



COUNTRY
REPORT
FOR
FINLAND

A photograph of a woman carrying a young child on a sidewalk, overlaid with a red tint. The woman is looking down at the child. The background shows a brick wall and a metal railing.

EUROPE 2020
SHADOW REPORT 2014

PROPOSALS FOR THE ANNUAL GROWTH SURVEY,
COUNTRY SPECIFIC RECOMMENDATIONS AND NATIONAL POLICIES.
CARITAS RECOMMENDATIONS FOR EUROPE 2020 MID-TERM REVIEW.

01 EU 2020 Strategy: general evaluation

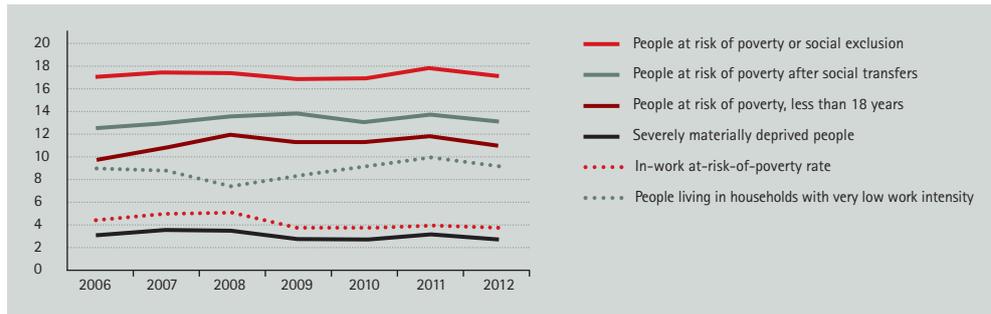
For many NGOs acting in the social arena the Europe 2020 Strategy has an importance since it shows that the problems identified by NGOs are also reflected at the higher, European level. It is also important for them to see that the Strategy calls for structural changes and that politicians should react to the Europe 2020 objectives when implementing the policies.

The situation in Finland calls indeed for some structural changes because of the economic situation but also because of the complaints about the social service system/welfare system. People feel, more and more, that they don't get help and that the social- and health sectors are not working that well anymore; people are also confronted with the situation that they don't receive support because of the shortage of money, although legally they have a right to receive it. The municipalities are not able to handle difficult questions concerning people's needs and services are variable in different parts of Finland.

02 Poverty

2.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	
Finland													
POVERTY													
People at risk of poverty or social exclusion	-	-	16.9	-	-	16.9	-	-	17.9	-	-	17.2	24.8
People at risk of poverty after social transfers	12.9	14.7	13.8	12.9	14.7	13.8	13.2	14.2	13.7	12.9	13.6	13.2	17.0
People at risk of poverty, less than 18 years of age	-	-	11.4	-	-	11.4	-	-	11.8	-	-	11.1	20.8
Severely materially deprived people	-	-	2.8	-	-	2.8	-	-	3.2	-	-	2.9	9.9
In-work at-risk-of-poverty rate	4	3.4	3.7	4	3.3	3.7	4.3	3.4	3.9	4.2	3.3	3.8	9.2
People living in households with very low work intensity	-	-	8.4	-	-	9.3	-	-	10.0	-	-	9.3	10.3



Development of poverty and social exclusion indicators in the Netherlands (2009-2012) based on Eurostat:

- ➔ The highest absolute and relative increase occurred in the rate for people living in households with very low work intensity, which rose by 0.9 p.p. from 8.4% in 2009 to 9.3% in 2012, situating the indicator slightly below the EU-average (10.3% in 2012).
- ➔ All poverty indicators remain (well) below the EU-average, although the rate of people at risk of poverty and social exclusion, in-work-at-risk-of-poverty and severe material deprivation experienced slight increases (between 0.1 and 0.3 p.p.).
- ➔ It is worth noting that child poverty peaked in 2011 (11.8%) and levelled off in 2012 (11.1%), situating the rate well below the EU-average (20.8% in 2012).

