New employment services

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2. Employment context in Finland
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Finland

• Population: 5,5 million (2017)
• Real GDP growth: 1,9% (2016)
• Unemployment rate: 8,8% (2016)

Source: https://www.eurofound.europa.eu/country/finland
The Finnish industrial relations system is, in the long-term, transitioning towards increasing decentralisation.

Major steps taken forward in 2017, as collective agreement negotiations of autumn 2017–spring 2018 were brought directly to the sectoral level, without a preceding centralised agreement having been made.

Employment policy measures in Finland have involved alleviating regulations of working life, introducing restrictions to unemployment security, and gradually responding to new labour market phenomena, such as zero hours contracts and an increase in self-employment.

Working life regulations concerning ‘regular’ employment relationships have not changed much, but the reform of the Working Hours Act (currently under review) may influence this.

The Act is intended to increase the maximum hours of overtime, relax the regulations on night work and shift work, and increase opportunities for part-time work.

Prominent issues in the employment and social policy fields in 2018: the regional government, health and social services reform, as well as further tightening of unemployment policy measures.

SOURCE: https://www.eurofound.europa.eu/country/finland
Employment administration in Finland

- Employment services are organised by the TE-Services (http://www.te-palvelut.fi/te/en/) network.
- This is a public service, comprising experts in personnel recruitment and development.
- TE-Services support both job seekers and employers / entrepreneurs.
- They are meant to serve also newcomers in Finland, as Finland is seeking specialised workers.
Labour market challenges in Finland

- **Mismatches in priority occupations**
  - The occupational barometer identified a total of 40 occupations as occupations with a pressing shortage of job seekers, representing an increase of 16 from the previous year. The list of occupations with a surplus of job seekers, on the other hand, has shortened considerably over the past 12 months. (Helsinki Times 3.4.2018 and https://tem.fi/artikkeli/-/asset_publisher/ammattibarometri-2018-tyovoimapula-laajenee-uusiin-ammatteihin)

- **Reasons:**
  - Lack of graduates from respective HE study programmes;
  - Regional differences play a role as well e.g. there is a substantial lack of qualified dentists in the province of North Karelia, but this is balanced by the situation in the province of Pirkanmaa;
  - Low mobility e.g. medical doctors can be unemployed in certain regions, but in others – they can be in a shortage.
  - Finland has the fastest ageing population in Europe which means growth in demand for medical services and at the same time a relatively rapid decline of working age population as a result of retirement of the labour force.

Labour market in Kainuu

• The employment situation in Kainuu improved in 2016, and that trend continued in early 2017.
  ✓ Unemployment rate: 11,5 % (July 2018)
  ✓ Employment rate: 66,2 % (July 2018)

Lack of workforce:

• Gaming industry experts, software developers, social and health care professionals (doctors, senior nurses, ward nurses, other registered nurses, and dentists), teachers, metal workers, welders, mining industry professionals and engineers in various sectors, new jobs have opened up in the timber industry. among others...

• There are also jobs available for psychologists, social workers and pharmacists.

• There is a shortage of skilled cleaners and sanitation workers as well as welders and other skilled metal industry workers.

• There are vacancies, especially in the Kajaani and Sotkamo areas.

https://ec.europa.eu/eures/main.jsp?countryId=FI&acro=Imi&showRegion=true&lang=en&mode=text&regionId=FI0&nuts2Code=%20&nuts3Code=null&catId=7486
Kainuu — Population, labor force and population out of the labor force

Population
~74,000

Working age population
15 – 64 y.
43,660
59%

Labour force
32,700, 44%

Employed
27,550
84%

Unemployed
5,150
16%

Out of labor force
41,300, 56%

Students
5,000

Others
Military serv. etc
1,900

0-14 y.
10,400

Working age retired.
24,000

Children
0-14 y.
10,360
14%

Over 65 y.
19,980
27%

Population
~74,000

Source: Statistic of Finland
Labour market in Kainuu

• Currently, as the labour supply and demand in Kainuu do not correspond, so there are more recruitment problems than there used to be.

• Employers are also recruiting some labour from abroad.

• Unemployment:
  • There are lots of unemployed professionals in the construction and transport sectors.
  • There are many installation and repair workers available for vehicles, electronic and automated equipment and the information and communication technology.
  • There is also oversupply of graphic and multimedia designers and advertising and marketing specialists.
  • There are also unemployed salespeople, office workers and gardeners.

Kainuu: Growing need for skilled labor force. Bio economy, Tourism, Technology industry, Mining: around 6000 jobs in coming next 5 years

