

Labour market inclusion of people with limited capabilities for work in Finland

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Current economic crisis together with demographic changes put pressures on governments on how to extend work careers and promote healthy working years. Limitations at work due to longstanding health problems or difficulties in basic activities are common; in Europe, this is reported by over 12 million people (Eurostat). It has been well established in research that long-term health problems often go together with unemployment (Marmot 2005; Hakulinen et al. 2019). Consequently, there is also increased need for social benefits and services (Bambra 2009). Despite the high prevalence of those who perceive their health impairing their work, persons with limited capabilities for work continue to face many structural barriers to employment and lack of adequate and appropriate services and social benefits (OECD 2021). Current existing literature mostly focuses on the employment and income trajectories of those not fully capable of participating in the labour market (e.g. Falk et al. 2013; Leinonen 2022). However, these studies usually do not capture the diverse program and benefits that the individuals with limited work capability participate or receive on their path of finding sustainable employment.

In this register-based study we examine the labour market inclusion of persons with limited capabilities for work by 1) studying the prevalence of their use of public employment services and social benefits and 2) analysing their labour market participation trajectories. For the analysis we use national register data for the years 2005-2021 on those 18–65-year-old individuals (n=887) who have participated to the Finnish Work Ability Program aimed for job seekers with limited work capability implemented in years 2021–2022. In the study, we look into individual's employment history, employment services use and if there is any receipt of social benefits (e.g. unemployment, social assistance, disability and rehabilitation benefits). For the identification of labour market participation trajectories and related health or economic vulnerabilities, we apply sequence analysis that includes yearly information on the individual's employment status. Participants are further categorized for those job seekers not in active labour market policies (ALMP) or in paid work, job seekers in ALMP and job seekers in education (vocational training or self-imposed education) during the follow-up years. Those in paid work, on disability pension, students, or out of work force are included as separate categories from job seekers. Basic demographics (age, sex and socioeconomic status) is used as background information.

Our preliminary results show that financial difficulties, long-term employment, and use of diverse benefits and services was common among the participants both before the program in years 2019–2020 and during the whole follow-up period in 2005–2021. During years 2019–2020, participants had been unemployed on average for 10 months and over half of them had received social assistance. Further, around half of them had diagnosis of mental disorder (F00-F99). Musculoskeletal diagnosis (M00-M99) was equally common among participants. Over third of the participants had participated in ALMP services, particularly in job training. In addition, vocational training (14%) and other studies carried out by the participants (13%) was fairly common in the two-year follow-up prior start of the program. These findings indicate that despite the diverse measures taken, majority of the participants had not been able to enter (or remain attached in) the labour market despite their efforts to find employment and willingness to work. Moreover, these descriptive analysis indicate, that job seekers with limited capabilities and in need for additional support to find employment are diverse group and difficult to recognize from registry information alone. Our study, when completed the analysis, is likely to further deepen our knowledge on the challenges and structural barriers related to the labour market inclusion of persons with limited capability for work.

Keywords: labour market, employment, social security, unemployment services

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