MORE YEARS
BETTER LIVES

Joint Programming Initiative
More Years, Better Lives
The Potential and Challenges of Demographic Change

Policy Brief

Finland

→ Finland is on the frontline of demographic change. By 2020, it will become the country with the oldest population in the EU.

→ There is a large body of register and survey data available for policy-oriented and welfare-related research, yet many of the sources tend to be underused.

→ Still, there are gaps in the data, for example as to public attitudes or age discrimination, while the documentation and access management could be improved.
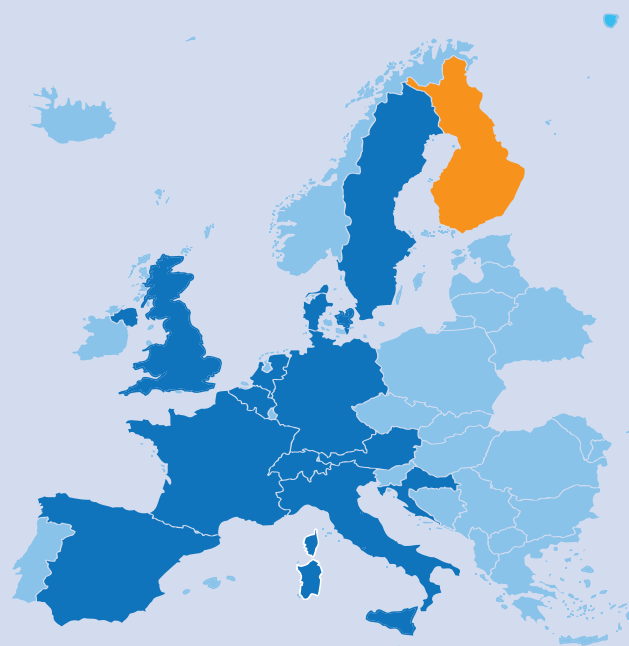
1. Demographic context

The population of Finland is currently 5.4 million, and it is increasing slightly as a result of rising life expectancy and of relatively modest inward migration. Demographic development across regions in terms of age structure, natural population growth and migration and will become increasingly differentiated over the next 30 years. The share of the population aged 65+ is projected to rise from the present 18 per cent to 23 per cent by 2020, and to 27 per cent by 2050, when the total population is projected to reach 5.6 million and 6.1 million, respectively.

Life expectancy has been rising. In 2012, life expectancy at birth was 77.2 for men and 83.5 years for women. The prevailing trends in life expectancy are based on socio-economic class. In 2011, life expectancy at age 65 was 17.7 years for men and 21.7 years for women. Most deaths before the age of 65 are related to personal lifestyles. Older age mortality (65+) varies between 600 and 660 SDRs. The leading cause of death among the population over the age of 65 is – in line with much of Europe, with the exception of Mediterranean region – ischaemic heart disease, although though the number of deaths from this cause has been halved in the past two decades.

Working life expectancy has grown in Finland in the 2000s in line with the growth in life expectancy. In 2011, the expected life expectancy at birth was 83.5 years for women and 77.2 years for men, and it has increased 10 years for both sexes in the last 40 years. In 2011, the average effective retirement age for all participants in the earnings-related pension scheme was 60.5 years.

In terms of trends in migration and in mortality and fertility rates, Finland can be described as being on the frontline of demographic change. Measured by the old-age dependency ratio, Finland will become the country with the oldest population in the EU by 2020. Thereafter it will continue rising, but at a much slower pace than in other EU countries on average. By 2050, Finland will return to being –in this way- a rather typical EU country.

2. Demographic change and policy concerns

These demographic changes will have significant social The statutory pension security in Finland consists of a defined benefit earnings-related pension that accrues from work, as well as a residence-based national pension and a guaranteed pension that ensures a minimum level of security.

Prolonging the working life has been a major socio-political aim in Finland for the last 20 years due to the extension of life expectancy and the time spent in retirement. Reforming the earnings-related pension scheme in 2005

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has been a key instrument in prolonging the time spent in employment within this framework it is now possible to retire on a pension between the ages of 63 and 68. In 2010, another reform was introduced in the pension scheme: namely, a life expectancy coefficient on an old-age pension for those born in 1951 and thereafter. The coefficient is used to adjust the pension amount according to changes in life expectancy in order to restrain pension expenditures that rise as people live longer.

