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THE 21ST CENTURY RECESSION AND YOUTH UNEMPLOYMENT IN 2008-2009

Sosiaaliala

2010

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Sosiaalialan koulutusohjelma

ABSTRACT

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Title	21 st Century Recession and the Youth Unemployment in 2008-2009
Year	2010
Language	English
Pages	51
Name of Supervisor	Andrew Sirkka and Hans Frantz

The purpose of my Bachelor's thesis is to study the 21st century recession, student and youth unemployment between the ages of 18-25 in 2008-2009. Reason why the topic is important is because youth unemployment puts more pressure on the already overloaded social security system and this crisis needs to be solved.

This Bachelor's thesis is a qualitative research which gives one an opportunity to study the phenomena's and to reach a deeper understanding over the situation. Content analysis has been used in analyzing to explain the collected data. By using coding one has been able to categorize data from the research material that is mostly taken from the discussion forums and newspaper articles.

According to the results Finnish people seem to be aware that there is a crisis but not sure why. Finally, there are also some development ideas and suggestions what can be done to solve out the situation.

Keywords recession, youth, unemployment, students

TIIVISTELMÄ

Tekijä	Jenni Viertokangas
Opinnäytetyön nimi	2000-luvun lama sekä opiskelijatyöttömyys vuosina 2008-2009
Vuosi	2010
Kieli	englanti
Sivumäärä	51
Ohjaaja	Andrew Sirkka and Hans Frantz

Opinnäytetyöni tutkimuskohteena on nuorisotyöttömyys sekä 2000-luvun lama. Olen tutkimuksessani keskittynyt 18-24 vuotiaisiin nuoriin ihmisiin ja rajannut tutkimukseni vuosille 2009-2009. Koen aiheen tärkeäksi, sillä kasvava nuorisotyöttömyys asettaa paineita jo paineen alla työskentelvan sosiaaliturvaan. Kriisi on todellinen ja se täytyy ratkaista.

Opinnäytetyöni on kvalitatiivinen eli laadullinen tutkimus, jonka ansioista voin lähestyä ilmiöitä ja yrittää saada parempaa ymmärrystä tuloksiin. Tutkimuksissa käytetyt esimerkit ja näytteet on otettu ryväsotannalla. Lisäksi olen käyttänyt tehnyt aineistosta sisältöanalyysia, joka on helpottanut ”turhan” datan editoimisessa sekä auttanut minua löytämään aineistosta samankaltaisuuksia ja muuttuvia tekijöitä. Tutkimusmateriaalini olen kerännyt enimmäkseen keskustelupalstoilta sekä uutisartikkeleista.

Tutkimustulokset osoittavat, että ihmiset ovat tietoisia että kriisin olemassa olosta, mutta eivät osaa tarkalleen selittää että miksi. Olen myös liittänyt mukaan muutamia kehitysideoita ja sekä ehdotuksia tilanteen selvittämiseksi.

ACKNOWLEDGEMENT

Finishing this thesis would not have been possible without the help and encouragement of many people. It has been a long road. Thank you.

Jenni Viertokangas

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1 INTRODUCTION

Student unemployment was a big issue in 2008-2009 and it is an on going crisis still today, in 2011. For some it might seem that an economic crisis just appeared out of thin air – in one point everything was fine and next we are reading about downsizing and layoffs. The truth is that economic crisis does not happen overnight but it is an outcome of many twists and turns in the financial district. Financial crisis, recession and economic downfalls are usually events that a common man can not fight against because no one is the bully on the playground.

It may be difficult to the public to know what information is accurate and what news one can rely on. One source says Finland has 140 000 unemployed students when another source disclaims the results. One study says there is plenty of work and another source urges us to stay in school. How is a student about to graduate to know who to trust? Or how can an unemployed university graduate plan his or her future when it seems to be so uncertain?

A Good way of finding out what people think is research posts and opinions that are written on the discussion boards after online articles. Internet forums are highly popular with young adults and social media is the youth's way to respond news and events. One's opinion or post usually gets an immediate response.

There is nothing scarier than living in uncertainty. This study focuses on the year 2008-2009 because during this period the economic crisis became a relevant issue to the public as well. Before 2008-2009, Economic crisis seemed to happen somewhere else and to someone else but not in Finland and to the Finns. The Economic crisis was then followed by information overload without providing any actual answers. What is the story behind the unemployment crisis? Are there really 140 000 unemployed students? Is the recession over?

Who is telling the truth or are there actually any truths or only big assumptions?

To answer these questions this thesis has been divided into different chapters.

First to explain what it means for the government and the country to be in recession. To answer this we need to go back in time: first by 100 years, then by 15 years when Finland was in deep financial despair. Looking back explains why the Finnish government is so unwilling to call the current crisis by its real name.

In the theory part, this thesis focuses on pointing out different variables and events that took place in 2008-2009. All of the variables seem to be their own dilemmas but when put into context one will notice similarities between the variables. All these variables and events were like snowflakes, unique but ultimately the cost of an avalanche that came down crushing.

Second part of this thesis focuses on the dilemma of student unemployment and what seems to be causing it. Statistics Finland and Finnish Ministry of Employment and Labour use different ways of calculating the statistics, therefore causing statistic delusion.

As for research, one has analyzed focuses on an article called “Children of the Recession.” This article was published in the City Magazine (15/2009). The author of the article points out different flaws in the Finnish Welfare system and social security. This article was also published online and followed by a heated discussion that has also been analyzed.

Lastly, there are the conclusions and answers to the questions: What for is the 21st century crisis called recession instead of depression? Did the Finnish University Degree Reform the cause the youth unemployment? Is the 21st Century Recession youth unemployment a statistic delusion?

2 21st CENTURY RECESSION

2.1 We Have Been Down This Road Before

There is an old saying goes that “history tends to repeat itself.” The 21st Century Recession might be new term for the current a generation, but generation ago the world went through the first recession. And as for the Finns, it has only been 15 years since we were last hit by an economic crisis.

The first recession happened in the late 20s as the stock markets crashed on Wall Street, in the United States of America. Before that day man had not paid too much interest in economics or stock markets. People around the world, especially in the Western Countries had used their money care free by investing in companies, putting their money on the hand of bankers and realtors without hesitation. (Saarniaho)

The 30s’ recession did not have a big influence on Finland mainly because Finnish industry was back then mostly agrarian based. Nevertheless, public should have learned from it, as the economic depression hit the Finnish economy and labour market hard in the early 1990s. Heikkilä & Uusitalo (1997) studied the cutbacks that were made in the social security and how the recession affected the Finnish welfare in the 1990s.

2.2 What Cuts Were Made During the 90s Recession in Finland?

Heikkilä and Uusitalo (1997) have been analyzing some of the statistics and research material from 1992-1997 when the biggest cuts were made to the social security system. According to their research, recession makes the population more dependent on the welfare state and social allowances. Heikkilä and Uusitalo found it surprising that consumption in low income families did not decline but stayed on the same level as in the other income classes. The editors also stated that during the 90s recession, families were doing okay as long as at least one of the

members in the family was working. (Heikkilä & Uusitalo 1997: 7-9.) Heikkilä and Uusitalo state that during recession making cuts is a necessity but the problem lies in what manner they should be targeted during times of despair and confusion.

