



The Role of a Non-Governmental Organization in the Improvement of Employment in Finland: A Case Study

Thomas Babila Sama and Marja Outi Järvelä, University of Jyväskylä, Finland

Abstract

This study discusses one Non-Governmental Organization (NGO) as an alternative institution for the improvement of employment in a Finnish city. Empirical data was collected from 16 employees and from an official of the organization using questionnaires, interviews and participant observation. The data was analyzed qualitatively and the findings revealed that, the organization plays complementary role in cooperating with the government to provide social services to underprivileged groups of people, through which the organization is able to create jobs for long-term unemployed people in the City of Jyväskylä. However, the skill development training of the organization was found to be inadequate for boosting the employability of their employees in the open labour market, once their 1-2 year contract ended. The study concluded that for the organization to become a viable alternative institution for the improvement of employment in the City of Jyväskylä, it must improve the skill development training of their employees, as well as increase collaboration with other actors that are working towards the same goals.

1 Introduction

Since the mid 1970s, there was a new trend in institution building and Non-Governmental Organizations (NGOs) appeared as the third sector in achieving decentralized, sustainable and equitable development (Fowler, 1992). It has now been recognized that NGOs with their flexibility, responsiveness and adaptability can also play important roles in the improvement of employment in the society (Korten 1987; Clark 1991). As NGOs gained expertise and experience over the years, their roles have expanded and changed. Several reasons can be held accountable for the emergence and proliferation of NGOs since the 1970s. Among the leading ones are 'market' and 'government' failure in African, European, Asian and Latin American countries (Hossain and Mälkiä 1996).

Similarly, national public sectors in several countries are being downsized and at the same time, there is a need to find new ways of improving employment. Thus, NGOs have become an area of interest among different actors such as academicians, practitioners, taxpayers, policy implementers, planners, the unemployed and also their clients, regarding their role. The lack of sufficient job growth in the public sector and the lack of professional skills of a large section of the labour force have resulted in the growth of unemployment in some countries. Additionally, the rapid change in technology has made it difficult for some who lack academic and professional qualifications to find a job in the open labour market. This situation has been compounded by the highly selective and competitive labour market policies which exclude those with low education, long periods of unemployment and other setbacks, thus creating space for NGOs and other social actors to play a role (Julkunen 1999).

In Finland, unemployment has become a major social problem. The deep economic recession which plagued Finland in the 1990s, resulted to a sudden and steep rise in unemployment and the problem has become even more acute for the central government and the municipalities to handle (Julkunen 1999). On the other hand, despite the growth in employment in the aftermath of the 1990s' recession, the share of women, the aged and the long-term unemployed out of all the unemployed is increasing. Geographical variation in the rate of unemployment is also alarming. Economic growth has been of benefit to growth centres around large cities but even within these, the growth of urban unemployment and social exclusion is on the rise, particularly among those with poor health, disability, lack of vocational training or due to their ethnic background (LOCIN, 2006). In the face of this situation, traditional government-led interventions and labour market policies have been insufficient in themselves, to tackle the problem of mounting unemployment, that has resulted to the alienation of a significant number of people from the Finnish society (Cinneide 2000).

Consequently, the Finnish government has come to consider NGOs as vital cooperation partners in the improvement of employment in the country (Matthies 1996; Ministry of Labour 1998; Cinneide 2000; Siisiäinen et al. 2000; Särkelä 2004). However, many people doubt whether NGOs are viable alternative institutions for the improvement of employment in Finland. It is in this regard that the present study was undertaken with the aim of examining the role of one NGO in the improvement of employment in the City of Jyväskylä, in Finland.

2 Research Questions and Previous Literature

The main research question in this study was: is an NGO a viable alternative institution for the improvement of employment in the Finnish City of Jyväskylä? To answer this question, the sub research questions were:

- What role does the case study NGO play in the improvement of employment in the City of Jyväskylä?
- What kind of relationship does the NGO have with the government in carrying out their services and activities aimed at improving employment in the City of Jyväskylä?
- Have the employees of the case study NGO found an outlet to address their problem of long-term unemployment through the employment with the NGO?

An examination of the previous literature to this study reveals that it was in the 1980s researchers started publishing a number of researches on the third sector in Finland. At that time, the researchers made a study of three distinct phases of the third sector in their discussion. Their main focus in the first and second phases was to explore the social issue of discussion in the Finnish third sector since the concept was still vague. But around the mid-1990s, a wider discussion began on the Finnish third sector due to the launching of a number of small scale research projects. The third phase of the discussion was characterized by the launching of several pilot and development projects on the third sector in Finland (New Work Project 2000). Since then, several researches have been done on the third sector in Finland by both Finnish and foreign scholars.

In this regard, Weijola (1985) made one of the most significant study entitled: 'The Third Sector from the Perspective of Work and Employment'. The study analyzed the differences between the third, private and the public sectors as well as the third sector's dependency on the last two. The study also investigated the employment structures of the third sector and estimated its role as an employer. A similar study was also done by Helander (1998) and Hokkanen (1998).

Another researcher in the person of Rifkin (1995) conducted a research on the theme: 'End of Work' in which he introduced a model for a "civil exchange income" as a cure for growing unemployment. This led to the triggering of a lively debate on the role of the third sector in Finland. Overall, the focus of the debate was on the third sector's potential to tackle work-oriented problems in the country. There were two clearly distinct viewpoints on the subject. While some people thought the third sector could "obliterate" unemployment, others had a marginal perception for such a potential.

