The changing nature and role of vocational education and training in Europe

WORK ASSIGNMENT 2

External factors influencing VET - Understanding the National Policy Dimension: Country Case Studies

AO/DSI/JB/Changing_Role_of_Vet/009/15

Case study focusing on Finland

prepared for CEDEFOP – European Centre for the Development of Vocational Training written by Vesa Kokkonen

Disclaimer

This text is presented in its original form.

It has neither been revised nor edited by Cedefop.

The changing nature and role of vocational education and training – overall aims

The purpose of the Changing nature and role of VET-project is to improve our understanding of how VET is changing in the countries belonging to the European Union (as well as Iceland and Norway). Over a three-year period (2016-18) the project will analyse how vocationally oriented education and training has changed in the past two decades (1995-2015) and based on these results investigate the main challenges and opportunities facing the sector today and in the future. Work is divided into six separate but interlinked themes:

- (a) the changing definition and conceptualisation of VET;
- (b) the external drivers influencing VET developments;
- (c) the role of traditional VET at upper secondary level;
- (d) VET from a lifelong learning perspective;
- (e) the role of VET at higher education levels;
- (f) scenarios outlining alternative development paths for European VET in the 21st century.

The study takes as its starting point that vocationally oriented education and training is something more than the traditional VET delivered at upper secondary level (in the form of school-based education or training, apprenticeships, or combinations of these). Due to the requirements of lifelong learning, we are able to observe diversification of VET with new institutions and stakeholders involved. We also see an expansion of VET to higher education areas, partly through reform of existing institutions, partly through the emergence of new institutions. This has been caused by factors internal to the education and training system as well as by external pressures linked to demographic, technological and economic changes.

This particular case study, together with 9 other case studies, provides input to theme (b) of the project ('The external drivers influencing VET developments').

Table of contents

| Finland | | | | |
|---------|--------------------------|---|------|--|
| | | ntroduction | | |
| | | What is meant by VET and the national VET system | | |
| | 3. | The historical development of VET in Finland | 2 | |
| | 4. | Changes in participation | 3 | |
| | 5. | The interplay between external and internal factors shaping VET | 6 | |
| | Т | he demographic challenge | 7 | |
| | The technological change | | | |
| | Т | he macroeconomic environment | 9 | |
| | 6. | Conclusions | . 10 | |

Finland

Vesa Kokkonen

I. Introduction

The Finnish VET system is led by government. The ministry of Education and Culture approves the curriculums and gives vocational colleges their licences. Most vocational colleges are owned by the municipalities or consortiums of municipalities, making all vocational degrees comparable.

Over last two decades Finland has faced several economic challenges which have also shaped the VET system in the country. Because Finland is such a small economy, the economic cycles have been drastic. In the early 1990s Finland was hit by a severe recession that caused high unemployment and a large public budget deficit. Finland eventually recovered from the depression led by the expanding telecom cluster marked by Nokia becoming the leading mobile phone manufacturer in the world for a decade. This era finally ended with the financial crisis in 2009. The following period was marked by much slower recovery than in the rest of Europe. This was mainly due to structural problems in the Finnish economy; the collapse of the Finnish mobile phone industry, the problems of the pulp and paper industry because of a declining demand for printing paper and the political instability in Russia which is one of Finland's most important trading partners.

All these changes have affected the Finnish educational system which has had a hard time adjusting to the changing labour needs. The cycles have also affected the funding of the educational system, including VET.

Even though the environment has changed dramatically, the main driving force behind the development of the VET system has been the political agenda to raise the educational level in Finland. Since the 1970s, the target of the Finnish education policy has been to make sure that everyone has a degree that enables access to the labour market.\(^1\) This has been a dominant feature in the educational system meaning that everyone should have an opportunity to study. This was deemed important for the sake of social inclusion. In the 1990s, the government set an objective to raise the portion of highly educated people. This had a significant impact on the VET system by expanding all basic VET degrees to last three years and granting qualifications for further studies at the university level. At the same time, the higher vocational colleges were transformed into the universities of applied sciences. This marked the end of higher level VET (ISCED5) in Finland and these degrees were replaced by university level/ bachelor (ISCED6) degrees.