Before the 90s Recession, The Social Insurance Institution of Finland (Kansaneläkelaitos) granted following benefits and allowances:

Unemployment-security benefits, Health-insurance benefits, Old-age pensions, Study assistance, Support for families with children, Maternity, paternity and parent allowances, Child allowances, Home-care allowances, Housing support and The Income-support norm. (The Social Insurance Institution of Finland 2009.)

During 1992-1997 cuts were made to the social security benefits but still the social expenditure grew and it was because the Finnish people needed assistance. The level of the crisis took the Finnish cabinet by surprise; no one was prepared to solve it. The first actions that the cabinet took were to make cuts into public expenditure. The Finnish government had to increase taxes. Finnish mark was in crisis. Cabinet tried to control inflation and stabilize the mark. According to Uusitalo and Heikkilä, it seems like the government had no consistency in making the cuts. Cuts were made in all benefits. (Heikkilä & Uusitalo 1997.)

As for the students, the 90s started well when student allowance was first increased in 1992 from 106,64 into 264,06 Finnish marks per study month. Student allowance was also put under tax administration and study months were introduced. In 1992 parent's or partner's income and wealth no longer mattered for students in higher education.

1995 the Depression was still putting a dark cloud above Finnish economy and student benefits were cut. Monthly student allowance decreased from 264,06 into 259,01 Finnish marks per study month. After 1995 study allowance can be denied from a student who either is in paid internship or practical training or gets a student grant. (Laitinen 2010)

Even though as the structure of the welfare model with benefits and the objectives sustained almost untouched during the 90s recession it became less generous. Basically during the recession the Social Insurance Institution of Finland stopped paying for anything extra, tightened all the loose ends and made more specific rules for unemployment allowances. Recession finally passed in 1997 and Finland started a slow recovery but never returned to the same level of benefits and allowances as it was before the recession. (Niemelä & Salminen 2006.)

But the main part is that Finland pulled through the recession and for the younger generation, the recession became only a vague memory. After the recession, Finnish economy jumped high, bringing new jobs to the public as IT-technology became Finland's leading export.

The truth is that the 21st Century Recession was a long way coming but it seems as if, once again, it took everyone by surprise. Currently Finnish Welfare Society is trying to cope with growing unemployment and to deal with the dismay of the Finnish citizens. (Rosendahl & Saija 1995.)

2.3 Are We in a Recession or in Depression?

There are some that call the 21st Century crisis as depression, others call it recession, some even call it just "financial crisis". Which is it? To determine where Finland stands in the current economic crisis, we have to know the origins and meaning of these concepts. Is there really a difference between these words or are they just each other's synonyms?

There are two words used to describe the bad economical and financial situation, and those words are recession and depression.

According to MacMillan's English Dictionary for Advanced learners (2002: 372, 1197.) recession and depression are defined as:

1. Recession: noun, Feeling of being extremely unhappy.

2. A period of time when there is a lot of unemployment and poverty because there is very little economic activity: periods of economic depression

Recession a period when trade and industry are not successful and there is a lot of unemployment

1. The Depression in the UK and US, and some other countries, a period during the late 1920s and early 1930s when there were very few jobs and a lot of poverty because the economy was so bad

If we analyze those two very similar words: recession and depression, there are no big differences between them. Both definitions mention *poverty* and *unemployment*, yet depression seems to be so called “worst case scenario”. Therefore it is only understandable that the government would rather use the word recession to describe the current economic crisis.

The Economist (2008) had an article called “Diagnosing depression” According to the article, it seems that the words recession and depression have been popping up time to time but there is no widely accepted criterion what is the difference between them. According to The Economist (2008) that recession is widely used to refer falling of Gross Domestic Product (GDP). GDP is used to determine the market value of all final goods and services made within the borders of a country in a year. As for Finland’s recession in the 90s, The Economist says that it qualifies the usage of the title depression, because that is how bad the situation was in 1993-1996.

Saul Eslake, Chief economist at ANZ Bank, said that the biggest difference between the words of recession and depression is the duration and the cause of the downfall (2008). When monetary policy has been tight for a certain period of time, recession usually follows, whereas depression is a result of bursting asset prices, a credit crunch and deflation. Also custom to the depression is a decline in a general price level. The Economics Focus does argue that it is unlikely for the policymakers to re-do the past mistakes, referring to the Great Depression in the 30s. The Economist (2008.) gives its verdict for the current situation by the end of

the article: it states that the current economic crisis is closer to the definition of depression rather than recession. (Watson 2008.)

3 STUDENTS AND THE SOCIAL INSURANCE INSTITUTION OF FINLAND

Every since The Social Insurance Institution of Finland, or as Finns call it KELA (Kansaneläkelaitos) was established in 1937, it has played an important part in the lives of Finnish citizens. “National Pensions act” introduced KELA in 37’ and it was to protect the elderly citizens, disabled and unemployed members of the Finnish society. Later also mothers and students were included to the KELA administration. (Niemelä & Salminen p. 9; 2006.)

KELA is there to support; advice and help the Finnish citizens. Mothers need assistance with newborns, parents with children, unemployed with living, disabled to strengthen their autonomy, sick to become healthy, elderly with pensions and students with studying. (The Social Insurance Institution of Finland 2009.)

KELA helps and supports students to focus on studying by granting monthly study allowances, housing supplements and government warranties for loans. Because students are supposed to study fulltime, KELA has narrowed down the income a student is allowed to earn per study month. According to the KELA principles, students can earn 660€/month and yearly income should not be over 11850euros. During the aid-free periods, such as summertime, student monthly income can be 1970€/month (Laitinen 2010.)

If the student’s income exceeds the established KELA limits, the student is obligated to pay back the student aid. KELA has set out few different options for students that have exceeded their limits: they can skip the next monthly allowance or pay back the financial aid as soon as possible.

For students, KELAs restrictions to the personal income are an issue because it limits down the amount they work they can do during their studies. Part-time jobs are almost a necessity for student as Finland is an expensive country to live in. According to the Ministry of Employment and Economy, in 2007 there were

129 833 students in Higher Education studies and 74 682 of those students were working (57,5%). (Ministry of Employment and Economy 2010).

Student can use the KELA calculator online to estimate how much his or hers monthly study allowance ought to be. For an example, let's say that there is a 24 year old female student applying for student allowance. What is she entitled to? She is in the university, she does not have kids and lives in a rented apartment and the rent is 400€/month, utilities not included. The apartment is rented from a private sector and is not owned by any family member. She does not have kids and does not get any study grants or scholarships. When we submit this information to the counter this is the amount she is entitled to get monthly:

Table 1. The Social Insurance Institution of Finland calculator to estimate the amount of benefits granted for the student per study month (2009)

Study grant	298,00	€/month
Housing Supplements	201,60	€/month
Government guarantees for student loans	300,00	€/month
Student allowance per/month	799,60	€/month

The estimate is that student will get around 799,60€ per month, minus the taxes. Currently standard tax percentage for students is 10%. This is withdrawn after the students monthly income is over 170€. (Verohallitus 2009.) After taxes students monthly income is around 741€. And this is only if the student is willing to take the student loan. According to KELA, in fall 2008 only ~21% of the students in the universities of applied sciences took the student loan and the amount is even smaller with the university students (~15,1%). (Laitinen 2010.) This means that the majority of the students live only with 499,60€/month.