Additional evidence and data shows the severity of the problems reflected by the above Eurostat data:

The figures for Finland are looking good, when compared with the EU average. But the worrying trend is that in our society some groups seem to be more at risk at poverty than the others. Three such groups can be identified:

- ➔ Migrant families affected by: high unemployment rate (60%¹, in addition the unemployment rate among immigrants in Finland is three times higher than the local population), low incomes (part time jobs) limited languages skills (they don't know where to get help); many children in families and youth have difficulties to find a job or continuing their education.
- ➔ People living alone, who are mostly elderly (women with very limited social contacts, and few relatives (small families) and confronted with high costs of living.
- ➔ Long term unemployment people (mostly men), especially those living alone, high risk of poverty; they have social contacts, have mental illness, alcohol problems, and low income.

Caritas Finland, and many others NGOs, are worried about this: that the problems up on some people or groups are so big that are no easy ways of helping them. We can also see that problems are inherited from generations to generation (unemployment, children custody, alcohol, limited education, low incomes)

At the same time as the general level of income has been rising, it is the poverty of families with children has been rising. In 1995, 52 000 children under 18 years of age lived in poor families. In the early 2000s, this total was 129 000 and in 2007 151 000 children living in poor families. The increase has been almost three-fold. Child poverty is most common in single-parent families and families with children under three years of age. The size of the family can affect a child's risk of poverty. Large families are often poor.²

¹ Source: Ministry of Interior, Finland

² National Institute for Health and Welfare/ Iivonen, Esa 2010

In recent years the trend in incomes of families with children has been a little better than in other households. However, child poverty is still almost three times higher than 20 years ago, and is clearly inherited. The risk of poverty is highest among large and single-parent families. Persistent poverty, busy work life, substance abuse, loneliness, and difficulties in accessing the social and health services are affecting children's full rights in Finland in full (see the info in the UN Report below).

Although the majority of children can live well, and can have – perhaps – a better childhood than any previous generation had, there is still a proportion of children who suffer from cumulative problems.³

Social investments in improving the living conditions of young people and young people in civic activities have yielded results. Youth unemployment has fallen, but is still more than double that of the adult population. Youth homelessness has decreased and drug use among young people is on the decline. Early school leaving has declined⁴ (National statistics). A worrying fact, however, is that problems continue pile up for these young people. Finland is experiencing therefore a problem of polarization and a deepening of problems that makes young people's lives more difficult.

(Social and health ministry of Finland)

Testimony

One big part of the state reform is the Social Welfare Law reform. It is still a proposal, but the first discussion in the Parliament was held in mid-September 2014. The purpose of this new law is to shift the focus of the special services onto the basic services, to confirm the equality of clients and to intensify cooperation between the authorities. Customers (i.e. people in need) have the right to the services securing their necessary care and the social assistance they are entitled to as well as their child's health and development. The goal would be to deliver the most effective short-term support as well as the longer-term services to safeguard those in need.

One case from the field – A man, age 50, immigrant background (based in Helsinki) became homeless, because he wasn't able to pay the rent anymore. He used to live in a house with his wife and children, but after they divorced, he moved from his house into a flat. Now he is unemployed and without the flat. He is not able to see his children anymore, because he has no place to live. People at the employment office are helping him to find a job. The people at the children's services are expecting him to find a place to live where he can have his children. The people at the adults' social services are helping him to find a flat, but it's not easy, when you are unemployed, of an immigrant background and living in a city with high living costs. The support is not structured: should the work come first or should the accommodation be provided first? Which comes first and which centre helps with what? So he is waiting and going from one service to the other, nobody responding, and the authority's not communicating with each other. This should change now according to the Social Welfare Law reform.

³ From the Report National Institute for Health and Welfare (2014) Well-being of families with children in 2014 study, 16 articles and 32 authors summarize the THL population studies. /Lammi-Taskula Johanna, Karvonen Sakari (toim.), Lapsiperheiden hyvinvointi 2014. THL

⁴ Report of the National Institute for Health and Welfare (2014)

2.2

Recent policy developments

Finland has carried out a thorough social and health service reform, the aim of which is to safeguard the well-being of Finnish essential services for the decades ahead. The aim of restructuring is to remedy the problems within public services and reduce public expenditure. The state budget for 2014 is about 54 billion euros. The Ministry's administrative sector accounts for 12.8 billion euros. Government debt is expected to rise to about 100 billion euros this year. Funding to reduce the deficit is aimed at increasing employment, building economic growth and improving the productivity of public services.

