

Innovative Rural Development Initiatives

Case Study 6: KEHYPAJA

A project in Finland to improve the social competence and labor qualification of young people with social problems in rural areas

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Introduction

The KEHYPAJA project seeks to help young people in rural areas who have social problems. It is an initiative of Finland's Iisalmi Youth Aid Association (IYA), a politically and religiously independent non-governmental organization (NGO) that supports youth welfare.

One of the main objectives of KEHYPAJA—a Finnish word meaning “sustainable development”—is to provide employment for these youths, who mostly come from poor economic backgrounds. Since its 1974 founding in the small Finnish town of Iisalmi, the IYA has successfully implemented various social projects and helped several hundred young people find jobs. KEHYPAJA was created in 1985 in co-operation with the municipality of Iisalmi.

The IYA also created a Development Cooperation Workshop Project focusing on four activity areas: 1) “civil activity centers” 2) a development co-operation initiative 3) housing projects and 4) an “outreach youth work” project.

Facts about Iisalmi

Located in the center of Finland, Iisalmi has a population of 23,000. This small town lies within the municipality of Iisalmi, which spreads

over 872.61 km² and has a low population density of 26 inhabitants per km². Woodlands surround most of Iisalmi in the district of Pohjois-Savo, where forestry plays a significant role in the generation of income for the local population. Industrial centers exist only on a small scale and include small and medium enterprises such as a brewery, a sawmill and several small shops. Most of the locals are employed by the municipality (964 employees in 2000) and in the service sectors (health and education institutions).

The unemployment rate in the district of Pohjois-Savo is among the highest in Finland and has affected social

conditions. The crime rate is also higher than in other Finnish provinces. Most of the delinquents are youngsters so youth support projects are in high demand.

History of Iisalmi Youth Aid

One of KEHYPAJA's first activities was the creation of a “Youth Bus” an old bus that was converted into a traveling youth club equipped with a television, playing cards, books and other entertainment. The bus traveled around the municipality, serving as a meeting point and communications center for young people.

In 1986, KEHYPAJA inaugurated a youth coffee house and a year later,



Image 1: View of the municipality of Iisalmi

a workshop for the unemployed was started as a pilot project. The workshop collected second-hand articles and repaired them to be used as development aid for third world countries. The idea of recycling was new in Finland and received financial support from the Ministry of Labor and the Ministry of Foreign Affairs.

When the municipality's "Train Road Company" celebrated its anniversary, they organized a trip throughout Finland for IYA members. A local television reporter documented the entire trip while newspapers carried the train's schedule and encouraged people to support IYA actions. Throughout the trip, the IYA collected nine containers of donated recyclable second-hand articles such as bicycles, sewing machines, household articles and farming tools. In 1983, the KEHYPAJA workshop opened, using tools and space rented out by a local technical school. In those workshops, young people were trained to repair and recycle the collected items. It was successful in training and helping the unemployed obtain employment, mostly in metal work.

A development co-operation was launched with Tanzania and bicycles repaired at the workshop were sent to the African country. This project expanded in the following years.

Activities of the KEHYPAJA Project

Civil activity centers

These centers offer wider participation possibilities than the traditional workshops. In 1991, KEHYPAJA moved to an old industrial building with 4,000m² and was able to expand their variety of workshops (metal, bicycle repairing, sewing, electronics,



Image 2: The workshop and office of Iisalmi Youth Aid

carpentry as well as a mechanics workshop and a third world store). The IYA also became active in environmental protection and organizes cultural events and other social activities.

Development Co-Operation and Internationality

KEHYPAJA and the IYA focus on development co-operations and international relations, especially with African countries such as Tanzania. The IYA set up a vocational center for young Tanzanians to train in metalwork, construction, sewing and carpentry. The aim was to improve the standard of living in the Morogoro region. Every summer, young Africans visit Iisalmi to attend an international work camp organized by the IYA. Youths can exchange ideas and experience each other's cultures at these events.

According to the manager of IYA, "the center operates independently and employs approximately 60 people".

In 1997, the IYA began a partnership with a group from Dundalk, Ireland, who was very interested in KEHYPAJA and visited the project in Finland. The Irish applied for funding and needed only two months to set up similar workshops.

