What this report is about

This report describes the main challenges related to poverty and social inclusion among young people in Finland and provides recommendations for policy makers to address these challenges. The recommendations are based on an analysis of the grass-roots experience of Caritas Finland, which is compared to official data.

About Caritas Finland

Caritas Finland’s main beneficiary group are migrants, who are the focus of this report. Caritas Finland mainly provides advice, guidance and support to different ethnic groups. It also organises events that promote the integration of immigrants in Finland and involves priests and volunteer workers in its activities that aim to inform migrants about the social welfare system in Finland. These include information services on where to ask for different types of assistance.

In 2016, the organisation reached a total of approximately 60 beneficiaries in Finland. Most of the beneficiaries are ethnic minorities.

Programmes that we carry out aimed at families with children:

- In 2016, Caritas Finland advised, educated and informed around 20 families and 8 parishes about work, health and social services. We also offered a once a month “social café” where one can come and just enjoy a cup of coffee and company or also ask questions of a social worker.

60% of families with children are beneficiaries of our services

Programmes that we carry out aimed at young people:

- In 2016, Caritas Finland advised and informed young people about work, health and social services. They could also attend our “social café”. We also supported them financially to arrange their own happenings, reaching out to around 100 persons every year. Each year, Caritas Finland helps around 30 youths, mainly with a migrant background, get to the summer camps.

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Finland’s main challenges related to poverty and social exclusion among young people:

- **YOUTH UNEMPLOYMENT**: Many young people face difficulties in managing the school-to-work transition. This affects particularly youth with migrant backgrounds. Despite the Youth Guarantee, many young people end up spending a long time without employment or training.

- **INCREASING INEQUALITIES**: The income gap in Finland is widening. The social welfare system does not ensure upward mobility any longer. Poverty is transmitted from generation to generation. Children who have suffered poverty in their childhood are most likely to stay poor as adults.

- **POVERTY AND MENTAL HEALTH**: Social services and social transfers do not manage to mitigate the social determinants of health. Mental health conditions and poverty are mutually reinforcing.

- **MIGRANTS AT RISK**: Youths with a migrant background are exposed to low income, serious material deprivation, low employment and discrimination. Many migrants suffer from physical, psychological, traumatic experience or other health issues.

Policy recommendations:

1. Ensure that every young person, including migrants and asylum seekers, have access to quality education, training or rehabilitation.

2. Create job opportunities for youth by coaching young entrepreneurs.

3. Ensure equity and non-discrimination with particular regard to the population with migrant backgrounds.

4. Guarantee the right to quality childcare for every child.

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1 For the purpose of this report, young people are considered people aged 18 to 29, in line with the criteria of the European Commission. The source of the data in the box is from Eurostat, consulted on 12/05/2017 from the latest available data.
1. Poverty and social exclusion among young people in Finland: the reality behind the data

The problems of most concern in Finland

- Long-term unemployment
- Poor physical or mental health

Long-term unemployment

Life between short-term jobs, waiting for a job or training, hoping and failing is not good for young people. Often, it creates low confidence in their personal life and distances them from society, generating a feeling that “society is against young people”. For many young people living in Finland the future often looks very uncertain. Many young people, who have the opportunity, leave the country or at least think about it.

According to Statistics Finland’s Labour Force Survey, the number of unemployed was 260,000 in March 2017, which was 14,000 less than a year ago. The unemployment rate was 9.6%, compared with 10.1% in March 2016. However, the unemployment rate of young people aged 15 to 24 was at 23.9% in March 2017, which was almost the same as a year earlier. The number of long term unemployed young people aged 15 to 24 was 12.1% of the population of the same age.

Social assistance for the unemployed is divided into (non-contributory) labour market support or basic allowance, and (contributory) earnings-related daily allowance. In addition, unemployed people can receive separate subsistence and housing allowance. Inequalities are growing. The gap between those young people who are doing well and those who don’t is a worrying trend. An important dimension is the unemployment rate amongst immigrant youth. Youth with a migrant background constitute nearly half of the youth population between 16 and 29.

