

# REVISED EUROPEAN SOCIAL CHARTER 

Third report on the implementation of the Revised European Social Charter
submitted by

## THE GOVERNMENT OF FINLAND

(for the period 1/1/05 to 31/12/06:
Articles 1, 9, 10, 15,18, 20, 24 and 25)

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CYCLE 2008

# THE THIRD PERIODIC REPORT OF THE REVISED EUROPEAN SOCIAL CHARTER 

SUBMITTED BY THE GOVERNMENT OF FINLAND

## REPORT OF THE GOVERNMENT OF FINLAND

For the period from 1 January 2005 to 31 December 2006, in accordance with Article C of the Revised European Social Charter and Article 21 of the European Social Charter, on the measures taken to give effect to Articles 1, 9, 10, 15, 18, 20, 24 and 25 of the Revised European Social Charter, the instrument of approval of which was deposited on 21 June 2002.

In accordance with Article C of the Revised European Social Charter and Article 23 of the European Social Charter, copies of this official report in the English language have been communicated to the Central Organisation of Finnish Trade Unions (SAK), the Finnish Confederation of Salaried Employees (STTK), the Confederation of Unions for Academic Professionals in Finland (AKAVA), the Confederation of Finnish Industry and Employers (TT) and the Employers' Confederation of Service Industries (PT).
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## ARTICLE 1: THE RIGHT TO WORK

In respect of this Article, the Government refers to Employment Report 2006, the English translation of which is annexed.

## Article 1 para. 1: Policy of full employment

## Question A

During the reporting period, one priority objective of labour market policy was to reduce structural unemployment. This objective was pursued by such measures as legislation on reforming the labour market subsidy and the employment subsidy system. The new legislation took effect in 2006. It was also geared to encouraging local actors, especially the local authorities (municipalities), to reduce unemployment.

A specific activation period was introduced for jobseekers with most difficulties to find employment. During this period, persons who have been unemployed for a certain time are entitled to be covered by activation measures. At the same time, the labour market subsidy was made less gratuitous. The reform has already reduced structural unemployment. A considerable decline has occurred especially in the number of persons who have received a labour market subsidy for at least 500 days of unemployment.

The Government has made efforts to raise the economic growth potential by strengthening knowhow, reforming education and research, and increasing product development and the use of research results. In addition, it has applied measures of economic policy to improve the functioning of the labour, commodity and capital markets and to foster the generation of a competitive industrial environment.

Employment has been supported by tax reliefs. In the context of the collective bargaining agreement 2004 the Government again committed itself to lighten the taxation of earned income in 2005-2007 with a gross amount of 1.7 billion euros.

An operating model for change security has been introduced to facilitate adaptation to structural changes in working life. The model combines flexible terms and conditions of employment, social security, and security ensured by active labour market policy measures. The purpose of the change security system, which took effect in 2005, is to speed up the re-employment of employees dismissed for production-related and financial reasons by intensifying cooperation between the employers, the employees and the labour administration.

## Trends in total employment expenditure

Active and passive labour market policy expenditure in 2001-2005 (million €)
ESF: The percentage paid by the European Social Fund

|  | 2001 | ESF <br> \% | 2002 | ESF <br> $\%$ | 2003 | ESF <br> $\%$ | 2004 | ESF <br> $\%$ | 2005 | ESF <br> $\%$ |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| public <br> employment <br> services | 155.4 |  | 157.6 |  | 177.5 |  | 232.8 |  | 233.7 |  |
| training and <br> in-house <br> training | 439.1 | 13.8 | 477.1 | 11.9 | 509.0 | 10.5 | 607.0 | 9.3 | 580.6 | 9.6 |
| part-time work | 79.6 | 0.03 | 70.5 | 0.2 | 88.5 | 0.1 | 75.8 | 0.0 | 74.4 | 0.0 |
| employment <br> incentives | 154.8 | 3.2 | 152.0 | 3.9 | 186.0 | 3.2 | 186.3 | 2.2 | 174.1 | 2.9 |
| vocational <br> rehabilitation | 123.5 |  | 137.4 |  | 144.0 |  | 149.2 |  | 152.6 |  |
| employment in <br> the public <br> sector | 133.5 | 5.4 | 145.3 | 6.1 | 129.1 | 5.5 | 127.8 | 4.8 | 106.4 | 5.4 |
| support for the <br> setting up of <br> private <br> business | 14.0 | 8.9 | 14.7 | 5.3 | 16.1 | 1.8 | 22.3 | 1.6 | 29.9 | 4.4 |
| active <br> measures in <br> total | 944.5 | 9.7 | 997.0 | 9.0 | 1072.7 | 7.9 | 1168.4 | 7.1 | 1118.0 | 7.6 |
| unemployment <br> (adjusted daily <br> allowance) | 157.6 |  | 164.3 |  | 163.8 |  | 170.3 |  | 165.0 |  |
| unemployment <br> benefits | 1894.9 |  | 1999.1 |  | 2102.1 |  | 2202.3 |  | 2139.0 |  |
| unemployment <br> pension | 680.8 | 742.1 |  | 736.9 |  | 724.0 |  | 687.5 |  |  |
| passive <br> measures in <br> total | 2733.3 | 2905.5 |  | 3002.8 |  | 3096.6 |  | 2991.5 |  |  |
| Labour <br> market <br> policy <br> measures in <br> total | 3677.8 |  | 3902.5 | 4075.5 |  | 4265.0 |  | 4109.5 |  |  |

## Active policy measures

## Women

The Finnish labour market is strongly gender segregated, i.e. divided into female and male sectors and occupations. This has an essential connection with pay differences between the sexes. The Government has taken a number of different measures to reduce gender segregation in education and occupations, but the change is slow. However, girls and women have begun to choose careers in many sectors that used to be male-dominated, especially sectors requiring high education. Men,
instead, have not taken such an interest in traditional female-dominated fields of education and occupations.

The Government Action Plan for Gender Equality 2004-2007 based on the Government Programme (24 June 2003) aimed at implementing the objectives concerning the equality of women and men contained in the Government Programme. The programme included 98 measures to improve the position of both women and men. Among others it was targeted to support the combination of work and family life and promote equal pay by eliminating unjustified pay differences between women and men. One of the central objectives of the plan was mainstreaming gender equality in the whole state administration.

## Young people

The measures taken during the reporting period have facilitated the choice of education and access to education, shortened the duration of education and increased employment among young people. Particular attention has been paid to ensuring that young people of the age group completing basic education can continue studying as easily as possible and will not interrupt the studies they have started.

In order to encourage young people to apply for education and to improve their access to education the Government is revising the application system for secondary education. Further, voluntary additional basic education is being expanded and intensified, and preparatory and orientation training connected with vocational education is being developed for pupils completing comprehensive school.

In 2006 the Government launched a number of measures to prevent exclusion among young people for example by introducing early intervention, reforming the structure of school-days, increasing participation, preventing dropping out, and improving well-being at school.

## Aged employees

A major reform of the employment pension system, covering both the private and the public sector, took effect at the beginning of 2005. Employment pension accumulates for work performed between the ages of 18 and 67. The amount of pension is derived from the employee's earned income of each year, on the basis of an accumulation percentage corresponding to age. By the end of the $54^{\text {th }}$ year of age, the accumulation percentage of earned income is $1.5 \%$ per year, at age $54-63$ it is $1.9 \%$ per year and at age $64-67$ as high as $4.5 \%$ per year. Since the beginning of 2005 employment pension also accumulates during periods with an earnings-related unemployment benefit and during certain unpaid benefit periods. In these cases the pension accumulates for the income used as the basis for the payable benefits, for instance maternity, special maternity, paternity or parental allowances.

The improved employment rate and the reduced unemployment rate of ageing people are concretely reflected in the fact that these people stay longer in the labour market. The 2005 pension reform enabled three age groups (those aged 63, 64 and 65 ) to retire on old-age pension during the same year. Still, in 2005 only one fourth of all employees aged 63 used this option. The retirement age will probably rise in the next few years, too.

An act on a temporary low-pay subsidy for employers (1078/2005) entered into force at the beginning of 2006. The act is intended to improve the employment opportunities for aged low-pay
employees. The subsidy is payable to an employer employing a person of at least 54 years of age who earns $900-2,000$ euros per month for full-time work. The maximum amount of the subsidy is $220 €$.

To take account of the ageing of the labour force and to ensure the availability of skilled labour, the quality of working life is being developed by means of different national programmes (Tykes, Veto, Kesto, Noste), programmes of the European Social Fund, and jointly purchased labour market training.

## Long-term unemployed jobseekers

The labour market subsidy system was reformed as from the beginning of 2006. Its eligibility conditions were altered so that a person who has received a labour market subsidy for a long time now loses his/her right to the subsidy if he/she refuses offered work or labour market policy measures.

Long-term unemployed jobseekers are provided with individual activation programmes and, if necessary, long-term service packages in cooperation with the state, the local authorities, the labour force service centres and other actors. Those jobseekers who have most difficulties in finding employment are entitled to long-term rehabilitation, coaching for working life or individual coaching. The reform makes the labour market subsidy less gratuitous and alters the mutual responsibility of the state and the local authorities for financing the subsidy and the income allowance.

In the context of the reform, the system of employment subsidy for employers was revised, too. The new system consists of a pay subsidy and other employment subsidy. The reform aims at improving the quality and effectiveness of employment by combining the subsidies with employment and training. Every year 3,000 new jobseekers will be covered by the activation measures. In 2008 the measures will cover approximately 30,000 persons.

Persons with disabilities
According to the Act on Public Employment Service (1295/2002) the state organises and develops public employment services, part of which involve the implementation of vocational rehabilitation for people with disabilities.

The employability of disabled persons can be promoted by offering them suitable jobs in the open labour market or by supporting independent job-seeking. In addition, employment can be promoted by group and other services, and by a variety of other supportive measures such as traineeship subsidies, part-time supplements, wage-related employment subsidies granted to employers and support paid for those who take up self-employment. The threshold for working can also be lowered by arranging and individually tailoring the programmes including, in particular, work coaching in the special work training centres.

In respect of this question, reference is also made to the information provided concerning Article 15.

## Immigrants

At the end of 2006 there were a total of 122,000 foreign citizens residing in Finland. An average of 28,300 foreign jobseekers were registered with employment offices. Of these jobseekers 14,400 were unemployed. The unemployment rate among foreigners was approx. $28 \%$.

About 19.5 million euros were used for purchasing labour market training for immigrants. This sum accounted for approx. $42 \%$ of the appropriations used for preparatory labour market training.

Foreign jobseekers were provided with the following employment services and other measures:

| Employment in the open labour market | 13600 |
| :--- | :---: |
| Employment supported by active measures | 12200 |
| Labour market training | 14200 |
| Other training | 2200 |

Immigrants have the right to obtain an integration plan within three years from immigration, if they are unemployed jobseekers eligible for a labour market subsidy and/or recipients of an income allowance. An immigrant implementing his/her integration plan is paid an integration allowance, which consists of a labour market subsidy and a means-tested income allowance.