Age discrimination in Finland is prohibited by the Finnish Constitution, the Non-Discrimination Act, and the Employment Contracts Act. However, age discrimination has been identified as one the major factors hindering the long-term unemployed from re-entering the labour market. Having a dispersed population, which is ageing more rapidly than the European average, creates particular challenges for Finnish social policymakers and social and health service providers. In the Finnish welfare model, the emphasis is on maximising labour force participation and promoting gender equality, therefore families play a minor role in the care of dependent. There is strong political support for a "universalist", egalitarian, and extensive benefit system accompanied by social and health services that are funded by the municipal tax system and contributions from the central government. The large public sector responsible for public services has been a distinctive feature for the regime.

In 1996, the Ministry of Social and Health Affairs published a national plan, revised a couple of years later, which established goals and strategies concerning ageing policy. The aim was, and still is, to promote the well-being and independence of elderly people, and to offer care. The crucial values that define the ageing policy are equality, self-determination, economic independence and security. In addition, social integration is one of the leading principles of Finnish ageing policy.

The Finnish ageing policy was updated in a Government report in 2004 called "Finland for people of all ages". Since then, individual Ministries have published their own policy papers, and several municipalities have published their own local ageing strategies. Health promotion is a key in terms of curbing the rise in care expenses caused by illness and lowering the number of people who leave work due to disability.

The Ministry of Social and Health Affairs has set out national objectives concerning services for older people. The strategic aim of the national recommendations is to guarantee healthy and active ageing for the whole aged population and improved quality and efficacy in the services for those needing care.

3. Data sources

General issues
Finland has large registers, datasets and several extensive periodic population surveys for studying the ageing population. The main institutions responsible for collecting large surveys are Statistics Finland, the National Institute of Health and Welfare (THL) and universities. The largest institution handling register datasets for research purposes is Statistics Finland, with the other major institutions being the Population Register Centre, the National Institute of Health and Welfare and the Social Insurance Institute. Even if it was technically easy to combine the different datasets using social security numbers, the data protection and privacy laws would restrict the use of ID numbers, especially when linked to different datasets.

Statistics Finland collects surveys required by Eurostat, such as the EU-SILC and the Labour Force Survey. The National Institute of Health and Welfare collects several national periodic surveys, some of which have been collected periodically for decades, such as the Health Behaviour and Health among Finnish Elderly (EVTK) Survey or the FINRISK Survey. There is a strong political consensus that the data collected through public funding should be available to all for research purposes, assuming that proper research permission procedures are followed. For example, the Academy of Finland usually requires that the data collected through its funding be archived and accessible for other researchers thereafter. Many datasets collected by Academy-funded projects are archived in the Finnish Social Science Data Archive, where they are available to other researchers for free. There is also a strong principle in government programmes that publicly collected data and administrative records should be as freely available as possible for research purposes.

Health and Performance
There are several large datasets of good quality that contain information on health and performance in old age in Finland. The Health Behaviour and Health among the Finnish Elderly (EVTK) Survey has collected data bi-annually since 1985. Health 2000/2011 Examination Surveys provide detailed information on measured and self-reported functional, cognitive and social capacities, and the need for and use of help. Questions on the use of and attitudes towards welfare services and unofficial care are included in the Welfare and Services in Finland (HYPA) survey that has been conducted periodically since 2004.

Social systems and welfare

There are large, annually updated, register datasets for evaluating the performance and outcomes of welfare systems. The Total Statistics on Income Distribution contains detailed information on the annual incomes, taxes, benefits, housing and household characteristics of every Finnish household since 1995, and sample data from this dataset are available to researchers. The Longitudinal Census Data File also provides data on these topics, but with a limited number of variables from the population censuses of 1970-1995.

Work and productivity

The Total Statistics on Income Distribution and other registers provide detailed information on topics such as ages at retirement, disability and pension benefits, and employment among old-age pensioners. The national version of the EU-SILC contains a larger number of questions and register-imputed variables that also provide datasets for studying work and productivity in Finland. The Welfare and Services in Finland (HYPA) survey covers several aspects of unpaid work done in homes, as well as questions about the abilities of respondents to work (unpaid) until the age of 80. Since the HYPA is periodic, the changes in the (unpaid) work of elderly respondents can also be followed.

