

Summary of Akava Works report 4/2026: Ansioturva – Why social and health policy needs a backbone

The report examines the state of earnings-related security for the working-age population in Finland in the latter half of the 2020s. It provides information both on the importance of earnings-related security as a tool for managing social risks and on the key principles and models of social security. Earnings-related security is a vital basic structure supporting the Finnish welfare state, the significance of which extends beyond the individual benefit. The ability of earnings-related security to safeguard the life situation and social status of households at the interface of the welfare state and the labour market has significantly weakened in recent years. The proportion bound to earnings has diminished and an increasing proportion of days of compensation are covered by the standard amount granted equally to all recipients. According to the report, this change is concerning both in terms of social and health policy as well as the future of the welfare state.

The weakening of earnings-related security is a structural change affecting the way that the Finnish welfare state operates. It increases dependence on basic social security and social assistance, weakens the ability of the middle class to cope with life changes, undermines confidence and risk management stability and, in the long term, can weaken the conditions for both economic growth and the sustainability of the overall welfare state.

The report places particular emphasis on the perspective of the middle class, since the weakening of earnings-related security falls strongly on that class. It bears the primary responsibility for financing tax revenue, the labour market and social services, but its own financial security has deteriorated. Housing costs, indebtedness and uncertainty in working life increase the need for a system that protects people from sudden changes in income.

Earnings-related security has broad social significance

The report highlights the wider social impacts of earnings-related security beyond its traditional purpose as a means of individual subsistence: it acts as an automatic stabiliser for the national economy, supports labour mobility, balances the bargaining power between employees and employers, prevents poverty more effectively than basic social security, upholds confidence in the welfare state and enables investments in education, housing and careers.

The author believes that reducing earnings-related security will undermine both economic and social sustainability in the long term. Since the income transfers and services of working-age people have been cut, the focus of the welfare state has shifted to safeguarding the portion of the population outside of working life. As a result of the cuts, earnings-related security now provides a weaker level of security for the life situation and social status of households at the interface of the welfare state and the labour market.

The report concludes that earnings-related security should be viewed as an investment and part of the Finnish labour market model, not as a mere public expenditure. Its purpose is to enable career changes, job changes and development of competence, and to provide economic security within the changing labour market. For this reason, the report recommends strengthening the role of earnings-related security, closing the gaps in social security, taking better account of diverse careers and preparing for the effects of technological change.

The report, commissioned by Akava Works, was drafted by Juho Saari, Professor of Social and Health Policy at Tampere University.