

# POVERTY WATCH

## POVERTY WATCH REPORT FINLAND 2019

EAPN-Fin  
2019



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European Anti-Poverty Network Finland EAPN-Fin

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## 1. Poverty has not disappeared from Finland

Poverty in Finland has decreased only a little in the 2010s, and after the downturn in the early years of the decade poverty among families with children has started to rise again. The livelihood of low-income households was undermined during the term of Prime Minister Juha Sipilä 2015–2019 through cuts in and freezing of basic income benefits. The purchasing power of basic income benefits has lagged behind the general escalation of costs. The economic position of groups relying on basic income benefits has also been exacerbated by tax increases on benefit income. The groups worst affected by the cuts are the unemployed, families with children, and students.

This report of the European Anti-Poverty Network Finland presents the latest statistics on poverty and its views on how poverty might be reduced in Finland. EAPN-Fin is part of the European Anti-Poverty Network, comprised of non-governmental organisations whose purpose is to enhance the inclusion of people who have suffered poverty and to reduce poverty and inequality. People who have personal experiences of poverty have made a valuable contribution to the report by telling us how poverty has affected their everyday lives. These experiences are presented in the report in the form of direct quotes.

*“National insurance–municipality–child welfare–diaconal services–bread line, that’s the Finnish one-stop service scheme. By my reckoning, that’s five stops already which you have to visit just to meet the basic needs of your family. Then there are the charities, clothes from Hope (if you can book a time), Salvation Army, one-euro sales at UFF, and you can only afford food on campaign days. How do you dare to tell me poor people are lazy?”*

The population of Finland was about 5.5 million in 2018. Detailed information about Finland, including population, health, social security and the labour market, is available from [Finland in Figures 2019](#), published by Statistics Finland.

## 2. What is poverty?

### Poverty is relative deprivation

In Finland poverty is mostly relative, that is, deprivation compared with the living standard of general population. Relative poverty is usually referred to using the concept “at risk of poverty”. The limit of poverty or low income is defined as net income that is below 60% of the national median disposable income of households. A household is poor when its net income is less than 60% of the average income level of Finns. The at-risk-of-poverty line in Finland for a one-person household was about 1,230 euros per month in 2017.

### Risk of poverty can be due to low income, material deprivation and underemployment

The EU also uses an indicator consisting of several factors, named AROPE – At Risk of Poverty or Social Exclusion. It is used to monitor the attainment of the Europe 2020 strategic goal of reducing the number of people at risk of poverty or social exclusion by 20 million by the year 2020.

The AROPE indicator has three components: low income, severe material deprivation and underemployment of the household. Persons or households are determined to be at risk of poverty or social exclusion if any one of the three criteria is satisfied.

## **Living on income that is not enough to cover the basic needs**

Indicators have been devised to describe poverty that are based on basic needs, a reference budget or a minimum budget. These indicators also tell us about absolute poverty – the fact that the minimum needs of nutrition, clothing or housing are not met. Minimum budgets are baskets of goods and services that are calculated to provide the basic necessities for households. The poverty indicator based on a minimum budget indicates the proportion of the population living in households whose disposable income is not sufficient for decent minimum consumption.

The minimum budget limit in Finland for a person living in rental housing alone varies, depending on location, from 1,062 euros to 1,234 euros per month.

## **Poverty also consists of personal experiences**

Poverty can also be described through personal experiences. The Finnish National Institute for Health and Welfare conducts a regular survey of national health, well-being and service use, known as FinSote. The survey report includes a section on experiences of poverty. There was also a writing competition in 2007 for gathering experiences of poverty. The competition will be organised again in 2019.

## **3. How is poverty developing in Finland?**

### **Relative poverty increased slightly from the previous year**

The at-risk-of-poverty line in Finland for a one-person household was about 1,230 euros per month in 2017. There were 654,000 people in the at-risk-of-poverty group, or 12.1% of the population.

In the 2000s, relative poverty was at its peak in 2008 and 2010, when the number of people in low-income households was about 728,000. The increase in the number of low-income population has stopped since 2010, and the number has decreased slightly. It has remained below 700,000 since 2012. The number of people in the low-income bracket increased by another 0.6 percent from 2016 to 2017.

### **Poverty among families with children is on the increase**

Poverty among families with children is showing an upward trend. 11.1% of Finnish children were in low-income families 2017, up from 10.2% the previous year. Poverty touches 119,000 children in Finland, although another method of calculation puts the number as high as 150,000. Under the latter method, child poverty was 13.9% in 2017, on the same high level as in 2007.

### **The number of people at risk of poverty or social exclusion increased from last year**

In 2017, around 890,000 people, or 16.4% of the population, was at risk of poverty or social exclusion. The figure for 2016 was 849,000.

At-risk-of-poverty households comprised around 654,000 persons (up from 623,000 the previous year), about 143,000 people (ca. 113,000 in 2016) were affected by severe material deprivation, and about 410,000 people (ca. 412,000 the previous year) were living in households affected by underemployment.

The risk of poverty or social exclusion was at its highest in 2011 and 2014, when over 927,000 people were affected.

The number of people living under the minimum budget poverty line has been monitored since 2012, when it was slightly under 10% of the population. The minimum budget poverty rate was 7.8% in 2016, or about 418,500 people. It was expected to have come down to 7.2% in 2018. The minimum budget limit for a person living alone in rental housing varies. Depending on location, it is 1,062–1,224 euros per month.

