



Labour market policy

Qualitative report

Finland 2001



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A - Introduction

A - Introduction

The first publication of the **Qualitative Reports** of the **Labour Market Policy (LMP) database** is issued in 16 volumes, one for each country participating in the LMP data collection¹. The reports present qualitative information extracted from the database to describe, in total, 550 labour market policy measures included in the Eurostat database for the year 2001. The reports constitute a fundamental component of the Eurostat Labour Market Policy (LMP) database allowing the user to understand what lies behind the figures on expenditure and participants collected in the database. The qualitative reports give a succinct description of each of the labour market policy measures and should be considered as complementary information to the publication *Labour Market Policy - Expenditure and Participants - Data 2001*².

The reports all have the same structure: Part A presents the Introduction, Part B includes the Inventory of measures - i.e. the list of all measures grouped by category, and Part C presents the main details of each measure in three sections: Identification, Description, and Supplementary information. The *Description* contains seven sub-sections: Aim, Beneficiaries, Action/Instrument, Financing/Support, Eligibility, Legal basis, and Recent changes. The *Supplementary Information* contains nine sub-sections covering the target groups, the conditions for participation and other characteristics of the measure. Together, these items summarise the qualitative information collected through the LMP questionnaire³.

The measure descriptions in the LMP database are up-dated every year with the contribution of the LMP delegates in each country and should be published by Eurostat every 2 years. They are also available as a chapter of the Basic Information Reports (BIRs) produced by the European Employment Observatory⁴.

¹ The reports are issued primarily in English but French and German versions are also available on request. Eurostat makes every effort to ensure that measure descriptions entered in one language are updated in the other two languages but the alignment of translations cannot be guaranteed. Bearing this in mind, the preferred language for each country report is considered to be English for all countries except Belgium, France and Luxembourg (French); Germany and Austria (German).

² European Social Statistics - *Labour market Policy - Expenditure and Participants - Data 2001*. Eurostat Theme 3 - Population and Social conditions - 2003 Edition.

³ *Labour Market Policy Database - Methodology* - April 2000. Eurostat Working Papers.

⁴ The BIRs are produced on behalf of the European Employment Strategy Unit (General Directorate of Employment and Social Affairs) and can be accessed via <http://www.eu-employment-observatory.net/en/publications/bir>.

B - Inventory of measures

Inventory of measures

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Number of measures: 33

C - Qualitative information by measure

Identification:

Country: Finland **Year:** 2001 **Category** 0 - General PES
Measure n°/name: 5 **Mobility allowance**
Type of action: 0 General PES

Description:
Aim:

To support geographical mobility of jobseekers in order to facilitate the take up of a job.

Beneficiaries:

Jobseekers who have to travel or move in order to take up a new job

Action/Instrument:

Jobseekers may be granted a mobility allowance in the form of a daily allowance and reimbursement of travelling costs and, if necessary, accommodation costs arising from travel within Finland for the purpose of responding to a job offer, concluding an employment contract or moving house in order to take up a new job.

The job must be the result of a referral by the Employment Office and be outside the applicants normal commuting area (based on his/her place of residence). The job must be for at least 18 hours per week and last at least 2 weeks. Where relocation is necessary, the mobility allowance can be paid for the first 2 working months as a reimbursement of moving costs.

Financing/support:

Central government budget

Eligibility:

Registered jobseekers who are unemployed or in risk of unemployment.

Legal basis:

Employment services Act (1005/1993).

Recent changes:
Supplementary information:

Target groups:	Unemployed, Registered jobseekers	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> No <i>Registration continued:</i> Yes	Other cash benefits:	Unemployment benefit
Type of expenditure:	Transfers to individuals (Reimbursements)	Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1972 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 0 - General PES
Measure n°/name: 18 **Placement services**
Type of action: 0 General PES

Description:
Aim:

To improve the functioning of the labour market by providing labour exchange services, promoting vocational development, monitoring of active job search and implementing active labour market policy measures.

Beneficiaries:

Job seekers and employers

Action/Instrument:

Employment services include placement, vocational guidance, labour market training, information services regarding training and occupational choices and vocational retraining. There are 176 local employment offices operating in the country.

At the beginning of 1998, the service process in the employment offices was reformed in order to make the services into an ongoing process and to promote active job-search amongst jobseekers. As part of this reform, the rights and the obligations of jobseekers were defined. Each unemployed person should have a job-seeking plan (individual action plan), which is established and monitored through regular fixed-interval interviews which should take place - at the latest - after 5, 11, and 23 months of unemployment.

Financing/support:

Central government budget

Eligibility:
Legal basis:

Employment services Act (1993/1005).

Recent changes:
Supplementary information:

Target groups:	Registered jobseekers		Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i>	No	Other cash benefits:	Unemployment benefit
	<i>Registration continued:</i>	Yes		
Type of expenditure:	Transfers to service providers		Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Public employment services		Area of Application:	National
Implementation:	<i>Year started:</i>	1900		
	<i>Year ended:</i>	Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 0 - General PES
Measure n°/name: 21 **Training and vocational information services**
Type of action: 0 General PES

Description:
Aim:

To support individuals in their search and application for education and vocational training by providing information about available opportunities, contents of jobs and the labour market.

Beneficiaries:

Jobseekers and other clients of employment offices.

Action/Instrument:

Information service officers in each employment office provide counselling and help for clients to find the appropriate information by themselves. The information service offers:

- personal guidance
- versatile written material
- a computerised information system
- video programmes

Financing/support:

Central government budget

Eligibility:
Legal basis:

Employment Services Act (1005/1993) and Employment Services Decree (1251/1993).

Recent changes:
Supplementary information:

Target groups:	Registered jobseekers		Detailed target groups:	Youth
Unemployment registration:	<i>Condition for participation:</i>	No	Other cash benefits:	Unemployment benefit
	<i>Registration continued:</i>	Yes		
Type of expenditure:	Transfers to service providers		Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Public employment services		Area of Application:	National
Implementation:	<i>Year started:</i>	1973		
	<i>Year ended:</i>	Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 1 - Intensive counselling and job-search assistance
Measure n°/name: 20 **Vocational guidance**
Type of action: 1 Intensive counselling and job-search assistance

Description:
Aim:

To help individual persons solve problems related to vocational choice, career development and access to work.

Beneficiaries:

Jobseekers and other clients of employment offices

Action/Instrument:

Normally the counselling process consists of one or more interviews and additional measures such as testing, training course, work experience scheme, etc. The counselling process deals with problems related to the resources of the client as well as opportunities in the education system and on the labour market.

Financing/support:

Central government budget

Eligibility:
Legal basis:

Employment Services Act (1005/1993) and Employment Services Decree (1251/1993).

Recent changes:
Supplementary information:

Target groups:	Registered jobseekers		Detailed target groups:	Youth, Disabled
Unemployment registration:	<i>Condition for participation:</i>	No	Other cash benefits:	Unemployment benefit
	<i>Registration continued:</i>	Yes		
Type of expenditure:	Transfers to service providers		Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Public employment services		Area of Application:	National
Implementation:	<i>Year started:</i>	1960		
	<i>Year ended:</i>	Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 2 - Training
Measure n°/name: 6 **Labour market training**
Type of action: 2.1 Institutional training

Description:
Aim:

To adapt the skills of unemployed, to improve and maintain the equilibrium between supply and demand in the labour market, to avert unemployment and to abolish labour shortage in certain regions and industries through the provision of training in either public or private vocational institutions.

Beneficiaries:

Unemployed and employed at risk in general, but with a special attention paid to young long-term unemployed, to the partially disabled and people aged over 40.

Action/Instrument:

Labour market training consists for the most part of further training and updating training. The training is flexible in form and can last from a few days to more than a year. Initial vocational training can be provided if the participant lacks professional skills. Supplementary training is intended to broaden the scope of participants' skills. Retraining is offered when the person is changing occupation. Recently labour market training has been increasingly channelled to cover the young long-term unemployed, and to cater for the special training needs of the partially disabled and those over forty years of age.

Training can take place at vocational adult training institutions or institutions of higher education, but can also be organised by private suppliers through tendering procedures. Over half of all student work days have been provided by adult training centres. Training can also take place abroad so long as it has been arranged by the administrative authorities of Finland or another Nordic country. The Employment service offices and regional Employment and Economic Development Centres sign an agreement with the service providers which defines the duration, approach and costs of training.

The Employment administration pays the costs of the training services whilst the participants receive a training allowance as well as possible reimbursement of accommodation expenses, all for a maximum of 5 days per week. For insured unemployed aged over 16 and fulfilling the time-at-work condition, the training allowance is paid by the unemployment fund of which they are a member at the same rate as earnings-related unemployment allowance. For uninsured persons the Social Insurance Institute (SII) pays an allowance equivalent to the rate of basic unemployment allowance. In both cases, the allowance is paid on application from the individual together with confirmation from the employment office that the person has been accepted on training. The training allowance is considered as taxable income and may be reduced in case of income from other social benefits or work.

The training allowance will not be paid if student gets an alternative income paid as a result of:

- health insurance
- rehabilitation allowance act or employee pension act
- accident insurance, motor insurance or military injury insurance.

The payment of allowances and reimbursements is terminated if the student drops out of training. Training can also be terminated on the decision of the training provider or employment office if student has been absent so much that it is not possible to complete the training. The student has an obligation to attend the training which is defined in the training or education plan.

