

PARLIAMENTARY POLICY APPROACHES FOR REFORMING
CONTINUOUS LEARNING

COMPETENCE SECURES THE FUTURE

PUBLICATIONS OF THE FINNISH GOVERNMENT 2022:2

vn.fi/en



FINNISH
GOVERNMENT

Publications of the Finnish Government 2022:2

Competence secures the future

Parliamentary policy approaches for reforming continuous learning

Finnish Government

ISBN PDF: 978-952-383-531-3

Layout: Government Administration Department, Publications

Helsinki 2022

Description sheet

| | | | |
|---|---|-------------------|-----------|
| Published by | Finnish Government | 7 January 2022 | |
| Authors | | | |
| Title of publication | Competence secures the future. Parliamentary policy approaches for reforming continuous learning | | |
| Series and publication number | Publications of the Finnish Government 2022:2 | | |
| ISBN PDF | 978-952-383-531-3 | ISSN (PDF) | 2490-0966 |
| Website address (URN) | https://urn.fi/URN:ISBN:978-952-383-531-3 | | |
| Pages | 53 | Language | English |
| Keywords | continuous learning, lifelong learning, adult education, world of work, competence | | |
| <p>Abstract</p> <p>Focusing on continuous learning is the best safeguard in the midst of the transformation of work, technological advances and global change. The aim is to reform the continuous learning system to meet the needs of the future. The parliamentary group identifies ways and support measures that can help ensure that the development of competence becomes a natural part of work or entrepreneurship for more and more people. Everyone's strengths and competence should be identified. Continuous learning needs to be a strategic part of the activities of organisations. Competence in SMEs and for sole entrepreneurs will be supported through networks.</p> <p>The service system for continuous learning will be reformed. Key measures include increasing the provision of education that takes into account different life situations as well as the needs of the world of work, and strengthening the structures of the bond between work and competence. The digital solutions to be introduced by 2023 will form the framework and platform for the services in continuous learning. Guidance will make it easier to reach out to different target groups at work and outside work. Foresight and its utilisation will be improved.</p> <p>The benefits that people are entitled to will also be examined. Better opportunities for unemployed people to study without losing their unemployment benefit should be possible. In addition, the possibility to extend the maximum support period for independent studies supported by unemployment benefit will be examined in cases where the person has not completed a degree after comprehensive school. When developing student financial aid, an assessment will be made into the possibilities of reorganising it so that it would better support continuous learning. The needs of under-represented population groups in education will be taken into account in all the measures.</p> | | | |
| Publisher | Finnish Government | | |
| Distributed by/ Publication sales | Online version: julkaisut.valtioneuvosto.fi Publication sales: vnjulkaisumyynti.fi | | |

Kuvailulehti

| | | |
|--------------------------------------|--|------------------------------|
| Julkaisija | Valtioneuvosto | 7.1.2022 |
| Tekijät | | |
| Julkaisun nimi | Osaaminen turvaa tulevaisuuden. Jatkuvan oppimisen parlamentaarisen uudistuksen linjaukset | |
| Julkaisusarjan nimi ja numero | Valtioneuvoston julkaisuja 2022:2 | |
| ISBN PDF | 978-952-383-531-3 | ISSN PDF 2490-0966 |
| URN-osoite | https://urn.fi/URN:ISBN:978-952-383-531-3 | |
| Sivumäärä | 53 | Kieli englanti |
| Asiasanat | jatkuva oppiminen, elinikäinen oppiminen, aikuiskoulutus, työelämä, kompetenssi | |
| Tiivistelmä | <p>Jatkuva oppiminen on paras turva työn, teknologian ja maailman muutoksissa. Tavoitteena on jatkuvan oppimisen järjestelmän uudistaminen vastaamaan tulevaisuuden tarpeita. Parlamentaarinen ryhmä nimeää keinoja ja tukitoimia, joilla voidaan vaikuttaa siihen, että osaamisen kehittämisestä tulee entistä useammalle itsestään selvä osa työtä tai yrittäjänä toimimista. Jokaisen vahvuudet ja osaaminen tulee tunnistaa. Jatkuvan oppimisen tulee olla organisaatioissa strateginen osa toimintaa. Pk-yritysten ja yksinyrittäjien osaamista tuetaan verkostojen kautta.</p> <p>Jatkuvan oppimisen palvelujärjestelmä uudistetaan. Keskeisiä toimia ovat elämäntilanteen ja työelämän tarpeet huomioon ottavan koulutustarjonnan lisääminen ja työn ja osaamisen liiton rakenteiden vahvistaminen. Vuoteen 2023 mennessä käyttöön otettava digitaalinen kokonaisuus muodostaa jatkuvan oppimisen palvelujen rungon ja alustan. Ohjauksella vahvistetaan eri kohderyhmien tavoittamista työssä ja sen ulkopuolella. Ennakointia ja sen hyödyntämistä parannetaan.</p> <p>Myös etuuksia tarkastellaan. Työttömillä tulisi olla nykyistä paremmat mahdollisuudet opiskella työttömyysetuutta menettämättä. Lisäksi arvioidaan työttömyysetuudella tuettujen omaehtoisten opintojen enimmäistukiajan pidentämistä silloin, jos peruskoulun jälkeinen tutkinto puuttuu. Opintotuen kehittämisen yhteydessä arvioidaan mahdollisuuksia kehittää sitä tukemaan nykyistä paremmin jatkuvaa oppimista. Koulutuksessa aliedustettujen ryhmien tarpeet huomioidaan kaikissa toimenpiteissä.</p> | |
| Kustantaja | Valtioneuvosto | |
| Julkaisun jakaja/ myynti | Sähköinen versio: julkaisut.valtioneuvosto.fi Julkaisumyynti: vnjulkaisumyynti.fi | |

Presentationsblad

| | | |
|--|---|---------------------------|
| Utgivare | Statsrådet | 7.1.2022 |
| Författare | | |
| Publikationens titel | Kompetens ger trygghet i framtiden. Riktlinjer för den parlamentariska reformen av kontinuerligt lärande | |
| Publikationsseriens namn och nummer | Statsrådets publikationer 2022:2 | |
| ISBN PDF | 978-952-383-531-3 | ISSN PDF 2490-0966 |
| URN-adress | https://urn.fi/URN:ISBN:978-952-383-531-3 | |
| Sidantal | 53 | Språk engelska |
| Nyckelord | kontinuerligt lärande, livslångt lärande, vuxenutbildning, arbetsliv, kompetens | |
| Referat | <p>Kontinuerligt lärande är den bästa tryggheten vid förändringar i arbetet, tekniken och världen. Målet är att reformera systemet för kontinuerligt lärande så att det ska möta framtida behov. Den parlamentariska gruppen tar upp sätt och stödåtgärder som kan bidra till att kompetensutvecklingen blir en självklar del av arbetet eller företagandet för allt fler människor. Vars och ens styrkor och kunnande ska identifieras. Det kontinuerliga lärandet ska vara en strategisk del av organisationernas verksamhet. Små och medelstora företag och ensamföretagare får stöd för sitt kunnande genom nätverk.</p> <p>Systemet för tjänster inom kontinuerligt lärande ska reformeras. Viktiga åtgärder är att öka utbudet av utbildning som beaktar livssituationen och arbetslivets behov samt att stärka arbets- och kompetensstrukturerna. Den digitala helhet som ska införas före 2023 bildar en ram och plattform för tjänster för kontinuerligt lärande. Genom handledning stärks möjligheterna att nå olika målgrupper i och utanför arbetet. Prognostiseringen och tillämpningen av den förbättras.</p> <p>Även förmånerna ses över. Arbetslösa bör ha bättre möjligheter än i dag att studera utan att förlora arbetslöshetsförmånen. Vidare bedömer man om den maximala stödtiden för frivilliga studier som stöds med arbetslöshetsförmån kan förlängas om man inte har någon examen efter grundskolan. I samband med att studiestödssystemet utvecklas bedöms möjligheterna att utveckla systemet så att det bättre än i dagsläget stöder det kontinuerliga lärandet. I alla åtgärder beaktas de i utbildning underrepresenterade gruppernas behov.</p> | |
| Förläggare | Statsrådet | |
| Distribution/ beställningar | Elektronisk version: julkaisut.valtioneuvosto.fi Beställningar: vnjulkaisumyynti.fi | |

Contents

| | | |
|----------|---|-----------|
| 1 | Preparation of the continuous learning reform | 9 |
| 2 | On continuous learning | 13 |
| 3 | Current continuous learning system and its funding | 15 |
| 4 | Current challenges and needs for change | 17 |
| 4.1 | OECD assessment of Finland's continuous learning system and its challenges | 17 |
| 4.2 | Change in the world of work and demographic structure | 19 |
| 4.2.1 | Technological development changes one in three tasks and services are transferred online | 19 |
| 4.2.2 | The employment rate of those who have completed only basic education is low and continues to decline | 20 |
| 4.2.3 | Smaller age groups are replacing current workforce | 21 |
| 4.2.4 | Population development requires an increase in immigration and immigration requires investments in competence | 22 |
| 4.3 | Competence and participation | 23 |
| 4.3.1 | Finns have world-class competence and participation | 24 |
| 4.3.2 | The number of people of working age with a low level of skills is high | 24 |
| 4.3.3 | Competence development is strongly accumulated | 26 |
| 4.3.4 | On-the-job learning | 26 |
| 4.4 | People of working age in the education system | 27 |
| 4.4.1 | Public funding for education is focused on degree education utilised by employed people | 27 |
| 4.5 | Matching | 29 |
| 4.5.1 | Labour market mismatch may slow down economic recovery | 29 |
| 4.5.2 | Foresight data is produced by many, but utilisation mechanisms are partly poor | 30 |
| 5 | Vision and goals | 33 |
| 6 | Reform policies and progress | 36 |
| 6.1 | Continuous learning as part of the world of work | 36 |
| 6.1.1 | Development of a learning work community | 36 |
| 6.1.2 | Recognition and accreditation of competence | 38 |
| 6.1.3 | Closer link between the world of work and the education system | 39 |

| | | |
|-------|--|----|
| 6.2 | Creating a service system for continuous learning | 40 |
| 6.2.1 | Reform of education provision | 40 |
| 6.2.2 | Systematic and comprehensive development and better utilisation of anticipation..... | 42 |
| 6.2.3 | Developing the service processes for learners and jobseekers..... | 44 |
| 6.2.4 | Utilising the opportunities of digitalisation..... | 45 |
| 6.2.5 | Strengthening the bond between work and competence | 47 |
| 6.3 | Ensuring the accessibility of continuous learning..... | 48 |
| 6.3.1 | Comprehensive development of guidance | 48 |
| 6.3.2 | Outreach activities and communications | 50 |
| 6.3.3 | Developing benefits to support continuous learning | 51 |

1 Preparation of the continuous learning reform

The reform of continuous learning will respond to people's lifelong need for upskilling and reskilling. The reform prepared in Parliament is included in Prime Minister Marin's Government Programme

The government programme outlines the content of the reform as follows:

- This comprehensive reform will apply to each point of the educational pathway at which the educational system interfaces with the provision and funding of education, social security, relocation security, unemployment security, independent and labour market training, and recognition of prior learning.
- At each level of education, we will develop the activities, guidance and funding with a view to creating a comprehensive national system of diverse continuous education that focuses on meeting the needs arising in the world of work.
- Drawing up national principles for identifying and recognising learning which will seek to make visible the competence which individuals have gained by various means in working life and in the education system.
- We will create comprehensive services for lifelong guidance in order to ensure equal opportunities for continuous learning, and to enable a strategic approach to guidance, both from the perspective of individuals and from the viewpoint of society. Guidance will also help those groups who are currently underrepresented in adult education to participate in continuous education.

