



Research Office
Legislative Council Secretariat

Fact Sheet

Early and innovative childhood education in Finland

FSC18/18-19

1. Introduction

1.1 Recent findings of neuroscience research show that brain sensitivity to key developmental areas (e.g. cognitive skills, social skills and emotional control) peaks in the first five years of children, highlighting the importance of early childhood education and care ("ECEC").¹ Many advanced places of the Organisation of Economic Co-operation and Development ("OECD") are thus providing quality and accessible ECEC to infants to build a solid foundation for lifelong learning on the one hand, and to promote social mobility across generations on the other. Prof. James J. Heckman, a laureate of the Nobel Prize in Economic Sciences in 2000 and an expert in early childhood education, points out that successful ECEC policy in pre-school years matters much to young children especially those from disadvantaged background. He emphasizes that "early learning begets later learning and early success breeds later success".²

1.2 Finland is globally renowned for its provision of equal opportunity for quality ECEC for each Finnish child aged 0-6, irrespective of family income or parental employment.³ All Finnish parents can trust the government that ECEC services in all Finnish schools are of the same quality, saving them the trouble of cherry-picking in school selection. Over the past decade, a new schooling initiative in Finland named "Me & MyCity" is also widely acclaimed,

¹ According to Dr. Timothy Knowles of the University of Chicago, 90% of the brain development takes place at age 0-5. See Organisation for Economic Co-operation and Development (2016) and The Economist (2013).

² Regarding ECEC expenditure as a sort of social investment, Heckman points out that quality ECEC can offer an investment return of 7%-10% annually, far greater than interventions at later stages. Separately, OECD also identified a strong positive correlation between years of ECEC received and academic performance at later stages in Finland. See Economist Intelligence Unit (2012), Heckman (2000) and Organisation for Economic Co-operation and Development (2016).

³ According to a global ranking exercise conducted in 2012, ECEC in Finland was the best amongst 45 places included in the comparison. See Economist Intelligence Unit (2012).

as the one-day sociological game enables Finnish children aged 12-13 to have first-hand experience on how the economy works. At the request of the Panel on Education, this fact sheet summarizes the salient features of the ECEC system in Finland, followed by a brief description of "Me & MyCity".

2. General ECEC policy in Finland

2.1 The Finnish government has been required by law to provide ECEC services for nearly half a century. After the amendment of the **Act on Children's Day Care** in 1996, it has become a statutory right for all Finnish children aged 0-6 to receive childcare services.⁴ This Act has been amended on many occasions over the past two decades, touching upon a wide range of regulatory issues (such as raising qualifications of teachers and improving data collection for ECEC services).⁵ Since 2013, the policy portfolio of ECEC has been moved from the purview of Ministry of Social Affairs and Health to Ministry of Education and Culture, aiming at better integration between education and care on one hand and smoother transition from ECEC to primary education at the age of seven on the other.

2.2 On **policy objectives**, the guiding principle of Finnish ECEC policy is to provide a multi-disciplinary "educare", focusing on "intertwining dimensions of care, education and teaching" for children aged 0-6.⁶ While the policy emphasis might have been placed on alleviating parental child-caring responsibilities and facilitating maternal employment in early years, it has been increasingly shifted to enhancement of child development over the more recent years.

2.3 On **schooling requirements**, with the legislative amendment in 2015, compulsory education in Finland starts from **pre-primary education** (with a one-year duration consisting of at least 700 teaching hours) for children

⁴ The Act was first legislated in 1973, making provision of day care services a responsibility of local governments. The amendment in 1996 made day care a universal right for all children under school age. In 2015, it was further amended to reduce the unconditional right to day care to 20 hours per week upon the government's budget cuts. However, many local governments have decided to continue the full-time service as far as their financial situation allows. See Organisation for Economic Co-operation and Development (2000) and Salminen (2017).

⁵ Finnish National Agency for Education (2019) and Ministry of Education and Culture (2019a).