Jobseekers covered by the integration allowance and their participation in labour market policy measures and placement in the open labour market in 2001-2005:

| Year | $\mathbf{2 0 0 1}$ | $\mathbf{2 0 0 2}$ | $\mathbf{2 0 0 3}$ | $\mathbf{2 0 0 4}$ | $\mathbf{2 0 0 5}$ |
| :--- | :--- | :--- | :--- | :--- | :--- |
| Recipients of an integration allowance during the year | 8601 | 9096 | 10000 | 10445 | 10600 |
| Integration plans prepared for the first time during the year | 5871 | 3807 | 3058 | 3048 | 3506 |
| Persons covered by labour market policy measures, total: | $\mathbf{6 4 6 3}$ | $\mathbf{7 1 5 2}$ | $\mathbf{8 2 4 8}$ | $\mathbf{8 7 2 7}$ | $\mathbf{8 9 1 2}$ |
| Persons covered by different measures: |  |  |  |  |  |
| - labour market training | 5871 | 6610 | 6589 | 5785 | 5817 |
| - training comparable with labour market training | 1344 | 1526 | 2522 | 3571 | 3851 |
| - measures financed by the ESF (training, rehabilitation, in- <br> house training) | 671 | 712 | 617 | 416 | 488 |
| - in-house training or coaching for working life | 1185 | 1478 | 1743 | 2166 | 2217 |
| - vocational guidance or rehabilitation | 73 | 78 | 54 | 42 | 34 |
| Persons placed in the open labour market | $\mathbf{3 3 1 1}$ | $\mathbf{4 0 4 6}$ | $\mathbf{5 0 3 3}$ | $\mathbf{5 5 0 4}$ | $\mathbf{6 3 6 3}$ |

A government proposal to amend the Act on the Integration of Immigrants and Reception of Asylum Seekers (493/1999) was prepared in 2005. The amendment, intended to foster the integration of immigrants, took effect on 2 January 2006. Further, in December 2006 Parliament accepted the inclusion in the Act of provisions on assistance to victims of human trafficking.

A product development project entitled MoniQ, financed by the European Social Fund and carried out by the Ministry of Labour, has collected good practices for the recruitment of immigrants. The overall project comprised approximately 25 cooperation projects, distributed among different sectors and themes. After the conclusion of the project, the development and modelling work produced under it will be used as normal operations.

The Immigration Policy Programme adopted by the Government in 2006 emphasises the promotion of work-related immigration. Other priorities include improving the steering of the immigrant integration system, improving ethnic relations between different groups of population, and ensuring the fulfilment of commitments related to humanitarian immigration.

## Ethnic minorities

The purpose of the Non-Discrimination Act (21/2004), which entered force on 1 February 2004, is to enhance the protection provided by law to those who have been discriminated against and to safeguard equality. The Act obligates all authorities to draw up an equality plan for their activities.

The Ministry of Labour prepared its own equality plan in December 2005. Further, the Ministry has supported the implementation of the Non-Discrimination Act in other sectors of administration by providing information and training, carrying out EU financed projects and engaging in a number of other European non-discrimination projects.

With financing from the EU action programme to combat discrimination, the Ministry of Labour launched a project to prepare a European handbook on the gathering of anti-discrimination information. The project is also constructing a national Finnish system for monitoring and analysing discrimination.

The Advisory Board for Ethnic Relations (ETNO), working in connection with the Ministry of Labour, started its third term in 2005. The political and regional effectiveness of the national Advisory Board was enhanced by setting up three regional Advisory Boards and by supplementing the membership with representatives of the parliamentary groups. The immigrant representatives in the Advisory Board were selected among candidates nominated by organisations.

## Question B

Employment in Finland showed a positive trend during the reporting period. In 2006, the employed numbered $2,444,000$ on average. The number grew by 43,000 from the year before. In 2006 the average rate of employment (among population aged 15-64) was $68.9 \%$, which was 0.9 percentage units higher than the previous year. The number of population at working age (aged $15-64$ ) increased by 11,000 persons.

Employment increased most in the private sector, where the employed labour force increased by more than 41,000 persons from the year before. In the public sector the number of employed increased by 2,000 persons, who were mainly employed for government services during the Finnish EU Presidency.

Employment improved in all main sectors except agriculture and forestry, where the number of employed declined by approx. 1,500 persons. The demand for labour was greatest in the private service sector, where the number of employed increased by 32,000 persons. About half of them were employed in business services and technical services. Although the number of jobs in social welfare and health care grew by more than 5,000 in the private sector, the number of similar jobs in the public sector declined slightly. In transports and traffic the number of employed grew by 9,000 and in trade by 3,000 . The construction sector employed 4,000 persons more than the year
before. Despite losses of jobs caused by the globalisation process, employment in industry improved, when the number of employed increased 5,000 persons.

Changes in the number of employed* by sector in 2006


Of all employed people 2,129,000 (87.1\%) were wage earners and 314,000 (12.9\%) entrepreneurs and their family members assisting them. The latter figure includes farmers.

In 2006 the number of entrepreneurs, excluding farmers, was 230,000 on average. Of these 141,000 were sole entrepreneurs and 89,000 employer entrepreneurs. Of all entrepreneurs 156,000 were men and 74,000 women. Of the employer entrepreneurs 66,000 were men and 23,000 women.

Of all employed labour force $1,178,000$ persons were women and $1,266,000$ men. Compared with the previous year the number of employed women grew by 20,000 , i.e. $1.7 \%$, and the number of employed men grew by 23,000 , i.e. $1.9 \%$. The employment rate among women rose by 0.8 percentage units, to $67.3 \%$, while the rate among men rose by 1.0 percentage units, to $70.5 \%$.

In 2006 the number of employed grew in all age groups except those aged 35-39 and 45-49. The growth was largest in the age group $60-64(+21,000)$, whose employment rate $(37.2 \%)$ rose by $3.7 \%$ from the year before. The employment rate of the age group $55-59$ rose by $1.9 \%$, being $67.3 \%$. These figures show that the number of ageing employees is growing. Careers have mainly been lengthened as a result of favourable developments in economies and employment, the 2005 pension reform, measures taken to enhance working life and the reduced availability of labour force.

Part-time work

In 2006 an average of 288,000 persons, i.e. $13.5 \%$ of all wage earners, were employed in part-time work (Figure 4). Of this group, nearly two thirds were women. The corresponding figures in 2005 were 275,000 and $13.1 \%$. The number of part-time employees grew by 14,000 , and their percentage grew by 0.4 percentage units.

The rising trend in part-time work is due to different factors, such as longer opening hours of shops and restaurants, the stepping up of competition, students' increased participation in gainful employment, developments in information technology, the new eligibility age for part-time pension and the recession years of the 1990s. The main reason for the increase of part-time employees in private service sectors is students' engagement in gainful employment.

## Temporary employment

In 2006, $16.4 \%$ of all wage earners, i.e. 348,000 persons, had temporary employment relationships. Since the corresponding figures in 2005 were $16.2 \%$ and 345,000 , the number of temporary employment relationships has grown by 3,000 . Almost two thirds of all persons employed on a temporary basis were women. The trends in temporary employment are also influenced by summer jobs and supported employment.

The unemployed
The Labour Force Survey carried out by Statistics Finland shows that in 2006 an average of 204,000 persons were unemployed. Their number declined by 16,000 from the previous year. The unemployment rate was $7.7 \%$, i.e. 0.7 percentage units lower than in 2005. In 2003-2006 the number of unemployed has gone down by approx. 33,000 and the unemployment rate has declined by 1.4 percentage units from $9.1 \%$.

In 2006 there were 99,000 hidden unemployed outside the labour force. This was 2,000 persons more than in 2005. The hidden unemployed are unemployed persons who have not sought work actively for four weeks but are otherwise available for work.

During the last two years, unemployment decreased in the regions of all Employment and Economic Development Centres. It decreased most in the region of the Centre of South-western Finland, where the number of jobseekers declined by $13.6 \%$. The number of unemployed jobseekers decreased least in the regions of the Centres of North Karelia and Häme, but even in these regions it went down by more than $7 \%$.

The Labour Force Survey of Statistics Finland shows that in 2006 unemployment decreased most in the construction sector. It also decreased in trade, finance, insurance and other business services, and public and other services.

The unemployment rate declined from $4.9 \%$ to $4.3 \%$ in industry and from $3.9 \%$ to $3.6 \%$ in transportation. In agriculture and forestry, the unemployment rate remained nearly unchanged.

## Unemployment by gender

According to the Labour Force Survey carried out by Statistics Finland, the numbers of women and men who were unemployed in 2006 were almost equal, being 101,000 men and 103,000 women. The number of unemployed men declined by 10,000 and the number of unemployed
women by 6,000 from the year before. The unemployment rate was $7.4 \%$ among men and $8.1 \%$ among women.

Young and middle-aged age groups have more unemployed men than unemployed women. In older age groups, by contrast, the number of unemployed women is higher than that of unemployed men. In 2006, 76,000 of all jobseekers under 50 years of age were men and 71,000 were women. At the same time, 32,000 men over 55 years old and 34,000 women over 55 were unemployed.

The unemployment figures do not, however, give a precise picture of the labour market position of the two genders. What is additionally important is the type of employment relationship. Women are more often than men employed part-time and temporarily.

Long-term unemployment
In 2006 an average of 64,800 persons, i.e. 7,600 fewer than the year before, had been continuously unemployed for more than one year. Of these 28,900 persons had been continuously without work for more than two years. During the four years 2003-2006 the number of long-term unemployed has declined by 13,000 . The decline in long-term unemployment has decreased structural unemployment, too.

In regional terms, the number of persons continuously unemployed for more than one year declined in 2006 in the regions of all Employment and Economic Development Centres. The number of long-term unemployed fell most in the regions of the Centres of South-western Finland (-20.6\%), Satakunta ( $-13.4 \%$ ), Northern Ostrobothnia ( $-12.5 \%$ ) and Häme ( $-12.3 \%$ ). The percentage of long-term unemployed among all unemployed persons is largest in the regions of the Centres of Uusimaa ( $29.5 \%$ ) and Häme ( $28.5 \%$ ) and smallest in the regions of Southern Ostrobothnia (19.3\%) and Lapland (20.3\%).

Long-term unemployment is common especially among ageing people. Approximately $66 \%$ of all persons who have been continuously unemployed for a long period are older than 50 years of age. Despite economic progress it is difficult for unemployed persons over 50 to be re-employed in the open labour market.

Unemployment among young and ageing people
According to Statistics Finland, the unemployment rate of young people (aged 15-24) in 2006 was $18.7 \%$. This percentage also includes 37,000 unemployed full-time school pupils and students. Excluding full-time school pupils and students, the unemployment rate of young people was $9.4 \%$, which is very low by international standards, considering that the 2006 unemployment rate of young people was $17.4 \%$ in the EU- 27 countries and $16.2 \%$ in the EU- 15 countries.

People over 50 years old have had difficulties in finding employment in the open labour market, and unemployment among ageing people began to decline only in 2006. That year there were an average of 95,000 unemployed jobseekers aged over 50 , i.e. 5,500 persons less than the year before.

## Question C

In 2006, the employment offices registered an average of 38,800 new open vacancies. This was about $18 \%$ more than the year before. The number of vacancies increased especially in the packaging, warehousing and stowing sector, road transports, information technology, the guarding and security sector, and financial planning and accounting.

## Conclusions regarding Article 1 para. 1

## The position of ethnic minorities on the labour market

The Finnish legislation in force does not make a distinction between the different clients of labour administration on the basis of their ethnic origin. The Roma, the Sámi and the other ethnic minorities are comparable with the majority population, and there are no separate statistics on them.

