European Commission

Education and Training Monitor 2013

Finland

Education and Training

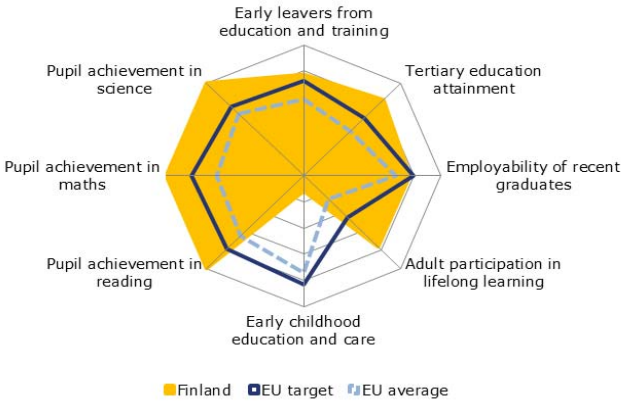
1. Key indicators and benchmarks

Europe 2020 headline targets			Finland 2009	Finland 2012	EU average 2009	EU average 2012	Europe 2020 target / Benchmark
1. Early leavers from education and training (age 18-24)			9.9%	8.9%	14.2% EU28	12.7% EU28	**EU target: 10%** National target: 8%
2. Tertiary educational attainment (age 30-34)			45.9%	45.8%	32.1% EU28	35.7% EU28	**EU target: 40%** National target: 42%[4]
ET 2020 Benchmarks							
3. Early childhood education and care (4 years old - year before start of compulsory primary)			71.9%	74.0% 11	91.7%	93.2% 11	**95%**
4. Basic skills Low achievers (15 year-olds; Level 1 or lower in PISA study)	Reading		8.1%	:	19.6%	:	**15%**
	Mathematics		7.8%	:	22.2%	:	**15%**
	Science		6.0%	:	17.7%	:	**15%**
5. Learning mobility	Initial vocational training (IVET)	**a.** Students participating in Leonardo da Vinci programs as a share of vocational students at ISCED 3	0.8%	0.8% 11	0.6%	0.7% 11	
	Higher Education	**b.** Erasmus inbound students as % of student population in host country		2.2% 11		1.1% 11	
		c. Inbound degree mobile students as % of student population in the host country		4.6% 11		7.0% 11	
6. Employment rate of graduates (age 20-34) having left education 1-3 years before reference year			77.8%	80.7%	78.3%	75.7%	**82%**
7. Adult participation in lifelong learning (age 25-64)			22.1%	24.5%	9.3%	9.0%	**15%**
Proposed ET 2020 benchmark							
8. Foreign languages skills	**a.** ISCED 2 students at proficiency level B1 or higher in first foreign language[1]		:	:	:	43.5% 11	
	b. ISCED 2 students learning two or more foreign languages		98.3%	98.3% 11	58.6%	60.8% 10	
Other ET 2020 Indicators							
9. Investment in education and training	**a.** General government expenditure on education (% of GDP)		6.6%	6.4% 11	5.5%	5.3% 11	
	b. Annual expenditure on public and private educational institutions per pupil/student in € PPS	ISCED 1-2	€ 6,650 08	€ 6,997 10	€ 5,732 08	€ 6,021 10	
		ISCED 3-4	€ 5,845 08	€ 6,094 10	€ 6,964 08	€ 7,123 10	
		ISCED 5-6	€ 12,066 08	€ 12,874 10	€ 9,309 08	€ 9,168 10	
10. Digital competences	**a.** Pupils in grade 4 (ISCED 1) using computers at school		:	80.6% 11	60.7% 07	64.7% 11	
	b. Individuals aged 16-74 with high computer skills[2]		33.0%	41.0%	25.0%	26.0%	
11. Entrepreneurial competences	Individuals aged 18-64 who believe to have the required skills and knowledge to start a business		35.0%	34.0%	42.3% a	42.0% a	
12. Vocational education and training	Share of vocational students at ISCED 3		68.8%	69.6% 11	49.6%	50.3% 11	
13. Skills for future labour markets Projected change in employment 2010-2020 in %	High qualification		:	14.9%	:	19.1% EU28	
	Medium qualification		:	3.9%	:	4.6% EU28	
	Low qualification		:	-20.6%	:	-20.2% EU28	
14. Low-skilled adults	Literacy		:	10.6%	:	19.9% EU17	
	Numeracy		:	12.8%	:	23.6% EU17	
	Problem solving in technology rich environments[3]		:	19.7%	:	26.9% EU13	