Financing/support:

Central government budget, social security funds and ESF

Eligibility:

Registered unemployed, employed at risk and inactive persons who need training because of any kind of lack of professional or other skills that are needed in labour market. Participants should be assigned to suitable training and must be aged at least 20 before starting a course. Those aged under 20 can only participate in the case that entry to regular vocational training courses requires basic or preparatory qualifications that they do not have, or there is no regular training available for their chosen profession.

To get the training allowance participants must be eligible for earnings-related or basic unemployment allowance and be over 16 years old.

Legal basis:

Labour Market Training Act (763/1990) and Labour Market Training Degree (912/1990).

Recent changes:

None

Supplementary information:

Target groups:	Unemployed (LTU), Employed at risk, Inactive	Detailed target groups:	Youth, Older, Disabled, Immigrants/ethnic minorities, Public priorities and other
Unemployment registration:	<i>Condition for participation:</i> No <i>Registration continued:</i> No	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments), Transfers to service providers	Planned duration:	<i>Typical:</i> 6 Months <i>Maximum:</i> Not available
Responsible institution(s):	Public employment services	Area of Application:	National

Implementation: *Year started:* 1964
 Year ended: Ongoing

Identification:

Country: Finland **Year:** 2001 **Category** 2 - Training
Measure n°/name: 17 **Support for self-motivated training for unemployed persons**
Type of action: 2.1 Institutional training

Description:
Aim:

To encourage unemployed persons without any specialised vocational training to obtain a vocational qualification and to improve their professional potential.

Beneficiaries:

Low qualified unemployed job-seekers with at least 10 years experience of work or entrepreneurship.

Action/Instrument:

The Council of State provides unemployed persons with an opportunity to receive a training allowance for up to two years if they apply under their own initiative for training to improve their occupational skills. The allowance is payable for 5 days per week, for a maximum of 500 days, at a rate equivalent to the level of unemployment benefits to which the applicant is eligible. The allowance is approved and paid for by the SII for persons receiving basic unemployment allowance or labour market support and by the Unemployment Funds for those eligible for earnings-related benefits.

The training should be full-time and continuous, consist of at least 20 study weeks (credits) and lead to an examination. It is possible to continue studies which have been interrupted before unemployment began and which would lead to a lower or higher academic degree. It is also possible to complete the comprehensive school syllabus of to finish upper secondary school. The training must be provided by an educational institute under public supervision. Applicants must provide the Employment office with documentation to demonstrate that they have been accepted for training and their start-date before being granted the allowance. They must also demonstrate ongoing progress with their studies.

Financing/support:

Central government and social security funds

Eligibility:

The allowance is available only to unemployed job-seekers with at least 10 years experience of work or entrepreneurship. In addition, participants must be eligible for unemployment allowance or labour market support and have been receiving one of these benefits for at least 86 days in last 12 months.

Legal basis:

Act on the support of self-motivated training for unemployed (1402/1997) as amended (512/2001).

Recent changes:

From 1.8.2001, the requirement for 10 years experience of work or entrepreneurship takes into account the whole working history of the applicant. Previously the condition was for 10 out of the past 15 years.

Supplementary information:

Target groups:	Unemployed	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> Yes <i>Registration continued:</i> No	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments)	Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> 2 Years
Responsible institution(s):	Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1997 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 2 - Training
Measure n°/name: 24 **The adult training supplement of the training and redundancy fund**
Type of action: 2.1 Institutional training

Description:
Aim:

To support labour market training for the unemployed.

Beneficiaries:

Workers aged 30-65 made redundant for financial or production-related reasons and in need of training.

Action/Instrument:

The training and redundancy fund is able to provide financial support for workers made redundant by their employer for financial or production-related problems and who are subsequently in need of training. The adult training supplement is granted for full-time vocational training lasting at least one month. Mostly it is granted in for labour market training (see measure FIN-6) but applicants can also select their own training subject to approval (see below). Training is considered to be full-time if it takes, on average, at least 25 hours per week with at least 25% of this being classroom instruction. For university studies there must be at least 2.5 credits (training weeks) per month.

The supplement is a tax-free allowance of 185€ a month and can be granted for a maximum of 18 months during a 24 month period. The supplement will not be paid if person benefits from; earnings or awards of more than 336€ in a month, a daily allowance paid through health/accident insurance or a rehabilitation grant, a pension based on contract of employment or service, unemployment allowance or labour market support or vocational education allowance. However, the supplement is paid to persons who already receive a training allowance for labour market training, training subsidy or study grant.

The supplement is payable for labour market training or training selected by the applicant that leads to;

- vocational basic degree
- based on certificate on vocational skills of vocational basic-, occupational- or special occupational degree
- vocational high school degree
- lower academic degree
- higher academic degree
- post graduate degree
- or vocational addition training or additional training in vocational high school or in university.

The supplement will not be paid for:

- upper secondary school studies or training related to a hobby
- apprenticeship training
- distance education
- training in foreign schools.

Financing/support:

Social security funds

Eligibility:

The requirement for granting the adult training supplement of the training and redundancy fund is, as with the redundancy payment (see measure FIN-23), that the employer has cut the payroll for financial or production-related reasons or has stopped operations altogether. Approval of the adult training supplement requires that:

- the applicant was aged 30-65 when made redundant
- the last job or service lasted for at least one year and was for at least 16 hours per week
- the training begins within two years of the dismissal
- training is necessary to improve the employability of the applicant

Application for the grant must be delivered to the training and redundancy fund with details of the previous contract of employment completed by the employer. Where the Employment office has proposed the training, it has to complete details of the training.

Legal basis:

Education and Redundancy Payment Fund Act (537/1990). Decision of the Ministry of Social Affairs and Health on the Rules of Procedure of the Fund (1312/1994).

Recent changes:

The adult training supplement of the training and redundancy fund will end on 31 December 2002. The supplement will be issued only to eligible persons whose contract of employment or service has ended and training started on or before that date.

Supplementary information:

Target groups:	Unemployed		Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i>	Yes	Other cash benefits:	None
	<i>Registration continued:</i>	No		
Type of expenditure:	Transfers to individuals (Periodic cash payments)		Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Social security funds, Public employment services		Area of Application:	National

Source: Eurostat LMP database. Date of extraction: 13 November 2003

Further reading: *European Social Statistics, Theme 3, Labour market policy - expenditure and participants.*

Implementation: *Year started:* 1970
 Year ended: Ongoing

Identification:

Country: Finland **Year:** 2001 **Category** 2 - Training
Measure n°/name: 12 **Employment subsidy for practical training**
Type of action: 2.2 Workplace training

Description:
Aim:

To increase the work skills and experience of participants through the support of practical training in the workplace.

Beneficiaries:

Unemployed with special attention paid to LTU and youth.

Action/Instrument:

The Employment Office makes a contract with employers in order to facilitate the provision of work-based practical training for unemployed persons. There is no employment contract, rather a fixed term training contract which describes the kind of tasks that the person is expected to learn, their responsibilities and tutoring arrangements.

Participants receive between 100 and 180% of the normal employment subsidy. There are no financial benefits for employers providing training places.

Note that this measure is effectively a predecessor to FIN-15 (Trainee work with labour market support). The main difference is that the training allowances for FIN-15 are paid out of the LMS budget, which is administered by the Social Insurance Institute, whilst here they are paid by the PES.

Financing/support:

Central government budget and ESF

Eligibility:

Registered unemployed eligible for unemployment allowance (Earnings related or Basic). Once a person has been employed with the subsidy for the maximum 10 month period they must be registered unemployed for at least 5 of the last 6 months before they are eligible to be employed again with any employment subsidy.

The unemployed applicant must submit a written application for the subsidy to the Employment office with which they are registered. The subsidy is appropriated by the Employment office where the application has been delivered, based on its own appropriations specified by the competent Employment and Economic Development Centre. The Centre will then pay the subsidy to the applicant on a monthly basis subject to the approval of the Employment office.

Legal basis:

Employment Decree (1363/1997) as amended (1466/2001), Employment Act (275/1987).

Recent changes:

None

Supplementary information:

Target groups:	Unemployed (LTU)		Detailed target groups:	Youth
Unemployment registration:	<i>Condition for participation:</i>	Yes	Other cash benefits:	None
	<i>Registration continued:</i>	No		
Type of expenditure:	Transfers to individuals (Periodic cash payments)		Planned duration:	<i>Typical:</i> 3 Months <i>Maximum:</i> 10 Months
Responsible institution(s):	Public employment services		Area of Application:	National
Implementation:	<i>Year started:</i>	1988		
	<i>Year ended:</i>	Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 2 - Training
Measure n°/name: 15 **Trainee work with labour market support**
Type of action: 2.2 Workplace training

Description:
Aim:

To increase the work skills and experience of participants through the support of practical training in the workplace.

Beneficiaries:

Unemployed, with particular attention paid to youth and long-term unemployed.

Action/Instrument:

This is one of three actions supported by the active component of labour market support (LMS). LMS may be paid to unemployed persons in trainee work (training in practical work with a tutor) arranged by the Employment Office. There is no employment contract, rather a fixed term training contract which describes the kind of tasks that the person is expected to learn, their responsibilities and the tutoring arrangements. The training does not usually include any classroom training, it all takes place in the work-place.

Participants receive a trainee allowance (i.e. LMS) but there are no financial benefits for employers providing training places. The allowance is normally payable for a maximum of 12 months but this can be extended to 18 months in special cases (e.g. persons with particular risk of exclusion from the labour market).

Note that this measure is effectively a successor to FIN-12 (Employment subsidy for practical training) where the allowances are paid from the PES budget rather than from LMS, which is administered by the Social Insurance Institute (SII).

Financing/support:

Central government budget, social security funds and ESF.