In the new model the production of services is separated from the organisation of services. Their arrangements are going to be in five social and health areas in Finland (called "Sote-area" in Finnish). The Sote-Joint Municipal Authority is responsible for ensuring that the residents of the area are entitled to receive the services and other amenities they need. The starting point is to secure local services. The Sote-area must decide on the organisation of services every four years.

The municipality or local government is responsible for producing such services, under the conditions defined in the new law. Each municipality belongs to one of the five Sote areas. State control will be strengthened. Social Welfare and the Ministry of Health have set up the Sote-Advisory Board, and the control unit. The Sote areas are financing the production of services.

The underlying principle is the widest possible integration of basic and special services in social and health care. The principal is seen as a means of social and health care widest possible integration of basic and special services for the intact form of services. Human service needs are to be taken into account as a whole as well as their related services to ensure that the entire country's service management is clarified and strengthened.

⁵ European Commission, 2013, Recommendation Investing in Children: Breaking the Cycle of Disadvantage 2013/112/EU approved under the Framework of the Social Investment Package

⁶ Maria Kaisa Aula, Ombudsman for Children concluded her term of office by presenting an in-depth assessment and recommendations: Growing inequality of children should be combated with child- and family oriented services The annual report of the Ombudsman for Children, The report was presented to the Minister of Social Services and Health, Susanna Huovinen, in Helsinki on 25 April 2014. The annual report, which was based on comprehensive statistical data and the UN Convention on the Rights of the Child was prepared in partnership with the Research Centre for Health Promotion of the University of Jyväskylä. It is based on research over several years to compile basic data on children's wellbeing and develop national indicators on the wellbeing of children and young people. Work was funded partly by the Ministry of Education and Culture. Find more here: Childhood Inequality - the Wellbeing of Children as shown by National Indicators Annual Report of the Ombudsman for Children 2014

Social investment package: investing in children⁵

ASSESSMENT OF PROGRESS

- ➔ With regards to reducing inequality at a young age by investing in early childhood education and care it is important to quote the report (based on national indicators of wellbeing among children) of the Finish Ombudsman for Children:⁶

Most children and young people in Finland are doing well and are satisfied with their lives. However, an inequality gap is growing in wellbeing: problems tend to accumulate and culminate in around one in ten minors.

"Both financial poverty and care poverty must be prevented in order to reduce inequality among children. The current services do not provide parents with timely support in their problems and in interaction with children. Furthermore, the experts providing such services do not take a broad enough view in their encounters with children and young people. This development should be rectified by reforming school, social welfare and health care services - which are currently fragmented into separate administrative fields - to make them more holistic and child- and family-oriented."

The wellbeing of one in ten children is under threat

Statistics suggest that the overall wellbeing of children and young people in Finland is good. Children are satisfied with their lives and are growing up in a safer environment than before. Children can better discuss their problems with parents than earlier. More

children feel they have an impact on their daily lives at school. On many issues, Finland also scores highly in comparison with other countries. While the vast majority of children are well cared for, problems tend to accumulate among those less fortunate.

The amount of children whose wellbeing has been compromised ranges from a few percentage points to more than 10%. One in five girls in upper comprehensive school feel depressed. In Finland, suicide as a cause of death among minors (under 18 years old), typically boys, is among the highest in the OECD countries. Of all 13 to 16-year-olds, 8% do not have any close friends. 20% to 30% of girls in upper comprehensive school and older have experienced sexual violence.

About 8 percent of upper comprehensive school pupils say that they can hardly ever discuss their issues with their parents. There has occurred a steep decline in parental disciplinary violence. However, 1% to 3% of children aged between 12 and 16 suffer from continued corporal punishment, and 3% to 13% from repeated mental abuse. About 3 percent of children live in families with severe economic difficulties, and 9 percent in poor families.

Most children are doing well, but services have been unable to address the problems faced by families in need of support. Since the early 1990s, the availability of home help services for families has plummeted. Easily available parenting support does not exist. Mental health services for young people are insufficient. The real value of child benefit has decreased significantly since 1994.