According to the interim report of a study called 'New Work Project' (2000), a group of Finnish researchers conducted a pilot research on the third sector in Finland. The title of the study was the 'Third Sector Employment Project' and it was done in two phases. Based on the interim report of the first phase in 2000, the study was a joint employment project of Finnish NGOs to investigate what is required in terms of knowledge, skills and financial support to enable NGOs create new jobs and long-term employment in the country than was the case. The purpose of the project was to find job descriptions for the third sector and to come-up with employment practices and funding mechanisms appropriate for NGOs in Finland. The organizations behind the project were the Finnish Youth Co-operation, the Finnish Sports Federation and the Finnish Federation for Social Welfare and Health. The two-year project (1998-2000) was funded by the European Union and the Finnish Ministry of Labour. The project leaders represented central NGOs in Finland and the project was undertaken in five cities of Helsinki, Joensuu, Jyväskylä, Oulu and Rovaniemi. Ten to fifteen organizations participated at each location and the work to achieve the purpose of the project began with local working sessions. All the selected organizations had been central in employment related activities and were committed to the aims of the project both at local and national level. The research team was headed by Professor Kyösti Urponen and the research was done at the pilot project locations. The study provided a joint forum for NGO development work of a sort that had not been possible before. The project was going to facilitate an NGO partnership that produced joint visions and innovative ideas for improving employment and alternative forms of employment in Finland. The research methodology was both qualitative and quantitative, and the data was collected using questionnaires and interviews. Thanks to the result of the 'New Work Project', three nationwide federations commented on the insufficiency of funding for job creation in their 1999 budget. The project generated great interest on presentation of the first phase to the Finnish Ministry of Social Affairs and Health. On 22nd September 1999, the government updated the project portfolio and included it on the list of projects to be followed-up under the heading "Economy and Employment".

Cinneide (2000) did a research on 'Local Employment Partnerships in Finland' on behalf of the OECD following a visit to Finland in February of 2000. The study was done within the framework of the OECD/LEED study of local partnerships in 8 countries. It was part of a wider national project initiated by the Finnish Ministry of Labour in July of 1999, to explore ways by which long-term unemployment could be tackled through local partnerships in Finland. The study examined three case studies of local partnerships that were active in the fight against unemployment and social exclusion in Finland at the time. In each of the cases, a general description of local socio-economic conditions was followed by an account of the nature of the partnership, its objectives and principal activities, together with an overall assessment of its contribution. This overview was based on a short working visit to each of the partnerships, written responses provided by them on request, as well as statistical data and related studies provided by the Finnish Ministry of Labour. The three selected partnerships represented a wide range of local economic and employment conditions prevailing in Finland. They were illustrative of many contrasting features of local partnerships in existence

throughout the country. As such, they represented a good foundation on which to construct an overall analysis and assessment of local partnerships against unemployment and social exclusion in Finland. The study revealed that one of the weaknesses of local area partnerships in Finland is that, lack of clarity with regards to functions has caused confusion and tension within partnerships, between partnerships and funding bodies, and in the programme as a whole. However, it noted that the tripartite negotiations between the government, trade unions and employer federations have generated several national level agreements that have contributed significantly to the economic development and to the general prosperity of the country. The study concluded that local partnerships are regarded by many as having the potential of giving communities more control over their own lives, but that decision makers may lack objective reality as frequently they have no direct experience of the problems which they seek to address.

Finally, Juvonen et al. (2002) undertook a research project in Finland entitled 'Pathway-to-Work' on behalf of the International Journal of Rehabilitation Research. The study was aimed at tailoring return-to-work plans for 140 middle-aged long-term unemployed participants with various disabilities, and getting half of them into work or training. The study had two research objectives. The first was to evaluate the outcomes of the return-to-work rehabilitation project, and the second was to determine what combination of different measures were necessary and effective in rehabilitating long-term unemployed people with disabilities. The research design was quantitative-quasi-experimental with a tailored control group and a registered follow-up group. The study concluded that even carefully tailored client work enables only some of the long-term unemployed people with disabilities to cross the job threshold and that other means of policy, strategy and intervention are needed to link the return-to-work interventions more closely with work, work places and enterprises.

The previous studies did not examine the viability of one NGO as an alternative employer in Finland and thus, the present study was significant because of its contribution to the understanding of how one NGO's services and activities are useful in job creation, for long-term unemployed people in order to improve employment in a Finnish city.

3 Research Methodology and Data Analysis Technique

This study is descriptive and empirical. It consists of primary and secondary data. Both qualitative and quantitative data was collected for analysis in this study. A qualitative approach was employed for the purpose of getting the perspectives of the participants, while the quantitative component was vital in providing numerical data and the precise number of people involved in the study. On this account, both qualitative and quantitative data was collected to either complement or supplement each other, and also to contextualize the findings. Primary data was collected from 16 of the case study NGO employees and from an official using Questionnaires and Interviews. The employees were contacted to find out information relating to their employment, while the case study NGO official was contacted for information on the functioning of the organization and other operational issues. The respondents were between the ages of 26 and 53, and they consisted of 7 men and 9 women. All of them had been unemployed between 1.5 and 10 years, and thus, they were considered as long-term unemployed in Finland. They were also people of target groups like drug addicts and alcoholics. Besides native Finns, some of the respondents were immigrants from Iran, Kosovo and Russia.

Most of the Questionnaire questions were closed ended, while those of the interviews were mostly open ended. The interviews were recorded in a disc recorder and later transcribed. No

names of the interviewees were taken by the researcher in order to safeguard anonymity and confidentiality of their responses. Thus, in the data quotations, no names, sex or age are specified. Altogether, four fieldwork visits were undertaken for the purpose of the data collection. Additionally, there was also the use of Participant Observation, to observe the services and activities in the various units of the organization, as well as the employees at work. Apart from these, secondary data was also collected through different sources such as internet websites, office records of the case study NGO, and also from published and unpublished research.