Source: Cedefop: 13 / EAC: 10a,b / European Survey on Language Competences (ESLC): 8a / Eurostat (Government finance statistics): 9a / Eurostat (LFS): 1, 2, 6, 7 / Eurostat (ISS): 10b / Eurostat (UOE): 3, 8b, 9b, 10c, 12 / IEA TIMSS: 10a / Global Entrepreneurship Monitor: 11 / OECD (PIAAC): 14 / OECD (PISA): 4

Notes: 07 =2007, 08 =2008, 09 =2009, 10 =2010, 11 =2011, e= estimate, a= unweighted average b= break, p= provisional
Number of countries included in EU average: PISA=25, Entrepreneurship=18, Language skills=13, ICT/Computers at school=13, others: EU27
[1]= average of skills tested in reading, listening, writing, [2]= having carried out 5-6 specific computer related activities, [3]= Results cover people with scores below level 1 as well as people who have no computer experience or failed the ICT test, [4]= Tertiary educational attainment: the national target is defined more narrowly and excludes technological institutes

Figure 1. Position in relation to highest (outer ring) and lowest performers (centre)



Source: DG EAC calculations on the basis of data from Eurostat (LFS 2012 and UOE 2011) and OECD (PISA 2009). *Note:* all scores are set between a maximum (the highest performers visualised by the outer ring) and a minimum (the lowest performers visualised by the centre of the chart).

2. Main challenges

In general Finland has been able to maintain its high international position, particularly on basic skills. In the context of an ageing population, the employability of older workers and the need to delay their exit from the labour market on the one hand, and the level of youth unemployment and a lack of relevant skills among young job seekers on the other, are growing sources of concern for Finland, particularly young people not in employment, education and /or training (NEETs, ca. 40.000 persons).

Consequently, the 2013 European Semester country-specific recommendation (CSR) on education focused on the issue of the development of job related skills for young people and the long-term unemployed. A major initiative in this area is the *"Social Guarantee for Young People: education, work and tailored services"* enhanced as of January 2013. Finally, Finland will have to face in the future the issue of increasing the efficiency of its public spending on education, in particular in the tertiary sector.

3. Investing in skills and qualifications

Investing in education and training in a context of economic crisis

Public expenditure on education (COFOG data) remained stable in Finland during the period 2008-11, from 5.9% of GDP in 2008 to 6.4 % of GDP in 2011, and remains significantly higher than the EU general average of 5.3% in 2011. Finland has been hence able to maintain its education budget throughout the financial crisis, and its public expenditure on education has remained above the EU average, despite a generally difficult economic context.

Skills and qualifications

In terms of basic skills, 15-year olds' performance on PISA tests in reading, mathematics and science continues to be the best in the EU, despite a certain degree of stagnation in recent years. The recent PIRLS and TIMSS surveys confirm this lasting trend.

A large share of the population has high level of computer skills, with 53% of individuals aged 16-24 with high computer skills in 2012. Compared to the EU average, Finland shows a very high (and increasing) share of graduates in science, mathematics and technology (31.8% vs. 21.9%), as well as a low share of graduates in social science, business and law (23.0% vs. 35.7%). With regard to entrepreneurship, the share of the population believing to have the required skills and knowledge to start a business is below the EU average, with only 34% of the 18-64 years old population. On average, Finnish pupils at ISCED 2 learn more than two foreign languages (2.2), which is well above the EU average (1.5), certainly due to its official multilingualism policy.

As regards ICT and opening of education, in Finland, percentages of students in highly digitally equipped schools are among the highest in Europe, with only very small percentages of students not in such schools. Except in lower secondary school, more than 90% of students are in highly digitally equipped schools. In lower secondary school there are still 85% of students in such schools.

