



Caritas CARES!
country report 2019

Finland

**Access to services by vulnerable groups:
barriers, obstacles and good practices**

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What this report is about

Caritas Organisations are essential actors in the fight against poverty and social exclusion, and the fight for social justice. They do so by assisting and providing services to people in need, as well as by presenting alternatives to address unfair structures, policies and measures.

The Caritas CARES report is an important instrument in this endeavour. Caritas informs local, regional, national and European authorities and formulates recommendations, based on its daily work with people experiencing poverty.

This report has been compiled on the basis of a questionnaire, designed in consultation with the participating member organisations. It will ensure that the voice of the weakest members of our societies is heard and will support the advocacy efforts of Caritas at national and at European level.

This report is focused on an analysis of the availability, accessibility, affordability and adequacy of services addressing poverty and the promotion of social inclusion and activation in European countries, and it attempts to identify concrete causes of non-access to services by the most vulnerable members of our society.



About Caritas in Finland

Caritas Finland provides guidance and support to people with different needs. Beneficiaries include people of different nationalities, which is natural as many of the people who attend our services know of Caritas before leaving their own countries of origin. In 2018 Caritas Finland supported about one hundred beneficiaries, in particular immigrants, asylum seekers, long term unemployed people and people with mental illness; the majority of whom were females between 31-64 years of age. These were people left without help, and for this reason they contacted the church or Caritas directly in order to seek assistance. The beneficiaries come to us directly or through parish priests: they get in touch with Caritas to ask for information concerning access to the social protection system and to social services.

In the last few years the trend observed by Caritas Finland is that more women than men request support. Their main concerns include loneliness and the difficulty of adapting to the Finnish culture, which represents an obstacle to finding a job or to formalising a study plan. Those referred to the Caritas helpdesk also have a lack of knowledge of the Finnish welfare system and ask for support with practical procedures.

Information relating to the beneficiaries supported in 2018 is not precise as it was collected in a manual register. From 2019 Caritas Finland will start to monitor beneficiaries receiving support through a follow up system Ospoweb¹ which collects data about their needs and the support received.

The main programme currently organised by Caritas Finland is the DUUNI-group, an activity intended to support the return to studies, or to find employment, targeted at young mothers and fathers who are unemployed or without sufficient education. It comprises group and individual activities: six group meetings and about three personal meetings are provided to support persons who are in need. These activities are realised with the support of many partners all over the country.

Caritas Finland also organises other activities, such as the so-called Social Café, which offers low-threshold access to first information about people's social rights and access to the social protection system in Finland. Once a month people can just come to the "social café" and enjoy a cup of coffee and some company, but also have the possibility of meeting with a social worker in order to ask for some help, guidance or information.

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¹Ospoweb is a web application aimed at managing the data of counselling centres at national, regional and diocesan levels. The application was developed and launched by Caritas Italiana in 2011 in 28 dioceses. Other Caritas member organisations have started to use the same application.

Executive summary

From a demographic point of view Finland is a country that is rapidly ageing and that has among the lowest levels of resident third country nationals. The number of asylum applicants, since the refugee crisis of 2015, has rapidly decreased and in 2018 the number fell further to 4,500.

Finland's **economy** is growing robustly and employment and wages are increasing. As a consequence, the **unemployment** rate dropped to 4.9% in the third quarter of 2018, but the situation was quite different concerning **non-EU nationals**.

Concerning **poverty**, Finland has one of the lowest rates of population **at risk of poverty or social exclusion (AROPE)** in the EU, but the risk of poverty or social exclusion remains an issue in some regional

areas and for specific vulnerable groups.

Spending on social protection is among the highest in the EU and it has increased over the years. **Social transfers are particularly effective in reducing income inequality**, but these are not accessible to all. The access to social rights is, in general, favourable, but only permanent residence allows for full eligibility of most social security provisions.

