

Municipal Trial for the Reduction of Long-term Unemployment

21.11.2014 Pärnu
Sotsiaalministeeriumi konverents:
"Koostöös teenuste osutamise head praktikad"

General Secretary Erja Lindberg

Municipalities' statutory obligations

Statutory services and other obligations of municipalities

- Obligation to offer work opportunities to ageing employees (Act on public employment and business service 916/2012, Chapter 11 Sections 1 and 2)
- Regional obligation (Act on public employment and business service, Chapter 11 Sections 3 and 4).
- Rehabilitative work activities (Act on rehabilitative work activities 2001/189)
- Financing of labour market support (Unemployment Security Act 2002/1290)
- Health checks for the unemployed

Municipalities can also produce other, complementary services

Voluntary measures to promote employment

- Labour force service centres
- Projects
- Foundations
- Social firms
- Other third sector actors
- Supplementary pay subsidy for municipalities
- Work and on-the-job training opportunities
- Support for immigrants
- (Youth) workshops

Municipalities' multiple roles in combating unemployment

- Municipalities also offer pay-subsidised work, work-try-outs and on-the-job training for students
- New jobs can be created by developing economic policy and securing a favourable business environment
 - ➔ Sufficiently diverse local business structure
- Municipalities are important employers (430 000 employees, 10/2013)

The trial in the Government Programme

Goal and content

- In order to reduce long-term unemployment, a fixed-term trial lasting until the end of the parliamentary term will be initiated. During the trial, the management of employment will be transferred under the sole or joint responsibility of a municipality or municipalities after a period of 12 months of unemployment at the latest
- All unemployed people's personal chances of employment will be assessed and their progress actively monitored

Implementation

- The trial will be conducted in various types of municipalities
- Sufficient resources will be reserved for local authorities for this purpose.
- The organisation of activation services must provide incentives, with the share of central government resources increasing hand in hand with the services
- A separate assessment will be made on how municipalities in the Greater Helsinki Area could participate in such an operation model



The trial aims to:

- reduce long-term unemployment by increasing participation of the long-term unemployed in working life and by supporting their employability
- find new models of labour market integration based on local partnerships. In the planning of services that promote employability, the needs of unemployed jobseekers and the local labour market will be better matched

The role of the municipality:

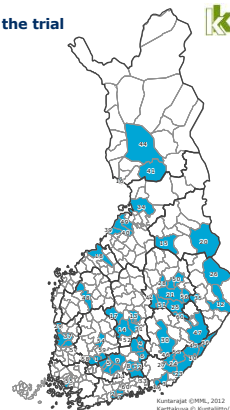
- to coordinate the provision of services for unemployed persons in the trial's target group, and to ensure that the range of services offered promote employability at local level
- to assess in cooperation with the Employment and Economic Development Office the trial target group's service needs, and to plan and monitor the service process

The role of the Employment and Economic Development Office:

- performs the tasks defined in the Act and the Decree on public employment and business service and in the Unemployment Security Act: interviews job-seekers, draws up and reviews employment plans, and makes the decisions concerning employment services

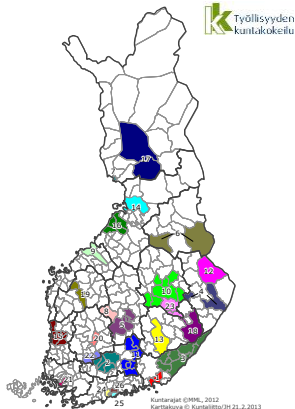
Municipalities participating in the trial

Akaa	1	Nastola	32
Esppoo	2	Orimattila	33
Hämeenlinna	3	Oulu	34
Hartola	4	Outokumpu	35
Hattula	5	Parkkila	36
Heinola	6	Pomarkku	37
Helsinki	7	Pori	38
Hollola	8	Pyhäjoki	39
Hämeenlinna	9	Raase	40
Jämä	10	Rausu	41
Järvenpää	11	Rautalampi	42
Juonpää	12	Rautjärvi	43
Jyväskylä	13	Rovaniemi	44
Jämsä	14	Ruokolahti	45
Kajaani	15	Savitaipale	46
Kemi	16	Savonlinna	47
Keuruu	17	Seinäjoki	48
Kokkola	18	Sillakajoki	49
Kotka	19	Sillinjärvi	50
Kuhmo	20	Suonenjoki	51
Kuusjo	21	Syvä	52
Lahti	22	Tahvakkari	53
Lappeenranta	23	Tampere	54
Lemi	24	Turku	55
Leppävirta	25	Tuusniemi	56
Lieska	26	Uvila	57
Luumäki	27	Urgala	58
Maaninka	28	Valkeakoski	59
Merikarvia	29	Vantaa	60
Mikkeli	30	Varkaus	61
Muurame	31		