Eligibility:

Registered unemployed eligible for LMS.

Legal basis:

The Labour market support Act (1542/1993) and the Decree on Labour market support (1361/1997).

Recent changes:

None

Supplementary information:

Target groups:	Unemployed (LTU)	Detailed target groups:	Youth
Unemployment registration:	<i>Condition for participation:</i> Yes <i>Registration continued:</i> No	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments)	Planned duration:	<i>Typical:</i> 3 Months <i>Maximum:</i> 12 Months
Responsible institution(s):	Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1996 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 2 - Training
Measure n°/name: 7 **Apprenticeship for the unemployed**
Type of action: 2.4 Special support for apprenticeship

Description:
Aim:

To promote employability and reduce the threat of exclusion from the labour market by increasing the professional skills, knowledge and work-experience of unemployed persons through apprenticeship training.

Beneficiaries:

Unemployed with a special attention paid to disabled and youngsters.

Action/Instrument:

Apprenticeship is linked closely with other vocational training as a type of labour intensive vocational training and forms an alternative channel for young people. It can take the form of basic vocational training, further training, updating training or retraining. The local employment office draws up an agreement with the employer for apprenticeship training for an unemployed job-seeker.

Employers have the right to obtain government compensation for the costs incurred in training an apprentice. When taking on an unemployed person, the employer also receives an additional subsidy paid by the labour market administration and only this additional expenditure for the unemployed is covered in the LMP database. The subsidy is the normal Employment subsidy which is used also in other measures and is payable for 5 days per week. A subsidy can be granted for the whole period of the apprenticeship agreement subject to there being enough money in the budget for subsequent years if the agreement lasts during more than one year.

Financing/support:

Central government budget and ESF.

Eligibility:

The subsidy is payable to employers taking on registered unemployed job-seekers as apprentices. A written application for the subsidy must be submitted by the employer to an Employment office - either that for the area where the apprenticeship training will take place or the one responsible for the registration of the unemployed person. A training inspectors statement must be attached to the application. The subsidy is appropriated by the Employment office where the application has been delivered, based on it's own appropriations specified by the competent Employment and Economic Development Centre. The Centre will then pay the subsidy to the employer on a monthly basis subject to the approval of the Employment office.

Legal basis:

Apprenticeship Training Act (605/1998), Employment Act (275/1987) and Employment Decree (1363/1997).

Recent changes:

None

Supplementary information:

Target groups:	Unemployed	Detailed target groups:	Youth, Disabled
Unemployment registration:	<i>Condition for participation:</i> Yes <i>Registration continued:</i> No	Other cash benefits:	None
Type of expenditure:	Transfers to employers (Periodic cash payments)	Planned duration:	<i>Typical:</i> 12 Months <i>Maximum:</i> Not available
Responsible institution(s):	Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1995 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 3 - Job rotation and job sharing
Measure n°/name: 16 **Job rotation**
Type of action: 3.1 Job rotation

Description:
Aim:

To encourage employees to take unpaid leave for training and other reasons and at the same time to increase opportunities for the unemployed to gain experience of work in the open labour market.

Beneficiaries:

Unemployed persons replacing employees taking unpaid leave.

Action/Instrument:

The measure is based on a voluntary agreement between an employee working full-time, or over 75% of full-time hours, and his/her employer for the employee to take unpaid leave for a fixed period which can be between 90-359 calendar days. The employer is obliged to offer employment over this period to one or more registered unemployed person(s) in order to make up the same hours of work as for the employee going on leave, but not necessarily in the same job. The substitute employee(s) will have an employment contract for this period. When taking on a long-term unemployed person for the job rotation period, the employer may also receive an employment subsidy.

The person on job rotation leave receives 70 % of the unemployment allowance that he/she would be entitled to when unemployed and this is paid either by the Social Insurance Institute (SII) or the Unemployment Fund of which the applicant is a member. As with regular unemployment allowances, the amounts paid during job rotation leave are liable to taxation. If person on leave undertakes full time vocational training, a training supplement is granted. The person on leave may only break the contract and return to work on agreement of the employer.

Financing/support:

Central government and social security funds

Eligibility:

Employees have the right to take leave after working for the same employer for at least one year or for 12 of the 13 months preceding the job rotation leave. The same limit applies for requalification.

Replacement workers must be registered unemployed.

The agreement between the employee going on leave and his/her employer and the employment contract of the replacement worker(s) have to be delivered to the Employment Office, which takes the final decision about every job-rotation period.

Legal basis:

Act on Job rotation leave (1663/1995).

Recent changes:

None

Supplementary information:

Target groups:	Unemployed	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> Yes <i>Registration continued:</i> No	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments)	Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> 359 Days
Responsible institution(s):	Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1995 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 3 - Job rotation and job sharing
Measure n°/name: 13 **Part-time pay supplement**
Type of action: 3.2 Job sharing

Description:
Aim:

To encourage employees to make a voluntary reduction of working hours in order to increase job opportunities for unemployed.

Beneficiaries:

Unemployed persons taking up work in hours freed by employees reducing their working time.

Action/Instrument:

A person voluntarily changing his/her full time job to a part-time job for up to a year can receive a part-time income supplement as compensation for diminished earnings. The employee must reduce their hours to between 40-60% of his/her normal full-time hours and the employer is obliged to take on for the same period a registered unemployed person for at least as many hours as freed by the employee, but not necessarily for the same tasks. The agreement between the employee and his/her employer must include a provision to allow the employee to return to full-time work when the entitlement to the part-time supplement ceases.

The part-time supplement is payable for a maximum of 12 months and represents 50 % of the difference in pay between full-time and part-time work with a ceiling equal to the normal employment subsidy plus 70 %. The employee reducing working hours can not receive any other subsidies or allowances (e.g. unemployment allowance or labour market support). The replacement worker cannot receive any other wage or salary for the same job/working-time.

The part-time pay supplement will be terminated:

- if the work of the original employee ends or stops because the employee quits, is sacked, laid-off or otherwise has his/her contract of employment terminated;
- two months after the work of the original employee has ended (for reasons other than above).

However, payment of the supplement will not be terminated if

- the employer takes on a new unemployed person within two months that the work of the original employee has ended;
- the Employment office is unable to place another unemployed person suitable for the work.

Financing/support:

Central government budget and ESF

Eligibility:

- Employees are eligible to apply for the part-time pay supplement only after working full-time for 12 months continuously. The same limit applies for requalification after receiving the supplement for the maximum period. The reduction in working time must be voluntary on behalf of the employee and cannot be enforced by the employer for production or other economic reasons.
- Replacement workers must be registered unemployed and either aged over 55 or unemployed for at least 5 of the last 6 months.

The employee reducing working time must make a written application to the Employment office for the subsidy. This can be delivered to the Employment office either in the area that the work-place is located or in that of the intended unemployed replacement. The subsidy is appropriated by the Employment office where the application has been delivered, based on its own appropriations specified by the competent Employment and Economic Development Centre. The Centre will then pay the supplement to the employee who has reduced working time on a monthly basis subject to the approval of the Employment office.

Legal basis:

Employment Decree (1330/1996) and new Employment Decree (1363/1997) as amended.

Recent changes:

The restrictions on replacement workers being aged over 55-years or unemployed for at least 5 of the last 6 months were introduced in 2001.

Supplementary information:

Target groups:	Unemployed (LTU)		Detailed target groups:	Older
Unemployment registration:	<i>Condition for participation:</i>	Yes	Other cash benefits:	None
	<i>Registration continued:</i>	No		
Type of expenditure:	Transfers to individuals (Periodic cash payments)		Planned duration:	<i>Typical:</i> 6 Months <i>Maximum:</i> 12 Months
Responsible institution(s):	Public employment services		Area of Application:	National
Implementation:	<i>Year started:</i>	1994		
	<i>Year ended:</i>	Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category:** 4 - Employment incentives
Measure n°/name: 35 **Combined subsidy**
Type of action: 4.1 Recruitment incentives

Description:
Aim:

To facilitate the return of long-term unemployed persons to the labour market by supporting the creation of jobs, especially in the non-profit sector.

Beneficiaries:

Long-term unemployed, particularly those with a short career of working in the open labour market.

Action/Instrument:

When an employer hires a long-term unemployed person (LTU), the employer can receive the unemployed person's labour market support (measure FIN-4) together with an employment subsidy for up to 12 months. This is effectively an activation of the passive unemployment benefit for employment and job-creation purposes. The subsidy is applicable in the private sector (organisations, households and companies) and in the municipal sector but is especially aimed at creating new job opportunities in the non-profit sector of the economy (the so called third sector or social economy).

There must be a contract of employment (fixed-term or permanent) covering the period of the subsidy and the subsidy is paid for each day that the employer is due to pay wages to the employee (up to 5 days per week). The level of the subsidy payable per employee per day can be no more than the normal employment subsidy plus labour market support. The normal employment subsidy paid to private companies and municipalities is usually equal to the employed person's wage but when it is paid as a combined subsidy to a non-profit association or foundation it may also cover wage costs other statutory payments of the employer.

During the job, the new employee may take part in additional actions such as training, rehabilitation or other measures to promote employability that will have been agreed previously in their individual action plan. The employment subsidy will not be paid during these other activities. In total, the actions may last up to 24 months but the subsidy is payable only for a maximum of 12 months.

Financing/support:

Central government budget and ESF

Eligibility:

Long-term unemployed job-seekers (more than 500 days).