- We intend to implement near-term measures to respond to the shortage of skills and to train adults with a low level of basic skills.
- We will develop the higher education system with a view to providing a platform for learners and continuous learning. Our aim is that learners with different status – degree students, learners and those without a student place – could study flexibly, selecting courses from all Finnish higher education institutions irrespective of organisational boundaries or geographical location.
- We will focus on the guidance and funding of universities so as to encourage higher education institutions to open their doors as much as possible to other degree students in addition to their own students and to provide tuition with other higher education institutions.
- Anticipation for structural change will be elaborated. Special attention is paid to fields that have pressures for change due to technological advances and climate change.
- Restructuring protection will be developed to improve the skills and employment of workers.
- The study leave system will be improved and a reform of the adult education allowance will enable its wider use. This reform will support harmonization of work and studying.
- Conversion, supplementary and further education will increase in working life. The aim is to promote continuous learning, improve employees' employment protection, strengthen adults' missing basic skills and respond to the labour need of different areas and sectors.
- New cost-effective service forms will be developed based on the various needs of individuals. Individual training programmes, for example at upper secondary and liberal adult education educational institutions, will be provided by also enabling vocational competence-based qualifications. Special priority will be given to people with low skills, retrained unemployed persons, and those who are at risk of unemployment.
- Unemployed persons will have more opportunities to study part-time while looking for work.

- The prospects for expanding the functions of the Employment Fund to provide broader support for skills development and maintenance of working capacity among adults will be studied.

In accordance with the Government Programme the reform of continuous learning will be implemented through tripartite cooperation together with the education providers.

The Ministry of Education and Culture set up the Continuous learning reform project on 25 September 2019. The project will continue until 31 March 2023.

A parliamentary group on the continuous learning reform was appointed to steer the project. Minister of Education Li Andersson was appointed as the chairperson. As vice chairs were appointed Minister of Labour Timo Harakka, and as of 10 December 2019, Tuula Haatainen and Minister of Science and Culture Hanna Kosonen, and as of 6 August 2020, Annika Saarikko. The members of the group are

- Eeva-Johanna Eloranta, Member of Parliament, Social Democratic Party of Finland
- Veronika Honkasalo, Member of Parliament, Left Alliance
- Inka Hopsu, Member of Parliament, Green Leader
- Mikko Kinnunen, Member of Parliament, Centre Party
- Ari Koponen, Member of Parliament, Finns Party
- Antero Laukkanen, Member of Parliament, Christian Democrats
- Mikko Ollikainen, Member of Parliament, Swedish People's Party of Finland
- Paula Risikko, Member of Parliament, National Coalition Party
- Mirita Saxberg, vocational teacher; as of 17 February 2020, Marita Knevel, class teacher, Movement Now

The permanent advisers of the parliamentary group are the permanent secretaries of the Ministry of Education and Culture, the Ministry of Economic Affairs and Employment, the Ministry of Finance and the Ministry of Social Affairs and Health; experts from the aforementioned ministries serve as the group's secretaries.

The parliamentary group is supported by a group of representatives of central labour market organisations. In addition, the Ministry of Education and Culture appointed a broad-based monitoring group for the work.

The parliamentary group on continuous learning was tasked with preparing its proposal for a continuous learning reform by 31 December 2020.

The preparation of the continuous learning reform was supported by interviews conducted inter alia with those working in employment and advisory services, utilising Sitra's Lifelong Learning online dialogues and reports, organising a researcher seminar providing information about different perspectives and a seminar involving stakeholders and actors in the field, and carrying out discussions with parliamentary parties and various organisations.

Themes related to the reform of continuous learning have also been discussed in the WORK2030 development programme for work and well-being at work, the Social Security Reform Committee, the Ministerial Working Group on Promoting Employment and its sub-groups and in connection with the preparation of the Strategy for Lifelong Guidance, Education Policy Report and the roadmap for research, development and innovation.

2 On continuous learning

Competence is our best safeguard in the midst of transformations of work, technology and the world at large. We need new kinds of skills, individual training paths, upskilling and reskilling. This need is addressed through continuous learning.

Continuous learning refers to developing competence throughout the individual's life span. Some of continuous learning is goal-oriented and involves increasing knowledge and skills organised in various ways, while some of it is development occurring in people's day-to-day lives.

Although the concept of continuous learning covers the entire human life span, the parliamentary continuous learning reform particularly examines learning during one's career/among working age people. As a result of this limitation, the reform includes studies provided to adults under the education system as well as the competence accumulated outside the education system. The education system is an organised way to develop competence in a goal-oriented manner. Learning at work is one of the most important forms of learning occurring outside the education system.

The policies examines continuous learning as a whole, as this phenomenon also extends to different areas of society and various administrative branches. At this point, the primary objective in the preparation of the reform has been to form a common will and basis for the long-term development of continuous learning and to outline development measures in key areas.

Many of the outlined measures still require further preparation either in the process of reforming continuous learning or as part of other development efforts. This also applies to the costs and financing needs of the reform. Matters related to these aspects will be discussed and decisions will be made within the central government spending limits in the Budget and the Government Fiscal Plan, coordinating them with other expenditure needs of the public economy. The further preparation will make use of experiments and research-based pilots.

Some of the measures included in the task have already been launched or are implemented as part of development work carried out together by several administrative branches, in specific administrative branches or at individual education levels. These include implementing near-term measures to respond to the shortage of skills and to train adults with a low level of basic skills, to which funding was allocated in the 2020 Budget and the fourth supplementary budget, and the changes to adult education allowance, which entered into force in August 2019. A study on extending the tasks of the Employment Fund has also been launched and the Strategy for Lifelong Guidance has been completed.

3 Current continuous learning system and its funding

Most of the competence development occurring during a person's career occurs in workplaces in the form of competence services that companies and public bodies acquire for their personnel, but a significant amount also takes place as other kinds of on-the-job learning.

From the viewpoint of the provision of education and guidance services for people of working age, the most important agents are organisations providing education, guidance and employment services like educational institutions, higher education institutions and others as well as ELY Centres, TE Services and the Finnish National Agency for Education.

The Ministry of Education and Culture's area of responsibility covers basic education, general upper secondary education, vocational education and training, higher education institutions, and liberal adult education and basic education in the arts. People of working age can apply for all these forms of education, and some of these education providers also organise training packages specifically tailored for adults. The Ministry of Education and Culture is also responsible for labour market training leading to a qualification. The Ministry of Economic Affairs and Employment is responsible for labour market training that does not lead to a qualification. The Ministry of Social Affairs and Health is responsible for a large part of the benefits available to the working-age population during education and training, such as adult education allowance.

The responsibility for funding the costs of education provided to workforce is divided between a number of actors. Employers (including municipal and state employers) currently pay approximately EUR 1.2 billion in costs of personnel training. The turnover of the education sector is approximately EUR 0.8 billion. The central government and municipalities provide around EUR 1.8 billion in funding to the provision of education directly targeted at the adult population through the education system. The participants themselves pay over EUR 0.3 billion in participation fees for the training. In addition,

employed and unemployed people and those outside the labour force make significant use of other public education and training available.

The opportunities and willingness to participate in training during one's career depends to a large extent on how to arrange a livelihood during the training. Of the income costs totalling EUR 1.5 billion incurred during adult education, the salaries paid by employers amount to EUR 0.7 billion, so slightly under half the amount. The funding of income received by those participating in education and training during unemployment, which is channelled through Kela, unemployment funds and earnings-related pension companies, amounts to EUR 0.6 billion. This expenditure on benefits is financed through a central government contribution and statutory insurance contributions by employees and employers. The adult education allowance financed with unemployment insurance contributions is just under EUR 0.2 billion. Student financial aid funded by central government is also used for studying during career.

A more detailed description of the continuous learning system is included in the background data published on the webpage on the reform project <https://minedu.fi/hanke?tunnus=OKM033:00/2019>.

4 Current challenges and needs for change

4.1 OECD assessment of Finland's continuous learning system and its challenges

In its Continuous Learning in Working Life in Finland evaluation published on 19 February 2020, the Organisation for Economic Co-operation and Development (OECD) presents recommendations for Finland on measures to facilitate adaptation to changes in working life and ensure that everyone can learn new things as needed during their lives and career. The assessment also includes the OECD's view on the current state of continuous learning in Finland and related challenges.

According to the OECD report, Finland's education system and the competence of Finns are at a high level: PISA results measuring key skills of 15-year-olds have been at the top of the world since the first study. Finland also ranked second in adult literacy, measured for the first time in 2012 in the PIAAC study, of all countries included.

However, the OECD draws attention to the fact that working life and its competence requirements are rapidly changing in Finland. Key drivers of change include globalisation, technological transformation and demographic structure. New jobs emerge in industries requiring a high level of competence, and meta and digital skills will grow in importance. There is an increase in the lack of skilled workers and more concerns about skilled labour, especially as a result of the change in the demographic structure and the stagnation in the increase in the population's level of education.

The OECD notes that in order to maintain its position as one of the world's leading knowledge economy, Finland's competence system must adapt to these changes. Increasing the competence level of the working population and renewing their competence is vital for supporting the economic and social integration of citizens and maintaining the competitiveness of companies and the entire country.

Finland has a highly developed adult education system that offers versatile opportunities at all its levels. Participation is at a high level; every year, one in two people participates in competence development related to work. However, according to the OECD's assessment, there is need to adjust the system to provide better support for ensuring that all adults will adapt to the changes in working life. The current challenges of the continuous learning system include:

1. Finland lacks a comprehensive continuous learning strategy.
2. There are deficits in the available range of education and training;
 - a. those who have completed upper secondary vocational education and training do not have enough opportunities for improving the level of education and training
 - b. there are too few short-term training options that are relevant to working life.
3. The system encourages participation in education leading to a qualification (free of charge, open, social benefits), which is justified in some cases but not always appropriate – and at the same time, may slow down young people's access to education.
4. The current provision of study opportunities does not meet the needs of working life very well – partly due to shortcomings in policy instruments. The mechanisms for utilising foresight data are weak.
5. The competence gap caused by differences in the level of education gets deeper during people's careers. The contrast between those with a low level of competence and a stronger level of competence in participating adult education is among the highest in all OECD countries. As such, there are few barriers to participation in education and training; the training is free or inexpensive, flexibly offered and in principle open to all regardless of their prior level of competence. However, the universal system hardly directs any support - such as outreach activities, guidance or special training programmes - for adults with a low level of basic skills.

The OECD recommended that Finland should create a comprehensive vision for continuous learning and a concrete plan for the measures needed to implement the vision.

The continuous learning reform contributes to meeting the needs addressed and suggestions made by the OECD. The following sections will examine in more detail the factors behind the reform based on the situation picture.

