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# Finland: recent development of leave policies

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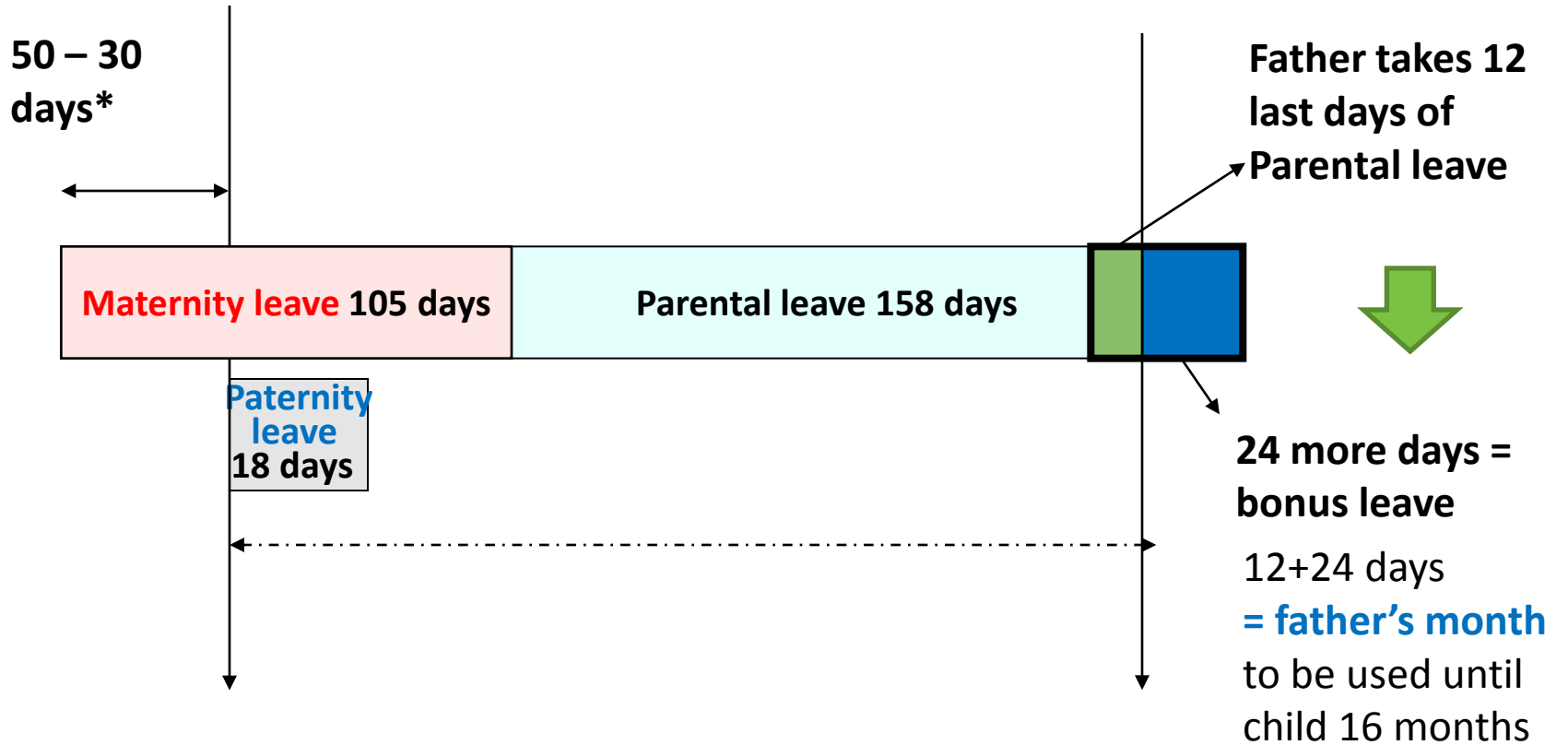
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# Contents

- Short presentation of Finnish leave schemes
- Policy developments in recent years
- A reform proposition 2006: the 6+6+6 model
- The ideas and propositions of the Parental leave working group (September 2009 – February 2011)
- Parental leave in the new Government's programme from June 2011
- Conclusions



# Maternity, Paternity and Parental Leave in Finland



**Birth of the child**

\*working day = 6 days a week

263+24 days, child 9-10 months old.  
After this: **child care leave/homecare allowance**, until the child 3 yrs old.