The weakness of basic services is revealed by the fact that the number of children taken into care by child welfare services has doubled since the beginning of the 1990s. The greatest increase in the number of children taken into care has occurred among children and young people older than 13, particularly in the group of 16 to 17-year-olds. The number of repeated placements outside the home - i.e. the number of times a young person is taken into care and returned home - has also increased in this age group.

New operating models for services for children and families are needed

The Ombudsman has called for a bold reformation of service- and support-operating models. A broad spectrum of child and family oriented support across the administrative boundaries and taking into consideration the different needs in different age groups, should be readily available.

"Renewing our social welfare and health care services will not be enough to prevent increasing inequality among children and families. Such a renewal must be complemented by a local service entity that covers schools, youth work and leisure services and takes account of the entire life cycle of children. This service package should regard children and young people as whole human beings, and provide families with timely support for parenting. Children and their parents must also be involved in the assessment and development of services," says Maria Kaisa Aula.

The Annual Report of the Ombudsman for Children 2014 includes the Ombudsman's recommendations for decision-makers on preventing inequality in children's welfare and improving the knowledge base applied in welfare monitoring.

"While we already have plenty of information on children's wellbeing, in some areas we need additional knowledge. The wellbeing of small children is insufficiently monitored. We also know very little about the wellbeing of children who are clients of child welfare services, or that of disabled children, children with long-term illnesses and those from different language and cultural backgrounds. We need to address these deficiencies in order to ensure equality among children. This is the responsibility of the ministries in question," states Maria Kaisa Aula, who goes on to point out that

statistical monitoring of participation among children, and issues such as free time and media usage, is also inadequate.

- ➔ With regards to improving the responsiveness of health systems to address the needs of disadvantaged children – Ensure that all children can make full use of their universal right to health care, including through disease prevention and health promotion as well as access to quality health services

There is an overall tendency for “private sector direction” which means this is worrying and will negatively affect those families who cannot afford to pay.

A total of 22,7% of Finnish adults and 52,0 % of children had SHI.⁷ The reasons for purchasing SHI were faster access, wider choice, better quality and willingness to use private healthcare (PRH) services. For adults, labour market position, level of education, better health and household income were significantly associated with SHI. For children, the most important factor associated with purchasing insurance seems to be the educational level of the (respective) parent. There was a significant interdependence between parents' and children's SHI. For adults, the insurance decreases the probability they will choose a public provider and increases the utilisation of private services. For children, the insurance increases the probability of choosing a private provider. The SHI decreases the utilisation of public services for adults and increases the utilisation of private services. For children, there seems to be no effect on the utilisation of public services.⁸

2.3 Recommendations

Social inequality in Finland accumulates within certain demographic groups. This trend is intended to be reflected in the social and health care services reform as well as the social welfare law reform. It is recommended that these changes are monitored, especially as far as their impact on social exclusion is concerned.

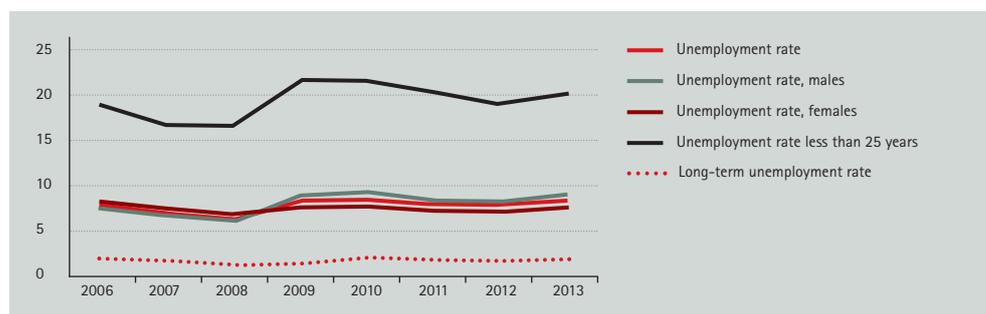
⁷ Supplementary health Insurance

⁸ Hannu Valtonen, Jari Kempers and Anna Karttunen KELAN TUTKIMUSOSASTO Supplementary health insurance in Finland Consumer preferences and behavior – Working papers 65/2014

