Human Development Report 2015

Work for human development

Briefing note for countries on the 2015 Human Development Report

Finland

Introduction

The *2015 Human Development Report (HDR) Work for Human Development* examines the intrinsic relationship between work and human development. Work, which is a broader concept than jobs or employment, can be a means of contributing to the public good, reducing inequality, securing livelihoods and empowering individuals. Work allows people to participate in the society and provides them a sense of dignity and worth. In addition, work that involves caring for others or voluntarism builds social cohesion and strengthens bonds within families and communities.

These are all essential aspects of human development. But a positive link between work and human development is not automatic. The link can be broken in cases of exploitative and hazardous conditions, where labour rights are not guaranteed or protected, where social protection measures are not in place, and when unequal opportunities and work related discrimination increase and perpetuate socioeconomic inequality.

Work can enhance human development when policies are taken to expand productive, remunerative and satisfying work opportunities; enhance workers' skills and potentials; and ensure their rights, safety, and wellbeing. Measuring aspects of work, both positive and negative, can help shape policy agendas and track progress toward human development enhancing work. But many countries are missing international data at the country level on key indicators including child labour, forced labour, unpaid care work, time use, labour regulations, and social protection. This limits the ability of countries to monitor progress on these fronts.

This briefing note is organized into seven sections. The first section presents information on the country coverage and methodology of the Statistical Annex of the 2015 HDR. The next five sections provide information about key indicators of human development including the Human Development Index (HDI), the Inequality-adjusted Human Development Index (IHDI), the Gender Development Index (GDI), the Gender Inequality Index (GII), and the Multidimensional Poverty Index (MPI). The final section presents a selection of additional indicators related to the topic of work.

It is important to note that national and international data can differ because international agencies standardize national data to allow comparability across countries and in some cases may not have access to the most recent national data. We encourage national partners to explore the issues raised in the HDR with the most relevant and appropriate data from national and international sources.

Country coverage and the methodology of the Statistical Annex of the 2015 HDR

The Statistical Annex of the 2015 HDR presents the 2014 HDI (values and ranks) for 188 countries and UN-recognized territories, along with the IHDI for 151 countries, the GDI for 161 countries, the GII for 155 countries, and the MPI for 101 countries. Country rankings and values of the annual Human Development Index (HDI) are kept under strict embargo until the global launch and worldwide electronic release of the HDR.

It is misleading to compare values and rankings with those of previously published reports, because of revisions and updates of the underlying data and adjustments to goalposts. Readers are advised to assess progress in HDI values by referring to table 2 ('Human Development Index Trends') in the Statistical Annex of the report. Table 2 is based on consistent indicators, methodology and time-series data and thus shows real changes in values and ranks over time, reflecting the actual progress countries have made. Small changes in values should be interpreted with caution as they may not be statistically significant due to sampling variation. Generally speaking, changes at the level of the third decimal place in any of the composite indices are considered insignificant.

Unless otherwise specified in the source, tables use data available to the Human Development Report Office (HDRO) as of 15 April 2015. All indices and indicators, along with technical notes on the calculation of composite indices, and additional source information are available online at http://hdr.undp.org/en/data

For further details on how each index is calculated please refer to Technical Notes 1-5 and the associated background papers available on the Human Development Report website: http://hdr.undp.org/en/data

Human Development Index (HDI)

The HDI is a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. A long and healthy life is measured by life expectancy. Knowledge level is measured by mean years of education among the adult population, which is the average number of years of education received in a life-time by people aged 25 years and older; and access to learning and knowledge by expected years of schooling for children of school-entry age, which is the total number of years of schooling a child of school-entry age can expect to receive if prevailing patterns of age-specific enrolment rates stay the same throughout the child's life. Standard of living is measured by Gross National Income (GNI) per capita expressed in constant 2011 international dollars converted using purchasing power parity (PPP) rates.

To ensure as much cross-country comparability as possible, the HDI is based primarily on international data from the United Nations Population Division (the life expectancy data), the United Nations Educational, Scientific and Cultural Organization Institute for Statistics (the mean years of schooling and expected years of schooling data) and the World Bank (the GNI per capita data). As stated in the introduction, the HDI values and ranks in this year's report are not comparable to those in past reports (including the 2014 HDR) because of a number of revisions to the component indicators. To allow for assessment of progress in HDIs, the 2015 report includes recalculated HDIs from 1990 to 2014 using consistent series of data.

Finland's HDI value and rank

Finland's HDI value for 2014 is 0.883— which put the country in the very high human development category—positioning it at 24 out of 188 countries and territories. Between 1980 and 2014, Finland's HDI value increased from 0.744 to 0.883, an increase of 18.6 percent or an average annual increase of about 0.50 percent.