The access of the Roma to employment and occupation has been promoted by specific projects (funded e.g. by the ESF/Equal Initiative), which have both built capacity for accessing to employment among Roma communities and shared information on equal opportunities for all. A Roma Contact Point has been nominated in all regional and local employment units. The Contact Points have been provided with basic equality training, further training will take place in May 2007. The Ministry of Labour has started a research on the employment position of the Roma; results will be available by the end of the year.

The Coordinator of Sámi Employment Affairs has been nominated in one of the employment offices of the Sámi Homeland. The Coordinator has carried out a mapping exercise on the availability of employment services and information material in the Sámi language. Measures to increase Sámi language services and material production are included in the Equality Plan of the Ministry.

In addition, reference is made to the Educational Center of Sámi Area, located in Inari. The task of the Center is to provide training mainly for the needs of the Sámi Homeland, to maintain and develop the Sámi culture and natural livelihoods and to foster the production of instruction material in Sámi. In addition to providing vocational qualifications, the Center arranges different short courses. A great number of adults from the Sámi Homeland - hundreds of people annually take part in the Center's training.

## Employment and unemployment rates among persons with disabilities

In respect of this question, reference is made to the information given above (under question A) on persons with disabilities and the information pertaining to Article 15. An average of 10,000 jobseekers with disabilities were covered by active labour market policy measures. Pursuant to its Employment Programme, the Government continued to study the possibility of arranging pensions for long-term unemployed persons. In all approx. 2,000 long-term unemployed retired on disability pension during 2006.

## Results of the labour market subsidy reform

One of the purposes of the labour market subsidy reform is to reduce structural unemployment. A new activity period with intensive services has been introduced for long-term unemployed jobseekers. This system is called "activity guarantee for long-term unemployed". The activity period starts at the latest when the jobseeker has received a labour market subsidy for at least 500 days of unemployment or when he/she, after the expiry of the maximum period for a daily unemployment allowance, has received a labour market subsidy for 180 days of unemployment. The reform has had positive effects: the number of those receiving a labour market subsidy for more than 500 days has declined, the number of beneficiaries of the subsidy during the active measures has increased, and the activation degree has risen.

2005
Recipients of subsidy for at least 500 days on the basis of unemployment 9394

- on the basis of unemployment 75475
- during active measures 18472
- activation degree

2006
$84079-9867-10.5 \%$
$61020-14455-19.2 \%$
$23059+4587+24.8 \%$
27.4 \%

## Positive developments in structural unemployment

According to the indicator measuring structural unemployment the number of jobseekers with difficulties in finding employment took a downward trend a couple of years ago. The structural reform of employment services in 2006 and the labour market subsidy reform have further speeded up the reduction of structural unemployment.

Structural unemployment is characterised by jobseekers with difficulties in finding employment. This category of jobseekers comprises firstly those who have been continuously unemployed for a long time and secondly those who are repeatedly unemployed and thus comparable with the firstmentioned group. The third group consists of those who have not been employed in the open labour market even after placement in work by a recently concluded labour market policy measure but are again unemployed or have been placed in work by similar measures. In December 2006 there were in all 139,100 jobseekers with difficulties in finding employment, i.e. 24,200 persons ( $14.8 \%$ ) less than in the previous year. In the last two years, structural unemployment has even gone down more rapidly than the other forms of unemployment, by a total of approx. 34,600 persons.

During the last couple of years, the increased effectiveness of activating labour market policy measures has reduced structural unemployment. The volume of such measures was kept at a constant level during the term of the Government, but at the same time, the number of those who were unemployed even after the measures declined by about $8 \%$ in 2005 and about $25 \%$ in 2006, i.e. by a total of 13,300 persons within two years. During the same period there was also a substantial decline in the number of long-term structurally unemployed with most difficulties in finding employment $(-16,800)$.

Structural unemployment in December 2004-2006


The average activation degree of all unemployed per month was $25.5 \%$ in 2006 and $23.5 \%$ in 2005.

## The effectiveness of employment subsidies

The percentage of those persons who return to unemployment after a period of pay subsidised employment has declined. In 2006 they accounted for $50 \%$ and in 2005 for $53.9 \%$ of all persons in pay subsidised employment. Of all persons covered by other employment subsidies (e.g. start-up grants, subsidised work for the state), $27.7 \%$ were unemployed when 3 months had passed since the end of the subsidised period.

## Results of the project aimed to develop cultural diversity at workplaces (MoniQ)

The purpose of the MoniQ project was to promote employment among immigrants by creating good work practices jointly with cooperation projects, by producing information material, training models and guidance material on the good practices for both the public and the private sector, and by enhancing cooperation, the flow of information and networking between the projects, the labour administration and the different actors.

The project produced information on operating models that can be used in working communities in both the public and the private sector, irrespective of size or client group. It also raised public awareness of the significance of immigrants in working life and of the need for labour force.

## Results of the 2005 immigration policy program on work-related immigration

As the program was only accepted at the end of 2006 it is too early to judge what the results are. See additionally Question A.

# Article 1 para. 2: The right of the worker to earn the living in occupation freely entered upon 

## Question A

The Act on Equality between Men and Women (609/1986, hereafter "the Equality Act") entered into force on 1 January 1987. The second overall reform of the Equality Act took effect on 1 June 2005 (15.4.2005/232; Government Proposal HE 1959/2004). The reform was based on the idea of amending the Act in order to bring it into conformity with the gender equality provisions of the Treaty on European Union and to make the changes necessitated by the Directive amending the Equal Treatment Directive ${ }^{1}$, the Burden of Proof Directive ${ }^{2}$ and the Parental Leave Directive ${ }^{3}$ as well as changes connected with rulings of the Court of Justice of the European Communities, to fulfil the gender equality objectives set in the Programme of the Finnish Government 2003-2007, to take account of other legislative developments and to meet the needs for improvement identified in the application of the Act and the supervision of compliance with it.

The reformed Act contains the definitions of direct and indirect discrimination based on gender. An order or instruction to engage in discrimination based on gender directed to a person or persons is defined as discrimination. Consequently the Act also provides for the division of the burden of proof when a case of discrimination is being heard by a court of law.

The Ombudsman for Equality, the Equality Board and the occupational safety and health authorities are responsible for supervising compliance with the reformed Equality Act when it comes to the terms and conditions of employment contracts.

## Question B

a) The labour market organisations have participated in the drafting of legislation to foster nondiscrimination.
b) Please see Finland's first report concerning the Revised Social Charter.

## Question $C-E$

Please see Finland's first periodical report of the Revised Social Charter.

## Question F

The Government is currently preparing a proposal for a new Non-Military Service Act (1446/2007) on the basis of the report of a working group that has examined the issue. According

[^0]to the working group, the regular duration of the future non-military service should be 362 days, and it would comprise both a period of basic training with revised contents and work service.

## Question G

The Prison Service under the Ministry of Justice is responsible for the enforcement of prison sentences and sentences performed at liberty.

Prisoners are subject to an activity obligation, which means that they are obliged to participate in work, education or rehabilitation. The obligation is not, however, compulsory, and no sanctions are imposed for failing to fulfil it. The Government arranges work at prisons, but the legislation does not prevent prisoners from working at private businesses, either. Some tests have been conducted with a prisoner working at a firm outside the prison without an employment relationship, and these have been successful. The firm has paid the prisoner's wage to the prison, which in turn has paid the prisoner a current wage subject to prepaid tax.

A prisoner may engage in work arranged by the Government both in prison and outside it. The work is variable. In addition to metal work, real estate maintenance and domestic work, prisoners perform timber, agricultural and textile work, paint traffic signs, etc.

Prison work is subject to the Occupational Safety and Health Act (738/2002). Prisoners are not covered by insurances, and any accidents that may occur are compensated for by the State Treasury. Neither are prisoners entitled to benefits connected with an employment relationship, such as pension. Those working in closed prisons are entitled to a daily allowance and those working in open prisons to a current wage, i.e. a normal and reasonable wage.

## Conclusions regarding Article 1 para. 2

## Prohibition of discrimination in employment

Courts have interpreted the concepts of indirect discrimination and age discrimination in their case law. Since the Finnish courts of the highest instance have not, so far, ruled on cases related to indirect discrimination within the meaning of the Non-Discrimination Act ( $21 / 2004$ ), there is no established interpretation of the concept of indirect discrimination.

The following case concerning age discrimination was ruled on by the Supreme Administrative Court: KHO:2006:93:

The prohibition of discrimination laid down in the Non-Discrimination Act was applicable to all stages of the procedure for filling a municipal office, also to the invitation to a recruitment interview. The recruitment interviews conducted by the city as an employer were part of the preparation of the decision on appointment, and the preparation had to include an equitable, non-discriminatory and adequate examination of all issues. The fact that only some of the many applicants were invited to an interview was inherent in the procedure for filling the office. An individual applicant's age that was above or below the average age of the applicants was not as such a reasonable cause to suspect age discrimination. The preparatory stages of the appointment procedure appealed against did not show any circumstances giving reasonable cause to assume that the city did not invite the appellant to an interview because of the appellant's age.

The discrimination cases considered by courts have concerned the prohibition of discrimination and the requirement of equal treatment laid down in the Employment Contracts Act (55/2001). Most often, the discrimination has been based on age or ethnic origin. The following case, which occurred during the validity of the previous Employment Contracts Act (320/1970), was ruled on by the Supreme Court:

KKO 2000:64: When dismissing employees on economic grounds, a paper mill dismissed among others A, a shift supervisor over 55 years of age, on the grounds that he was eligible for unemployment pension after 500 days of unemployment. After the termination of A's employment relationship, his vacancy, the duties of which remained unchanged, was filled by a paper worker of the same employer, who had to be trained for the duties. The earlier duties of this paper worker were, in turn, assigned to an employee who had been laid off. The Court considered that the employer had dismissed A in violation of section 37 a of the Employment Contracts Act and it obligated the employer, by virtue of section 51(1) of the Act, to pay damages to A.

## Pre-defined limits to compensation in case of discrimination

The Non-Discrimination Act (21/2004) prohibits discrimination based on age, ethnic or national origin, nationality, language, religion, belief, opinion, health, disability, sexual orientation or other personal characteristics.

The Equality Act (609/1986) entered into force on 1 January 1987. The second overall reform of the Act took effect on 1 June 2005 (15.4.2005/232; Government Proposal HE 1959/2004).

The Non-Discrimination Act provides that a supplier of work, movable or immovable property or services, education and training or benefits who has infringed the prohibition of discrimination or victimization on the bases of age, ethnic or national origin, nationality, religion, conviction, state of health, disability or sexual orientation may be sentenced to pay the injured party compensation for the infringement. The liability for compensation is independent of fault and does not require deliberate or indirect (negligent) action of the discriminator.

Compensation may be ordered for immaterial loss. Evidence is not required of the quantity of infringement, but the compensation is based on the nature of the infringement. The maximum amount of compensation is 15,000 euros. A court may exceed the maximum amount for a special reason or decide not to order compensation, if this is considered reasonable.

If discrimination has caused material loss for the injured party, he/she may resort to the Tort Liability Act (412/1974) for damages. Liability for damages arises if the party causing the loss has caused it through intention or negligence. The injured party must provide evidence of the amount of the loss. The damages are based on the amount of the loss and have no pre-defined ceiling.

