

Transitions from Initial Vocational Education and Training Qualifications to Working Life in Finland – Observations and Reflections from an International Expert Panel

5.1 Strengthening pathways to higher vocational education in Finland

An OECD report (2025b), recommended development of further education pathways both within vocational education and from vocational education to higher education (interview). Educational attainment at tertiary level in Finland has been stagnating for two decades (OECD, 2025a), and it is currently at a lower level (39.1%) than the EU average (44.1%) and that of the other Nordic countries. Finland is behind the other Nordic countries in terms of the share of highly-skilled workers in the total workforce (Norlén, G. et al., 2024:131). This has been recognised by Finnish governments, and initiatives have been taken to raise participation in higher education. In the mid-1990s, the UASs were upgraded by shifting the emphasis from short-cycle tertiary degrees to bachelor's degrees. The UASs have become an attractive destination for IVET graduates, as entrance to universities is highly competitive. Just 3% of the students at universities have only completed a VET programme (Rintala & Nokelainen, 2022).

The labour market now requires more multi-skilled workers with higher levels of skills. Young graduates from IVET are not yet at that level. In addition, entry-level jobs in the labour market are disappearing and the traditional IVET-to-job transition model may no longer fit with current labour market structures. The European Commission (2025) and OECD (2025b) point to a growing demand for graduates from higher education in Finland, especially in fields such as engineering, ICT and the service sectors. These are also fields with high unemployment rates for VET graduates. Promoting the progression of IVET graduates to UASs in these fields could reduce unemployment among IVET graduates and increase the supply of UAS graduates needed in the labour market. This is included in the current education strategy (Ministry of Education and Culture, 2022).

Achieving this will require initiatives in several areas, like targeted career guidance in IVET, increased funding to increase the number of study places at UASs, widening opportunities for enrolment of IVET graduates and strengthening activities to build wider pathways from IVET to UASs. This could include more joint development projects between VET and UAS students (*interview*) and more courses at UASs for IVET students. The IVET graduates most likely to

enrol at UASs are not the unemployed graduates from IVET, because there might be negative social selection in the competition for jobs among newly graduated students. But the expansion of the group of IVET graduates who enrol at UASs could reduce the number of IVET graduates competing for jobs. However, this is only likely to occur if the vocational skills of graduates who do not progress to UASs are simultaneously strengthened. As indicated in Chapter 3, employers are currently not satisfied with the skills of those graduates who were not hired and this is regarded as an important cause of their high chance of unemployment. If more IVET graduates progress to UASs, the relative skill level of the remaining IVET graduates is weakened. So the widening of the progression of IVET graduates to UASs will only be successful if the skills of the remaining group are strengthened (see Chapter 4).

Initiatives could have a regional target, as the potential for progression differs regionally (*interview*). The regional differences in higher education attainment are also significant, at 46% in cities and 27.6% in rural areas (European Commission, 2025). Initiatives to raise male participation in higher education could also be relevant, as the gender gap in higher education in Finland is higher (15.5 pps) than the EU average (11.2 pps). In addition, initiatives should consider adults in VET, who make up half of students. Adult students with family obligations might need more financial support to succeed in full-time studies.

Finnish governments have initiated reforms to raise the enrolment rate in higher education of younger cohorts (*interview*). *“The aim is that by 2030 at least half of young adults will complete a higher education degree, and more often than at present, those with a vocational qualification will also continue their studies at tertiary level.”* (Ministry of Education and Culture, 2022:16). In line with this aim, FINEEC (Hakamäki-Stylman et al., 2024) has carried out an evaluation of the qualifications acquired in IVET in relation to the entrance requirements for UASs.

However, the demand for study places still significantly exceeds the supply, and in 2025 only 38% of all applicants to higher education gained a study place (Opintopolku.fi). As two-thirds of all applicants are left without a study place each year, further expansion of study places at UASs is required. In addition, targeted initiatives are needed to ease admissions and support the retention at UASs of graduates from VET. Realising this will be difficult in the context of cuts to public spending on higher education.

In addition, the risk of ending up in debt due to study loans can prevent some young people from applying for higher education: *“I have always dreamed of higher education studies, but I cannot afford them”* (*interview*).