Finnish geographical and demographic pressures led to the merging of municipalities. In 2007, the government introduced a law that stated that the organisation of vocational education requires a population of 50 000 inhabitants.² This led to municipalities founding consortiums to organise VET, since most Finnish municipalities have less than 50 000 inhabitants and even the larger ones typically collaborate with the smaller municipalities around them. This led to the closing of many VET units across the country so that costs could be cut. Finally, budget cuts in recent years in education have led to the downsizing of some of the VET programmes.

There is an ongoing vocational education reform in Finland.³ The main driver is increasing the labour market orientation in vocational education. This means adding more on-the-job learning, having

1

-

https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/75236/okm01.pdf?sequence=1

http://www.finlex.fi/fi/laki/ajantasa/2007/20070169

³ http://minedu.fi/amisreformi

more personalised study paths, the recognition of acquired skills etc. The idea behind the reform is to meet the needs of the rapidly changing working life, and to factor in demographic and technological changes.

2. What is meant by VET and the national VET system

In Finland, VET is upper secondary education and it is well defined as a part of the Finnish educational system. VET offers an occupational qualification but it also qualifies an individual for further education at the university level. As of now, there are different systems for basic VET and adult VET, even though they provide the same qualifications. Whereas basic VET is more school oriented, adult VET is based more on demonstrating skills that have already been acquired through working life. Currently, the school-based system is the dominant form of IVET.⁴

Finland's VET is centrally organised and led. Vocational schools owned by municipalities or consortiums of municipalities are the main providers of VET. There are also some government or privately owned vocational schools. Most of VET is funded from the education budget. There is also some employment policy funding for those students who are re-educating themselves because of unemployment and a limited availability of jobs for existing skills. For the student, official degree oriented studies are free of charge – this covers education at all levels.

In 1998, the VET legislation changed. The major impact of the new legislation was that all vocational degrees now have the same basic structure and give equal qualifications for further education. The role of work-based learning has grown in the past 20 years, even though most of the learning still takes place inside classrooms. The recognition and validation of skills and competencies already acquired previously has also become more and more important.

Basic non-adult VET education is aimed at 15-16-year-olds who are entering the secondary level of their studies after primary school. The age of students, however, is not regulated and adult VET has increased the possibilities of adults educating themselves at vocational schools. VET training can also be delivered as an apprenticeship even though it is not widely used in Finland. The amount of apprenticeships has been declining over the past few years. Besides basic VET, there are further VET and specialist VET qualifications. These are ways of expanding one's vocational skills and opening paths to specialised occupations.

3. The historical development of VET in Finland

Following the Second World War, there was a demand for skilled workers in the Finnish labour market since only a small minority of industrial workers had proper training and industry needed to produce goods to pay as war reparations. This created a demand for vocational training and the first vocational schools were founded in the 1940s. In 1958, the new vocational education law demanded that all municipalities with over 20 000 inhabitants had to have a vocational school and smaller municipalities had to reserve study places at these schools. A reform took place at the end of the 1970s to consolidate vocational training into a more condense system containing 25 basic programmes and 250 specialisations. ⁵

The Finnish VET system went through a large reform in the end of the 1990s. The 1998 reform aimed to consolidate legislation into a general framework act with focus on the regulation of education instead of institutions.⁶ This harmonised the duration of all vocational study programs to 120 study weeks and incorporated an on-the-job training period of at least six months into all study

.

http://www03.edu.fi/aineistot/tonet/eng/vet.html

⁵ http://nord-vet.dk/indhold/uploads/History-of-Finnish-VET-28062014-final2.pdf

⁶ http://www03.edu.fi/aineistot/tonet/eng/general.html

programmes. There is evidence that students prefer work-based learning and that this has increased the attractiveness of VET. The workplace learning system has also lead to a declining trend in dropout numbers in IVET.⁷

Due to the legislation changes, all vocational colleges were transformed into polytechnics and universities of applied science. Because of this, all higher education now takes place at universities. The duration of basic level vocational education was expanded to three years and VET graduates were also qualified to apply to all institutes of higher education, making them eligible for university. This change guarantees VET graduates the same study path as those from high school, unifying the Finnish secondary education system and providing equal educational opportunities despite the path chosen. Before the reform, the route from vocational education to higher education was not straightforward and included many dead ends. This has been one of the great strengths of Finnish IVET and a feature that separates it from many of its European equivalents.