Chapter 12, section 1 of the Employment Contracts Act (320/1970), concerning the general liability for damages, provides that if the employer intentionally or through negligence commits a breach against obligations arising from the employment relationship or the Employment Contracts Act, it shall be liable for the loss thus caused to the employee. Liability for damages is based on negligence.

The concepts of intent and negligence must be assessed in the light of the general principles of damages law and the established case law based on the damages provision of the earlier

Employment Contracts Act (320/1970). The amount of the liability for damages may also be adjusted on the grounds laid down in the Tort Liability Act.

An employer may become liable for damages if it violates obligations imposed by the Employment Contracts Act, but also by violating obligations agreed in an employment contract or a collective agreement or imposed elsewhere in labour legislation, for instance in the Annual Holidays Act (162/2005) or the Working Hours Act (605/1996). An employer is liable for compensating for any damage caused to an employee by the employer's action.

The amount of compensation is not pre-defined. It is based on the victim's pay, the amount of which can be freely agreed between the parties, as there is no general minimum pay system in Finland. However, the relevant collective agreement must be observed. Compensation may be paid for the maximum period of 24 months.

Under the Finnish legislation it is also possible to declare discriminatory provisions of an employment contract void without making the entire contract lapse. Moreover, a discriminatory provision may be adjusted.

## The right of groups to obtain ruling that prohibition of discrimination has been violated

There is no right of collective action in Finland. The occupational safety and health authorities are responsible for supervising compliance with the Non-Discrimination Act (21/2004) in respect of employment relationships and civil service relationships. In practice, supervision is initiated by authorities mainly in cases that may involve acts criminalised in Chapter 47 of the Penal Code (39/1889), such as work discrimination (Chapter 47, section 3; 302/2004) and usury-type work discrimination (Chapter 47, section 3 a; 302/2004).

The Ombudsman for Minorities and the National Discrimination Tribunal of Finland are responsible for supervising compliance with the Non-Discrimination Act (21/2004) in respect of discrimination based on ethnic origin.

The Ombudsman for Minorities may issue instructions, advice and recommendations and promote agreement between the parties on compensation for the damage caused to the victim of discrimination. The Ombudsman or the victim of ethnic discrimination may submit the case to the Discrimination Tribunal for consideration, provided that the case does not relate to an employment relationship or a civil service relationship.

Section 14 of the Non-Discrimination Act provides that the courts, the Ombudsman for Minorities, other authorities and associations may request a statement from the Discrimination Tribunal on the application of the Non-Discrimination Act in cases of ethnic discrimination. The associations referred to in the section particularly include those acting in the field covered by the Act, for example human rights and immigrants associations and the Finnish Red Cross.

## Information on the nature of a shipmaster's powers and duties

Due to a formal notice from the Commission of the European Union, Finland is considering the question how the relevant Finnish legislation should be amended to comply with the requirement of free movement of persons laid down in Article 39(1) of the Treaty Establishing the European Community (judgment C-405/01 of the EC Court of Justice).

Furthermore, a Government proposal to amend Chapter 6, section 1 of the Maritime Act (674/1994) is pending. It is proposed that the master of a Finnish ship should be a national of an EU or EEA Member State. However, the masters of some ships, for instance those of the Finnish Defence Forces and the Border Guard, should be Finnish nationals also in the future. These restrictions would depend on the question whether the shipmaster exercises public authority in his/her position. It must also be taken into account that international provisions and regulations require the master of a Finnish ship to know the Finnish maritime legislation.

According to the Maritime Act, only Finnish nationals are eligible as masters of Finnish merchant ships. This provision is generally interpreted to mean that a national of another state cannot be eligible as the master of any Finnish ship. The reason for this is that administrative ships are comparable to merchant ships. The nationality requirement is based on the fact that the working language on board Finnish ships has usually been Finnish or Swedish and therefore there have not been many master candidates from countries other than Finland. In addition, considerations of ship and maritime safety have spoken in favour of employing a captain who has the same cultural background as the crew (which is usually Finnish).

In addition, reference is made to the previous reports.

## Prohibition of forced labour

In respect of these questions the Government refers to the answers to questions $G$ and $F$ under para 2.

## Article 1 para. 3: Free placement services

## Question A

Jobseekers by sector in 2006.

|  | Jobseekers <br> in 2006 | Men | Women | Aged <br> $15-24$ | Aged <br> $25-44$ | Over 44 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |

In 2006 the employment offices had 746,549 clients as jobseekers. Of these, men accounted for $47 \%$ and women for $55 \%$. Of all jobseekers, about $71 \%(530,600)$ were unemployed.

Placements and other occurrences by sector in 2006

|  | Placed in the open labour market | Placed by labour market policy measures | Started labour market training | Started training | other | Moved to an EEA State to seek work | Left the labour force |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 0 SCIENCE, TECHNOLOGY <br> AND ARTS | 65712 | 10934 | 7029 | 1766 |  | 114 | 9401 |
| 1 HEALTH CARE AND SOCIAL WELFARE | 119876 | 11756 | 4667 | 1327 |  | 87 | 10970 |
| 2 ADMINISTRATION AND <br> OFFICE WORK, IT | 54472 | 16191 | 9145 | 1713 |  | 79 | 11908 |
| 3 TRADE | 41079 | 8915 | 5344 | 984 |  | 51 | 8265 |
| 4 AGRICULTURE, FORESTRY, FISHING | 19701 | 4693 | 1911 | 297 |  | 9 | 3522 |
| 5 TRANSPORTS AND TRAFFIC | 17926 | 2879 | 1883 | 232 |  | 14 | 3776 |
| 6 CONSTRUCTION AND <br> MINING | 35349 | 5723 | 2994 | 239 |  | 29 | 7061 |
| 7-8 INDUSTRY | 90669 | 25457 | 16065 | 1898 |  | 54 | 22483 |
| 9 SERVICES | 99129 | 17892 | 7885 | 1392 |  | 40 | 13709 |
| X UNCLASSIFIED SECTORS | 43328 | 34728 | 14006 | 10944 |  | 72 | 19739 |
| TOTAL | 587241 | 139168 | 70929 | 20792 |  | 549 | 110834 |
|  | 47\% | 11\% | 6\% | 2\% |  | 0\% | 9\% |

In 2006 the employment offices registered $1,252,950$ measures. Thus there were an average of 1.7 occurrences per jobseeker. Slightly fewer than half (47\%) of the measures taken by public employment services concerned employment in the open labour market.

The second most significant form of service ( $11 \%$ ) was placement in the labour market by supportive measures (employment subsidy, labour market subsidy). In sectoral terms this was most common in "the unclassified sectors" ( $16 \%$ ) and most uncommon in the sector of "health care and social welfare" ( $7 \%$ ).

During 2006, a total of 116,340 jobseekers started work supported by labour market policy measures. The number of persons employed in such supported work was 154,718 , consisting of those who were already employed at the beginning of 2006 and those who started work during the year. In this group the number of men was $63,156(41 \%)$ and that of women $91,562(59 \%)$. The number of persons under 25 years of age was 43,711 (28\%).

The third most significant occurrence in the public employment services was jobseekers' starting labour market training ( $6 \%$ ). In 2006 approximately 70,000 jobseekers started labour market training. About $40 \%$ of them were women and about $60 \%$ men. Of this group, persons aged 24 years or less accounted for $17.5 \%$, those aged $25-44$ for $54.1 \%$ and those aged 45 or more for 28.4\%.

In 2006 the employment offices registered 488,545 open vacancies. During that year 442,477 vacancies, i.e. $91 \%$ of all open vacancies, were filled. For 178,802 (40\%) of the filled vacancies the employers selected a jobseeker registered in an employment office (incl. individual referrals to work).

Compared with the situation in 2004, the number of open vacancies has grown by $42 \%$. When analysed by sector, the growth has been largest in trade ( $+60 \%$ ), industry ( $+60 \%$ ) and transports
and traffic $(+52 \%)$. The number of open vacancies has declined only in agriculture and forestry ( $17 \%$ ) and in the unclassified sectors ( $-64 \%$ ).

## Question B

Please see Finland's 1st report concerning the Revised Social Charter.

## Question C

In Finland private agencies have been completely free to organise employment services since the year 1994. According to law, an enterprise or an organisation may freely provide employment services as a business. The private and the public employment services work in close partnership. Private agencies can announce vacancies at the public employment offices' website, and the public and the private services cooperate in a project where private agencies try to find jobs for clients of public offices.

There is no separate legislation on private employment services in Finland. The legislation on occupational safety and health, consumer protection and collective agreements is applicable to private employment agencies. It is, however, stipulated that private agencies must not charge jobseekers any fees.

## Question D-E

Please see Finland's 1st report concerning the Revised Social Charter.

## Article 1 para. 4: Provision or promotion of appropriate vocational guidance, training and rehabilitation

In respect of this paragraph, the Government refers to the information given about Articles 9, 10 and 15 .

## ARTICLE 9: THE RIGHT TO VOCATIONAL GUIDANCE

Question $A-C$
In Finland, all people have equal opportunities to basic education and other education suitable for their abilities and needs. Pre-primary education, basic education and education leading to degrees are free of charge.

Guidance counselling is given to all pupils as part of basic and upper secondary education. The national core curricula were revised at the beginning of the 21st century. They were introduced in basic education as from 1 August 2006 and in general upper secondary education as from 1 August 2005. Both curricula include guidance counselling.

In 2006 the Ministry of Education launched a project on flexible basic education in order to activate school drop-outs ("Joustava perusopetus, JOPO"). The project will go on until 2011. It is intended to support young people in completing their basic education and to prevent them from giving up studies after basic education. The JOPO project activities are combined with basic education, but they are based on flexible operating models, and the instruction is adapted to pupils' individual needs and situations. At the same time, schools try to provide pupils with places in upper secondary education. The instruction emphasises working models that are based on activity and studies at workplaces, in genuine working environments. The JOPO activities also intensify multiprofessional cooperation between different organisations, involving comprehensive schools, municipal youth, social and health authorities, vocational education institutions, general upper secondary schools and possible youth workshops. In 2006 the project involved in all 27 municipalities, whose activities covered 28 flexible groups consisting of pupils at grades $7-10$ of basic education. At the beginning of 2007, the project activities were expanded by 30 new municipalities. Since then in all 55 municipalities or cities all over Finland have engaged in the JOPO activities.

During Finland's EU Presidency, lifelong guidance was one of the priority themes in education. A seminar on this subject was arranged during the Presidency. The seminar supported the so-called Helsinki Communiqué, which was adopted by the European ministers of education and training in December 2006 and according to which the EU Member States should pay attention to the development of vocational education and training. This development calls for intensified lifelong guidance.

The National Board of Education has launched a number of projects connected with guidance counselling and vocational counselling, for example a development project on guidance counselling in basic education, upper secondary education and adult education and training for the years 2003-2007. The project is intended to improve guidance services in educational institutions, create networks, support continuing staff education and improve the assessment of guidance counselling. The project involves nearly 300 municipalities. As a result of the project, $97.6 \%$ of the age group completing basic education in the participating municipalities have continued their studies.