One can only imagine that with how little students live during the month. The online calculator does count in bills such as electricity or bills from the usage of

wireless Internet. If 79% of students in applied universities and 84,9% universities only get 499,60€ monthly, they either do part time work or get assistance from their parents.

Even though there are plenty of perks when one lives in a welfare society such as Finland there are some double standards in the system as well. It seems that being unemployed is more financially beneficial than being at school.

If a student X graduates and is left unemployed, X will have to contact the local unemployment office and registered jobseeker to be eligible for unemployed allowance or labour market subsidy. Usually students are left unemployed and do not have any recent experience from the field are eligible for the labour market subsidy. For a single person, living alone without any monthly income general housing allowance is (21,5 x 25,74 and with 20% tax) monthly pay is 553€. General housing allowance can be paid in combination with the maintenance allowance (which depends on the amount of rent, bills but maximum of 584,13€ for single recipient.) One can get almost 1137,13€ per month without working. (The Social Insurance Institution of Finland 2009.)

What if X gets a part time job at the local supermarket? Her monthly salary is 1100€ but after taxes she will be left with 950€. What is the idea of working, if the money received is less than the amount X could get without doing anything? Why would you go to school, when you live off far better life without it? (The Social Insurance Institution of Finland 2010.)

4 YOUTH UNEMPLOYMENT

According to Ministry of Employment and Economy, there were 215 000 unemployed Finns by the end of 2009 and 56 000 of them were the ages of 15-24. This 13 000 more than year before and in percentages the increase is 6,1%. Overall there were 20,3% young adults that were unemployed and there seems to be no stopping to this unfortunate trend. And the unemployment rate is also dependent on who is counting, according to Statistics in Finland; there were 69 000 unemployed people ages of 15 to 25 in Finland by the end of 2009. Ministry of Employment and Economy does not count students as unemployed but Statistics in Finland does. Statistics in Finland takes into account all of those as unemployed that are looking for a job and willing to take one on two weeks notice, even if one studies at the same time. (Ministry of Employment and Economy 2009.)

What caused the increase in of youth unemployment? Is the 21st Century Recession to blame or did something else happen as well? Or is the unemployment crisis only statistic delusion? To answer these questions one has to look back and discover the decisions that were made in Finland five years ago.

4.1 The Bologna Declaration and What Was It About

Sorbonne, Paris, played a big role on May 25th 1998 as ministers from different European countries had a meeting and discussed about higher education studying and its structure. (The Confederation of EU Rectors' Conferences and the Association of European Universities (CRE) 1998.) This ended with Ministers signing a joint declaration on harmonization of the structure of the European higher education system. Behind the declaration was the idea of having united European study structure. At this point European Union had already decided upon to have a common currency Euro but EU still wanted more joint union between the countries.

The idea behind the “Sorbonne Act” is to provide the students easier access over the country borders. Sorbonne Act was to be conducted within in the spirit of respecting the diversity but still determined to lift the barriers that blocked us from challenging and learning from one another. (Ministry of Education and Culture 2010.)

The Sorbonne Act was also reasoned with its relevance. The New Europe needed to be built upon the intellectual, cultural, social and technical dimensions of our continent. This process should start with re-building education formats that it would be easier for students to go across the Europe and be entitled to gain education from another country and have degree that would serve same purpose not only in one country but countries across the Europe and around the world.

To establish this much needed flexibility, universities needed joint systems on how to count and transfer the student credits; this was the beginning of ECTS, European credit transfer system. The establishment of the ECTS gave students the possibility to do exchange or move into another European country and still have valid credits and continue their studies as they were left before the move. Before the degree reform, students almost immediately were left behind in their studies if they did an exchange.

The ideal outcome was that after secondary level education, the graduates would apply into university, and spend one or two semesters abroad during their studies. First the students would get their Bachelor’s Degree and afterwards they could go to work or pursuit into Master’s Degree programs. (The Confederation of EU Rectors’ Conferences and the Association of European Universities (CRE) 1998.)

After the declaration Finland also joint the cause and made its big reform on the Finnish University model in 2005. (Ministry of Education and Culture 2010.)

4.2 The Sorbonne Act in Finland

Finland has two higher level education formats, the university of applied sciences and university. The university of applied sciences is considered as a fairly new format; trial was in 1991-1992 and they were made permanent in 1996. University on the other hand is known term for being an institution of higher level education and research. Whereas universities provide undergraduate programs and post-graduate education, the universities of applied sciences concentrate more on the students becoming working professionals. Both of the models provide a variety of subjects to study. The biggest difference between these two is that, the university of applied sciences does not grant licentiate or doctoral degrees. (Ministry of Education and Culture 2010.)

According to the Ministry of Education and Culture (2009.) the first intake of the Sorbonne act and its inauguration to the Finnish university system was not taken positively by the Universities but the attitude changed later on. As Universities adapted to the new two-cycle degree system in 2005, Ministry of Education and Culture decided that two-cycle degree system was not necessary for the Universities of Applied Sciences; therefore it continued with its old format.

4.3 How Did The New Format Change Things in Higher Education?

With in the new degree format, one will obtain the Bachelor's Degree in the first two years. After the Bachelor's one has the right to pursuit to the Master's Degree. In order for the graduate from the University of Applied Sciences to obtain Master's Degree, one needs to have at least three years of experience from the field or another academic degree before applying for higher level studies (Master's Degree.) (Ministry of Education and Culture 2005.)

According to Ministry of Education and Culture (2010), the change was necessary because Finland wanted to have degree that would be comparable with other European countries. Finland's Diploma Supplement provides information about the studies and it is designed by the European Union, the Council of Europe and

UNESCO. It also provides the status of the degree and the qualification provided by the degree for further studies and for jobs. The reform has also attracted more international students to Finland, making Finland more known world wide Before the reform Finnish students had credit units, now that has been replaced by ECTS. (Ministry of Education and Culture 2005.)

4.4 The Results of the Degree Reform Were Not All Positive

The Finnish University Reform Act of 2005 brought big changes into the old system. On paper, it seemed that only good things could come out of the reform. But it is not until the past few years that all the outcomes of the Reform are seen - and it seems that if not all outcomes of the Act are positive.

After the reform, there has been increasing amount of youth unemployment. Before the reform the students usually spent around six years in the University with intense studying. The path was almost always similar, after the Bachelor's Degree one began their Master's Degree studies. Now students are more likely to take their Bachelor's Degree as they are professionally and academically qualified to start working. This means there are more qualified and professional students looking for work but not enough work for all of them.

Katja Okkonen wrote an article about how the young graduates were about to waste their education. The article was titled as "Did the Education Go to Waste?" (Taloussanomat 2009.)

For the article, Okkonen interviewed Heikki Räisänen (research director at the Ministry of Employment and the Labor) who admits that that student's who have just graduated or are about to graduate situation is not looking good. He emphasizes that it is going to be difficult to find a job where graduates are not overly qualified. (Taloussanomat 2009.)