According to Caritas Finland, social and health reform should be introduced as soon as possible. The other very urgent reform is to find a solution to income traps. Caritas Finland recommends that the national and European authorities promote changes and reforms in particular in the following areas:

At all levels

- Recommendation 1:** Ensure that every person, irrespective of his background, has access to education, training, the labour market, or rehabilitation without unnecessary bureaucratic requirements. Procedures should be simple, affordable and effective.
- Recommendation 2:** Ensure equity and non-discrimination, particularly in regard to the population with migrant backgrounds, by providing clear information that facilitates communication between governmental authorities and the persons in need.
- Recommendation 3:** Guarantee the right to equal access to childcare for every child. Caritas Finland recommends that free preschool should start at the age of five for every child and that the subjective right to day care/early childhood education for all children be restored.

At national level

- Recommendation 4:** Create job opportunities with adequate wages in order to prevent the unemployment trap as well as in-work poverty. Access to income support should rather depend on the level of income, not on the source of one's income.
- Recommendation 5:** Ensure truly good planning of affordable social housing, also for lower income families and households in city areas.
- Recommendation 6:** Ensure that elderly people have the option to live in their own home for as long as possible, through reliable and good homecare, without fear of being institutionalised.

1. The evolution of the socio economic context

Between 2009 and 2018 the population in Finland grew by 3.5% with an increase of 186,816 people. It is a rapidly ageing country, and data show that while, in this decade, children (below 15 years of age) decreased by -0.1%, the elderly (>65) increased by 32.2% (+287,250) and the over 85s by 40.8%.

The population is only partially changing for reasons of migration flows: in fact, across Member States, Finland is one of the countries with among the lowest levels of third country nationals who are resident: in 2018 there were 148,491 migrants, equal to 2.7% of the population, while the EU average was at 4.4%.

Concerning asylum applicants, Finland recorded a sharp increase in the numbers between 2014 and 2015 (from 3,620 to 32,345²) – the so-called refugee crisis, followed by a sharp decrease between 2015 and 2016, when the number of individuals who applied for asylum in the country fell to 5,605, representing a year-on-year decrease of over 80%. In 2018 the number declined even further to 4,500.

Finland's **economy** is growing robustly and employment and wages are increasing. The economic growth enabled GDP to pass its peak of 2008. From the lowest level of 74.5% reached after the crisis (in 2010), **employment** grew in 2018 reaching 77.9% of the active population (15–64 years of age). The increase was driven mainly by services, industry and the public sector; thanks also to the participation of older workers and women in the labour market. As a consequence the **unemployment** rate dropped to 7.4% as an annual

average in 2018³ and to 4.9% in the third quarter of 2018⁴. The situation is quite different concerning **non-EU nationals**; for them the **employment rate** is still significantly below the employment rate of Finnish nationals, and it only slightly increased in 2017 to 60.9%⁵.

Concerning **poverty** Finland has one of the lowest rates of the population **at risk of poverty or social exclusion (AROPE)** in the EU, with 15.7% versus an EU average of 22.4% in 2017. However, the risk of poverty or social exclusion remains an issue for some regions and for specific vulnerable groups. This is, in particular, the case for children of low-skilled parents who are in conditions of poverty or social exclusion in 63.1% of the cases, a figure that is slightly higher than the EU average of 62.9%. An issue which deserves specific attention is the **significant level of poverty or social exclusion of children with a migrant background**: for them the risk is significantly higher (by 20%) than for children of Finnish nationals.

Income inequality in Finland is relatively low also thanks to social transfers that are particularly effective in reducing income inequality and protecting people from poverty and social exclusion. Spending on social protection is among the highest in the EU and it has increased over the years. In 2008 it was at €9,216 per inhabitant (at constant prices) when the EU average was €6,488; now it has reached €11,043 (against an EU average of €7,377). The impact of social transfers on poverty reduction⁶ is the highest in Europe, being equal to 56.93% in 2017, against an EU average of 33.98%.

² Eurostat, 2019, Asylum and first time asylum applicants – annual aggregated data.