The employer must submit a written application for the employment subsidy to the Employment office, either in the area that the work-place is located or in that of the long-term unemployed recruit. The subsidy is appropriated by the Employment office where the application has been delivered, based on its own appropriations specified by the competent Employment and Economic Development Centre. The Centre will then pay the subsidy to the employer on a monthly basis subject to the approval of the Employment office.

Legal basis:

Employment Decree (1363/1997), Employment Act (275/1987).

Recent changes:

None

Supplementary information:

Target groups:	Unemployed (LTU)	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> Yes <i>Registration continued:</i> No	Other cash benefits:	None
Type of expenditure:	Transfers to employers (Periodic cash payments)	Planned duration:	<i>Typical:</i> 6 Months <i>Maximum:</i> 12 Months
Responsible institution(s):	Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1998 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 4 - Employment incentives
Measure n°/name: 10 **Employment subsidy, private companies**
Type of action: 4.1.1 Permanent

Description:
Aim:

To provide opportunities for unemployed persons to gain experience of work and to increase their vocational skills and to encourage companies to take on unemployed people.

Beneficiaries:

Unemployed persons, particularly the long-term unemployed, youth, disabled and older workers.

Action/Instrument:

The labour office can grant support for up to 10 months to private companies who take on a registered unemployed person. The employee must have an open-ended employment contract in full accordance with all relevant collective agreements. The exception is for forestry work where a fixed-term contract is permissible. The subsidy is only payable in respect of employment which is full-time or at least 85% of normal full-time hours in the sector and for a maximum of 5 days per week. The amount payable per employee per day can be no more than the normal employment subsidy plus 80%, depending in the wage being paid.

During the job, the new employee may take part in additional actions such as training, rehabilitation or other measures to promote employability that will have been agreed previously in their individual action plan. The employment subsidy will not be paid during these other activities. In total, the actions may last up to 24 months but the subsidy is payable only for a maximum of 10 months.

Financing/support:

Central government budget and ESF

Eligibility:

Registered unemployed jobseekers. Once a person has been employed with the subsidy for the maximum 10 month period (not necessarily with the same employer throughout) they must be registered unemployed for at least 5 of the last 6 months before they are eligible to be employed with the subsidy again.

The employer must submit a written application for the employment subsidy to the Employment office, either in the area that the work-place is located or in that of the long-term unemployed recruit. The subsidy is appropriated by the Employment office where the application has been delivered, based on its own appropriations specified by the competent Employment and Economic Development Centre. The Centre will then pay the subsidy to the employer on a monthly basis subject to the approval of the Employment office.

Legal basis:

Employment Decree (1363/1997), Employment Act (275/1987).

Recent changes:

None

Supplementary information:

Target groups:	Unemployed (LTU)	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> Yes <i>Registration continued:</i> No	Other cash benefits:	None
Type of expenditure:	Transfers to employers (Periodic cash payments)	Planned duration:	<i>Typical:</i> 6 Months <i>Maximum:</i> 10 Months
Responsible institution(s):	Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1979 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 5 - Integration of the disabled
Measure n°/name: 34 **Sheltered work**
Type of action: 5.2 Sheltered employment

Description:
Aim:

To promote the socio-professional integration of disabled persons through sheltered work

Beneficiaries:

Disabled persons unable to find a work on the regular labour market

Action/Instrument:

Sheltered employment offers both permanent workplaces for the disabled and temporary workplaces during transition to the regular labour market.

Sheltered work is arranged in 126 special work centres that are mainly run by municipalities or federations of municipalities and which benefit from state contributions to cover part of the total cost. The worker usually has a special employment contract with his employer although the wage may be lower than for corresponding work on the open labour market. People come to sheltered work centres mostly through the employment offices, but also through local social authorities. About 40 % of the employees in sheltered work receive a disability pension.

Financing/support:

Central and local government budget and ESF

Eligibility:

Sheltered employment offers workplaces to those people with disabilities whose needs cannot be taken into account adequately on the open labour market, or who can by means of transitional work be rehabilitated for jobs on the open labour market.

Legal basis:

The Act on the care of the disabled (907/1946).

Recent changes:

None

Supplementary information:

Target groups:	Inactive		Detailed target groups:	Disabled
Unemployment registration:	<i>Condition for participation:</i>	No	Other cash benefits:	Other benefit
	<i>Registration continued:</i>	No		
Type of expenditure:	Transfers to employers (Periodic cash payments)		Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Local government, Public employment services		Area of Application:	National
Implementation:	<i>Year started:</i>	1970		
	<i>Year ended:</i>	Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 5 - Integration of the disabled
Measure n°/name: 22 **Vocational rehabilitation**
Type of action: 5.3 Other rehabilitation and training

Description:
Aim:

To maintain and improve the working capacity of disabled persons.

Beneficiaries:

Disabled unemployed

Action/Instrument:

According to legislation, all employment services organised and developed by the state should be available to disabled persons. In addition, a special statute relates to the arrangement of special services for disabled persons in order to supplement the mainstream services. Within the framework of the labour administration, either the customer or an involved official can take the initiative in identifying a need for rehabilitation. This need may emerge in connection with any type of employment service.

Special advisory services and vocational guidance services are provided by 120 employment offices. The variety of supportive measures includes examinations by a general practitioner or specialist, rehabilitation examinations, work and training trials, work testing arranged by a 'work clinic' and support for special arrangements at the workplace. Expenditure includes the cost of providing services plus rehabilitation allowances for some of the participants (others may be in receipt of labour market support).

Financing/support:

Central government budget

Eligibility:

Disabled persons. In the Finnish labour administration the term "disabled person" means an individual whose prospects of securing, retaining and advancing in suitable employment are substantially reduced as a result of a duly recognised physical or mental impairment.

Legal basis:

Legislation on rehabilitation, training and employment services for disabled persons. Employment service act (1005/1993).

Recent changes:

New PES service (Cat. 1)

Supplementary information:

Target groups:	Unemployed (LTU), Inactive	Detailed target groups:	Disabled
Unemployment registration:	<i>Condition for participation:</i> No <i>Registration continued:</i> Yes	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments), Transfers to service providers	Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> Not available <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 5 - Integration of the disabled
Measure n°/name: 25 **Rehabilitation activities of the social insurance institution**
Type of action: 5.3 Other rehabilitation and training

Description:
Aim:

To facilitate the future integration into the labour market of disabled persons through the support of rehabilitation measures.

Beneficiaries:

Disabled

Action/Instrument:

The Social Insurance Institution (SII) has a specific obligation to provide vocational rehabilitation services for disabled persons. This must take place at the latest when a daily allowance has been paid for 60 days under the Sickness Insurance Act. The SII also assesses rehabilitation needs in conjunction with other social insurance benefits, such as reimbursement for medicine costs, disability allowance and unemployment benefits. SII pays the rehabilitation allowance during vocational rehabilitation.

If a person's capacity to work and financial self-sufficiency decline significantly due to an illness or injury, he or she must be given chance to obtain:

- essential vocational training in order to maintain or improve his or her capacity to work (e.g. rehabilitation examinations and work testing, training aimed at maintaining work capacity, basic education, further education and retraining)
- assistance with running a business or being self-employed
- basic training if required to enter vocational training or
- for persons with severe disabilities, expensive and technically advanced aids necessary to help with work and study.

Service providers are public or private organisations which produce rehabilitation services. Service providers receive payments based on the costs of each persons rehabilitation. The services have been put out to competitive tender on a number of occasions and beneficiaries are obliged to use service providers selected on this basis. Rehabilitation activities have to be approved on the basis of need before starting. Where disabled persons are issued with technically advanced aids, these remain the property of the SII and their use is monitored.

Financing/support:

Social security funds

Eligibility:

Disabled persons aged between 16 and 64

Legal basis:

Legislation on rehabilitation, training and employment services for disabled persons. Act of the rehabilitation activities of the Social Insurance Institution (610/1991).

Recent changes:

None

Supplementary information:

Target groups:	None		Detailed target groups:	Disabled
Unemployment registration:	<i>Condition for participation:</i>	No	Other cash benefits:	None
	<i>Registration continued:</i>	No		
Type of expenditure:	Transfers to individuals (Periodic cash payments, Reimbursements), Transfers to service providers		Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Social security funds		Area of Application:	National
Implementation:	<i>Year started:</i>	1992		
	<i>Year ended:</i>	Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 5 - Integration of the disabled
Measure n°/name: 26 **Rehabilitation activities of the employment pension scheme**
Type of action: 5.3 Other rehabilitation and training

Description:
Aim:

To provide income support and rehabilitation services for workers facing physical and/or psychological decline.

Beneficiaries:

Workers experiencing a physical and/or psychological decline.

Action/Instrument:

When an employee's health undergoes a long term or permanent change that reduces his/her capacity to work, they may benefit from rehabilitation under the employment pension system. Rehabilitation provided under this scheme is discretionary for all: the private sector, local authorities and the State. The rehabilitation process is therefore always based on the discretion of the appropriate pension institution. Needs are identified in conjunction with pension applications or on the basis of an initiative taken either by the person involved or an outside party.

The employment pension institution in question carries the costs of the measures taken and provides clients with some income security in the form of a rehabilitation allowance.

Service providers are public or private organisations which produce rehabilitation services. Service providers receive payments based on the costs of each persons rehabilitation. Rehabilitation activities have to be approved on the basis of need before starting.

Financing/support:

Social security funds

Eligibility:

Disabled persons considered in need of rehabilitation according to the discretion of the responsible pension scheme.

Legal basis:

Legislation on rehabilitation (1991); Act of revision of the employees pension act (612/1991).