Another person for interview was Maria Ranta. Ranta is a student corresponded from AKAVA (The Confederation of Unions for Academic Professionals in Finland). Ranta is worried about the hopes that are put into to the “Baby Boom era” employees. By “Baby Boom era” she is referring to the people born post war years in 1945-1949. Finnish population grew substantially during this period, due industrialism and improved health care. (Rosendahl & Saija 1995.)

It is a fact that “The Baby Boom era” employees are about to retire in the close future and these professionals are leaving big shoes for the younger generation to fill. Due the large amount of pensioners, there will be a significant need of new employees in social and healthcare professions. Ranta says, that the Big Baby Boomers retirement, is not going to solve the unemployment crisis. This is because those who are about to retire, *are not academically as highly educated as the graduates today.* (Taloussanomat 2009.)

According to Okkonen, government needs to stop dwelling in the past and needs to try finding ways out of the crisis. She says that this time the answer is not in more education as it was before. Now with the new degree format every higher education graduate is considered qualified.

Ranta’s answer to Okkonen’s question is no. “Should graduates take taking any possible job that is offered” Ranta says no. Ranta argues this by saying that it is understandable that during the recession one is willing to take any work opportunity that is offered, but one should not sacrifice one’s professionalism just for money. When Okkonen follows Rantas argument by asking should a student graduate or not? Ranta thinks that the best option for the moment is to stay in school if possible. (Taloussanomat 2009.)

5 IS THE YOUTH UNEMPLOYMENT CRISIS ONLY A STATISTIC DELUSION?

5.1 Why Are There Different Types of Unemployment Rates

The actual amount of unemployed young adults is hard to define as it depends on who is doing the counting and on what basis.

According to the Statistics Finland, students are considered unemployed if they are looking for a job and willing to take a job within two weeks notice. The Department of Employment disagrees with this. According to Ministry of Employment and Labor students are not considered as unemployed because studying is their primary occupation, even if they are looking for work. (Ministry of Employment and Labor 2010.) Both of the parties calculate the statistics differently and both of them are right. This is why it is pretty hard for the public to know, which number is more accurate and therefore a statistic delusion is born.

Following is an example on Statistics in Finland publishes unemployment rates in their Labor Force Survey 2009-2010.

Chart 1. Changes in the labor force 2010/01 – 2009/01 according to Statistics Finland's Labor Force Survey (Statistics Finland 2010.)

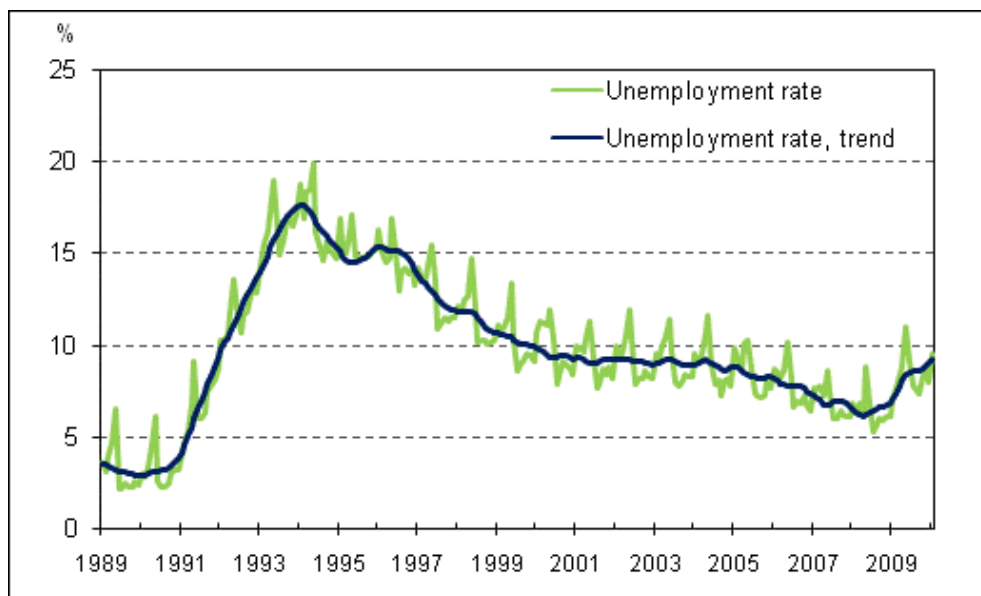
	Year/Month		Change
	2010/01	2009/01	2010/01 - 2009/01
	1000 persons		Per cent (%)
Population aged 15-74	4 035	4 015	0,5
Labor force, total	2 617	2 639	-0,8
Employed, total	2 367	2 455	-3,6
– employees	2 050	2 128	-5,0
– self-employed persons and unpaid family workers	317	327	-2,8
<i>Unemployed people</i>	250	184	35,6
Total persons not in labor force	1 418	1 377	3,0
	Percent (%)		Procentage points
Employment rate (persons aged 15 to 64), %	65,5	68,3	-2,7
<i>Unemployment rate, %</i>	9,5	7,0	2,6
Labor force participation rate, %	64,9	65,7	-0,9
The data comply with the ILO/EU definition.			

Chart 2. Changes 2010/01 – 2009/01 according to the Employment Service Statistics of the Ministry of Employment and the Economy (Statistics Finland 2010.)

	Year/Month		Change	
	2010/01	2009/01	2010/01	–
	1000persons		2009/01 (%)	
Unemployed job seekers	297	246	20,4	
– unemployed over a year	50	41	21,3	
Total measures	78	77	1,4	
– employed with subsidised measures	30	34	–12,5	
– in labour market training	31	28	10,5	
– in trainee and job alternation places	17	15	16,5	
New vacancies at employment and economic development offices	38	45	–15,4	

5.2 Statistic Delusion 2009 – 2010

Chart 3. Unemployment rate and trend of unemployment 1989/01 – 2010/01
(Statistics Finland 2010.)



In the first chart one can see how the unemployment rate has been increasing since 2008. But when we look back to the period of 1992-1995, Finland is still far from those unemployment rates. What is interesting, is that unemployment has never returned to the same rates as it was before the 90s recession. Lowest that it has gone since the Recession was in 2007-2008 since then it has only been increasing.

The second chart gives us an insight on what the situation was like 15 years ago.

Chart 4. Changes in the labor force 1989 – 1998 (Uusitalo 2002.)

Year	Unemployment %
1989	3,1
1990	3,2
1991	6,6
1992	11,7
1993	16,3
1994	16,6
1995	15,4
1996	14,6

To get a better understanding on how the unemployment percentages jumped during the recession, one should focus on the years before the 90s recession and after. Uusitalo researched the recession in his study: *Social Policy in a Deep Economic Recession and After, The Case of Finland* (2002). Just by looking at the Chart 4, it is amazing how the unemployment rate jumped in 1991 and 1992, going from 6,6 to 11,7 and in 1993 all the way to 16,3.