4.2 Change in the world of work and demographic structure

The most important factors affecting the future competence needs of the working age population include globalisation, technological change and the change in the demographic structure of the population. Technological development is changing the everyday lives and work of citizens. Tasks are disappearing, and the jobs created in place of them mainly require competence achieved through higher education. Finding employment with only basic education qualification is no longer enough. New forms of self-employment are becoming more prevalent and are challenging the operating models of traditional working life in various ways. Population development will require, among other things, increased immigration and better utilisation of the competence of older people. Some of the trends are predictable, but changes can be rapid and have surprising effects, as demonstrated by the coronavirus pandemic that began in spring 2020.

4.2.1 Technological development changes one in three tasks and services are transferred online

The world of work is undergoing a major transformation. By 2035, employment is projected to grow by up to 50 per cent in some industries. Similarly, employment will decrease by about one third in some industries. Internal changes in the industrial and professional structure create uncertainty in anticipation.

Current tasks are changing and require new competence. These changes are so rapid and extensive that it will not be possible to respond to them simply by renewing the education of young people and targeting it to the relevant areas. As the world of work is changing, some competence becomes obsolete, which makes it also necessary to develop and update the skills of those already on the labour market. If the competence of the population fails to meet the new requirements of working life, the potential of growth industries cannot be utilised in renewing the labour market and as drivers of the economy. In the future, specialised knowledge and skills will gain even more prominence as production factors.

Foresight data indicates that new vacancies include more tasks requiring a high level of competence compared to the sectors where jobs are lost. Based on preliminary estimates, 20 per cent of the new tasks require competence obtained from vocational education and training and 80 per cent from higher education institutions. Of the vacancies opened due to the loss of workforce, 50 per cent require competence at the level of vocational education and training and 50 per cent require higher education qualifications. By 2035, the number of jobs requiring vocational education and training is expected to be 40 per

cent, while the number of jobs requiring higher education is expected to be 60 per cent of all jobs.

The OECD has assessed the proportion of work that will be lost or will change significantly as a result of automation over the next 10–20 years. In Finland, the estimated share of such work is 33.6 per cent. The risk for changes caused by automation is notable in 7.2 per cent of tasks and significant in 26.4 per cent of tasks. Although this share is smaller in Finland than in other OECD countries due to technological developments, it may still apply to more than 400,000 jobs. Jobs in which shorter training is required will change the most.

The ways people work is also changing. The number of self-employed persons as well as gig, temporary and part-time work will increase. The platform economy is changing the way people work. As a result, the relationship between employers and employees can change, which means that more and more people will no longer receive the sort of employer's support for developing their competence as they do today.

The digitalisation of society and the transfer of services online is posing challenges to continuous learning at different levels. One of these challenges concerns the availability of software and data experts. In the worst case, the lack of professionals may become an obstacle to making full use of the potential of digital solutions. At the same time, the increasingly digital work requires everyone to have an ability to continuously develop their digital skills. As more and more services and society's functions are provided online, we must also ensure that the digital competence and inclusion of all citizens are strengthened. There is particularly need for competence among citizens on new types of risks such as violations of the protection of privacy, or in the identification and prevention of cyber threats, as well as media literacy.

4.2.2 The employment rate of those who have completed only basic education is low and continues to decline

A higher education degree and vocational training help people cope and remain employed. Inadequate competence and a lower level of education expose people to unemployment.

The employment prospects of those without post-secondary education have gradually deteriorated and will deteriorate further as jobs requiring a shorter education are in decline and finding employment without at least vocational qualifications will only be possible in a small share of new jobs. In 2017, the employment rate of the workforce who had only completed basic education was only 43 per cent.

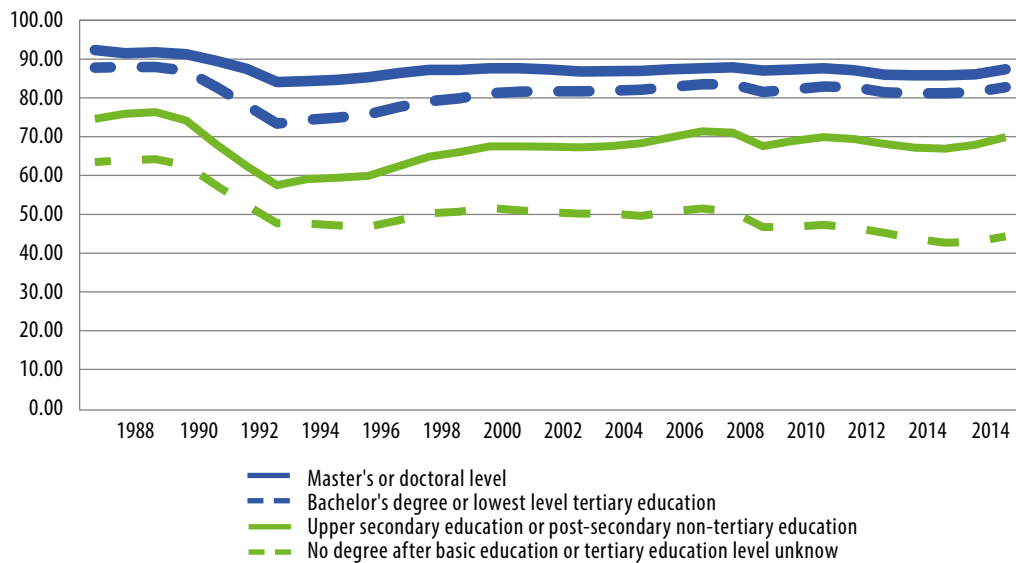


Figure 1. Employment by level of education in the period 1987–2017, people aged 18–64, %.
 Source: Statistics Finland

4.2.3 Smaller age groups are replacing current workforce

The change in the demographic structure is causing concerns about the availability of skilled labour. Working age population rate (aged 15–64) was the highest in Finland in 2009, when the number of working age people was 3.55 million. Between 2010 and 2018, the number of people of working age has decreased by 122,000. At the end of 2060, the number of working-age population will have dropped to 3.19 million people, which is more than 400,000 fewer than currently.¹ The share of working-age people in the population is 62 per cent at the moment. It has been projected that the share will decrease to 60 per cent by 2040 and 57 per cent by 2060.

The need for labour will increase especially in social welfare and health care tasks. The role of older people in the labour market will increase, and maintaining the competence of older people will become increasingly important.

¹ Official Statistics of Finland (OSF): Population projection [online publication]. ISSN=1798-5137. 2019. Helsinki: Statistics Finland [last accessed on 22 January 2020]. Accessed at: http://www.stat.fi/til/vaenn/2019/vaenn_2019-09-30_tie_001_fi.html

4.2.4 Population development requires an increase in immigration and immigration requires investments in competence

Immigration is hoped to bring help to compensating for the smaller groups of working age people in the labour market. However, the benefits of immigration will not be achieved if the efforts to integrate immigrants fail. The strongest indicators for successful integration are considered to include learning Finnish language and culture and finding employment. Currently, the employment rate of immigrants is lower than that of the mainstream population and their unemployment rate is higher.

When it comes to employment, immigrants are a heterogeneous group. While the employment rate of those who have been granted a residence permit on the basis of employment is good, the rate of those with a refugee background and who have arrived to Finland as a result of family reunification is clearly lower compared to native Finns.² Typical challenges related to finding employment among those with a foreign background include a lack of Finnish language skills, poor compatibility of prior education and work experience with the Finnish labour market, and discrimination in the labour market.³

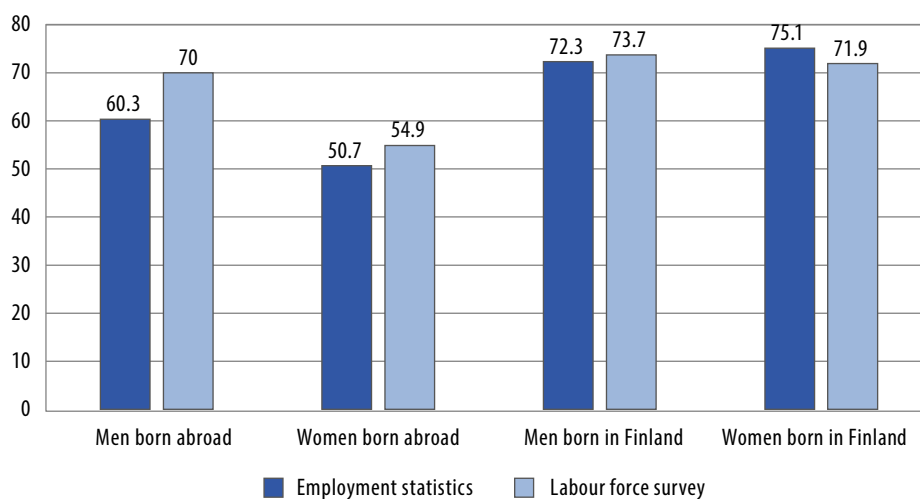


Figure 2. Employment rate based on employment statistics and labour force survey, people aged 25–64, by country of birth and gender in 2017. Sources: Eurostat, labour force survey; Statistics Finland, employment statistics

² UTH 2015; FinMonik 2020; Mathies ja Karhunen 2020

³ Akhlaq 2020; Larja ym. 2012

In particular, the employment rate of immigrant women is lower than that of Finnish women. There is a nearly 20-percentage-point difference. The low employment rate of women is explained by factors such as their reason for immigration: women come to the country more often than men on the basis of family reunification and less often for work; cultural factors: the employment rate of women in most countries is clearly lower than that of men, and they also bear the main responsibility for bringing up their children and taking care of the home; and structural factors, such as the home-care allowance system.⁴

The situation is affected by Finland's strongly gendered labour market in Finland. A lower level of Finnish skills suffices in typically male dominated sectors (for example, the construction sector and the transport sector), while female-dominated sectors (for example nursing, many service professions) tend to require clearly better language proficiency. In addition, some of the industries dominated by women, such as the care sector, the education sector and early childhood education and care, are strongly regulated. In these sectors, employees are required by law to have a specific education or qualification, the right to practise a profession, or a decision by an authority on the accreditation of a qualification or the right to practise a profession.

4.3 Competence and participation

Finland's investment in adult education and the competence and participation of adults are at a good level.⁵ However, competence and participation are accumulating to certain parts of population: hundreds of thousands still have deficiencies in their basic skills. Highly educated people and those in a good labour market position are considerably more active in participating in adult education than those with low pay and low basic education. Despite various measures, the differences in participation have hardly decreased⁶.

Most employees find that they have jobs where they can constantly keep learning new things. This proportion has increased in recent years. More than one in two employees participate in training paid by their employer. Again, the respondents differ based on their socio-economic status and level of education in this context.

4 Larja 2020; OECD 2018

5 Getting Skills Right: Future-Ready Adult Learning Systems. OECD 2019.

6 More information on the set of background information published at the project webpage <https://minedu.fi/hanke?tunnus=OKM033:00/2019>

4.3.1 Finns have world-class competence and participation

There is a wide range of educational opportunities available for people of working age, and participation in adult education in Finland is among the highest in the world; each year, one in two adults participates in competence development related to their work.⁷

Motivation for studying is also strong: 20 per cent of training participants expressed an interest in participating in more training than they took part in. 10 per cent would have liked to participate in training but did not do so for various reasons. At the same time, however, it should be noted that 35 per cent of adults did not participate in work-related studies at all and had no interest in pursuing them.