Education and learning

The formal educational certificates are in registers, and this information can be – and usually is – linked to the register datasets of Statistics Finland. In addition, all of the large periodical population surveys mentioned here include basic background information on a respondent's formal education. However, there is less available data on informal education and learning among the population. The Regional Health and Wellbeing Study (ATH) includes questions concerning informal learning and the cognitive capacity for learning (memory, concentration, etc.). The Health Behaviour and Health among the Finnish Elderly (EVTK) Survey includes some information on learning among the elderly.

Housing, urban development and mobility

The Dwellings and Housing Conditions Statistics of Statistics Finland describe the existing housing stock, the number of dwellings and the housing conditions of household-dwelling units on the last day of the year. The statistics provide data on housing by variables such as tenure status, type of building, number of rooms and amenities. Housing conditions are described by variables such as the structure and stage in life of a household unit, the age of its members and the location of the dwelling.

Many of the large periodic population surveys gather information on the functional capacity of the elderly, housing conditions, whether a neighbourhood supports or restricts the functional capacity of elderly (steep stairs, etc.), and the use of services outside of the home.

Public attitudes towards old age

There are no extensive data for studying attitudes towards old age. There are some occasional surveys, but many of those that have asked about attitudes towards retirement and working longer are rather old. Perhaps the only data source that provides periodical survey information on public attitudes towards old age is the HYPA survey.

Social, civic and cultural engagement

There are several large survey datasets covering the social, civic, and cultural engagement of the elderly. The Health Behaviour and Health among the Finnish Elderly (EVTK) Survey, The Regional Health and Well-being Study (ATH), and Health 2000/2011 surveys include information on involvement in sporting activities, civic and cultural engagement, and travelling. The HYPA 80+ module includes some questions on social and cultural engagement among the aged 80+ population.

Uses of technology

Large periodic surveys contain some questions on the use of IC technology. For example, the Regional Health and Well-being Study (ATH) includes questions on the use of technology and access to the internet, and this information can be broken down by age groups. The use of ICT among the elderly is of great interest, since the use of public services increasingly requires access to and to the ability to use the internet. For example, the Cultural Capital, Consumption, and Social Networks Among Older Adults is a research project at the University of Turku that focuses on the new forms of inequality caused by the digital divide.

Wellbeing

There are available datasets for comparing and following the development of wellbeing among different age groups. Quality of life is measured with several instruments in the Regional Health and Well-being Study (ATH) and in the Health 2000/2011, such as the EuroQol-5D and 15D. The HYPA survey includes the WHOQol-8 instrument, which collected data in face-to-face interviews, including among the aged 80+ population.

Intergenerational relationships

There are extensive register data for studying socio-economic inequality between generations from Statistics Finland. For example, the Longitudinal Census Data File

enables researchers to compare socio-economic life trajectories between birth cohorts.

Relationships and informal support and care between generations are covered in several surveys, like the ATH and HYPA. The questions cover attitudes towards elderly, as well as opinions about how elderly care should be organised.

4. The data and the policy agenda: gaps and challenges

In addressing the research questions on social and health policy, the availability of data is not the crucial limitation. There is a large body of register and survey data that could be used to answer many of the questions involved in policy-making and making changes to the welfare system. Both register data and large periodic surveys often provide repeated measures, and sometimes even panel data, which make it easy to provide explanations of and offer predictions about changes across cohorts, periods and age groups.

If anything, the existing registers and survey data are perhaps somewhat underused at the moment. In a small country like Finland, research resources can be relative high, but small in absolute terms. The register data in particular tend to be underused, but many of the population surveys could also be used much more than they are currently. As research budgets are shrinking rather than growing, one way to direct resources is to prioritise more effectively and to conduct larger, better funded research projects over longer periods of time. There is also some overlap in the population surveys, and better co-ordination could release much-needed resources to conduct research on the data. There is pressure to combine resources in population survey data collection and to move towards multipurpose and module-based data collections. For example, THL launched a project that aims to create better co-ordination between surveys and question modules.
There are, however, gaps, or at least limitations, in the data relevant to our research questions, specifically on the ageing population and demographic change. Al-though the ageing of the population has been on the political agenda in Finland for over 10 years now, this is a rather short amount of time considering how long it takes to build up databases. For example, questions on attitudes and discrimination towards the elderly were only recently included in the HYPA survey. In addition, the use of register data would benefit from additional documentation and easier access to the sources. Statistics Finland has recently opened remote access to its datasets, which is a major step forward. There is also a governmental proposal to reform the Finnish Statistics Act to make public datasets easier to access and use for research purposes.