According to Statistics Finland (2009.) the Finnish unemployment rate is currently +/- 9%. It is still possible for the country to pull through the current recession with only minor casualties. But falling into the false illusion that “everything will work out for the better when the recession surpasses” might be fatal. Finland is still paying off the depth of the 90s recession and the 21st Century Recession has not been cheap either.

6 IMPLEMENTATION

6.1 Objectives and Research Questions

1. Why is the 21st Century crisis called recession instead of depression?
2. Is the Finnish University Degree Reform the cause for the youth unemployment?
3. Is the 21st Century Recession youth unemployment only a statistic delusion?

To begin with, it was necessary to build a theory where one could test the hypothesis of this study. One of the main sources used in this research was Statistics Finland because they actively update the figures and percentages of the unemployment crisis and the recession. Finnish Government publications were also very useful and reliable sources. Thirdly Social Insurance Institution of Finland provided this study a lot of theory and background information which happened to be very useful. These three big institutions gave this study reliability and base to build the research on.

To gain more personal outtake on how the public was experiencing the crisis it was necessary to go back to the year 2009. Luckily Pettersson had written an interesting an article titled “Children of the Recession” (Pettersson 2009.) Her article was followed by a heated discussion on a discussion board which was analyzed for this research study. Content analysis and coding provided means to get more reliable results from the collected data and methods on how to detain only the valid information. Content analysis was also used to collect variables and similarities from the research material. After coding the samples were categorized for to make generalizations. This was followed by choosing a posting from each category and translating it to English. In the end, all the findings were put together for a summary and the conclusions were made.

6.2 Qualitative Research

To determine how to start approaching these research problems, it was important to find the right kind of approach. This thesis had a rocky start, filled with misunderstandings that caused problems with time therefore it was not possible to do interviews. This is why this study may lack on reliability. It was still important to get some idea on how the public felt about the 21st century crisis and unemployment. Basically one had to rely on qualitative research because it would give the researcher the freedom to gain more insight and knowledge of the phenomena, especially when they study a specific group of people. John W. Creswells' book "Research Design" (2009; 67-69.) was a big help when one started to do a research on a difficult topic such as this one. He had written words of wisdom for the beginners. On the pages 67-69 he had written multiple questions which one could use to test the research and findings. There were questions such as: "Will the data collection process and outcomes benefit the community being studied?" These questions and pages provide the help when one is in need of assistance.

Even though this thesis is a qualitative research, content analysis was used to analyze and understand the collected data. Kimberly A. Neuendorf wrote a book called "The Content Analyzing Guidebook" and it was to help a researcher to do content analysis in the right way (2002; 29-51, 85.) On pages 49-51 there is a flowchart for the typical process of the content analysis research and it provides a lot of help for the author as it clearly states the steps one has to take to get valid results. To complete the research one needs to get samples from the research material and for this thesis cluster sampling was the best option. Cluster sampling works very well when the data base is limited and there is only small amount of text to analyze. On page 85 of Content Analyzing Guidebook Neuendorf explains how cluster sampling is a method where groups' messages are sampled together. It does, however, suffer from being close to designing how the results are being planning how the results are presented.

6.3 Implementation

The subject of this thesis is important because young adults seem to be unaware what is happening around them and why. This thesis combines social sciences and economy and it is about a very current subject. For the social workers and other health care providers current crisis is a battle against unemployment and time. Finnish public needs help and assistance and they want to know what happened to the welfare society. How can one answer when you do not know what to say? What to say to an academically qualified job seeker when he or she is left unemployed when you do know the answer?

As for implementation it was difficult to find sources that would explain the phenomenon both in Finnish and in English but with a lot of effort, but most of the major sources are in written in English and therefore accessible for all. This process started in 2009 when an article called “Children of the Recession” was published in the city magazine.

It was a challenge to build a good and interesting research part after it became clear that it was not possible to do interviews and projects due mixed information and misunderstanding. Because this thesis was narrowed down to the years 2008-2009 it was hard to find public reactions that had happened then, almost two years ago. Fortunately City Magazines Article, “Children of the Recession” (2009) had also been published online and by the end of the online article was a discussion board. All of the comments were made during the period on which this thesis is focused (2008-2009).

Using discussion boards as research material is risky because a lot of the replies and opinions posted are out of context. There were 49 posts after the article and 28 of them focused on the economic crisis, reasons behind it, what public should do and how the cabinet should act.

6.4 The Reliability and Ethics of My Qualitative Research

Everything that has been written in this thesis is my own text and referrals to the authors, publications and articles have been included in sources in a proper manner. All the mentioned references can be found in the last chapter of this study. This thesis has not used unreliable sources such as Wikipedia.

One of the biggest motivators has been that the topic was really interesting. One could have chosen an easier topic than finance and unemployment considering that this thesis was made for the Unit of Health Care and Social Services. I'm not a native speaker nor have I learned English on Academic level of Education. I apologize for any inconvenience that my lack of grammar causes to the reader. This thesis has been written with an open mind, no sides were taken and I was unbiased. Hopefully this thesis will serve its purpose: to provide answers to students who wonder why they are left unemployed after graduation.

This thesis was supposed to be ready by the end of spring 2010 but it got delayed as I to Africa to do my practical training there. The objective behind the thesis was to write about an interesting topic and something with relevance.

7 FINDINGS

7.1 Collecting the Data and Analyzing the Article

Maria Petterssons article “Children of the Recession” (2009) is a critical overview of the current unemployment crisis, the reasons behind it and which actions have been taken to solve it. Besides interviewing professionals for her article, she has also interviewed a few unemployed young adults. The article was published in the City magazines printed version 15/2009 and online on their Internet web-site.

According to Pettersson’s research, there are around 140 000 unemployed young adults in Finland between the ages of 19 to 25. (Statistics Finland 2009.) Pettersson divided the unemployment crisis into six different categories and put the blame on the current circumstances, government and its actions, the structures, labour unions, the statistic delusions and onto you.

Heated discussion followed the article online. On the City Magazines discussion board, Children of the Recession had had 46 responses. Most of the postings were about the article. In general, postings mostly covered the issues that author of the article embodied. 29 out of 46 were relevant posts to this research and 18 out of 46 were non-relevant. Out of those 29 the following themes appeared more than once. By using the cluster sampling and coding methodology to identify the differences and similarities, the following conclusions were made of the opinions, beliefs and arguments stated there. Four different categories emerged having multiple similarities. The groups were divided into following categories:

- 15/29 Posts were about the problems in the Finnish Welfare system.
- 5/29 Posts blamed the current crisis on the politicians
- 4/29 Posts put the blame on the public itself.
- 4/29 Posts blamed the unemployment crisis on the educational system.

7.2 Analyzing the Categories

Under the following boxes 1-4 there are examples of postings that followed Patterssons article “Children of the Recession” (2009.) on an online discussion board. The article had covered the reasons behind 21st Century Recession and Unemployment that followed. The following examples present the thoughts and opinions that the readers felt about the subject. These examples presented here were picked out among the 29 samples that have been used as research material. Article got 49 responses but only 26 of them were relevant. Non-relevant articles included non important data that was out of context.

The tables are divided into two sections. Left side of the tables is the original text that in some cases was shortened a little but not edited. The right side is the translated version of the same comment in English.

