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1. Introduction

This VET policy brief produced by Cedefop presents a snapshot of vocational education and training policy developments in Finland between 2020 and the beginning of 2023. It presents the context and the challenges the country faces, a selection of the latest VET-related statistics, as well as the national priorities until 2030 identified in Finland's national implementation plan. This VET policy brief provides information from Cedefop monitoring and analysis on the implementation of the Council Recommendation on VET and Osnabrück Declaration. It offers stakeholders a regular source of information on VET policy developments that could be used for future policy making.

2. National VET context and challenges

2.1 National VET context

The Ministry of Education and Culture is responsible for VET strategic planning and development. It also authorises VET provision.

In Finland, 80% of VET learners attend VET providers maintained by municipalities, joint municipal authorities (¹) or State/municipal companies. In 2022, there were 139 VET providers.

>6000 7 4000-6000 11 2000-4000 23 1000-2000 21

Figure 1. VET providers by number of learners in 2022

Source: Based on Finland, 2022.

Six VET providers had Swedish as the language of instruction and two had both the Finnish and Swedish languages of instruction. The Sámi Education Institute teaches in Finnish and Sámi. The remaining 130 VET providers teach in Finnish. VET providers decide independently on how the training is carried out, the use of learning environments and pedagogical solutions.

VET programmes are available for both young and adult learners. There are 42 initial vocational qualifications (EQF 4), 64 further (EQF 4) and 54 specialist vocational qualifications (EQF 5). Admission to IVET programmes is based on a basic education

⁽¹) A joint municipal authority is a form of permanent collaboration of more than one municipality in some field of operation.

certificate; for continuing VET (CVET, further and specialist) it is more flexible, also considering work experience.

Finnish VET is competence-based and learner-oriented. A personal competence development plan is drawn up for each learner; this charts and recognises the skills previously acquired by the learner and outlines any further competences the learner needs and how they can be acquired in different learning environments. There are no final exams in VET. Once learners successfully complete their personal competence development plan, they acquire a qualification (Cedefop; Finnish National Agency for Education, 2022).

VET is an attractive choice for learners because of its flexibility and good job and study prospects: graduates may enrol in higher education or enter the labour market. The fact that VET is developed and delivered in close cooperation with the labour market serves as a guarantee of its quality and attractiveness (Cedefop; Finnish National Agency for Education, 2022).

All VET programmes include work-based learning (WBL) although the legislation does not stipulate a maximum or minimum amount. It is decided as part of the learner's personal competence development plan and implemented through an apprenticeship agreement (written fixed-term employment contract) or a training agreement. The latter does not establish an employment relationship with the training company: learners do not receive a salary and employers do not receive training compensation (Cedefop; Finnish National Agency for Education, 2022).

Representatives from enterprises contribute to developing national qualification requirements through sectoral working-life committees; they also organise and plan WBL and competence tests, which they also assess (Cedefop; Finnish National Agency for Education, 2022).

Around one-half of those applying for VET are at least 25 years old. In 2021, upper secondary VET became compulsory until age 18 in a bid to reduce early leaving from education and training (Cedefop; Finnish National Agency for Education, 2022).

VET teachers and trainers are respected professionals in the country. A career as a VET teacher is generally considered attractive. This is reflected in the high number of learners applying for VET teacher training programmes, which usually exceeds intake (Cedefop; Finnish National Agency for Education, 2022).

2.2 Challenges

The main challenges that Finland's VET is facing are linked to evolving skills needs, equality, demographic changes and the underused potential of digitalisation.

Changing skills needs are putting pressure on VET to be able to adjust promptly to the labour market and society's needs. Digitalisation, global crises (humanitarian, pandemic), climate change, internationalisation of companies, green transition and sustainable development needs are having impact on VET. The importance of transversal key competences such as language, problem-solving and learning-to-learn is also increasing. New competence needs often emerge on the interfaces between different study fields.

Thus, there is a need for VET to offer custom and flexible opportunities for updating and upgrading skills, regardless of age. This calls for a well-functioning data collection and analysis system, for which there are still gaps in Finland according to the national implementation plan (Finland, 2022).