³ Eurostat, 2019, Unemployment by sex and age – annual average.

⁴ European Semester Country report Finland, https://ec.europa.eu/info/publications/2019-european-semester-country-reports_en.

⁵ European Semester Country report Finland.

⁶ Impact of social transfers (excluding pensions) on poverty reduction.

2. Access to key social rights and to services by people experiencing poverty or social exclusion

The main goal of this CARITAS CARES report is to analyse if and how living in poverty or in conditions of social exclusion hinders access to social rights and to services.

Several EU initiatives have been promoted in recent years to tackle inequality, poverty and social exclusion, both in general terms and for specific targets groups. The European Parliament, the European Council and the European Commission have taken several policy initiatives to strengthen the social dimension of the European Union, and the most recent initiative in this context is **The European Pillar of Social Rights (EPSR)**. Another highly relevant instrument is the (revised) **European Social Charter (ESC)** of the Council of Europe. Both the Pillar and the Charter state the right to access some specific social rights related to equal opportunities and access to the labour market, fair working conditions, access to social protection and inclusion.

The **European Pillar of Social Rights** outlines 20 key principles and rights to support the functioning of fair labour markets and welfare systems. They are fully described [here](#)⁷. Several of the rights cited by the European Pillar of Social Rights specifically relate to the conditions of people in poverty and social exclusion. This is particularly the case of PRINCIPLE 4 – Active support to employment; PRINCIPLE 11 – Childcare and support to children; PRINCIPLE 14 – Minimum income; PRINCIPLE 16 – Health care; PRINCIPLE 19 – Housing and assistance for the homeless; and PRINCIPLE 20 – Access to essential services.

Another highly relevant instrument is the (revised) **European Social Charter (ESC)** of the Council of Europe. The most relevant articles of the European Social Charter relating to access to services are listed in Box 1.

On the basis of national studies and reports, CARITAS FINLAND assesses that **access to these rights is, in general, favourable**, but in a few specific cases, such as the access to active support to employment, to long term care and to essential services, it doesn't fully respond to the needs of the vulnerable groups of the population living in Finland. This is, in particular, the case for immigrants, people with mental illness and undocumented people.

In the following section the difficulties in accessing a few of the services available for those in need are described in detail.

⁷ https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en.

Box 1 – Ratification and implementation of the Revised European Social Charter (1996) related to access to services and minimum income

Finland has ratified the majority of Articles of the 1996 Revised European Social Charter.

The following articles, all of which have been accepted by Finland, could have an impact on access to services and minimum income:

- The right to vocational guidance (Article 9)
- The right to vocational training (Article 10)
- The right to protection of health (Article 11)
- The right to social and medical assistance (Article 13)
- The right to benefit from social welfare services (Article 14)
- The right of the family to social, legal and economic protection (Article 16)
- The right of elderly persons to social protection (Article 23)
- The right to protection against poverty and social exclusion (Article 30)
- The right to housing (Article 31)

Finland has accepted the Additional Protocol providing for a System of Collective Complaints.

More information on the provisions accepted by Finland can be found in the Country Factsheet.

3. Characteristics of the welfare system

Finland has one of the most advanced and comprehensive welfare systems in Europe: it is articulated in three areas: **social insurance** (for example, pensions, sickness & unemployment benefits, and workers' compensation), **welfare** (e.g. family aid, child-care services, and services for the disabled), and a **comprehensive health system**⁸.

- The Finnish **welfare system is residence-based** and it is financed by tax. It is administered by Kela, the Social Insurance Institution of Finland.
- **Social insurance is earnings-based and it is financed by contributions to private insurance companies and pension funds:** it is administered by the Finnish Centre for Pensions.

⁸ https://www.expats-finland.com/living_in_finland/social_security.html.

Only permanent residence allows for full eligibility of most social security provisions: the benefits can be claimed only by those who live in Finland. For this reason, together with the fact that the Finnish social and health system is quite complex and bureaucratic, a part of the population is left without help, namely, undocumented migrants and those

not having a fixed residence in a municipality do not have full access to the social protection system, which is residence based.

