



## Made in Finland: Childcare help for all families

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Sweden, Finland, Norway, Denmark and Iceland constitute the Nordic countries. Despite some similarities, there is no coherent Nordic model for family policy.

One key difference is on financial support given directly to parents through a *home care allowance* (a literal translation from the term used in Finland).

Here, Finland and Sweden take opposite approaches. In Finland, a home care allowance is a feature of family policy, available to all who choose it and firmly supported by successive governments since 1985 until this day.

### Finland's approach

Finland has had financial support for parents since 1985. It is used by 56 percent of eligible children under three years of age (2011).<sup>1</sup>

#### The Finnish home care allowance is

- 340 euros (approximately CAD \$500) per month, per child age three and under after parental leave is over
- Additional children under three get an additional 100 euros (about CAD \$150) per month. Children above three but under school age are given 65 euros (just under CAD \$100) per month, per child, as long as at least one child under three is at home.<sup>2</sup>

All Nordic countries, with the exception of Sweden, offer some form of home care allowance to those who do not use tax-subsidized daycare after parental leave, up until the child's second (as in Norway) or third birthday.

Finland offers a choice of subsidized child care through either daycare or the home care allowance which can be used for home care, granny care, neighbour care or other private forms of care. Sweden for the last 40 years has offered only daycare on the national level with the exception of a few months in 1994.

There is little political controversy in Finland about the home care allowance. This is in stark contrast to the Swedish view that public daycare is always best for child outcomes and gender equality.

## The Swedish case

Sweden has essentially eschewed a home care allowance.

After a brief attempt to institute one in 1994, a second attempt was made in 2008 when the government reintroduced a more limited form of a home care allowance at 3000 SEK, or about CAD \$470 monthly, per child. Offering this was a choice and only about one third of municipalities did. This will be cancelled at the end of 2015 by the current social-democratic government.

Many polls show that 60 to 80 percent of the Swedish population want some form of financial support for home care.<sup>3</sup>

While proponents argue for funding fairness and choice, opponents argue that the home care allowance is detrimental to gender equality and, without any conclusive evidence, even to child development.

Opponents are also concerned that a disproportionate number of immigrant families use the home care allowance. Yet even for this, the numbers remain low. In the municipalities where the allowance was available seven percent of women born outside of Sweden used it as compared to four percent of women born in Sweden.<sup>4</sup>

## A Finnish example – The Aland Islands

A completely different set of values meets you only 30 miles east of Sweden in the Finnish province of the Aland Islands. The Aland Islands are a Swedish speaking province, under Finnish sovereignty. There is no province outside of Sweden more Swedish than the Aland Islands. (Finland is bilingual: Finnish and Swedish, much like English and French in Canada.)

Being part of Finland, not Sweden, the Swedish-speaking inhabitants of the Aland Islands have the Finnish home care allowance and lack the Swedish dedication to daycare as the only option for child care.



The Finnish social-democratic Minister of Social Affairs of the Aland Islands, Carina Aaltonen, was recently interviewed by a Swedish newspaper about raising the amounts of the home care allowance to 500 euros (about CAD \$745) per child and month, and an extra 200 euros (about CAD \$300) as a gender equality bonus if the mother and father shared the time being home with the children.

**Aaltonen said, "with the home care allowance we want to support parents to believe in their own ability to know what is best for the own child."<sup>5</sup>**

Aaltonen diplomatically said that the social-democrats on the Aland Islands put a greater emphasis on parental rights and responsibilities than their political counterparts in Sweden.

Echoing the realities of developmental psychologists, Ms Aaltonen also says: [the first years] "...are an important time for children and parents to attach and it can also be a time in life to cool down, take it easy and not work full-time but to receive state support to be at home and take care of oneself and one's child."

She concludes by saying that raising the amounts of the home care allowance is costly, but a worthwhile investment: "Healthy families with children will create a healthy society."

Among Swedish parliamentarians, even the most passionate proponents of the home care allowance could hardly conceive of such an open expression on the key role of parents in raising children.

**As a side note, the top political position on the Aland Islands is held by a woman, Camilla Gunell.** Finland also had a woman president, Tarja Halonen from 2000 to 2006, and two female prime ministers, both in the 2000s. Swedish women have yet to rival these accomplishments.

## Results

### Percentage of children in daycare, 2013

Two year olds		Three year olds		Four year olds	
Finland	Sweden	Finland	Sweden	Finland	Sweden
52%	92%	68%	96%	74%	98%

Source: Nordic Council of Ministers, Nordic Statistics, Social integration and income, Day care, CHIL03: Children in day-care by reporting country, age, type and time<sup>6</sup>

With the home care allowance, Finnish parents were given a subsidized alternative to daycare – home care – and about half of them chose it. Nine out of ten Swedish parents chose daycare as no other subsidized options were offered.

**There is no conclusive evidence that daycare is better for children's development than parents choosing home care.**

In ambitious welfare states, public spending on child care makes sense. What doesn't is supporting only one form of child care. A child care monoculture with state-funded daycare as the only option can be harmful long-term.

Paying daycare staff to raise children and not the parents who want to do so at home makes no sense and will negatively affect culture and society.

Neither is this approach in alignment with the human rights conventions explicitly stating in various ways that the choice of raising and educating children is the responsibility of the parents, not the state.<sup>7</sup>

## **What do children need? A note on developmental psychology**

**Developmental psychology tells us there is a great difference between starting daycare at age one or at age three.** A three-year-old has more in common with an adult than with a one-year-old. Developmental psychologists have known for decades that children under three or four typically are not developmentally ready for bigger groups and social contact with peers.