Equality in education and training is not always a reality (Hievanen et al, 2023), with Finland exhibiting a significant <u>gender segregation</u>. For example, boys often choose mathematics and natural sciences as optional subjects, while girls focus more on language studies and often study several foreign languages. Individuals with immigrant background and special needs, and other vulnerable groups, often underperform and do not always complete VET programmes. The socio-economic background has a major impact on individual education choices (Finland, 2022).

Demographics is a challenge for upper secondary VET. By 2040, in many regions there will be 30-40% fewer learners of age 16-18 after a temporary increase in the 2020s. There will also be fewer working-age people, a large part of whom are VET learners. This requires structural changes to ensure access to VET supported by increased cooperation between education levels/types (Finland, 2022).

Although Finland scores high on digital skills, e.g. taking the top position in the <u>EU's</u> <u>Digital economy and society index</u> (DESI) for people aged 16-74 with at least basic skills, the potential of digitalisation is being insufficiently exploited in education and training, including VET (Finland, 2022). While digital platforms promoting learning have already changed VET, their potential for improving the quality and accessibility of education is still underused. More research is also needed to develop and select effective digital solutions, for example in the field of pedagogy (Finland, 2022).

3. National VET policy priorities

The Finnish <u>national implementation plan</u>, prepared in 2022 in response to the 2020 <u>Council recommendation on VET</u> and the <u>Osnabrück declaration</u>, sets a number of priorities that can be grouped as follows.

- (a) Improving the relevance and equality of VET. This includes flexible VET content matching the changing skills needs. The priority also refers to improving permeability between different levels and types of education and training, accessibility and equality of VET.
- (b) Improving the VET implementation model. This includes reforming the upper secondary education structure, including VET. It would give more decision-making powers to education providers, and make funding allocation simpler and tailored to the needs of various target groups (e.g. young and adult learners) and regions. The priority also refers to sustainability of VET and improving VET cooperation with general education and employers.

(c) Making a better use of digitalisation in VET. This includes digital education environment, pedagogical approaches to support the use of digital tools, learning materials, digital competences of teachers and digitally enhanced physical spaces.

These priorities are aligned with the <u>2021 Education policy report of the Finnish government:</u> this steers the development of the entire education system in the long term, and describes the target state of education and research into the 2030s and towards the 2040, including VET. The government programme defines objectives and key measures for the development of VET during the government term. In June 2023, <u>the programme of Prime Minister Petteri Orpo's government</u> replaced the 2019 <u>programme of Prime Minister Sanna Marin's government</u>, which was in force at the time of drafting the national implementation plan. The new programme may also have an impact on the actions and priorities of the national implementation plan after 2023 (²).

4. Main policy developments and progress 2020-23

4.1 Improving the relevance and equality of VET

Several measures have been under way in the past 3 years to foster the relevance and equality of VET; they include measure supporting more flexible VET content to match the changing skills needs of the labour market and society.

The implementation of the <u>VET quality strategy 2030</u> promoted VET excellence through comprehensive quality management and monitoring based on clear goals, customer orientation, continuous improvement and evidence-based decision-making. The strategy includes the development measures for 2020-22 separately for each VET institution and has been implemented through projects funded by the government. In 2022, 13 development projects/networks involving 98 VET providers were completed, and the results are to be used in developing the activities of VET providers. An interim evaluation of the developments of the 3-year term of the <u>VET quality strategy</u> was also drafted. All VET providers in Finland are obliged to have a well-functioning quality management system, according to the 2017 Act on VET. The VET quality strategy was approved in 2019.

In 2020, the Ministry of Education and Culture launched a 3-year programme <u>Oikeus osata</u> for assessing the <u>quality and equality of VET</u>. It started by financing <u>42 development projects</u> to improve the quality of teaching and guidance and counselling, including for learners with special educational needs. The ministry granted 109 VET providers an additional EUR 80 million for recruiting teachers and instructors to make sure all learners are given the teaching, guidance and support they need and additional EUR 15 million for 75 VET providers to <u>improve the quality of teaching and guidance</u> in their institutions. In 2022, the ministry granted for this purpose an <u>additional EUR 70 million to 115 education providers</u>.

