which would be likely to increase the use of apprenticeship training in companies.

In other forms of vocational education, the on-the-job training and the diploma project included in the students' curriculum, together with theses in higher education, promote employment. During the on-the-job training periods included in vocational education, employers may get to know their employees and their expertise in advance. On the other hand, representatives of enterprises should, as far as possible, participate more actively in co-operation with educational institutions, for example at the consultative committees and boards of the institutions, and thus gain opportunities to influence the content of education. This is also promoted by visiting lecturers at educational institutions.

The decision of the Council of State on compulsory on-the-job training periods in vocational upper secondary education, the objective of a considerable increase in apprenticeship training and the '2+1' experiments (2 years at the institution, 1 year in working life), together with the increase in practical training in higher education, will triple the number of training places over the next few years, which is ideal for bringing education closer to working life. The central labour market organisations have invited their member unions to investigate the need for training places in their own fields and to negotiate the rules of practical training to govern workplaces. The organisations state that a six-month practical training period should be conducted without contracting a formal employment relationship.

The Confederation of Unions for Academic Professionals in Finland (AKAVA) states that the time span of the examination is an essential factor in evaluating the compatibility between the education system and working life from the perspective of job opportunities. Even if the education system produced such expertise that can be immediately utilised in working life, the system could still only be successful in the short run. Narrow professional specialist skills might no longer be useful in years to come. This feature appears to have been characteristic of the Eastern European planned economy, where the results of the education system proved to be weak because the links between the education system and working life were too close. On the other hand, an education system cannot be so extensive that it would totally overlook the provision of professional specialist expertise. This would quite obviously lead to long-term and extensive initial unemployment, preventing the full exploitation of the educational investment both for society and for individuals.

The traditional Finnish education system was relatively well adjusted to working life needs as long as the general changes in working life were stable and predictable. Due to the continuous change in working life, however, the education system will now have to adopt new methods to combine the basic education

founded on broad and critical thinking, the immediate exploitation of educational investment in accordance with working life needs and the adjustment to continuous change and new working life needs.

The university system has traditionally focused on education aiming at positions in public administration and the tax-funded basic functions of society. The creation of the welfare state ever since the 1960's has required the expansion of the university system specifically in those fields that produce professionals for the needs of the educational, health care and social sectors, as well as the other central functions of the welfare state. As the public sector growth started to plunge at the start of the 1990's, it seemed that a vast number of young people would graduate in these fields with the prospect of having to retrain themselves after a period of unemployment. However, this does not seem to be the case after all, at least on a larger scale, since the education system has largely been able to adjust to the new situation. Job placement has started to be viewed as a performance criterion of universities and other educational institutions in a way that has simultaneously changed their modes of operation. Educational programmes have been changed, options have been expanded both within and between institutions, international student exchange has been increased, universities have set up special recruitment units, etc. Also students themselves have adopted job placement as their core objective and act accordingly even during their student years. In these respects, the education system appears to be relatively flexible.

The statistical and reliable monitoring of the transition from educational institutions to working life is as yet insufficient. Institutions conduct their own surveys with a view to showing how well they are performing, which means that the reliability of results remains weak; neither are they comparable. Statistical monitoring is usually restricted to quantitative monitoring, which means that the quality of job placement (how well the education serves the transition to working life) does not receive much attention. However, there would be a need for such surveys illustrating quantitative and qualitative job placement, which would reveal the employment profile within about five years of graduation. Only in this case would it be possible to evaluate the real usefulness of education with sufficient reliability. This kind of follow-up information would also make it possible to anticipate the educational volumes and programmes needed.

Educational planning has not given sufficient consideration to the connection between the quantitative regulation of education and its quality. Particularly in higher level education, the high quality of education should be secured first, and only after this should there be emphasis on making evaluations of the necessary educational volumes. Efforts have been made to educate an increasing proportion of each age group at the highest educational level, without paying sufficient attention to the institutions' own level of expertise, the improvement of teachers' professional skills and the creation of working life contacts.

Institutions of higher education have been largely based on regional policy motives. In doing so, the significance of the sufficient institution size and the necessary co-operation relationships have not been given due consideration. It is imperative that students be provided with more options, in order for them to be able to plan flexibly, in co-operation with working life, the part of their studies, which will provide them with the essential professional expertise they will need for the transition to working life.

In-service teacher training and maintenance of their working life contacts have been given insufficient attention. Teachers are often not capable of functioning as instructors in interaction between students and working life. Attention has been drawn to this matter in opinions issued by Parliament and the labour market organisations, for example. Indeed, there is good progress underway, although it is not as swift as it could be.

There will need to be more reaction to change in the educational needs of working life through intervention in the content and quality of education and through better use of the opportunities provided by the principle of lifelong learning. Educational planning measures regulating the volumes of openings

must be adopted to prevent the occurrence of structural problems in the availability of labour. Recruitment problems must be met by means of supplementary training, of which 'conversion education', i.e., the system of upgrading qualifications, appears to constitute an increasingly remarkable alternative. Topical working life recruitment problems must be abolished so as to give access to the necessary education and training for both unemployed and gainfully employed people, as well as students about to graduate.

CHAPTER VI: POLICY FOR THE TRANSITION PROCESS

6.1 Structure of the labour and educational administration and their current policy priorities

6.1.1 Labour administration and its current policy priorities

The Ministry of Labour determines the priorities for national labour policy. One priority in the national labour policy has been the reduction of the unemployment rate and, in particular, the alleviation of long-term and youth unemployment. The Ministry of Labour allocates resources for implementing the labour policy to its regional bodies annually and they attend to planning and implementing regional labour policy. The regional organisations are the Labour Market Departments of the 15 Employment and Economic Development Centres (see Section 3.2.2.3). At a local level, there are about 180 employment offices in different parts of the country. In their respective areas, the employment offices are responsible for services for job applicants and employers and the application of labour policy measures.

The Ministry of Labour co-operates with the social partners. The Council for Labour Affairs, operating under the leadership of the Ministry, has representatives from the central organisations of the labour market organisations. The Council issues statements and makes initiatives to improve labour policy.

