

No 140**REPORT**

for the period of 1 June 2018 to 31 May 2021 made by the Government of Finland, in accordance with article 22 of the Constitution of the International Labour Organization, on the measures taken to give effect to the provisions of the
Paid Educational Leave Convention, 1974 (No. 140)
 (Ratification of which was registered on 24 February 1992)

I Legislation and regulations**Act on Adult Education Benefits (1276/2000)**

The Act on Adult Education Benefits has been amended by the acts (450/2020), (228/2020) and (521/2018) during the reporting period.

As of the beginning of 2019, the Education Fund merged with the Unemployment Insurance Fund. The new fund is called the Employment Fund and will pay adult education grants in the future. At the same time, the name of the Adult Education Support Act changed to the Act on Adult Education Benefits.

The provisions on adult education support and income matching were reformed as of 1 August 2020. When calculating the amount of the employee's adult education support, the salary and other earnings paid during the support period are taken into account. The amount of adult education support is calculated in such a way that the adult education support and 50 per cent of the earned income received per month can increase in total to the amount that could otherwise have been paid as adult education support. If the beneficiary's earnings fall during the aid month by no more than 50 % compared to the average earnings on which the aid is based, the aid month consumes only 0.5 aid months of the maximum 15-month quota period. If there is no earned income at all or it decreases by more than 50 percent, a full support month elapses per month. The aim of the reform was to encourage more work-based learning than before. According to the provisions previously in force, earned income in excess of the EUR 250 protective part reduced the adult education allowance by 80 per cent, and the month for which the agreed allowance was paid always spent the full allowance month.

The condition for granting adult education support was changed to a study performance requirement instead of the duration of studies. Due to the amendment to the law, the granting of adult education support requires progress in studies in the manner prescribed by law. If the grant is awarded on the basis of a reduced income of up to 50%, four credits per month are required. If the grant is awarded on the basis of more than 50% reduced income, two credits per month are required.

In the 2020 change, the level of employee support was also reduced slightly by changing the support calculation formula.

Legislation on study leave and job alternation leave and legislation to promote the development of professional skills of employees

No significant amendments have been made to the Study Leave Act (237/1979), Act on Job Alternation Leave (1305/2002), Act on Financially-Supported Development of Professional Skills (1136/2013) nor to the Act on Compensations for Training (1140/2013) during the reporting period.

Study Leave Act (273/1979). link: https://www.finlex.fi/fi/laki/kaannokset/1979/en19790273_20110482.pdf
 General information on Study Leave, link: <https://tem.fi/en/study-leave>

Act on Job Alternation Leave, link: <http://www.finlex.fi/fi/laki/kaannokset/2002/20021305>
 General information on job alternation leave and compensation, link: <https://tem.fi/en/job-alternation-compensation>.

Act on Financially-Supported Development of Professional Skills (1136/2013). link:

<https://www.finlex.fi/fi/laki/kaannokset/2013/en20131136.pdf>

Act on Compensations for Training (1140/2013), link: <https://www.finlex.fi/fi/laki/kaannokset/2013/en20131140.pdf>

General information on financially supported development of employees professional skills, link:

<https://tem.fi/en/financially-supported-development-of-employees-professional-skills>

II Direct Request, 2018

Articles 3 and 4 of the Convention. Measures to promote the granting of paid educational leave. Coordination of general policies with the policy to promote the granting of paid educational leave. *The Committee requests the Government to continue to provide information on the measures envisaged or adopted to contribute to the attainment of the objectives set out in Article 3 of the Convention, as well as on the manner in which the national policy on paid educational leave is coordinated with general policies concerning employment, education and training, in particular to adapt to the changing needs of the labour market (Article 4).*

The reform of the adult education allowance will enable the wider use of the study leave system. This reform will support harmonisation of work and studying.