Finns skills are also at a good level from an international viewpoint. Finns succeeded very well in the PIAAC survey on basic skills for people aged 16–65 in 2012. Finland ranked second after Japan in literacy and also above the average level of OECD countries in problem solving in technology-rich environments. Reading and/or writing skills were poor in fewer countries than in the OECD countries on average.⁸ However, compared to the 1998 International Adult Literacy Survey (IALS), adult literacy had somewhat declined.

The share of university graduates in the age group is declining, and it seems that those currently aged 40–44 will remain the most highly educated age group. Of this age group, 47 per cent have a higher degree.⁹

4.3.2 The number of people of working age with a low level of skills is high

Although adults' level of skills is on average good in international comparisons, the PIAAC study showed that around 600,000 people aged 16 to 65 in Finland had poor literacy. While half of this group was over 55 years old and therefore either close to leaving working life or already retired, it can still be estimated that hundreds of thousands of people of working age have serious deficits in their literacy and numeracy. The number of those with poor information technology skills was even higher.

Poor basic skills are typically found in older age groups, those from a low socio-economic background and/or immigrants. They typically work in smaller, private sector companies, and agricultural, industrial and construction sectors or in certain service sectors. The

7 https://www.stat.fi/til/aku/2017/aku_2017_2018-01-12_tie_001_fi.html
http://www.stat.fi/til/aku/2017/02/aku_2017_02_2018-05-09_fi.pdf

8 OECD (2015). Building Skills for All: A Review of Finland, Policy insights on literacy, numeracy and digital skills from the survey of adult skills, Paulinen Musset OECD

9 Official Statistics of Finland (OSF): Educational structure of population [online publication]. ISSN=1799-4586. 2017. Helsinki: Statistics Finland [last accessed on 15 December 2020]. Accessed at: http://www.stat.fi/til/vkour/2017/vkour_2017_2018-11-02_tie_001_fi.html

employees with a low level of skills often work in jobs that are expected to be lost as a result of automation.¹⁰

Each year, approximately 15 per cent of the age group has been consistently left without education beyond the basic level. As a result of accumulation, this has led to a situation in which around 300,000 of 30–60-year-olds in the labour market have completed only basic education.

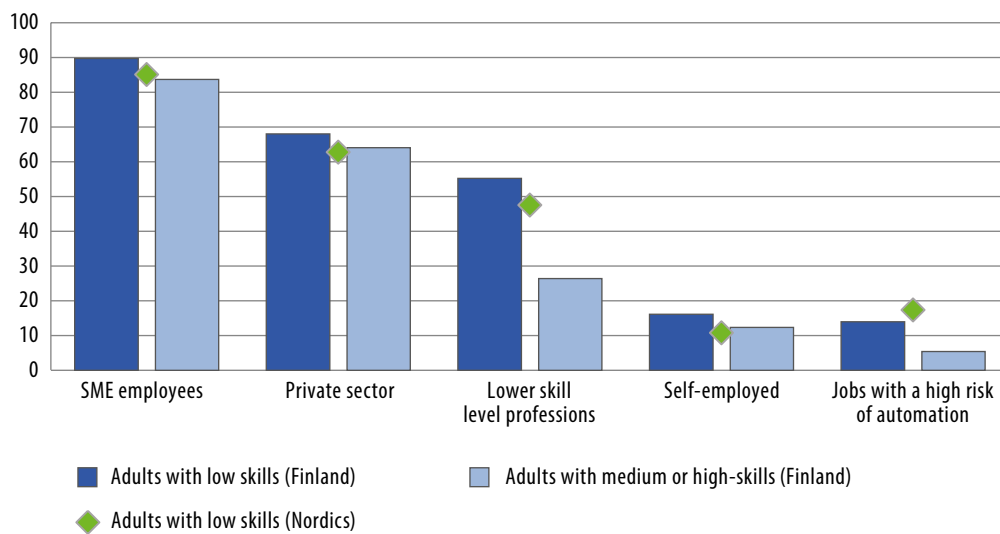


Figure 3. Adults with low basic skills work more often in small private sector companies: the labour market status of employed people with low basic skills (PIAAC), %. Source: PIAAC (2012, 2015)

Although immigrants are overrepresented in the group with low basic skills, it should be noted that the group is heterogeneous when it comes to education. For example, 43 per cent of women with a foreign background aged between 25 and 54 have completed a higher education degree. On the other hand, up to 40 per cent of women with a refugee background do not have a post-secondary qualification.¹¹ Approximately 10 per cent of women with a Somali or Kurdish background can only read poorly or not at all.¹²

¹⁰ Source: Programme for the International Assessment of Adult Competencies PIAAC (2012, 2015).

¹¹ Sutela & Larja 2015a

¹² Larja Liisa, Kotoutumisen kokonaiskatsaus 2019, Tutkimusartikkeleita kotoutumisesta, TEM 2020

4.3.3 Competence development is strongly accumulated

In Finland, the contrast between those with a low level of competence and an intermediate or stronger level of competence in participating adult education is among the highest in all OECD countries. The challenge is that education and training is accumulated, and those who need it the most are easily excluded from it. Unemployed people, particularly those with long-term unemployment and those aged 55 or over and low-income workers participate in training less often than those in employment, aged 25-54 or with a higher income. This means that the competence gap caused by differences in the level of education gets deeper during people's careers.

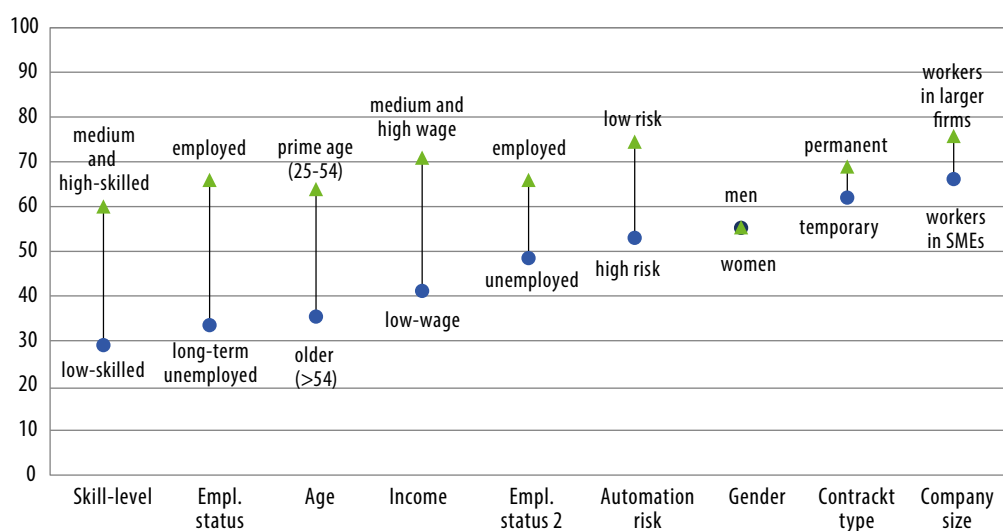


Figure 4. Participation in adult education by group, %. Source: Programme for the International Assessment of Adult Competencies PIAAC (2012, 2015)

4.3.4 On-the-job learning

Most employees find that they have jobs where they can constantly keep learning new things. In 2019, 83 per cent of the respondents in the Working Life Barometer felt this way, and the share has been growing. More than one third felt that the description applied well, and nearly half fairly well, to their workplace.¹³

The estimates differed according to the respondent's socio-economic status and level of education. The percentages were highest among senior employees (90%) and those with a

¹³ Työolobarometri 2019

high level of education (90%). The estimates by those working in the industrial sector were lower compared to the respondents working in other sectors.

In 2019, more than half of employees (54%) participated in training paid for by their employer during the year. The biggest differences in participation were found between socio-economic groups. 67% of senior employees had participated in training paid for by their employer, while the corresponding share was 37% for employees.

No similar information is available on the employees of small and medium-sized enterprises or self-employed people. At the company level, more than half (58%) of SMEs provided their staff with training. There were significant differences between companies based on factors such as their size, sector and willingness to grow. Among companies with more than 50 employees, nearly all (90%) had provided training to their staff, whereas this had been the case with less than half (46%) of companies with fewer than five employees.¹⁴

4.4 People of working age in the education system

The demand for education among working-age population is strongly focused on education leading to a degree in higher education institutions and other educational institutions. Education and career guidance services are not comprehensively available for the working age adult population. Public guidance services are mainly available to students and the clients of employment services. No proactive guidance is offered in connection with the organisational restructuring process.

4.4.1 Public funding for education is focused on degree education utilised by employed people

All levels of education offer training suitable for people of working age. In 2020, around EUR 460 million in total has been allocated to forms of education and training mainly intended for the working-age population¹⁵.

14 SME Barometer 2018

15 In general education, basic studies and general upper secondary education for adults, and subject studies; in higher education institutions, open higher education studies, professional specialisation studies and non-degree studies. Labour market training that does not lead to a qualification and the provision of liberal adult education are mainly provided to people of working age.

However, the amount is significantly smaller than the actual public education system resources allocated to the working-age population. An estimated amount of a total of around EUR 1.35 billion in public funding is spent on vocational studies of those aged at least 25 years and higher education studies studied aged at least 25 years of age, primarily leading to a degree¹⁶. In 2018, around 94,300 people of working age (aged at least 25) started degree education, amounting to more than half of all new students. 46 per cent of students in vocational education and training (265,000) and 46 per cent of new students in higher education (63,500) are aged between 25 and 59¹⁷.

A clear majority (66 per cent) of the working age population had been employed before starting education and the socio-economic status of more than 40 per cent of them had been in junior or senior positions. More than 40 per cent had previously completed a degree at least at the same level.

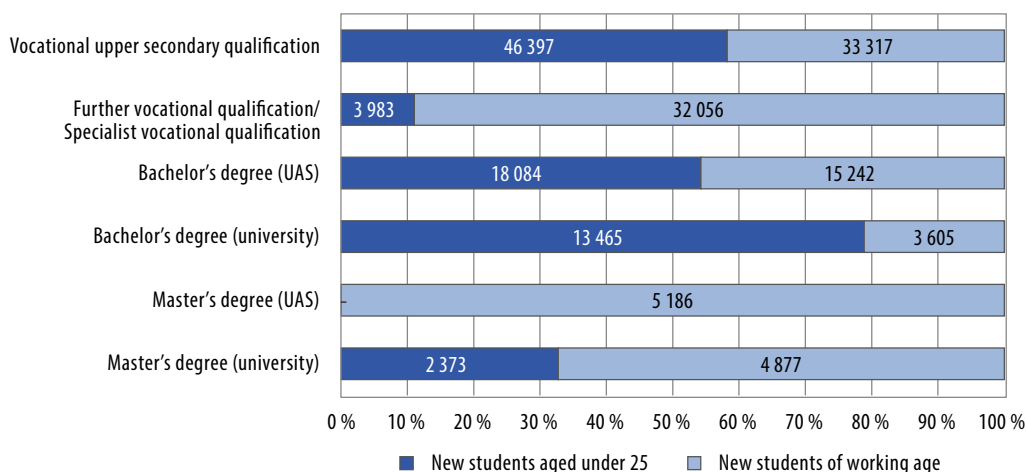


Figure 5. New students in vocational and higher education programmes leading to qualifications/degree, numbers of students aged under 25 and of working age by degree type, 2018.