Table 1. The Fault is in the Structures

<p><i>"Ensin teetetään vuosikausia pätkätöitä, sehän on yritysten lempparipuuhaa nykyään. Ja sitten katsotaan alaspäin ja sanotaan: "huh mitä luusereita koko sukupolvi, niin on silppuista työkokemus, ei ole kauaa pysynyt yhdessä paikassa.." ja "niin ovat henkisesti heikkoja, eivät mitään kestä.."</i></p> <p>- Köysi mielessä 15.8.2009 11:35</p>	<p><i>"First the make us do part-time work, because that is the companies favorite kind of work in these days. Then they look down on us and think: This generation is filled with losers. Apparently they can't hold a permanent position and it seems also that their lack in motivation and can't handle obstacles. "</i></p> <p>- Thinking about hanging myself</p>
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In the first table, the author uses a strong alias: “Köysi mielessä.” This alias can be strictly translated into “Thinking about hanging myself”. That tells about the author’s desperate mood. The author criticizes the welfare system that allows the employers to employ a worker with multiple short term contracts without offering him or her permanent position. Then the author states with a hint of a sarcasm how these short term employees are considered as losers and slackers and even

mentally weak. The author argues how he or she is not able to show evidence of being able to sustain long-term relationship with an employer due scattered curriculum vitae.

It is evident to the reader how frustrated author of this text is and how he or she needs help but is not sure how to get it. One could argue that using an alias such as “Thinking about hanging myself” is a bit dramatic but looking at employment history and not being able to get a long term contract with one employer must be irritating and aggravating .

The author also uses hard adjectives to describe the ways he or she thinks that the employees see people like him. Adjectives such as losers, slackers, weak minded indicate how this person suffers from a low self-esteem that can be the result of frustration that is caused by inability to sustain a permanent position at work. Being insecure about work does cause stress and therefore an employee can see this as weakness and therefore does not want to establish a permanent relationship with the employee.

According to Central Organization of Finnish Trade Unions (SAK) it is difficult to protect the part-time workers rights because many of them are young adults who are not organized. The Finnish Employment Contracts Act 55/2001 with amendments 579/2006 has made it harder to the employers to renew employment contracts over and over again without making permanent decisions. Central Organization of Finnish Trade Unions admits that not all parties have been committed to the law and therefore there has been a legal battle or the sake of the employee. (SAK 2005.)

Other comments that were made about this topic were:

- ”Eikö oikea lähestymistapa olisi kysyä, kannattaako hänen käydä töissä, kun palkka on niin huono, että ylittää häidin tuskin toimeentulotuen.”

Maybe what we should do is to ask if there is any reason for one to work when the salary is so bad and barely higher than supplementary allowance.

- Mikäs sosialismi se sellainen on, että ihmiset, jotka haluavat tehdä töitä, eivät niitä saa?

What kind of socialism is it, when people who would like to work are not able to do so?

- Työkkärin tehtävä on itse asiassa pitää yllä tietyn suuruista työttömyyttä, muutenhan se tekisi itsensä ja suojatyöpaikkansa tarpeettomiksi ja lopetettaisiin jos ei olisi työttömyyttä.

It seems as if the unemployment office actually wants to maintain certain amount of unemployment because without it they would be left unemployed.

- Syyttävän sormen tulisi osoittaa enemmänkin kansainvälisiin pääomapiireihin, kotoisiin korruptiopoliitikkoihin ja suuryritysten optiojohtajiin.

The finger pointing should actually be towards international capitalism, our own corrupted politicians and the leaders of the corporate giants with their options.

- Olen n. 30-v. lapseton avioitunut nainen. Siispä olen riski työnantajalle, voinhan jäädä äitiys-hoitovapaalle milloin vain. Näin minulle on jälkikäteen kahdesta työpaikasta sanonut kollega - siis ei laillisesti sitova lausahdus.

I'm about 30y married, therefore I'm a risk to the employer because I may stay on maternity-leave whenever. This comment was made by two colleagues from two different workplaces – utterance that is not legally binding.

- Toivottavasti kenelläkään ei ole nöyryyttä tehdä paskaduuneja. Vain siten paskaduunien teettäjät pakotetaan maksamaan parempia palkkoja ja suostumaan parempiin työehtoihin (joilloin ne eivät enää ole paskaduuneja).

One can only hope that the public does not have humility to do so called Shit-work. Only then, those who make others do them, are forced to pay better salaries and get committed into better employment terms. (Therefore there is no longer such work as Shit Work.)

Table 2. The Fault is in the Politics

<p><i>"Eniten vaaleissa taitavat äänestää hyvin koulutetut ja hyvissä töissä olevat ja tulokset ovat sen mukaisia, Kokoomus jyräsi viimeksi. Nukkuvien puolueessa lienee paljon työttömiä ja vähän koulutettuja...</i></p> <p><i>Toivottavasti asia muuttuu seuraavissa vaaleissa. Jos ei edes äänestetä on turha toivoa muutosta tai työttömien aseman paranemista"</i></p> <p><i>- Äänestäjä 7.8.2009 19:56</i></p>	<p><i>"Based on the last elections, it seemed like that only well educated and well positioned people voted.. The Coalition party took a huge win last time. It seems like "the Sleeper party" has a lot of unemployed and less-educated voters...</i></p> <p><i>Hopefully things will change in the next election. If one does not vote there is no use of hoping that things will change and get better for the unemployed"</i></p> <p><i>-Voter 7.8. 2009 19:56</i></p>
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Äänestäjä, "Voter", criticizes the people. Author of this posting wonders how it seems like only the ones that vote are either highly-educated or in well suited positions. Äänestäjä calls out after people who complain about the situation such as unemployment but when they should vote for the change, they seem to be part of the "sleeper-party". According to the Äänestäjä, sleeper members must be either unemployed or less-education part of the public. Sleeper-party itself is an indication to the part of the people who intend not to vote in the elections.

The author of the Table 2 is hopeful though. He or she hopes that in the next elections also sleepers will vote so that things could change. The author does mention one party by name the Central Coalition Party (Kokoomus). Author mentions how the National Coalition Party dominated the last election. It is common knowledge how voters of the National Coalition Party (Kokoomus) are considered as merchants or more modernly known as middle class citizens. The National Coalition Party has been blamed of favoring capitalism and ignoring the less fortunate part of the public such as lonesome individuals and unemployed men.

It seems odd for the writer, that those who want the things to change are not willing to do the deed and vote.

Other posts that were included into this category were similar one to this one.

- Tarvittaisiin joku puolue, joka ottaisi tiukan asenteen suurten ikäluokkien herroja vastaan...

What we need is a party that would take a stand against the gentlemen of the Big Baby Boom generation

- Työttömät eivät kiinnosta ketään, yhtään työtöntä ei ole koskaan valittu kansanedustajaksi ja jos valitaan niin eipä enää ole työtön☺”

Nobody cares about the unemployed, no unemployed has ever been elected to be a representative, and if that happens one is no longer unemployed☺

- ”Vasemmistoliitto taitaa olla huonoista puolistaankin huolimatta paras vaihtoehto nuorisotyöttömyydestä ja -työllisyydestä huolissaan oleville äänestäjille.”