03 Employment

3.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			2013			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	
Finland																
EMPLOYMENT																
Employment rate	74.7	72.4	73.5	74.5	71.5	73.0	75.6	71.9	73.8	75.5	72.5	74.0	74.7	71.9	73.3	68.3
Unemployment rate	8.9	7.6	8.2	9.1	7.6	8.4	8.4	7.1	7.8	8.3	7.1	7.7	8.8	7.5	8.2	10.8
Unemployment rate, under 25 years of age	-	-	21.5	-	-	21.4	-	-	20.1	-	-	19	-	-	19.9	23.4
Long-term unemployment rate	1.6	1.1	1.4	2.5	1.5	2	2.2	1.2	1.7	2.1	1.2	1.6	2.1	1.3	1.7	5.1



Development of employment indicators in the Netherlands (2009-2013) based on Eurostat:

- ➔ The highest increase, both in absolute and relative terms, occurred in the long-term unemployment rate, especially among men, which rose by 0.5 p.p., from 1.6% in 2009 to 2.1% in 2013; nevertheless, remaining well below the EU-average (5.1% in 2012).
- ➔ The employment rate dropped slightly from 73.5% in 2009 to 73.3% in 2013; most notably due to a drop of 0.5 p.p. in the female employment rate, whereas male employment remained relatively stable.
- ➔ Youth unemployment peaked in 2009 (21.5%), levelled off by 2012 (19%), after which it rose again slightly in 2013 (19.9%) where it continued to affect more than twice as many young people than the overall population (8.2% in 2013).

Additional national data shows the severity of the problems reflected by the above Eurostat data:

In 2010, the number of unemployed job seekers was approximately 265 000 people. Of these, 20%, or approximately 54 000 people were long-term unemployed. Structural unemployment was significantly higher, about 142 000 people, representing 54% of all unemployed.

The health care services system has its own impact on health inequalities, because the occupational health services (paid for by both employees and employers) only reach the working population. In public health care services some medical services are paid and they are limited when compared to occupational health care.

Long-term unemployment and repeated unemployment has been found to reduce the work capacity and to increase mortality. The most serious impact of unemployment appears to be large differences in mortality between the employed and unemployed. Here, we often talk about the health gap between the employed and unemployed labour force.⁹

3.2

Recent policy developments

The Finnish labour market is generally performing well. The most pressing challenges relate to the ageing population. It is important to maintain the supply of labour in the future and to improve the sustainability of the pension and long term care systems.

Early exit from the labour market will be prevented by reducing access to early retirement, although currently some pathways still remain and measures are foreseen to improve the quality of people's working lives and thus extend their careers.

An extension of the Youth Guarantee and a temporary skills programme for young adults was introduced in 2013. A pilot programme to address long-term unemployment has also been launched. Social Partners have agreed on a new framework wage agreement for the next three years (2+1), ensuring moderate wage increases in order to improve the competitiveness of the economy. The agreement also includes a roadmap towards consensus on pension reform.

These are concrete steps in the right direction but their impact still remains to be seen. People in Finland are talking at cross-purposes about the youth guarantee. Some are praising the system while others are criticizing it. Just recently (October 2014) Minister of Social Services and Health, Susanna Huovinen, said: "We should ask, what would happen to youth unemployment, if we didn't have the youth guarantee."

⁹ National Institute for Health and Welfare

3.3

Recommendations

Immigrant unemployment numbers are still high and the long-term unemployment situation is still looking bad. Worrying trends still affect the country, coupled with continued economic uncertainty and continuing employer-employee negotiations at the municipal level.

The big social and health service reform is not bringing the expected savings to the state, even though the aim was good. The decision to change was good and needed, but its impact is limited.

The Social Welfare Law Reform is a good change, but attention should be given now to shifting the attitude of staff working in the social and health service sector. The rights of people in need to access services are guaranteed on paper by the law, but this still needs to be made visible at the level of implementation. Current methods and attitudes need to be revised and adapted in order to reflect the spirit of the law and to effectively guarantee access to services for people in need.

Caritas Europa

Rue de Pascale, 4
1040 Brussels - Belgium
Tel. +32 (0)2 280 02 80
Fax +32 (0)2 230 16 58

info@caritas.eu
www.caritas.eu



This report is supported by the European Union Programme for Employment and Social Solidarity – PROGRESS (2007-2013).