Recent changes:

None

Supplementary information:

Target groups:	None	Detailed target groups:	Disabled
Unemployment registration:	<i>Condition for participation:</i> No <i>Registration continued:</i> No	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments), Transfers to service providers	Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Social security funds	Area of Application:	National
Implementation:	<i>Year started:</i> 1992 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 5 - Integration of the disabled
Measure n°/name: 27 **Rehabilitation activities of the accident and traffic insurance**
Type of action: 5.3 Other rehabilitation and training

Description:
Aim:

To provide rehabilitation and support for workers injured or disabled after an occupational accident or illness.

Beneficiaries:

Workers injured or disabled after an occupational accident or illness.

Action/Instrument:

As long as the terms laid down in the legislation on rehabilitation based on accident or traffic insurance are met, a person injured or disabled after an occupational accident or illness is entitled to rehabilitation. Such rehabilitation is based on the principle of compensation and overrides other rehabilitation systems.

Where an impairment entitling a person to compensation causes long-term restrictions on their working capacity and/or earnings potential, the insurance institution is obliged to initiate an immediate process of vocational rehabilitation. Where the identification of needs and possible rehabilitation opportunities demands specialised help, special examinations and trial periods can be arranged by The Insurance Rehabilitation Association. The relevant insurance institutions is responsible for the cost of the measures and also for safeguarding the clients income through a full-scale loss-of-earnings allowance.

Financing/support:

Social security funds

Eligibility:

Workers injured or disabled after an occupational accident or illness and whose current or future working capacity and/or earnings potential is reduced as a result.

Legal basis:

Accident Insurance Act (625/1991), Motor insurance Act (626/1991).

Recent changes:

None

Supplementary information:

Target groups:	None	Detailed target groups:	Disabled
Unemployment registration:	<i>Condition for participation:</i> No <i>Registration continued:</i> No	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments), Transfers to service providers	Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Social security funds	Area of Application:	National
Implementation:	<i>Year started:</i> 1992 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 6 - Direct job creation
Measure n°/name: 8 **Temporary government employment**
Type of action: 6.2 Temporary

Description:
Aim:

To promote employability and reduce the threat of exclusion from the labour market by increasing the professional skills, knowledge and work-experience of unemployed persons through the creation of temporary jobs in the public sector.

Beneficiaries:

Registered unemployed, particularly the long-term unemployed, youth, disabled and older workers.

Action/Instrument:

The labour office can grant support for temporary jobs in state offices and institutions that arrange work for unemployed persons. The subsidy covers the whole of the wage and all related employer contributions. It is payable only in respect of employment which is full-time or at least 85% of normal full-time hours in the sector and for a maximum of 5 days per week. The state office and institutions are obliged to report monthly to the Employment office about the persons employed and the use of subsidies.

During the job, the new employee may take part in additional actions such as training, rehabilitation or other measures to promote employability that will have been agreed previously in their individual action plan. The employment subsidy will not be paid during these other activities. In total, the actions may last up to 24 months but the subsidy is payable only for a maximum of 10 months.

Financing/support:

Central government budget and ESF

Eligibility:

Registered unemployed jobseekers. Once a person has been employed with the subsidy for the maximum 10 month period (not necessarily with the same employer throughout) they must be registered unemployed for at least 5 of the last 6 months before they are eligible to be employed with the subsidy again.

The employer must submit a written application for the employment subsidy to the Employment office, either in the area that the work-place is located or in that of the long-term unemployed recruit. The subsidy is appropriated by the Employment office where the application has been delivered, based on its own appropriations specified by the competent Employment and Economic Development Centre. The Centre will then pay the subsidy to the employer on a monthly basis subject to the approval of the Employment office.

Legal basis:

Employment Decree (1363/1997), Employment Act (275/1987).

Recent changes:

None

Supplementary information:

Target groups:	Unemployed (LTU)	Detailed target groups:	Youth, Older, Disabled
Unemployment registration:	<i>Condition for participation:</i> Yes <i>Registration continued:</i> No	Other cash benefits:	None
Type of expenditure:	Transfers to employers (Periodic cash payments)	Planned duration:	<i>Typical:</i> 6 Months <i>Maximum:</i> 10 Months
Responsible institution(s):	Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1930 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 6 - Direct job creation
Measure n°/name: 9 **Employment subsidy, municipalities**
Type of action: 6.2 Temporary

Description:
Aim:

To promote employability and reduce the threat of exclusion from the labour market by increasing the professional skills, knowledge and work-experience of unemployed persons through the creation of temporary jobs in municipalities or non-profit organisations.

Beneficiaries:

Long-term unemployed, youth, disabled and older.

Action/Instrument:

The labour office can grant support for up to 10 months to municipalities, joint municipal organisations and other non-profit organisations who take on a registered unemployed person. The subsidy is payable in respect of employment which is full-time or at least 85% of normal full-time hours in the sector and for a maximum of 5 days per week. The amount payable per employee per day can be no more than the normal employment subsidy plus 80%, depending in the wage being paid.

During the job, the new employee may take part in additional actions such as training, rehabilitation or other measures to promote employability that will have been agreed previously in their individual action plan. The employment subsidy will not be paid during these other activities. In total, the actions may last up to 24 months but the subsidy is payable only for a maximum of 10 months. Municipalities may place a long-term unemployed person to work for an association, foundation or private person and then charge the employer the difference between the employment subsidy and real labour cost had they taken on the person directly.

The state, municipalities and companies are charged with maintaining balanced regional employment such that no commuting area has unemployment that is substantially higher than the national average. To facilitate this aim, the Employment office is able to send an unemployed person for employment with the municipality. In this case the municipality receives the normal employment subsidy but only for a maximum of 6 months.

In certain cases, the pressure on the municipality to take on unemployed persons is even stronger. People who are over 55 years old, born in 1942 or later, and who have received unemployment allowance for the maximum period but still have the right to unemployment allowance until the age of 60 are entitled to receive training or vocational rehabilitation. However, if the Employment Office is unable to find them either suitable employment on the open labour market or suitable training or rehabilitation then the municipality for their place of residence is obliged to arrange full-time work for a period of 10 months. In this case the municipality receives the normal employment subsidy plus 80%.

The municipality is not obliged to employ someone in the case that:

- the unemployed job-seeker refuses the work without adequate reason;
- the work ends due to some action of the employed person;
- the unemployed jobseeker cannot be employed within 3 months of the obligation becoming valid because the persons unemployment spell has ended.

Municipalities can also receive an extra subsidy if the number of local unemployed persons employed with the employment subsidy reaches various fixed proportions of the labour force of the municipality. The extra subsidy will be 10% if the numbers employed account for at least 1% of the municipalities labour force, 20% for at least 1.5%, and 30% for at least 2%. In order to get the additional subsidy, the municipality has to report monthly on the numbers employed to the Employment Office and, subject to approval, the money is then paid by the Employment and Economic Development Centre responsible in that area.

Financing/support:

Central government budget and ESF

Eligibility:

Registered unemployed jobseekers. Once a person has been employed with the subsidy for the maximum 10 month period (not necessarily with the same employer throughout) they must be registered unemployed for at least 5 of the last 6 months before they are eligible to be employed with the subsidy again.

The employer must submit a written application for the employment subsidy to the Employment office, either in the area that the work-place is located or in that of the long-term unemployed recruit. The subsidy is appropriated by the Employment office where the application has been delivered, based on its own appropriations specified by the competent Employment and Economic Development Centre. The Centre will then pay the subsidy to the employer on a monthly basis subject to the approval of the Employment office.

Legal basis:

Employment Decree (1363/1997), Employment Act (275/1987).

Recent changes:

None

Supplementary information:

Target groups:	Unemployed (LTU)	Detailed target groups:	Youth, Older, Disabled
Unemployment registration:	<i>Condition for participation:</i>	Yes	Other cash benefits:
	<i>Registration continued:</i>	No	None

Type of expenditure: Transfers to employers (Periodic cash payments)

Responsible institution(s): Public employment services

Implementation: *Year started:* 1978
Year ended: Ongoing

Planned duration: *Typical:* 6 Months
Maximum: 10 Months

Area of Application: National

Identification:

Country: Finland **Year:** 2001 **Category** 6 - Direct job creation
Measure n°/name: 36 **Rehabilitative work experience**
Type of action: 6.2 Temporary

Description:
Aim:

To promote employability and access to working life for the long-term unemployed. The measure offers improved prospects of employment in the regular labour market and participation in other regular measures offered by the public employment services.

Beneficiaries:

Long-term unemployed, often with multiple problems and for whom all other possibilities (measures and services) have previously been considered. In many cases the participants are actually disabled but in ways that are not formally recognised as registered disabled. For example, drug or alcohol dependencies..

Action/Instrument:

Unemployed job-seekers have the right/responsibility (subject to certain conditions - see 3.5 eligibility) to develop an activation plan together with the employment office and local government. The activation plan describes the person's working and education history, details of any earlier measures and their effectiveness, details of any actions currently planned and possible future actions, and information on the range of rehabilitation and guidance measures available. Typically, rehabilitative work experience is considered when persons aged under 25 years have been unemployed for 8-12 months and 24 months for those over 25..

When all other alternatives have been either tried previously or considered not appropriate and it is considered unlikely that the person will find employment within the next three months, then an activation plan for rehabilitative work experience may be agreed collectively by the client, employment office and local government. This will specify where, when and how the rehabilitative work experience should take place and details of any other services which may be provided.

