



# The EU Mutual Learning Programme in Gender Equality

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# Improving the employment opportunities of lone parents in Finland

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## 1. Introduction and relevant country context

Main aims of the Finnish family policy are to reconcile employment and family life, to ensure an adequate level of income for families with children and to strengthen parenthood. In Finland, families with children are supported not only through income transfers but also through comprehensive social services. Finnish family policy is based mainly on universal support, meaning that there is no support system which is targeted only at lone parent families. Families receive direct financial assistance from society. **Maternity and parental cash benefits** represent a compensation for the cost arising from childbirth. After **parental leave** there are two alternative policy options available for families with children. **Publicly provided day-care** is organised mainly by local authorities. Every child has a subjective right for public day-care and there are no day-care fees for low-income families. The other alternative is **the child home care allowance**. It is paid for a parent who stays at home to take care of the under 3 years old child. **Universal child allowance** is paid for every child under 17 years of age. The allowance is higher for children in lone parent households. The **maintenance allowance** ensures child support payment for lone parents in the absence of the other parent or other parent's failure to fulfil the maintenance obligation. **Housing benefits** are income-tested and are not subject to income tax. The housing benefit covers most of the housing costs when there is only one parent in the family. Other benefits are **unemployment benefits and social assistance**. **Taxation** used to be one family policy measure earlier in Finland. In 1976, Finland moved from joint to independent individual income taxation. The abolishment (in the 1990s) of family-based tax deductions simplified and clarified taxation. During the 2000s there has been made several reforms in family policy legislation (STM 2013).

For example:

- Local authorities are given a statutory obligation to provide free preschool education for children age 6 (2001);
- Provision on before-school and after-school activities for first- and second-year pupils are added to the Basic Education Act (2004);
- Adoptive fathers are given the same rights to paternity allowance and the so-called daddy month as biological fathers (2007);
- Child benefits, child home care allowance, private day-care allowance and minimum rate parental allowance are linked to the National Pension Index (2011);
- Comprehensive health examinations are introduced for families (2011);

- The basic amount of social assistance available to lone parents is increased (2012);
- The number of days of parental leave reserved exclusively for the father is raised to 54 working days (2013).

It is well known that economic hardship is much more common among lone parents than two-parent families. In 2013 there were 118,315 lone-parent households. The share of lone-parent households among all families with children is 20.5 %. Most of the lone parents are women. The amount of low educated lone parents has declined during the past 25 years. In 1988, one third of lone parents had only basic comprehensive education, whereas in 2013 this share was 9.9 %. At the same time the age profile of lone parents has changed. In 1988, 22 % of lone parents were under 30 years old, in 2013 there were 11 % lone parents under 30 years. In 1987-2011, **social assistance recipiency** of lone parents varied between 20 and 35 %, while variation in dual-parent families was between 5 and 13 %. The increase of income poverty has been particularly strong among children living in lone-parent families. Their risk of poverty in mid-1990's was 8 %, while the latest figure from 2011 is 29 %. Among children living in dual parent families, income poverty rate has doubled after mid-1990's (5 vs. 10 %). However it has to be noticed that in the whole poor child population, only one third was living in lone parent families. Most of the poor children (two of three) live in a family with two parents.

**Child poverty** is also strongly associated with the number of children in a family. In large families (3 or more children) the risk of poverty and also recipiency of social assistance is double compared to smaller families. One third of children live in large families, while of the poor children half live in a large family. It can be concluded that family policies have been largely impotent to even the costs of children in Finland. However, in a cross-national comparison Finland is doing rather well.

The next figure shows **poverty rates (60 % of median income)** of Finnish lone parent families and two-parent families from 1988 to 2013 (Income statistics, own calculation). In 1988, only 10 % of lone parents lived under the poverty line, but in 2013 the share was 18.5 %. Although the poverty rate for two parent families has increased during the last 25 years, it has remained clearly at a lower level than the poverty rate for lone parent households.

During the past 25 years, lone parents' employment rate has been higher than two parent-families. In 1988, almost 90 % of lone parents were employed, but in 2013 lone parents' employment rate was 65.4 %.