<table>
<thead>
<tr>
<th>Activity area</th>
<th>Location in Kainuu</th>
<th>Investments</th>
<th>Investments size (M€)</th>
<th>Anticipated turnover (M€/v.)</th>
<th>Additional workforce</th>
<th>Workforce during the construction period</th>
<th>Indirect employment effect (jobs)</th>
<th>Time-span</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bio-based economy</td>
<td>Kainuu</td>
<td>Forestry and logging</td>
<td></td>
<td></td>
<td></td>
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<td>2021</td>
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<tr>
<td>2 Bio-based economy</td>
<td>Kuhmo</td>
<td>Woodpolis 2020 (Kantola Kuhmo)</td>
<td>185</td>
<td>60</td>
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<td>2020</td>
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<td>3 Bio-based economy</td>
<td>Kajaani</td>
<td>Factory expansion (St1)</td>
<td>60</td>
<td>20</td>
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<td></td>
<td></td>
<td>2020</td>
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<tr>
<td>4 Bio-based economy</td>
<td>Paltamo</td>
<td>Factory realisation (KaiCell Fibers)</td>
<td>900</td>
<td>270</td>
<td>2000</td>
<td>1350</td>
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<td>2021</td>
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<td>5 Bio-based economy</td>
<td>Kainuu</td>
<td>Natural resources (natural products)</td>
<td>5</td>
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<td>2019</td>
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<td>6 Renewable energy</td>
<td>Kainuu</td>
<td>Regional heating plants, wind energy</td>
<td>20</td>
<td></td>
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<td>2021</td>
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<td>7 Construction</td>
<td>Kajaani</td>
<td>Kainuu new hopsital (osittain puurakennus)</td>
<td>153</td>
<td>300</td>
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<td>2018-2020</td>
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<td>8 Construction</td>
<td>Kainuu</td>
<td>Other construction sector investments</td>
<td>9</td>
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<td>2018</td>
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<tr>
<td>9 Mining industry</td>
<td>Sotkamo</td>
<td>Silvermine (Sotkamo Silver)</td>
<td>45</td>
<td>200</td>
<td>100</td>
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<td>2018-2019</td>
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<tr>
<td>10 Mining industry</td>
<td>Kajaani</td>
<td>Opening of mines (Otanmäki)</td>
<td>200</td>
<td>400</td>
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<td>2020-2035</td>
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<tr>
<td>11 Mining industry</td>
<td>Sotkamo</td>
<td>Production reinforcement (Terrafame)</td>
<td>111</td>
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<td></td>
<td></td>
<td>50</td>
<td>2019</td>
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<td>12 Mining industry</td>
<td>Sotkamo</td>
<td>Uranium recovery (Terrafame)</td>
<td>10</td>
<td>10</td>
<td>30</td>
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<td>2019</td>
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<tr>
<td>13 Mining industry</td>
<td>Sotkamo</td>
<td>Chemical battery factory (Terrafame)</td>
<td>175</td>
<td>100</td>
<td>600</td>
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<td>2020</td>
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<td>14 Mining industry</td>
<td>Ristijärvi</td>
<td>Stone industry</td>
<td>10</td>
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<td>2018</td>
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<td>15 Mining industry</td>
<td>Kainuu</td>
<td>Other extractive industries</td>
<td>25</td>
<td>20</td>
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<td>2018</td>
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<tr>
<td>16 Technology / metal cluster</td>
<td>Kajaani</td>
<td>Domestic and international subcontracting (Transtech)</td>
<td>700</td>
<td>150</td>
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<td>2018 alk.</td>
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<tr>
<td>17 Technology / metal cluster</td>
<td>Kajaani</td>
<td>Gaming industry investments</td>
<td>10</td>
<td>100</td>
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<td>2018-2021</td>
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<tr>
<td>18 Information and communication</td>
<td>Kainuu</td>
<td>New knowledge routes (Koillisväylä)</td>
<td>21,5</td>
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<td>2020-2021</td>
</tr>
<tr>
<td>19 Information and communication</td>
<td>Kajaani</td>
<td>Data centre</td>
<td>33</td>
<td></td>
<td></td>
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<td>2017-2021</td>
</tr>
<tr>
<td>20 Tourism cluster</td>
<td>Sotkamo</td>
<td>Holiday construction, Vuokati's itinerary</td>
<td>120</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>21 Tourism cluster</td>
<td>Kainuu</td>
<td>Other tourism investments</td>
<td>67</td>
<td></td>
<td></td>
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<td>2018-2020</td>
</tr>
</tbody>
</table>

**Total**: 2563,5 M€, 1900 M€ turnover, 2600 additional workforce, 1400 indirect employment effect.

- New innovations for labour services urgently needed
- Rekry Kainuu project & Employment services renewal project (Kopakka pilot)
• Actions to address labour mismatches and labour shortages

  • The Regional Council of Kainuu and Kainuun Etu Ltd started a two-years joint project to find ways to combat labor shortage and the mismatch of labor supply and demand.

• **RecruitmentKainuu Project**: Connecting Employers and Job-Seekers; Implementation time: 1.05.2017 - 30.04.2019, Budget: 460 000 €, Funding: European Social Fund (ESF) 80%.

• The target group in focus of this project are people living in the region or somewhere else in Finland, finishing their studies, unemployed or professionals looking for new career opportunities. This project is reaching out to people who are originally from the region of Kainuu or have moved for studies or for work at some point of their lives.
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• Kopakka pilot project (work and functional capacity throughout Kainuu).

  • OBJECTIVE The project is about integrating TE-Services (employment services) with (SOTE) health-care services, by utilising interoperable solutions, based on a qualified self-assessment tool, supporting life management and promoting employment.

  • AIM To make the existing fragmented services intact and effective

  • PURPOSE The pilot is designed so that an unemployed jobseeker may benefit from the tailored personal support as a networked, very smooth and fast-paced service.

• HOW RESULTS WILL BE ACHIEVED

  • A partnership agreement model is currently being created for the provision of services, which is meant to form a well-defined, long term in the future.

  • The model foresees a bottom up approach, which will be tested through the pilot and institutionally integrated after it.

The employment services renewal project in Kainuu (Kopakka pilot)

• **Kopakka pilot project** (work and functional capacity throughout Kainuu).

• **PROBLEM:**

  • 25 to 30% of jobseekers in Kainuu face various challenges in relation to their ability to work and function. This hinders or slows down their employment.

  • Often, such customers need a number of simultaneous services. However, a challenge of current services is their multitude, fragmentation and slowness.

  • As a result, customer’s commitment to these services is also perceived to be problematic, with frequent drop-outs leading to service chains to break down.

  • Moreover, as a result of the fragmentation comprehensive responsibility is missing, as the various sectors see things from their particular institutional perspective.
The employment services renewal project in Kainuu (Kopakka pilot)

Kopakka service model

- Customer guidance
- Mapping of service needs and service agreement
- Service period
- Follow up and monitoring
- Work
- Training
- Beyond the work-life