The local government is responsible for arranging rehabilitative work experience and may do this either independently or in conjunction with another municipality, association or organisation. Rehabilitative work experience can take place over a period of 3 to 24 months. Participants must work for between 1 and 5 days per week (and no more than 230 days in any 12 month period) and for at least 4 hours during each day worked. The tasks undertaken must not result in the displacement of other workers in the organisation and should be meaningful and demanding enough to promote the clients employability and self-standing. Participants are not obliged to undertake tasks that contradict their religious or ethical beliefs. The work is carried out without any employment contract.

During the measure participants continue to receive Labour Market Support (LMS) or income security but a maintenance support is also paid and participants may also receive reimbursements for travel costs. Central government will as main part compensate the costs caused to the local government by arranging the rehabilitative work experience.

Financing/support:

Central government, Local government and Social security funds.

Eligibility:

Any agreement on rehabilitative work experience is made in the clients activation plan and there are some conditions for the establishment of these plans:

For persons aged under 25, an activation plan must be prepared in the case that the person:

- has received LMS for at least 180 days in the last 12 months or;
- has received earnings-related or basic unemployment allowance for 500 days or;
- has received income security as their main income for 4 months because of unemployment.

For persons aged over 25 an activation plan must be prepared in the case that the person:

- has received LMS for at least 500 days or;
- has received earnings-related or basic unemployment allowance for 500 days and then LMS for at least 180 days or;
- has received income security as their main income for 12 months because of unemployment.

Legal basis:

Rehabilitative Work Experience Act (189/2001).

Recent changes:

Measure started on 1.9.2001.

Supplementary information:

Target groups:	Unemployed (LTU)	Detailed target groups:	Youth, Disabled
Unemployment registration:	<i>Condition for participation:</i> Yes <i>Registration continued:</i> No	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments, Reimbursements), Transfers to service providers	Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> 24 Months
Responsible institution(s):	Local government, Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 2001 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 7 - Start-up incentives
Measure n°/name: 11 **Start-up grant**
Type of action: 7 Start-up incentives

Description:
Aim:

To encourage the unemployed to start their own business and to promote and increase self-employment and private companies.

Beneficiaries:

Unemployed starting their own business

Action/Instrument:

A registered unemployed jobseeker who has a feasible business idea can receive counselling and financial assistance when setting up a new business. Training can be provided during the period of payment of the assistance.

The start-up grant is payable over the period that it is estimated it will take to get the business started and established, for a maximum of 10 months. The grant is paid for up to 5 days a week at the same level as the normal employment subsidy elevated plus up to 80%.

Financing/support:

Central government budget and ESF

Eligibility:

Registered unemployed job-seekers. Once a person has been self-employed with the subsidy for the maximum 10 month period then they must be registered unemployed for at least 5 of the last 6 months before they are eligible to be employed with any subsidy again.

The conditions for receiving the grant are:

- the applicant is registered unemployed and has experience of running a business or being self-employed or has relevant training (this can also be arranged during the subsidy period);
- the applicant has suitable skills/experience to cope with the business type/demands;
- the new business has potential for profitable operation;
- the applicant does not receive any other state grants to cover his/her own wage costs;
- the applicant does not receive unemployment allowance or Labour market support over the same period;
- the business has not been started before approval for the start-up grant has been issued;
- the business would not start without the grant;
- the grant will not distort competition with other companies producing the same products or services.

The unemployed applicant must submit a written application for the grant to the Employment office with which they are registered. The subsidy is appropriated by the Employment office where the application has been delivered, based on it's own appropriations specified by the competent Employment and Economic Development Centre. The Centre will then pay the subsidy to the applicant on a monthly basis subject to the approval of the Employment office.

Legal basis:

Employment Decree (1363/1997), Employment Act (275/1987).

Recent changes:

None

Supplementary information:

Target groups:	Unemployed (LTU)	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> Yes <i>Registration continued:</i> No	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments)	Planned duration:	<i>Typical:</i> 5 Months <i>Maximum:</i> 10 Months
Responsible institution(s):	Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1984 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 8 - Out-of-work income maintenance and support
Measure n°/name: 1 **Earnings-related unemployment allowance**
Type of action: 8.1.1 Unemployment insurance

Description:
Aim:

To partially compensate for earnings lost due to unemployment.

Beneficiaries:

Insured, full-time unemployed workers who are willing and able to work and fulfil the time-at-work condition and who are not participating in work or training provided by the employment office.

Action/Instrument:

Earnings-related unemployment allowance is paid to registered and eligible unemployed persons aged 17-64. Payment of the allowance begins after a person has been registered by the employment office as an unemployed job-seeker for at least 7 days (deductible time). The allowance is paid for a maximum of 500 days (5 days per week), is not means-tested and is liable to taxation. In the case of a beneficiary reaching the age of 57 before having received the allowance for the full 500 days then the entitlement is extended and the allowance paid to the age of 60.

Earnings-related unemployment allowance comprises three different components:

- a basic allowance
 - a possible child increment (payable for each dependent child aged under 18)
 - an earnings-related component, which is based on the beneficiaries income before unemployment.
- Some social benefits (e.g. various pensions) can reduce the amount of the allowance paid.

Earnings-related unemployment allowance is paid by Unemployment insurance fund to which the beneficiary belongs after application by the individual and confirmation of continued unemployment every 3 weeks. The employment office has provide confirmation that person fulfils the criteria for payment of the allowance.

Measures FIN-30 and FIN-31 deal with payment of earnings-related unemployment allowance in case of partial or part-time unemployment.

Financing/support:

Central government budget and social security funds

Eligibility:

To be eligible for the earnings-related unemployment allowance a person has to be a member of an unemployment insurance fund (currently and during the 10 months preceding unemployment).

The employment offices then have to check whether the unemployed person is available for the labour market and whether he/she is actively seeking work. This is an important check because the qualifying time-at-work condition is relatively short (43 weeks during the last 24 months, with the same requirement for re-qualification after having received benefit for the maximum period of 500 days). If person is considered as being outside the labour market for more than 6 months without reasonable justification then they have to re-qualify for the time-at-work condition. In order to maintain eligibility, beneficiaries must attend interviews every 2nd month.

Legal basis:

Unemployment Allowance Act (602/1984) as amended (1443/1992; 1537/1993); Unemployment Funds Act (603/1984) as amended.

Recent changes:

None

Supplementary information:

Target groups:	Unemployed		Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i>	Yes	Other cash benefits:	None
	<i>Registration continued:</i>	Yes		
Type of expenditure:	Transfers to individuals (Periodic cash payments)		Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> 500 Days
Responsible institution(s):	Social security funds, Public employment services		Area of Application:	National
Implementation:	<i>Year started:</i>	1934		
	<i>Year ended:</i>	Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 8 - Out-of-work income maintenance and support
Measure n°/name: 2 **Basic unemployment allowance**
Type of action: 8.1.2 Unemployment assistance

Description:
Aim:

To provide income support to unemployed not entitled to earnings-related unemployment allowance

Beneficiaries:

Uninsured, full-time unemployed workers who are willing and able to work and fulfil the time-at-work condition and who are not participating in work or training provided by the employment office.

Action/Instrument:

Basic unemployment allowance is paid to registered and eligible unemployed persons aged 17-64. Payment of the allowance begins after a person has been registered by the employment office as an unemployed job-seeker for at least 7 days (deductible time). The allowance is paid for a maximum of 500 days (5 days per week), is not means-tested and is liable to taxation. In the case of a beneficiary reaching the age of 57 before having received the allowance for the full 500 days then the entitlement is extended and the allowance paid to the age of 60.

In addition to the basic allowance a child increment may be paid for each dependent child aged under 18. Some social benefits (e.g. various pensions) can reduce the amount of the allowance paid.

Basic unemployment allowance is paid by Social Insurance Institute (SII) after application by the individual and confirmation of continued unemployment every 3 weeks. The employment office has to provide confirmation that person fulfils the criteria for payment of the allowance.

Measures FIN-32 and FIN-33 deal with payment of basic unemployment allowance in case of partial or part-time unemployment.

Financing/support:

Social security funds and central government.

Eligibility:

The employment offices have to check whether the unemployed person is available for the labour market and whether he/she is actively seeking work. This is an important check because the qualifying time-at-work condition is relatively short (43 weeks during the last 24 months for employees and 2 years during the last 4 years for self-employed, with the same requirement for re-qualification after having received benefit for the maximum period of 500 days). If person is considered as being outside the labour market for more than 6 months without reasonable justification then they have to re-qualify for the time-at-work condition. In order to maintain eligibility, beneficiaries must attend interviews every 2nd month.

Legal basis:

Unemployment Allowance Act (602/1984) as amended (1443/1992; 1537/1993); Unemployment Funds Act (603/1984) as amended.

Recent changes:

None

Supplementary information:

Target groups:	Unemployed		Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i>	Yes	Other cash benefits:	None
	<i>Registration continued:</i>	Yes		
Type of expenditure:	Transfers to individuals (Periodic cash payments)		Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> 500 Days
Responsible institution(s):	Social security funds, Public employment services		Area of Application:	National
Implementation:	<i>Year started:</i>	1959		
	<i>Year ended:</i>	Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 8 - Out-of-work income maintenance and support
Measure n°/name: 4 **Labour market support (passive component)**
Type of action: 8.1.2 Unemployment assistance

Description:
Aim:

To provide income support to specific categories of unemployed

Beneficiaries:

Unemployed persons entering the labour market for the first time or who have exhausted entitlement to an unemployment allowance or who do not fulfil the time-at-work condition.