# Take-up of leave

- *Maternity, paternity and parental leave*
  - based on residency, not on participation in the labour market
  - lasts until the child 9–10 months old; with earnings-based benefits for those who have been employed (average per family €1.377 a month in 2009); if not, a minimum flat-rate allowance € 553,25 a month
- Mothers on leave:
  - almost all mothers use their maternity leave
  - **mothers main users of parental leave**
- Fathers on leave (2009):
  - 74 % of fathers take paternity leave (2.5 weeks on average)
  - 18 % of fathers take the father's month (3.6 weeks on av.)
  - number of fathers taking PL risen but length of leave taken fallen from 64 days in 2002 to 22 days in 2009
  - **only 2–3 % of fathers take a longer parental leave**



# Care options when children 10 months – 3 years

- Three options:
  - universal right to day care services in municipal or state subsidised private day care *or*
  - child home care leave + flat-rate allowance until the child turns 3 (average home care allowance per family € 386 a month in 2009) *or*
  - shorter working hours and partial child care leave with partial HCA (€90 a month)
- 88 % of families choose the child home care leave / home care allowance
  - used almost entirely by women
  - *on average mothers stay at home until the child is 24 months old* (20 % use the HCA longer than 24 months, 27 % 6 months at most)

- Attendance of day care services varies according to age of child

Age of child, years	< 1	1	2	3	4	5	6
% in day care (2009)	1	29	50	67	74	77	90

- Shorter working hours + partial care leave not popular; chosen only by 6 % of families with a child under three.



# With a long child home care leave...

- Only 51 % of mothers with a child less than 3 years of age are employed; whereas after the youngest child turns three, 82 % of mothers are employed
- BUT a long child home care leave is not necessarily women's choice: the main predictor for a long leave is the mother's fixed-term employment contract before the birth of the child – that is, the mother has not a job to return to
- It is not necessarily a trend towards familialism but changes in the demand of labour which reflect on the length of child home care leave taken by mothers



# Main parental leave reforms recently

- Father's 2 bonus weeks to paternity leave if takes the 2 last weeks of parental leave (father's month, 2003) ●●●●●
- Part-time parental leave (2003); only 0.1 % of families choose this option ●●●●●
- Extension of partial child care leave with subsidy (low, flat-rate) to parents of children in 1st and 2nd school year (2004) ●●● (earlier only for children under three)
- Increased compensation for employers to cover the direct costs of parental leave (2005 and 2007) ●●●●
- More flexible use of father's month (2007) ●●●●
- Rise of percentages for earnings-based parental benefits (2007)
- Rise of minimum parental benefit with 45 % (2009) ●●●●●
- Extension (2 weeks) to father's month (2010) ●●●●●
- Improvements to the entitlements of adoptive families, same-sex families and in case of multiple births (2003, 2007)

Guide for the parties represented in each Government:

● social democrats ● conservatives ● swedish people's party

● left alliance ● the greens ● the center party

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# What did the reforms end up with?

- Basically, the parental leave has not been much reformed since the 1980s
- Development in small pieces, with a scheme like a patchwork as a result
- No lengthening for 20 years except for the four bonus weeks to paternity leave
- Compared to the other Nordic countries and many Central European countries, Finland lags behind as to the length and benefit level of the leave and as to fathers' share of leave take-up





# The Governmental period April 2007–June 2011

(Centre Party, the Conservatives, the Greens, the Swedish People's Party)

- Decision to "review the possibility for a more thorough reform of the Parental leave schemes" in April 2007
- Working group appointed for the task in September 2009 with representatives from
  - Central employer and employee organizations
  - Ministries of Social Affairs and Health, of Employment and the Economy, and of Finance
  - Social Insurance Institution
  - Selected family, child and youth NGOs
  - Research
  - Chair the Child Ombudsman (former MP of the Centre Party)
- The aim to redesign the PL scheme in order to
  - support parenthood
  - encourage fathers to take more parental leave
  - increase the compensation to employers of the costs related to PL



# Why a need to reform the PL?

Objectives to secure the well-being of children and to promote gender equality in working life and in the family – not achieved very well

- 1) When PL ends, the child in an age not favourable for starting in day care → most mothers choose child home care leave → low benefit (average € 618 a month at maximum) for a long part of leave. Poverty risk in families with a child less than 3 years of age twice as high as in families with older children.
- 2) Women's position in the labour market weaker due to leave take-up: reflects on employability, wage and career development and future pensions. Problems accentuated with the high prevalence of fixed-term employment contracts since the 1990s; common especially in the public sector and especially among women in the child-bearing age.
- 3) Main focus of leave reforms on encouraging fathers but still fathers' take-up of leave increases slowly: fathers' proportion of leave benefit days only 7 %; has less than doubled in 15 years
- 4) Present leave schemes complicated and inflexible – risk to take-up. Inflexible placing of father's month leads to mothers being at home during the father's month = not an independent care period for father as is meant to be.