Housing Project Jarrenpiha

Due to a shortage of small rental apartments, the Iisalmi Youth Aid Association began its Jarrenpiha



Image 3: TV's waiting for repair

housing projects in the early 1990s. They sought to offer alternative housing models for young people with social problems. The housing complex is designed and operates like a commune – residents are responsible for the maintenance of the complex. The IYA believes the model will help enhance the social skills of the residents and lead to better social integration.

Sixteen ecological apartments were built during the Jarrenpiha I project, which lasted two years. In order to save money, the IYA and volunteers primarily carried out the construction. The success of this project led to Jarrenpiha II, which created an additional ten apartments.

KEHYPAJA also created the youth support housing center in Ihala - a 20 minutes drive from Iisalmi – with social workers living on the premises. The center offers provisional living space for some six to eight youths needing support to become independent. These youths are mostly from broken homes with alcoholic or divorced parents.

Outreach Youth Work

Through their “outreach youth work”, the IYA seeks to help young people with motivation problems by allowing them to participate in planning activities. The project focuses on co-operations between different social groups, such as parents’ councils and social youth councils. The activities include: afternoon children’s care, special youth work, training and work arrangements. The aim is to create new operation models to help young people motivate themselves for further education and employment.

The manager, Hannele Tams, said a

1995-2000 experimental model for juvenile delinquents in the district courts of Iisalmi and Kajaani, had proved successful.

Financing and Funding

Table 1 provides an overview of the 1999 and 2000 financial situation of the IYA, a non-profit organization. Approximately 50 % of their money comes from the Finnish Ministry of Labor. Those employed by KEHYPAJA receive their salaries from the municipality of Iisalmi. Funding also comes from the Ministry of Justice and the Ministry of Social Affairs and Health, as well as from the Ministry of Education. Further support was received from RAY (Finland’s Slot Machine Association) and several small private funding organizations. EU funding increased from 80,000 FMK in 1999 to 108,760 FMK in 2000.

The IYA did not make sufficient profit from the selling of its recycled products to be able to operate without outside funding.



Image 4: Second hand bicycles were repaired and sent to Africa

Problems and Difficulties

Over the past years, the Finnish government drastically reduced funding for local municipalities. This affected IYA operations as the municipality of Iisalmi pays most IYA salaries. This resulted in the IYA having to cut down its number of employees. Manager Hannele Tams said that in 1995 some 96 people had jobs funded by the municipality’s employment support,



Image 5: The housing complex offers new homes for young people



Image 6: The workshop provides jobs for unemployed people

while in 2001 the number decreased to 23 employees.

Another problem is related to the development co-operation. Last year, Tanzania increased their import taxes and the IYA were unable to send containers because of the higher expense. Other NGO's are currently shipping the containers to Tanzania.