Action/Instrument:

Labour market support (LMS) ensures a minimum subsistence for various categories of unemployed persons and can be paid for 5 days per week for an unlimited period provided that the recipient is unemployed and continues to fulfil the labour market conditions for entitlement. The full amount of labour market support is equivalent to the basic unemployment allowance but is means-tested (taking into account the joint income of applicant and partner/spouse). However, for the first 180 days following the end of the 500-day unemployment allowance period and for unemployed persons over 55 years fulfilling the time-at-work condition, no means test is required. A child increment is payable in respect of each dependent child aged under 18. The payments are liable to taxation.

There is a waiting time (before payments begin) of 5 months in the case that the applicant does not fulfil the time-at-work condition (43 weeks during last 24 months), has not completed any vocational training, or when LMS has not been paid after receiving an unemployment allowance (earnings-related or basic) for the maximum 500 day period. Otherwise, the waiting time is 5 days except where the applicant has already received an unemployment allowance for the maximum duration.

LMS is paid by the Social Insurance Institute (SII) on application from the individual and confirmation of continued unemployment every 3 weeks. The employment office has to provide confirmation that person fulfils the criteria for payment of the allowance.

Measures FIN-32 and FIN-33 deal with payment of LMS in case of partial/part-time unemployment.

Financing/support:

Labour market support is financed from government funds through the Social Insurance Institution, which pays out the support.

Eligibility:

Unemployed job-seekers aged 17-64 who are seeking full-time work, available to work and who are not participating in work or training provided by the employment office. LMS is available to provide support for those persons who do not meet the time-at-work criterion for unemployment allowance of who have already received the basic or earnings-related unemployment allowance for the maximum period of 500 days. LMS payments may be withheld for a period of six weeks if a jobseeker repeatedly refuses any employment or training opportunity offered.

For young people (under 25) eligibility to LMS is linked to education/training. 17-year olds who have not completed any vocational training and 18-24 year olds who have refused labour market measures or have not applied for training are excluded unless they participate in Labour market training (FIN-6) or in Trainee work with labour market support (FIN-15).

Legal basis:

The Labour market support Act (1542/1993) and the Decree on Labour market Support (1361/1997).

Recent changes:

None

Supplementary information:

Target groups:	Unemployed (LTU)		Detailed target groups:	Youth, Disabled
Unemployment registration:	<i>Condition for participation:</i>	Yes	Other cash benefits:	None
	<i>Registration continued:</i>	Yes		
Type of expenditure:	Transfers to individuals (Periodic cash payments)		Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Social security funds, Public employment services		Area of Application:	National
Implementation:	<i>Year started:</i>	1994		
	<i>Year ended:</i>	Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 8 - Out-of-work income maintenance and support
Measure n°/name: 30 **Earnings related adjusted unemployment allowance as partial unemployment benefit**
Type of action: 8.2 Partial unemployment benefits

Description:
Aim:

To provide income support for workers obliged to reduce their working hours.

Beneficiaries:

Insured workers who are obliged to reduce their working time because of temporary lay off or short-time working.

Action/Instrument:

Adjusted unemployment allowance is paid such that, during a month or four consecutive calendar weeks (the adjustment period), the amount of the allowance paid plus 50% of income received can be at most the same as the full allowance payable over the same period. The maximum payable amount of earnings-related daily allowance, including any child increases, and work income received during the adjustment period shall not exceed 90 % of the wages it is based on, but shall not be less than the person concerned is entitled to receive as basic daily allowance.

The maximum amount of adjusted unemployment allowance payable is equivalent to 150 full daily unemployment allowances over no less than 18 months. The allowance cannot be paid for periods over 24 months even if the maximum of 150 daily allowances has not been paid.

Financing/support:

Central government budget and social security funds

Eligibility:

Workers who are obliged to reduce their working time because of temporary lay off or short-time working and who are members of an unemployment fund.

Persons who work more than 75% of normal full-time hours in the sector during a review period are not entitled to receive adjusted unemployment allowance.

Legal basis:

Unemployment Allowances Act (602/1984) as amended (1443/1992;1537/1993); Unemployment Funds Act as amended

Recent changes:

None

Supplementary information:

Target groups:	Employed at risk	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> No <i>Registration continued:</i> Yes	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments)	Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> 36 Months
Responsible institution(s):	Social security funds, Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1934 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 8 - Out-of-work income maintenance and support
Measure n°/name: 32 **Adjusted basic unemployment allowance or labour market support as partial unemployment benefit**
Type of action: 8.2 Partial unemployment benefits

Description:
Aim:

To provide income support for workers obliged to reduce their working hours.

Beneficiaries:

Workers who are obliged to reduce their working time because of temporary lay off or short-time working and who are not entitled to an earnings-related unemployment allowance.

Action/Instrument:

Adjusted unemployment allowance is paid such that, during a month or four consecutive calendar weeks (the adjustment period), the amount of the allowance paid plus 50% of income received can be at most the same as the full allowance payable over the same period.

The maximum amount of adjusted unemployment allowance payable is equivalent to 150 full daily unemployment allowances over no less than 18 months. The allowance cannot be paid for periods over 24 months even if the maximum of 150 daily allowances has not been paid.

Financing/support:

Central government budget and social security funds.

Eligibility:

Workers who are obliged to reduce their working time because of temporary lay off or short-time working and who are not entitled to an earnings-related unemployment allowance.

Persons who work more than 75% of normal full-time hours in the sector during a review period are not entitled to receive adjusted unemployment allowance.

Legal basis:

Unemployment Allowances Act (602/1984) as amended (1443/1992;1537/1993); Unemployment Funds Act (603/1984) as amended.

Recent changes:

None

Supplementary information:

Target groups:	Employed at risk	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> No <i>Registration continued:</i> Yes	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments)	Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> 36 Months
Responsible institution(s):	Social security funds, Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1934 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 8 - Out-of-work income maintenance and support
Measure n°/name: 31 **Earnings related adjusted unemployment allowance as part-time unemployment benefit**
Type of action: 8.3 Part-time unemployment benefits

Description:
Aim:

To provide income support for part-time unemployed workers.

Beneficiaries:

Insured workers who are considered as part-time unemployed.

Action/Instrument:

Adjusted unemployment allowance is paid such that, during a month or four consecutive calendar weeks (the adjustment period), the amount of the allowance paid plus 50% of income received can be at most the same as the full allowance payable over the same period. The maximum payable amount of earnings-related daily allowance, including any child increases, and work income received during the adjustment period shall not exceed 90 % of the wages it is based on, but shall not be less than the person concerned is entitled to receive as basic daily allowance.

The maximum amount of adjusted unemployment allowance payable is equivalent to 150 full daily unemployment allowances over no less than 18 months. The allowance cannot be paid for periods over 24 months even if the maximum of 150 daily allowances has not been paid.

Financing/support:

Central government budget and social security funds

Eligibility:

Earnings related adjusted unemployment allowance can be paid to persons who are a member of an unemployment fund and who have:

- accepted part time employment while unemployed;
- accepted full-time employment lasting no more than a month while unemployed;
- started entrepreneurial activities while unemployed;
- become unemployed from their full-time occupation but have continued a secondary occupation (as an employee or self-employed) that they previously engaged in alongside their full-time work

Persons who work more than 75% of normal full-time hours in the sector during a review period are not entitled to receive adjusted unemployment allowance.

Legal basis:

Unemployment Allowances Act (602/1984) as amended (1443/1992;1537/1993); Unemployment Funds Act (603/1984) as amended.

Recent changes:

None

Supplementary information:

Target groups:	Employed at risk	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> No <i>Registration continued:</i> Yes	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments)	Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> 36 Months
Responsible institution(s):	Social security funds, Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1934 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 8 - Out-of-work income maintenance and support
Measure n°/name: 33 **Adjusted basic unemployment allowance or labour market support as part-time unemployment benefit**
Type of action: 8.3 Part-time unemployment benefits

Description:
Aim:

To provide income support for persons part-time unemployed.

Beneficiaries:

Workers who are considered as part-time unemployed but not entitled to an adjusted earnings-related unemployment allowance

Action/Instrument:

Adjusted unemployment allowance is paid such that, during a month or four consecutive calendar weeks (the adjustment period), the amount of the allowance paid plus 50% of income received can be at most the same as the full allowance payable over the same period.

The maximum amount of adjusted unemployment allowance payable is equivalent to 150 full daily unemployment allowances over no less than 18 months. The allowance cannot be paid for periods over 24 months even if the maximum of 150 daily allowances has not been paid.

Financing/support:

Central government budget and social security funds.

Eligibility:

Adjusted basic unemployment allowance or labour market support can be paid to persons who are not eligible for earnings-related benefits and who have:

- accepted part time employment while unemployed;
- accepted full-time employment lasting no more than a month while unemployed;
- started entrepreneurial activities while unemployed;
- become unemployed from their full-time occupation but have continued a secondary occupation (as an employee or self-employed) that they previously engaged in alongside their full-time work

Persons who work more than 75% of normal full-time hours in the sector during a review period are not entitled to receive adjusted unemployment allowance.

Legal basis:

Unemployment Allowances Act (602/1984) as amended (1443/1992;1537/1993); Unemployment Funds Act (603/1984) as amended.

Recent changes:

None

Supplementary information:

Target groups:	Unemployed, Employed at risk	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> No <i>Registration continued:</i> Yes	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments)	Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> 36 Months
Responsible institution(s):	Social security funds, Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1934 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 8 - Out-of-work income maintenance and support
Measure n°/name: 23 **Redundancy payment**
Type of action: 8.4 Redundancy compensation

Description:
Aim:

To compensate for loss of earnings in case of redundancy.