It seems as if Left Alliance is the best of the worst options for those voters that are worried about youth unemployment and unemployment.

All of posts above suggest that people are displeased to the manner how politics are run by the cabinet. It is good that people talk about their discontent but what real actions are they willing to take to make things better. One mentions Big Baby Bloom generation politicians another speaks about how unemployment crisis is being ignored. There is also discussion on which party would be the one to benefit unfortunate people. For democracy to work Finland discussions such as this is needed but it also requires active members who vote when possible and demand a change. Finns have a bad habit of wishing and hoping that things would take a turn for the better but when they are expected to rally on the streets they rather stay at home.

Table 3. Blame Yourself

<p><i>"Koulutus ei kannata! Tai arvostakaa duunareitakin, eivät kaikki halua olla DI tai "korkeamman" koulutuksen omaavia.</i></p> <p><i>Kyllä duunia löytyy, jos nöyryyttä tehdä paskahommia. "</i></p> <p><i>-Raksa-kake(37v fil. yo)</i></p> <p><i>17.8.2009 21:23</i></p>	<p><i>"Education doesn't pay off! You should appreciate manual workers as well, not all want to have a DE or have a higher education. There is work if you have the humility to take that shit job"</i></p> <p><i>-Kake the Builder(37y. Ph.B)</i></p> <p><i>17.8.2009 21:23</i></p>
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Raksa-Kake (37 fil.yo) alias indicates that the author has Bachelors in Art's but instead of doing the work he is capable of doing, he chooses to do labor work. It also seems as if the author of Table 3 is male. This conclusion can be made from the following: usage of harsh language (such as shit work), his alias Kake is indication of a male name and the manner the post was written, tight and impact.

He writes his opinion in Table 3 short and neat. Raksa Kake wonders why everyone should be highly educated. He reminds the reader that our country needs hands on labors as well. His first sentence is followed by an mark. *Education*

doesn't pay off! It does seem like as if the author has had some bad experience on the field if the author really has B.A. Maybe the author tried his work of field and got disappointed with it. He chose to do other kind of work, more beneficial and seems to be annoyed with how labor work seems to have less value than academic work. The author uses also a powerful adjective: humility. Finnish people are considered as being humble so Kake is looking wondering is it really so. He seems frustrated because there is work if *one is willing to do it*, that he thinks needs humility. It seems as Kake does have a point, are Finns really being picky when it comes to work? It would be interesting to know more about this author is he really B.A or is it just sarcasm that you do not need B.A when you work in construction.

Other posts in this category also discussed how there is some blame in the public as well.

- Joskus se työttömyys on ihan itsestä kiinni.

Sometimes, unemployment is about you.

- Miksi ihmeessä pitäisi sympata kaveria, joka on löytänyt montakin työpaikkaa mutta lähtenyt lätkimään kaikista?

Why to sympathize someone, who has had multiple jobs but quit all of them.

- Laiskuudesta se työttömyys on kiinni.

Unemployment is about laziness.

The fault and the blame game are pretty straight forward in these comments. Authors seem to think that people are just complaining and some suggest that unemployment is a choice. It is only fair that there are even harsh opinions such as these ones; it only tells us that not everyone is suffering from the situation. Even

though there is a lot of unemployment there is also lot of employment, therefore for some reading and listening public complaints can be tiring. Sometimes, people can be a bit picky when it comes to work. It is understandable how one is not willing to do work where she or he is over qualified but would it better to do something rather than to sit and complain. Usually when one door closes another one opens. There is work, one just needs to learn to search it from the right place and not just wait for things to change. Also, Finnish job centers are there for you. When one walks into the local unemployment agency one is guaranteed of getting advice and help, it is just the matter of humility and willingness to seek help and you might not be employed tomorrow.

Table 4. The Fault is in the Structures of the Educational System

<p><i>".. Millä tavalla on järkeä mennä kouluun kun ei ole minkäänlaisia takeita työn saamisesta koulun oheen jolla voisi rahoittaa opintoja (opintotuet ovat pienemmät kuin työttömyyskorvaukset), ei minkäänlaisia takeita koulutuksen jälkeen työllistymisestä, (kun ei viime lamakaan jälkeisellä noususuhdanneajalla jostain kumman syystä ilmaantunut oikeita työpaikkoja)? Onko siis tarkoituksenmukaista mennä kouluun ja ottaa kerta toisensa jälkeen opintolainaa kun töitä ei ole ainakaan tarpeeksi koulun ohessa, jotta sitten voi opintojen päätyttyä päästä taas työttömyyskortistoon sillä erotuksella että sitten niskassa on vielä isot opintolainat ja entistä suurempi vitutus? Köyhänä on hyvin vaikea keskittyä</i></p>	<p><i>"..What's the point of going back to school when there is no guarantee that one will get a part time job to finance the studies? (Student aid is lesser than unemployment allowance). There are also no guarantee of becoming employed after school. (After the previous recession, it seems like even after the upswing no real jobs appeared)</i></p> <p><i>Is there any point of going to school time again and again and to take student loans when there are no part-time jobs available. After graduation one can once again announce oneself unemployed with a difference that one is in huge dept and even more pissed off. It is hard to focus on education when one is poor because all the energy goes to managing</i></p>
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<p><i>opiskeluun täysillä, kun kaikki energiat menevät jokapäiväisestä elämästä selviytymiseen”</i></p> <p><i>- Paska. 20.8.2009</i></p>	<p><i>the everyday life”</i></p> <p><i>- Shit 20.8 2009</i></p>
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Table 4 has given a lot of thought to his or her text. The overview of the post is feels like reading about something that happened or how the worst case scenario seems like. To begin with, his or her alias Shit (Paska) is used for the second time in these examples. The words Shit has been taken by the people to describe how bad they feel like or how the situation feels like. This kind of alias can mean many things, things such as how the system is shit, how the structure is shit, everything is just shit in general or just have an alias that has nothing to do with his or her text. It was just something that came in mind. In general, I would see that thy way this post was written the author is male, also the nick “Shit” does not indicate that the author is female.

“Shit” starts his post by saying why should one even go to school when it is much more beneficial to stay home? (Unemployment allowance is better than student benefits). The author continues this by making another good point; there are no guarantees of having a job after graduation. This author points out the situation after the 90s recession: there was an illusion that things would get better and that after recession there would be new jobs on the market. According to “Shit” this never happened. It does seem as if the author speaks out of his own experience. Maybe the author went back to school during the recession, took student loan to survive only to be left without a job afterwards. Or maybe he graduated during the recession and was left unemployed but with promises that it will get better. This would explain the cynical manner how this person feels about the educational system and how it works. And because his own experience, he feels like going back to school is a risk not worth taking.

Thirdly he or she states that there is no point of going to school, when a part time job is a necessity. Without a part-time job, one has to take loan and after

graduating without a job, person is just in dept even in more trouble than before. Lastly he says how it is not possible to focus in school, when person is poor. According to the author, living in poverty just is not worth it.

The current situation annoys the author. The last sentence, where the author talks about poverty and how it is not easy to have all your the energy put into making through the day. This kind of speech does indicate that even though the author is not a student, he has experienced poverty.