The most significant difference between foreign language-speaking and domestic language-speaking young people is the employment and unemployment rates. In 2016 the employment rate for Finnish speakers was 71%, for foreign language-speakers 50% and unemployment rates 6.5% and 17.7% respectively. Over 70% of the working people in Helsinki, those speaking the domestic languages of Finnish and Swedish were employed, but only half of those speaking a foreign language had a job.²

² NUORISOTAKUUN SEURANTARAPORTTI: Youth guarantee follow-up report Maahanmuuttajanuoret /immigrant youth – City of Helsinki 2015.

Köyhä alkaa oppia, ettei kannata unelmoita.
"A poor person will learn not to dream”
(Mathias Rosenlund: Vaskivuorentie 20)
**Poor physical or mental health**

Poverty is always a risk to health and well-being. The World Health Organisation has researched the social determinants of health and has stated insistently that behind health issues there are social factors such as poverty, inadequate living conditions in childhood and young life, limited work opportunities and the management of unemployment in society. Although welfare and public health in Finland has grown positively in general over the last decades, inequalities in well-being and health between different population groups has increased.³

**Access to minimum income schemes**

Currently, the minimum income schemes or other related benefits that are available to young people are:

- Unemployment benefit
- Housing benefit
- Disability benefit
- Child allowance
- Alimony

However, some young people have limited access to these schemes and benefits. Undocumented migrants in particular have difficulties in accessing social protection schemes, as one needs to be registered with a home address in a municipality. In addition, generally-speaking, these minimum income schemes are only moderately adequate. Although the coverage and depth of social protection in Finland is sufficient, their levels haven’t risen in recent years, whilst living costs continue to increase.

**Access to employment**

The major problems related to the access of young people to employment are:

- Inadequate or poor quality education (early school-leaving or school drop-outs).
- Limited employment opportunities, particularly for foreigners without formal degrees and limited skills, who face severe difficulties finding employment.

**Current services to fight poverty and social exclusion among young people**

The following services that could lift young people out of poverty and social exclusion are not generally available:

- Access to physical and mental health care

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Transmission of poverty

Traditionally, Finland has been a country with very little income inequality, but recently the gap has risen. According to different studies, the situation in childhood, when families suffer economic difficulties, affects adulthood poverty. The main reason for the transmission of poverty from childhood to young people seems to be the socio-economic background. The social welfare system no longer ensures upward mobility. The reasons behind this are mainly inheritance and the collapse of social transfers, when compared to income and the rise in living costs. In this regard, studies of families receiving income support show that the risk of poverty is much higher for those people who needed income support in their childhood compared to those children who did not. This means that growing up in a poor household increases the likelihood of being poor as an adult. This second-generation poverty seems to be a bit higher for men than women.4

This leads to the following consequences: Finnish social policy is value-based, works well mostly, and is supported by a strong societal consensus. However, there is increasing evidence that individuals, and particularly families, that are at risk of poverty, have more difficulties than before. The social welfare system is no longer able to offer children from poor families equal opportunities, at least not like it used to do. Consequently, the gap between different socio-economic groups keeps growing.5

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The risk of poverty and social exclusion is calculated according to the EU’s “At risk of Poverty or Social Exclusion” (AROPE) indicator, which was introduced in 2010 and is measured by low income, serious material deficiency and low employment. We, in Caritas, know from our face-to-face experience that immigrant families and immigrant youth suffer all of these shortages. Many of them live on social benefits, they have no family support and they have few job opportunities, because of low education and limited language skills.

**Young immigrants**

In Finland, the population with a migrant background grew very strongly in 2015, because of the arrival of many asylum seekers. It’s not clear how permanent this change will be. At the end of 2015, the Finnish population with a foreign background was 339,925 people, or a total of 6.2% of the population. Within the youth population aged 16-25, this figure increases to 40%.\(^6\) It is important to distinguish the various reasons for migrating to Finland: work opportunities, family reunification, or humanitarian reasons. The picture of migrants is not uniform. However, they have many similar problems. For example, students with immigrant backgrounds are frequently at risk of poverty. The risk of poverty for immigrants is 6 times higher, when compared to the mainstream population.\(^7\) The reasons for this are higher unemployment, lower language skills and lack of training opportunities.

Taken together, this makes it very challenging to find employment, especially for those in a vulnerable position. Many migrants suffer from physical, psychological, or other health problems/issues coupled with traumatic experiences. Furthermore, there is a widespread practice of discrimination, which hits youth particularly in working life.