Figure 1

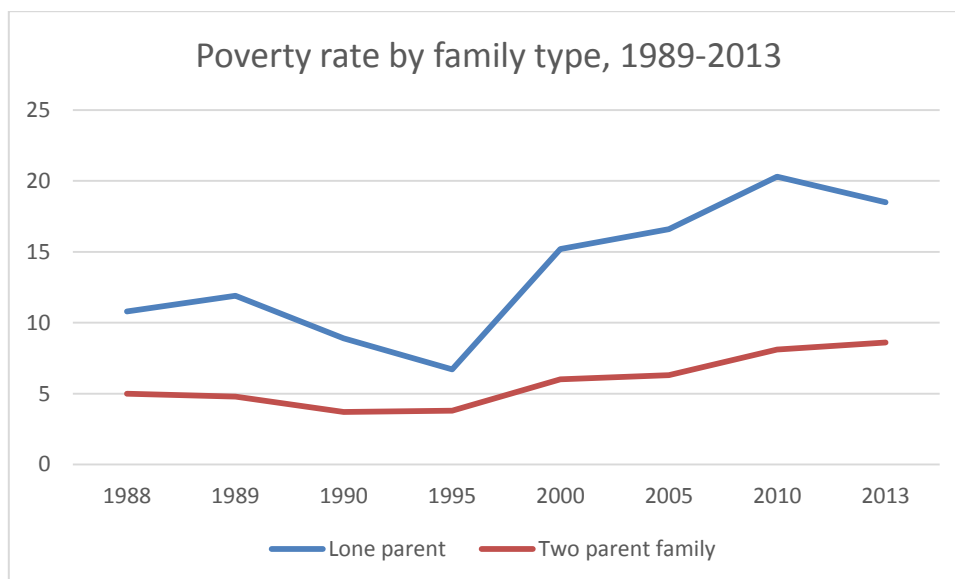
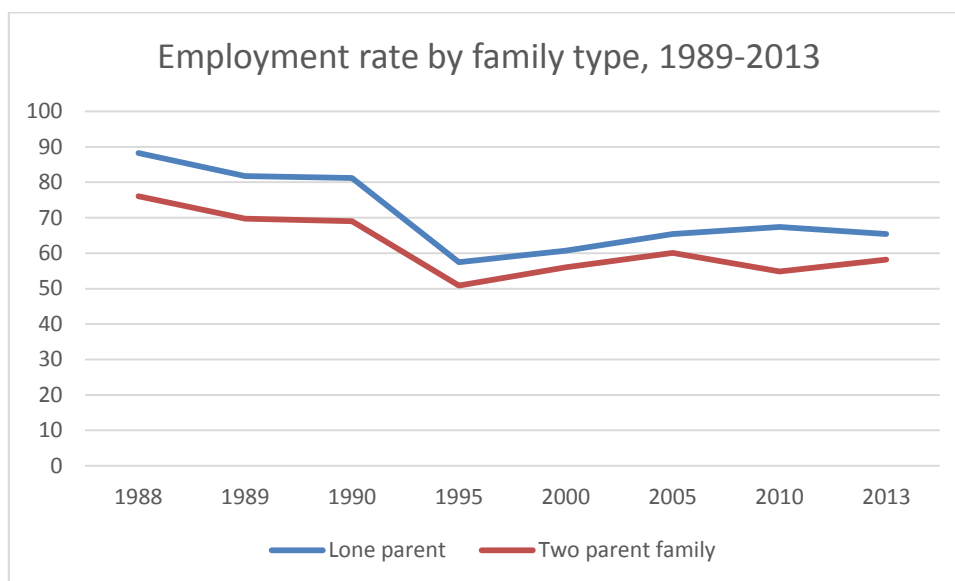


Figure 2



## 2. Policy debate

In 2011 the Programme of Prime Minister Jyrki Katainen's Government introduced some priority themes such as reduction of poverty, inequality and social exclusion. The Government aimed to narrow the disparities in income levels, well-being and the state of health. Basic public services were planned to be strengthened and reformed.

There has been an increasing public debate on quality of social services, sizes of day-care groups and school classes, immigration policies and state financial situation. It has been argued that subjective (full-time) right to child care should be

cut down for those families where one of the parents is not working. In these cases, local authorities could provide half a day day-care services. There have been public discussions on the length of child home care leave. It has been suggested that the right of the leave should end when a child is two years old (instead of 3 years). There has been public discussion on the regulation of shop opening hours. The new government is planning to release new regulations which make it possible for shops to be opened 24 hours per day. This change affects low income, low skilled workers who usually are women and lone parents.

### **3. Transferability aspects**

As highlighted earlier, the Finnish family policy is based on universal services and a social security system which do not treat lone parent families differently from two-parent families.

Germany has introduced several new programmes ('Good work for lone parents', 'Networks of effective assistance for lone parents', 'Developing employment opportunities for lone parents') and these programmes have been evaluated. One good practice that might suit Finland is the project where the objective was to attract public attention and interest to lone parents in companies in order to promote a change in awareness and attitude with employers and to increase the chances of employment for lone parents. It has been argued that Finnish employers might discriminate lone parents because the risk of being absent from work (because of care responsibilities) is higher for lone parents than for mothers in two parent families. Also the idea of part-time vocational training could be an answer for low educated Finnish lone parents.

The French family policy system has similar elements as the Finnish one. In France and also in Germany there seem to be local differences especially in the services sector. Some local authorities are more committed to developing local initiatives. France has adopted a preventive approach to support positive parenting which can help to combat the breakdown of families. The Finnish family policy includes also a preventive approach, but this is one of the areas that needs to be strengthened.

### **4. Recommendations and conclusions**

Universal social services, especially universal child care services and income support strengthen lone parents' possibility to reconcile employment and family life. The access to child care services should be guaranteed on a short notice. It is important to guarantee high quality services with affordable custom fees. For example, for low income families there should not be day care fees. The level of minimum income support should be set up so that lone parents do not have to be clients in several support offices at the same time. Family and gender equality and education policy are important instruments in the attempt to attain high employment among lone parents.