Source: Statistics Finland

Raising the level of competence may require the completion of new qualification. It may be necessary for people to complete a new qualification at the same or next level if they

¹⁶ The division of funding units per age group has been used as the basis for the estimated funding for 2020 (total EUR 1.85 billion) in the allocation of funding for vocational education and training aimed at 25–59-year-olds. Information about the share of the education and training in the costs accrued by higher education institutions (total EUR 1.4 billion) and the division of new students per age group has been used as the basis for the allocation of funding for universities of applied sciences and universities aimed at 25–59-year-olds

¹⁷ Lähde: Tilastokeskus, vuoden 2018 ammatillisen perus-, ammatti- ja erikoisammattitutkintokoulutuksen opiskelijat ja ammattikorkeakoulujen ja yliopistojen alempien ja ylempien korkeakoulututkintojen uudet opiskelijat

need to acquire new competence amounting to a full qualification due to issues such as health-related reasons, loss of previous work tasks or some other reason.

However, a significant proportion of people of working age also update, supplement or renew their competence by completing publicly funded education leading to a qualification in full or in part. Individuals aim to make use of the available training rationally. When there is not enough appropriate training offered to employed people and when degree education is free of charge, people who have previously completed qualifications are likely to seek further degree education. This has led to a situation in which, for instance, in higher education institutions, only one in three new matriculation examination graduates will continue their studies immediately after completing the examination, even if there should be enough places in higher education for the entire matriculation examination age group. The OECD also highlighted the insufficient availability of alternative and workplace-relevant training as a key challenge to Finland's current system.

4.5 Matching

In Finland, there is an increasing mismatch between the supply and demand of labour. Many agents are involved in foresight work and the foresight activities cover both very short-term and long-term development trends. However, there is little coordination, and data analysis and utilisation. There is a lack of medium-term foresight, which is important for continuous learning.

4.5.1 Labour market mismatch may slow down economic recovery

The coronavirus crisis has had a major impact on the labour market. There is still considerable uncertainty related to the coming developments across Finland. As a result of the situation, the number of layoffs has increased to a record high level. Meanwhile, there is no particular increase in the bankruptcies of companies. The economy and labour market will continue to face uncertainty caused by the coronavirus crisis until next year, and labour market recovery is expected to begin at the end of 2021. There is also a risk that some of the impacts on the labour market will partly persist for a long time. According to the labour market forecast, the employment rate will decrease until 2021, after which it will begin to rise again. In 2022, the employment rate would be 71.6 per cent, which is clearly lower than before the crisis. Long-term unemployment and youth unemployment have clearly grown.¹⁸

18 TEM työmarkkinaennuste syksy 2020

Labour availability problems were growing until the beginning of 2020. At the beginning of 2020, around 45 per cent of the companies looking for workforce reported that they had difficulties filling a vacancy. While the coronavirus crisis has reduced recruitment problems, problems have still been common. There is a major mismatch between labour supply and demand in fields such as sales, where demand (vacancies) is high but supply (unemployment) is low. By contrast, supply of workforce in the cultural and art sectors far exceeds the demand for labour. The coronavirus crisis has clearly changed the situation of flight attendants and pursers; there is currently a great deal of oversupply of workforce in the sector. Meanwhile, there is a major shortage of skilled labour especially in health care and social work professions. The share of healthcare and social welfare professions among the top 15 list of professions with a labour shortage is higher than ever before.¹⁹

4.5.2 Foresight data is produced by many, but utilisation mechanisms are partly poor

A large amount of data on changes in labour needs is collected and produced. The aim is to utilise the data both nationally and regionally in the planning and decision-making of different organisations.

National foresight data is used for setting the initial objectives of vocational education and training and for consideration related to the licence to provide education as well as preparing the objectives set for degrees at higher education institutions. The employment criterion is also encouraged to improve the correspondence of education with working life as one of the funding criteria for both forms of education.

At the regional level, the occupational barometer and other anticipation data are used in guidance and the targeting of labour market training. The Ministry of Economic Affairs and Employment prepares monthly national and regional employment reports. TE Offices and Centres for Economic Development, Transport and the Environment cooperate closely with employers in the regions, thus providing more detailed information on recruitment and competence needs. Training organisations utilise their own foresight activities in the targeting of the training opportunities they provide.

Some professions in the labour market typically have a talent deficit nearly everywhere in Finland. These include certain tasks in the care or construction sector. However, the structure of the need for labour is largely a regional phenomenon. The need is influenced by the development of industries in the regions, and may even be affected by establishing or closing down individual production plants. Indeed, regional and, in part, local labour

19 Työ- ja elinkeinoministeriön ammattibarometri, syksy 2020. <https://www.ammattibarometri.fi/>

markets may differ considerably from the overall national situation. This difference may be related to both the required level of education and training as well as any sub-requirements. The regional economic structure is the result of both historical development and the strategic objectives of regional actors. The competence development aiming to respond to future needs for workforce must be capable of considering regional variations in the economic structure so that it will take into account the needs of the local labour market and, in some cases, those of an individual company or public body. Sector-specific and global change trends must also be taken into account in the anticipation.

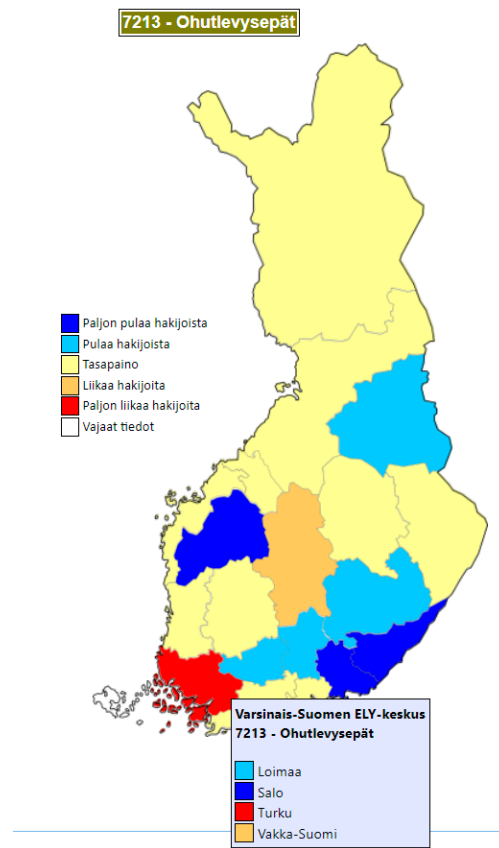


Figure 6. Example of labour market matching (sheet metal workers).

Source: Occupational Barometer, Ministry of Economic Affairs and Employment

There are also differences between the regions when it comes to the educational structure of the population. The differences occur both between and within counties. For example, in Uusimaa, the share of those without a post-compulsory qualification and those with a higher education degree among population aged between 30 and 34 is higher than in other regions.

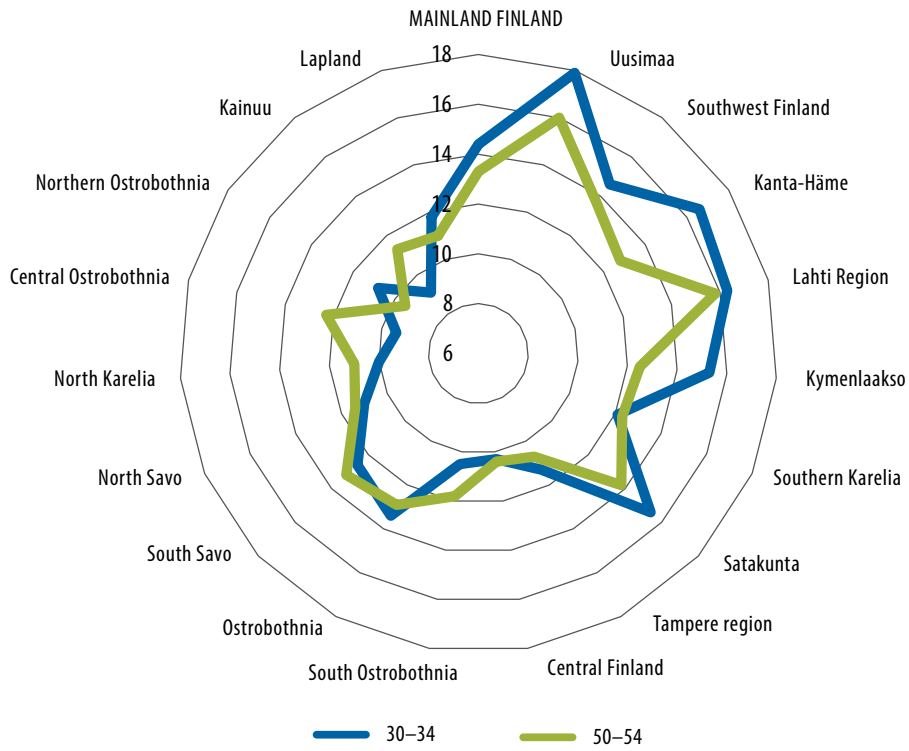


Figure 7. The proportion of 30 to 34-year-olds and 50 to 54-year-olds with no upper secondary qualification by county. Source: Statistics Finland

5 Vision and goals

The aim of the reform is to develop continuous learning in a long-term and systematic manner. The implementation of long-term development work requires that clear, vision-based goals for continuous learning are defined and monitored regularly.

The vision of the continuous learning reform and the objectives set based on this cover society, working life and the individual. The aim is for Parliament to monitor the achievement of the objectives set for continuous learning on an annual basis.

VISION: Everyone will have the knowledge, competence and skills required for employment and a meaningful life.