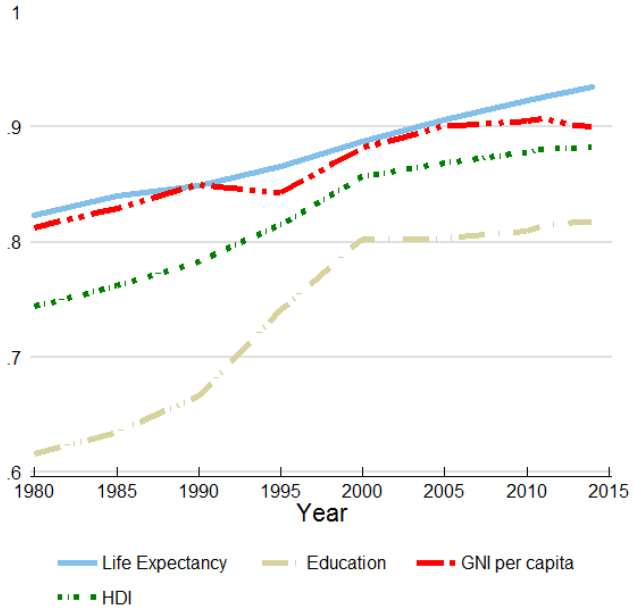
Table A reviews Finland's progress in each of the HDI indicators. Between 1980 and 2014, Finland's life expectancy at birth increased by 7.3 years, mean years of schooling increased by 2.9 years and expected years of schooling increased by 3.8 years. Finland's GNI per capita increased by about 77.7 percent between 1980 and 2014.

Table A: Finland's HDI trends based on consistent time series data and new goalposts

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP$)	HDI value
1980	73.5	13.3	7.4	21,774	0.744
1985	74.6	14.1	7.3	24,231	0.762
1990	75.2	15.0	7.5	27,865	0.783
1995	76.3	16.3	8.6	26,470	0.815
2000	77.7	17.7	9.3	34,300	0.857
2005	78.9	17.1	9.8	38,868	0.869
2010	80.0	16.9	10.2	39,951	0.878
2011	80.2	17.0	10.2	40,434	0.881
2012	80.4	17.1	10.3	39,693	0.882
2013	80.6	17.1	10.3	38,914	0.882
2014	80.8	17.1	10.3	38,695	0.883

Figure 1 below shows the contribution of each component index to Finland's HDI since 1980.

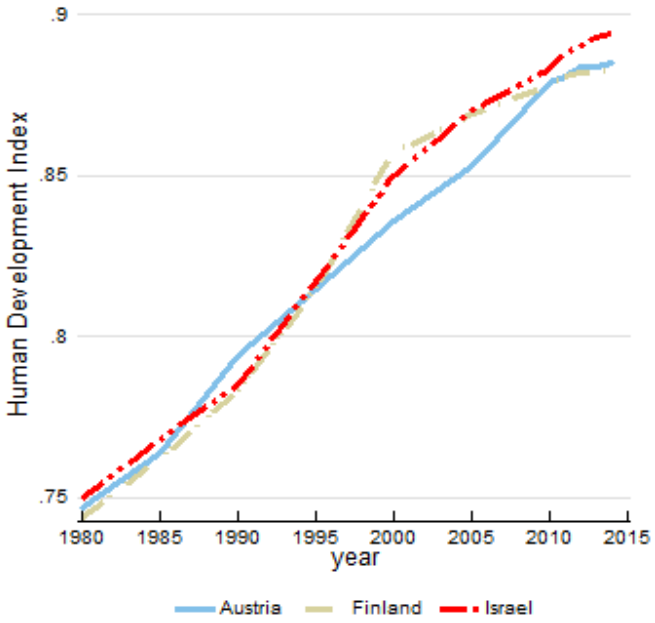
Figure 1: Trends in Finland's HDI component indices 1980-2014



Assessing progress relative to other countries

Long-term progress can usefully be compared to other countries. For instance, during the period between 1980 and 2014 Finland, Austria and Israel experienced different degrees of progress toward increasing their HDIs (see figure 2).

Figure 2: HDI trends for Finland, Austria and Israel, 1980-2014



Finland's 2014 HDI of 0.883 is below the average of 0.896 for countries in the very high human development group and above the average of 0.880 for countries in the OECD. From the OECD, countries which are close to Finland in 2014 HDI rank and to some extent in population size are Denmark and Norway, which have HDIs ranked 4 and 1 respectively (see table B).

