

Jupiter Foundation as a tool in fight against long term unemployment and social exclusion

Long term unemployment – an established phenomenon in Finland

The Nordic Welfare has succeeded until 90'ies guarantee quite well work and welfare to everybody. The taxation is relatively high which helps those who are not able to earn their living by working or do not have a job to manage relatively well in their everyday life. But still today there are nearly 300.000 people without work in Finland. The population of Finland is 5 million which means that the unemployment rate in Finland is 9 %.

During the last few years Finland has suffered of a phenomenon of really long term unemployment which means that a certain kind of poverty and social exclusion exists. The number of long term unemployed people has increased drastically during the last ten years. In the statistics you can today even find a column "More than 8 years without work". Among the 300.000 unemployed there are 60.000 people who have been without a job for more than 4 years. In Finland poverty as such is very seldom spoken as a big problem, for everybody is guaranteed a flat and a minimum income. But it is apparent that being without a job for more than 4 years means that you are in many ways excluded and can afford just the minimum level of living. The amount of income subsidies local municipalities pay, has increased yearly.

The GDP and state finances are developing very well, which normally should mean low unemployment, but not during the last few years. The unemployment is structural meaning that the demands on labour market have increased and more and higher quality training and experience is required in every job. There are not enough jobs for the people with lower skills and capacities to work. Especially older job seekers and youngster face unemployment too often.

A lot of projects have been implemented to develop methods and tools to fight especially against the long term unemployment. Some development has happened but long term unemployment has still become an established phenomenon and the temporary project-like solutions need to be developed to more permanent methods and structures. The attitudes towards social employment should too be changed to be more acceptable and understand the social jobs as a possibility and not a threat for the free market economy.

Jupiter Foundation – a local solution in Vaasa

Background

Vaasa is a bilingual (Finnish and Swedish) city on the west coast of Finland, 400 km north-west from Helsinki. The population in Vaasa is 57.000 inhabitants and with the neighbouring municipalities altogether ca. 75.000 inhabitants. Traditionally the unemployment rate in the region has been relatively low, 8,5 % in March 2005, which is next lowest after the capital city region. The people living in the Ostrobothnian region are relatively well off mainly due to traditional big industries working in global environment (electronics, metal, heavy engineering). But still there are 3000 people without a job in the Vaasa region.

The local authorities have tried to solve the unemployment problems in partnership with the government bodies by using the ordinary state budget means and different kind of project financing. The city of Vaasa had participated for years in number of separate projects working approximately with the same disadvantaged target groups.

Still there had been for years ca 500-800 people who had an unemployment of more than 2 years (after 500 days of unemployment the unemployment subsidies decrease remarkably) and the same amount of youngsters without a job. Due to conclusions of the many projects it was realised that the long term and youth unemployment has become an established phenomenon and more effective and economically efficient tools were needed in Vaasa.

In 2001 after a preparation project 8 local partners agreed to put their existing activities, ideas and some financial resources together and start the work with the most disadvantaged unemployed groups in Vaasa. The founding members of the Jupiter Foundation were

- city of Vaasa (run earlier the workshop for youngsters)
- municipality of Mustasaari
- the association of unemployed (run earlier a kitchen and different kind of courses)
- the parish
- the Socialpsychiatric association
- the Association of Handicapped
- the Settlement association (run earlier the carpentry workshop)
- the regional waste management company Stormossen (run earlier the recycling centre)

The structure is a real local partnership, public, semi-public (the parish) and third sector actors combined all or part of their activities, ideas and financial resources in order to create a modern place to work for work integration and that way combat against social exclusion and certain kind of poverty. The local government employment body, Vaasa employment office could not be a founder but gave its honest support to the idea of the foundation.

The purpose of the Jupiter Foundation as a work orientation centre is to:

- employ long term unemployed (more than 2 year unemployment) and young people and other groups (e.g. disabled people and immigrants) having weak possibilities to get a job
- provide special services for youngsters (17-25 years) having problems to continue the school or to get a job
- to create high quality subsidized work places and during the work period give the client individual support and counselling as well as activating group activities.

The economy of the foundation has been for so far based on different kind of project financing from government, EU, National Insurance company, The slot machine association. The budget in 2005 is 3,2 meuro. 1/3 of the income comes from the city of Vaasa (buying of work integration services), 1/3 from the government employment authorities, national insurance company or EU as project financing and employment subsidies. 1/3 of income comes from selling of own products and services produced by the people in work orientation services. As planned in the beginning the percentage of income coming from selling service packages for agreed groups by daily price is increasing.

Foundation as an employer and promoter of the well being of the most disadvantaged groups

It was agreed that the clientele would be the most challenging and would need multi professional as well as multi sectoral support. This meant very practical transversality in the counselling work in the foundation and on the other hand in the steering groups of the projects and in the negotiations with the authorities. These new forums have proved to be a natural way of taking to discussion problems and development proposals concerning the employment and social service processes.

Social economy actors are the particularly part of the economy, which provides jobs, better income and social inclusion for people in the most disadvantaged situation with complex problems. These people do not have enough capacity or willingness to search help from many different offices and places. The practical transversality (local vertical & horizontal co-operation) is an efficient method to increase effectiveness of any local social inclusion process.

Jupiter has at the same time 90-115 adults with an average of four years unemployment before coming to Jupiter and 20-40 youngsters participating in projects or schemes including work and many kind of personal support offered by the nurse, personal counsellor, job consultant, psychologist, group activator and the work trainers at the five work departments. The personnel

altogether is 36. The clients have problems with control of life, with alcohol or/and drugs, mental or physical problems, lacking social skills etc.

When the local waste management company became a founding member in the foundation, meant it benefits to both: the company got rid of the recycling centre requiring a lot of subsidised work force and the local economy got ca 60 new quality subsidised jobs when Jupiter enlarged and developed the recycling business as the core for the jobs created.

Good practises in Jupiter's case

In Finland there has been developed a calculation model (SYTA - the analyse of social enterprises and social firms) which compares how much it costs to the society to arrange subsidised work for the long term unemployed and youngsters and what are the alternative costs if the people just lay home without doing anything useful. The results tell that if Jupiter-kind of social employer can cover 30-35 % of its gross expenses with the income from its own production, the organisation is profitable to the society in monetary terms and not mention the indirect positive impacts, which are difficult to calculate but are unquestionable.

When the long term unemployed (more than 2 year unemployment) work in Jupiter at least 6 hours, most of them get a salary of 1100 €/month. This means that they do not need the income subsidy from the local municipality plus the value of the work done in Jupiter makes value added to local economy in many ways.

The city of Vaasa buys employment services from Jupiter by 1,1 meuro per year and according to the SYTA-mechanism the city social services save early the same amount in the income subsidies. But as valuable aspect as the financial aspect is the human aspect – it is possible to take care of the disadvantaged groups and give them the human right to work and to earn their living by own work and to feel themselves useful for the society.

The private companies accept Jupiter's existence and the local co-operation with them works very well both in producing products and services as well in using Jupiter as a source to recruit work force to companies.

During the three years' existence Jupiter has had ca 1000 clients, of which ca 200 have got a job, 80 have started some vocational training, 300 have started some rehabilitation, eg. to get rid of alcohol or drug problem or to start mental rehabilitation.

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