The key objective of the economic policy of the present government, which was appointed in the spring of 1995, was to halve unemployment during its term of office, i.e., by the spring of 1999. This entails rapid and environmentally sustainable economic growth for the entire term of office. The government firmed up the contents of its employment policy in October 1995. It is built on the following six pillars:

- taxation on the use of labour will be relieved;
- working life will be reformed to lower the threshold of hiring new employees, to improve the functionality of work communities and to divide work;
- the volume of vocational education and its links with working life will be increased;
- small businesses will be encouraged and prerequisites for entrepreneurship will be fortified;
- construction work will be increased, including environmental protection work;
- the focus of labour policy will be shifted from passive to active measures.

For more information on the government's Employment Programme, see Section 6.2.3.

The strategy of the labour administration for 1998-2001 includes the following policy lines:

1. Securing the availability of labour and improving job placement in the general labour market by means of an labour policy supporting economic growth and promoting the functionality of the labour market;
2. Fortifying the effectiveness of the labour policy at a regional level;
3. Improving the prerequisites for finding employment for those in a weak labour market situation and making it easier for them to participate in working life and society as a whole - the proportion of long-term unemployed and other people with difficulties in finding employment among the unemployed is on the increase, and the alleviation of the marginalisation process and the maintenance of social cohesion entails new active alternatives to create appropriate conditions for attaching to working life and society;
4. Targeting development work primarily towards improving the effectiveness and quality of operations.

6.1.2 Educational administration and its current policy priorities

Almost all education under public supervision has been collected under the administrative field of the Ministry of Education. As part of the Council of State, the Ministry of Education is responsible for the operational policy and its preparation, the legislation and the State budget for education. It also prepares the necessary decisions of the Council of State and the Ministry.

The areas of responsibility of the Ministry of Education includes education and research. It is also responsible for administration in the cultural, ecclesiastical, youth and sports sectors. The most important sectors of education falling outside the remit of the Ministry of Education are pre-school education provided by day-care centres (the Ministry of Social Affairs and Health), military training (the Ministry of Defence), and police, border guard and fire and rescue training (the Ministry of the Interior). Adult employment (labour market) training for unemployed people and those in risk of unemployment involves the Ministry of Education in that the labour administration usually purchases training services from educational institutions falling within the control of the Ministry of Education.

There are several expert bodies operating in conjunction with the Ministry, including the training committees of vocational education promoting co-operation between education and working life, the Advisory Council for Adult Education, the Higher Education Evaluation Council and the Advisory Council for Youth Affairs (NUORA). The Advisory Council for Youth Affairs is an expert body operating under the Ministry of Education, which focuses on projects to improve young people's living conditions and on co-operation with bodies working with issues concerning young people.

The National Board of Education works in close co-operation with the Ministry of Education. It is a planning and evaluation agency responsible for primary and secondary education as well as adult education. However, institutions of higher education fall mainly outside its domain. The National Board of Education is responsible for developing educational contents and methods according to the target outcome agreement with the Ministry of Education. The agreement is drawn up every year, and includes the tasks of the National Board of Education assigned by the Ministry. The National Board of Education draws up and approves national guidelines for curricula and qualifications. It is also responsible for assessing the education system, with the exception of institutions of higher education. In addition, it assists the Ministry of Education in preparing educational policy decisions.

In recent years, regional administration has been simplified with regard to the education sector (cf. Section 3.2.2.3). Most tasks and powers have been transferred to municipalities and other education providers. It has been typical of the reform of the educational steering system that national steering has been relieved and local decision-making powers have been increased. The changes have concerned both regulatory and resource steering. There has been deregulation of the organisation of activities both in the legislation and in the lesser regulatory decisions. The number of administrative decisions has been reduced. Separate funding systems have been combined and their allocation criteria have shifted from expenditure to a calculatory basis. Based on the new regulations and provisions, educational institutions and their maintaining bodies may decide on their operations in line with national objectives. Moreover, institutions are encouraged to define their profiles on the basis of their distinctive activities.

The reforms of the 1980's and the early 1990's did not, however, intervene in the basic structure of educational legislation, which has been extensive and fragmented. Preparations for a comprehensive legislative reform in the field of education were launched in 1993, and Parliament has legislated that the new acts will become effective on 1 January 1999. The aim of this revision is to reform educational legislation in its entirety. The legislation currently in force, which is fragmented and based on institutional forms, will be repealed by legislation based on educational objectives and contents, levels and forms of education, as well as students' rights and responsibilities. The new legislation will be distinctly more concise than at present, and will focus on the regulation of the core issues. The reform carries on the abolishment of separate administrative procedures, clarifies the steering relations and essentially increases the authority of education providers to decide on the forms of arranging education and its organisation.

The objectives in the administrative field of the Ministry of Education in 1999 include the promotion of employment by means of education, the development of co-operation between education and working life and the implementation of the strategy of lifelong learning. To this effect, vocational education and apprenticeship training will be developed, together with employment in the cultural sector, youth workshops and the employment opportunities of citizens' activities, and the process of establishing permanent AMK institutions will be completed. Moreover, there will be investment in research to improve the way the national innovation system functions for the benefit of the economy, business activities and employment.

A major challenge is presented by the creation of closer links between education and working life and the increase in the correspondence of education with working life requirements. A pivotal development area of vocational education is the improvement of the prerequisites of vocational upper secondary education and the quality and effectiveness of education. The central measures include:

- increasing and deepening on-the-job training by including an on-the-job training period of at least 20 credits in study programmes, for example;
- reforming qualifications so as to make them ensure extensive basic vocational skills for various assignments in the field in question and more specialised expertise and vocational skills required in working life in one sector of the study programme;
- including competence-based vocational examinations in the new study programmes;
- promoting the placement in working life of those who have received vocational education by such means as ensuring that the educational funding system would take into account graduates' placement in work or further education.

The issues of vocational education are closely linked with the reform of the educational structure and study programmes (e.g. the three-year qualifications), on-the-job training (on-the-job training periods, '2+1' experiments, apprenticeship training), implementation, monitoring the development of educational provision, the reform and monitoring of the funding system, the monitoring of comprehensive legislative reform, the evaluation of education and co-operation in the field of vocational education within the European Union.