Trial's projects

1) Hämeenlinna, Kotka
2) Hämeenlinna, Hattula, Janakkala
3) Imatra, Ruokolampi, Rautjärvi, Parikkala, Lappeenranta, Lemi, Savitaipale, Luumäki and Taipalsaari
4) Joensuu, Outokumpu
5) Jyväskylä, Jämsä, Muurame
6) Kajaani, Kuhmo
7) Kemi
8) Keuruu
9) Kokkola
10) Kuopio, Maaninka, Rautalampi, Sillinjärvi, Suonenjoki, Tuusniemi
11) Lahti, Hollola, Nastola, Heinola, Hartola, Sysmä, Orimattila
12) Lieksa
13) Mikkelä
14) Oulu
15) Pori, Merikarvia, Pomarkku, Uusikaupunki
16) Raahen, Pyhäjoki, Siikajoki
17) Rovaniemi, Ranua
18) Savonlinna
19) Seinäjoki
20) Tampere
21) Turku
22) Vaajakoski, Akaa, Urjala
23) Varkaus, Leppävirta
24) Espoo
25) Helsinki
26) Vantaa



Työllisyyden
kantakokeilu

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On the local level, the trial...

Työllisyyden
kantakokeilu

- helps to define regional strengths and potential development targets
- creates and strengthens local partnerships
- supports the creation of new models of labour market integration based on local partnerships
- develops practices to support transfer from the transitional labour market to the open labour market
- introduces practices to enable a more flexible and seamless transfer towards the open labour market, in stages, where necessary
- increases competence in managing employment

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On the national level, the trial....

Työllisyyden
kantakokeilu

- identifies best practices and procedures
- identifies the need for legislative amendments and changes in work practices
- creates indicators for assessing the effectiveness of services for those with low employability
- gathers experiences and information for making labour force service centres statutory and nationwide
- helps to clarify the division of responsibilities between local and central government in organising services for people with low employability
- contributes to the creation of a new Finnish model for employment management

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Trial's steering group

Työllisyyden
kantakokeilu

- Chair Tuija Santamäki-Vuori, State Secretary, Ministry of Employment and the Economy
- Päivi Kerminen, Senior Government Adviser, Ministry of Employment and the Economy
- Päivi Haavisto-Vuori, Senior Adviser, Ministry of Employment and the Economy
- Karl Ilmonen, Director, Ministry of Social Affairs and Health
- Reijo Vuorento, Deputy Director, Association of Finnish Local and Regional Authorities
- Jorma Viitala, Benefits Manager, Social Insurance Institution of Finland
- Rauno Vanhanen, Director, Federation of Finnish Enterprises
- Mikko Räsänen, Adviser, Confederation of Finnish Industries
- Erkki Laukkanen, Economist, Central Organisation of Finnish Trade Unions
- Ralf Sund, Chief Economist, Finnish Confederation of Professionals
- Tero Ristimäki, Chair, Talentia Union of Professional Social Workers
- Anna Järvinen, Special Adviser, SOSTE Finnish Society for Social and Health
- Jukka Haapakoski, President, Finnish National Organisation of the Unemployed

Secretaries:

- Hanna Liski-Wallentowitz, Senior Adviser, Ministry of Employment and the Economy
- Erja Lindberg, General Secretary, Association of Finnish Local and Regional Authorities

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Working sub-committee



Chair:

Päivi Kerminen, Senior Government Adviser, Ministry of Employment and the Economy

Members:

Päivi Haavisto-Vuori, Senior Adviser, Ministry of Employment and the Economy

Eveliina Pöyhönen, Ministerial Councillor, Ministry of Social Affairs and Health

Marjaana Pajunen, Coordinator, Social Insurance Institution of Finland

Ellen Vogt, Senior Adviser, Association of Finnish Local and Regional Authorities

Erja Lindberg, General Secretary, Association of Finnish Local and Regional Authorities

Secretary:

Hanna Liski-Wallentowitz, Senior Adviser, Ministry of Employment and the Economy

Trial monitoring



- 1) Structural unemployment
 - region's unemployment rate
 - number of long-term unemployed and people with low employability and their proportion of the country's total unemployed

A statistical system for monitoring the employment and economic development administration

- 2) Client processes
 - The joint client information system (TYPPI) is primarily used
 - Data and standard statistics from the Employment services information system (URA) are needed for monitoring
 - When necessary, reports are ordered from AHTI (Regional Administration Information Management Unit) or from Netum (service company)



The working sub-committee extracts monitoring data from the statistical system and reports to the trial's steering group twice a year

- the data from January to February is published in August-September
- the data from July to December is published in February-March

Projects will receive summarised data from the statistical system as the data is produced



Follow-up study

- The study generates qualitative data
- The study helps to assess the changes effected by the trial
- The study should describe any services and operating procedures that have been introduced and developed under the trial
- The follow-up study should establish whether the operating procedures and tools developed under the trial will help reduce long-term unemployment
- The final report is issued in March 2015

Effectiveness of employment services for the long-term unemployed



- ✓ Desired positive effects on the client's situation
- ✓ Employment services support clients in finding employment
- ✓ In the case of the long-term unemployed, focus will be on the improvement of their functional capacity and working ability