In the Finnish social protection system, money transfers are the basics, and the provision of social services is complementary.

4. An assessment of the availability, accessibility, affordability and adequacy of key services and benefits in Finland

Caritas Finland has established that within this complex set of measures and services, in combination with the size of the country and the geographical spread of the population, specific groups of vulnerable people face considerable barriers and obstacles in accessing them, in particular, in rural areas.

In this section Caritas Finland describes the main strengths and weaknesses of the access to five important services. Three services are universal (public employment services, housing services and early childhood education and care services) and two are targeted services, identified as particularly relevant in Finland: services for migrants and asylum seekers and services for the homeless.

The main criteria for the evaluation of these services are adequacy, accessibility, availability and affordability:

ADEQUACY: the service is of good quality and is satisfactory: it is able to respond to the needs of the user;

ACCESSIBILITY: the service can be reached or obtained easily, and it is easy to understand and to use;

AVAILABILITY: the service exists and it is available for those who need it;

AFFORDABILITY: the service is cheap enough for people who need it to be able to afford it.

The survey assessment has been based on a scale ranging from 1 (the lowest score, meaning that the service is completely inadequate, inaccessible, unavailable or unaffordable) to 5, which means that it is completely positive.

Even in such a favourable welfare context Caritas Finland has noted several problems and obstacles **in accessing services by different vulnerable groups**. As it is possible to see from the table below, for the groups all the services described present one or more problems in almost all the criteria analysed.

	Adequacy	Accessibility	Availability	Affordability	AVERAGE
Public employment services	3	3	3	3	3
Housing policies	4	4	4	4	4
Early childhood education/ECEC	4	4	4	4	4
Services for migrants and asylum seekers	2	3	3	3	2.75
Services for the elderly	3	3	3	3	3
AVERAGE	3.4	3.4	3.4	3.4	–

a. The access to public employment services is complex for persons with physical and intellectual disabilities or with a migrant background

Public employment services offer help in finding a suitable job and career (re)orientation and also switching jobs.

According to the Caritas survey, **the access to these services is particularly difficult for persons with physical and intellectual disabilities, asylum seekers and refugees, undocumented persons, migrants and ethnic minorities.** The main challenge is that this service is part of the residence-based social security system, which limits access, in particular, to undocumented migrants or people without legal status.

All the criteria have been equally ranked (all rated as 3 out of 5) delivering an image of **a service that could be further improved in order to respond appropriately to people's needs in terms of adequacy, accessibility, availability and affordability.** In fact, it is described as a complex system, where people have to queue and where very limited tailor-made advice, taking into account the specific needs of the individual person, is provided.

Over the last few years **the service has improved** thanks to projects funded through EU-funds, the service has started to target different groups. However, the most deprived and vulnerable groups accessing the service are still those receiving less targeted services. According to Caritas Finland the middle and upper income groups of society get better services.

A testimony can best illustrate access to these services:

Timo, a middle-aged academic man, became unemployed as the State's support for research and education fell dramatically under the last government. Research projects of the university were reorganised and some were merged into other groups or Government research institutes, or had to be stopped due to lack of research funding. The research group in which Timo had been working moved to another department at the university and, in addition, the research was reoriented so that it no longer corresponded to his scientific background. Timo had been working for about 20 years at the same institution and it was difficult to get a different kind of job corresponding to his qualifications. At times he got some assignments that updated his field of expertise. In addition, he was active on the Board of Directors of an NGO and various working groups in the field of social and health reform in Finland. Then he went to the Korko Project to get help getting back into employment again. Korko connects educated experts and companies looking for new employees. The project organises peer groups of job seekers that meet together six times, as well as personal appointments. People can also get some e-media teaching which helps them get work through LinkedIn. The Korko Project was helpful for getting new ideas on how to get a job because a university as a workplace is very different compared to others. The peer group was a good idea for sharing experiences with others in similar situations. This is a way employers can provide work and the State can give some financial support as part of the salary. It is an easier way to hire an employee. Eventually Timo got a new job in another sector.