6.2 Co-operation and cross-sectoral relations between the relevant ministries

6.2.1 Some background

The late 1980's saw a period of educational expansion in Finland. Resources allocated to education increased considerably. Adult education, in particular, was expanded and adults' opportunities to participate in education were improved, but the provision of vocational education for young people also increased. Due to the high rate of employment, however, not all study places could be filled, and more and more young people discontinued their studies, because there were plenty of vacancies available even without vocational education. This applied particularly to Southern Finland.

At the beginning of the 1990's, the recession rapidly led to severe cuts in the public finance available to be spent on education. At the same time, however, the provision of education was increased to abate the effects of soaring unemployment. The provision of education had to be increased, but with fewer resources than before.

In 1992, the draftsman appointed by the government proposed to increase the number of study places. In the proposal, the increase focused on those fields with existing job opportunities. The proposal was based on the existing network of educational institutions and the existing body of teachers. However, the provision of education had already been reduced in the same year to save money and, consequently, the increase in study places was not really very significant.

In the following year (1993), a group composed of the Secretary-Generals of three Ministries, titled the Youth Committee for the Secretary-Generals, was appointed with the specific task of searching for a solution to youth unemployment, including through education. The work of the group and its effects will be discussed in more detail in the following section.

6.2.2 The Youth Committee

The cross-sector and -administrative working group to study the living conditions of the young was set up in the autumn of 1993. The Prime Minister set up the Youth Committee for the Secretary-Generals of three Ministries (Labour, Education, Social Affairs and Health) to prepare a National Youth Programme. More precisely, the Committee was asked to prepare an action plan on how to ensure provision of continuing education for comprehensive school and upper secondary school leavers, how to ensure traineeships for students to promote their professional development and how to ensure that vocational school leavers would get their first full-time jobs.

The proposed measures were both quantitative and qualitative. In addition to the substantial increase in study places in vocational education and training, 100,000 in three years, the national framework curricula for comprehensive schools, upper secondary schools and vocational education were also revised to

respond better to the needs and conditions of the labour market and changed society. Special attention was paid to the least educated young people who face the risk of being excluded.

The Committee concluded that the most efficient way to alleviate youth unemployment, which would also be effective in the long run, was to improve their employability. The limited resources of the State had to be directed away from costly unemployment subsidies towards more active measures - measures that would produce surplus in short-term and long-term education and training.

The Youth Committee came to the conclusion that **apprenticeships** were the most cost-efficient way of improving the employability of young people. Development and expansion of apprenticeship training can be seen as a way to increase educational supply but also as a qualitative measure to improve the content of training. Apprenticeship training can react faster to changing requirements and the training needs of the labour market and employers. It will also provide a pathway to training and employment to those practically oriented young people who are not fit for mainstream, theoretical and school-based education. According to the proposal of the Youth Committee, apprenticeship training is implemented in co-operation with the labour administration, which will support it by granting employment subsidies to those employers who organise apprenticeship training. The required funding was taken from other labour market services. During the 1970's and 1980's, the number of apprentices in Finland was comparatively low, varying between 3,000 and 8,000 students a year. In the 1990's, numbers have increased rapidly. In 1995, the number of students in apprenticeship training was around 17,900, in 1997 the figure climbed further to almost 25,000. For more information about apprenticeships, see Section 3.2.2.2

6.2.3 Government Programme and its Employment Programme

The present government was appointed in 1995, at a time when the rate of unemployment was 17% and the national economy indicated positive development over the next few years. The programme is titled 'A Government of Employment and Joint Responsibility' (Programme of the Government, 1995). The programme emphasises that the main aim of the economic policy is to halve unemployment during its term of office. The aim of the educational policy is to increase the level of education of the entire population. The principle of lifelong learning has to be turned into real implementation in co-operation with the labour market.

According to the government's Employment Programme, the volume of vocational education will be increased during the period 1996-1999 and its links with working life will be improved. The aim of maintaining the provision of education at a high level and its further increase is to improve the opportunities of particularly those under 20 without vocational education to obtain vocationally oriented education.

The aim of **the increase in the provision of vocational education** was partially to meet the growing demand for education, generated by the government's decision to abolish the right to labour market support for those people under 25, who had not acquired vocational education. These young people **were directed to vocational education** and were simultaneously given preference in the allocation of study places in the application process to vocational upper secondary education.

Labour market support provides for an unemployed person during the job application process and labour market policy measures. The aim is to promote and improve the opportunities to enter or return to the labour market. Labour market support is intended for unemployed people who have received daily unemployment benefit for a maximum of 500 days or who are not entitled to unemployment benefit because they have not fulfilled the qualifying period of employment (usually due to their young age).

Consequently, since 1996, unemployed people under 20 with no vocational education, who enter the labour market for the first time, have no longer been granted labour market support unless they have actively applied for education or participated in a labour market policy measure such as practical training. The right to support will be restored when the applicant shows that he or she has completed a vocational qualification. At the beginning of 1997, the reform was extended to cover those under 25.

It may be the case that the reform of labour market support, effective as of the beginning of 1996, which excluded young people under 20 without a vocational qualification from the labour market support scheme, did not direct all young people to education, but partially to disguised unemployment and/or to the group of people at risk of becoming marginalised. This can be seen from the following statistical differences compiled by the Advisory Council for Youth Affairs in 1997, for example. According to the statistics of the Ministry of Labour, unemployment among those under 20 noticeably decreased as a result of the reform, whereas the decrease was not as distinct in the light of statistics collected by Statistics Finland. According to Ministry of Labour statistics, unemployment among those aged 15-19 dropped by approximately 8,000 people in 1996 compared with the previous year. However, according to Statistics Finland, the decrease was about 4,500. This leads to believe that not all unemployed young people registered at the employment office in 1996, because they would not have received labour market support anyway.

The increase in the provision of education was also directed towards post-secondary level education in such a manner that the decision was taken to give preference to applicants with no previous basic vocational education. Moreover, it was also decided to gradually increase the proportion of apprenticeship training in education leading to a qualification so that it would eventually cover 20% of those starting basic vocational education. In order to ensure the quality of training, it was decided to increase the preparatory training for trainers in co-operation with companies. (For further information on apprenticeship training, see Section 3.2.2.2 above, for example.)

The creation of **closer links between vocational education and working life** is emphasised in the Employment Programme. This entails intensifying co-operation between the Ministries of Education, Labour and Trade and Industry. At a local level, the programme underlines the independent authority of the education provider to meet the development needs of local and regional working life and the demand for education expressed by students.