The purpose of these changes has been to increase links between VET and working life. On-the-job learning provides students practical experience of the work they are going to be doing which can be both useful and motivational. A close link between vocational education and working life is important since the Finnish VET system has been oriented towards the labour market.

Another large change that was brought to the VET system in the 1990s was the introduction of competence demonstration, which was officially established in 1994. This system enables a student to earn their vocational degree by demonstrating skills that they have acquired through working life. This allows working-age adults to gain vocational qualifications without necessarily attending formal training.⁸ The reform has had the most significant impact on the different educational paths in Finland. Now there are numerous more possibilities of obtaining both the VET degree and the matriculation examination certificate than there were before. In addition, skills exams have provided more flexible ways of obtaining vocational qualifications. These changes, along with eligibility to access higher education, have helped increase the popularity of VET in Finland and improved its position in the Finnish educational system.

The motives behind the development of the VET system have changed over time. When the first vocational schools were founded, their primary role was to produce skilled workers that the labour market needed. In later reforms, the influence of the Nordic welfare state can be seen, as much of the development has centred around providing equal education opportunities for everyone living in Finland and access to lifelong learning.

Largely due to cuts in vocational funding in the beginning of 2017, there is an ongoing reform to modify the very concept of VET. The reform is strongly based on the idea of customer-oriented VET, meaning that VET is designed to meet the needs of students and working life. The need for lifelong learning is increasing all the time which has brought more students to VET. Now, the challenge is adapting to the environment and providing prerequisites for lifelong learning while at the same time budget cuts are limiting access to education.

4. Changes in participation

There are several different programmes for obtaining vocational qualifications in Finland and they do not all have direct translations. Initial vocational qualifications can either be obtained through school-

⁷ http://nord-vet.dk/indhold/uploads/History-of-Finnish-VET-28062014-final2.pdf

 $^{^8\} http://nord-vet.dk/indhold/uploads/History-of-Finnish-VET-28062014-final2.pdf$

⁹https://webgate.ec.europa.eu/fpfis/mwikis/eurydice/index.php/Finland:National_Reforms_in_Vocational_Education_and_Training_and_Adult_Learning

based programmes or through competence-based qualifications or skills examinations. Further vocational qualifications and specialist qualifications can be obtained after initial vocational qualifications have been obtained. Both these further qualifications are achieved through skills demonstrations or apprenticeships. There is no school-based education for acquiring them. Apprenticeship training programmes are not listed separately but are included in the statistics below (see Figure 1).

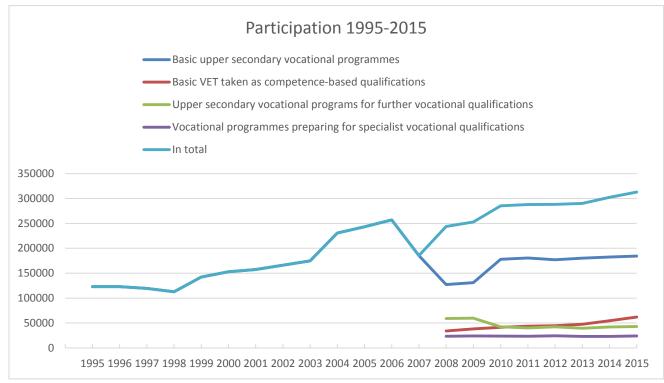


Figure 1: Participation in vocational education in Finland 1995-2015

Source: Statistics Finland

The popularity of VET in Finland has increased steadily over the past 20 years. Participation in VET figures have fluctuated yearly but the overall trend is one pf participation being on the rise, as seen from the trend line in Figure 2. The proportional popularity of VET has also increased, especially in the 21st century: in 2012, 42% of young people continued their education in IVET and the corresponding figure was 32% in 1992.¹⁰ Note that the different VET programmes were not listed separately until the year 2008 and some data from the year 2007 are missing.

Various factors have affected the popularity and enrolment rates of vocational education. The "youth guarantee", which was introduced in 2013, was aimed at helping young people gain access to education and employment. It prioritised young first-time applicants when applying to secondary schools and limits the possibilities of studying for more than one degree. Finland has also gone through structural changes after the financial crisis which has created a demand for VET as a means of tackling the skill needs of unemployed people.