⁽²⁾ After this paper was drafted, a new plan has actually been prepared.

In 2021, the Act on establishing a <u>Service Centre for Continuous Learning and Employment</u> entered into force to promote the <u>competence development of working-age people</u> and the availability of skilled labour. The main tasks of the centre include analysing competence and labour market needs, financing education and training intended for working-age people, developing information, advisory and guidance services, and supporting regional and other cooperation. In 2022, the centre became operational as a separate unit of the Finnish National Agency for Education and implemented six government grants financing more than 170 projects, offering competence development in energy technology, trade and agricultural sectors. In the same year, the centre also started developing a new platform for the anticipation of needs for continuous learning to provide timely, reliable and customer-oriented competence anticipation information, where short-and medium-term information about skills needed are combined and scaled both regionally and nationally.

Together with extending compulsory education until age 18 in 2021, the Ministry of Education and Culture with the Finnish National Agency for Education launched a follow-up programme to support its implementation in 2021-24, focusing on application and admission, student counselling, quality of teaching, special education, student welfare, cost realisation and impact. Further, as part of the extension of compulsory education, a new programme (TUVA) designed for the transition from lower to upper secondary education started in August 2022 (ReferNet Finland; Cedefop, 2022). TUVA combined the former voluntary additional basic education, also known as 10th grade, with preparatory education for general upper secondary education (LUVA), and preparatory education for VET (VALMA). At the end of 2022, the ministry allocated discretionary additional funding for organising VET and TUVA for Ukrainian refugees. In 2023, the education ministry authorised 13 new VET programmes in English to offer more study and employment opportunities to foreign language speakers (ReferNet Finland; Cedefop, 2023).

In 2022, the <u>working-life national feedback</u> system, <u>launched in 2021</u>, was updated. It now includes a questionnaire about work-based learning sent to workplaces twice a year, one sent to workplace instructors after a completed training at a workplace, and one sent to VET learners at the beginning and at the end of their studies.

In 2020, the report *Education and demand for labour by 2035* (*Koulutus ja työvoiman kysyntä 2035*) was published. It examined the need for labour and the education and training required for the labour force: by 2035, 42% of employees will require a vocational qualification. The share of jobs that will need a qualification below vocational upper secondary level will be significantly under 5%. In 2021, the <u>Competence Foresight Forum</u>, a joint foresight expert body of the Ministry of Education and Culture and the Finnish National Agency for Education, was established to promote dialogue between education and working life sectors. The forum comprises <u>foresight groups</u> that each inform education and work life policies in different sectors.

In addition, in 2021 the Finnish National Agency for Education developed requirements for optional competence modules for VET upper secondary qualifications covering financial literacy, sustainable development and working in international environments. With this, the

key competence requirements and the criteria for assessment of common modules in VET upper secondary qualifications were also renewed.

4.2 Improving the VET implementation model

Finland has been preparing upper secondary education and training, including VET for demographic changes and taking measures to ensure its sustainability as part of improving the VET implementation model.

In 2021, an <u>Upper secondary education development project</u>, including VET, was launched by the Ministry of Education and Culture to strengthen operational cooperation between VET and general upper secondary education. It aims to creating more flexible combined-learning opportunities (general and vocational) among other objectives. In 2022, the current state of play was analysed to help develop VET operations and prepare it for demographic changes. The findings showed that the age group of primary education graduates in Finland is to fall sharply after 2030. This challenges the current organisational structure and ways of implementing education. The analysis also showed the need to renew the funding system for vocational education to become less complicated and better serve all target groups (adults and the young).

In 2022, the <u>Development programme for the sustainable development and green transition of VET</u> was launched to achieve permanent functional and structural changes so that VET providers act as proactive operators of a sustainable future. The programme's biggest project, <u>Responsible and sustainable VET (VASKI)</u> was implemented between 2021 and 2023 at local and national levels involving 61 training providers. The VET providers prepared their own <u>sustainable development programmes</u>, organised open skills development events, trained teachers and carried out carbon footprint calculations.