Concerning the data analysis technique, after collecting the qualitative and a small amount of quantitative data, the qualitative data was subjected to content analysis for appropriate information. The quantitative data provided justifications to the statements that were made in the qualitative data. However, much of the data was analyzed descriptively and/or interpretatively. The focus of the analysis was to assess the role played by the case study NGO in the improvement of employment in the City of Jyväskylä. To the extent that the NGO helps the long-term unemployed to get back to working life, their role would have been positive and vice-versa. This analysis is based on the researcher's own judgement with respect to the data.

This study was undertaken in 2006 in the City of Jyväskylä located in Central Finland. The case study NGO was Jyväskylän Katulähetys otherwise known in English as the Jyväskylä Street Mission Association. The NGO is a Jyväskylä-based Christian common good organization, founded in 1953 with the aim of providing accommodation, clothing and food to the homeless and alcoholics in the City of Jyväskylä. Little by little, the organization expanded its undertakings and as of December 2006, it provides services in the fields of institutional rehabilitation, emergency, family work, youth work, food distribution and recreation. The organization also undertakes some activities in recycling and income generation. Most of the services provided by the organization are targeted towards alcoholics, drug addicts, delinquents, ex-convicts and the youths (see Jyväskylän Katulähetys's website). However, it was in 1989 that the organization began receiving financial support in the form of employment subsidies from the City Council and the Employment Office, to enable them employ long-term unemployed people in the city through their undertakings. Prior to 1989, their work was voluntary and mainly funded by the Finnish Evangelical Lutheran Church and private donations (based on Questionnaire and Interview with official).

Since 1989, the role of the organization as a major service provider and as an employer has been enhanced by a cooperation partnership agreement with the City Council, and another with the Employment Office. According to the agreement with the City Council, the organization has to provide accommodation services to alcoholics and drug addicts besides other disadvantaged groups of people in the City of Jyväskylä. On the other hand, according to the agreement with the Employment Office, the organization has to employ specifically people who have been registered as unemployed for more than 500 days in the local Employment Office. This group of people is known as the long-term unemployed in Finland. The employment agreement also states that each year, the organization has to employ 70 long-term unemployed people in the City of Jyväskylä.

The long-term unemployed people are employed to the organization from the Employment Office in the City of Jyväskylä. The Employment Office signs a one year contract agreement with the organization for each newly employed person. At the end of the one year contract, if the employee is appreciated by the organization, his/her contract would be renewed for a maximum of another one year, after which the employee has to leave the organization to seek

for employment elsewhere. Of the 70 people the organization employs yearly, about 10 can get a 2 year contract and similarly, 70 people work for the organization each day (based on Interview with official). The employment at the organization is not without training. Newly employed people are trained without a salary for a maximum period of 2 months. However, the Employment Office pays the trainees 8 euros per day for the length of their training. During the training period, the organization does not receive any employment subsidy on behalf of the trainee (based on Questionnaire and Interview with official).

In relation to sources of income, the NGO receives financial support from the Employment Office and the City Council in the form of employment subsidies per employee. In fact, the City Council purchases social services from the organization for delivery to targeted groups of underprivileged people. Besides, the organization gets some additional income from the sale of their recycled products and second hand items at their 3 Eko Centre flea markets. Furthermore, the Ministry of Environment also gives them some financial support to enable them update their recycling system because the organization cooperates with them in the recycling of textiles in the City of Jyväskylä (based on Interview with official). Thus, the organization cooperates at the local level with three Ministries in Finland in connection with their work. They are the Ministries of Social Welfare and Health, Employment, and that of the Environment. The organization is headed by a General Manager who is assisted by units' Managers of the different services and activities. However, the General Assembly of the organization is the supreme decision making body made up of 150 members of the Finnish Evangelical Lutheran Church (based on Interview with official). Jyväskylän Katulähetys was selected as the case study NGO because the organization is the largest NGO with employment potentials in Central Finland, and it is also the largest employer of long-term unemployed people there. In 2005, the age variation of the organization's employees was; below 25 years of age, 12.9%; between 26-49 years, 54.0%; and above 49 years, 28.8% (based on Questionnaire and Interview with official).

Theoretical Framework

There are several theories underlying this study. In this regard, according to the public goods or the performance failure theory, NGOs emerged to satisfy the residual unsatisfied demand for public goods in the society. Weisbrod (1977) argues that people created NGOs as alternative institutions, when the government or market could not provide public goods for everybody or serve the general interests of all. Similar views were also expressed by Brown and Korten (1991, 48) in which they argued that, state failure creates a situation in which NGOs emerge as innovative responses to different types of problems. On the other hand, Anheier (1990) claims that NGOs are capable of providing services more economically than the government. Additionally, NGOs do not seek profits for their services and they undertake projects at lower labour costs than business entrepreneurs because they rely on voluntary local inputs that do not include transaction costs. Based on this kind of claims, failures with NGO-led projects compared with those of the government, have less impact on the economy as a whole since nearly all NGO-led projects are undertaken at micro-level. On the contrary, in case the government or market fail, the unsatisfied demand for public goods left by such a failure attracts the emergence of NGOs. NGOs could fulfill unsatisfied needs like health care, social work or education services. On his part, James (1987) claims that the more a society is heterogeneous, the more conducive it becomes for the creation of an increasing number of NGOs.

Another relevant theory to this study is the contract failure theory. Based on the theory, when people encounter difficulties in pursuing contracts, they turn to find reliable agents in NGOs.