III Information on the practical application of the Conventions (copies or extracts from official documents including inspection reports, studies and inquiries, statistics)

Adult Education Subsidy 2018 – 2020

Adult Education Subsidy 2018 – 2020		
Year	Cash benefit, total amount (million euros)	Number of recipients
2018	173, 5	24 848
2019	176,5	25 701
2020	176, 6	27 066

There have been no changes in the proportions of men and women applying for allowances over the last five years. In 2020, a clear majority of the beneficiaries were women, 76%. 24% of the beneficiaries were men. No change to this trend has been observed after the legislative amendment entered into force. The age distribution of adult education allowance beneficiaries remained largely unchanged. 52% of the beneficiaries were 30–39 years of age. 28% of the beneficiaries were 40–49 years of age, and individuals over 55 years represented a 5% share. After the reform entered into force in August, there has been a slight increase in the percentage of beneficiaries who are 26–30 years of age. They represent 16% of all beneficiaries, whereas before reform this was 12%. In 2020, 41% (40%) of the beneficiaries studied at universities of applied sciences, 28% (28%) at vocational institutions, 28% (28%) at universities and 3% (3%) at other educational institutions. After the reform entered into force in August 2020, the proportion of adult education allowances paid based on studies at universities of applied sciences has increased by 4 percentage points up to 44%, and the allowances paid based on studies at vocational institutions has decreased by 4 percentage points to 24%. In 2020, the most popular field for students obtaining adult education allowances remained social welfare, health care and sports at 34% (34.6%).¹

¹ The 2020 Annual Report of the Employment Fund p. 22, link: https://www.tyollisyysrahasto.fi/globalassets/sijoit-tajat_liitteet/talousjulkaisut/vuosi-2021/the-employment-fund-annual-report-2020.pdf.

IV

A copy of this report has been sent to following labour market organizations:

1. The Confederation of Finnish Industries (EK)
2. The Central Organization of Finnish Trade Unions (SAK)
3. The Finnish Confederation of Salaried Employees (STTK)
4. The Confederation of Unions for Academic Professionals in Finland (Akava)
5. The Commission for Local Authority Employers (KT)
6. The State Employer's Office (VTML)
7. The Federation of Finnish Enterprises (SY)

Statements of the labour market organisations:

The Federation of Finnish Enterprises (SY)

The reform of the adult education allowance in Finland has remedied a number of problems in the adult education system. The changes made to the system made it easier to combine work and study for people in employment. However, there remain other, equally significant shortcomings in the system. For example, self-employed people and entrepreneurs are not entitled to the adult education allowance under similar conditions as those in an employee position. If the loss of income due to studies is more than 50 per cent, each month when allowance is paid reduces the maximum allowance period of 15 months by one full month. If the loss of earnings to be compensated does not exceed 50 per cent, each month in which the allowance is paid reduces the maximum period by half a month. However, this rule does not apply to entrepreneurs. The Federation of Finnish Enterprises find that the rules unnecessarily put employees and entrepreneurs in an unequal position. Entrepreneurs should also have the opportunity to reconcile work and studies with the help of the adult education allowance.

The Central Organization of Finnish Trade Unions (SAK), The Finnish Confederation of Salaried Employees (STTK) and The Confederation of Unions for Academic Professionals in Finland (Akava)

The system of adult education allowances was reformed in 2020 based on the unanimous proposal of the labour market organisations. The objective of the reform was to improve employees' opportunities to coordinate work and studies, and also to encourage the less educated and employees in low-income sectors to develop their competence. Allowances can still also be obtained for long-term or full-time studies. Because this is a recent reform, its impact cannot yet be determined.

The labour market organisations have participated in the preparation of the continuous learning reform in accordance with the Government Programme. The purpose of the reform is, for example, to develop an employment-driven range of education applicable to continuous learning, as well as lifelong guidance services and a proactive approach to competence needs in working life. The preparation is still in progress, and its results are not yet known.

The Confederation of Finnish Industries (EK)

Adult education benefit offers a significant support to take study leave without career consequences. Its funding comes from unemployment insurance contributions and therefore both employers and employees participate in the financing. Support for adult education has just been reformed (1 August 2021) to better support the coordination of work and studies. Therefore, no monitoring data is yet available on the effectiveness of the reform. The challenge of targeting adult education support is that it is used most by more highly educated employees and women. The proportion of men, especially the low-skilled, in adult education is regrettably low.