Table B: Finland's HDI indicators for 2014 relative to selected countries and groups

	HDI value	HDI rank	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (PPP US$)
Finland	0.883	24	80.8	17.1	10.3	38,695
Denmark	0.923	4	80.2	18.7	12.7	44,025
Norway	0.944	1	81.6	17.5	12.6	64,992
OECD	0.880	—	80.2	15.8	11.5	37,658
Very high HDI	0.896	—	80.5	16.4	11.8	41,584

Inequality-adjusted HDI (IHDI)

The HDI is an average measure of basic human development achievements in a country. Like all averages, the HDI masks inequality in the distribution of human development across the population at the country level. The 2010 HDR introduced the IHDI, which takes into account inequality in all three dimensions of the HDI by 'discounting' each dimension's average value according to its level of inequality. The IHDI is basically the HDI discounted for inequalities. The 'loss' in human development due to inequality is given by the difference between the HDI and the IHDI, and can be expressed as a percentage. As the inequality in a country increases, the loss in human development also increases. We also present the coefficient of human inequality as a direct measure of inequality which is an unweighted average of inequalities in three dimensions. For more details see Technical Note 2.

Finland's HDI for 2014 is 0.883. However, when the value is discounted for inequality, the HDI falls to 0.834, a loss of 5.5 percent due to inequality in the distribution of the HDI dimension indices. Denmark and Norway show losses due to inequality of 7.3 percent and 5.4 percent respectively. The average loss due to inequality

for very high HDI countries is 12.1 percent and for the OECD it is 13.3 percent. The Human inequality coefficient for Finland is equal to 5.5 percent.

Table C: Finland's IHDI for 2014 relative to selected countries and groups

	IHDI value	Overall loss (%)	Human inequality coefficient (%)	Inequality in life expectancy at birth (%)	Inequality in education (%)	Inequality in income (%)
Finland	0.834	5.5	5.5	3.5	2.1	10.8
Denmark	0.856	7.3	7.1	4.0	3.0	14.4
Norway	0.893	5.4	5.3	3.4	2.3	10.2
OECD	0.763	13.3	12.9	5.6	9.5	23.6
Very high HDI	0.788	12.1	11.8	4.9	8.0	22.5

Gender Development Index (GDI)

In the 2014 HDR, HDRO introduced a new measure, the GDI, based on the sex-disaggregated Human Development Index, defined as a ratio of the female to the male HDI. The GDI measures gender inequalities in achievement in three basic dimensions of human development: health (measured by female and male life expectancy at birth), education (measured by female and male expected years of schooling for children and mean years for adults aged 25 years and older); and command over economic resources (measured by female and male estimated GNI per capita). For details on how the index is constructed refer to Technical Note 3. Country groups are based on absolute deviation from gender parity in HDI. This means that the grouping takes into consideration inequality in favour of men or women equally.

The GDI is calculated for 161 countries. The 2014 female HDI value for Finland is 0.879 in contrast with 0.882 for males, resulting in a GDI value of 0.996. In comparison, GDI values for Denmark and Norway are 0.977 and 0.996 respectively (see Table D).

Table D: Finland's GDI value and its components relative to selected countries and groups

	Life expectancy at birth		Expected years of schooling		Mean years of schooling		GNI per capita		HDI values		F-M ratio
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	GDI value
Finland	83.6	78.0	17.7	16.5	10.2	10.2	31,644	45,994	0.879	0.882	0.996
Denmark	82.2	78.3	19.3	18.1	12.8	12.7	36,439	51,727	0.912	0.934	0.977
Norway	83.6	79.5	18.2	16.8	12.7	12.5	57,140	72,825	0.940	0.944	0.996
OECD	82.7	77.5	16.0	15.5	11.0	11.5	28,430	47,269	0.862	0.887	0.973
Very high HDI	83.1	77.8	16.8	16.0	11.7	12.0	30,991	52,315	0.884	0.903	0.978

Gender Inequality Index (GII)

The 2010 HDR introduced the GII, which reflects gender-based inequalities in three dimensions – reproductive health, empowerment, and economic activity. Reproductive health is measured by maternal mortality and adolescent birth rates; empowerment is measured by the share of parliamentary seats held by women and attainment in secondary and higher education by each gender; and economic activity is measured by the labour market participation rate for women and men. The GII can be interpreted as the loss in human development due to inequality between female and male achievements in the three GII dimensions. For more details on GII please see Technical Note 4.