This is because NGOs could be more reliable or trustworthy as contractors between the people and business entrepreneurs because, business entrepreneurs could take undue advantage of the people's ignorance to make profit. Brown and Korten (1991, 48) argue that, NGOs could emerge as alternative institutions in case of market failure because, markets tend to be potentially vulnerable to failure in developing countries. In such situations, NGOs could emerge because people have trust in them more than the profit making organizations (Krashinsky 1986; Williamson 1985). Esman and Uphoff (1984) argue that NGOs could play the role of local intermediaries by mobilizing the people for participation in government initiated projects. Additionally, NGOs could also be profoundly effective as intermediaries for the delivery of services to disadvantaged people in the society. In this regard, NGOs could be considered as alternative institutions through which socially disadvantaged groups of people are better served than the conventional system. Similarly, Anheier (1990) argues that NGOs try to stimulate the participation of the underprivileged and are able to reach those segments of disadvantaged societies which are bypassed by public service delivery systems.

Finally, according to the theory of partnership or interdependence, the relationship between the government and NGOs could be 'conflicting', 'interdependent' or 'partnership'. If it happens that they have to share resources, experiences and expertise, the relationship might be one of complementing each other (Salamon & Anheier, 1998). Under such circumstances, the 'theory of interdependence' or the 'theory of partnership' could be argued for the emergence of NGOs as partners.

4 Roles of NGOs in Finland

The Finnish social security policy is based on the Nordic welfare model and to a great extent, is organized through public sector services and financed through taxes. The role of NGOs is mainly to complement the range of public services available. Additionally, NGOs play the role of delivery and production of services, provision of voluntary work, expertise and mutual support. In this regard, 17% of social services and 5% of health services are produced by NGOs in the country.

Owing to the fact that local cooperation partnerships are regarded by many as having the potential of giving communities more control over their own lives, and owing to the fact that decision makers may lack objective reality as frequently they have no direct experience of the problems which they seek to address, NGOs in Finland play a catalyzing role of mobilizing the people for the purpose of undertaking social work in their communities. In this perspective, NGOs are seen as catalysts and mobilizers of the community. Additionally, NGOs in Finland play the role of recruiting marginalized people in their undertakings, and this has undoubtedly benefited the latter through the experiential learning and training opportunities offered by their involvement (Cinneide 2000). As far as employment in NGOs in Finland is concern, their role is to improve employment possibilities through cooperation and partnership, and not to compete with either the public or private sector. Their role is also to find employment paths and to boost the working ability of the unemployed (New Work Project, 2000). In this regard, in 2003 for example, 32,000 people worked with NGOs in Finland (Särkelä 2004).

NGOs in Finland also play the role of a cooperation partnership that produces joint visions and innovative ideas for improving employment, and alternative models of employment in the country. They are distinct employers from the others in that, they have special characteristics such as varied assignments and duties, a combination of paid and voluntary work, small working communities, expectations of spontaneity, self-directedness, and the central position

of self-induced funding. Since there are many people without a job in Finland, the role of NGOs is to develop the ability of creating new job opportunities in the borderline between the services provided by the private and public sectors in order to improve employment in the country. NGOs in Finland also play the role of enhancing the employability of long-term unemployed people so that they can join the open labour market (New Work Project 2000).

Through their engagement with NGOs, some people have received a contact with working life and they have been able to boost their self esteem. They have also been able to cut their unemployment period and have gained valuable work experiences. NGOs have employed young people through practical training and an increasing number of long-term unemployed, through the combined labour market subsidy (New Work Project, 2000). All in all, the role of NGOs increased in the Finnish social welfare system during the 1990s as a result of the economic recession which plagued the country (Saari 2001, 70).

5 Case Description

Due to the fact that the public and private sectors are unable to improve employment in Finland all by themselves, the role of NGOs like Jyväskylän Katulähetys as 'gap filler', mobilizer and cooperation partner has been given recognition by the Finnish government because the government cooperates with NGOs, in providing some social services through which the NGOs are able to create jobs for long-term unemployed people in the country (Helander and Laaksonen 1999). Jyväskylän Katulähetys was found to be playing a complementary rather than a competitive role in providing a range of social services that are provided by the government. Based on research findings, the following social services were being provided by Jyväskylän Katulähetys in the City of Jyväskylä and its municipality, as of December 2006, to create jobs for long-term unemployed people, in order to improve employment there:

- Institutional rehabilitation services;
- Emergency services;
- Family Work services;
- Youth Work services;
- Food distribution services;
- Recreational services; and
- Buns' church services.

To provide the institutional rehabilitation services to their clients who are mostly alcoholics, drug addicts, delinquents and ex-convicts, Jyväskylän Katulähetys owns about 200 flats for this purpose. Some of the flats are located in the City of Jyväskylä, while others are found in the Jyväskylä municipality. The duration of the institutional rehabilitation could be long or short-term. It is long-term when the clients have to be rehabilitated on a step-by-step basis for their situation to improve before they can return to normal life. In this context, the organization helps ex-convicts for example, to start a new life. Clients on short-term or emergency services are mostly people found drunk in the City of Jyväskylä and brought to the emergency unit of the organization by the police. Such people are given first aid, temporary accommodation and/or counseling at the emergency unit. The unit is open round the clock and has created employment for 2 employees in the organization.

Similarly, the organization provides accommodation and rehabilitation services to families with alcohol and drug addiction problems in order to keep the families together. The family services are also aimed at protecting the children of the families from the bad behaviour of

their parents. The accommodation given to the families could be a single or multiple flat depending on the size of the family. The length of their stay there is from 1-2 years. Between 1999 and 2006, the family services unit supported 23 families with 28 children. During the period of accommodation, employees of the organization provide rehabilitation, counseling and psychiatric services to all the families. The ages of the families vary from 20-70 years, and some are in serious health condition. Whenever their health deteriorates, the employee(s) on duty will call for a doctor. Some of the clients have no close associates other than the employees of the organization. However, the accommodation given to the families is not entirely free of charge because each of them has to pay a monthly rent of 200 euros to the organization. The Finnish government pays 150 euros, while the families have to complete the rest. The family work services unit has created jobs for a number of employees in the organization.

