COUNTRY FICHE: FINLAND

PES NAME: The Finnish Public Employment Service (TEM)

Basic organisational model

Type of organisation/relation to government

Public corporation subject to the control of the Ministry of Employment and the Economy.

Structure and organisational levels

- 15 Centres for Economic Development, Transport and the Environment (ELY);
- 74 Employment and Economic Development Offices (TE offices).

Management structures and the role of social partners

- Management: TEM is managed by a matrix organisation inside the Ministry of Employment and the Economy, which comprises five departments.
- Supervision: The parliament approves the annual budget of the Ministry of Employment and its main business objectives and targets. The Ministry of Employment and the Economy allocates the resources and targets to the ELY centres.
- Social partners: Social partners involved at the ministerial level in the work of the Council for Labour, Training and Economic Development which deals with a wide range of national polices on working life, employment, education, training and economic development. There is also a tripartite Flexicurity Working Group headed the Minister of Employment, whose task is to investigate issues on labour market transitions, labour law and the quality of working life. Social partners are often involved in other temporary and informal working groups. The role of social partners is advisory at all levels and in all the groups.

Financing model

PES financing by source, Euro (million)

	Expenditure (EUR million)						Change 2010-2011 (%)		
	2010			2011 (forecast)					
Source of funding (%)	Total Budget	Operating costs	ALMP	Total Budget	Operating costs	ALMP	Total Budget	Operating costs	ALMP
Total	690 (100%)	160	530	630 (100%)	160	470	-9%	0%	-11%
Social security contributions									
Government and other public funding	690 (100%)	160	530	630 (100%)	160	470			
ESF									
Other EU Funding									
EURES									
PES own revenues									
Other									

Human resources

PES human resources. Date of observation: N/A

	Number of staff	% directly servicing clients
Total	**3.920**	77%
Head office	130	(TEM 604)
Regional offices	380	
Local offices	3.630	86%

Note: 3.000 employees in the local offices service clients directly.

Integration of employment services and benefit payments

Unemployment and related benefits:

- TEM is responsible for initial registration of benefit claimants, which is mandatory, and for the ongoing monitoring of eligibility criteria. Benefit payments are dealt with, either by the PES, through unemployment funds, or by the Social Insurance Body (Kela).

Other social benefits:

- N/A.

Clients/Customers

Jobseekers. Date of observation: January 2011

Jobseeker client groups	Number	%
Total number of jobseekers	493.393	
Total number of unemployed jobseekers	266.111	
Women	108.418	41%
Men	157.693	59%
Under 25	33.543	13%
Over 50	100.057	38%
Long term unemployed	58.706	22%

Jobseekers are categorised into three main groups: clients who can enter the labour market with only self-service, individual or group job-search support, clients in need of training or other active measures and clients who need multiple forms of support. Conventional socio-demographic characteristics such as gender, age, disability, ethnicity and other (region, offices) are recorded for all clients.

Employers. Date of observation: N/A

Employer customers are divided by TEM into 5 categories: start-up entrepreneurs and inventors, enterprises working in local markets, enterprises working in the Finnish market, growing and internationalising enterprises, and big companies.

Employer client groups	Numbers	%
Start-up entrepreneurs and inventors	8.000	15%
SME Enterprises working in local markets	30.000	40%
SME Enterprises working at Finland's market	30.000	40%
Growing and internationalizing enterprises	300	3%
Big companies	200	2%

Note: Figures are rough estimates.

Other clients

- N/A

Types and methods of service provision

Services for jobseekers

- Individual counselling, job clubs, training, educational and vocational guidance, supported work and work trials;
- General information on the TEM service provision is available on the internet and the CV database;
- Start-up counselling in order to favour the self-employment.

Services for employers

- Recruitment services, including publishing vacancies on the Internet, searching suitable candidates and introducing applicants to employers;
- Special labour market training programmes (joint training procurement with employers for recruitment, dismissals and updating skills)
- The change security scheme for mass layoffs;
- Special chargeable services for employers (attitude assessment, relocation coaching, employee leasing etc.)