⁶ Ministry of Education and Culture (2015).

aged six, before they move onward to primary education at the age of seven.⁷ While education for children aged five and below is voluntary, Finnish parents usually begin to exercise the aforementioned statutory right to **ECEC** services when the infants reach the age of one. Before that, Finnish parents can take care of the infants at home themselves, making use of the maternity leave (up to 105 working days), paternity leave (up to 54 working days) and parental leave (up to 158 working days).

2.4 On **financial support for ECEC**, the Finnish government provides various sorts of subsidies to parents of children aged six and below. **First**, parents are eligible for "parenthood allowances" normally equivalent to 70% of their income during the aforementioned three types of leave.⁸ **Secondly**, if they prefer to take care of their children at home after the leave, they can apply for the "child home care allowance" with a basic monthly amount of €338 (HK\$3,127) until the children turn three.⁹ **Thirdly**, if the parents use private day care centres or hire private babysitters to take care of their children at home, they are eligible for a monthly "private day care allowance". The amount ranges between €63-€317 (HK\$582-HK\$2,932) per child, depending on financial circumstances and developmental needs of the children. Alternatively, vouchers are issued by municipal governments to parents for service payment.¹⁰ **Fourthly**, parents can hire publicly-managed babysitters or send their children to publicly-funded "day care centres" which are heavily subsidized (to be discussed in the next section). Amongst the 401 341 Finnish children aged 0-6 in 2017, only 9.7% of their parents chose not to receive any sort of the above subsidies (**Figure 1**). For the remaining 362 340 children, about half of them attended day care centres provided by the municipal governments.

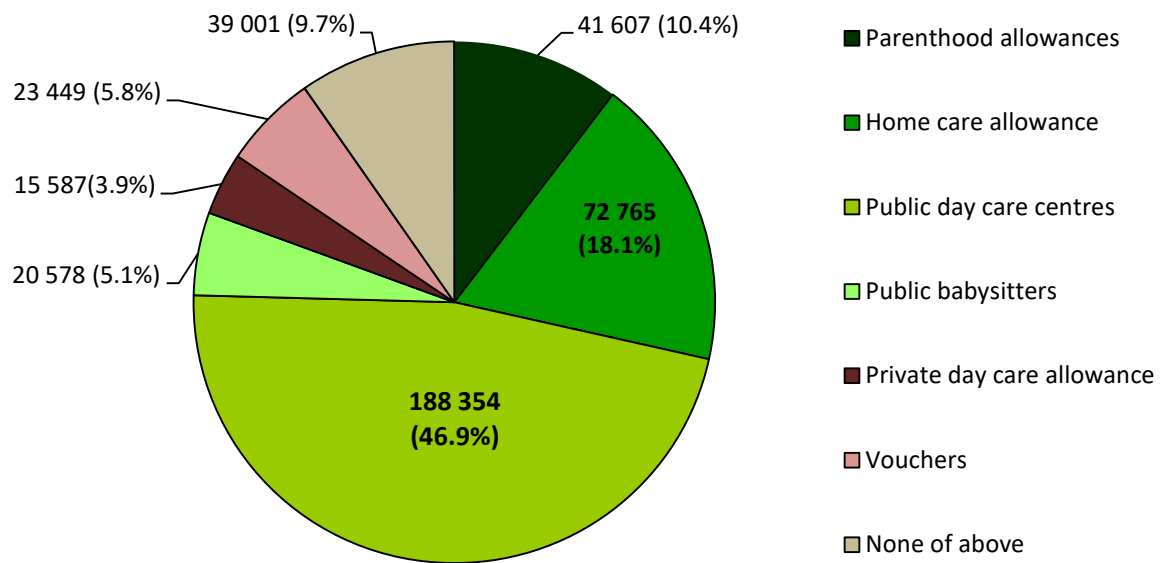
⁷ Formal pre-primary education lasts for only one year in Finland, shorter than that of at least three years in Hong Kong. Local governments in Finland are required to provide pre-primary education free of charge as from 2001, and it became compulsory in 2015. See Ministry of Education and Culture (2019b).

⁸ Social Insurance Institution of Finland (2015).