Finland has a GII value of 0.075, ranking it 11 out of 155 countries in the 2014 index. In Finland, 42.5 percent of parliamentary seats are held by women, and 100.0 percent of adult women have reached at least a secondary level of education compared to 100.0 percent of their male counterparts. For every 100,000 live births, 4 women die from pregnancy related causes; and the adolescent birth rate is 9.2 births per 1,000 women of ages 15-19. Female participation in the labour market is 55.7 percent compared to 64.0 for men.

In comparison, Denmark and Norway are ranked at 4 and 9 respectively on this index.

Table E: Finland's GII for 2014 relative to selected countries and groups

	GII value	GII Rank	Maternal mortality ratio	Adolescent birth rate	Female seats in parliament (%)	Population with at least some secondary education (%)		Labour force participation rate (%)	
						Female	Male	Female	Male
Finland	0.075	11	4	9.2	42.5	100.0	100.0	55.7	64.0
Denmark	0.048	4	5	5.1	38.0	95.5	96.6	58.7	66.4
Norway	0.067	9	4	7.8	39.6	97.4	96.7	61.2	68.7
OECD	0.231	—	21	25.4	26.9	82.9	86.3	50.9	68.9
Very high HDI	0.199	—	18	19.0	26.5	86.2	87.9	52.1	68.7

Maternal mortality ratio is expressed in number of deaths per 100,000 live births and adolescent birth rate is expressed in number of births per 1,000 women ages 15-19.

Multidimensional Poverty Index (MPI)

The 2010 HDR introduced the MPI, which identifies multiple deprivations in the same households in education, health and living standards. The education and health dimensions are each based on two indicators, while the standard of living dimension is based on six indicators. All of the indicators needed to construct the MPI for a household are taken from the same household survey. The indicators are weighted to create a deprivation score, and the deprivation scores are computed for each household in the survey. A deprivation score of 33.3 percent (one-third of the weighted indicators), is used to distinguish between the poor and nonpoor. If the household deprivation score is 33.3 percent or greater, the household (and everyone in it) is classified as multidimensionally poor. Households with a deprivation score greater than or equal to 20 percent but less than 33.3 percent are *near multidimensional poverty*. Finally, households with a deprivation score greater than or equal to 50 percent live in severe multidimensional poverty. Definitions of deprivations in each dimension, as well as methodology of the MPI are given in Technical Note 5. Due to a lack of relevant data, the MPI has not been calculated for this country.

Work Indicators

Table G collates the work related indicators that are available for Finland from the HDR 2015 Statistical Annex. The data provide a partial picture of the conditions surrounding work in the country and the areas that may benefit from policy attention. Note that not all indicators have sufficient country coverage for aggregate estimation.

Table G: Additional indicators related to work for Finland

	Finland	Very high HDI	OECD
Employment to population ratio (% ages 15 and older)	54.9	55.4	54.9
Labour force participation rate (% ages 15 and older)	59.8	60.3	59.7
Female	55.7	52.1	50.9
Male	64.0	68.7	68.9
Share of employment in agriculture (% of total employment)	4.1	3.3	5.1
Share of employment in services (% of total employment)	72.7	74.3	72.3
Labour force with tertiary education (%)	43.1	32.5	31.1
Vulnerable employment (% of total employment)	9.4	12.4	15.7
Total unemployment (% of labour force)	8.2	8.3	8.2
Long term unemployment (% of labour force)	1.7	3.0	2.8
Youth unemployment (% of youth labour force)	20.0	18.0	16.5
Youth not in school or employment (% ages 15-24)	9.3	13.4	14.7
Labour productivity: output per worker (2011 PPP $)	68,638	64,041	58,391
Child labour (% ages 5-14 years)	--	--	--
Domestic workers (% of total employment)			
Female	0.3	4.3	3.0
Male	0.3	0.4	0.3
Working poor, PPP $2 per day (% of total employment)	--	--	--
Unemployment benefits recipients (% of unemployed ages 15-64)	59.1	43.4	38.7
Mandatory paid maternity leave (days)	147.0	123.0	131.0
Old age pension recipients (% of statutory pension age population)	100.0	89.4	87.1
Internet users (% of population)	92.4	82.5	78.1
Mobile phone subscribers (per 100 people)	139.7	119.8	110.4

Additionally, Table H presents the number of minutes spent per day in paid and unpaid activities separately for women and men. Unfortunately, time use survey data is not available for many countries and regional aggregates cannot be calculated.

Table H: Paid versus unpaid work in Finland by gender

Country	Survey year	Total paid work		Total unpaid work	
		Female	Male	Female	Male
		(minutes per day)		*(minutes per day)*	
Finland	2009	162	202	211	139