Job vacancies and market share

Collecting information on job vacancies

Methods used to collect vacancies include information provided on the Internet or direct transfers from the Employer's HR system, visits to employers, telephone contacts, campaigns, etc. Information is regularly updated through statistics provided by Statistics Finland and by recourse to the TEM register concerning new vacancies, positions filled and extent of labour shortages.

Vacancies and referrals

2010: 470.000 notified vacancies, of which 424.800 were filled by TE offices' mediation with 31% going to jobseekers who hasd registered with the PES. Altogether 90% of the vacancies were filled during the year (this figure includes also vacancies filled directly on the Internet).

Matching of supply and demand

TEM regularly monitors the mismatches between demand and supply of labour by recourse to quarterly research carried out by Statistics Finland, based on telephone interviews.

Market share

TEM's market share was 60% in 2010. This includes all the vacancies filled searching for candidates outside the company: 60% of those have been published by PES according to a research conducted quarterly by the Finnish Statistical Agency. The research is done by recourse to the TEM register concerning new vacancies, positions filled and extent of labour shortages.

Method: Share of open public work-placement vacancies mediated by PES offices.

Active labour market policies

LMP Services

Name of measure	Brief description	Delivery
Placement, job clubs several other group services	Placement on the internet and placement support .	PES
Vocational and career guidance	Provided by PES career guidance psychologists.	PES
Vocational rehabilitation	Counselling service with special advisors and activities.	PES
Information service on training and education	Open counselling service (individual or on the internet) to all citizens, no need to be registered with the PES.	PES
Multi-professional services together with municipalities to the most vulnerable groups	Labour force service centres run by the local PES and municipalities provide an individually tailored range of services (employment services, career guidance, healthcare, social services to the most vulnerable groups). Often the interviews have been done together with expert from different expertise.	PES & municipality, some services, also from outside

LMP Measures

Name of measure	Category	Brief description	Delivery
Labour market training	2	PES can purchase all kinds of training and education which has been financed as labour market training.	
Start up incentives	7	For unemployed and employed.	
Supported employment	5	PES-subsidised jobs in the private, public or third sector.	
Job rotation an job sharing	3	Income support for those accepting to leave employment for 3-9 months to avoid lay-offs.	
Work trials on the work place and in sheltered work.		For young people and people who are changing their job.	
Rehabilitation		Special counselling and support.	

Cooperation/partnership

External providers selected on the basis of tendering procedures are involved in the delivery of ALMPs. TEM has total control over all labour market training programmes, subsidies on salary costs, and the provision of vouchers.

Evaluation

Evaluation is incorporated in the design of the ALMP programmes and is conducted by different research institutes and universities.

Management logic and performance measurement

Planning process

The main objectives and targets are established following the key priorities of employment and entrepreneurship policy decided at Ministerial level. Both regional and local offices can make proposals to influence government decisions, within the framework of management by objectives.

Types of objectives and targets

Targets for 2011 cover four main areas of activity:

- Long-term growth in employment and productivity;
- Preventing growth in unemployment;
- Promoting entrepreneurship and supporting the growth and internationalisation of companies;
- Finding a job quickly, solving labour market mismatches, and ensuring the availability of skilled labour.

Some indicators measuring those targets within PES in 2011 are, for instance:

- Jobseekers unemployed 3 months after labour market training max %;
- Jobseekers unemployed 3 months after supported work max %;
- Unemployment periods will not last over 3 months (the flow to unemployment over 3 months max %, the same indicator concerning young jobseekers;
- Quality of services, how many % of employers and jobseekers consider PES services very satisfied or satisfied;
- The % of employers who have experienced recruitment problems, max %;
- The number of structural unemployed (long term, and or many times unemployed during 2 years.

Monitoring

The statistical follow-up on quantitative targets is carried out at least once a month by the Ministry of Employment and the Economy through regular statistics. Thanks to this constant monitoring, resources can be quickly transferred from one area to another during the year, if it is considered necessary. The executive committee of the Ministry's Employment and Entrepreneurship Department analyses and discusses TEM's performance based on the results of monitoring.

Lean management

N/A.