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**Regional Population Meeting**

*Budapest (Hungary), 7-9 December 1998*

NATIONAL REPORT

Submitted by the Government of Finland

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\* The Regional Population Meeting is in the work programme of the Conference of European Statisticians.

## 1. PERCEPTION AND POLICY RELATED TO THE FAMILY, FERTILITY AND REPRODUCTIVE HEALTH.

### *Marriage, divorce and cohabitation*

The most common type of family in Finland is still the married couple with children living at home, 41 per cent of all families are families of this type, but this is the only type of family which number is decreasing. In Finland, as in other Western countries, the increase of divorce rates has given rise to much concern. Family mediation was included in the Marriage Act in 1988, and the municipalities have arranged services for mediation ever since. The number of one parent families is increasing in Finland. Single parents account for 18 per cent of families with children in 1996. Also the number of remarried people is getting higher.

At present, 20 per cent of couples living together are cohabiting and 13 per cent of families with children are cohabiting families. The number of children born out of wedlock has continuously increased. Of all children born in 1997, 37 per cent were born out of wedlock. This is due to the continuously increasing cohabitation. The status of children born out of wedlock has been secured in the legislation since 1975. However there are no provisions concerning separation of cohabiting couples. The rights of custody and access of children and their maintenance are well regulated but there is no legislation on the partition of joint property or the residence.

### *Fertility and reproductive health*

In 1997, 57300 children were born in Finland, and the total fertility rate was 1.75. By the European standard the fertility rate has been very high. Since 1994, the number of born children and the fertility rate have declined and it is expected that this trend will continue. This is mainly due to the small age cohort of girls born in the early 1970s, the large emigration among that cohort with their parents in the 1970s (mainly to Sweden), and the rising age of mothers. The average age of primiparas has risen, being 28 years in 1997. It can also be noted that the small size of age cohorts in the early 1970s is partially explained by the high abortion rates of that decade due to the liberation of abortion in the early 1970s.

The declining size of age cohorts is very much discussed and analysed. No major policy action has been taken to promote higher birth rates, partly for institutional or historical reasons. In the Finnish family policy the number of births and the care of children have been separate issues since the early 1970s. The only related issue of some political interest is the modestly increasing abortion rate. Even now, however, the rate is comparatively speaking very low.

Since the 1980s, Finland has made large efforts in the field of family policies. Examples of this are the development of the child day care system together with the home care allowance for children, income-related parent's allowances as well as the systems of nursing leave and child allowance. The birth rate in Finland has continuously been rather steady, and even family policy support cannot raise the birth rate to the level of net reproduction.

Treatment of infertility has been one of the focuses of development in the Family Planning up to the Year 2000 project. Cooperation with the support organisation of childless couples

played an important part when the drafting of legislation on assisted reproduction was initiated. Parliament is expected to start consideration of the Act during the year 1998.

### *Combining work and family*

The labour market participation of both Finnish men and women is very high, 80 per cent in families with two parents. The policy of the Finnish welfare state has been to build systems of public services which guarantee day care for children, and free or cheap access to education and health care. Since 1996, all children under the school age have had a subjective right to a day care placement. If this right is not used, children up to three years are entitled to a home care allowance. There also exists a comprehensive system of maternal, paternal and parental leaves, and parents have a right to stay at home for certain days to look after a sick child under ten.

From the gender perspective, maybe the main problem is that combining of working life and family has been connected mainly with women's gainful employment and care of small children. However, also school-aged children need their parents' time. A recent study shows that a big part of caring of the elderly people is done by the nearest relatives.

As to the level of formal equity, Finland is one of the most equal countries. Although fathers today use more time with their children than fathers did earlier the division of domestic chores is still very traditional. Women also bear the greater responsibility for children, and they have been the main users of the statutory child care leave system. Men have taken advantage of these rights only on a small scale.

There is a four-year (1996-1999) European Social Fund research and development project on 'Combining Work and Family Life' going on in eleven working places. The goal of the project is to widen the perspective on changes in working life by combining the viewpoints of working life, of families and of equality. Working time arrangements seem to present an opportunity to solve problems of combining work and family life. What is problematic are the different roles and positions of women and men in the labour market and in domestic tasks.

Since 1994, the National Research and Development Centre for Welfare and Health has carried on a project entitled Family Planning up to the Year 2000 (1994 - 1998). This project is intended to examine the situation of family planning services in Finland and to constitute a cooperation and development project for the qualitative development of services and information steering in the field of family planning and sexual education. The supply of training in sexology has been increased and its content has been developed in order to improve the skills of personnel providing family planning services and sexual education.