The deregulation of the steering system for the provision of vocational education is regarded in the programme as a prerequisite for increasing the flexibility of the education system. The quantitative regulation of vocational education has been simplified in accordance with the programme as of the beginning of 1998. In order to intensify the use of study places, the Ministry of Education prepared a programme to be implemented on a non-recurrent basis, which assessed the necessity of under-sized study groups and the possibility to transfer these openings to attractive fields with better employment prospects. Based on the programme, the 'educational tasks' were confirmed for the education providers, determining the framework, within which the education providers could decide on the allocation of their educational provision with more scope than before.

The Employment Programme for 1996-1999 requires the **improvement of counselling and information services** for students in vocational institutions. It is also noted in the Development Plan for Education 1995-2000. The vocational institutions have the responsibility to promote the employment of their students. The career and recruiting services in vocational institutions are a joint project between the Ministry of Labour, the Ministry of Education and the National Board of Education. The activities began in the spring of 1996 as pilot projects in a few municipalities. The aim is that there will be career and

recruiting services in all AMK institutions as well as vocational institutions by the end of 1998. See also Section 3.2.2.5.

The purpose of the labour market services provided for young people by the labour administration is to promote vocational orientation, application to education and the transition from one phase of study to the next and further on to the labour market. Large employment offices have separate departments for young people, whereas the smaller ones have people in charge of services for young people. These services are developed by improving the vocational skills of the personnel, by intensifying co-operation with schools and by business life contacts to acquire practical training and apprenticeship places for young people.

The central role of entrepreneurship is emphasised in the Employment Programme. Efforts are being made to fortify entrepreneurship with a view to developing Finnish culture in a more entrepreneur-friendly direction. Entrepreneurship has been seen as one of the key elements for future employment. Thus education for entrepreneurship has been included in the national framework curricula for comprehensive schools, upper secondary schools and vocational education. The period 1995-2005 has been declared as the Decade of Entrepreneurship. The aim is to raise a future generation of entrepreneurs in Finland. The Decade of Entrepreneurship is a joint project between the state administration and the social partners.

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APPENDICES

APPENDIX I: The Finnish Education and Training System

Pre-school education

Pre-school education is mainly given at day-care centres, which are run by the Ministry of Social Affairs and Health. It is not obligatory and its aim is to enhance the learning skills of children. The intention is to give all Finnish 6-year-olds the chance to receive pre-school education at day-care centres or comprehensive schools.

Comprehensive schools

Compulsory education in Finland begins in the autumn of the year, in which a child turns seven. There are about 60,000-65,000 children in this age group each year.

Comprehensive school lasts nine years. It is divided into a six-year lower stage and a three-year upper stage. A voluntary tenth year can also be provided, primarily for those school leavers who do not manage to get a place in further education. Most young people continue in upper secondary education after completing comprehensive school: in 1996, of comprehensive school leavers, 55% started upper secondary school the same year and 34% went to vocational institutions, 4% moved up to the 10th form of comprehensive school, whereas 7% did not continue studying straight after comprehensive school. Of ninth-formers at comprehensive school in 1996, 5% started at upper secondary school or in vocational education the following year. Consequently, about 94% continued in upper secondary level education in the same or the following year.

The aim of basic general education is to help young people to grow into good, well-adjusted people and citizens, and to provide them with the necessary skills and knowledge needed in life. Instruction should promote equality in society and give pupils the means to attain the skills needed in further education and to encourage them to continue developing throughout their lives.

Upper secondary schools

Upper secondary schools provide general education and continue the teaching function of comprehensive schools. Upper secondary education leads to the national matriculation examination and qualifies students for all higher education studies. There are no grade levels in upper secondary schools, which means that it is up to the students themselves to decide the order and pace of their studies within the limits of course supply and the maximum time allowed for completion of studies. The curriculum comprises 120 credits, or 'study weeks', and takes an average of three years to complete.

The matriculation examination is the general eligibility criterion for all post-secondary educational institutions. Almost 50% of those taking the matriculation examination continue their studies in higher education (universities or AMK institutions, i.e., polytechnics) and the rest opt for other further education or training, or enter the labour market.

The curriculum consists of compulsory and specialisation courses, which are common to all students. There are also elective applied courses that include combinations of different subjects, and other courses, which the schools can choose to include in their curriculum independently. The curriculum can also include courses that are taken in other institutions. Students can, for instance, choose courses from a vocational institution. The following subjects are studied at upper secondary schools: mother tongue (Finnish/Swedish/Sámi), foreign languages, mathematics, natural sciences, social studies, arts and subjects related to human values and beliefs.

Vocational education and training

The aim of vocational education is to continue the teaching function of comprehensive schools and upper secondary schools. Vocational education provides young people with a vocational qualification and the skills enabling them to maintain it and it qualifies them for further studies. The education provided by vocational institutions covers practically all branches of trade and industry.

The scope of vocational education is very broad and offers many alternatives for individual choice. The education consists of modules. It is developed in co-operation with trade and industry in order to meet the changing demands of society. A period of on-the-job training is a compulsory part of the studies. It gives students experience of work and working environments. A broad vocational education and an ability to learn new things help people succeed in an ever more demanding working life and to upgrade their vocational skills according to changing job assignments.

Modern society demands a lot of employees: a command of languages, mathematics, natural sciences, social studies and good communication skills. In addition, vocational education also underlines the following principles: entrepreneurship, global environmental awareness, and internationalisation. The aim of vocational education is also to promote the self-development of young people and to help them grow into well-adjusted adults and citizens.

Apprenticeship training

Both adults and young people can also acquire a vocational qualification through apprenticeship training. In apprenticeship training, vocational skills are learned while working, supplemented by theoretical studies. Apprenticeship training comprises both initial and further vocational training for adults and young people. The goal is that apprenticeship training will account for 20% of upper secondary level vocational training offered in Finland each year. The apprenticeship training given at work places leads to the same vocational qualifications as the ones given in upper secondary vocational institutions. About 24,000 Finnish students take part in apprenticeship training every year.

In 1999, there will be a total of 55,000 openings in vocational upper secondary education, including apprenticeship training, with adult education places accounting for about 7,500 or 14%.