Beneficiaries:

Workers aged over 45 made redundant for financial or production-related reasons.

Action/Instrument:

The training and redundancy fund pays compensation for loss of earnings in case of unemployment caused by the financial or production-related problems for the employer.

Redundancy payment is a tax-free allowance. There is a basic amount payable to all approved applicants and possible supplements based on length of service, monthly earnings and hours of work. The payment will not be issued in the case that an otherwise eligible applicant is entitled to an old-age pension based on his/her contract of employment or service, a disability pension or individual early retirement pension. Other forms of pension are not taken into account. If an applicant refuses an offer of work or training without adequate reason then the payment be reduced by one third or denied completely.

Financing/support:

Social security funds, Public employment services

Eligibility:

The general condition for receiving redundancy pay is that the applicant has been made redundant by the employer for financial or production-related reasons or because the business has ceased operation. In the public sector, administrative reasons qualify as financial or production-related reasons.

An application for payment must be delivered to the training and redundancy fund by the person dismissed. On the application, the Employment office is responsible for completing details of the job-seeking activity of the applicant and the employer completes details about the contract of employment, hours of work, wage and the date of dismissal or lay-off.

Applicants must be aged 45-64, have registered as unemployed within 6 weeks of the dismissal notice and have been unemployed and seeking work for at least 1 month after dismissal. In addition, the applicant must:

- have worked for at least 5 years continuously for the same Finnish employer before dismissal and to have made their living through that job. It is also possible to take into account jobs for two different employers that alone would not qualify but together account for at least 8 years of employment and where both contracts have been terminated because of financial or production-related reasons.
- if aged under 50 then the contract broken by dismissal must have been of sufficient duration to have kept them employed until they were at least 50;
- have earned a minimum amount in that job (4205€ per year in 4 of the last 5 years);
- have worked the for at least 16 hours per week during the past 5 years.

Legal basis:

Education and Redundancy Payment Fund Act (537/1990). Decision of the Ministry of Social Affairs and Health on the Rules of Procedure of the Fund (1312/1994).

Recent changes:

The redundancy payment mechanism will end on 31 December 2002. Redundancy payment will be issued only to eligible persons whose contract of employment or service ends on or before that date.

Supplementary information:

Target groups:	Unemployed		Detailed target groups:	Older
Unemployment registration:	<i>Condition for participation:</i>	Yes	Other cash benefits:	None
	<i>Registration continued:</i>	Yes		
Type of expenditure:	Transfers to individuals (Lump-sum payments)		Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Social security funds, Public employment services		Area of Application:	National
Implementation:	<i>Year started:</i>	1970		
	<i>Year ended:</i>	Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 8 - Out-of-work income maintenance and support
Measure n°/name: 28 **Pay security**
Type of action: 8.5 Bankruptcy compensation

Description:
Aim:

To guarantee that employees are paid in case of their employer becomes insolvent.

Beneficiaries:

Workers who have not been paid when an employer becomes bankrupt or otherwise insolvent.

Action/Instrument:

All remuneration that an employer should have paid an employee under an employment relationship can be paid as pay security upon application to an Employment Office or Labour and Economic Development Centre. Only amounts due in the three months immediately preceding the application for pay security can be claimed and the amount that an employee can claim from any one employer is subject to a maximum level (15,200€). A written decision is issued for every pay security application and any amounts due as a result will be paid within one week of the decision.

Employers are obliged to repay to the state the amount of any claims against them together with annual interest. The Ministry of Labour is able to give some relief or discharge from repayment in some situations - for example in order to ensure continuation of important employment or where repayments are simply beyond the economic means of the employer.

Pay security is paid initially from the central government budget but each year the Unemployment Insurance Fund retrospectively pays the state the difference between amounts of pay security issued and those recovered from employers.

Financing/support:

Central government budget and social security funds

Eligibility:

The condition for receiving pay security is that the employer is insolvent, which can be that the employer:

- has been declared bankrupt;
- is unable to pay debts in case of recovery proceedings;
- has failed to pay statutory withholding taxes or employer contributions on time;
- cannot be contacted or has terminated operations and sufficient funds cannot be found for payment of the claim; or
- is in some similar situation of insolvency as established by the pay security authorities

Pay security is only payable in relation to claims from employees based on an employment relationship in accordance with the Contracts of Employment Act. An employee is entitled to pay security if the work concerned was done in Finland or if it was done abroad for a Finnish employer and the employee is domiciled in Finland. Work done in Finland does not, however, entitle an employee to pay security if carried out by an employee sent to Finland from abroad by a foreign employer to do temporary work.

Legal basis:

Pay Security Act (866/1998) and Pay Security Decree (868/1998), as amended. Seamen's Pay Security Act (1108/2000).

Recent changes:

None

Supplementary information:

Target groups:	None	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> <i>Registration continued:</i>	No Yes	Other cash benefits: None
Type of expenditure:	Transfers to individuals (Lump-sum payments)	Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	State/regional government, Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1974 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category** 9 - Early retirement
Measure n°/name: 3 **Unemployment pension**
Type of action: 9.2.1 Full

Description:
Aim:

To provide income support for the long-term unemployed aged 60-64 years.

Beneficiaries:

Long-term unemployed aged 60-64 who have exhausted their entitlement to unemployment allowances.

Action/Instrument:

An allowance is paid at a rate equal to the invalidity pension that the claimant would have received if he or she had become disabled instead of unemployed.

Unemployment pension is paid under both the employment pension and the national pension legislation. Under the employment pension legislation the unemployment pension amount is based on previous earnings and the length of previous employment. Both the length of previous employment and the interval between the current age and regular retirement age are taken into account. Unemployment pension is to be granted until further notice and until person reaches the age for old-age pension.

Financing/support:

Central government and social security funds

Eligibility:

Long-term registered unemployed aged 60-64 having received an unemployment allowance (earnings-related or basic) for at least 500 days.

In order to qualify for an unemployment pension applicants must have been employed for at least five years during the previous 15 years and have been entitled to an earnings related pension that includes a part based on the (hypothetical) accrual of the pension between the current age and the normal retirement age.

Legal basis:

National Pensions Act (347/1956), Employment Pension Scheme, Employees Pensions Act (395/1961).

Recent changes:

None

Supplementary information:

Target groups:	(LTU max. period of unemployed allowance (500 d) and at the age more than 60)	Detailed target groups:	Older
Unemployment registration:	<i>Condition for participation:</i> Yes <i>Registration continued:</i> Yes	Other cash benefits:	None
Type of expenditure:	Transfers to individuals (Periodic cash payments)	Planned duration:	<i>Typical:</i> 5 Years <i>Maximum:</i> 5 Years
Responsible institution(s):	Social security funds, Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1971 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category:** R - Reference data
Measure n°/name: 37 **Registered jobseekers**
Type of action: R Reference data

Description:
Aim:
Beneficiaries:

Registered jobseekers

Action/Instrument:

All services provided by Public employment services.

Financing/support:

Central government budget

Eligibility:

Persons aged 17-65 who are seeking employment and who have personally attended an Employment Office and been registered as a job-seeker.

In the Ministry of Labour's Employment service statistics, job-seekers are divided into five different groups based on their employment status:

- unemployed
- employed
- employed but on reduced working time
- inactive (persons outside the labour force)
- receiving unemployment pension

Legal basis:

Employment Services Act (1005/1993) and Employment Services Decree (1251/1993).

Recent changes:

None

Supplementary information:

Target groups:	Registered jobseekers	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> No <i>Registration continued:</i> Yes	Other cash benefits:	None
Type of expenditure:		Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1903 <i>Year ended:</i> Ongoing		

Identification:

Country: Finland **Year:** 2001 **Category:** R - Reference data
Measure n°/name: 38 **Registered unemployed**
Type of action: R Reference data

Description:
Aim:
Beneficiaries:

Unemployed jobseekers

Action/Instrument:

All services provided by Public employment services.

Financing/support:

Central government budget

Eligibility:

Persons aged 17-65 who are registered with the Employment Office and who are:

- without a job and willing to work
- actively seeking work
- available to start full-time work
- or have found work and are waiting to start.

- Over 17 years old job-seeker, to the end of the month when he/she is 65 years old.

Who are:

- Able to work

(Who are not getting daily allowance based on Health Insurance Act or a Work disablement pension or rehabilitation allowance based on National Pension Act. Also person who gets those allowances may be able to work if person's employability can be promoted by Public employment services.)

- Available to labour market's

- 1) Are not prevented from labour market
- 2) Are not set up limitation by him/herself that will estop to start to work with common conditions in the labour market or estop to start the training appropriate for him/her.
- 3) Are not quitted from the job or training because of the reasons mentioned in the 2. point
- 4) Are not a full-time student

- Unemployed

- 1) Person who has not a contract of employment
- 2) Person who are not employed with full-time entrepreneurship or in equivalent own business
- 3) Person is unemployed also although he/she would have contract of employment if he/she is laid-off full-time or his/her normal weekly working hours are under 4 hours in a week.

Legal basis:

Employment Services Act (1005/1993) and Employment Services Decree (1251/1993).

Recent changes:

None

Supplementary information:

Target groups:	Unemployed	Detailed target groups:	None
Unemployment registration:	<i>Condition for participation:</i> Yes <i>Registration continued:</i> Yes	Other cash benefits:	None
Type of expenditure:		Planned duration:	<i>Typical:</i> Not available <i>Maximum:</i> Not available
Responsible institution(s):	Public employment services	Area of Application:	National
Implementation:	<i>Year started:</i> 1903 <i>Year ended:</i> Ongoing		