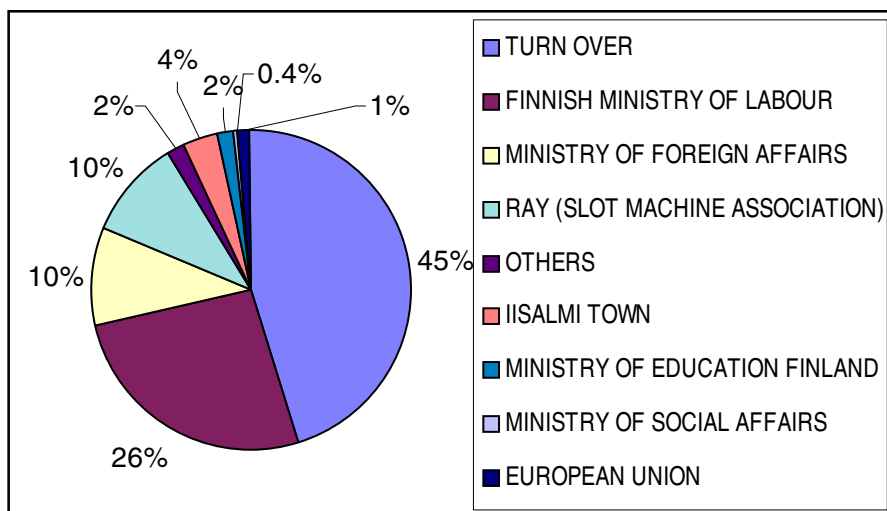


Figure 1: The financial situation of IYA in 2000, Share of investors in %

FINANCING	1999	2000
TURN OVER	4,751,407 mk	4,192,240 mk
FINNISH MINISTRY OF LABOUR	2,333,691 mk	2,460,990 mk
MINISTRY OF FOREIGN AFFAIRS	1,450,000 mk	920,000 mk
RAY (FINLAND'S SLOT MACHINE ASSOCIATION)	1,248,797 mk	974,181 mk
OTHERS	204,362 mk	148,140 mk
IISALMI TOWN	160,212 mk	342,879 mk
MINISTRY OF EDUCATION	148,000 mk	162,000 mk
MINISTRY OF JUSTICE & MINISTRY OF SOCIAL AFFAIRS AND HEALTH	100,000 mk	35,000 mk
EUROPEAN UNION	80,000 mk	108,760 mk
TOTAL	10,476,469 mk	9,344,190 mk

Table 1: The financial situation of IYA in 1999 and 2000

Table 2: Number of inhabitants

	Municipality Iisalmi	Province Ylä-Savo
1970	20,518	84,823
1980	22,648	76,616
1990	23,979	74,870
1997	23,772	72,137
1998	23,612	71,179
1999	23,389	67,875
2000	23,120	66,659

Source: Statistics Finland

Table 3: Change of population in the municipality of Iisalmi

	1998	1999	2000
Birth rate	229	250	226
Death rate	245	209	209
Natural Change	-16	41	17
In-migration	867	856	872
Out-migration	1,030	1,090	1,157
Net-migration	-163	-234	-285

Source: Statistics Finland

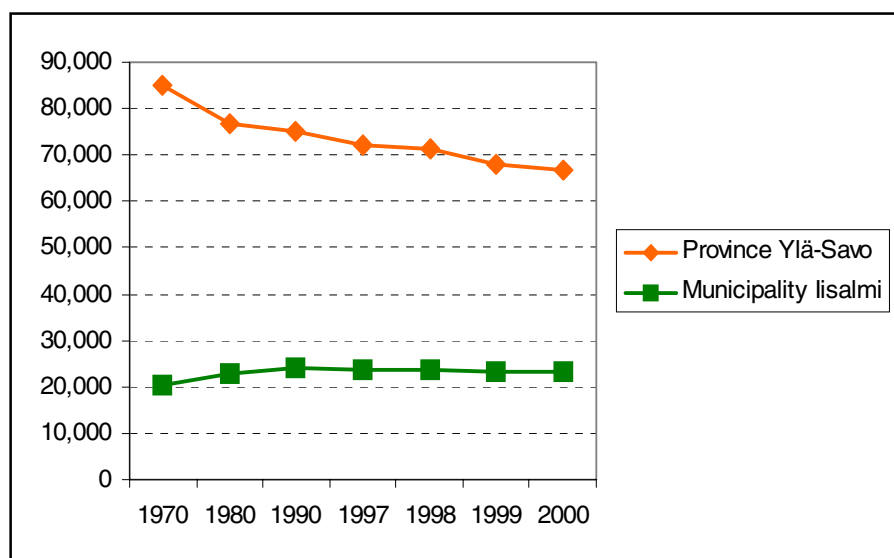
Table 2 and figure 2 show that the population decline in the municipality of Iisalmi was only due to a net out-migration. In fact, the balance of births and deaths was positive in 1999 and 2000. In other words, the population increased from a surplus of births. This could be because Iisalmi is a small town attracting people from remote areas and thus affecting province's demographic statistics. In contrast, numbers in table 3 reveal that Iisalmi is facing a depopulation problem similar to that of other rural areas in Scandinavia. The number of people leaving the municipality increased rapidly over the past three years, following the trend of depopulation. In 1998, the difference between people moving in and out was -163 while in 2000 it grew to -285, which is almost 40% more.