These different factors have all had an influence on enrolment in upper secondary schools but the magnitude and effect of each separate factor is unclear. The Finnish VET system also has a lot of variety (school based, competence demonstration, apprenticeship, unemployment policy programmes, etc.) making it difficult to obtain a good overall picture of the effects of these changes.

 $^{^{10}} http://nord-vet.dk/indhold/uploads/History-of-Finnish-VET-280620\,I\,4-final2.pdf$

They can be seen in the statistics but isolating the different changes and analysing their effects is difficult since the different programmes can be under the same category in the statistics. As can be seen from the chart below, the overall trend of VET enrolment is rising. The enrolment rates may follow the rising popularity of adult education since there have been several programmes to encourage those without any completed degrees to study as an adult.

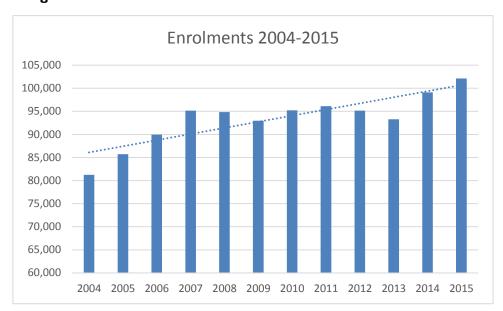


Figure 2: Enrolments in vocational education in Finland 2004-2015

Source: https://vipunen.fi/en-gb/vocational/Pages/Opiskelijat-ja-tutkinnot.aspx

VET completions have also been on the rise and more than doubled in the 20 years reviewed in figure 3. A factor that has contributed to the rising completion statistics is the fact that dropping out has decreased during the 2000's. This is positive since drop out levels in VET have been and still are higher than in other educational levels.¹¹ However, dropping out has risen again in the last few years.

5

11

http://nord-vet.dk/indhold/uploads/History-of-Finnish-VET-28062014-final2.pdf

Completions 1995-2015

Basic upper secondary vocational programmes

Basic VET taken as competence-based qualifications

Upper secondary vocational programs for further vocational qualifications

Vocational programmes preparing for specialist vocational qualifications

In total

Figure 3: VET completions in Finland 1995-2015

Source: Statistics Finland

In 2007, there was a reform in vocational degrees¹². This led to a situation where the students who were about to graduate in 2007 accelerated their graduation to avoid extra studies because of curriculum changes. This resulted in completions peaking in 2006 and accordingly dropping in 2007. After these curriculum changes, competence-based qualifications have driven up the amount of completions. This indicates that the new and more flexible study paths have turned out to be popular.

The interplay between external and internal factors shaping VET

The Finnish educational system is built around a strong consensus that all people, regardless of their background or current situation, must have equal access to high-quality education and training. Young people are not just seen as a future resource, but they are supported in their own choices.¹³ This places pressure on the VET system to be able to provide the same quality of education for everyone also in the future.

The Finnish national agency for education oversees forecasting the educational needs in both quantitative and qualitative indicators. ¹⁴ ¹⁵ The quantitative indicators are estimates of how much the labour demand will be in each sector and the qualitative indicators are estimates of what kind of know-how will be needed in each vocational qualification. These forecasts guide the Finnish VET system. There is forecasting also at the regional and individual college level. According to the

https://karvi.fi/app/uploads/2016/02/KARVI 0116.pdf

http://nord-vet.dk/indhold/uploads/Finnish-country-report-IB_0912_2014.pdf

http://www.oph.fi/tietopalvelut/ennakointi/koulutus_ja_osaamistarpeiden_ennakointi

http://www.oph.fi/download/180544_Ennakoinnin_koontikatsaus.pdf

National Audit Office of Finland's report¹⁶, forecasting is more reactive than proactive. There is cooperation between industry and the vocational colleges and especially at the adult level, the funding is based more on labour demand.

Forecasting is not used that systematically. For instance, colleges are not following the employment of their graduates. The funding of vocational colleges is being reformed to take the impact of their education better into account. This means that a high employment rate of graduates or more students continuing to further studies will increase the funding of the college. This model of funding will be emphasised more after the large scale reform of vocational colleges in 2018.