CHANCES is a development project (2005-2006) that is financed by the European Social Fund from the EQUAL Community Initiative Programme and coordinated by the National Board of Education. The project is intended to develop guidance and counselling services provided in multiprofessional and cross-sectoral cooperation and to create new tools to prevent exclusion of young people from the labour market. The primary target groups of the project are staff in schools
and educational institutions as well as experts in various administrative sectors, business and industry whose work involves guiding young people outside of formal education systems and at risk of social exclusion, students with special needs, young immigrants and ethnic minority youth groups. Guidance counselling is seen as a means to prevent exclusion, shorten the time spent in education and training, raise educational standards and increase social equality. The CHANCES project will generate new training models and good practices that can be applied nationally and disseminated for a wider, international audience. Another goal is to increase the recognition and understanding of individual needs for educational and vocational guidance and counselling from a gender-sensitive perspective.

The AIHE project (an ESF financed project) aims at individualising adult education and training and improving the quality of competence-based qualification tests.

The National Board of Education is creating a set of forms for the evaluation of guidance services at local, regional and national level. It is also constructing a guidance resource bank.

In addition to a facility for searching jobs, the website of the Ministry of Labour (www.mol.fi) provides information about working life, education and training as well as services to help clients analyse their situations and make career decisions. Vacancies can be found in the "Avoimet työpaikat" (Vacancies) section. Jobseekers may also receive suitable job vacancies through e-mail by subscribing to the "Paikkavahti" ("Jobwatch") service. It is possible to register as a jobseeker through the website and to send a job-search profile to the "CV-netti" section.

The Ministry's website further offers services for those looking for education or training. Publications used in educational guidance and counselling are accessible through the publications database. Information on labour market training is also published at the website, and applicants can submit their applications for the courses on-line.

In its previous report the Government informed that the Ministry of Labour has launched two websites for career planning, entitled AVO and A-URA. Besides the AVO career choice programme and the A-URA career planning service for adults the Ministry introduced a new website called Ammattinetti (Vocations-net) in 2006. It provides comprehensive information about working life, including descriptions of occupational sectors and occupations, interviews with professionals, different career case studies, articles about working life and references to other relevant material.

In 2005 the Ministry of Labour introduced a national information telephone helpline on education and training options ("Koulutuslinja").

The services have been improved by means of quality development projects and staff training. Steps have been taken to direct personal guidance services more specifically at those clients who need them most, i.e. low-skilled unemployed young people and adults, disabled persons and immigrants. Self service is being developed continuously for those clients who may use it.

Vocational rehabilitation services at the public employment offices include personal vocational guidance and career planning as well as counselling and advice related to work placement and employment (jobseeker services). In connection with these services, various measures are taken for instance to assess the client's situation and the options available, or to support him/her in finding employment in a suitable field. Examples of the measures used include medical examinations, psychological assessments (tests), and work and training tryouts.

The rehabilitation services provided by the labour administration against payment are intended to ensure that as many people as possible remain employed or return to the labour market. In 2006, 93 employment offices provided rehabilitation services against payment. These services were mainly used by employment pension insurance companies and the Finnish Insurance Rehabilitation Association.

In May 2006 a joint working group of the Ministry of Education and the Ministry of Labour introduced an action plan (2005-2012) for developing information and advisory services in adult education and guidance. The action plan supports the planning of working life and education/training careers. The target of the preparatory work is to ensure that, by the end of 2008, citizens will have access to information and advisory services on adult education and training as well as on institutions providing such education and training.

## Question D

a) In the system for financing education and training, guidance is included in the unit price. Thus there is no specific information on the public funds allocated for guidance services.
b) In spring 2005 in all 923 guidance counsellors worked in the sector of general education (basic education and general upper secondary education). At the same time, there were 134 guidance counsellors in the sector of vocational education. The total number of staff in public employment offices in 2006 was about 2,700, including vocational guidance psychologists. There were 264 vocational guidance psychologists working at 101 employment offices. In 2006 the employment offices had a total of 108 full-time and 133 part-time educational and vocational counsellors. All the employment counsellors and vocational guidance psychologists serve clients with disabilities, too.

Vocational guidance psychologists are required to be qualified psychologists (i.e. to have a Master's degree in psychology). No official qualifications prescribed by law are required for other occupations responsible for client service in public employment offices. All staff takes part in the in-service training organized by the Ministry of Labour
c)

Clients by age and sex in vocational guidance (psychologist) services 2005-2006

|  | Under 25-years | 25 years or more | Total | Women |
| ---: | :---: | :---: | :---: | :---: |
| 2005 | 11413 | 20561 | 31974 | 20867 |
| $\%$ | 35,7 | 64,3 |  | 65,3 |
| 2006 | 11056 | 20406 | 31462 | 20671 |
| $\%$ | 35,1 | 64,9 |  | 65,7 |

d) Vocational guidance services are provided by the public employment offices throughout the country.

## Question E

Vocational guidance services are ensured for all interested persons. However, the public employment offices assess their clients' needs for services and negotiate the situation with the clients.

## ARTICLE 10: THE RIGHT TO VOCATIONAL TRAINING

## Article 10 para. 1: Promotion of technical and vocational training

## Question $A-B$

In respect of these questions, the Government refers to its previous periodic reports.

## Question C

Purchases of labour market training are based on estimated developments in the labour market. These estimates are made on the basis of information collected from different sources. For example, when visiting employers, employment offices use a structured inquiry form for collecting information on the employers' needs for labour force and training. Moreover, the employment offices use statistics and make inventories of jobseekers' skills to find out their needs for training. The information thus collected is used for the planning and implementation of training.

The Ministry of Labour has not only funded statistical monitoring of placement in employment after regular labour market training, but also a number of studies on the effectiveness of such training. Other organisations, too, have studied the effectiveness of this training. The studies have usually focused on placement in employment after training. Their results have mainly shown that labour market training has positive impacts on the employment of those persons who have completed such training.

The Ministry of Labour and the Ministry of Education have jointly launched a national programme to enhance the information, counselling and guidance services in adult education. The programme consists of three extensive projects. The first one is intended to develop the use of electronic services especially in labour market counselling in order for making adult education more effective and methodical. The second project is aimed at building networks between guidance and counselling services and increasing regional cooperation. Further, it aims at building up the guidance skills of staff responsible for guidance, counselling and instruction and strengthening the introduction of individualisation by pursuing, at the same time, those objectives of adult education which pertain to the tailoring of such education to the demand and cooperation with working life. The third project is intended to enhance the evaluation and research of guidance work.

In respect of this question, the Government also refers to the answer concerning Article 9 above.

## Question $D-E$

In respect of this question, the Government refers to its previous periodic reports.

## Article 10 para. 2: Promotion of apprenticeship

In respect of this paragraph, the Government refers to its previous periodic reports.

## Article 10 para. 3: Vocational training and retraining of adult workers

## Question A-E

In respect of this paragraph, the Government refers to its previous periodic reports.

## Article 10 para. 4: Special measures to promote retraining and reintegration of the longterm unemployed

In respect of this paragraph, the Government refers to the answer concerning para. 2 and to its previous reports, and states that in 2006 approximately 7280 long-term unemployed persons started labour market training. An average of $12 \%$ of those starting labour market training have been long-term unemployed.

Please see also Article 15, para. 2, section 1.3.

## Article 10 para. 5: Full utilisation of the facilities provided by various measures

In respect of this question, the Government refers to its previous periodic reports.

## ARTICLE 15: THE RIGHT OF PERSONS WITH DISABILITIES TO INDEPENDENCE, SOCIAL INTEGRATION AND PARTICIPATION IN THE LIFE OF THE COMMUNITY

## Article 15 para. 1: Measures to provide persons with disabilities with guidance, education and vocational training

Question $A-D$
The Finnish school system is inclusive by nature. The national core curricula create objectives of teaching that are common for all pupils. Since 1998, the common school system also covers severely mentally retarded pupils.

A person with a disability means a person who, due to an impairment or an illness, has particular difficulties in managing everyday life activities in the long term.

The number of persons with disabilities can be estimated from the number of users of services provided for them pursuant to the Services and Assistance for the Disabled Act (380/1987). Such services are used by slightly fewer than 100,000 persons. The users of services provided pursuant to the Act on Special Care for the Mentally Handicapped (519/1977) number approximately 27,000.

The Basic Education Act (628/1998) is essentially based on the idea that education shall be provided according to the pupil's age and capabilities and so as to foster healthy growth and development in the pupil. This provision creates the foundation for all planning and implementation of education and related arrangements and supportive measures. The Act contains more detailed provisions on remedial teaching, special needs education and possible deviations from the provisions in the case of an individual pupil. A pupil may be given part-time special needs education alongside other teaching, if he/she has moderate learning or adjustment difficulties, e.g. a speech, reading or writing impairment. If a pupil needs special measures that are more demanding than remedial teaching and part-time special needs education, he/she shall be admitted or transferred to special needs education. The need for special needs education shall be based on the pupil's disability, illness, retarded development or emotional disturbance or a comparable cause.

To the extent possible, special needs education is organised in conjunction with other education or else in a special-needs classroom or some other appropriate facility. The decision to set up a special class, like all other decisions on teaching places, is made by the provider of education. Pupils admitted or transferred to special needs education shall be provided with an individual education plan. Depending on the severity of the pupil's illness or disability, the education plan defines among other things the interpretation and assistance services as well as any other teaching and pupil welfare services that the pupil needs in order to participate in education: The plan also defines the means of communication, special aids and teaching materials that he/she may need and the persons who participate in arranging the teaching and support services for the pupil and their responsibilities.

Pupils with learning difficulties are assisted by various forms of support, determined on the basis of the type and extent of the difficulties. It is essential to identify the learning difficulties at an early stage and to take supportive measures in order to prevent their negative impacts on a pupil's development. If the pupil cannot be taught by other means, he/she must be admitted or transferred
to special needs education. In that case the syllabuses, teaching arrangements and support services are defined in an individual education plan.

The public employment services provided by the labour administration include vocational and career planning services. These services are intended to assist clients to solve questions concerning the choice of a career and vocational development, and to support their placement in working life and lifelong learning. A client's aptitude for particular work or training and the existing training and work options can be found out by examining the client's state of health and working capacity or by arranging work and training try-outs at workplaces and elsewhere, orientation visits to educational institutions and expert consultations. In 2005, vocational and career planning services were provided to approximately 6,500 clients with disabilities, and in 2006 these clients numbered about 5,700. Thus, $20.2 \%$ of all clients of vocational and career planning services in 2005 were clients with disabilities, and in 2006 their percentage was $18.2 \%$.

In 2005 almost 43,000 pupils in comprehensive schools, i.e. $7.3 \%$ of all pupils, had been admitted or transferred to special needs education. Although the number of pupils in comprehensive schools declined slightly, the number of those transferred to special needs education grew by $7.5 \%$ from the previous year. The largest growth took place in the number of pupils with learning difficulties caused by emotional disturbances or social maladjustment. Two thirds of all pupils in special needs education were boys.

Part-time special needs education is provided alongside other teaching depending on the pupil's learning difficulty. During the school year 2004-2005 more than 129,000 pupils in comprehensive schools, i.e. more than every fifth pupil, received part-time special needs education because of slight learning difficulties or maladjustment.

The state maintains special schools that arrange basic education for pupils with sensory or physical handicaps. Most of these pupils have so severe disabilities that the schools in their municipalities of residence cannot arrange educational services for them. Some pupils in the state's special schools are severely multiply handicapped. In 2005 the state's special schools had a total of 490 pupils on an average and of these an average of 30 participated in pre-primary education, 415 in basic education and 45 in additional basic education.