b. Housing policies haven't been adapted to changing needs

In the last few years access to housing has **worsened**, as many people have moved to the cities and, therefore, apartments have become more expensive. **Housing policies have not been adapted to people's new needs and the demand for social housing exceeds the housing on offer.**

Finland is a cold country in the winter time so people need a place to spend the night. The number of homeless people has decreased over the years, and, according to Y-Foundation, providing **Housing First solutions**, it is the only country in Europe where the number of homeless people is declining, thanks to the policy implemented since the 1980's by the State, municipalities, NGOs and the volunteers that have been working with determination to reduce homelessness.

Apart from extreme poverty, **other target groups have considerable difficulties when considering housing accessibility.** Many **low paid persons and families cannot live in the city centres** because apartments are expensive. People have no choice but to live quite far away from their workplaces. Moreover, **the access to social housing remains an issue for asylum seekers, refugees, undocumented persons, migrants, ethnic minorities and persons with addictions.** Migrants, in fact, have fewer possibilities of renting a flat and the quantity of social housing is insufficient.

Over-indebted people and families are another group facing a lot of difficulty getting access to rented apartments (social or private).

General housing benefits are available for everyone and anyone can apply for it (both rental and ownership of housing). This service has been ranked equally on all criteria (all rated 4 out of 5). According to the Caritas survey, however, the provision of social housing does not respond adequately to the needs of the specific groups mentioned above.

c. Accessibility of free early childhood education and care is complicated for certain vulnerable target groups

Early childhood education and care (ECEC) improves equality in education since it increases early child support and can prevent exclusion. In Finland, school starts at the age of seven, which makes ECEC even more important in the fight against poverty and social exclusion.

Every child with working parents has the right to an early education place, and municipalities have to ensure sufficient places to meet the demand. Unemployed or stay-at-home parents do not have access to ECEC. Parents who can't afford to pay the fees can receive financial support from the municipality.

The previous government (2015–2019) changed the law, allowing municipalities to remove the subjective day care right for certain groups of children. Municipalities no longer have the obligation to guarantee day care/early education to every child, but only for those with working parents. For this reason Caritas Finland is experimenting with a free early childhood service, where families with low income have the opportunity to access free preschool for children up to 5 years of age.

According to the Caritas survey the service is regarded as quite adequate, accessible, available and affordable (all ranked 4 out of 5), but not for all, **as this problem affects migrant families, ethnic minorities and young parents at risk of poverty because they are still studying or have an unstable job, for whom the service is not available in every municipality.** In the last few years the service has **worsened in this sense.**

d. Services for migrants and asylum seekers, taking into account their specific needs, are not always present outside metropolitan areas

The main problem migrants and asylum seekers have to face when arriving in Finland relates to linguistic problems. They don't have knowledge of how to live in the country and they are not

aware of the local culture, an important challenge considering that in their new country they have poor personal and relational resources. On arriving they find a lack of social, health and employment services taking into account their specific needs. Caritas Finland is working mainly with immigrants to address these problems: that's why this group is over-represented within the beneficiaries of its activities.

According to the Caritas survey, the main problem noted by Caritas Finland is the inadequacy (ranked 2 out of 5) as after the refugee crisis in 2015 services proved to be insufficient. On the contrary, the service is regarded as affordable (rated 4).