Without inferring further causality--as there are so many factors influencing social outcomes--the developmental outcomes for Swedish children and youth are significantly worse in both psychological health and school outcomes than in Finland, as shown in an [earlier article](#).

Finland, on the other hand, is consistently one of the top nations in education outcomes as measured by PISA. Mental health development in youth is better than in Sweden, too. There is also a stronger cultural support of parenthood in Finland.

Having lived in both countries, I would say that Finnish parents are generally more confident than Swedish parents.

Even if many factors are involved in these developments, the high exposure to early daycare in Sweden certainly cannot be ruled out as a substantial factor to the negative effects on child development and parenthood seen in Sweden.

Certainly, it is inarguable that the **Finnish school results have flourished in spite of less daycare attendance.**

## **CONCLUSION**

Child care support will differ in different nations depending on the history and political culture. However, the basic needs of children are always the same. Children do best in a family environment of warmth, love and happiness. Only parents can judge how these needs are to be understood for the individual child. **Therefore, the decision of child care must stay with the parents without the influence of political agendas, economic, ideological or otherwise.**

The Nordic countries all have a political culture of high taxes and high subsidies. In this context, Finland is offering variety – daycare and the home care allowance. Sweden on the other hand has chosen a child care monoculture, providing only institutional daycare. Finland has all the signs of more successful child outcomes.

Of course, countries with other political cultures will choose different solutions. Keeping in mind that children's needs are the same, governments need to keep their child care policies neutral and not try and influence care decisions, which only parents can make.

## RECOMMENDATIONS

- States need their policies to be neutral to forms of child care and not support one form of care above another through subsidies or propaganda. Choosing forms of child care, including home care, must be a parental decision only
- If tax-subsidised daycare is to be introduced there needs to be a corresponding financial support for home care, granny care and other private forms of care as for example the Finnish home care allowance
- Canadians wishing to learn from the Nordic countries should examine Finland

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## Endnotes

<sup>1</sup> Duvander, A.Z. and Cedstrand, S. (2012). *Vårdnadsbidrag, En översikt av systemen i de nordiska länderna*. (Home care allowance, cash for childcare, a review of the systems in the Nordic countries.) 2012 Nordens Välfärdscenter. Retrieved from <http://www.nordicwelfare.org/Publications/Cash-for-childcare/>

<sup>2</sup> Some municipalities have chosen to increase the amount, in some cases doubling it.

<sup>3</sup> "64 percent of voters want the state to make it financially possible for parents to be home until [their children are] four years of age. Among blue-collar workers the support is 76 percent. Among social-democratic voters, 65 percent." From Kågeson, P. (2006). *Tid för barn* (Time for children) SNS Förlag; "81 percent of the voters want to keep or improve the present home care allowance. Only 8 percent want to abolish the allowance and 77 percent want to keep or increase the present amount." From Sifo Research International in *Svenska Dagbladet*. (2006, April 28). *Föräldrar vill sköta hemma* (Parents want homecare.) Retrieved from <http://www.svd.se/foraldrar-vill-skota-hemma>; Sifo Research International in *Svenska Dagbladet*. (2010, April 28). *Väljarna vill ha vårdnadsbidraget* (Voters want a home care allowance.) Retrieved from <http://www.svd.se/valjarna-vill-ha-vardnadsbidraget>

<sup>4</sup> Government Offices of Sweden, Ministry of Health and Social Affairs. (2015). *Det kommunala vårdnadsbidraget avskaffas* (The home care allowance repealed.) Governmental proposition Ds 2015:19. Retrieved from <http://www.regeringen.se/contentassets/3ee6421d967e49cc94de80e22d0ab520/det-kommunala-vardnadsbidrag-et-avskaffas-ds-201519>

<sup>5</sup> Teglund, S. (2015, May 11). *S-minister gillar vårdnadsbidrag* (Social-democratic minister likes the home care allowance.) *Världen Idag*. Retrieved from <http://www.varldenidag.se/nyhet/2015/05/11/S-minister-gillar-vardnadsbidrag/>

<sup>6</sup> Nordic Council of Ministers, Nordic Statistics, Social integration and income, Day care, CHIL03. Children in daycare by reporting country, age, type and time.

Retrieved from <http://91.208.143.100/pxweb/norden/pxweb/en/Nordic%20Statistics/>

<sup>7</sup> UN Convention of the Rights of the Child. Preamble: "Recognizing that the child, for the full and harmonious development of his or her personality, should grow up in a family environment, in an atmosphere of happiness, love and understanding..." Retrieved from <http://www.ohchr.org/en/professionalinterest/pages/crc.aspx>; European Convention on Human Rights, Protocol 1, Article 2: "No person shall be denied the right to education. In the exercise of any functions which it assumes in relation to education and to teaching, the State shall respect the right of parents to ensure such education and teaching in conformity with their own religious and philosophical convictions." Retrieved from [https://ec.europa.eu/digital-agenda/sites/digital-agenda/files/Convention\\_ENG.pdf](https://ec.europa.eu/digital-agenda/sites/digital-agenda/files/Convention_ENG.pdf); United Nations Universal declaration on Human Rights, Article 26–3: "Parents have a prior right to choose the kind of education that shall be given to their children." Retrieved from <http://www.un.org/en/documents/udhr/>