The demographic challenge

As can be seen from Figure 4, the aging of the population is one of the key challenges for the Finnish society in the future. The share of working age population is decreasing and a shortage of labour is expected. The population is expected to grow markedly until the year 2040 but the share of working age population is expected to drop from 66 percent to 58 percent.¹⁷ Some of the challenges that this trend creates are related to filling the jobs of those retiring from the workforce and finding a way to provide for the rapidly growing portion of pensioners in the society.

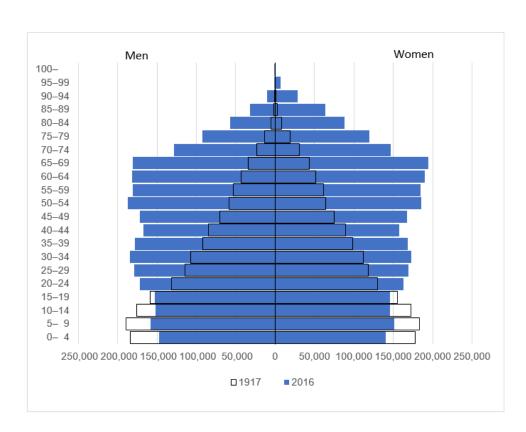


Figure 4: The age structure of the population on 31 December 2016

https://webgate.ec.europa.eu/fpfis/mwikis/eurydice/index.php/Finland:Population:_Demographic_Situation,_Languages_and_Religions

7

https://www.vtv.fi/files/2500/2222011_Koulutus_ja_tyovoimatarpeet_NETTI.PDF

Source: http://www.stat.fi/tup/suoluk/suoluk vaesto en.html

Immigration and emigration have both been low which can be seen from the low level of foreign nationals living in Finland. This coupled with the low birth rate of Finland can become an issue in the long run, since the population is ageing fast.

The ageing population leads to the deterioration in the dependency ratio. Because of this, the Finnish government has set a target to raise the employment rate from the current 69 % to 72 %. ¹⁸ This also affects vocational education, even though it is not explicitly stated in the tools for achieving the target. To achieve the target, the skills of the working age population need to match the jobs that are available and this is where vocational education comes in.

The immigration trend is increasing which sets a challenge for integrating immigrants into the Finnish educational system. The number of foreign speaking students has been increasing which has created need for more intensive language training.¹⁹ Even though Finland has relatively low immigration, the trend has been growing (see Table I). Those immigrants who enter Finland because of humanitarian reasons are often not that well educated which gives the educational system an important role in their integration into the Finnish society.

Table 1: Immigration, emigration and net immigration

| Year | Immigration | Emigration | Net immigration | |
|------|-------------|------------|-----------------|--|
| 1987 | 9142 | 8475 | 667 | |
| 1995 | 12222 | 8957 | 3265 | |
| 2000 | 16895 | 14311 | 2584 | |
| 2005 | 21355 | 12369 | 8986 | |
| 2010 | 25636 | 11905 | 13731 | |
| 2013 | 31941 | 13898 | 18048 | |
| 2016 | 34905 | 18082 | 16823 | |

Source: http://www.stat.fi/tup/suoluk/suoluk vaesto en.html

The technological change

Technological development and new innovations often lead to sectoral unemployment and jobs being transferred from one industry into another one. The need for lifelong learning is more important than it has ever been and will continue to become even more significant. This poses a challenge for the VET system since it must keep up with development and be flexible. A lot of current vocational jobs are in danger of being replaced by automation which puts great demand on VET to constantly adapt to the changing environment. As we can be seen from the table below, the significance of traditional manufacturing jobs is decreasing at the same time as more and more jobs are moving to the service sector.

http://valtioneuvosto.fi/hallitusohjelman-toteutus/tyollisyys

http://minedu.fi/documents/1410845/4240776/okm5.pdf/c8ba5aef-5038-4be0-80fd-80d75a00f8e7