Research into sexual behaviour and sexual education of adolescents has increased. New innovative models have been developed for sexual education of adolescents. Beside the public sector, also some NGOs (the Family Federation of Finland and Folkhälsan) provide sexual health services and educational material for adolescents. The Family Federation of Finland has recently focused on providing sexual health services also for boys, men and the ageing population. Training for health care personnel is provided.

## 2. PERCEPTION AND POLICY CONCERNING MORTALITY AND HEALTH

### *Recent and current levels, trends and patterns of morbidity and mortality*

Most of the key indicators of public health show a very positive development in Finland during the past two decades. Life expectancy has continuously increased due to a significant decline in mortality in each age group. The prevalence of many important chronic diseases has declined. Work disability among people of working age is less common than it used to be and the functional capacity of the population has improved in most age groups. Also the perceived health of the Finnish population has improved, particularly among the middle aged. Due to this favourable development Finland is now among the healthiest nations in Europe in many respects.

There are of course also new threats and emerging problems as well as remaining challenges to public health. These include inequities between population groups, population aging, some common health problems which are not declining, as well as new health hazards (see below).

### *Specific population groups at risk*

The health differences between socioeconomic groups are marked and they do not seem to be declining. In addition to low level of education and manual work, living alone (particularly among men) and in the northern and eastern parts of the country are associated with worse than average health. Also the health of the growing immigrant population is of particular concern.

With regard to life course, specific emphasis has been placed on promoting the health of the young, as well as on improving the functional capacity of the elderly population.

### *Measures to reduce morbidity and mortality in specific groups at risk*

There are several specific policies and programmes aimed at improving the health of groups at higher than average risk. A national research programme for 1998 - 2000 has been established addressing health and other welfare differences between population groups.

Promoting equity in health was listed first among the six future challenges for health policy defined in the Government's Public Health Report to Parliament in 1996. The public health committee, which was appointed in 1997, has started developing new measures to reduce inequities in health. In addition to decreasing socioeconomic health inequalities, also promoting the health of the young as well as improving the health and functional capacity of the elderly are key issues in the preparation of the Finnish Health for All in the 21st Century programme in the public health committee.

### *Specific causes of morbidity and mortality*

Cardiovascular morbidity and mortality used to be exceptionally high in Finland, but since the 1970s a dramatic decline has taken place, largely due to active policies at the national and the local level. At present the Finnish situation is close to the average in Western Europe, and the positive development shows no signs of coming to an end. New approaches and measures are, however, needed in order to reach the lowest levels in cardiovascular morbidity and mortality

in Europe. In 1998 an intersectoral consensus meeting was held which approved new measures to reach this target.

Mental disorders as well as musculoskeletal diseases are two important health problems which show no clear signs of a positive development. National as well as local measures have been planned and are being implemented in order to achieve a decline in these public health problems, too. Allergies, asthma and diabetes are growing problems in Finland and also some 'new' infectious diseases may become more important public health problems than they are at present. The use of illegal drugs has used to be exceptionally low in Finland but this health problem is increasing.

#### *Life styles*

The connection between life styles and public health has been recognized as a cornerstone of Finnish health policy for a long time. Finland has been one of the most active countries in reducing smoking, by legislative as well as by other means. The public health impact of alcohol use has been emphasized in the Finnish policy for many decades. Healthy nutritional habits and sexual behaviour have been stressed, too. Consequently, the nutritional situation has significantly improved and STDs are particularly rare in Finland.

#### *Reproductive health*

Both the perinatal ( 6.1/1000), infant (4.0/1000) and maternal mortality (4.9/100 000 live births) in Finland have been among the three lowest in the world for decades.

The existing legislation on contraception, abortion and sterilisation has not been amended in the last five years.

#### *Primary health care*

The fundament of the Finnish health care system is primary health care and its good cooperation with specialized medical care and social services. In Finland municipalities are responsible for providing health services for their inhabitants. The services are financed mainly by tax revenue. Private health services and occupational health services financed by the employer complement the municipal services. About 70 - 80 % of the municipalities observe the principle of so called local population responsibility in their health care provision. The population responsibility has contributed to shorter waiting lists to health centres and increased the continuity of care for patients.

Institutional care has been consciously reduced and out-patient services have been increased correspondingly. The operations of health centre hospitals have changed so that patients in need of acute care are provided to a larger extent short periods of treatment, and patients are transferred from somatic specialized care to health centre sick wards for the period of rehabilitation.