In general the author, "Shit" makes valid points. It has been stated in my thesis before, how the Finnish Welfare seems to force students to have a part time job just to survive everyday life. Why go to school when one can stay home and still get paid?

There were other people who thought like "Shit" that there must be something wrong in the system. They said following:

- "Syytämme koulutusjärjestelmää", toiselta näkökannalta ajateltuna, joka on se, että oppilaitokset ovat yhä enenevässä määrin osakeyhtiöpohjaisia, jolloin niiden toiminnan määrää samat lainalaisuudet kuin tuotteita tai palveluja valmistavissa yrityksissä

About "Blaming the Educational System" From another point of view, the problem is that institutions such as school have turned into corporations and their actions are based on the same policies which companies manufacture goods and services have

- Aika harva akateeminen lähtee enää valmistuttuaan koulutustaan huomattavasti alempiin töihin. Monille työteossa motiivina ovat muutkin asiat kuin vain raha. Pysyy pää paremmin kasassa ja silleen kun on jotain tekemistä

Most graduates are not willing to take positions that they are overqualified for. For many, work is not about gaining profits but having something to do, it keeps you sane.

- Jopa hyvä koulutus ei oikeastaan takaa pysyvää työpaikkaa. Jos nyt ihan halutaan olla realistisia, niin ei pysyvää työpaikkaa olekaan kaupallisen alan duuneissa ja aloilla, jotka ovat suhdanteiden vietävissä. Hyvinäkin aikoina joutuu taistelemaan työpaikoista. Ongelmatonta elämää ei olekaan! Sitä pitää olla sitkeä... ja jos ei jaksa niin pitää olla itselleen armelias. Miksi muuten köyhyyttä pitäisi hävetä?

Even good education does not qualify for a long term position. Being realistic, getting a permanent position is not possible in business sector or in any other field of work that is dependent on the economical situation. Even during the upswing of things, one has to fight to sustain the position. There is no such thing as care a free life. It is about being persistent and merciful to yourself. There is no shame in living in poverty.

There is a huge variety of comments in this category. Some say the problem is how schools have turned into companies and students have become their profits. One author recognizes the current situation and another says how we are educated only to become unemployed. A good point is made when one says it is not about gaining profits but it is important that people actually enjoy what they do. All of these three posts seem to think that the problem is in the educational system but in a very different way.

Seeing the same situation from another viewpoint is a good example of how confusing everything is. People are aware that things should change but where to start and what the problem really is, seems to be hard to identify. It is true, that especially higher education institutions are nowadays more like corporations, therefore it is important for those that make decisions and determine policies, to remember, that students are not products.

8 CONCLUSIONS

8.1 What Did We Learn

When all these examples are put together, it is obvious how differently public feels about the current situation. It seems like the public acknowledges that there is a problem but is not really sure what it is. Most of the nuisance is put on the politics and flaws in the Finnish Welfare.

Due the lack of information it seems evident that the public is in disagreement what is going on with the world. The blame game and finger pointing is on without any certainty, where the problem really lies. And during the recession, there is more than one problem; there is a whole punch of problems, dilemmas and crises. When all of the findings are put together one can establish following conclusions:

- Finnish University Degree reform in 2005 caused unemployment as the structure of higher education changed. The timing of the reform was wrong. If the Finnish University Degree reform had been earlier or later the outcome would have been different. It is also bad luck how the economic crisis hit the world just as the first graduates from this new format started looking for a job. Companies and manufacturers started downsizing at the same time. The 21st Century Recession could not have had a worse timing.
- After analyzing the samples taken from the discussion board and analyzing the article “Children of the Recession” it is evident that there are problems in the Finnish welfare system. When one decides to stay home and receive unemployment allowances instead of going back to school and get better education – there is a problem. It is also evident that the Finnish welfare system does not have the capacity to take care of all the employees, this causes lot of discontent and rage among the public.

- There is a statistic delusion that causes havoc in vain. From my point of view, the Ministry of Education and Labor and Statistics in Finland should use a joint system to conclude the unemployment rates and percentages. Public attends to follow the media rather than read Government publications and the media uses unemployment rates that are more news worthy.
- One also has to question the ethicality of Finnish Media that seems to be more keen on selling the story than speaking the truth. People read magazines and online news and by the end of the day, no one really knows what is going on, causing despair and fear. It is also Media's responsibility to publish news that is not biased.
- In conclusion, it is evident that Finns are being somewhat ignorant. There seems to be a lack of character when one does not find out what laws have been made for one's safety. Finnish welfare needs to be modernized, the system is good but every good system needs uplift from time to time. People need to change too. Vote when possible, find out what is rightfully yours, demand a change, search information and do your part for the Finnish welfare.

In the end it seems that the connection between youth unemployment and financial crisis is very obvious. It is essential for the Finnish government to seek for long term solutions and not to be satisfied with a quick fix. Also the Government needs to find resources and passage ways how to reach the younger generation as well. Government notifications and publications are important, therefore they should be easier to find.

Young adults rarely go to the Ministry web sites to find information. There are such places in Social media as Facebook and Twitter. These places give the Finnish Government a possibility to reach the younger generation as well and obtain their attention. The discussion that followed City Magazines article online proves how people react instantly but who pays attention to it?

8.2 What Can Be Done?

Because The Finnish Social Insurance Institution is one of the biggest officials students rely on during their studies, they are in the spotlight when we talk about changing things.

A fact is that within the past five years, education methods have gone through a great change. Sitting in class is no longer as important as it was in the 90s, thanks to the it-technology. Student can easily log into to the Internet, then go to podcast made of the lecture and follow the missed class afterwards. Most of the lectures are already done online, so students have more free time but with more responsibility as studying becomes more independent.

One of the solutions could be in practical training. The University of Applied Sciences in Vaasa describes the practical training as training period for students to get familiar with working procedures and tasks within their own field of specialization. According to the University of Applied Sciences in Vaasa, practical training helps students to increase and deepen their professional skills and give motivation. Practical training gives students insight into how organizations work. The downside of practical training is usually non-profit work but it is possible to get salary on it especially later during the studies. (The University of Applied Sciences in Vaasa 2009.)

What if practical training would not be non-profit work?

If students profited from practical training not only educationally but also financially, the attitude towards practical training would increase tremendously. Students' lack of enthusiasm towards practical training usually comes from the fact that many students are doing practical training and their part time jobs at the same time. This turns students' day from 8hours into 16hours. Not too many students have the privileged to tell their boss that they can not come to work for the next eight weeks due practical training

This way the pressure in the unemployment sector would ease as students would no longer need part-time jobs and more work would be available for those who are looking for something in long term not only in part time.

Should the students graduate? The answer to that is somewhat indecisive. It would be irresponsible to say, “No, do not graduate, stay in school!” Life is about risks and taking chances. The employment situation is looking grim at the moment, but one should not forget that, free vacancies open daily. It is good to have common sense when the economic times are tough, if a job opportunity presents itself, it is *you* who decides to take it or not.

The good thing about the recession is that, it is not a permanent state and things will have to brighten up at some point. Banks and economics have been trying to forecast when the better days come up and at the moment it seems that 2012 is going to be a good year.

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