⁹ While the first child can receive a basic amount of €338 (HK\$3,127) and a care supplement of up to €181 (HK\$1,674) per month depending on the family's financial situation, each additional child is entitled to a basic amount of €101 (HK\$934) only. On top of that, municipal governments may provide supplementary allowances. See Social Insurance Institution of Finland (2019).

¹⁰ While the private day care allowance is paid through the national social insurance, vouchers are issued by municipal governments to pay for specific childcare services, at an amount varying across cities. Taking Helsinki as an example, vouchers worth about €120 (HK\$1,058) per month in 2017 and can be used for playgroup activities. See Kumpulainen (2018) and Social Insurance Institution of Finland (2015 and 2019).

Figure 1 — Distribution of Finnish children aged 0-6 by ECEC support in 2017



Source: Social Insurance Institution of Finland (2018).

3. Salient features of day care centres in Finland

3.1 More specifically on publicly-funded "day care centres", their salient features are summarized below:

- (a) **Municipal governments as service providers:** Local authorities are responsible for (i) providing ECEC services at the day care centres; and (ii) quality control and supervision of such services. Local authorities have a legal obligation to provide a day-care placement within two weeks upon receipt of application in urgent cases;¹¹
- (b) **Daily services up to 11 hours:** Day care centres usually have very long service hours of about 11 hours on weekdays (either 6:00 am-5:00 pm or 7:00 am-6:00 pm), which are long enough for Finnish parents to take up full-time jobs. Some centres even provide extended hours, overnight and weekend service for those parents on shift work;

¹¹ Ministry of Social Affairs and Health (2013).

- (c) **Substantial government subsidies:** ECEC services at day care centres are charged on the basis of (i) parental income; (ii) family size; and (iii) hours of service. While the local governments provide heavy subsidies, there is a statutory ceiling on the monthly fee at €289 (HK\$2,673) which represents around 9.6% of the median personal income. By and large, parents only need to pay 14% of the full cost on average, while low-income families need not pay any at all.¹²

Most recently in 2018, the Finnish government rolled out a pilot scheme to provide free half-day service for 12 400 or 20% of five-year-old children during 2018-2020 with an initial injection of €5 million (HK\$46 million);¹³

- (d) **Statutory staff ratios in day care centres:** Typically, staff of both public and private day care centres consists of (i) teachers; (ii) special needs teachers; (iii) social workers; and (iv) nurses to provide holistic education and care services. According to the national laws and guidelines, the adult-to-children ratio should be 1:4 for children aged 0-2; 1:8 for children aged 3-6; and 1:13 for children in pre-primary classes;¹⁴
- (e) **Statutory requirements on teachers' qualifications:** The Finnish law also stipulates that teachers and other staff at day care centres in general must have upper secondary qualifications, while specialists such as pre-primary teachers and special needs teachers must have a bachelor's degree or above.¹⁵ As a matter of fact, staff qualifications are much higher than these minimum requirements.

¹² Council for Creative Education (2019) and Ministry of Education and Culture (2015 and 2019a).

¹³ Finnish Education Evaluation Centre (2018).

¹⁴ In practice, the average number of students per teacher for children aged 3-6 in Finland was only 10 in 2013, much lower than the OECD average of 14. See Ministry of Education and Culture (2019b), Organisation for Economic Co-operation and Development (2016) and Salminen (2017).

¹⁵ Many pre-primary teachers actually have a master's degree. See Bavarian State Institute for Early Childhood Education (2017) and Finnish National Agency for Education (2017).

In 2018, the Finnish government announced to double the minimum proportion of degree holders at day care centres from one-third at present to two-thirds by 2030. The government provides a grant of €28 million (HK\$247 million) for expanding teacher training places during 2017-2021;¹⁶ and

- (f) **Flexible and tailor-made curriculum:** The National Core Curriculum for ECEC updated in 2016 lists out five competence areas, namely language, arts, community, natural environment and personal health. As there are no specifications on subjects to be taught or standards for learning outcomes, service providers have a high degree of freedom to design school-based curricula. Schools are encouraged to teach children through playing on the one hand, and are required to develop individual learning plans addressing the special needs of each child upon discussion with parents on the other.