Project objectives, tasks and implementation

- What?** an indicator describing the work ability and functional capacity of the working-age population (cf. RAVA functional test for elderly people)
- Why?** 1) to measure the effectiveness of employment services offered to the long-term unemployed
2) to guide clients to services
- One of the proposals included in the report on the transitional labour market (Reports of the Ministry of Employment and the Economy 7/2013):
"A 'RAVA index' (used in elderly care) will be created to measure working ability and to guide clients to services best suited to their individual needs. The index is used when making decisions on pay subsidies"
- For whom?** 1) labour force service centres (TYP)
2) service providers
- How?** an indicator will be created by the Association of Finnish Local and Regional Authorities to be piloted in 17 projects as part of the municipal trial

Trial priorities



The projects are very different and, accordingly, they prioritise their development tasks differently. While launching a range of services, each project will single out one higher priority and development target

Theme	Goal
Methods and services	Development of methods and processes
Operating environment and service concept	Division of tasks between different players in the field
Client processes and service guidance	Client guidance according to service needs
Cooperation with businesses	Increased cooperation with businesses

Facts about the trial and expectations



- The tasks of the Employment and Economic Development Office have not been transferred to the municipalities
- The trial focuses on promoting cooperation between the local authorities and the Employment and Economic Development Offices. It also supports better integration of the services provided by the Employment and Economic Development Offices and the municipalities to improve the job prospects of the long-term unemployed
- The municipalities participating in the trial are one step ahead of those not involved. The trial offers a sound basis for the introduction of labour force service centres in 2015
- The trial is not merely about labour exchange. Clients should not be chosen exclusively on the grounds of being directly ready to be placed to work for businesses



- The goal to cooperate with the business sector means that the trial should generate models of cooperation with businesses for provision of work try-outs and employment opportunities for the long-term unemployed
- The trial does not seek quick fixes but sustainable solutions. Its effectiveness is not measured only by the reduced number of labour market subsidy recipients. Services should be appropriately tailored to meet the service needs of clients and to improve their employment prospects
- Even though it is unlikely that every long-term unemployed person can be secured employment in the open labour market, they should be given a chance to try to re-enter the labour market
- The trial results will also tell about the state of local cooperation
- The trial gives valuable hands-on experience about services and practices that work well. We cannot always succeed, but it is always worth a try!!!

Source: Letter of information 6 November 2013

The trial's main aim is to find synergies and make use of different competencies through cooperation !



Trial distributes information via a newsletter



Tööhöive alane uurimus on kokkuvöte tööhöive tagamise parimatest meetmetest ühistegevuse edendamisel ja teenuste loomisel

Employment promotion 'recipes'



- Identify and draw attention to the good operation models and best practices developed and used in trial projects
- Themes:
 - Know the field of employment
 - Involve customers in service development
 - Take account of social criteria in public procurement
 - When Jack found his own path..
 - Speed up corporate cooperation
 - Minding our own business- or better together?
- The handbook gives a short description of each best practice, of both its benefits and draw-backs
- In addition, the sections **True or false?** and **Better not try this!**

Alarming trends !

Negative employment trend. Slow-growth economy will not generate new jobs. Services are strained to the limit and resources are scarce

Growing structural unemployment. Prolonged unemployment, increasing service needs and the municipalities' proportion of labour market subsidy expenditure will continue to increase

Labour force service centres to become permanent and have wider coverage

- Labour force service centres are service outlets that are run together by the Employment and Economic development administration, municipalities and the Social Insurance Institution
- These centres offer services for those whose access to employment is difficult
- At present, there are 38 labour force service centres, with 124 municipalities involved
- Working group proposal for the new model was drawn up in February 2014 and a government proposal was submitted in autumn 2014
- A new model of operation to be introduced in 2015

Issues solved when planning the new model

- What are the experiences in the other Nordic countries?
- Geographical coverage ?
- The impact of various future reforms?
- One or several models?
- Network or a more fixed model?
- Goals, tasks, services ?
- Client relationship criteria ?
- Division of responsibilities ?
- Management ?
- Resources ?

How will responsibilities, power and resources be divided in the future?

- Labour force service centres will become permanent
- Municipalities will be responsible not only for the provision of social and health services but also, in a manner to be agreed upon separately, for services promoting employment
- Municipalities will be given more responsibility for the income security of the long-term unemployed and possibly also for service provision
- Rehabilitative employment practices will be renewed alongside other services promoting work life participation
- A topic of discussion that has recently emerged is whether more active participation should become a condition for entitlement to social security. However, its role is still unclear

What have we learnt?



1. Employment matters should be made easy to grasp, and decision-makers need to be kept informed
2. A long-term, comprehensive approach to employment matters works best
3. It is in everyone's interest to build a nationwide network for exchanging experiences
4. Patience, long-term commitment, courage, innovation, stamina and a sense of humour are the key!
5. The goal in successful cooperation is not to think alike, but to think together!



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Minister of Labour **Lauri Thalainen**
4.11.2014, Helsinki