AMK institutions (polytechnics)

There are 30 AMK institutions (1997) in Finland. This new system providing higher education, apart from the traditional universities, will be fully established by the year 2000. The AMK institutions provide training in the following sectors: renewable natural resources; technology and transport; administration and commerce; hotel and catering services and home economics; social and health care services; culture; and leisure activities and physical education.

The scope of the degree programmes leading to an AMK institution degree is usually 140 or 160 credits, or 'study weeks', about three and a half or four years of full-time study. The studies include a compulsory on-the-job training period of at least 20 credits. AMK institutions degrees will qualify students for expert and planning tasks in vocational fields.

In 1999, there will be a total of 29,600 openings at AMK institutions, of which adult education places account for 6,000 or 20%, leaving 23,600 places for young people. Correspondingly, there will be 20,800 openings at universities, with adult education places accounting for 1,800. The total number of openings for young people at institutions of higher education is 42,600. This is 66% of the average age group (64,500).

Apart from the degree programmes, the AMK institutions also provide adult education. They can also conduct applied research and development that serve education in AMK institutions and in trade and industry.

Universities

Finnish universities (both traditional multidisciplinary ones and higher education institutions specialised in a particular branch) engage in research and offer under- and postgraduate academic education up to the doctorate level. There are 20 universities in Finland with a total of about 140,000 students.

It is possible to acquire a lower academic degree, the Bachelor's degree, in almost all fields. It comprises at least 120 credits, which corresponds to three years of full-time study. The higher degree, the Master's degree, comprises a minimum of 160 credits and usually means at least five years of full-time study (two years on top of the Bachelor's degree). The Bachelor's degree is not available in the fields of medicine, dentistry and veterinary science.

The Bachelor's degree consists of general and subject studies in the major subject and studies in one or more minor subjects. In order to acquire the Master's degree, students have to include advanced studies in their major subject in their curriculum and complete a Master's thesis. After the Master's degree, it is possible to complete a Licentiate's degree and a Doctor's degree.

Universities also provide further short-term or long-term training in their continuing education centres for employees and university graduates. Their aim is to help people acquire new professional skills to enable them to meet the demands of a rapidly changing working life.

Open University education is a decentralised structure where universities together with other educational institutions provide education to adults irrespective of their domicile or educational background.

Admission to upper secondary and higher education institutions

The main way to apply for admission to upper secondary education institutions, such as upper secondary schools, vocational schools and folk high schools, and to AMK institutions in the higher education sector, is the national joint application system. Most students are selected on the basis of their school certificates and grades, but in some cases work experience or individual traits can also be taken into account. Different kinds of entrance examinations and aptitude tests are also used.

Admission to universities is based on school certificates and entrance examinations, which are compulsory in nearly all fields of study.

Adult education

The Finnish adult education system can be divided into two main sectors:

- liberal and general education
- vocational education and training

Liberal and general education

The history of 'liberal education' in Finland dates back more than a hundred years. Liberal education consists of folk high schools, study centres and summer universities that offer non-formal education for adults.

Adults can also complete a whole comprehensive school or upper secondary school course or individual subjects. The open university is currently a very popular form of adult education. Finns can also have their language skills tested in a special examination irrespective of how and where they have acquired their skills.

Vocational education and training

Vocational education and training is provided for adults who are or have been actively working. It comprises self-motivated training, labour market training, in-service training and apprenticeship training. Vocational institutions and vocational adult education centres offer upper secondary and higher level education for adults. At the beginning of studies, a personal study plan is drawn up for each student.

Self-motivated training gives adults the opportunity to develop their vocational skills independently of their employer. It is planned to serve the long-term educational needs of adults. The goals of self-motivated training leading to a qualification are usually the same as at vocational institutions for young people. Students can receive a national student grant to finance their studies. In the autumn of 1997, a reform was introduced in Finland allowing the long-term unemployed with good enough work records to continue to receive unemployment benefits even while training.

In-service training includes the largest number of participants in adult education. It serves the needs and requirements of industry. Employers finance this training, which is usually short-term.

The Finnish employment authorities provide a wide range of **labour market training** for their customers. It is practice-oriented and comprises basic, further and supplementary training. Special orientation courses on training and working life are also given. They are mainly targeted at unemployed adults and those at risk of losing their jobs. The courses are free of charge. Participants can receive a grant equalling their unemployment benefit during the training.

Competence-based vocational qualifications: Adults have the opportunity to obtain a formal vocational qualification through competence-based examinations irrespective of how they acquired their skills in the first place. No previous training or work experience is required in order to take the tests. There are three levels of qualifications to acquire: a vocational qualification shows that the person has a good command of the basic skills in the chosen field, a further vocational qualification shows that the person has the vocational skills required of a skilled employee, and a specialist vocational qualification shows that the person has a good command of the most demanding skills and knowledge in the chosen field.

APPENDIX II: Primary occupation of those aged 15-29 in 1990-1996

(Compiled by the Advisory Council for Youth Affairs, NUORA)

The following discussion presents a cross-section of young people's primary occupations in 1990-1996. The age groups have been divided into four mutually exclusive categories: gainfully employed, unemployed, students and others. The 'Others' category includes conscripts, those doing household work, disabled people, pensioners and people with no specific occupation. With regard to the unemployed, the percentage shows the proportion of unemployed people in the entire age groups, not the unemployment rate, which in turn means the proportion of unemployed people in the total labour force of the age group.