On the other hand, the organization provides Youth Work services to kids such as after school activities, which have created jobs for a few of their employees. Added to this is a youth cafeteria run by the organization at the city centre of Jyväskylä, where the youths can gather for some kind of activity to prevent them from idling. Besides, the organization also runs a club equipped with video games and music at the city centre of Jyväskylä, where the unemployed can pass their leisure time but without consuming alcohol. The club has created employment for 2 employees in the organization.

Furthermore, the organization provides food distribution services at the city centre of Jyväskylä, where the unemployed and some groups of disadvantaged people can get free food once in a fortnight. Some of the food is donated by shops such as LiDL, and as many as 2400 people could be served there at a time. The food distribution services has created employment for about 10-15 employees in the organization. The unit of Recreational Services of the organization is in charge of providing recreational services to their clients and other groups of people in need of recreation. The unit owns a cottage and places where groups of people can spend their leisure time on prior arrangement. Boating and horse-riding are also part of the services provided by the recreational services unit. The unit has created jobs for a few employees in the organization. The buns' church services are provided to their clients who are interested in the making of buns. The recreational and buns' church services units have also created jobs for a number of employees in the organization.

Recycling Activities

The Recycling unit of Jyväskylän Katulähetys specializes in recycling textiles and product development. It is the largest unit of the organization in terms of number of employees and output. In this recycling unit, the received textiles are carefully sorted out according to fibre types. Then, the clothes and shoes fit for sale are taken out and delivered to the three different Eko Centre flea markets run by the organization. Textile wipes are cut for industrial and car repair shop use, while synthetic and woolen clothes are recycled into wad and felt materials in the carding machines. The residue textile is made fit for fuel to be used in local heat energy plants. About 20% of the textile is discarded and from this recycled textile, a lot of different recycled products are manufactured and sold all over Finland, under the brand name JYKA.

The production machinery of the recycling unit consists of 8 textile wipe cutters, of a cutting reeler, of a three unit carding machine, of a four thousand needle weaving machine, and of a quilting machine. In the recycling unit, the work is segmented into different tasks to make it easy for new employees to get acquainted with what they have to do. The unit has a storage capacity of 2500 square metres and it has created jobs for people in various tasks in recycling.

About 34 employees of the organization work there. In 2003, the unit handled and sorted 270,000 kilograms of waste textiles. The unit has 2 cars and a delivery van.

Income Generation Activities

Besides the financial support Jyväskylän Katulähetys receives from the government, the organization also has a number of sources to generate additional income for their undertakings. According to official sources, 30% of their budget is comes from their income generation activities while 70% is from the government. In this regard, the organization runs 3 Eko Centre flea markets where second hand clothes and shoes are sold. The items fit for sale are selected from the recycling unit. There are also other second hand items such as furniture, books, equipments and inherited property on sale at their flea markets. The flea markets have created jobs for a number of employees in the organization who work there as salesmen and saleswomen.

Similarly, the organization generates income through 'Moving and Transportation' services. In this unit, clients of the organization and non clients who wish to transfer can pay a moderate fee to seek for the services of the organization. A driver employed by the organization and a pick-up truck owned by the organization are available for the 'Moving and Transportation' services. On the other hand, the organization also runs a meeting facility which can be rented out for conferences and other forms of gatherings. There are 2-3 large meeting rooms there. The main room for conferences can seat 80 people and there is also a cafeteria therein. This unit has also created jobs for a few employees in the organization.

5.1 Analysis of the NGO's Services and Activities for Improving Employment

Based on the fact that the services of Jyväskylän Katulähetys are services normally provided by public institutions and run in public facilities, the role of the organization in complementing them is positive because the organization reaches out to underprivileged groups of people such as alcoholics and drug addicts, who are not reached by conventional-delivery systems. Through these services, the organization is able to create jobs for long-term unemployed people in the study area.

In this respect, to know if the organization was following normal working regulations as was told through an official, the researcher put the following question to the employees in the Questionnaire: "how many hours do you work per day?" Of the 16 respondents, 15 replied that "*I work for 6.5 hours a day*", while only 1 of them replied that "*I work from 8.00-15.00 a day*"; meaning the respondent works for a total of 7 hours daily. Thus, the working hours of the organization ranges between 6.5 and 7 hours daily. It therefore means the organization follows normal working time as in other sectors. This led to a related question to find out if the employees were working regularly or not within their contract period. Thus, the following question was asked to the employees in the Questionnaire: "how many days do you work per week and do you work on week ends?" All the 16 respondents gave the same response by saying "*I work from Monday to Friday, but I do not work on week ends*". This implies that the organization also follows normal working days as in the other sectors.

Based on Participant Observation, the employees were found to be very happy in connection with their employment at the organization. Happiness and smiles were most visible on the faces of particularly employees of the recycling unit. Most of them were women and they worked in different tasks in recycling such as sorting, cutting into rags and sewing. Since income is one of the main indicators to measure happiness and the level of change that employment brings, the researcher sought to know from the employees how much they earned in a month, by asking them the following interview question: "what is your monthly salary?"

Of the 16 respondents, 3 who were trainees said *"I earn 8 euros a day since I am on training and so, I do not know what would be my salary"*. 7 of the respondents had salaries ranging from 1000 to 1200 euros a month, while 2 respondents had salaries of between 900 and 990 euros a month. Only 1 respondent had a monthly salary of 1500 euros perhaps because the respondent was group leader of the activity. The last 2 respondents did not know what their monthly salary was (interviewed on 4.12.2006). This confirms the fact that the average monthly salary of the organization is 1170 euros as was revealed through an official (based on Questionnaire to official on 11.05.2006). Therefore, the organization actually enhances the wellbeing of long-term unemployed people in the study area because their monthly salary with the organization is more than what they were receiving as unemployment benefit from the government. In addition, through the employment, the employees have regained their self-esteem in the society and thus, social exclusion suffered by long-term unemployed people was no longer a problem.