Table 4: Unemployment rate in % in the municipality of Iisalmi, the district Pohjois-Savo and Finland

	1995	1996	1997	1998	1999	2000
Iisalmi	22.0	21.6	20.3	18.7	18.1	18.1
Pohjois-Savo	21.5	20.8	19.4	18.0	17.1	16.0
Finland	15.5	14.6	12.7	11.4	10.3	9.8

Source: Statistics Finland

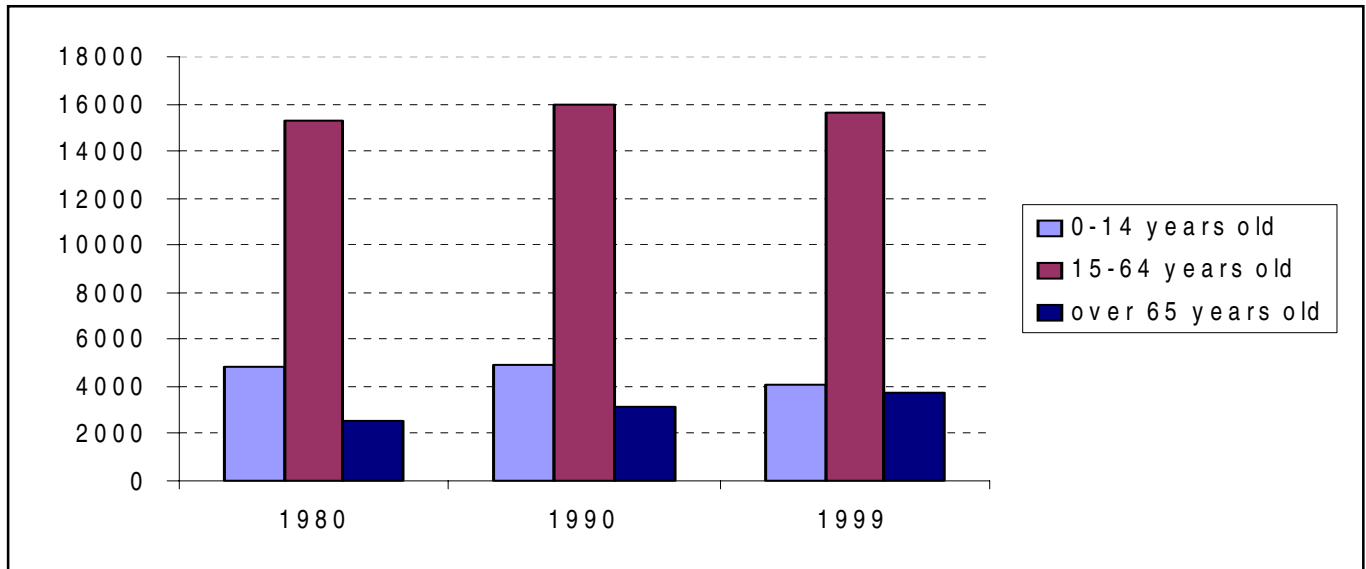
Figure 2: Change of population in the municipality of Iisalmi and the province of Ylä-Savo between 1970 and 2000



Source: Statistics Finland

Table 4 shows that the unemployment rate in the district of Pohjois-Savo was 18.1% in 2000 compared with an average of 9.8% for Finland. The unemployment rate in Finland dropped approximately 6% between 1995 and 2000. In Iisalmi, a decrease of only 4% was registered. Although the Finnish government provides support measures for economic development and job creation in rural regions, unemployment rates are still higher than for the whole of Finland – which includes urban areas such as the Helsinki region.