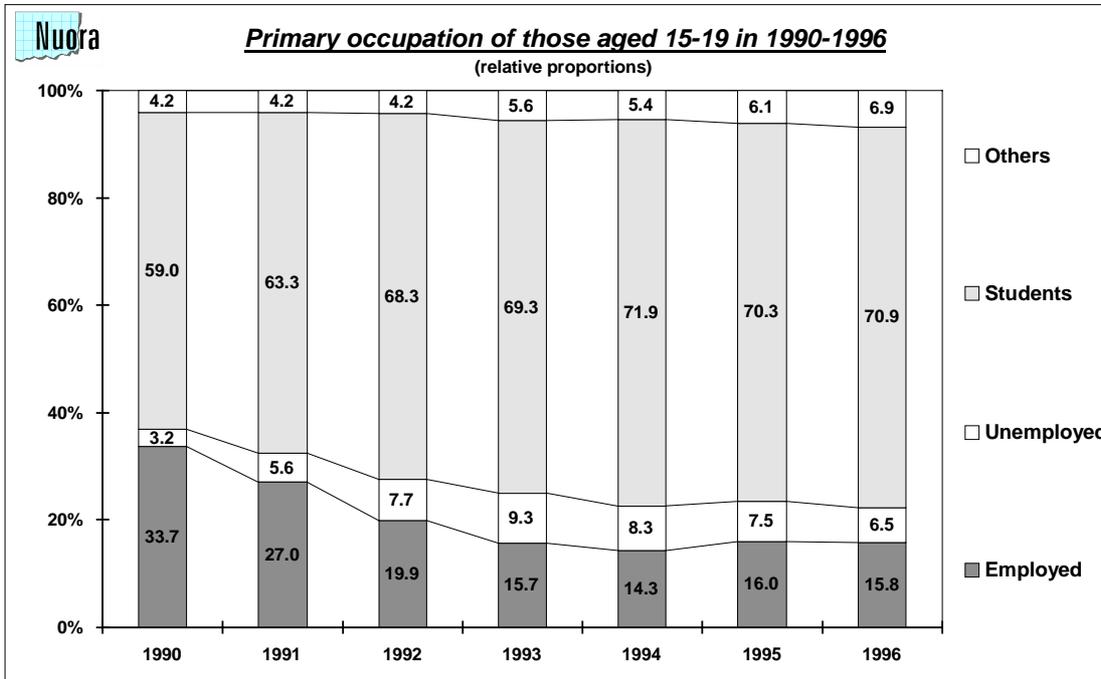
In 1990, based on figures from the Labour Force Survey, the total number of people aged 15-29 in Finland was 1,027,000. In 1996, the figure was 975,000, which means that the age group had decreased by about 52,000 people. There were approximately 20,000 more men in the 15-29 age group than there were women.

Primary occupation of those aged 15-19 in 1990-1996

In 1990, the 15-19 age group comprised approximately 302,000 people, whereas the figure for 1996 was about 326,000. The proportion of gainfully employed people dropped dramatically in this age group at the beginning of the decade. Whereas in 1990, about a third of the age group had jobs, the proportion of gainfully employed people since 1993 has been at a level of about 15%. The number of gainfully employed people decreased from 100,000 people to less than 50,000 people, and as late as during the last 12 months of the period, the number has dropped by about 1,000 people. Correspondingly, the proportion of students in the 15-19 age group has grown by about 12 percentage points (or approximately 53,000 people) during 1990-1996.

The proportion of unemployed people reached its peak in 1993 (9.3%), since when it has decreased by about three percentage points. The proportion of the 'Others' category in the age group has increased almost in proportion to the decrease in the amount in the unemployed category. The largest increase has been in the number of conscripts, but the figures for those in household work and those without a specific occupation have also grown.

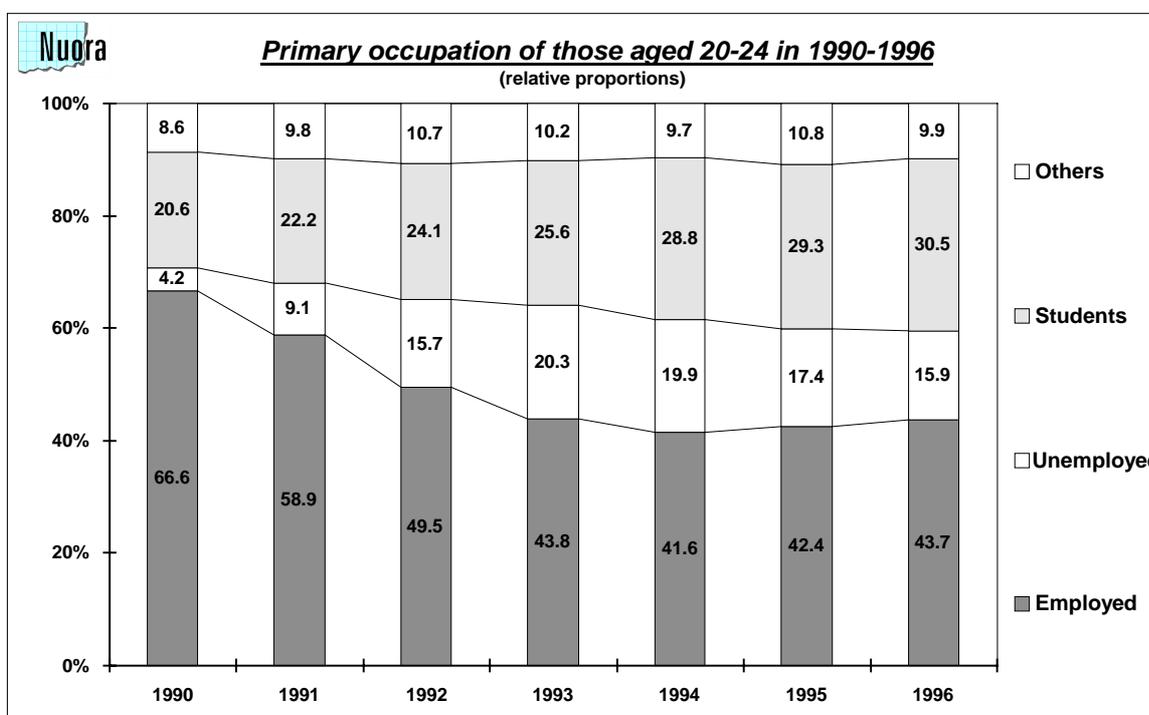
Table: Primary occupation of those aged 15-19 in 1990-1996



Primary occupation of those aged 20-24 in 1990-1996

In 1990, the 20-24 age group comprised approximately 348,000 persons, whereas the figure for 1996 was about 308,000. This age group also experienced a dramatic decline in the proportion of gainfully employed people at the beginning of the decade, amounting to about 25 percentage points. The number of gainfully employed people in the age group decreased by some 100,000 people between 1990 and 1994. During the last 12 months of the period, the number of gainfully employed people has grown by approximately 5,000.