4.3 Making a better use of digitalisation in VET

The country has started implementing measures to make better use of digitalisation in the continuous learning of its population, including VET.

The main digitalisation project <u>Digital service package for continuous learning</u> was launched in 2021 by the Ministry of Education and Culture and the Ministry of Economic Affairs and Employment. It aims to build a national digital service for continuous learning by 2025 that also supports smooth transitions between education and work sectors. Up to 2023, several <u>steering group</u> meetings, webinars and stakeholder forums took place. These forums identified the needs of different actors and experts, promoted dialogue between stakeholders and created a common understanding of the digital service package for continuous learning under development.

Other smaller initiatives also invested in digitalisation. For example, in 2020, as part of the 2020-22 Oikeus osata programme, funding was granted for the development of learning environments, which support the realisation of individual learning paths and utilisation of digital learning solutions. The Strategy for lifelong guidance 2020-23 was approved in 2020. One of the strategy's objectives is to create a well-functioning digital

<u>service for continuous learning</u> that makes better use of shared information on education, the labour market and skills. In 2020, the Finnish National Agency for Education granted EUR 3 million to 56 development projects for VET teacher continuous professional development. The project strengthened digital skills and other <u>VET teacher competences</u>.

5. Statistical information in relation to EU targets

Finland's progress in most indicators presented in Table 1 is more advanced than the EU average and its medium-term targets.

Lifelong learning is an integral part of Finland's community: every second 25 to 64-year-old adult (51.8% in 2022) participated in such learning activity in the past year. In 2022, the share of unemployed adults with learning experience in the past 4 weeks was 23.2%, which is 10 percentage points (pp) more than the EU average and above the 2025 EU target of 20%. Low-qualified adults also actively participate in the learning activities. The most recent available data (2022) show that every third low-qualified adult (38.1%) received training in the past year. This is more than twice as much as the EU average (18.4%) and 8.1 pp more than the 2025 EU target.

The share of early leavers from education and training (8.4%) in 2022 was below the EU average of 9.6% and reached the 2030 EU target of below 9%. However, this share has been growing since 2019 (7.3%) in Finland.

The employment rate for recent IVET graduates (age 20 to 34, 80.1%) was also slightly above the EU average of 79.7% in 2022, showing a good match between VET qualifications and the labour market. A relatively high participation of VET learners in WBL supported this. In 2022, the share of recent IVET graduates (20 to 34-year-old) with a WBL experience as part of their training was 77.4%. This is 17.3 pp more than the EU average (60.1%).

More indicators and their progress compared to the EU targets are presented in Table 1.