In the last few years **services have improved** thanks to the **implementation of new policies, such as the International House.** In Helsinki it provides a wide range of information and public authority services to meet the needs of international newcomers in the Helsinki metropolitan area. An example is free **advisory and counselling services** to employers on issues related to an international workforce. This service is only in the metropolitan area so in the rest of country it is not available.

e. Home care or residential care for the elderly is not always available or adequate

Some elderly people live alone with no family support and they don't have enough income to buy the services they need. They might be left without good medical help or medication and some of them don't have enough food. Some elderly people live at home without the help they might need. **Home care services are not sufficiently adequate to answer the elderly's needs and, due to the lack of staff, in particular care workers, they do not have enough time to take care of elderly people in need.** Some of them have to wait too long to receive home care or access a home for the elderly. According to the Caritas survey the main problem relates to the fact that there are not enough places available for elderly people living below the poverty threshold, both in home care and residential elderly care. The adequacy of the service also varies between

municipalities.

This **service has improved** over the last few years thanks to **new legislation**: an important social-

health reform is improving the social and health system, in particular for people with mental health problems. In the near future the upcoming Finnish government will decide how to fully implement it.

5. Use of minimum income as a measure of inclusion and activation

Principle 14 of the European Pillar of Social Rights states that:

“Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market.”

According to the approach put forward by the EU initiatives (in particular the Recommendation on the active inclusion of people excluded from the labour market, promoted in 2008 by the European Commission), minimum income schemes have to be viewed through the perspective of the active inclusion approach: they are expected to be universal and to provide integrated support in the form of adequate cash benefits, effective access to enabling goods and services, and to include an activation component for beneficiaries.

In Finland, there is a **last resort assistance with the aim of ensuring at least the minimum subsistence**

for a person and family. The assistance is given when a person (family) is temporarily, for a short or long period, without sufficient means to meet the necessary costs of living. The municipalities also grant **Supplementary Income Support** (*Täydentävä toimeentulotuki*) and Preventive Income Support (*Ehkäisevä toimeentulotuki*): the purpose of preventive social assistance is to promote a person's, or family's, independent living as well as preventing social exclusion. Supplementary and Preventive Social Assistance are strongly linked with the welfare services of the municipalities. The fixed amount is aimed at covering the standard necessary living costs.

In 2017 a **pilot study** was introduced **to experiment with a Basic Income** intended to explore whether this measure could be used to reform the social security system while reducing the incentive traps relating to work. The experiment ended on 31 December 2018 and it has proved to be difficult as the institutions involved are different (social and employment services) and they do not cooperate adequately.

6. The progress made towards achieving EU and national social targets

The **Europe 2020 strategy** sets out the EU's agenda for growth and jobs for the current decade, having as its main objective the promotion of smart, sustainable and inclusive growth as a way of overcoming the structural weaknesses in Europe's economy and tackling the main European inequalities. The Strategy sets out the **EU TARGETS** to give an overall view of where the EU should be by

2020, based on key socio-economic parameters. The EU targets are then translated into national targets so that each EU country can check its own progress towards each goal. The ones particularly relevant for this study are those referring to employment, and poverty and social exclusion.

In relation to **EMPLOYMENT**, the target set at EU

level is that, by 2020, 75% of people aged 20–64 are expected to be in work. For Finland this indicator has been set at 78%. The Eurostat data show that, in 2018, it reached 76.7% while the activity rate reached 82%. The “Employment rate” has risen but not yet to the desired level.

Concerning **POVERTY AND SOCIAL EXCLUSION**, the EU target aims to reach a reduction of at least 20 million people in or at risk of poverty or social exclusion. The target set for Finland is to reduce, by 770,000, the number of people experiencing poverty or social exclusion by 2020, but by 2017 the reduction was just 62,000 people.

As part of the Europe 2020 strategy, Finland has made a commitment to reduce the number of people at risk of poverty or social exclusion by 150,000 by the year 2020. Although statistics show that this target is currently short of the mark by approximately 100,000, if Finland continues its 2016–2017 trend (a reduction of 47,000), the goal remains achievable.

According to the Caritas experience and the debate at national level, the country is working to reduce the gap, but it is still great. **The Finnish Government has decided to improve the level of social security as an objective by the year 2030.** So there is still a decade to go and big changes have to be introduced along the way.