**Access to healthcare and employment services for migrants**

Migrant youth face a number of formal and informal barriers to accessing health care. It is important to better recognise the specific health issues of vulnerable groups in social and health services. This would improve their well-being as well as enable them to plan the way for integrating into work.

Furthermore, employment services have to be adapted to the specific needs of migrant youth. Currently, the social service and employment system frequently puts young people simply into language courses or training programmes, without due respect to any further needs derived from their situation as refugees or having suffered protracted discrimination. Additionally, when transitioning from school and training institutions to work environments, they often do not manage the multiple challenges common in that life stage, or when expectations are too high, they fail and exclusion is reinforced. We detect this pattern

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\(^6\) Statistics Finland, 2017; Eurostat, 2013.

\(^7\) TRV 201; see as well The European Anti-Poverty Network EAPN 2017: *Explainer on Poverty and Inequality in the EU* – Report (2017)
frequently among the group of Caritas beneficiaries. Specific, targeted and integrated support, that combines employment services with social assistance, is needed.

Young migrant people in Finland have more difficulties in securing their rights. The main problems related to not being able to access these rights are connected to both societal issues and administrative procedures. A clear example is access to housing. If you have money, you can go to the private market. If not, you wait for social housing or you wait for the social worker’s statement.⁸ Although, in the end, you might get everything you need, you still need much more time to get everything settled. It is particularly hard to compile all the paper work because work or studies frequently overlap with the office hours of social services. Hence, in the Finnish public administration today we effectively have two queues for young people – those who get everything and those who always wait.

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⁸ In Finland, social workers issue a statement that acknowledges the eligibility of beneficiaries for social housing, documenting their ability to maintain a household.
BOX 1. Ratification and implementation of the European Social Charter related to young people

FINLAND has ratified the majority of Articles of the 1996 Revised European Social Charter. Some of the following Articles are not yet ratified and could have an impact on social inclusion of young people:

- The right of workers to a remuneration such as will give them and their families a decent standard of living (Article 4.1);
- The right of all workers to a reasonable period of notice for termination of employment (Article 4.4);
- The Right that time spent by young persons in vocational training during normal working hours with the consent of the employer shall be treated as forming part of the working day (Article 7.6);
- The provision that persons under 18 years of age employed in occupations prescribed by national laws or regulations shall be subject to regular medical checks (Article 7.9);
- The obligation that mothers who are nursing their infants shall be entitled to sufficient time off for this purpose (Article 8.3);
- The obligation to prohibit the employment of pregnant women, women who have recently given birth or who are nursing their infants in underground mining and all other work which is unsuitable by reason of its dangerous, unhealthy or arduous nature and to take appropriate measures to protect the employment rights of these women (Article 8.5);
- The obligation to extend the protection and assistance provided for in this article to self-employed migrants insofar as such measures apply (Article 19.10).

Finland has ratified the Additional Protocol providing for a System of Collective Complaints. This allows parliament and civil society to effectively monitor the obligations in fulfilling and providing basic social rights.

More information on accepted provisions by Finland
How effective are Finland's policies to fight poverty and social exclusion among young people?

### Policies that are having a positive impact

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<tr>
<th>Policies</th>
<th>Reasons why they are being effective</th>
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<tbody>
<tr>
<td><strong>Youth Guarantee</strong></td>
<td>The implementation of the Youth Guarantee to promote employment and prevent social exclusion among young people forms part of the Government Programme. The Youth Guarantee is one of the spearhead projects of the Government Programme and therefore receives special government investment and monitoring. Its focus is on preventive measures. The full-scale realisation of the Youth Guarantee is based on the idea of presenting the available services in a clear and unified form in order to ensure full access for all young people. The programme offers vocational education to young people aged 20 to 29 who have no training. In addition to the present investments, the situation calls for structural solutions and a willingness to invest in young people in the long run.</td>
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<td><strong>Access to affordable childcare</strong></td>
<td>In Finland, childcare has been guaranteed. Any application for a childcare place has to be responded to by the municipality within four months. Thus, childcare has been a subjective right for every child. However, now some municipalities are opting to deny access. The right to a place for childcare is no longer seen as a subjective right, if one parent/caretaker is at home. This affects particularly those families experiencing unemployment, and immigrants who are, for example, waiting for language course places.</td>
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<td><strong>Access to affordable housing</strong></td>
<td>Although the Ministry of Environment has conceived a new strategy to address homelessness, the exclusion of vulnerable groups from affordable housing is on the rise. The goal of the action plan is to link the work on homelessness more extensively to all the work on preventing social exclusion based on the Housing First principle. In practice, this means ensuring that housing is secure whenever the client is dealt with in the service system.</td>
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Policies that have a limited impact