#### *Specialized care*

Specialized medical care has undergone a considerable structural and operational change in the 1990's. Periods of treatment at hospitals have shortened. At the same time the number of

patients treated has continuously risen. As a result of developed hospital operations and technologies the emphasis in specialized care has been shifted to a greater and greater extent to out-patient care. The share of day surgery has increased to about a quarter of all surgical operations. The largest quantitative reduction in specialized care has taken place in psychiatric beds.

There is a growing need for out-patient services to meet the need of care and to compensate for the reduction in institutional care. More services and help are needed in particular to support patients who have just been discharged from the hospital.

There are several extensive development projects under way in Finland to develop new models of action in the various fields of health care.

### 3. PERCEPTION AND POLICY RELATED TO POPULATION AGEING, INCLUDING CHANGE IN POPULATION AGE STRUCTURE

#### *Age Structure*

It is considered in Finland that the ageing of the population's age structure is one of the major challenges for social policy. The proportion of the oldest age groups is growing and the proportion of people of working age and children is diminishing. The proportion of people of working age in the population is described by the so called dependency ratio, meaning the ratio of the number of those aged under 15 and over 64 to the number of those aged 15 - 64. This ratio has been rather stable since the beginning of the 1980's, above all since the growth in the ageing population has been compensated by the reduction in the number of children. There are about 0,5 other citizens per each person of working age in Finland, but the dependency ratio will weaken considerably in the next 10 - 15 years when the after-war baby boom generation will attain pensionable age.

The most important long-term challenge for social policy is the weakening economic dependency ratio. Even the ratio of the people in employment to the whole population remained relatively stable until the depression years of the 1990's. After that, due to large unemployment, it has weakened considerably. In the 1980's there were about 1 persons per each person in employment, whereas the ratio in 1995 had risen to 1,5 persons.

Finnish labour force is ageing very rapidly. Although the number of people retired before the statutory pensionable age (65) has fallen in recent years, the number of older people who have permanently withdrawn from working life has considerably increased owing to the exceptionally deep recession of the 1990's. The share of those withdrawn from the active working life in the age group 55 - 65 was quite high even earlier. As those who have permanently withdrawn from working life can be considered pensioners and older long-term unemployed people. The low effective retirement age and high rate of unemployment are and have been major problems of Finnish social policy in the 1990's. Many of the measures and reforms carried out in the 1990's have had as a target to reduce this rate.

#### *The measures taken to address the problem, and plans for the future*

The Government finds it important to influence the process by various measures. The priorities in developing the social protection system in the next few years are the following:

- Strengthening the connection between social protection and employment so that social security and its funding will support employment;
- Strengthening the ageing population's working and functional capacity. The aim is to curb premature retirement;
- Reforming the system of income security for the unemployed by linking a specific education guarantee to it. In the first phase, long-term unemployed people have been offered an opportunity to participate in training, later on the system will be expanded;
- The restructuring of social and health services will continue. Client-orientedness and out-patient services will be stressed;
- Several pension policy reforms have been implemented in 1990's to stabilize long-term funding. The purpose is to continue the reforms;
- Introduction and application of new information technologies in social welfare and health care will offer new opportunities to improve the services.

In Finland the unemployment of people over 55 is already a greater problem in number than the unemployment of young people. A committee was set up to figure out ways to ease the problem and to study the possibilities to fully use the contribution of ageing employees in working life. Based on the committee's proposals an extensive national Programme for Ageing Workers was initiated in the spring of 1997. The programme includes several measures required to improve the employment of ageing work force. The purpose of the measures is to promote ageing employees' working capacity in working life and to increase their job opportunities. The practical measures include for instance the improvement of ageing persons' access to training and education, changes in the employer's percentage excess under employment pension acts, as well as removing gradually the social security contributions relating to employment in a way which supports the employment of ageing people.

The implementation of the measures of the Programme for Ageing Workers is supported by means of communication. The aim of information is to disseminate the newest research findings of ageing people's strengths and of factors affecting their working capacity and working conditions. At the same time, the profitability of activities maintaining working capacity both for individuals and companies and the whole national economy is highlighted. The purpose is to influence the attitudes so that the skills and experience of as many people of working age as possible would be made use of in working life.

#### *Adopted new policies / modified existing ones*

The goal is that old people should be able live in their own homes as long as possible, if necessary by means of services and aids. The number and proportion of older people in institutional care has diminished all through the 1990's. Today, about 5 % of those aged over 65 are taken care of in institutions. The grading of care and care chains have been tried to be intensified so that long-term care for old people is usually no more provided in specialised hospital care, where the times of treatment have shortened. Especially home services and home nursing for older people are needed to a greater extent in the future. The geriatric expertise of social welfare and health care staffs has to be increased. At the same time, the geriatric expertise must be disseminated to all sectors of societal policy. It is emphasised that policies for older people must be comprehensive.