What needs to be done to reach the targets is the full implementation of the social and health reforms, but this has been postponed, pending the formation of the next government, after Parliamentary elections held in the spring of 2019.

To achieve these targets, the Finnish Government has promoted, over the years, programmes and reforms in line with the EUROPE 2020 Strategy.

Within this framework the evolution of the socio-economic context in Member States is described

each year within the Commission Staff Working Document European Semester Country Report⁹. In 2019 the Finnish report identified a positive trend in terms of a reduction of poverty and social exclusion but at the same time a serious concern in the area of the delivery of social services:

Reform of social assistance administration has not yet improved the service. The administration of the basic social assistance was transferred from municipalities to the Social Insurance Institution of Finland in 2017. The reform merged varying municipal systems aiming to simplify the application processes. However, the system is rigid and struggles to recognise individual circumstances, which is important in reaching out to the inactive.

According to CARITAS FINLAND, the situation and problems described in the COUNTRY REPORT only partially reflect the reality of poverty and social exclusion in Finland.

- In May each year the European Commission assesses the progress made and issues COUNTRY SPECIFIC RECOMMENDATIONS¹⁰ to propose new actions. The recommendations provide policy guidance tailored to each EU country on how to boost jobs and growth, while maintaining sound public finances. The recommendations focus on what can realistically be achieved over the next 12–18 months. In 2018 all the Recommendations issued for Finland referred to social inclusion:

⁹ European Semester Country Report, 2019, https://ec.europa.eu/info/publications/2019-european-semester-country-reports_en.

¹⁰ Country Specific Recommendations, https://ec.europa.eu/info/publications/2019-european-semester-country-specific-recommendations-council-recommendations_en.

1. (...) Ensure the adoption and **implementation of the administrative reform** to improve cost-effectiveness and **equal access to social and healthcare services.**
2. **Improve incentives to accept work and ensure adequate and well-integrated services for the unemployed and the inactive.**
3. **Strengthen the monitoring of household debt including by setting up a credit registry system.**

The **2019 CSR No.2** repeats the one issued for 2018: "Improve incentives to accept work and enhance skills and active inclusion, notably through well-integrated services for the unemployed and the inactive."

Caritas Finland welcomes this recommendation, in particular the element referring to well-integrated services, and invites the authorities to consider the findings and conclusions in this report while preparing for the implementation of the recommendation.

Within the NATIONAL REFORM PROGRAMME¹¹ each country describes the reforms identified in order to reach the targets set at EU level. The reforms established in 2018 to tackle mainly social inclusion, social protection and health challenges are the following:

The reforms suggested are considered by Caritas Finland as only partially adequate and implementable. All reforms which are on the table are needed. Social and health reform is well on track, but it is too ambitious and it has been left on the table for the next government. It is still needed and it is necessary to implement it. It is also

necessary to prevent the poverty trap whereby the increased labour income does not compensate for the loss of social benefits and allowances. Work should be made profitable so that basic subsistence does not deteriorate. In Finland some improvement has been made, for example, giving more services to unemployed people and the clarification of the situation of household debts by setting up a credit registry. This registry has been useful and has given transparency to people's real financial situation.

Social welfare and health care reform is considered as the most relevant policy reform related to the social inclusion/social protection system implemented in Finland in the last few years. Even though it has still not been entirely implemented, it has already had a positive impact in promoting the access to social rights. Created joint municipal authorities provide social and healthcare services to the municipalities more equally and effectively. All over Finland joint municipal authorities have received financial support to plan their **social and health services** and are improving them. The Institutions responsible are the Ministry of Social Affairs and Health, the Ministry of Economic Affairs and Employment of Finland, and the Ministry of the Environment.

On the contrary the **reform of employment services**, promoted by the Ministry of Economic Affairs and Employment, **has had mostly a negative impact**, in particular as far as the **activation model for unemployment security** is concerned.