Vocational special education institutions provide more extensive support services than general educational institutions, and they seek individual solutions in education. The support services provided by vocational special education institutions are not only available to their registered students but, as expert services, also to students with special needs in general educational institutions. There are 13 vocational special education institutions in Finland, and in 2004 they had a total of 2,493 students.

Educational institutions and other authorities work in multiprofessional cooperation to guide students who need special support after completing basic education to continue their studies. Moreover, different workshops on vocational education serve as instruments of guidance counselling by permitting the participating students to orient themselves to vocational education and flexible forms of education.

Rehabilitative instruction and guidance are intended to prepare students with disabilities for work and independent life. These services are directed at those who, due to a disability or an illness, cannot participate in education leading to a vocational upper secondary qualification. Such instruction and guidance are intended for students with the most severe disabilities. Their purpose is to prepare the students for a life that is as independent and rich as possible and, to the extent possible, also for participation in working life independently or in a supported working
community. The instruction and guidance is supported by rehabilitation of the student. An individual rehabilitation plan is prepared for the student in multiprofessional cooperation. The objective is to help the student manage as independently as possible in his/her functional and social environment and find active operating models for studies and other activities.

Teachers are responsible for providing rehabilitative instruction and guidance together with multiskilled support staff. The support staff includes assistants, instructors, assistant teachers, special needs assistants, interpreters, school social workers, psychologists, guidance counsellors and school nurses. The number of support staff varies by the size of the educational institution, the size of the teaching group and the need for support. As a rule, there is one support person per 3-5 students, but some groups have more support persons. For some teaching groups support persons are not used at all.

Vocational education is supplemented with training try-outs. Their purpose is to give the student an opportunity to orient himself/herself to the field or fields of interest to him/her and to work there. The student's aptitude for a particular field is studied and verified during these try-outs. A psychologist interviews the student and makes aptitude examinations, if necessary. A teacher assesses the student's performance on the basis of tasks typical of the vocational field in question. The results of these interviews, tasks and studies form the basis of the psychologist's statement on the training try-out.

The services provided for students with disabilities and the responsibility for arranging them are divided among many actors. The main producers include municipal social authorities, the Social Insurance Institution in Finland and in some cases insurance companies.

Aids needed by students with severe disabilities are normally granted by the Social Insurance Institution in Finland. A student with a severe disability is a person who cannot manage studies without a designed aid. The Social Insurance Institution grants such a student expensive and sophisticated aids and appliances that he/she needs because of an illness or disability. The sophistication level and price of the aids and appliances are not determined by legislation. Services provided pursuant to the Services and Assistance for the Disabled Act (380/1987) include transport and interpreter services, personal assistants and service housing. The student's municipality of residence is normally responsible for arranging the services referred to in the Act. According to the definition laid down in the related Services and Assistance for the Disabled Decree (1987/759), a person shall be considered severely disabled if he/she, because of an illness or disability, needs another person's help in order to manage daily activities continuously, at different times of the day or otherwise to a particularly large extent. Service accommodation includes a dwelling and related services that are necessary for everyday coping. Services accommodation is a so-called subjective right, which means that municipalities are specifically responsible for arranging it.

To manage studies and other activities, a student with disabilities may also need a personal assistant. The Services and Assistance for the Disabled Act provides that a person with disabilities may receive compensation for the costs of employing a personal assistant, if he/she needs extensive assistance by another person either at home for managing everyday activities or outside home for managing errands, studies, hobbies, work and societal participation in general.

In 2005 in all 5,150 special class teachers and special needs teachers worked in basic education. In addition, nearly 300 full-time teachers provided special needs education.

The qualification level of special class teachers and special needs teachers improved between spring 2002 and spring 2005. In the spring term $2005,71 \%$ of all special class teachers and special
needs teachers were qualified for their offices. Some of those who were not formally qualified for a special class teacher's or a special needs teacher's office were qualified as other teachers. The percentage of teachers qualified for their offices was relatively highest in the education of physically handicapped pupils (86.7\%).

Due to the problems connected with the qualifications of special needs teachers the programme for expanding teachers' training in 2001-2009 has put the highest quantitative priority on the training of these teachers. The annual number of graduating special needs teachers (approx. 200-230) had proved insufficient for the continuously growing needs for special needs education. Therefore the intake of teacher students has been increased substantially by means of additional funding from the expansion programme. Separate funding allocated by the Ministry of Education to universities has been used for increasing the intake of teacher students and organising qualifying training for persons who already work as teachers and wish to obtain the formal qualification. Since 2001, all four universities providing special needs teachers' training in Finnish and the Swedish-speaking Åbo Akademi University have taken part in the implementation of the expansion programme. In 2001-2009 the programme will produce in all 1,360 new special needs teachers.

Currently, the recipients of benefits under the Services and Assistance for the Disabled Act and the Act on Special Care for the Mentally Handicapped number about 120000.

In 2005 approximately 254,000 persons received disability benefits from the Social Insurance Institution in Finland. Of them, about $86,000(34 \%)$ were $16-65$ years old, i.e. at working age. The legislation on disability benefits requires substantial disability as a condition of eligibility for such benefits. There are also persons with less severe disabilities who need support and services for different activities.

## Article 15 para. 2: Promotion of employment of persons with disabilities

## Question A

The rehabilitation legislation determines the right of a disabled person to vocational rehabilitation for the promotion of employment as follows:

Rehabilitation under accident and motor third party liability insurances
Accident insurance institutions and motor insurance institutions have the primary responsibility for arranging rehabilitation, if it is needed as a result of an occupational accident, an occupational disease or a road accident. The decision on rehabilitation is made by the insurer in question. The rehabilitation must be intended for helping the rehabilitee to obtain an employment that can form his/her main subsistence in the future. The rehabilitation may consist of rehabilitation examinations; work and training try-outs; preparative training for working life; general basic education required for vocational education; vocational education; aids, appliances or constructions necessary for performing work; state aids for industrial and service enterprises; a vehicle allowance or a loan to a person with a severe disability; compensation for extra travel costs caused by disability and other comparable costs.

Vocational rehabilitation under the earnings-related pension system
Since 1 January 2004 an employee or an entrepreneur engaged in working life has, under the Employees' Pensions Act (395/2006), had the right to receive suitable vocational rehabilitation on the condition that he/she has an appropriately diagnosed illness, injury or disability due to which he/she probably risks becoming or being considered incapable for work. In 2005 more than 6,800 and in 2006 about 7,200 persons covered by earnings-related pension insurance received vocational rehabilitation.

When measures taken by the occupational health service are no longer sufficient for keeping ageing persons in working life, they are supported by preparatory measures to maintain and improve these persons' working capacity. The Social Insurance Institution in Finland compensates the rehabilitee for reasonable and necessary training costs and pays him/her rehabilitation allowance or cash rehabilitation benefit for the training period.

Rehabilitees with severe disabilities are helped to manage their work or studies by providing them with technically sophisticated aids and appliances. Their employment and continuation at work may be supported by state aids for industrial and service enterprises. These aids are granted both for the setting up of an enterprise and to an already operating enterprise for the purchase of equipment necessitated by an illness. In 2006 more than 16,000 persons participated in vocational rehabilitation arranged by the Social Insurance Institution in Finland. More than 6,000 of them were ageing persons active in working life and covered by preparatory measures to maintain and improve working capacity.

Persons with disabilities in vocational rehabilitation under different systems in 2005-2006:

| Year | 2005 | 2006 |
| :--- | :--- | :--- |
| Accident insurance and motor third party liability insurance | 1613 | 1765 |
| Earnings-related pension insurance | 6834 | 7188 |
| Social Insurance Institution | 17039 | 16397 |
| Total | 25486 | 25350 |

About $60-70 \%$ of those who participated in vocational rehabilitation under the aforementioned systems were placed in the open labour market.

## Labour Force Service Centres

In 2004-2006 the structures of public employment services were reformed pursuant to the Government Employment Programme. The services and resources for jobseekers with most difficulties in finding employment were centralised at 39 Labour Force Service Centres, which provide multiprofessional services offered by the labour administration, the municipalities and the Social Insurance Institution in Finland. In 2006 the Centres had more than 20,000 clients, of whom about $30 \%$ were jobseekers with disabilities.

## Question B

During 2006 there were 67,000 unemployed jobseekers with disabilities (12\%). About 93,000 unemployment periods of disabled jobseekers came to an end. Nearly 60,000 of these unemployment periods ended mainly because the jobseeker either got employment or started training. More than 44,000 unemployment periods ended because the jobseeker was placed in the open labour market.

To improve the capacity of disabled jobseekers for work and training and to support their employment, the labour administration arranged a total of about 14,000 supportive measures, including examinations of health and working capacity, rehabilitation examinations, expert consultations, work try-outs at working places, work and training try-outs and preparative training for working life (supported employment).

Jobseekers with disabilities and active measures in 2005-2006:

| Year | $\mathbf{2 0 0 5}$ | $\mathbf{2 0 0 6}$ |
| :--- | :---: | :---: |
| Jobseekers with disabilities | $\mathbf{9 1 0 0 0}$ | $\mathbf{9 1 6 0 0}$ |
| - unemployed | $\mathbf{6 7 0 0 0}$ | $\mathbf{6 6 9 0 0}$ |
| were placed in the open labour market | 43900 | 44000 |
| started labour market training | 6800 | 7700 |
| started other training | 1200 | 1200 |
| were placed in a business through pay <br> subsidy x) | 4300 | 6000 |
| were placed in the public sector through pay <br> subsidy xx) | 3900 | 4900 |
| were placed in a work try-out, practical <br> training or preparative training for working <br> life at a working place | 7900 | 10000 |
| Active measures in total |  |  |

x) and $x x$ ) mean a pay subsidy granted to employers to compensate for the pay costs of jobseekers with disabilities

## Question C

At the expiry of 2006 a total of 3,521 clients were covered by measures supporting the employment of persons with disabilities, and 11,716 clients took part in day activities and exemplary employment for persons with disabilities.

## Article 15 para. 3 Full social integration and participation in the life of the community

## Question A

As a member state of the United Nations and the European Union, Finland is committed to promote a society that is open and accessible to all. The Constitution of Finland guarantees persons with disabilities equality and non-discrimination. The central and the local government are responsible for ensuring the implementation of fundamental and human rights. In addition to the public administration, also other actors are obliged to promote the equality of persons with disabilities.

Finnish disability policy is aimed to improve the opportunities of persons with disabilities to live and act as members of society equal to others and to prevent and eliminate disadvantages and barriers caused by disability. All sectors of administration must develop their activities so that they will serve all citizens. Mainstreaming disability policy into various activities of society promotes the implementation of equal rights of persons with disabilities also in practice.

In 2006 the Government published a report on Finnish disability policy. In this report the Government assesses the strengths and challenges of the current policy and proposes measures to enhance and revise it. The report was prepared in cooperation between a number of actors.

Finnish disability policy is based on the following three main principles:

1) The right of people with disabilities to equality. As a member state of the United Nations and the European Union, Finland is committed to promoting a society that is open to all. In Finland, the principle of non-discrimination of people with disabilities is enshrined in the Constitution.
2) The right of people with disabilities to inclusion. The realisation of the inclusion of people with disabilities necessitates positive attitudes, taking into account their needs, identifying barriers that restrict their inclusion, and eliminating and anticipating such barriers.
3) The right of people with disabilities to necessary services and supportive measures. Services and supportive measures constitute positive special treatment for ensuring equality.