- The goal is that the competence level of the population will rise.
- The goal is that the employment rate will be higher.
- The goal is that number and proportion of citizens aged 25 to 64 with a higher education degree will increase, and the number and proportion of citizens aged 25 to 64 who do not have a degree or a qualification after basic education will decrease

VISION: Everyone develops their skills and competence during their working careers

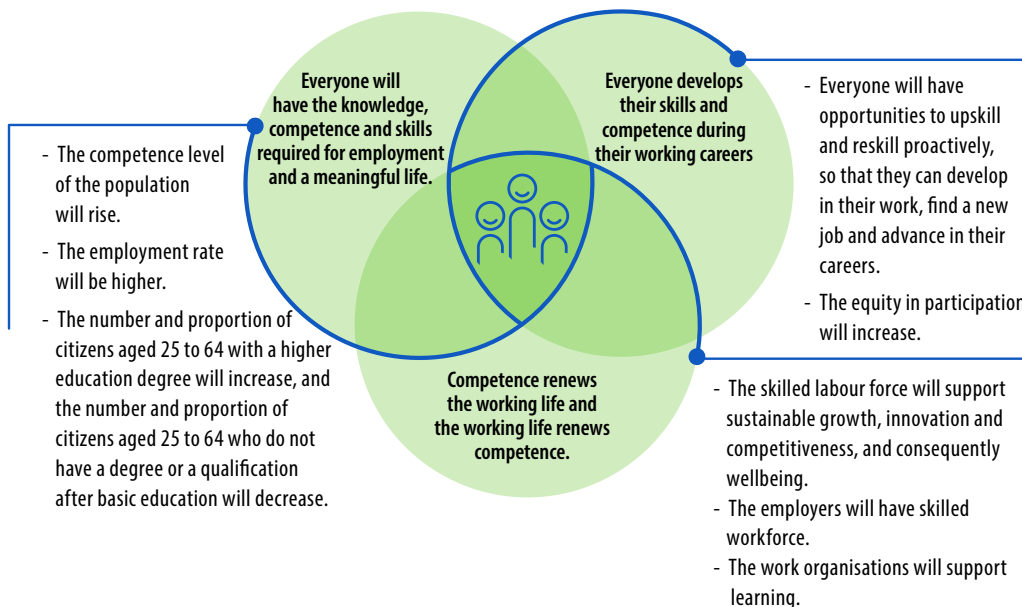
- The goal is that everyone will have opportunities to upskill and reskill proactively, so that they can develop in their work, find a new job and advance in their careers.
- The goal is that equity in participation will increase.

VISION: Competence renews the working life and the working life renews competence.

- The goal is that skilled labour force will support sustainable growth, innovation and competitiveness, and consequently wellbeing.
- The goal is that employers will have skilled workforce.
- The goal is that work organisations will support learning.

Vision and goals

Competence seizes the future



The indicators defined for monitoring the objectives examine continuous learning from the perspectives of individuals, working life, education and training, and society.

The indicators are based on existing data collections, such as the OECD's Programme for the International Assessment of Adult Competencies (PIAAC), Statistics Finland's Adult Education Survey, education statistics, population statistics and other register data, the Working Life Barometer of the Ministry of Economic Affairs and Employment, employer interviews and employment service statistics, the Federation of Finnish Enterprises SME Barometer, Budgets, and statistics of the Social Insurance Institution of Finland and the Employment Fund. With the help of the available background variables, the situation will also be examined from the perspective of different groups.

Main monitoring indicators (key indicators) will be included in the financial preparation process by central government and related monitoring. The indicators that can be used to monitor the set objectives as well as possible and which produce data that can be primarily updated annually will be selected as key indicators. The target levels for the key indicators will be set on the basis of the current status, previous development and set goals. *Seurattavia avainindikaattoreita ovat:*

1. Competence and skills of working-age people
2. Employment rate of working-age people

3. The educational level of the working-age population (those without a post-compulsory qualification or who have only completed general education, and those with a higher education degree)
4. New students raising their level of education
5. A difficulty to reconcile training with work or a lack of time due to family reasons as a barrier to education
6. Participation in continuous learning in the following groups:
 - a. Unemployed people and those outside labour force
 - b. Low income receivers
 - c. Entrepreneurs
 - d. People aged over 55
 - e. Foreign-language speakers
7. Small and medium-sized enterprises that have trained their staff
8. Workplace enables constantly learning new things
9. Lack of basic education or other required skills behind employers' recruitment problems

A more detailed description of the continuous learning indicators is included in the background data published on the webpage on the reform project:
<https://minedu.fi/hanke?tunnus=OKM033:00/2019>.

6 Reform policies and progress

The preparation of the continuous learning reform has identified key measures that can be used to move towards goals and vision. The measures are grouped under three different themes:

1. Continuous learning as part of the working life
2. Creating a service system for continuous learning
3. Ensuring the accessibility of continuous learning

6.1 Continuous learning as part of the world of work

A significant part of learning that occurs during a person's career takes place at the workplace and as part of work. The public sector and workplaces must be able to develop an operating environment that is favourable to growth with skilled workforce. Competence will reform working life, support the creation of innovations and improve productivity. There is a need for concrete measures to ensure that competence development can become a self-evident part of work or entrepreneurial activity in more and more workplaces.

6.1.1 Development of a learning work community

Competence as well as the combination of different skills and agile ways to update competence are essential for both private, third and public sector actors in order to ensure the prerequisites for growth now and in the future. The development of competence at work is aimed towards many ways of learning. The majority of on-the-job learning continues to be carried out informally during the employment relationship as part of work as different forms of independent studying, peer learning and gathering experience, and different short work orientation or training processes organised by the employer.

Key measures

The strategic choices related to the competence of companies and other work organisations are important: productivity is generated by competent personnel at workplaces. The key is that more and more workplaces enable employees to constantly learn new things. Attention must also be paid to the organisation's capacity for change. Competence and development at work have an impact on the wellbeing and coping at work of the personnel. Learning at work, competence development and management are part of the strategy of a successful work organisation.

Measure 1: Making on-the-job learning a key strategic dimension in organisations.

Key actors: Ministry of Social Affairs and Health and Ministry of Economic Affairs and Employment, workplaces, labour market organisations, Finnish Institute of Occupational Health. Mainly supported through project funding, research and experiments.

Schedule: 2021-2023

Learning new things at work will be most successful when the workplace develops its activities in a goal-oriented manner. It is key that organisations have an organisational culture that promotes making use of the competence already found in the organisation, and good management and a culture with positive attitudes towards learning. For example, a significant part of the benefits of digitalisation are created by reforming operating approaches. The key issue is how new technologies are applied in practice. For this to be successful, learning at work and an organisation culture, that supports learning, play a major role. Competence and development at work also have an impact on the wellbeing and coping at work of the personnel. Learning at work, competence development and management are part of the strategy of a successful work organisation.

In a changing operating environment, the need for fast cycle learning processes is emphasised. Often, the organisation's learning speed and ability to learn new things correlate with its success. However, the real challenge at the workplace level is to find time for learning. As the focus has been on effectiveness above all else, the organisation of work has lost a kind of looseness; these days, the rhythm and pace of work is extremely tight in many workplaces. Meanwhile, learning and utilising creativity take time. There is a need to find a solution for the overlapping of work and learning, which partly occur simultaneously. The challenge is to reserve time and make room for learning.

Measure 2: Reforming workplace practices to encourage learning.

Key actors: Ministry of Social Affairs and Health and Ministry of Economic Affairs and Employment, workplaces and other key actors. Providing support through sharing good practices, communication, experiments and mainly project funding.

Schedule: 2021–2023

6.1.2 Recognition and accreditation of competence

The education system has statutory and established practices for the recognition and accreditation of competence. However, the practices vary by degree level and region. Working life, employment services, intermediate labour markets (e.g. workshops), liberal adult education, organisations and recreational activities have developed their own, various means, processes, digital tools and projects for the recognition and accreditation of non-formal and informal competence. For example, certificates and badges are used to describe a person's competence. There are special challenges related to the recognition of immigrants' skills, such as degrees completed in foreign countries and language proficiency issues.

The concepts of the recognition and accreditation of competence used in the world of work differ from the concepts of the education system. In the world of work, key moments for recognising competence include moments related to job search and recruitment as well as career development, performance appraisals and competence surveys.

In working life, competence is not defined based on professions or qualifications, but mainly based on a person's attitudes, motivation, learning ability, mode of action and working style as well as interaction skills. Competence is directly related to the content of the task and a goal-oriented approach in working alone, in a team or with customers and partners. The challenge is that there is no uniform strategy or operating method for describing, recognising and accrediting competence in the world of work. Guidance and support should also be more closely linked to the recognition of competence.

Key measures

The starting point for continuous learning is the better recognition of existing competence and competence gaps to identify everyone's strengths but also to correctly target competence development measures. The recognition of competence is strongly individual. However, digital skill surveys and information systems would offer significant support for expanding operations and promote the development of practices and operating methods. There is also a need for new kind of assessment competence.

Measure 3: Recognising competence acquired at work and in other contexts better than currently. Developing approaches and tools for the recognition and accreditation of competence in various situations that involve determining the level of competence.

Key actors: Ministry of Economic Affairs and Employment and Ministry of Education and Culture.

Schedule: 2021–2023

Measure 4: Creating tools for skill survey and career planning as part of the digital services for continuous learning.

Key actors: Ministry of Education and Culture, Ministry of Economic Affairs and Employment, Finnish National Agency for Education, and the Development and Administration Centre of ELY Centres and TE Offices.

Schedule: 2021–2023

6.1.3 Closer link between the world of work and the education system

Rapid technological development and market changes emphasise the importance of networks and ecosystems in anticipating changing competence needs and responding to them. Competence as well as the combination of different skills and agile ways to update competence are key aspects for both private, third and public sector actors in order to ensure the prerequisites for growth now and in the future.

The development of competence requires creating effective cooperation between organisations and the competence system, i.e. higher education institutions, vocational education and training providers, educational institutions for liberal adult education and other competence service providers. Competence services include training organised by education providers or other actors as well as various consultations, workshops and other working life development projects produced by companies and acquired by work organisations for the purpose of the development of the organisation. Increasing peer learning in companies and sectors is important. Networks that cross organisational boundaries between employees and work organisations are also important environments that enable continuous learning. Employers, companies and employees also need information and guidance on existing services.

Key measures

The range of education and working life services should be made visible to companies, entrepreneurs and personnel in order to promote multipartite cooperation, and the capability of workplaces to utilise services that support the development of competence produced by different parties should be strengthened. The aim is that the education system and the wider competence system support a learning working life. This requires the development and production of the opportunities for education and training, and the creation of flexible learning solutions in cooperation between different education providers and working life. In order to develop the continuous learning system, the OECD also recommended strengthening the link between working life and the competence system, and increasing the correspondence of education with working life.

Measure 5: Intensifying the cooperation between employment and competence service providers. Supporting workplaces to operate more extensively as learning environments and supporting new forms of cooperation between educational institutions and workplaces. Strengthening the working life services of educational institutions and other parties providing services.

Key actors: Ministry of Economic Affairs and Employment and Ministry of Education and Culture.

Schedule: 2021–2023

Measure 6: Supporting the measures for the development of competence in networks of SMEs and self-employed people formed based on sectors or some other grounds.

Key actors: Ministry of Economic Affairs and Employment and Ministry of Education and Culture.

Schedule: 2021–2023

6.2 Creating a service system for continuous learning

Finland's competence system must adapt to the changes brought about by globalisation, technological development, automation and green transition. The strategic development of competence can support the change in working life and society so that it is carried out in a socially, economically and ecologically sustainable manner. In order for this to succeed, the various aspects of continuous learning must work seamlessly together and serve all citizens.

This requires a new service system for continuous learning. The provision of education that takes into account the life situation of the adult population and the changing needs of working life will be increased. The preconditions for responding to future needs will be improved with more versatile foresight data. The service processes for continuous learning will be developed through cross-sectoral cooperation. A digital service package for continuous learning will be introduced. The bond between work and education will be strengthened. The needs of underrepresented groups will be taken into account in all measures.

6.2.1 Reform of education provision

In the next few years, up to half a million people of working age will face a situation in which their competence needs to be renewed or competence level raised due to the changes in working life and society described above. It is challenging that competence

development should be ensured through means that do not reduce the employment rate, i.e. reduce the share or number of people in the labour force. As a result, the development of competence during one's career must primarily enable the reconciliation of work and studies and otherwise take into account the participants' life situation.