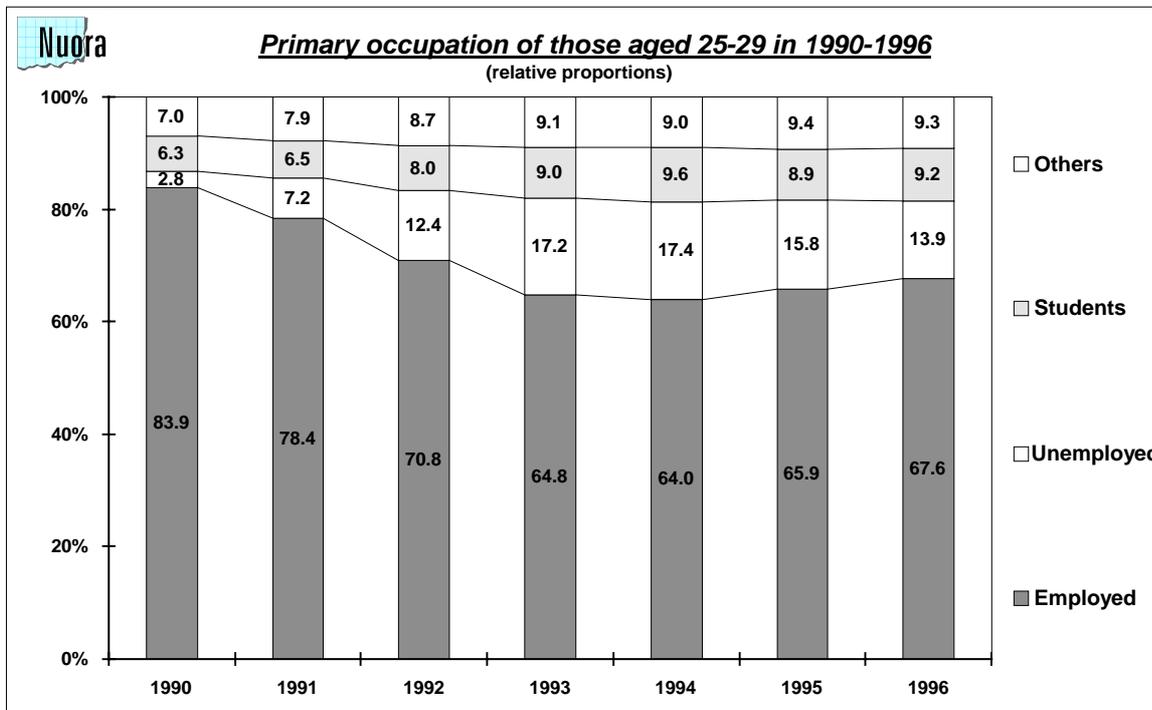
The proportion of unemployed people in the age group reached its peak in 1993 (20.3%), since when unemployment has dropped by just under five percentage points. In 1996, 49,000 people aged 20-24 were unemployed on average. The proportion of students increased by 10 percentage points during the period in question. The proportion of the 'Others' category remained at about 10%. The majority of these were either conscripts or people doing household work.



Primary occupation of those aged 25-29 in 1990-1996

In 1990, the 25-29 age group comprised approximately 376,000 people, whereas the figure for 1996 was about 341,000. Also this age group experienced a distinct decline in the proportion of gainfully employed people at the beginning of the decade, amounting to about 20 percentage points. The number of gainfully employed people in the age group decreased by some 80,000 people, and the decline in the number of gainfully employed people continued during the last two years, regardless of the slight growth in their relative proportions.

The proportion of unemployed people in the age group reached its peak in 1993 (17.4%), since when unemployment has dropped by about 3.5 percentage points. In 1996, 47,400 people were unemployed on average. The proportion of students increased by about three percentage points. The proportion of the 'Others' category grew by 2.3 percentage points. The majority of these were women doing household work.



APPENDIX III: Exclusion

Exclusion

Those excluded from education and working life, no post-lower secondary qualification

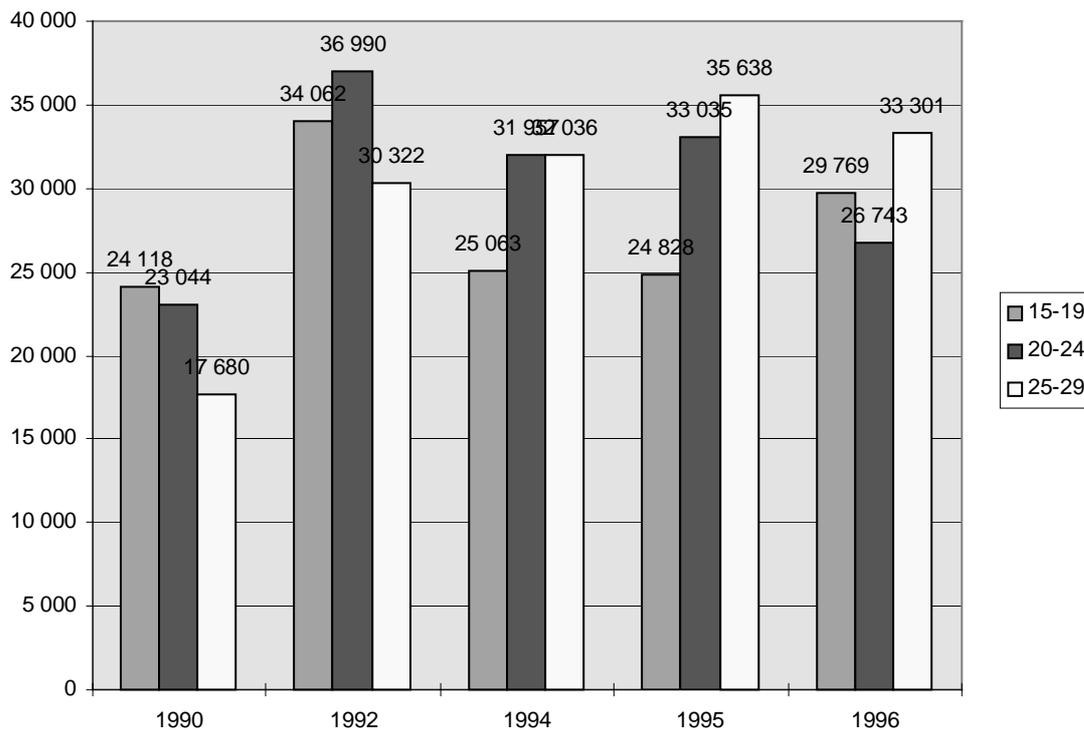
	15-19	20-24	25-29	15-29	15-64
1990	24 118	23 044	17 680	64 842	432 509
1992	34 062	36 990	30 322	101 374	528 894
1994	25 063	31 957	32 036	89 056	534 637
1995	24 828	33 035	35 638	93 501	530 268
1996	29 769	26 743	33 301	89 813	527 195