As one measure to develop disability policy the Government Report on Disability Policy proposes enhancement of the employment of citizens with disabilities. According to the report, the right to work is a fundamental right and work must be the primary source of livelihood for citizens with disabilities, too. Work is also the best social security and reduces social exclusion. Public employment services advance the employment of people with disabilities in the open labour market either directly or through training. In addition, the labour administration encourages employers to hire jobseekers with disabilities through support measures, such as supported pay. It is the Government's task in cooperation with the labour market parties to increase the participation of jobseekers with disabilities in working life by removing obstacles to their employment. Entrepreneurship by persons with disabilities will be promoted and tax legislation will continue to be developed.

Social and health care professionals support the parents of a child with a disability with their expertise, services and support measures. Child health clinics monitor the child's development on a regular basis and refer the parents to further examination, if necessary. Children with disabilities and their families are provided with medical, social and educational rehabilitation. The Social Insurance Institution in Finland grants financial support to children under 16 to compensate for additional costs or strain caused by disability. A parent who cares for a child with an illness or disability at home may also receive support for informal care from the municipality in question.

All children have a subjective right to day care. Day care for children with disabilities may be arranged in a number of ways. It may be provided by parents at home, through private day care, at municipal day care centres or in municipal family day care. The general objective is to provide integrated day care amongst other children. Day care centres may provide special day care for children requiring particular care and support. Special day care means that the day care centre provides the child with special support services, for instance a special kindergarten teacher's or a personal assistant's services.

In order to reconcile work and family life, parents have the right to take partial child-care leave for reducing their working hours. Further, they are entitled to a partial care allowance to compensate for the loss of income caused by the reduction of working hours. The right to child care leave for the parents of a disabled child continues up to the end of the third comprehensive-school year of the child. In addition, the parents of children with disabilities or chronic illnesses are entitled to partial child care leave up to the 18th birthday of the child.

In the field of education, the resources of special needs education have been and will be enhanced according as the need for them grows. The primary objective is to enable children with disabilities to attend the nearest school, but special needs education is still partly arranged in different schools.

At schools the learning and development of children with disabilities are promoted and their parents are supported by groups consisting of a school nurse, a special teacher, a school social worker and a school psychologist and, if necessary, a physician and a speech therapist. The school health service is responsible for medical rehabilitation. Children with severe disabilities have the right to rehabilitation arranged by the Social Insurance Institution in Finland. The municipalities, the Social Insurance Institution in Finland and organisations for the disabled arrange adjustment training for children with disabilities and their families.

Service counselling is a new procedure that the municipalities use in order to support families seeking services and supportive measures and to facilitate this process. The procedure starts with an assessment of the family's life situation and need for assistance and continues with assembling the most appropriate possible service package for the family. The procedure is intended to alleviate the disadvantages and problems caused by the incoherence of the service system.

## Question B

The measures taken to enable access to transport, housing, cultural activities and leisure for persons with disabilities

At the beginning of 2006 the Ministry of Education prepared a programme entitled Access to Arts and Culture for All for 2006-2010 [Publications of the Ministry of Education 2006:6]. The implementation of the programme started immediately. In particular, it is intended to strengthen the cultural rights of linguistic and cultural minorities and persons with disabilities. The programme lists measures that the Ministry seeks to put into practice by 2010.

The Ministry of Education intends to gradually increase the funding of cultural activities of disabled persons' communities and the funds for improving the accessibility of culture. In the last few years, the appropriations available for cultural activities of disabled persons' communities have grown considerably. In 2007 they amounted to 290,000 euros, after having been 112,000 euros in 2004. Since 2005, these appropriations have also been used for supporting projects to improve the accessibility of the public supply of culture.

The Finnish National Gallery runs a service entitled Culture for All, supported by the Ministry of Education. This service is intended to help actors of the cultural sector to make their cultural services accessible to all by means of information, instruction material, training and accessibility inventories.

In 2007 the Ministry of Education set up a new cross-administrative expert body dealing with the accessibility of culture.
According to the Services and Assistance for the Disabled Act, municipal social welfare boards and other municipal authorities shall promote and monitor the living conditions of persons with disabilities and act to prevent and eliminate disadvantages that restrict these persons' opportunities and participation. This means that attention must be paid to such things as accessibility. Accessibility is promoted at national level, too, in cooperation between different authorities. For example the Ministry of Transport and Communication completed its project on the accessibility of public transport at the end of 2006 .

Medical rehabilitation of persons with disabilities includes cost-free aids and appliances (wheelchairs, crutches etc.), which improve for example their opportunities to move around independently. On the basis of the Services and Assistance for the Disabled Act, a disabled person may also receive an allowance for acquiring different aids and appliances for everyday activities, for purchasing a car or for ordering disability-related adaptations to a standard car, just to mention a few examples.

Persons with disabilities are provided with transport services for travels to and from their workplaces, study sites or leisure activities. Moreover, providers of education are obliged to arrange the transports that children with disabilities or illnesses need for their education.

Municipalities arrange cost-free interpreter services for deaf-blind persons and persons with severe hearing and speech impairments. Interpreter services are provided in sign language or by other means of communication, based on modern technologies. The deaf-blind are entitled to 240 hours and the others to 120 hours of interpretation per year. In 2006 Parliament adopted an act by which the number of interpretation hours for the deaf-blind was raised to 360 hours and those for the others to 180 hours. The act took effect at the beginning of 2007. The supply of interpreter services varies by municipality. The interpreters are mainly hired on a free lance basis. The provision of interpreter services has been improved to eliminate regional differences. Moreover, distant interpretation services have been enhanced in order to improve their availability especially in the countryside.

Authorities have been working as a network to raise awareness on accessibility. The National Research and Development Centre for Welfare and Health (STAKES) coordinates the Design for All network, which is a forum for experts from different sectors and organisations. Design for All refers to design strategies and methods intended to promote the usability and accessibility of environments, products and services for all users. Organisations conduct research and development of Design for All issues in the fields of communication, the built environment, product design, technologies and services. The Design for All network arranges annually 3-4 joint meetings or workshops and a thematic forum for a larger public. Currently the network is working on four joint projects to promote participation, accessibility and usability. The network acts as an expert and a working group member in projects implemented by ministries and government agencies.

## Question C

In respect of this question, the Government refers to its previous periodic reports.

## ARTICLE 18: THE RIGHT TO ENGAGE IN A GAINFUL OCCUPATION IN THE TERRITORY OF OTHER PARTIES

## Article 18 para. 1: Application of existing regulations in a spirit of liberality

## Question A

In respect of this question, the Government refers to its previous periodic reports.

## Question B

In 2005, aliens lodged a total of 3,344 applications for residence permits for employed persons. In 2,915 cases a permit was granted. The number of applications submitted for residence permits for self-employed persons was 128 , and a permit was granted in 39 cases ( 70 expired).

In 2006, a total of 3,838 applications were submitted for residence permits for employed persons. Of these, 2,859 were accepted ( 228 expired). The applications for residence permits for selfemployed persons lodged in 2006 totalled 84, and 58 of them were accepted ( 1 expired).

Foreign students' access to the labour market was facilitated on 1 February 2006 by expanding the number of permitted weekly working hours from 20 to 25 . At the same time, foreigners who have graduated in Finland were exempted from the work permit obligation. Foreigners who have a residence permit issued on the ground of family reunification were exempted from the work permit obligation on 1 July 2006.

## Question C

In respect of this question, the Government refers to its previous periodic reports.

## Article 18 para. 2: Simplification of formalities and reduction of dues and charges

## Question $A$

In respect of this question, the Government refers to its previous periodic reports.

## Question B

As reported earlier, the fees for processing residence permit applications remained unchanged between 1 January 2005 and 31 December 2006. Usually, a first residence permit costs 175 euros and a residence permit renewal 100 euros. The charges are based on the costs incurred by the authorities when processing the permit applications. The majority of the charges (e.g. those for the above-mentioned first residence permit) were lower than the costs incurred by the authorities.

The new Ministry of the Interior Decree on the Directorate of Immigration's Service Charges came into force on 1 January 2006 and will remain in force until the end of 2007. Under the new Decree, the processing fees for residence permits were raised. At present, the fee for processing the application for a first residence permit is 200 euros. The fee charged for applications for extended permits is 120 euros. If the alien is a minor or if the applicant applies for a residence permit for the purpose of studies, the fee is 55 euros, irrespective of whether a first permit or an extended permit is applied for. During the period 1 January 2005 to 31 December 2006, these applicants were charged a processing fee of 50 euros.

## Question C

On 29 April 2004, the Council of the European Union adopted Directive 2004/81/EC on the residence permit issued to third-country nationals who are victims of trafficking in human beings or who have been the subject of an action to facilitate illegal immigration, who cooperate with the competent authorities. Due to this directive, the Finnish Aliens Act (301/2004) was supplemented by provisions on a residence permit issued to victims of trafficking in human beings. A new subsection 5 was added to section 79 of the Aliens Act. Under this subsection a victim of trafficking who has been issued with a temporary residence permit has the right to gainful employment without applying for a separate residence permit for an employed person.

Section 80 of the Aliens Act has been amended. The earlier restrictions on the employment of students applied to periods when instruction was provided at educational institutions. The restrictions were considered too rigid, because they did not enable students to time their periods of study and employment in a manner that suited their situation. The new, more flexible restrictions of employment will also better enable students to plan how to meet the requirement of secure means. Section 80, subsection 1(1) was amended so that, instead of restricting the number of working hours per week, the restrictions now apply to the right of employment in the long term. The employer must ensure that the duration of work does not exceed the number of hours laid down in the section.

The earlier restrictions on the right of employment could make it impossible to prepare as gainful employment a research paper required for studies. Preparing the research paper as gainful employment makes it easier for the student to meet the requirements for secure means, and in addition it enhances his/her chances of finding employment in Finland after obtaining a degree or other qualification. Therefore, it was added to section 80 , subsection 1(1) that an alien preparing a research paper as gainful employment will be exempt from the requirement to obtain a residence permit for an employed person.

There are no plans to lower the charges for residence permits. As mentioned in the answer to question $B$, the charges are still lower than the costs incurred by the authorities in processing the permit applications. When setting out the amount to be charged, account is always taken of the principle that the fees must be reasonable and that they must not become an obstacle to entering the country.

## Article 18 para. 3: Liberalisation of regulations

## Question $A-B$

In respect of these questions, the Government refers to its previous periodic reports.

## Question C

Several amendments have been made to the Aliens Act:
A new subsection was added to Chapter 4, section 54 of the Aliens Act, providing that an alien who has received a degree or other qualification in Finland is issued with an extended residence permit for the purpose of seeking employment. The extended residence permit is subject to the condition on which the previous residence permits were issued to the person, i.e. to studying in Finland. The aim is to enable aliens to make use of their degrees or other qualifications obtained in Finland in the Finnish labour market. This is rendered possible by making it easier for them to focus on seeking employment.

An extended permit is issued from the expiry of the previous residence permit. The period between the completion of a degree or other qualification and the expiry of the previous residence permit can be several months, during which time a student can also seek employment. A residence permit for the purpose of seeking employment can be issued only once after the person has obtained a degree or other qualification in Finland.

For a residence permit to be issued, the alien must have secure means of support under section 39 of the Aliens Act, and there must not exist any obstacles under section 36 to issuing a permit. Because studies are a precondition for an extended residence permit, the alien's means of support are subject to the same requirements as those of a student.