Due to the fact that salary is a motivation behind every job, and that it contributes to job satisfaction, it was necessary to find out if the employees were satisfied or not with their monthly salary. Thus, the following interview question was asked to the employees: "are you satisfied with your monthly salary?" Mixed responses were given between men and women to this question. Most of the male respondents thought the salary was small, while a majority of the female respondents were happy about the salary. Some of the female respondents also thought that in spite of the salary, they felt much happier being on the job than when they were unemployed because through the job, they have been able to make new friends and to socialize with colleagues. The respondents expressed their views in the following ways: *"I am happy with my salary because I was for a longtime unemployed and it feels good to be on the job"*; *"I have to be happy with the present situation"*; *"I want my salary to be increased"*; *"I want my salary to be increased considering the work load"*; *"I am not happy with my salary because my apartment costs 700 euros a month"* (interviewed on 4.12.2006).

5.2 Skill Development Training of the Case Study NGO

According to the background of this study, one of the main reasons for especially long-term unemployment is the lack of professional skills which matches that of the open labour market. In this regard, one of the roles of NGOs in Finland and in relation to employment, is for them to give the necessary training that can enable their employees to join the open labour market. Through social services, recycling and income generation activities, Jyväskylän Katulähetys is able to create jobs for long-term unemployed people in the study area. But the question that may be asked is; what kind of training does the organization give its employees in order to enhance their employability for the open labour market?

Actually, Jyväskylän Katulähetys trains their newly employed staff in order to enhance their employability. According to an official source, the maximum period for training by the organization is 2 months (based on Questionnaire to official on 11.05.2006). Thus, it was necessary to find out what kind of training is given to the newly employed staff. In this regard, the following interview question was asked to an official: "what kind of training do you give to your newly employed staff?" The respondent said *"we train them in social services, customer services, production services, assistance to supervisors, cleaning, gardening, transportation, warehousing etc."* Based on Participant Observation, some other forms of training were vocational like sewing, sorting of textile fabrics and cutting of disposable clothing into rags; all of which are provided at the recycling unit of the organization. Additionally, the skill development training process of the organization

basically consists of learning by doing. That is to say, the newly employed personnel have to watch what the older ones are doing, and then learn from them.

However, in the course of research findings, it was discovered that not all the employees were given training or trained for a period of up to 2 months. Some of them merely learnt how to do the task from their older colleagues without any training. This was evident when the following interview question was asked to the employees: "Did you receive any training for this job?" Of the 16 respondents, 8 said "*No, I did not receive any training for the job; colleagues thought me how to do it*"; while each of another 2 responded: "*I was trained for 2 months*" and "*I was trained for a day*" respectively. Finally, 2 in the last 4 respondents said "*I am on a 2 month trial period*" and the other 2 said "*I am on a 1 month trial period*" (interviewed on 4.12.2006). Through Participant Observation, all the employees were found doing their work accordingly. This was very visible in the recycling unit where the work is stratified into different tasks and each one can easily observe and learn from the other.

As a matter of fact, skill development training even in such a short period of time or learning by doing, could be of considerable importance to the employees if it helps them to find a job in the open labour market. Moreover, all the respondents had been unemployed between 1.5-10 years; some had no professional training, while others were working for the first time (based on Questionnaire of 11.05.2006). In addition, the tasks that some of the respondents got did not match their previous work experience or professional qualification (based on Questionnaire of 11.05.2006). Hence, the skill development training acquired at the organization, could have served as a big boost to their future career if it enhanced their employability. In this regard, the following interview question was asked to the employees concerning the effectiveness of their training. "Do you think this training can help you to find employment in the open labour market?" Of the 16 respondents, the researcher got varied responses. 6 of the respondents answered "*yes*" because they thought the training could expand their employment opportunities; 5 responded "*yes perhaps*" and "*I hope so*" because they were not very sure that the training could boost their employability. The responses of the last 5 respondents was "*probably*" and "*probably not*" because they were also not very sure that the training could enhance their career prospects. This therefore means the organization merely employs long-term unemployed people for a contract period of 1 or 2 years, without adequately training them to meet the challenges of the open labour market.

Similarly, due to the fact that everything in life has to undergo improvement, the following question was asked during the interview with an official of the organization: "What do you think can be done to improve the training of your employees?" His response was "*improvement in money*" because he thought the financial support that the organization receives from government is insufficient to give the employees the necessary training they need to meet the challenges of the open labour market. In a follow-up question in the Questionnaire, the official was asked the following question: "How many of your employees have found employment in the open labour market at the end of their contract?" His response was "*5-15% depending on the year*" (based on Questionnaire of 11.05.2006). Thus, it is not every year that employees of the organization can find employment in the open labour market. Therefore, this situation raises some unanswered questions such as: where do the employees go at the end of their contract? Do they become unemployed again?

Based on the above findings, the skill development training of Jyväskylän Katulähetys is insufficient to enhance the employability of their employees for the open labour market. This is due to the fact that a majority of the respondents were very skeptical about their employability in the open labour market based on the training acquired in the organization.

One of the reasons for this inadequacy as seen in the findings is that, the organization does not have enough financial resources to provide adequate training for their employees. Additionally, the training period is comparatively short. To support this argument, only 5-15% of the employees can find employment in the open labour market at the end of their contract with the organization; which means the rest have to be trapped in long-term unemployment or recurring periods of unemployment. In this regard, the employment in the organization is on short-term rather than long-term compared with employment in other sectors.

