FINNISH EDUCATION EVALUATION CENTRE

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

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Julkaisut | 4:2026

English

ISBN ISBN 978-952-206-872-9

ISSN ISSN 2342-4184

Abstract

5.5.2026

EVALUATION REPORT VOCATIONAL EDUCATION

The Finnish Education Evaluation Centre (FINEEC) conducted a national evaluation (2024–2026) of the employment outcomes of graduates with initial vocational education and training (IVET) qualifications. As part of this work, an international expert panel reviewed the employment outcomes of IVET graduates in Finland from a comparative perspective, identifying key strengths, challenges and development needs to better support graduate employment. The panel's analysis drew on background documentation and a visit to Finland in early 2026, during which it interviewed representatives from key stakeholder groups, including the education administration, vocational education and training (VET) providers, labour market organisations, student organisations and other relevant actors.

Finland's VET system is internationally recognised for high enrolment levels, educational equality and strong permeability to higher education. The panel observed that unemployment among IVET graduates remains persistently high and concluded that this points to deeper structural challenges. The panel emphasises that the factors behind weak employment outcomes are multidimensional – shaped by economic cycles, transformations in the labour

market, institutional configurations, and the ways in which VET is organised and linked to working life.

The Finnish labour market has undergone a significant transformation driven by technological change, economic restructuring and shifts in export-dependent industries. In this evolving context, IVET graduates often compete not only with academically educated peers but also with semi-skilled workers and migrant labour. The labour market position of graduates is related to the extent to which their skills directly match the job, the extent to which the programme signals sufficient learning skills and the risk of variation in quality of skills. The materials and interviews suggest that one factor underlying the high unemployment rate among Finnish IVET graduates is the weakness of links with working life, which may be reflected in shortcomings in the specific skills directly required for successful job performance. However, the situation varies across fields. Fields with a labour shortage and where IVET graduates develop a strong vocational identity and close ties with employers – such as health and social care – show relatively low unemployment. In contrast, in technical fields where employer engagement is weaker and opportunities for work-based learning are more limited, graduates face greater difficulties in securing employment.

Work-based learning emerged as a key factor influencing employment outcomes. Apprenticeships in Finland have low graduate unemployment rates, yet they remain marginal for young people and are predominantly used by adults. Although all IVET programmes include work-based learning, the regulatory framework is weak, the duration varies considerably, and employers receive no financial compensation for training students under training agreements. In apprenticeship training, employers may receive training compensation under certain conditions. The absence of cost-sharing mechanisms, combined with supervision requirements, limits employer participation, particularly among small companies. International evidence shows that scaling up high-quality work-based learning requires institutional support structures such as intermediary organisations, shared financing models and clear quality assurance practices – areas in which Finland’s system remains insufficiently developed.

A major strength of Finnish IVET is that it gives all students eligibility for higher education, which enhances its attractiveness and supports social equity. The panel also identified this as an important factor influencing employment outcomes. Strengthening the progression of IVET graduates, particularly to universities of applied sciences (UAS), could help reduce unemployment, as a proportion of graduates would continue directly to further studies rather than entering the labour market. However, the panel emphasises that stronger progression to higher education will enhance overall outcomes only if the vocational skills of those who do enter the labour market are simultaneously strengthened; otherwise, there is a risk that the remaining group will face weaker labour-market prospects. This illustrates a genuine policy trade-off: Finnish VET is expected to facilitate both smooth transitions to employment and broad access to higher education, even though international evidence suggests these objectives are not always easy to combine.

The governance of Finnish VET is highly decentralised and built on trust, giving education providers considerable autonomy to respond to local labour market needs. However, this decentralisation also leads to uneven practices and limited mechanisms for systematically

sharing effective approaches across regions. Limited institutional structures for employer involvement also lead to variations in how well cooperation between providers and employers works. In recent years, governance has shifted towards a hybrid model that combines local autonomy with performance-based funding and negotiated targets. While this has sharpened the focus on outcomes such as employment, the panel stresses that – due to uneven regional economic conditions – these outcomes often fall outside education providers' control.

Another area the panel identified as underdeveloped is the role of VET within Finland's national innovation system. Interview data indicated that VET is still primarily viewed as a provider of skilled labour rather than as an active participant in innovation. While there are examples of successful local collaboration with UASs, these initiatives remain fragmented. There is considerable potential to better define and further strengthen VET's contribution to innovation and regional development.

Finally, Finland's highly flexible and modular VET system provides individualised learning paths and strong recognition of prior learning – features that are valuable for adult learners but can pose challenges for younger students. Extensive individualisation may weaken shared vocational identities and make it more difficult for teachers to provide consistent support. Although Finland's skills-anticipation system is rich in information, its steering influence remains limited: student choices are only weakly shaped by labour market data, and career guidance in lower secondary education does not appear sufficient to address this gap.

Overall, the panel concludes that Finland's VET system has notable strengths, particularly its strong commitment to equity, openness and permeability to higher education. At the same time, the persistently high unemployment among young IVET graduates highlights the need for more coherent skill development, stronger and more institutionalised collaboration with employers, mechanisms for sharing the costs of work-based training, more structured forms of work-based learning, and a clearer, better-integrated role for VET within regional and national innovation systems. Solving these challenges will require sustained, coordinated and sector-specific measures that enhance both the labour market relevance of Finnish VET and the educational opportunities it provides.