- females

	15-19	20-24	25-29	15-29	15-64
1990	9 802	8 928	8 739	27 469	220 169
1992	15 228	14 753	12 918	42 899	253 735
1994	10 342	13 397	14 589	38 328	257 988
1995	8 292	17 277	19 265	44 834	259 942
1996	9 633	15 392	18 164	43 189	258 978

- males

	15-19	20-24	25-29	15-29	15-64
1990	14 316	14 116	8 941	37 373	212 340
1992	18 834	22 237	17 404	58 475	275 159
1994	14 721	18 560	17 447	50 728	276 649
1995	16 536	15 758	16 373	48 667	270 326
1996	20 136	11 351	15 137	46 624	268 217



Proportion in the age group

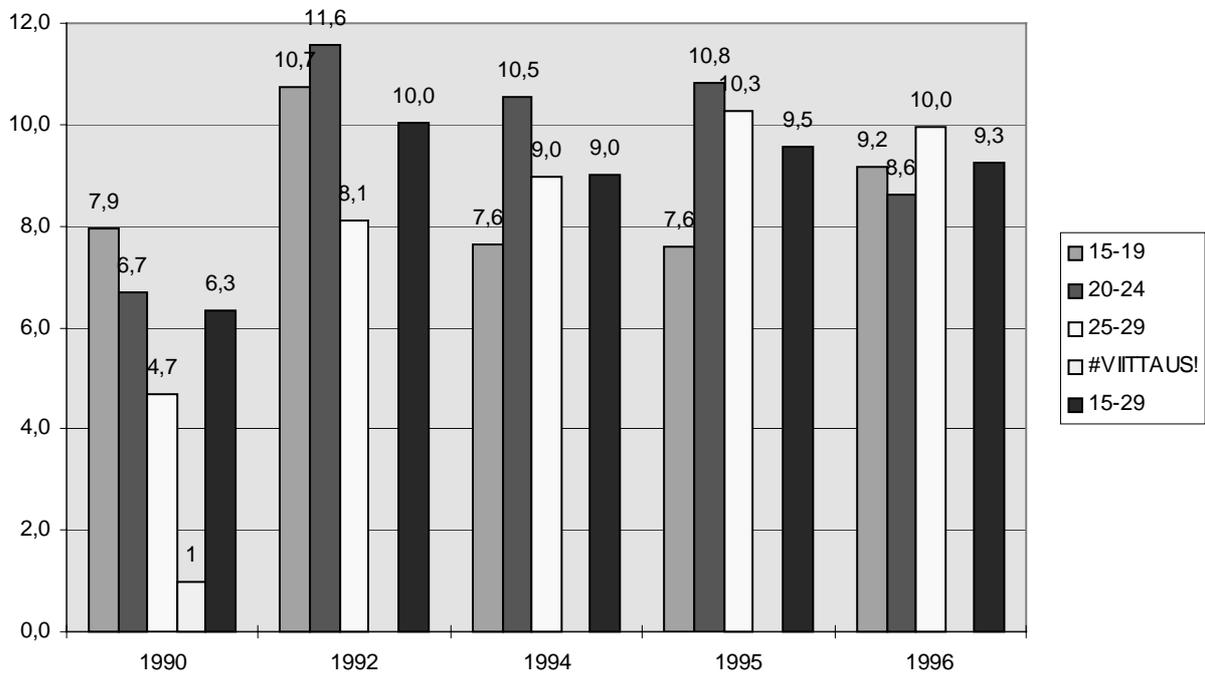
	15-19	20-24	25-29	15-29	15-64
1990	7,9	6,7	4,7	6,3	12,9
1992	10,7	11,6	8,1	10,0	15,6
1994	7,6	10,5	9,0	9,0	15,7
1995	7,6	10,8	10,3	9,5	15,5
1996	9,2	8,6	10,0	9,3	15,4

- females

	15-19	20-24	25-29	15-29	15-64
1990	6,6	5,3	4,7	5,5	13,2
1992	9,8	9,4	7,1	8,7	15,1
1994	6,4	9,0	8,3	7,9	15,3
1995	5,2	11,6	11,3	9,4	15,4
1996	6,0	10,2	11,1	9,1	15,3

- males

	15-19	20-24	25-29	15-29	15-64
1990	9,2	8,1	4,6	7,1	12,5
1992	11,6	13,6	9,1	11,3	16,1
1994	8,8	12,0	9,6	10,0	16,1
1995	9,9	10,1	9,2	9,7	15,7
1996	12,1	7,1	8,9	9,4	15,5



Age group size

All	15-19	20-24	25-29	15-29	15-64
1990	303 383	343 608	376 821	1 023 812	3 361 310
1992	317 075	319 454	374 213	1 010 742	3 391 451
1994	327 902	303 187	357 733	988 822	3 406 792
1995	327 118	305 051	347 131	979 300	3 412 639
1996	325 344	310 629	334 569	970 542	3 420 598

Females	15-19	20-24	25-29	15-29	15-64
1990	148 164	168 569	184 294	501 027	1 667 229
1992	154 803	156 320	183 184	494 307	1 679 879
1994	160 375	148 349	175 246	483 970	1 686 160
1995	160 110	149 043	170 085	479 238	1 688 499
1996	159 261	151 543	164 059	474 863	1 692 529

Males	15-19	20-24	25-29	15-29	15-64
1990	155 219	175 039	192 527	522 785	1 694 081
1992	162 272	163 134	191 029	516 435	1 711 572
1994	167 527	154 838	182 487	504 852	1 720 632
1995	167 008	156 008	177 046	500 062	1 724 140
1996	166 083	159 086	170 510	495 679	1 728 069