

Conclusions and recommendations of the National Audit Office

Provision and reforms of employment services in 2015–2019

The audit was targeted at the public employment and business services (TE services) included in the activation rate and provided by the Employment and Economic Development Offices (TE Offices), as well as the implementation of reforms related to the management of employment at TE Offices during the government term 2015–2019. The reforms examined in the audit included regional employment experiments, jobseekers' periodic interviews, and the review of employment plans. The aim of the audit was to assess how the TE administration had succeeded in providing TE services aiming to promote employment in 2015–2019 and, at the same time, in implementing the reforms related to the management of employment.

Regardless of the decrease in appropriations, the TE administration was relatively well-placed to provide TE services in 2015–2019. The acquisition of TE services financed from the items of the Ministry of Economic Affairs and Employment and the Ministry of Social Affairs and Health reduced somewhat during the review period. Increasing the number of periodic interviews resulted in increased contacts between TE Offices and customers and improved the efficiency of directing jobseekers to employment services. However, the reform also added to the workload of the TE Office personnel. The number of long-term unemployed fell and registered unemployment reduced in the regions that participated in the employment experiments from August 2017 to December 2018.

TE administration was relatively well placed to provide TE services

Regardless of the decrease in appropriations, the TE administration was relatively well placed to provide TE services effectively in 2015–2018. The provision and use of services with a smaller impact on employment slightly increased during the review period. The audit was unable to find out the reason for the change and whether it had an impact on employment.

The employment situation improved towards the end of the review period, which reduced the need for TE services. The improved employment situation was also reflected in the activation rate, which increased towards the end of the review period. 'Activation rate' refers to the share of unemployed jobseekers and TE Office customers using labour market policy services.

The reforms made to improve the employment situation were implemented as planned

Increasing the number of jobseekers' periodic interviews improved the efficiency of directing jobseekers to employment services and promoted their activation. As jobseekers were directed more efficiently to employment services, the reform may also have promoted their employment in the open labour market. However, the increase in periodic interviews also added to the workload of the TE Office personnel. Overall, the reform was positive.

Regional employment experiments decreased the number of long-term unemployed and reduced registered unemployment in the regions that participated in the experiments. However, based on the analysis of statistics from the jobseeker register, it is not possible to conclude the

extent to which the development has resulted from increased participation in employment services or from employment in the open labour market.

According to assessments, other regional employment experiments have had a positive impact on the promotion of employment. According to the assessments, the experience and lessons learned from the experiments can also be utilized in the development of employment services.

Several assessments have been made of TE services and reforms

Employment services have been the target of three assessments during the past few years. One of the assessments covered almost all TE services, whereas the other two were targeted at individual services. The assessments are of high quality and based on reliable methods. The TE administration should order reliable impact assessments of employment services more frequently.

Overall, the reforms implemented during the previous government term to improve the employment situation have been assessed fairly comprehensively. However, many reforms were implemented at the same time during the government term, which makes it difficult to assess their impacts. Future assessments should be targeted at one reform at a time, and they should combine qualitative and quantitative approaches. It would also be important to pay attention to the definition of comparative designs.

Recommendations of the National Audit Office

In order to ensure the effectiveness of employment services and promote employment, the Ministry of Economic Affairs and Employment should, together with the TE Offices,

1. make sure that the services provided to jobseekers are appropriate from the perspective of employment management and meet the customers' service needs,
2. systematically monitor the results of municipal employment experiments during the government term and make high-quality impact assessments of them,
3. plan future labour force policy reforms in such a manner that their impacts can be assessed by quantitative methods, using reliable comparative designs, that the assessments can also utilize qualitative analyses, and that it is possible to ensure that the results of the assessments will be utilized in the development of measures.