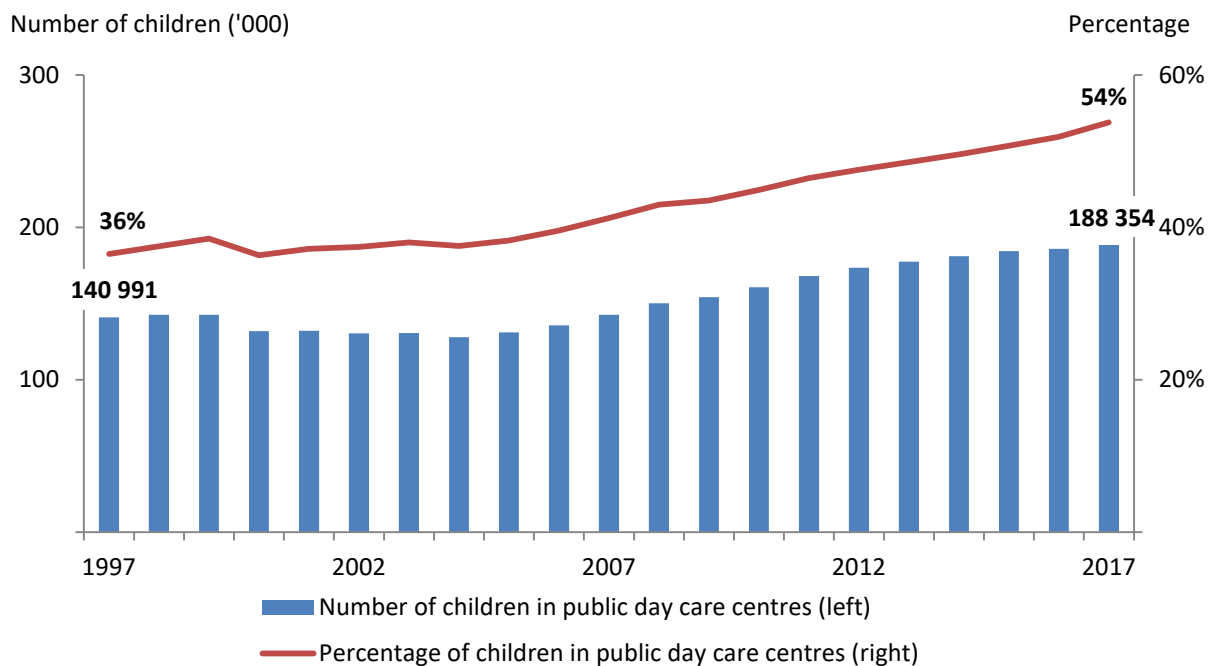
3.2 In Finland, the public spending on ECEC as a share of GDP almost doubled from 0.6% to 1.1% in Finland during 1980-2015, much higher than the OECD average of 0.7% in 2015 and that of 0.26% in Hong Kong in 2017-2018.¹⁷ To a certain extent, this huge public expenditure on ECEC is financed by the high tax rate in the welfare state of Finland, with the maximum salary tax rate (including state and local taxes) standing at around 56% of income. During 1997-2017, the proportion of Finnish children aged 1-6 receiving ECEC services at day care centres increased noticeably from 36% to 54% (**Figure 2**). While the ECEC enrolment rate for one-year-old infants was only 34% because many parents can take care of their children with child care leave and allowance, the respective enrolment rate for five-year-old children surged to 86% as their parents progressively re-join the workforce.¹⁸

¹⁶ European Commission (2018).

¹⁷ The figures include public spending on both pre-primary education and early childhood care. See Organisation for Economic Co-operation and Development (2019) and University of Hong Kong (2018).

¹⁸ National Institute for Health and Welfare (2018).

Figure 2 — Finnish children aged 1-6 in public day care centres, 1997-2017



Source: National Institute for Health and Welfare (2018).