Issues relating to the ageing of the population have been given attention in research and development during the past two decades. This theme has been very much dealt with by the

Academy of Finland, universities and research institutions. New professors' chairs (geriatrics, gerontology) have been established at universities, and there has been considerable progress in the research on technology facilitating the treatment of e.g. dementia, functional capacity of elderly people, rehabilitation and care of the aged.

The National Committee on Ageing Policy submitted its report in 1996. According to this report the efficiency of schemes that promote health and prevent deterioration of functional capabilities is improved for instance by:

giving special attention to (a) older people in health risk groups, with poor social support networks and (b) prevention of the formation of new "health risk" groups of older people focusing on prevention in geriatric and gerontological research; and developing national programmes for promoting the health and functional capacity of the aged.

*How does the government perceive recent and future change in the ratio of the old dependent population to the active population of the country?*

The ageing of the population increases the need to raise the retirement age and to maintain the working and functional capacity of the ageing population as good as possible.

*Has the Government recently undertaken a reform of the public pension system? Main features of the reform.*

With the ageing of the population the number of people in receipt of old age pensions and the expenditure on these pensions have steadily increased year by year. This trend will continue, but it will be more moderate than anticipated before, since the pension security has undergone significant reforms the influence of which will show only after the year 2000. The changes indicate that premium increases can be kept at a moderate level in the future. The role of the employment pension schemes is strengthening. The total expenditure in percentage of GDP is projected to rise only by two percentage points in the next 30 years.

A reform of the pension schemes was carried out in 1993 - 1997. The aim has been to clarify the role of different pensions schemes, cut future expenditure and raise incentives for longer working careers. Opportunities for early rehabilitation during sickness leave have been improved. The aim is to develop further the procedures to start rehabilitation and safeguard the working capacity at an early stage. In order to strengthen the solvency of the employment pension companies and thus to make new investment strategies possible, a financing and investment policy reform was introduced in 1997.

The Finnish pension cover consists of two main systems that, according to the European classification of social security, both come under statutory public basic security. The national pensions scheme involves that the whole population has a universal a right to a pension for old age, or on the basis of incapacity for work or long-term unemployment of older persons. The employment pension scheme has granted pensions on the basis of the same social risks to the population that has participated in working life.

The lower age limit for the entitlement to partial pension has been reduced from 58 to 56 years for the period of 1 July 1998 - 31 December 2000.

*Has the Government been encouraging private pension systems?*

Voluntary supplementary pensions have little importance for the overall pension provision partly for the reason that no upper limit or ceiling is applied neither to the pensionable wage nor to the sum of pension.

Pension expenditure under various voluntary occupational pension plans represented around 6 % of the total statutory employment pension expenditure.

Around 3 % of the working-age population, had a private pension insurance in 1996. The average annual contribution to the plan represented around FIM 12,000, and the most common provision included in the insurance was a lower retirement age. For the current retired persons' households, private pension insurance plays a minor role.

*What is the thrust of Government in this respect?*

In Finland's view the pension cover must be based on statutory earnings-related pension cover. It can be complemented by a pension financed by the employer or by an individual pension. It should be supported by tax revenue above all when the statutory pension cover has for some reason or other remained lower than the target level.

*Is any change being considered in the Government position relative to private schemes?*

One concern has been to improve the transparency of the pension schemes and to clarify the role the additional private pensions should have in the future.

With tightening conditions for being awarded a pension, the falling target level of pensions and a possible financing crisis threatening employees may be willing to acquire individual pension insurance policies, and those are also provided by employers to employees in higher positions. Since individual pension contributions are on certain conditions and restrictions deductible in taxation, the issue must be considered also from the point of view of pensions policy and state economy. On the other hand, voluntary pension arrangements encourage individual pension insurance and through that covering of pension costs by individuals themselves.

#### 4. PERCEPTION AND POLICY OF THE GOVERNMENT CONCERNING INTERNATIONAL MIGRATION

##### *General*

The number of immigrants has exceeded that of emigrants throughout the 1990's which has led to an increase in the number of foreigners residing in Finland. The number of foreigners permanently residing in Finland was approximately 84 000 on 31 August 1998, which amounts to approximately 1,6 % of Finland's population.