Table 2: Employment by industry

| Industry (TOL 2008) | | 2010 | 2014 | 2015 | 2016 |
|--|---------------|-------|-------|-------|-------|
| | 1 000 persons | | | | |
| Total | 2,335 | 2,447 | 2,447 | 2,437 | 2,448 |
| Agriculture, forestry and fishing; mining and quarrying | 146 | 115 | 109 | 109 | 101 |
| Manufacturing; electricity, gas, steam, air conditioning and water supply; sewerage and waste | 473 | 388 | 359 | 352 | 356 |
| Construction | 147 | 172 | 169 | 168 | 178 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 277 | 298 | 290 | 284 | 290 |
| Transportation and storage | 152 | 156 | 140 | 137 | 141 |
| Accomodation and food service activities | 77 | 83 | 86 | 87 | 85 |
| Information and communication | 89 | 95 | 100 | 106 | 101 |
| Financial, insurance and real estate activities | 70 | 71 | 74 | 73 | 75 |
| Professional, scientific and technical activities; administrative and support service activities | 184 | 250 | 269 | 277 | 271 |
| Public administration and defence; compulsory social security | 115 | 117 | 106 | 106 | 111 |
| Education | 165 | 174 | 180 | 179 | 173 |
| Human health and social work activities | 326 | 379 | 402 | 404 | 409 |
| Arts, entertainment and recreation; other service activities | 109 | 139 | 151 | 145 | 148 |
| Industry unknown | 6 | 12 | 11 | g | 8 |

Source: http://tilastokeskus.fi/til/tyti/index_en.html

The new trends in technologies such as big data, artificial intelligence and robotics are a part of the planned reform of the vocational education. An important part of the reform is to digitalise the VET system by incorporating the use of different kinds of digital learning platforms, simulators etc. into education.²⁰

There are also pilot projects in vocational colleges aimed at figuring out how to make more use of robotics. The possibilities that big data offers have so far been used less.²¹ All in all, there is an understanding that the new technologies must be considered while planning the future of the VET system. How this is achieved is another question. The ongoing reform in 2018 implicitly relies on the idea that on-the-job learning ensures that students will learn the newest technologies / techniques. The other approach is to implement new technologies as part of the school education but this is suffering from a lack of the funding.

The macroeconomic environment

The macroeconomic environment is mostly visible in VET through public expenditure. Because of the depression in the early 1990s, a lot of public funding was cut from all sectors, including secondary education. After the situation started to improve and the economy started growing again, these cuts in public expenditure were never restored. Instead, more funding has been cut and public expenditure is expected to continue decreasing in the future. VET is facing budget cuts of EUR 190 million at the beginning of 2017.

The macroeconomic problems may have resulted in a shift of the government's education policy which now emphasises faster graduation and entrance to the labour market. This is meant to tackle costs (shorter time at school means less costs) and provide more labour supply to increase employment levels. At the VET level, this can be seen in an increase of acquired skills acceptance.

The structural changes have affected VET. When there have been massive lay-offs in industries such as the paper industry or electronics ones, the vocational colleges have needed to adjust. Sometimes the structural changes have taken place over a long period of time, as in the case of the textile industry, and sometimes they have been more acute such as when factories have been closed.

The VET system has been mainly reactive to the external changes. The major impact has been that pf economic fluctuations which has cut funding in the bad years which has been not restored in the good ones. The results are still visible in less contact teaching and less vocational teaching units.

http://valtioneuvosto.fi/hallitusohjelman-toteutus/osaaminen/karkihanke2

https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/78893/13_2016_Massadata.pdf?sequence=1

The demographic change has been a driving factor when trying to decrease school drop-outs and to integrate immigrants in to Finnish society. There has been success and drop-out rates have fallen. That means that vocational colleges have been able to respond to the falling working age population to some extent by ensuring more of their graduates reach the labour markets. All the trials have not been successful though; for instance, the youth guarantee has not been as effective as assumed.

The major challenge remaining is the technological chance. There are experiments on new technology and more on-the-job learning. In general, the adaption of the new technology in vocational education has been weak with insufficient action based on the anticipation much needed skills.

6. Conclusions

Twenty years ago, the most of Finnish VET system was a school based one, and the network of the vocational college was dense. The educational philosophy was based upon the idea that after primary school the students select a vocational or academic path by going to the vocational college or upper secondary school. After basic VET degrees, the student could continue the studies at higher levels of VET, but not at university level. The VET degrees lasted two to three years and contained only little on general subjects such as languages, mathematics, or humanities if there were not considered an essential part of the required vocational qualification.