6 Findings

In Finland, the government plays a strong guiding role through the Ministry of Social Affairs and Health, in setting the basic principles of social services and in monitoring their implementation (Ministry of Social Affairs and Health 2004). However, the actual provision of social services is undertaken at the local level by the municipalities. The municipalities produce most social services themselves, but they can also provide social services jointly with other municipalities, or purchase the services from another municipality, an NGO or a private services provider. Since the social services provided by Jyväskylän Katulähetys are services normally provided by the government, the organization was found playing a complementary role by providing social services to underprivileged groups of people such as alcoholics and drug addicts, who are not reached by conventional delivery systems. Through the provision of these services, the organization is able to create jobs for long-term unemployed people in the City of Jyväskylä.

Second, the study found that Jyväskylän Katulähetys mobilizes local resources in the study area through income generation activities. As a result, 30% of their budget comes from their income generation activities. Their income generation activities were found to have also created employment for their employees. Third, the organization was found involved in environmental protection through their recycling activities which have also created jobs for their employees. As a result, environmental pollution in the study area has reduced. Fourth, the study found that employees of Jyväskylän Katulähetys work for 6.5-7 hours daily from Monday-Friday, while week-ends were free. Their monthly salaries varied between 900-1500 Euros. Fifth, since one of the roles of NGOs in Finland is to boost the working ability of the long-term unemployed (Siisiäinen et al. 2000), the skill development training of Jyväskylän Katulähetys was found to be inadequate for boosting the employability of their employees in the open labour market at the end of their 1-2 year contract. This is because the employees were not very sure they could find a job in the open labour market based on the training they had received in the organization. Therefore, the employees were still trapped in a situation of recurring long-term unemployment because the findings indicated that, only 5-15% of them could find employment in the open labour market based on the training in the organization, and at the end of their contract. The reason for the inadequate training was due to insufficient financial support from the government, and the training period of two months was considered too short due to financial constraints.

Sixth, the study found that the organization employs on short-term contracts of between 1-2 years rather than long-term compared with other sectors. This was due to the agreement they have with the government through the local representation – the Employment Office. Seventh, the organization was found to be practicing a target group approach of employing only long-term unemployed people from marginalized groups such as drug addicts and alcoholics. This was also due to the agreement they have with the government through the local representation – the employment office.

Nonetheless, although employment in Jyväskylän Katulähetys is on short-term rather than long-term compared with the public and private sectors, the organization contributes in the improvement of particularly long-term unemployment in the City of Jyväskylä because through the organization, some long-term unemployed people in the City of Jyväskylä have got into working life. Additionally, the organization improves employment in the City of Jyväskylä by way of employing and training long-term unemployed people who cannot find a job in either the public or private sector due to their lack of academic and professional qualifications required in these sectors. Thanks to the organization, 5-15% of their employees have found a job in the open labour market at the end of their contract, based on the experience and/or training they have acquired in the organization. Therefore, the organization acts as a bridge between the long-term unemployed in the City of Jyväskylä and the open labour market. Overall, the organization improves employment in the City of Jyväskylä by a few percentage because those employed there, are recorded in the statistics of employment in the City of Jyväskylä by the Employment Office. As of 2006 when this study was conducted, without this organization in the City of Jyväskylä, many of the long-term unemployed there may never find a job and will have to continue living on unemployment benefits.

6.1 Contribution and Limitations of the Study

Since various factors contribute to especially long-term unemployment in Finland, and since no single sector can tackle the problem alone (New Work Project 2000), the cooperation partnership between the government and NGOs in the case of Jyväskylän Katulähetys is a good initiative to improve employment in the country. Therefore, this study provides the basis of more effective roles by NGOs in Finland.

As far as the limitations of this study are concerned, the first limitation of the study is that it is a case study of one NGO. Therefore, the findings may not be generalized. However, the findings may be generalized to theory in relation to the way a scientist generalizes from experimental results to theory, for irrespective of how large the sample is, it is still likely to justify a generalization from one case study to another (Yin 1984). Second, this study may be limited to the long-term unemployed in the City of Jyväskylä in Finland.

6.2 Suggestions for Further Study

NGOs in Finland such as Jyväskylän Katulähetys, may deliver various social services for the welfare of their target groups in order to create jobs for the improvement of employment in the country. However, the challenge facing NGOs in their operation is how to establish their role among the other actors. That is to say, should NGOs deliver social services in all fields of welfare for job creation or are they to concentrate on specific areas; and how can NGOs be better institutionalized in the country?

That notwithstanding, the Finnish Government has come to consider NGOs as cooperation partners and in recognition of their increasing role, further research is imperative to explore effective ways of cooperation in terms of areas and volume of services/activities. Additionally, with regards to the 'dependency' of NGOs on governmental financial support in the case of Jyväskylän Katulähetys, many people are doubtful if NGOs can effectively function on their own resources. In this regard, the other area of research could be; NGOs and the volume of local resource mobilization. Furthermore, since the employment contracts of NGOs in the case of Jyväskylän Katulähetys have to last for 1-2 years, after which the employees have to become unemployed again, further research is needed to find ways by which NGOs could make future plans of moving their employees to another employer once

their contract ends. In this perspective, it would be possible for their employees to continue working until a permanent solution is sought for their problem of long-term unemployment.

6.3 Practical or Research Implications

The main practical implication of this study is that greater emphasis on training is required to increase the employability of the employees of Jyväskylän Katulähetys for the open labour market.

7 Conclusion

Since the 1990s, the roles of NGOs in Finland have increased and hence, they can also play key roles in the area of improving employment through the delivery of social services and income generation activities in the country. As a result, they have been considered as cooperation partners by the government (Ministry of Social Affairs and Health 2004; Ministry of Labour 1998). Jyväskylän Katulähetys was found making an important contribution in the improvement of the employment of particularly long-term unemployed people from disadvantaged groups such as drug addicts, alcoholics and ex-convicts, in the City of Jyväskylä. However, the organization was found employing on short-term basis and the training given to their employees was found to be inadequate for boosting their employability in the open labour market. The study concluded that for the organization to become a viable alternative institution for the improvement of employment in the City of Jyväskylä, it must improve the skill development training of their employees, as well as, increase collaboration with other actors that are working towards the same goals.