As regards qualifications in Finland the Finnish Parliament is examining the Act on a National Framework for Exam-based and other Competences establishing the NQF. EQF referencing is due to take place before the end of 2013.

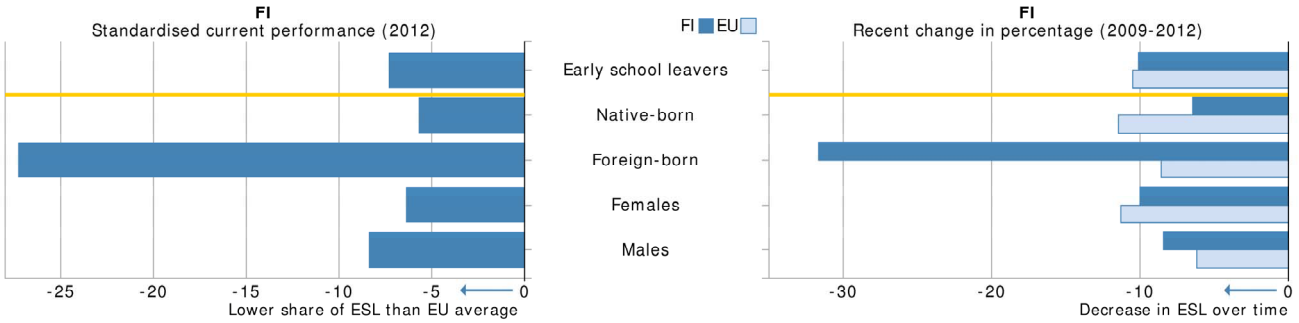
4. Tackling early school leaving and raising the bar in school education

Finland performs better than the EU average for the early school-leaving rate. In Finland it was 8.9 % vs. an EU average of 12.8% in 2012. However, it tends to be significantly higher among migrants, with an estimate of 14.9% in 2012. The overall rate of ESL has remained fairly stable for the last decade. For the period 2011-12 the early school-leaving rate has decreased by 0.9 pp.

Compared with the nation as a whole, migrant youths in Finland are more exposed to early school leaving (ESL). The situation is especially challenging for those young people who have arrived in Finland in the final stages of the Finnish programme of compulsory education. Thus language training for immigrants is to be increased at secondary and upper-secondary level as well as adult education centres, allowing for the improvement of their study prospects and their language skills. This is a very important and promising initiative of the Finnish authorities, given the disadvantaged position of non-natives vis-à-vis ESL.

Participation in early childhood education is well below the EU average (74% vs. an estimated 93% in 2011 for the 4-6 year old group, according to Eurostat UOE) due *i.a.* to the traditional Finnish model of child care. However, as all parents are entitled to have a public day care place for their under school-aged children, the participation rate in pre-primary education for 6-year-olds (pre-school year) is very high, at 98.5% in 2012 according to Statistics Finland.

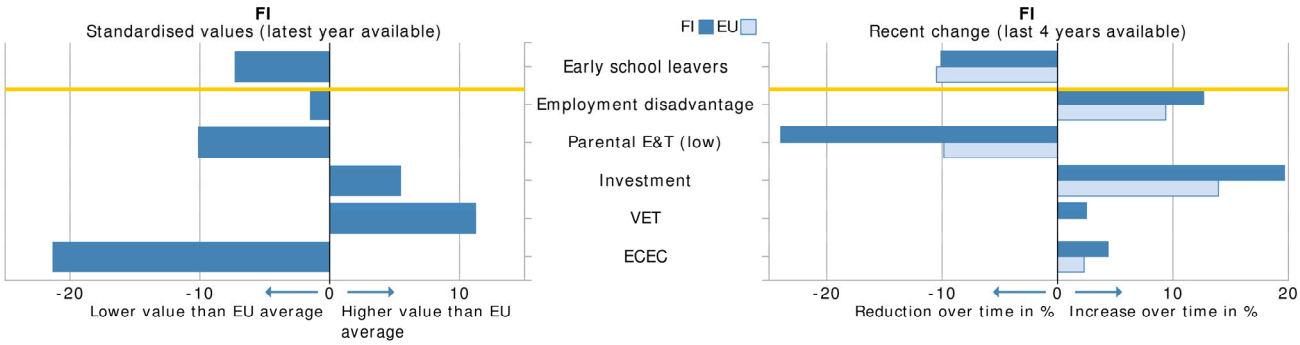
Figure 2. Early leavers from education and training: sub-groups



Source: JRC-CRELL. *Note:* ESL = early school leaving. See Annex 2 for further information.