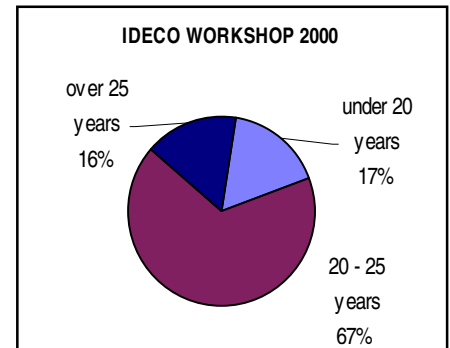
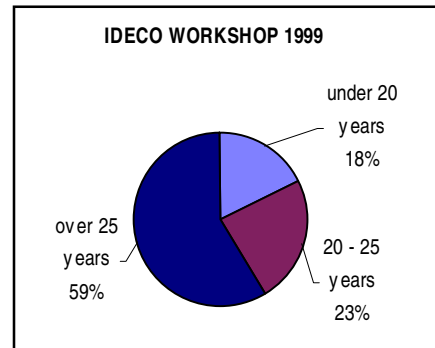
Figure 3: Comparison of the age structure in the municipality of Iisalmi in 1980, 1990 and 1999



Source: Statistics Finland

Figure 4: Comparison of the age structure in the IDECO workshop in 1999 and 2000

In figure 4, the age structure of IDECO workshop employees is shown. Please note that in 2000, the number of people between 20 and 25 years increased by over a half.



Source: IDECO workshop

Table 5: Structure of labour force in the workshop

	1999	2000
Combination Support	64	91
Iisalmi Youth Aid	61	38
Employment support	42	29
Iisalmi Town	25	23
Summer Workers	19	17
Trainees	17	17
Indenture	6	9
Students	5	8
Work Experience	3	7
Total	242	239

Source: IDECO workshop

Table 5 provides an overview of the labor force structure in IDECO workshops. Most employees are receiving combined support, a special measure from the Ministry of Labor to reduce unemployment. In 1999, 61 people were employed directly by

the IYA. In 2000, only 38 were employed due to a lack of funding. Furthermore, the number of people receiving employment support dropped after the Finnish government implemented a new legislation to reduce such funding.

Evaluation

Human Factors

The Iisalmi Youth Aid Association has certainly contributed in improving social and economic conditions for young people in the region since its foundation in 1974. Manager Hannele Tams and her team have managed an increasing number of projects to support young people in rural areas. The KEHYPAJA project succeeded in creating new employment possibilities for young people, and in making the IYA one of the leading employers in Iisalmi with a total of 239 employees in the year 2000.

The KEHYPAJA housing project – an innovative idea to improve the living conditions of young people in the municipality of Iisalmi, was widely considered a success.

The IYA helps young people enhance their professional skills by organizing workshops providing vocational training. These youths normally lack higher education so these workshops also improve their chances in the labor market. The centers offer a wide variety of workshops, thus allowing young people to learn new social skills and improve their qualifications.

Resources and Environment

There are no major environmental problems in the area of Iisalmi. The project does not make special use of

natural or biophysical resources. However, the KEHYPAJA project includes an environmentally friendly workshop that processes and recycles second-hand articles and thus contributes to the promotion of ecological thinking.

The Economic Viability

The IYA is a non-profit organization that can only cover a small part of its own expenses. The KEHYPAJA project was created with public support from governmental agencies and through donations from private companies, such as the Finnish Railway. The Finnish Ministry of Labor provided approximately 50% of the funding, of which a large percentage was for the salaries of workshop employees.

The KEHYPAJA project will survive as long as it receives the support of the Finnish government. A shortage of public funding over the past years has forced the IYA to reduce its number of employees. The project's long-term economic viability is questionable due to this strong dependency on public funding.

Political Factors

Created by locals, IYA participants have actively influenced the project's development and expansion. The local municipality supports IYA projects because of the important role the

Association plays in improving the living conditions of young social outcasts. Iisalmi politicians have recognized the importance of keeping young people in rural regions, and have launched initiatives to keep them there.

The Project's Technology Potential

The idea of recycling second-hand articles for development work purposes can be considered innovative. The same idea was successfully implemented in Ireland by an IYA partner organization – proving that the project is transferable and applicable in other European countries. The project could, however, make better use of IT technology and train young people in that sector.

Summary

The Iisalmi Youth Aid Association and its KEHYPAJA project have improved the living and social conditions of young delinquents in rural areas. The project depends heavily on outside funding and is not economically self-sustainable. It can, however, be seen as an investment in human capital which plays an important role in the development of a rural area. Through its social projects, the IYA has contributed in keeping young people attracted to rural areas.

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