A reference to section 52a was added to section 54(5) of the Aliens Act. This makes it possible to issue a continuous residence permit to a victim of trafficking in human beings after he or she has stayed two years in the country, provided that the requirements for issuing a residence permit under section 52a are still met. No new permit is issued unless these requirements are met.

Previously, residence permits issued to an alien's family members did not always confer the right to gainful employment without a separate residence permit for an employed person or without related consideration of the availability of labour. However, exempting all family members from the requirement to obtain a residence permit for an employed person makes it easier for them to enter the labour market and promotes their integration in Finland. Section 79(2) of the Aliens Act was amended so that all aliens who have been issued with a residence permit on the basis of family ties in Finland would have the right to gainful employment without a residence permit for an employed person.

Under section 79(4) of the Aliens Act, aliens who have obtained a degree or other qualification in Finland have the right to gainful employment without the consideration referred to in section 72(1) of the said Act. The wording intends to express that consideration of the need of labour or other consideration under section 72(1) does not apply to aliens who have obtained a degree or other qualification in Finland.

Aliens are exempt from the requirement to obtain a residence permit for an employed person if they have received a degree or other qualification at an educational institution in Finland. Aliens
are issued with a standard residence permit on the ground of employment. Essentially, a residence permit is issued on a continuous basis unless the employment is temporary. When considering whether the employment is temporary, account is taken of its length and nature, as well as of other facts and circumstances affecting the matter as a whole. The terms of a contract of employment concerning a probationary period do not constitute grounds for exemption from issuing a continuous residence permit.

If an alien leaves Finland after obtaining a degree or other qualification, he or she does not lose the right to gainful employment in Finland without a residence permit for an employed person because he or she has a degree or other qualification obtained in Finland.

Under section 81a, subsection 1 of the Aliens Act, a student who has obtained a degree or other qualification in Finland may continue the work he or she started as a student or take up new employment after the period of validity of the residence permit issued for studies has expired, if he or she has applied for an extended residence permit for the purpose of seeking employment. A condition for continuing work or taking up new employment is that the person filed an application for an extended residence permit for the purpose of seeking or taking up employment while his or her previous residence permit for studies was still valid. It is not possible to continue work or take up employment if the validity of the alien's residence permit had expired before he or she filed an application for an extended permit. In this case, the alien has resided illegally in the country, and therefore it is not justifiable to let him or her take up employment without a residence permit for employment.

Under section 81a, subsection 2 of the Aliens Act, an alien may start working after he or she has found work, if he or she has been issued with a residence permit for the purpose of seeking employment. An alien must, however, file an application for a residence permit for employment as soon as he or she has found work. The alien may continue working with the residence permit issued for seeking employment until a decision is made on the application for a residence permit for employment. Section 81a, subsection 3 provides that employment must be suspended in cases referred to in subsections 1 and 2 , if the application for a residence permit is refused in the first instance. Following a refused application, the alien must not continue to work, even if the decision is appealed against. The appeal procedure may last so long that the alien might work without a permit for a very long time.

The provisions of section 79, subsection 4, and section 81a of the Aliens Act aim at enhancing the chances of students coming from countries outside the European Union and the European Economic Area, also called third countries, to seek and find employment in Finland.

## Article 18 para. 4: The right of nationals to leave the country

In respect of this paragraph, the Government refers to its previous periodic reports.

# ARTICLE 20: THE RIGHT TO EQUAL OPPORTUNITIES AND EQUAL TREATMENT IN MATTERS OF EMPLOYMENT AND OCCUPATION WITHOUT DISCRIMINATION ON THE GROUNDS OF SEX 

## Question A

## Equality Act

The Act on Equality between Women and Men (609/1986, below the Equality Act) entered into force on 1 January 1987. The second overall reform of the Equality Act took effect on 1 June 2005. In the 2005 reform the obligation of authorities to foster equality in all their activities was emphasised by implementing the mainstreaming principle (section 4 of the Act). In this respect the Government refers to the earlier reports.

Parental leave
The legislation concerning parental leave has been amended (amendments of 1 August 2006 and 1 January 2007). The provisions on parental leave include benefits provided for in the Sickness Insurance Act (1224/2004) and entitlement to leave provided for in the Employment Contracts Act (55/2001). In addition to increasing the maternity and parental benefits, the amendments add flexibility to the use of a paternity month and improve adoptive parents' right to parental leave.

Paternity month
In addition to the actual paternity leave, the father is entitled to an extra 12 days of paternity leave, if he stays on parental leave for at least two weeks (a so-called paternity month $2+2$ weeks). At the beginning of 2007 this arrangement was made more flexible.

The paternity month may be taken when the parental leave ends (the two last weeks of parental leave +12 extra days), or the two weeks of parental leave can be postponed to a later date. In this case, the paternity month ( $12+12$ days) must be taken within 180 days after the end of the payment of parental benefits, which begins immediately after the end of the maternity benefit period. In order to postpone the parental benefit period for the 12 days, the mother and the father must have agreed that the father will take 12 parental benefit days and at least one paternity benefit day, and one of the parents must care for the child at home during the period between the termination of the parental benefit period and the paternity month.

These amendments, which allow more flexibility in taking the paternity month, aim at increasing the father's chance to take responsibility for his family. The system permits the mother to take child-care leave or annual leave after the end of her parental leave without the father losing his entitlement to the 12 extra days.

Adoptive parents' entitlement to parental leave improved
Adoptive parents are entitled to parental benefits for 234 working days after the birth of the child. If the child is adopted 54 days or more after birth, parental benefits will nevertheless be paid for 200 working days (and for 180 days in the case of adoption before 1 January 2007).

Adoptive parents' entitlement to child-care leave was improved as of 1 August 2006. This entitlement applies to caring for a child under 3 years of age and living in the same household. It is valid for at least two years from adoption but at most until the child starts school.

Entitlement of persons living in a registered partnership to parental leave
From 1 January 2007, any person living in a relationship referred to in the Act on Registered Partnerships ( $950 / 2001$ ) is entitled to a parental benefit. The entitlement applies to the same-sex partner of the biological parent, if the child was born or the child under 7 years of age was adopted after the registration of the partnership. A precondition for the payment of the parental benefit is that the partners and the child live in the same household.

Entitlement to temporary child-care leave of a parent living separately from the family
The parents of a child under 10 years of age are entitled to four working days of child-care leave at a time in order to arrange the care of the child or to care for the child in case of sudden illness. The parents may share the child-care leave but cannot take it simultaneously. Since 1 August 2006, the entitlement to temporary child-care leave has also been applicable to a parent living separately from the child.

Amendments to provisions on benefits
In addition, the amount of the parental benefit was increased as from 1 January 2007. The increase applies to part of the maternity and the parental benefit periods.

## Question B-H

In respect of these questions, the Government refers to the earlier reports.

## Question I

Please also see the answer to Question B in Article 1 para. 1.
The public services of vocational guidance, advice on education and training, labour market training and vocational rehabilitation are based on clients' own willingness to seek services and on the assessment of their need for rehabilitation in the context of the services, irrespective of gender. Most clients using vocational guidance services are women (about 65\%). The percentage has not changed much during the last few years. Because it is possible to use educational and training services and vocational guidance services (in 2006 a total of 266,000 counselling performances) anonymously, no precise figures are available concerning the client structure during the entire year. However, more detailed information on clients, incl. information on their gender, is collected from samples of their feedback. A sample of client feedback from 2006 showed that $61.7 \%$ of those jobseekers who had been given educational and training advice were women. In a total sample of client feedback collected during 2 weeks in a national telephone service for advice on education and training ( $\mathrm{n}=102$ ), women accounted for $71.5 \%$. In $2005,51 \%$ of all clients who started labour market training were women. In 2005 the percentage of women among those who
started labour market training increased and the percentage of men declined by two percentage units from the previous year. In 2006, the average number of unemployed persons with disabilities covered by vocational rehabilitation services was 36,000 , and about $56 \%$ of them were women.

## Question J

In accordance with the Action Plan for Gender Equality of Matti Vanhanen's first Government (2003-2007), the Government increased the percentage of women in elected bodies of stateowned companies and associated companies. The objective of increasing the percentage of women was achieved only when it comes to candidates nominated by the Government. The other owners have not been so active in nominating women.

Women account for slightly less than half of all government staff but for only about one third of the leading officials. Their percentage has remained more or less unchanged since 2003. The percentage of women among the highest leaders of government agencies has grown since 2003 ( $21.9 \%$ in 2003 and $26 \%$ in 2007). Of other superiors, women account for about $38 \%$, which is approximately equal to their percentage in 2003. In 2002-2006 the Ministry of Finance supported networking among female leaders of government agencies.

After the parliamentary election in spring 2007, $42 \%$ of the Members of Parliament and 12 of the 20 ministers are women.

In the private sector, the percentage of women in leading positions has not much increased. In spring 2007 women accounted for $12 \%$ of the board members of all listed companies in Finland. The employment statistics published by Statistics Finland show that in 2004 women accounted for $26 \%$ of all leaders in the private sector. The percentage was the same in 2000. The percentage of women among all entrepreneurs was $35 \%$ both in 2004 and in 2000.

## Question K

In respect of this question, the Government refers to the earlier reports.

## ARTICLE 24: THE RIGHT TO PROTECTION IN CASES OF TERMINATION OF EMPLOYMENT

Please see Finland's second periodical report of the Revised Social Charter.
In addition, it is to be mentioned that the amendment of the Employment Contracts Act (456/2005) effective from 1 July 2005 introduced a change security model, which guarantees an employee the right to leave with full pay for seeking new employment or participating in measures that promote re-employment. The duration of employment leave is determined in accordance with the duration of the employee's period of notice and may be in all 5-20 calendar days. The leave may also be taken as partial days. Before taking employment leave the employee shall inform the employer regarding the leave and the grounds therefore and, upon request, present an account on the grounds for the leave.

The parties of the change security model are an employer, an employee and an employment office. It covers on a statutory basis all employees who have been dismissed for financial or productionrelated reasons and who have at least 3 years' work history. An employee covered by change security is entitled to an individual employment programme and a related increase of his/her daily unemployment benefit.

For the change security to apply, the employer must inform the employee of his/her right to an employment plan and an additional benefit under an employment programme. The employer must further inform the employment office about any person who has been dismissed for financial or production-related reasons and has a total work history of 3 years.

The employment office prepares an employment programme together with the jobseeker covered by change security. The employer may contribute to the preparation of the programme, if it wants to and if the jobseeker consents to this. The employment programme is an individual plan with an agreement on independent jobseeking, on support for it and on the provision of public employment services to facilitate the jobseeker's employment.

ARTICLE 25: THE RIGHT OF WORKERS TO THE PROTECTION OF THEIR CLAIMS IN THE EVENT OF THE INSOLVENCY OF THEIR EMPLOYER

Question $A-E$

In respect of these questions, the Government refers to its previous periodic reports.

## Annexes:

- Employment Report 2006


[^0]:    ${ }^{1}$ Directive 2002/73/EC of the European Parliament and of the Council of 23 September 2002 amending Council Directive $76 / 207 / E E C$ on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions
    ${ }^{2}$ Council Directive 97/80/EC of 15 December 1997 on the burden of proof in cases of discrimination based on sex
    ${ }^{3}$ Council Directive 96/34/EC of 3 June 1996 on the framework agreement on parental leave concluded by UNICE, CEEP and the ETUC