Table 1. European vocational education and training policy dashboard: Finland

Type of indicator	Indicator	Last available year	Fl	EU-27	Policy Document	EU target (year)				
VET for developing a lifelong learning culture										
					Skills Agenda	50% (2025)				
Progress	Adults (25 to 64 year-olds) with a learning experience in the last 12 months (%)*	2022	51.8	39.5	Council Resolution on EEA	47% (2025)				
					ESPR Action Plan	60% (2030)				
Progress	Low-qualified adults with a learning experience in the last 12 months (%)	2022	38.1	18.4	Skills Agenda	30% (2025)				
Progress	Unemployed adults with a learning experience in the last 4 weeks (%)	2022	23.2	13.2	Skills Agenda	20% (2025)				
Context	Employment rate for 20 to 64 year-olds (%)	2022	78.4	74.6	ESPR Action Plan	78% (2030)				
Context	Early leavers from education and training (%)	2022	8.4	9.6	Council Resolution on EEA	<9% (2030)				
Context	NEET rate for 15 to 29 year-olds (%)	2022	9.5	11.7	ESPR Action Plan	9% (2030)				
VET for Resilience, transitions, sustainability and excellence										
Progress	Adults (16 to 74 year-olds) with at least basic digital skills (%)	2021	79.2	53.9	Skills Agenda	70% (2025)				
Flogless					ESPR Action Plan	80% (2030)				
Progress	Employment rate for recent IVET graduates (20 to 34 year-olds) (%)	2022	80.1	79.7	Council Rec on VET	82% (2025)				
Progress	Recent IVET graduates (20 to 34 year-olds) with a work-based learning experience as part of their vocational education and training (%)	2022	77.4	60.1	Council Rec on VET Council Resolution on EEA	60% (2025)				
Context	25 to 34 year-olds with tertiary attainment (%)	2022	40.7	42	Council Resolution on EEA	45% (2025)				
Context	Gender employment gap (%)	2022	1.2	10.7	ESPR Action Plan	To be halved (2030)				
Context	People at risk of poverty or social exclusion (1000s)	2022	891 ^b	95 284	ESPR Action Plan	15 million decrease (2030)				
Context	Employed ICT specialists (1000s)	2022	197.9	9 370.2°	2030 Digital Compass	20 million, with convergence between men and women (2030)				
VET for th	e European Education Area									
Progress	Learners in IVET who benefitted from a learning mobility abroad (%) **	2021	0.1	2.1 ^{dV}	Council Rec on VET Skills Agenda	8% (2025)				
Context	Average number of foreign languages learned in IVET	2021	1.8	1.2						

 $\label{eq:available flags: b-break in time series, d-definition differs, e-estimated, V-Cedefop estimate.}$

^{**} Eurostat data (Adult Education Survey, special calculation excluding guided on-the-job training)

** Provisional estimates affected by the Covid19 pandemic

Source: Cedefop. European VET policy dashboard

^{(3) &}lt;u>Definitions</u> on the type of indicators are available.

6. Conclusion

The Finnish national implementation plan defines the need to develop VET further, given the changing skill needs of society and the labour market, ageing population, digitalisation and other factors. The plan is aligned with the 2021 Education policy report of the Finnish government that steers the long-term development of the entire education system, including VET. The recent change in the government programme may affect the implementation of the plan post-2023.

In 2020-23, several activities were implemented to foster the relevance and equality of VET. They include, for example, the Oikeus osata programme for assessing the quality and equality of VET and establishing a continuous learning service centre. The 2021-24 followup programme was launched to provide more guidance and other services to learners to mitigate risks linked to the extension of the compulsory education until age 18, including VET. A new programme (TUVA) was introduced for the transition from lower to upper secondary education, helping include Ukrainian refugees and other at-risk groups in learning. Implementation of these programmes was supplemented with additional funding, including for teachers, who are at the heart of improving the relevance and equality of VET provision. Several development projects, involving most VET providers, have supported upgrading their quality management systems as part of the VET quality strategy 2030. The national feedback system from the labour market to the education system has also been improved in parallel to establishing a joint foresight expert body (OEF) promoting better dialogue between the two sectors. The Finnish National Agency for Education has continued developing requirements for the competence modules for VET upper secondary qualifications covering transversal skills and competences, such as sustainable development and working in international environments. Implementation has combined systemic measures, such as increasing compulsory learning age, improving the evidence base for policy making (data), better quality assurance, and support measures, such as support for teachers, guidance, TUVA programme supporting transitions to upper secondary education.

Measures for improving the VET implementation model focused on better connecting VET and general upper secondary education for more flexible combined-learning opportunities and increased efficiency. They also embraced the sustainable development and green transition of VET through a dedicated programme. At the same time, from the information available, it was not yet possible to identify measures that are clearly linked to solving the demographic challenge, such as reforming the upper secondary education structure and giving more decision-making powers to education providers.

Making a better use of digitalisation in VET was supported by the project Digital service package for continuous learning, supporting building a national digital service for continuous learning by 2025. Smaller initiatives included utilisation of digital learning solutions within the Oikeus osata programme and strengthening digital skills of VET teachers by the Finnish National Agency for Education.

Further steps in the above measures would allow the country to meet the objectives set in the national implementation plan in line with the Council Recommendation on VET and the Osnabrück Declaration.

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