The following policies are having a limited impact in fighting poverty and social exclusion among young people:

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<th>Policies</th>
<th>Gaps or reasons why they are not being effective</th>
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<tr>
<td><strong>Education policies to combat early school-leaving and drop-outs</strong></td>
<td>Statistics show that around 6% of the youth (more boys than girls) stop school after elementary school - and because of low education there is limited possibility of finding further training or workplace apprenticeship or employment. 11 (More efforts should be directed towards understanding why youngsters stop school early and why they lose the motivation to study further.) Devising preventive programmes could prevent much suffering - and public expenditure.</td>
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**Example of an effective policy or programme related to young people**

**Combating Homelessness with a “Housing First” Strategy**

The target group of the programme includes people who have recently become homeless and those who have been homeless for longer periods. It also targets people at risk of becoming homeless. Amongst these are young people or families overburdened by debt or at risk of eviction; some are young people leaving their childhood home for an independent life; people undergoing mental health rehabilitation; and substance abuse rehabilitation clients transitioning from institutions to independent living. Additionally, the programme is directed towards clients of child-welfare after-care services and some of the young people whose child-welfare after-care ends when they turn 21. Other groups are asylum seekers who have received a residence permit but have failed to integrate, as well as released prisoners or prisoners going on parole who are also homeless.

The goal is to contribute to a reduction in homelessness. The objective will be achieved by: strengthening the prevention of homelessness, and preventing the recurrence of homelessness. The strategy includes allocating 2,500 new dwellings or places in housing to the homeless or groups of people at risk of becoming homeless. The proposed measures aim to renew our service system related to dealing with homelessness so that it becomes more client-oriented, preventative and cost-efficient.

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Example of an ineffective policy or programme related to young people

ACCESS TO EMPLOYMENT FOR IMMIGRANTS

In a report on immigrants and the impact of labour policy measures, diverse and representative data is used to examine the effect of labour policies on immigrants based on an integration plan prepared by the public employment service in 2008. Those immigrants, who, besides integration training, had also participated in other measures, had found better employment than those who had not participated in any measures. In particular, small groups, that had participated in vocational labour market training, or young people who received pay subsidies, had better chances of finding jobs.

The recommendation arising from the study is that these measures should be targeted earlier and to larger numbers of immigrants than now. The study also shows that the overall employment situation may have a greater impact on how immigrants find employment than is the case for the remaining workforce. In a good economic climate, finding employment after the integration measures was clearly easier than it was for the remaining workforce after the economic crisis of 2007/8.12

SOCIAL WELFARE AND HEALTH CARE REFORM IN FINLAND

An overhaul of the structures of the social welfare and health care services system has been going on in Finland for several years. The need for this reform emerged from problems in ensuring equal and adequate social welfare and health care services to the population under the existing municipality-based service structure as the dependency ratio varies. Small and financially weak municipalities have encountered significant difficulties in organising and producing services. Under the present reforms, responsibility for providing social welfare and health care services is being transferred to larger, and hence stronger, administrative entities.

The Government has outlined the creation of autonomous areas for the purpose of organising social welfare and health care services. The objective of this operation is not only to create more financially viable bodies as service organisers, but also to achieve complete horizontal and vertical integration of social welfare and health care services.

12 Publications of the Ministry of Economic Affairs and Employment, 06/2017
The European Social Fund (ESF) contributes to reducing poverty and social exclusion among young people. National Health and Welfare Institute research shows that the average health status of the Finnish population has improved in many respects over the last few decades. At the same time, socio-economic inequalities have remained largely unchanged and in some areas they have grown. The socio-economic inequalities in health and wellbeing present a major problem for Finland, just as in any other modern welfare state that is committed to values of equality. Health inequalities are mostly caused by differences in living and working conditions as well as cultural and behavioural differences between socio-economic groups.\textsuperscript{13} Many of the projects funded by the European Social Fund have an orientation towards combating health inequalities and offering better-integrated services, including social services, employment services, and primary health care provision.