# 6+6+6: A reform proposition 2006

by Minna Salmi & Johanna Lammi-Taskula

- Present Maternity + Paternity + Parental leave = new 18 months Parental leave
- Three 6 months quotas: one for mother, one to be shared and one for father
- Leave can be taken until the child turns 3
- Child home care leave + home care allowance remain intact
- → mother can take child home care leave before the father takes his parental leave
- Single parent can take all three 6+6+6 quotas if the other parent is not available



# Why 6+6+6?

Improves the present situation for both mothers, fathers and the child

- The child is more mature to start in day care
- A substantially longer leave with earnings-related benefit improves the economy of most families with a child < 3 years of age
- Fathers use the leaves which are earmarked to them
- Quotas make fathers aware of the leave being their own decision, and of the meaningfulness of their parenthood
- A long independent care period needed for the father to develop a strong relationship with the child
- Division of housework develops under the leave period: more leave for fathers → more even division of housework → less quarrels → enhanced well-being of the couple's relationship
- Through quotas the society takes a stand for shared parenthood → easier for men to bring up the leave at the workplace
- More men on leave → less discrimination of women in the labour market + mothers return to work earlier → employment rate of mothers rise; more income and pensions to mothers; more taxes to the society



# Strong support to 6+6+6

By October 2010, support to the 6+6+6 model expressed by

- Three parties represented in the Parliament (the Swedish People's Party, Left Alliance and the Greens)
- Women's and youth organisations of seven parties of eight represented in the Parliament
- The parliamentary Advisory Board for Gender Equality
- The National Union of University Students in Finland
- The central organisation of the professional and managerial employees
- Half of Finns in a national survey 2010

Also strong media interest



# Varying views in the PL working group

- Employer organisations: present schemes ok, no need for a thorough reform
- Industrial workers' organisation: no long quotas for fathers; transferable quotas
- Academic and white-collar employees' organisations: important to promote gender equality; for the 6+6+6 model
- Family and child NGOs: longer parental leave to promote the best interest of the child; longer quotas for fathers but must be transferable; longer possibility for parents to be on leave at the same time
- Ministry of Finance: no new expenses to the state



# Proposals of the PL working group February 2011

No agreement on any one model; agreement on

- The Parental leave with earnings-related benefit should last until the child is about one year old
- The lengthening should at first happen through lengthening the father's quota
- Equal leave entitlements to all families

Three models presented; in all models

- Quotas for mothers and fathers and a period which the parents can share as they wish
- Maternity, Paternity and Parental leaves renamed such that the mother's quota is called Maternity leave, the father's quota Paternity leave and the period to be shared is called Parental leave
- The father can take part of his quota during mother's leave
- Leave can be used until the child is 2 or 3 years old



## Number of leave days (working days) in the present Maternity, Paternity and Parental leave and the models proposed by the PL working group

	Present schemes	Model A	Model B	Model C
Mother	105	105	105	150
Mother or father	158 (-12)	158	224	150
Father	42 (+ 12)	66	75	150
Total	305	329	404	450

Model A: a short lengthening of the father's quota

Model B: a substantial lengthening of the transferable quota

Model C: the 6+6+6 model





# The present Government June 2011

(the Conservatives, the Social Democrats, the Greens, Left Alliance, the Swedish People's Party, the Christian Democrats)

The Governmental programme from June 2011 about PL reform

- Does not take a stand to any of the proposals of the PL working group but
- Aims to
  - Increase leave earmarked for fathers
  - Lengthen the Parental leave
  - Improve the equality of leave entitlements of adoptive parents and in case of multiple births
  - Rise the compensation of leave costs for employers
  - Sort out how legislation ensures the rights of employees returning from leave
  - Assess the level of leave benefits from the point of view of how they encourage fathers to take parental leave
  - Assess how the financing of the leave schemes should be developed and expenses shared
- Delegates decisions to tripartite working groups between employer and employee organisations and the state



# Conclusions

- In the present Governmental setting, the role of the tripartite decision making in issues concerning working life is even stronger than it used to be?
- In the present financial crisis, family policy has so low status in political hierarchy that nobody wanted to drive leave policy issues in the Governmental negotiations?
- What really has changed in the leave policy discussion:
  - quotas have been accepted as a way to have more fathers on leave
  - the need to lengthen parental leave for the sake of children has been acknowledged