As some sub-indicators show, investment in education is high and it is increasing. Employment disadvantage is not so strong but it is increasing.

Figure 3. Early leavers from education and training: sub-indicators



Source: JRC-CRELL. *Note:* see Annex 2 for an explanation of the sub-indicators.

Teachers in Finland are well prepared, highly respected and rewarded. Initial teacher education requirements in public institutions include a competitive examination to enter and teaching practice as part of pre-service training. All teachers in basic and general upper secondary education have a Master's degree.

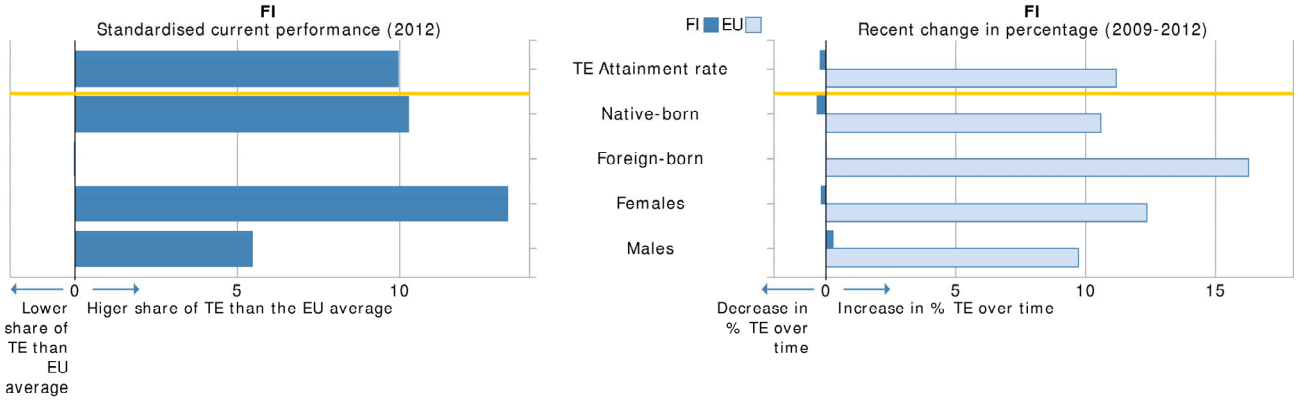
5. Encouraging participation in tertiary education and modernising higher education

Finland is performing quite well as regards the tertiary attainment rate, with 45.8% (EU wide definition) as against an EU average of 35.7% in 2012. Finland has almost reached its national target and it has exceeded the EU headline target for 2020[1], but the rate for foreign born persons remains lower than for natives, with 33% vs. 47% in 2012. For the period 2011-12 the corresponding rate has slightly decreased by 0.2 pp., partly due to the

[1] The Finnish national target is set at 42% according to the narrow national definition of tertiary attainment (without the tertiary VET). It is estimated that the 45.8% of tertiary attainment according to the EU-wide definition corresponds to ca. 40 %(according to Finnish statistics in 2011) when applying the Finnish narrow definition.

phasing out of the previously large tertiary VET sector. As regards the drop-out rate from higher education in 2011 and according to the OECD it represented 24.2% in Finland, as compared to the OECD average of 31.6% for the same period[2].