These aspects have changed over the two decades. Even though the VET is still school – centred, there are more on-the-job-learning and skill demonstrations and other flexible study methods. Through consolidation, many VET units have been closed and the size of colleges has grown. The importance on life-long learning is acknowledged and for that reason all VET degrees now qualifies its holder to enter higher education thereby leaving no dead ends in Finnish educational system.

Over the time, there have been two driving forces behind the development of the Finnish VET system: inclusion and labour market responsiveness. The effort to increase levels of educational attainment and enable lifelong learning, have also influenced the development of the Finnish VET system.

Inclusion has been the central theme in Finnish educational policy since the 1970s. The objective has been that everyone would at least obtain an upper secondary education enabling them to integrate to the labour market. This theme continued in the 1990s when all vocational degrees were expanded to three years in length and qualified their holders for study at the higher level. Back then an objective was set that 70% of each age group should achieve university level education. The goal turned out to be too ambitious but the work in increasing the flow from vocational education to the university level is still ongoing.

Ongoing slow economic growth and high-levels of unemployment has put pressure on the whole educational system to pay more attention to employment. At the same time, funding has been cut. This has put pressure on increasing the effectiveness of all systems. It has been challenging to combine both – better responsiveness to market demand and cuts in expenditure. These have been the drivers behind the reforms to be initiated in 2018.

The core of the reform is to increase on-the-job training, individualise study paths, and have broader degrees. The broader degrees practically mean that the number of different programs will decrease but on the other hand the students have more flexibility in including different modules in their degrees. It can be said that the aspect of life-long learning is also incorporated in the reform. There is a growing emphasis on skills demonstration and acquired skills recognition. These elements have been present in the Finnish VET system since the 1990s but their importance is growing.

A new innovative concept will be introduced as a part the reform which is called the "education contract". The idea is to develop an educational model in which companies take responsibility for VET, so that most of the degree is carried out while working at a company. This model is close to an apprenticeship but the major difference is that students are not paid as in an apprenticeship.

Naturally, the reform has raised plenty of debate with a critical tone. The criticism mainly stems from the fact that the reform coincides with significant budgets cuts for the VET system. This raises doubts that the reform is not fully intended to only meet working life responsiveness but that the government is going to gain savings from substituting school-based education with that which is company-based. Questions have been raised about the quality assurance aspect of the company training since not all companies have the expertise or the resources to train students. In particular, the trade unions have questioned the concept of the education contract since the risk is that companies could misuse students as free labour. Other social partners have also demanded that the concept should be clarified and the quality of provision guaranteed.

The strength of the Finnish system is the strong emphasis on inclusion and avoidance of dead-ends in individual study paths. The system is designed in a way that everyone has access to education and can continue their studies to the next level. VET has been given plenty of responsibility to create learning opportunities for everyone. The changes in funding have challenged the strengths of the system. For instance, the limited possibility to study towards a new qualification has made switching careers more difficult. The youth guarantee has improved direct access from primary school to upper secondary school, but meanwhile it has limited access for those that have a degree or who have previously dropped out from the upper secondary level. Because of this, the good intentions of decreasing exclusion have increased risk elsewhere. The weakness of the system has partly been the unresponsiveness of the system to needs of the labour market. There are worries of how the quality of training can be assured when the volume of on-the-job training continues to increase. This is underlined by the fact that grading the quality of a skill demonstration depends too much on the subjective view of the evaluator.²²

The future of the VET system now depends on how the reform will be implemented. If it is successful, the upward trend in VET participation is likely to continue. The individualised study paths will enable a growing number of students to achieve a VET degree and the system will be better able to react to the needs of the labour market. If the threats are realised, there is a risk that declining resources will lead to a situation in which students will be left without guidance and individualisation fails. If such an eventuality materialised, there would be students unable to navigate their way through the complexity of the VET system (c.f. engaging in on-the-job and school-based training). They would drop out and those who managed to get through might not achieve the targeted skill level. Another risk is that with less general study, vocational students may not acquire the skills needed for further studies even though they are formally qualified to do so.

All in all, the challenge is doing more with less resource. The future will reveal how the Finnish VET system will navigate its way through the many challenges it faces.

There are many

2

https://karvi.fi/publication/page/2/?karvi_education_level=ammatillinen-koulutus There evaluation reports of the upper secondary level degrees.