3.3 The policy effectiveness of Finnish ECEC policy can be reflected in the following indicators. **First**, day care centres have taken up child-caring responsibilities, enabling Finnish mothers to re-join the job market after childbirths. For instance, as many as 84% of Finnish females at prime working age of 25-54 participated in the labour market in 2017, much higher than that of 73% in both OECD and Hong Kong.¹⁹ **Secondly**, as discussed at the introductory section, early intervention of ECEC in Finland has enhanced the learning outcomes of young children. According to an analysis completed by OECD in 2016, the remarkable academic results of the Finnish students aged 15 in the Programme for International Student Assessment ("PISA") can be attributable to the accessible, equitable and quality ECEC provided at age 0-6.²⁰ **Thirdly**, ECEC in Finland was considered the best amongst 45 places included in a global ranking exercise in 2012, based on three major criteria namely "affordability", "availability" and "quality".²¹

¹⁹ Figures of OECD and Hong Kong are latest statistics in 2016 and 2018 respectively.

²⁰ Finland has consistently been the top performers in PISA (comprising tests on reading, science and mathematics) since 2000. According to a dedicated study on the PISA results in 2012, Finnish students aged 15 who had received at least one year of ECEC scored 34 more points in the mathematics test than those without such schooling. See Organisation for Economic Co-operation and Development (2016).

²¹ Economist Intelligence Unit (2012).

4. Innovative schooling of "Me & MyCity"

4.1 For older children aged 12-13 studying in grade six (broadly similar to primary six in Hong Kong), an innovative schooling experiment in Finland has caught the global attention in recent years. In a nutshell, "Me & MyCity" is a one-day sociological game (or experiential learning) organized by a non-profit organization named "TAT" (Economy and Youth) and co-financed by the government and private foundations. Participating students need to play simulated roles (e.g. professionals, consumers and citizens) in a miniature city. It first started as a pilot game for only 800 Finnish sixth-graders in 2010, but the number of participants expanded by 55-fold to 45 000 in 2016, accounting for more than 70% of the population of sixth-graders in Finland.²²

4.2 This sociological game aims at enhancing economic literacy of Finnish children, getting them familiarized with the actual reality of entrepreneurship as well as professional requirements in the job market at an early stage, on top of the conceptual learning based on the national core curriculum.²³ Here are the major features of the programme:²⁴

- (a) **Integration with school lessons:** Schools joining this programme are given materials for 10 lessons based on the national curriculum, covering fundamentals of the economy and society and preparing students for the role-play game in a miniature city afterwards;
- (b) **Experiential learning through role-play:** In the one-day role-play game located in a 500-square-meter hall with booths representing various organizations, up to 80 students work in different professions, earning salaries for their work and at the same time playing the roles of consumers and citizens with the help of instructors;²⁵

²² Me & MyCity (2014) and The Atlantic (2016).

²³ Students have to learn about financial matters starting from grade four (equivalent to primary four) according to the national core curriculum in 2016. Previously, this topic was not taught until grade nine (equivalent to secondary three). See University of Vaasa (2016).

²⁴ EduTAT (2018) and Me & MyCity (2014).

²⁵ "Me & MyCity" has also developed a programme for ninth-graders who are grouped into companies to compete for the best profit and reputation. See Deutsche Welle (2018).

- (c) **Inclusion of real-life elements:** The programme features a lot of real-life corporations and public service providers, which have taken part in designing the jobs in the miniature city, making the learning environment more realistic; and
- (d) **Use of information technology:** To simulate various kinds of monetary transactions (e.g. business deals, consumption, salary payment and taxation), the programme is supported by a digital system which transfers money across participants' "bank accounts" in real time.

4.3 "Me & MyCity" has achieved significant results, according to a study by a Finnish university. While more than 75% of participants reported increased interest in economic issues, their test scores on financial knowledge improved by 17% on average, with notable progress in understanding of interest rates, business profits and the impact of competition on pricing.²⁶ Globally, the programme was awarded by the European Commission for promoting entrepreneurial spirit in 2013, and by the World Innovation Summit for Education for innovative teaching in 2014. On the back of its success, this programme is being promoted in other places, including Beijing in July 2019.

²⁶ University of Vaasa (2016).

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28 August 2019
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