References

- Anheier, H. K.** 1990: Private Voluntary Organizations and the Third World: The Case of Africa, in: Anheier, H. K. and Seibel, W. 1990: *The Third Sector: Comparative Studies of Nonprofit Organizations*. Berlin/New York: Walter de Gruyter, pp. 361-376.
- Brown, L. D. and Korten, D. C.** 1991: *Working More Effectively with Non-Governmental Organizations*. Washington D.C.: World Bank.
- Cinneide, M.** 2000: *Local Employment Partnerships in Finland*. National University of Ireland: Galway.
- Clark, J.** 1991: *Democratizing Development. The Role of Voluntary Organizations*. London: Earthscan.
- Esman, M. and Uphoff, N.** 1984: *Local Organizations: Intermediaries in Rural Development*. Ithaca, NY: Cornell University Press.
- Fowler, A.** 1992: *Prioritizing Institutional Development, A New Role for the NGOs*. Institute of Development Studies, Sussex: University of Sussex.
- Hartley, J.** 1980: The Impact of Unemployment upon the self-esteem of Managers, in: *Journal of Occupational Psychology*, pp. 205-13.
- Helander, V.** 1998: *Kolmas Sektori, Käsitteistöä, Ulottuvuuksista ja Tulkinnoista (The Third Sector: Concepts, Scope and Interpretation)* Helsinki: Gaudeamus.
- Helander, V. and Laaksonen, H.** 1999: *The Finnish Third Sector*. Helsinki: Finnish Federation for Social Welfare & Health.
- Hokkanen, L.** 1998: *Hyvinvointipalvelujärjestelmän ja Kansalaisen Kohtaanto (Welfare Services and Citizen)*. Rovaniemi: Lapin Yliopisto (University of Lapland).
- Hossain, F. and Mälkiä, M.** 1996: Conceptualizing the Organizational Field of Third World Development, The Case of Third Sector Organizations, in: *Journal of Administration and Diplomacy*, 1, pp. 59-70.
- James, E.** 1987: *The Nonprofit Sector in Comparative Perspective*. New Haven, Connecticut: Yale University Press.
- Julkunen, R.** 1999: *The Modernization of Working Times, Flexibility and Work Sharing in Finland*. Jyväskylä: University of Jyväskylä.

Juvonen, P. P., Kallanranta, T. and Eksyma, S. L. 2002: Into work, through tailored paths: a two-year follow-up of the return-to-work rehabilitation and re-employment project, in: *International Journal of Rehabilitation Research*, 4, pp. 313-330.

Jyväskylän Katulähetys ry. Available at: <http://www.jyvaskylankatulahetys.fi/index.php?id=360>

Korten, D. C. 1987: Third Generation NGO Strategies, A Key to People-Centered Development, in: *World Development*, Vol. 15, Supplement, pp. 145-159.

Krashinsky, M. 1986: *Transaction Costs and a Theory of the Nonprofit Organization*. New York: Oxford University Press.

LOCIN 2006: Database on Local Initiatives to Combat Social Exclusion. 20.12.2008 <<http://www.locin.info/database.cfm>>

Matthies, A. L. 1996: *National Action Plan against Poverty and Social Exclusion*. Tampere.

Ministry of Labour 1998: *Employment Action Plan Finland*. Helsinki: Ministry of Labour.

Ministry of Social Affairs and Health 2004: *Social Services and Benefits*. 20.12.2008 <<http://www.stm.fi/Resource.phx/eng/subject/socwe/spoli/index.htm>>

New Work Project 2000: *Interim Report*. 20.12.2008 <<http://www.alli.fi/uusityo/interim.html>>

Rifkin, J. 1995: *The End of Work*. New York: Putnam Books.

Saari, J. 2001: *The Grounds of Social Politics in the beginning of 21st Century*. Helsinki, Finland.

Salamon, L. M. and Anheier, H. K. (1998): Social Origins of Civil Society: Explaining the Nonprofit Sector Cross-Nationally, in: *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 3, pp. 213-248.

Särkelä, R. 2004: Role of NGOs in Public Service Delivery in Finland. 20.12.2008 <www.ngo.ee/orb.aw/class=file/action=preview/id=8597/Riitta+Särkelä.ppt>

Siisiäinen, M., Kinnunen, P. and Hietanen, E. 2000: *The Third Sector in Finland. Review to Research of the Finnish Third Sector*. University of Lapland.

Weisbrod, B. 1977: Towards a Theory of the Voluntary Nonprofit Sector in a Three-Sector Economy, in: Weisbrod, B. (ed.): *The Voluntary Nonprofit Sector*. Lexington, MA: D.C. Heath, pp. 51-76.

Weijola, V. 1985: *Kolmas Sektori Työn ja Työllisyyden Näkökulmasta (Third Sector from the perspective of Work and Employment)*. University of Jyväskylä, Finland.

Williamson, O. 1985: *The Economic Institutions of Capitalism*. New York: Free Press.

Yin, R. K. 1984: *Case Study Research Design and Methods*. Beverly Hills, CA: Sage Publications.

Abbreviations

LOCIN: Database on Local Initiatives to Combat Social Exclusion

NGO: Non-Governmental Organization

OECD: Organization for Economic Co-operation and Development

Author's Address:

Thomas Babila Sama / Marja Outi Järvelä
University of Jyväskylä
Department of Social Sciences and Philosophy
Lehdokintie 2 D 32
FIN- 40520 – Jyväskylä
Finland
Tel: ++358 41 77 43 687
Email: thsama@cc.jyu.fi

**Social Work
& Society**