There are several different types of immigration into Finland. Under traditional migration, people enter into Finland because of employment, studies or marriage. Along with Finland's accession to the European Economic Area in 1994 and to the European Union in 1995, the free movement of labour with regard to the citizens of the member states and their family members became applicable also in the context of Finland. Moreover, there are those who are

in need of, or seek, international protection. These people can be divided into two groups - the so called quota refugees and asylum-seekers.

### *Migration*

Finland has granted residence permits to immigrants more frequently than before, except for those who have entered the country in search for work. The poor employment situation of the 1990's has decreased the number of work permits granted. However, migration on grounds of marriage, for instance, has grown steadily in the past years. There are no quantitative quotas for persons entering the country on such grounds. As regards those who enter the country in search for work, however, the available labour force in the country is taken into consideration.

Finland's membership in the European Union has not had significant impact on the number of persons migrating to Finland from countries within the Union. In most cases the ground for exercising the right guaranteed by Community Law has been work, profession or studies.

A large part of the immigrants enter into Finland and are granted a residence permit on the basis of Finnish descent. Those who apply for a residence permit on the basis of their grandparents', parents' or own previous Finnish citizenship are granted a permission for permanent immigration. In this respect there are no quantitative quotas. Relevant in this context is also immigration on the basis of Finnish-Ingrian origin, which requires that the person or at least two of her/his grandparents are Finnish-Ingrian. On these grounds approximately 2000 persons with their family members are admitted annually from Russia or Estonia. In Russia and Estonia the applications are examined in the order in which they were filed. Russia and Estonia were not involved in the design of the immigration procedure of the Finnish-Ingrian.

### *The need for international protection*

Those who enter the country in need of international protection can be divided into two groups; quota refugees, and asylum-seekers who enter the country spontaneously. The selection criteria for quota refugees is based on the resettlement needs resulting from refugee flows in various continents. The Finnish Parliament confirms annually the number of quota refugees. For 1998 and 1999 the numbers are 600 and 650 respectively. As regards asylum-seekers, the granting of a residence permit is considered individually, on the basis of each application. In 1998 approximately 1000 asylum-seekers entered the country.

### *Migration policies*

The Council of State approved a decision-in-principle on migration and refugee programme of the Government on 16 October. The programme aims at promoting controlled immigration while taking into consideration the prevailing economic development and social situation. The primary goal of the immigration policy is the effective and flexible integration of all immigrants into the Finnish society and working life. The Programme sets a goal of 1000 for the annual quota of resettlement refugees. As regards the Ingrian returnees, the government is prepared to admit approximately 1500-2000 persons annually. In other respects there are no quantitative objectives for migration.

### *International Conventions*

Finland ratified the Dublin Convention on 31 October 1997 (Convention determining the state responsible for examining applications for asylum lodged in one of the member states of the European communities) and the Schengen Agreement on 16 July 1998 (Schengen Agreement on the gradual abolition of checks at their common borders) which both have an indirect impact on immigration. Among international conventions under preparation, relevant in this context is the immigration convention of the European Union. In addition, the Ministry for Labour is considering Finland's possible accession to some ILO Conventions.

#### 5. PERCEPTION AND POLICY OF THE GOVERNMENT RELATED TO POPULATION GROWTH

In recent years Finland has actively been developing various forms of family policy. In European terms, the level of support to families can be regarded as rather high. Family policy has, however, mainly been justified by equality and increasing the options of families with children, rather than by viewpoints relating to population growth. However, the Government has not indicated any preference concerning desirable levels and trends of population growth.

Finland's age structure has for a long time been favourable. In a European comparison our fertility rate has been high. At the same time mortality has been reduced, and the average life expectancy has constantly risen. In the future our population will age at an exceptionally rapid rate. It is forecasted to begin to diminish after the year 2020.

#### 6. PERCEPTION OF THE GOVERNMENT REGARDING THE NEED FOR POLICY-RELATED COLLECTION OF DATA AND RESEARCH

The Finnish statistics relating to population development and living conditions can be regarded as relatively well developed. In principle they give a good opportunity for monitoring the development and for evaluation of various alternative policies. In the future, research is needed especially concerning the ageing of the population and the labour force, financing of pension cover and provision of services.

Central questions in demographic research in Europe are the declining fertility rate, the stagnation in population growth, the growth in the older population and the ageing of the structure of labour force. The increased migration and refugeeism require that governments take a stand on them, which should be based on research into the reasons for and effects of migration and refugeeism, and on the integration of these groups. Even the impacts of internal migration on the economic and social development may become vital subjects of research.