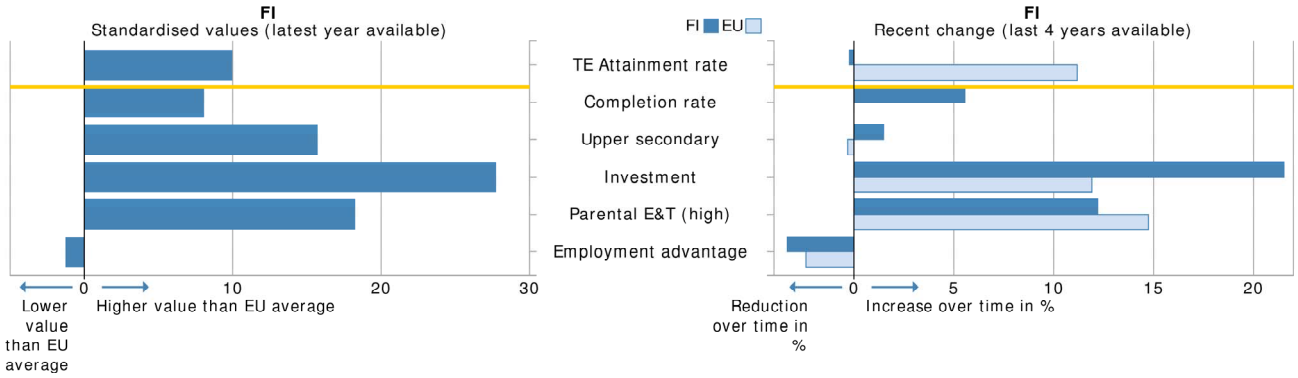
Figure 4. Tertiary education attainment: sub-groups



Source: JRC-CRELL. *Note:* TE = tertiary education. See Annex 2 for further information.

The supply of upper secondary education is strong and due to high completion rates, tertiary attainment is high as well. Moreover, investment is very high and still increasing. Employment advantage is, interestingly, not so strong. So it's not *per se* a direct labour market incentive that makes people continue into higher education.

Figure 5. Tertiary education attainment: sub-indicators



Source: JRC-CRELL. *Note:* see Annex 2 for an explanation of the sub-indicators.

In the future Finland will have to address the issue of the efficiency of public spending in higher education, given one of the longest times to degree in all of the OECD countries, as well as the relative importance of expenditure in the tertiary sector.

The internationalisation and attractiveness for overseas students of the Finnish tertiary sector remain a challenge and will have to be further developed in the future. A Strategy for the Internationalisation of Higher Education Institutions in Finland 2009–2015 outlines the goals for the internationalisation of higher education, and is currently being revised by Finnish authorities, with a view to increasing the quality and attractiveness of universities.

6. Facilitating the transition from education to work

According to national statistics 69.6% of Finnish upper-secondary students were enrolled in VET in in 2011. A recent Eurostat study shows that 74% of Finnish enterprises provided in 2010 continuous vocational education and training (CVET) for its employees, slightly higher than the 66% EU-average.

As part of the enhanced Youth Guarantee, launched in January 2013, Finland has increased the number of available study places in VET by 1.700. These study places were created particularly in geographical areas where there previously was relatively few study places available compared with the relevant age group.

[2] OECD Education at a Glance 2013, see statistics at the following link http://www.oecd-ilibrary.org/docserver/download/9613031e.pdf?expires=1372231758&id=id&accname=oid031827&checksum=4FF3E0083B6C93694CF460C1CBF57750

This initiative responds to the high demand for VET in Finland, potentially reducing the numbers of those who are excluded from this type of provision. In parallel the selection criteria in vocational education in Finland are undergoing a change in order to prioritise those who have left compulsory education but do not have a secondary education degree. In addition, apprenticeships will be developed further by Finland (in 2010 only 16.8% of VET upper-secondary students were in apprenticeships, according to Statistics Finland), i.a. by providing more financial incentives for employers.

All in all this is a positive development, but the number of additional VET places seems rather limited, as estimates show that there are presently ca. 40.000 low skilled young people in Finland, who are neither in employment nor in education or training (NEETs). The increase in the number of apprenticeships will also remain to be monitored, given the complexity and the financial cost of the setting up of such schemes.

It is worth noting that in Finland the employment rate of graduates remained above the EU average throughout the economic crisis (80.7% in 2012 for Finland as against 75.7% for the EU-27) and youth unemployment figures remain at average level in comparison to other EU countries This performance may be explained *inter alia* by the fact that Finland shows a very high - and increasing - share of graduates in science, mathematics and technology (MST) compared to the EU average, at 31.8% vs. 21.9%, as well as a low share of graduates in social science, business and law, at 23.0% vs. 35.7%, the latter being a group usually more exposed to unemployment in times of economic recession.