The use of EU Funds 2014–2020

In the multiannual financial framework 2014–2020, within the Europe 2020 strategy, the fight against poverty and social exclusion has been considered to be on an equal footing with the other EU targets and objectives. In the regulations adopted for this new period, more effort has been made to ensure that the challenges around social inclusion are addressed: 20% of the European Social Fund (ESF)

¹¹ European semester of national reform programme Finland, <https://ec.europa.eu/info/sites/info/files/2018-european-semester-national-reform-programme-finland-en.pdf>.

should be dedicated to policies and measures aimed at promoting social inclusion, and a specific fund has been implemented to support Member States in the fight against poverty and social exclusion: the Fund for European Aid to the Most Deprived (FEAD).

In Finland, the ESF resources have been used to implement projects regarding employment and labour mobility (711 projects), education, professional skills and lifelong learning (628 projects), plus social

inclusion and combating poverty (337 projects). According to Caritas Finland, which has been directly involved in the implementation of projects, the ESF resources have been adequately used to fight poverty and to promote social inclusion. FEAD resources have been used in quite an adequate way, but in this case Caritas Finland has not been directly involved in the implementation of the measure.

7. Caritas Finland – promising practices

Two positive and innovative practices recently implemented by Caritas Finland have proved to be particularly successful:

- The first one is the **DUUNI-Project** which involves young mothers and fathers, who are unemployed or without sufficient education, in group activities where they can find support on how to return to their studies or to find work, to get a degree. They can also find parenting support activities. Many participants have an immigrant background and Caritas is elaborating a programme particularly targeted to them because they have additional needs compared to the needs of Finnish people: they need, in particular, help to learn the language and the cultural knowledge of the country where they now live and the [Caritas website](#).
- The second promising practice is called Social Cafè and Excursion. The project aims to facilitate access to social services and, at the same time, to address the problems of social exclusion and loneliness. Lonely elderly people, the unemployed, and immigrants are primary target groups but basically everyone is welcome to benefit from the service. Caritas organises excursions to museums and events in the Helsinki metropolitan area in order to enhance the opportunity to have new friends to talk to, and to exchange ideas on what to do in life. Within the cafè the persons in need can find individual help to tackle their social problems because, if needed, it is possible to talk in private with social workers.

Conclusions

A few issues have emerged: the access to public employment services is particularly difficult for persons with physical and intellectual disabilities or with a migrant background; housing policies haven't been adapted to changing needs; the access to free early childhood education and care is not available for all vulnerable target groups; services for migrants and asylum seekers are limited outside metropolitan areas; and home care for the elderly is not adequate to support lone people living at home.

According to Caritas Finland social health reform should be introduced as soon as possible. The other very urgent reform is to find a solution to the poverty traps.

To support the Government in addressing the problems described, Caritas Finland thinks that a pilot project, funded by EU funds, to experiment with the introduction of good examples implemented abroad would be worthwhile.

Recommendations

Caritas Finland recommends that the national and European authorities promote changes and reforms, in particular in the following areas:

At all levels

- Recommendation 1:** Ensure that every person, independent of his background, has access to education, training, labour market or rehabilitation without unnecessary bureaucratic requirements. Procedures should be simple, affordable and effective.
- Recommendation 2:** Ensure equity and non-discrimination, particularly in regard to the population with migrant backgrounds, by providing clear information that facilitates communication between governmental authorities and the persons in need.
- Recommendation 3:** Guarantee the right to equal access to childcare for every child. Caritas Finland recommends that free preschool would start at the age of five for every child and that the subjective right to day care/early childhood education for all children be restored.

At national level

- Recommendation 4:** Create job opportunities with adequate wages to prevent the unemployment trap as well as in-work poverty. Access to income support should rather depend on the level of one's income, not on the source of that income.
- Recommendation 5:** Ensure truly good planning of affordable social housing, also for lower income families and households in city areas.
- Recommendation 6:** Ensure for elderly people the option to live in their own homes for as long as possible through reliable and good homecare without fear of being institutionalised.



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