\textsuperscript{13} Reference: National Health and Welfare Institute 2017
2. The response of Caritas: promising practices that combat poverty and social exclusion among youth

Social café

Since 2017

Description

The Social Café offers low-threshold access to first information about people’s social rights and the social protection system in Finland. Caritas Finland offers, once a month, a “social café” where people can just come and enjoy a cup of coffee and some company, and ask questions directly of the social workers who are present.

Problem addressed

Newly arrived people often need a lot of time to find out their rights, what help they can receive and to find their way through the Finnish welfare system; and they often do not know where to start.

Results

The project started in Spring 2017 and receives between 8 and 12 visitors each time. It is too early to assess the results of the project, but the fact is that participants are better informed about their social rights, and can more accurately and quickly know which services to turn to and where to find them.

Innovative features & success factors

The project offers low-threshold, first access to basic information, allowing participants to understand their new social environment and the Finnish social protection system.
3. Recommendations to address the described problems

Recommendation 1: Ensure that every young person, including migrants and asylum seekers, have access to education, training or rehabilitation

🎉 **Problem addressed if implemented:** Many youth, particularly those from families with a migrant background, still face difficulties in the school-to-work transition and end up dropping out of the system.

🎉 **Governmental department or responsible institution that could lead this measure:** The Ministry of Education.

🎉 **Main arguments supporting this measure:** Everybody needs to have access to quality education that is sensitive to immigrant needs or training or rehabilitation.

🎉 **Policy framework:** This measure corresponds to Target 8.6 of the Sustainable Development Goals (SDGs): “By 2020, substantially reduce the proportion of youth not in employment, education or training.”

🎉 **How the European Commission could support this measure:** Provide policy guidance and mutual exchange on implementing the Youth Guarantee.

Recommendation 2: Create job opportunities for youth by coaching young entrepreneurs

🎉 **Problem addressed if implemented:** Whilst there is a lot of public discourse on creating more jobs, the actual impact of government policies is limited.

🎉 **Governmental department or responsible institution that could lead this measure:** The Ministries of Employment and the Economy.

🎉 **Main arguments supporting this measure:** Young entrepreneurs need support. Beyond financial start-up assistance, tailor-made advice and targeted coaching would help to guide young people into sustainable jobs.

🎉 **Policy framework:** This measure corresponds to Target 8.5 of the Sustainable Development Goals (SDGs): “By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value”.

🎉 **How the European Commission could support this measure:** Provide policy learning and mutual exchange on implementing the measures to promote youth entrepreneurship.
Recommendation 3: Ensure equity and non-discrimination with particular regard to the population with migrant backgrounds

 euler Problem addressed if implemented: The gap between different socio-economic groups is growing. Persons with migrant backgrounds are usually poorer and face issues of discrimination on the housing and labour market.
 euler Governmental department or responsible institution that could lead this measure: The Ministries of Education, the Economy, Labour and the municipal authorities.
 euler Main arguments supporting this measure: Schools have to be aware of the cultural diversity of pupils and its significance for learning and skills development and make sure that everybody enjoys the same rights and right support in order to study.
 euler Policy framework: This measure corresponds to Goal 10: “Reduce inequality within and among countries” of the Sustainable Development Goals (SDGs).
 euler How the European Commission could support this measure: Ensure that the issues of equity, inequalities, cultural diversity and discrimination are being dealt with in the European Semester Process.

Recommendation 4: Guarantee the right to quality childcare for every child

 euler Problem addressed if implemented: Whilst in Finland, generally, there is good quality childcare, recently some municipalities have been opting out of providing the right to unemployed persons. This particularly affects migrant families. Children are therefore staying at home when they could be learning the language at kindergarten and thus be better prepared for school.
 euler Governmental department or responsible institution that could lead this measure: The Ministries of Social Affairs and Education.
 euler Main arguments supporting this measure: Early childhood education is the best way to integrate children and families into society and ensure equal opportunities.
 euler Policy framework: This measure corresponds to the following targets of the Sustainable Development Goals (SDGs): Target 4.2 “By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education”, and Target 5.4 “Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate”.
 euler How the European Commission could support this measure: Include access to quality childcare into the European Semester Process.
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