A comprehensive social guarantee for young people (*'Social Guarantee for Young People: education, work and tailored services'*) was introduced by Finnish authorities in 2006 and recently enhanced. The Youth Guarantee package consists of various elements: a guarantee of employment, education or training, as well as a young adults' skills programme, a youth 'workshop', and outreach youth work. The guarantee is in force as of 1 January 2013. Through this scheme the unemployed aged under 25 and recent graduates under 30 will be offered a job, place to study, training or other activation measure within 3 months of registration with the public employment service. The Government budget proposal includes 60 million EUR destined for local authorities for the employment, education and training guarantee in 2013. The above-mentioned young adults' skills programme will be implemented in 2013-2016, with a budget of 27 million EUR in 2013 and 52 million EUR in the years 2014-2016. In this context opportunities to achieve a vocational qualification or a part of it will be provided for those 20-29 year olds who only have achieved the comprehensive school leaving certificate. As regards the youth workshop and outreach youth work the funding for the period 2013-2015 is set to be of 19.5 million EUR, and 11.5 million EUR in 2016.

The guarantee package is one of the major political and social priorities of the Finnish government and an example of an ambitious public-private partnership with shared responsibility between authorities, trade unions and young people. It remains to be seen whether the on-going administrative and territorial reform will not have a significant adverse impact of the delivery of social and education services by local authorities, and that this action will be sufficiently well-funded in the future. In addition, the implementation of this scheme will require close inter-ministerial cooperation as the Finnish Ministry of Education and Culture is responsible for this project in collaboration with the Ministry of Employment and the Economy and the Ministry of Social Affairs and Health.

Finally, Finland also decided to improve student guidance during and after the end of compulsory education. The aim is give local authorities the legal responsibility to provide young people, who have ended compulsory education without a qualification, with professional career counselling and guidance.

7. Upgrading skills through lifelong learning

The Survey of Adult Skills (PIAAC[3]) shows that adults (aged 16-65) in Finland have one of the best results in the tests of literacy and numeracy proficiency in the EU. Moreover, the share of low skilled adults is one of the lowest, around 10% for literacy and 12% for numeracy (compared with an EU average of 19% and 24%, respectively). A large share of the population (more than 40%) shows high problem-solving skills in a technology rich (ICT) environment. The difference in scores of young people and old adults for both literacy and numeracy is very high, with youngsters performing much better than older people: the gap in proficiency skills for literacy between the generations aged 25-34 and 55-65 is about 40 percentage points (i.e. equivalent to skills usually acquired with about 5 years of education).

Participation of adults in lifelong learning is the third highest in the EU (24.5% in 2012). Participation rates among older and low skilled adult groups were also higher than average in Europe, but considerably lower than among the general adult population in Finland: for the 55-64 year olds it was estimated at 13.5% and for the low-skilled, it was only at 10.7%. It is worth underlining that the rate was indeed higher in 2012 for foreign born persons (28%) than for natives (24.3%) Given the future demographic challenges[4], older and low-skilled workers would benefit from targeted measures with the aim to keep them longer active on the labour market and increase their social participation and active citizenship. Moreover, human resource policies in traditional

[3] Volume I of the Education and Training Monitor (chapter 6) provides an overview of the results of the survey. Skills levels are presented either in terms of average score points or proportion of adults at a given proficiency level in literacy or numeracy (level 1 to 5) or problem solving in technology-rich (ICT) environments (level 1 to 3 or no ICT experience).

[4] See in particular the 2012 Ageing Report prepared by the European Commission (DG ECFIN) http://ec.europa.eu/economy_finance/publications/european_economy/2011/pdf/ee-2011-4_en.pdf

industries should include special attention to older workers, also in order to prevent skill shortages as regards new and often evolving production processes. Finland will also have to face in the future the challenge of skills mismatches due to on-going structural change, i.e. the mismatch between the skills of workers leaving declining sectors and the skills required in expanding ones.

Finally, while general adult participation is far above the EU average, this is only to the lesser extent the case for CVET in enterprises, of which 74% report to provide continuing vocational training (EU66%).