Continuous learning during people's careers is supported by the reforms in vocational education and training legislation, higher education legislation and funding systems as well as changes in unemployment benefits implemented in recent years. However, these measures are not sufficient for rising up to the challenge of retraining and continuing education for the working-age population.

In part, it is possible to respond to the challenges by further opening up and aiming the current provision of education of higher education institutions and other educational institutions to the target groups of continuous learning.

However, the available education and training lacks short-term training that can be launched quickly and that cannot necessarily be placed at a certain level of education and combines content from different fields of education.

This is illustrated by the fact that when Parliament added a total of EUR 40 million to continuous learning in the 2020 Budget and the fourth supplementary budget for 2020, the amount of grants applied for was five times that. This appropriation was specifically aimed at short-term training and other measures with rapid impacts, supporting structural change in the economy, promoting employment and responding to talent deficit.

In addition, there is no suitable low-threshold "starter training" for groups that seldom participate in training, such as those with a poorer language skills or no post-compulsory education. The available training is also not adjusted sufficiently to the work and life situations of self-employed people and the employees of small companies.

Key measures

Measure 7: Renewing the current education provision available to people of working age at higher education institutions and educational institutions, utilising experiments as needed, in collaboration between the working life and education providers.

Key actors: The Ministry of Education and Culture and the Ministry of Economic Affairs and Employment in cooperation with regional actors, higher education institutions, and education providers.

Schedule: 2021–

Measure 8: Creating new, flexible, short-term, tailored competence services that meet the needs of working life. These include services that combine the contents of different levels of education and different sectors, new competence content resulting from changes in work or innovations that are not included in qualifications or which it is not even appropriate to include in qualifications. They also include as services corresponding to the needs of employed people that they can use to proactively renew their competence. Education provision and other services are open to the working-age population, including employed people, unemployed people and those outside labour force. Sufficient provision of education will be ensured in both national languages.

Key actors: Ministry of Education and Culture in cooperation with the Ministry of Economic Affairs and Employment

Schedule: 2021–

Measure 9: Tailoring and developing the provision of study opportunities for the needs of various underrepresented groups. Studies that are orienting, motivating, coaching and strengthen language proficiency and other basic skills are offered separately from, before, or in connection with, degree education. Preparatory training for upper secondary education for adult immigrants will be implemented and preparatory training for university studies will be created for those with an immigrant background. In addition, competence services that can be adapted to people's individual work and life situations will be developed flexibly for self-employed persons and those working in SMEs and micro-enterprises. The adequacy of English-language training will be ensured at different levels of education.

Key actors: The Ministry of Education and Culture and the Ministry of Economic Affairs and Employment in cooperation with regional actors, higher education institutions, and education providers.

Schedule: 2021–2022

6.2.2 Systematic and comprehensive development and better utilisation of anticipation

From the perspective of national competitiveness, the vitality of companies and regions and the employment rate, it is essential that skilled labour is available in all regions and sectors as needed. The demand for labour at different periods of time must be taken into account better than currently. The choices young people make on their education and the targeting of the education provision often affect the availability of labour already in the near future. Investing in the competence of labour force in the short term is likely to affect long-term competence needs. Anticipation, utilisation of foresight data and continuous monitoring of the current situation can affect recruitment problems and promote matching in the labour market, also taking foreign labour force into account.

Producing timely and high-quality foresight data is challenging. The diversity of foresight methods and different ways of interpreting the foresight data have resulted in partly conflicting objectives and occasional uncertainty about to which direction competence should be developed. Foresight data has been used in a differentiated manner in different policy areas, and an overall picture has rarely been formed. The labour market and the surrounding society have changed in many ways since the division of tasks of the development of foresight system was carried out in previous decades. The division of responsibilities for competence services between ministries has also changed. There is also an increasing need in the labour market for foresight data supporting continuous learning, and education and career paths. For example, while short-term non-qualifying further and continuing training and education aimed at the working-age population have become more commonplace, no uniform foresight system has been created for identifying the overall need for them.

Indeed, there is need to compile foresight data and build a national foresight entity in which short-term and long-term objectives complement each other, especially by making medium-term foresight and the application of results more concrete.

Key measures

The current data systems on labour market matching are partly outdated and the methods they use in producing information are partly inadequate. The production of data concerning labour market matching should emphasise the regional special characteristics of the labour market even more than currently, and the used sources of data should be more versatile than currently. From the point of view of continuous learning, higher quality data on labour market matching will speed up finding employment, promote job retention and productivity growth, and improve the availability of skilled labour.

Measure 10: Reforming the practices, approaches and coordination of data production concerning short-term labour market matching.

Key actors: Ministry of Economic Affairs and Employment, the Development and Administration Centre of ELY Centres and TE Offices, Finnish National Agency for Education. Funding under the EU's Recovery and Resilience Facility has been proposed.

Schedule: 2021–

In the context of companies' strategic development and the re-employment and further employment of the working-age population, a 3 to 8-year-cycle is significant. The production of foresight data is currently moving to an around 15-year time span from the questions on labour market matching. Analysis of labour market developments over the medium term is not available.

Measure 11: Creating a model for medium-term anticipation.

Key actors: Finnish National Agency for Education, the National Forum for Skills Anticipation, and the Development and Administration Centre of ELY Centres and TE Offices. Funding under the EU's Recovery and Resilience Facility has been proposed.

Schedule: 2021–22

Existing classifications of occupations and education are used in the anticipation. For example, the classification of education stems is based on qualifications, and the related technical questions are the reason why the results of the anticipation do not serve the needs of continuous learning in the optimal way. For the working-population, the most suitable form of competence development is often something other than a qualification or unit. Foresight data should also demonstrate those competence needs that go partly unnoticed due to the current classification practice. In the world of work, a different language is used when referring to competence.

Measure 12: Creating a classification for competence needs to identify skills other than those included in qualifications.

Key actors: Finnish National Agency for Education, and the Development and Administration Centre of ELY Centres and TE Offices. Funding under the EU's Recovery and Resilience Facility has been proposed.

Schedule: 2021

The current methods of disseminating foresight data are partly outdated and overly fragmented by administrative branches, for instance. Informed decision-making requires making information accessible to all user groups.

Measure 13: Renewing the reporting system for anticipation.

Key actors: Ministry of Education and Culture, Ministry of Economic Affairs and Employment and the Finnish National Agency for Education. Funding under the EU's Recovery and Resilience Facility has been proposed.

Schedule: 2021–23

6.2.3 Developing the service processes for learners and jobseekers

Adult learners and jobseekers often have diverse service needs. Some learners and jobseekers need closer cross-sectoral support during competence development and to support them in finding employment. In this respect, there are development needs in the processes for assessing service needs.

Key measures

It has been decided that the service process for jobseekers will be developed in accordance with the so-called Nordic labour service model. Thanks to additional resourcing, the service will be more concise and more personalised than currently, and it will emphasise comprehensive assessment of the customer's service needs. Competence development is part of the service process of promoting the customer's employment.

Guidance counselling and career guidance, the recognition of prior competence, building a personal study path and developing pedagogical solutions based on on-the-job learning play a key role in studying.

Measure 14: Developing the service process for learners and jobseekers to better identify their existing competence and individual competence needs. Customers' needs will be met comprehensively by utilising multidisciplinary cooperation between the management of employment, education providers and, if necessary, social and health care services and other services. Existing competence will be identified and recognised, and the methods of acquiring competence will be designed to correspond to individual lifestyles and needs. In addition, the need for support and guidance is identified and planned.

Key actors: Ministry of Economic Affairs and Employment, Ministry of Education and Culture and Ministry of Social Affairs and Health, higher education institutions, vocational education and training providers, educational institutions for liberal adult education, TE Administration.

Schedule: 2021–2023

6.2.4 Utilising the opportunities of digitalisation

Digital solutions can be used to improve the support services for continuous learning in various selection and decision-making situations that individuals make related to their education and employment paths.

At the moment, key digital services for continuous learning are Opintopolku.fi, the KOSKI data transfer service and Job Market Finland. In addition, there are several data repositories related to continuous learning, for which different actors produce information. However, there are shortcomings in the current digital services and data repositories, and they should be more integrated than currently. Digitalisation also offers opportunities for significantly increasing the accessibility of education.

Key measures

Digitalisation enables creating brand new services that make smart use of various data repositories and support continuous learning. It allows joining existing online services together in a customer-oriented manner and beyond administrative boundaries.

Digitalisation makes it possible to improve the visibility of the available education and training opportunities for both employees and employers.

Technological development, the transformation of work and the development of digital services require digital skills from both individuals and organisations. Digital competence also strengthens organisations' renewal and growth, and individuals' working life and career planning skills.

Measure 15: Gradually introducing a digital service package for continuous learning. The service package consists of interconnected smart electronic services, such as skill survey and competence recognition services, guidance services, application services for education and training, and push services and the data repositories linked to these. The digital services to be developed must be available to customers to be used independently or as part of guidance.

The digital service package for continuous learning is built on existing services and their background data repositories (Study Info, Job Market Finland) as well as brand new services (e.g. guidance and skills survey service) based on data repositories and MyData solutions. The development efforts will be carried out in cooperation with other national processes promoting the digitalisation of education, such as the Digivisio 2030 in higher education institutions and the national AuroraAI AI programme.

Key actors: Ministry of Education and Culture, Ministry of Economic Affairs and Employment, Finnish National Agency for Education, and the Development and Administration Centre of ELY Centres and TE Offices. Funding under the EU's Recovery and Resilience Facility has been proposed.

Schedule: 2021–2023

Measure 16: Strengthening digital competence throughout life. Educational institutions and providers of competence services at different levels strengthen the content and availability of digital skills, working life skills and career planning skills through the training they offer. A digital support operating model for employees will be created following the principle of a low-threshold service.

Key actors: Ministry of Education and Culture, Ministry of Economic Affairs and Employment, higher education institutions and educational institutions.

Schedule: 2021–

6.2.5 Strengthening the bond between work and competence

The current system for developing the competence of working-age people is complex and fragmented. No cohesive picture is formed of the services. With the exception of unemployed jobseekers, it is difficult for individuals to find a single service provider that could assess their competence needs, chart their opportunities for re-employment and further employment, and create a path towards a new job. Opportunities for competence development and services are not perceived by companies or other employers.

The current system also fails to guide competence development services in the optimal way from the perspective of the goals set for continuous learning.

There is a need for a structure for the joint analysis of national and regional competence needs and for the coordinated production of competence development opportunities that correspond to needs. A coordinated approach is also needed to strengthen the participation of underrepresented groups.

Key measures

Those involved in providing continuous learning opportunities collaborate at the regional and local level in a variety of networks, and this cooperation is coordinated with various structures. The Ministry of Education and Culture and the Ministry of Economic Affairs and Employment have sought to support networking through continuous learning grants and by recruiting continuous learning coordinators in 2020.

However, none of the actors are responsible for coordinating the competence development services as a whole, and the competence and other services or services aimed at companies are not fully intertwined. The impact of the competence needs in the world of work and regions region on the education and training provided in a region is often insufficient.

