

## *Executive summary*

Finland's education system ranks consistently among the best in the OECD, but inefficiencies in employment and social policies are hampering a smooth transition into the labour market for a considerable share of the youth population. The youth employment rate is slightly above the OECD average but markedly below those in other Nordic countries, while youth unemployment is only slowly recovering from a series of economic shocks that affected Finland in the past decade. With a strong demand for high-skilled workers and persistent shortages in high-skilled jobs, low-skilled youth encounter particular difficulties in the Finnish labour market. Those who failed to complete upper secondary education account for nearly half of all youth who are not in employment, education or training (the so-called NEETs).

Despite the outstanding performance of the education system, there is room to raise completion rates in upper secondary education, especially among vocational students. A recent reform of the vocational upper secondary education system introduced many promising changes, but some additional adjustments could boost the pay-offs of these reforms. It is essential to better engage employers and to support them with the tasks of offering workplace learning. To ease the transition from upper secondary to tertiary education and provide the labour market with the necessary skilled workforce, Finland would also need to reform the highly selective admission procedures for tertiary education and expand its capacity.

Finland has one of the most generous benefit systems for young people among OECD countries. The wide range of benefits and services help young people face economic and labour market challenges, but they also create considerable disincentives to seek work and leave benefit. The benefit system is complex and disjoint, with no direct connection between different types of payments and the limited connection between benefits and employment services hinders the implementation of a stronger activation regime.

The coming years will therefore be critical for Finland and the government must make every effort to streamline the benefit system and strengthen activation for young jobseekers. The planned but currently halted administrative and regional government reform (the so-called SOTE reform) is not making these challenges easier as it would reinforce the disconnection between benefits (a national matter) and employment and other services (a regional matter).

### **Key policy recommendations**

- Prevent school dropout by ensuring sufficient support for students with additional needs, introducing cross-age peer counselling and raising the compulsory schooling age.
- Reach out to early school leavers by ensuring that youth in all regions are adequately served by youth support networks and developing digital services to reach young people in distant areas.

- Ease the transition from upper secondary to tertiary education by reforming the highly selective tertiary education admission system, expanding the capacity of the higher education system, and adjusting the study financial aid system if needed.
- Improve the pathway from vocational education to employment by promoting collaboration with employers and developing short-cycle postsecondary vocational programmes for upper secondary graduates.
- Address the fragmentation of the social protection system by streamlining the benefit system, removing disincentives to work, and revisiting the child home care allowance.
- Strengthen the activation of benefit recipients and the effectiveness of active labour market programmes.
- Strengthen the provision of integrated services by increasing the resources and impact of the Ohjaamo centres, evaluating available programmes and new initiatives, developing a multi-sectoral joint service and providing mental health training to caseworkers.
- Revise the administrative and regional government reform to tackle the fragmentation and activation challenges, and consider a gradual transition based on other countries' experiences with the outsourcing of public health, social and employment services.



**From:**  
**Investing in Youth: Finland**

**Access the complete publication at:**  
<https://doi.org/10.1787/1251a123-en>

**Please cite this chapter as:**

OECD (2019), "Executive summary", in *Investing in Youth: Finland*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/c39d62e3-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).