Measure 17: Strengthening the bond between work and competence and regional ecosystems by supporting and coordinating cooperation structures, promoting knowledge-based management, and coordinating guidance, services and the provision of study opportunities better than currently. The activities are based on continuous interaction between central government, regions and local actors. The aim of the networks is to ensure that all relevant parties needed to respond to changes in the world of work are involved in the planning of services and the discussions concerning the appropriate targeting of the existing service provision financed with “basic funding”. Regional networks aim to support the vitality of the regions.

Key actors: Ministry of Education and Culture, and Ministry of Economic Affairs and Employment.

Schedule: as of 2020

Measure 18: Creating a structure to support the bond between work and competence at the national and regional level. The aim is to promote the matching of the supply and demand for competence, to anticipate competence needs, to renew and acquire competence services, and to support cooperation structures in regions. The aim is to also promote participation in training among underrepresented groups, for example by supporting outreach activities. The digital service package of continuous learning supports activities and forms a framework and platform for the guidance services and other services for continuous learning.

Key actors: Ministry of Education and Culture, and Ministry of Economic Affairs and Employment. Funding under the EU's Recovery and Resilience Facility has been proposed.

Schedule: 2021–2023.

6.3 Ensuring the accessibility of continuous learning

The accessibility of continuous learning ensures that everyone has an opportunity to develop their competence at different stages of their careers. Guidance is used to strengthen reaching different target groups at work and outside work as well as to reinforce other themes of continuous learning, such as the utilisation of foresight data in the planning of career and education paths, the accessibility of new education and training opportunities, and the streamlining of transitions in the world of work.

In its report on the continuous learning system in Finland, the OECD considered that major differences in participation in competence development between those with a low level of basic skills and others refer to structural barriers to participation, and identified that the development targets include providing more comprehensive advisory and guidance services for those with a low level of basic skills and increasing outreach activities.

Social benefits may be a contributing factor behind the lack of participation. When developing the benefit system, there is need to better identify new types and situations of continuous learning.

6.3.1 Comprehensive development of guidance

The fragmentation of information and guidance makes it difficult for adults to participate in continuous learning. Education and career guidance services are not comprehensively available for the working age adult population, and public guidance services are mainly available to students and the clients of employment services. No proactive guidance is available for

employed adults looking to change their careers. Lifelong guidance, its administration and the development of guidance are the responsibility of different sectors and ministries.

Timely and correctly targeted guidance services can not only bring direct financial benefits but also contribute to the achievement of broader societal results, such as increased inclusion and wellbeing, a better working life and the capacity for renewal in business life.

Key measures

Guidance will be developed comprehensively to make it available in both national languages, and ensure that it is proactive, multiprofessional and coordinated. Guidance will also be made available to employees. Guidance will be used to identify the needs for multidisciplinary cooperation in cases where they are required by customers' life situation. Increasing the participation of underrepresented groups particularly requires multidisciplinary guidance and service paths. Adults' career planning skills and the competence of guidance providers will also be promoted. The coordination of guidance improves citizens' user experiences of guidance, knowledge management related to the provision of guidance, and overall assessment of the quality and effectiveness of services.

Measure 19: Developing multidisciplinary guidance models. Guidance will take the individual's needs into account comprehensively, making use of multidisciplinary cooperation, and determine which is the optimal benefit or other form of income for the individual during studies.

Key actors: Ministry of Economic Affairs and Employment and Ministry of Education and Culture, and Ministry of Social Affairs and Health.

Schedule: 2021

Measure 20: Improving adults' career planning skills and prerequisites for making decisions on their own education and career through a project for promoting career planning skills aimed at citizens.

Key actors: Ministry of Economic Affairs and Employment and Ministry of Education and Culture

Schedule: 2022–2023

Measure 21: Improving competence in guidance methods and the skills of guidance providers through a development project on competence in guidance.

The requirements for core competence in guidance work and the development needs in the current guidance sector training will be identified.

Key actors: Ministry of Economic Affairs and Employment and Ministry of Education and Culture

Schedule: 2022–2023

Measure 22: Developing and coordinating the guidance and advisory services for the development of adults' competence at the national level. This national coordination concerns the development of guidance for adults carried out by various parties and the guidance services and outreach activities for underrepresented groups produced in the region.

Key actors: Ministry of Education and Culture, Ministry of Economic Affairs and Employment, those involved in the guidance sector in the regions. Funding under the EU's Recovery and Resilience Facility has been proposed.

Schedule: 2021

6.3.2 Outreach activities and communications

International comparison shows that there are significant differences between groups when it comes to participation in continuous learning in Finland. The group of people with a lack of participation is diverse; some have a lower level of basic skills and studying capacity, while others are entrepreneurs, self-employed persons, employees in small enterprises, employees with a short-term fixed-term employment relationship, or people with partial work ability and older people. As a result, various factors explain the lack of participation. For instance, the lack of participation can result from a lack of motivation, knowledge or resources, learning difficulties or previous negative experiences, or health and social problems. On the other hand, the reason may be a poorer availability of opportunities to participate in continuous learning, which is the case with groups such as entrepreneurs and those working in small enterprises.

For this reason, a number of different measures are needed to increase the participation of underrepresented groups. In the continuous learning reform, groups underrepresented in education and training will be taken into account in various measures, such as the development of guidance, benefits and the provision of study opportunities. It is also important to implement specific competence services tailored to different target groups, which include both training and guidance, advice and other necessary support services. The implementation must pay particular attention to suitable flexibility, teaching methods and adequate guidance.

Key measures

Merely developing services and benefit systems is not enough if people do not recognise or wish to reveal shortcomings in their own competence or the needs for competence development. Lack of motivation is a special challenge for this group, and the reform aims to intervene in this by means of providing clear information and carrying out outreach activities. Future students must be encountered where they spend time in their day-to-day lives, such as workplaces, hobbies, children's recreational activities, and social welfare

and employment services. Motivation for education can be encouraged by various means, for example by explaining the benefits of education, providing short training sessions, identifying existing competence. The key is to listen to people's personal experiences, needs and wishes and to try to tailor the services accordingly.

There is a clear need for outreach activities: when the Ministry of Education and Culture launched a grant application in 2020 in which one of the aims was to improve the participation of under-represented groups in continuous learning through outreach activities and training, funding was sought to more than 70 projects, amounting to over EUR 20 million.

Measure 23: Supporting outreach activities. Underrepresented groups can be reached by different means, such as personally contacting them, through people close to them, by visiting workplaces and other local environments, and by sharing information with other service providers. The outreach activities will be closely linked to competence and guidance services, which are tailored to the individual's needs.
Key actors: Ministry of Education and Culture, Ministry of Economic Affairs and Employment, higher education institutions, educational institutions, providers of other competence services and their cooperation networks. Supported by project funding.
Schedule: 2021–2023

Measure 24: Marketing the opportunities and benefits of competence development. Communication activities will be launched to give concrete examples of the benefits of continuous learning and contribute to creating a positive image of continuous learning.
Key actors: The Ministry of Education and Culture and the Ministry of Economic Affairs and Employment in cooperation with educational institutions, higher education institutions, labour market actors and non-governmental organisations.
Schedule: 2021–2022

6.3.3 Developing benefits to support continuous learning

Participation in training may result in different costs for the individual, such as loss of earned income during studies. Subsistence during learning is supported by a wide range of benefits. Based on international comparison, barriers to participation in adult education appear to be low in Finland, and benefit systems do not appear to be the key challenge or bottleneck. However, changes to benefit systems can contribute to the objectives of the continuous learning reform, such as increasing the level of competence, raising the competence level and participation rate of underrepresented groups, and reconciling work and studies.

Adult education allowance has recently been developed in line with the objectives of continuous learning. As of 1 August 2020, a salaried employee's adult education allowance was renewed with the aim of encouraging working alongside studying and getting new user groups within the scope of the adult education allowance. The Parliament has required the Government to submit a report on the impacts of the reform to the Employment and Equality Committee by 31 December 2021. Further development of the adult education allowance should be further assessed after the completion of future impact assessments.

Key measures

Part-time studies financed with an unemployment benefit are possible for all jobseekers without the discretion and approval by the employment authority. The TE Office decides whether training is considered full or part-time studies. Unemployment security legislation has set relatively clear limits on what constitutes full-time studies. It has often been suggested that the bureaucracy associated with studying financed through unemployment benefits, the uncertainty arising from the assessment of whether training is considered to constitute full-time or part-time studies, and the variation and unpredictability of the interpretations made by the authorities discourage rather than encourage competence development from an individual's perspective. The assessment carried out by the TE Office on whether training is considered part-time studies may, on a one-off basis, lead to delays in the payment of the benefit, which may scare off some jobseekers to the point that they will drop out of their studies in fear of losing the benefit.

With the exception of short-term studies, it is down to the discretion of the TE Office whether a person can study full time without losing their unemployment benefit or with the support of the unemployment benefit. Opportunities based on the TE Office's discretion to study full-time with an unemployment benefit include labour market training and independent studies supported with an unemployment benefit. Unemployment benefits that support studies can be granted for a maximum of 24 months per study module. If the aim of the studies is to complete basic education, the entity formed by the studies can be supported for a maximum of 48 months.

Student financial aid does not appear attractive to adult students, and it often serves as the last-resort form of support for studying. Student financial aid may not be available for supplementary studies, for example due to restrictions on the maximum months of student financial aid.

Measure 25: Developing the opportunities for studying of unemployed people.

As part of the services for the unemployed, the unemployment security system will be developed to provide unemployed people with better opportunities to study

without losing their unemployment benefit. To achieve this objective, the definition of full-time studies in the Unemployment Security Act and possibly changing this will be examined. In addition, the maximum duration of support for independent studies supported by an unemployment benefit will be assessed for unemployed persons without a post-compulsory qualification.

Key actors: Ministry of Economic Affairs and Employment, Ministry of Social Affairs and Health.

Schedule: 2021–2022

Measure 26: In connection with the development of student financial aid, evaluating the opportunities for developing it to better support continuous learning. In this context, examined topics will be the possibility of additional months of financial aid in new higher education studies, the income limits set for student financial aid, and the right to student loan compensation in qualifications other than the person's first qualification.

Key actors: Ministry of Education and Culture

Schedule: 2021–2022.

Measure 27: Examining the benefit systems from the perspective of underrepresented groups. Special attention should be paid to the requirements for developing the competence of underrepresented groups, such as entrepreneurs in SMEs, self-employed persons, those with a low level of basic skills or immigrants. Studies that strengthen basic skills and study skills have been developed for the needs of underrepresented groups. Measure 9 proposes that studies aiming to further develop, motivate, coach and strengthen basic skills should be provided in connection with education and training leading to qualification. In this context, there is need to examine the questions of income during such studies.

Key actors: Ministry of Education and Culture, Ministry of Economic Affairs and Employment, Ministry of Social Affairs and Health

Schedule: 2021–

SNELLMANINKATU 1, HELSINKI
PO BOX 23, 00023 GOVERNMENT, FINLAND
valtioneuvosto.fi/en/
julkaisut.valtioneuvosto.fi

ISBN: 978-952-383-531-3 PDF

ISSN: 2490-0966 PDF