### **The number of people living exclusively on basic social security is growing**

The number of people living exclusively on basic social security has increased by 55,000 since 2010. The number of people in households where 90% of the gross income consisted of basic social security was 250,000, or 4.7% of the population, in 2017.

### **The number of households without any income has doubled**

The number of no-income households has doubled in ten years. At the end of 2017, they numbered about 38,700. These are households whose only sources of income are social assistance plus possibly housing allowance, child benefit and child support or child maintenance allowance.

### **The number of undocumented migrants is on the rise**

Undocumented migrants are people who live in Finland without legal right of residence and official approval. They are not entitled to social security in case of sickness or medical treatment, nor do they have comprehensive access to public social and health services. Finland's tightening aliens legislation and its interpretation have effectively contributed to the increasing number of undocumented persons. Estimates of the number for 2017 vary between 3,000 and 4,000 people. The refusal to allow undocumented migrants access to services and society in general does not remove the problem, but it does force them to rely on legal as well as illegal networks.

### **Livelihood problems and perceived poverty are increasing**

Livelihood problems and perceived poverty became more widespread in all age groups in 2013–2016. The share of Finns who reportedly have had to forgo food, medicine or medical care because of lack of funds was 19% in 2017. Ten percent say they ran the risk of running out of food before getting money to buy more.

The growth in the number of payment defaults is also alarming: in 2018, a total of 374 100 people had a record of non-payment. Of user fees invoiced for public services, 420,961 were collected by enforcement in 2018, representing an increase of one fifth from 2017.

Other signals pointing to poverty include the number of people relying on breadlines and requests for assistance received by various NGOs and church welfare services. The number of people relying on breadlines and requests for assistance received by the church welfare services are on the increase.

## Figures of poverty in Finland (trend in brackets):

- 2017 People at risk of poverty or social exclusion: ca. 890,000 (↑)
- 2017 People in low-income households: ca. 654,000 (↑), of them in the long-term low-income group: ca. 398,000 (↓)
- 2016 People in the minimum budget group: ca. 418,500 (↓)
- 2018 People living on social assistance: ca. 470,000, with 28,5% of them receiving long-term benefits (↑)
- 7/2019 Number of unemployed: ca. 268 900, of whom long-term unemployed: ca. 65 100 (↓)
- 2017 People suffering from material deprivation: ca. 143,000 (↑)
- 2017 Children living in poverty: ca. 119,000 (↑)
- 2017 Households with no income: ca 38,700 (↑)
- People using food bank services on a weekly basis: ca. 20,000 (↑)
- 2018 Homeless: 5,482 (↓)
- Undocumented migrants, estimate: 3,000–4,000 (↑)

## 4. Who are affected by poverty and what are the key challenges in their situation?

Poverty among families with children is most common in single-parent families and families with many children.

*“The child hurt herself, we’d need to go to the clinic. 50 euros for a taxi ride because the 9-year-old is too big to fit in a pram. With a pram, the bus ride would have been free. The child benefit won’t be paid until the day after tomorrow.”*

Poverty is considerably more common in single-breadwinner families than in families with two earners. Of all children in single-breadwinner families in 2017, 25% lived in low-income households, whereas the figure for two-earner families was slightly over 8%. Poverty risk is greater when the single breadwinner is a woman.

17% of families with more than three children are in the low-income group. The corresponding figure for families with two children is 7% and 8% for families with one child.

Within the lifespan of families, low-income rate is highest when children are aged 0–2 years. Because early years are crucial for a child’s development, livelihood problems of families with small children should be an urgent priority.

The “Kohortti 1997” study examined the welfare of a single birth cohort from gestation to adulthood (18 years of age). It showed that children’s welfare continues to become more polarised, with public services and school unable to eradicate differences stemming from socio-economic background. Being underprivileged is a generational condition. Children’s health and school performance are both affected by their family background. Significant contributing factors are changes in the family’s circumstances, such as divorce, prolonged periods of living on social assistance, psychiatric diagnosis of a parent, and parents’ low level of education. The link between children’s poor health and family background is particularly strong in families affected by several of such stress factors.

## **Almost one in five young people are in the low-income group**

The at-risk-of-poverty rate is highest among the unemployed and students. Young people account for 8% of the population but 18% of the low-income group. Students are able to maintain a decent minimum standard of living only by taking out a student loan.

In 2018, the number of 15–24-year-olds who were neither working, studying nor in military service was about 51,000, or about 8% of the entire age group. Most of them, 38,000, were in the age group 20–24. The number of youth in the 15–24 age group who are neither working nor students fell by 6,000, or 11%, from 2017.

## **Long-term unemployed and partially employable people are in danger of dropping out of the labour market altogether**

*“The glory of employment: I got a job that suited my health and my finances improved, but then they had to wind down the operation and now I’m out of a job. There are not many jobs for people with only partial ability to work, because the norm of full-time employment is so strong in Finland. That’s something I’d like to see changed. I’m happy to accept any small jobs that come my way, my partial rehabilitation benefit is great in that I can earn a reasonable sum without losing it. Every ten euros is a big help.”*

Although the employment situation has improved in Finland in many respects, there are still about 65,000 jobseekers who are long-term unemployed. Moreover, there are people not currently in the labour market who would be willing to work, depending on their ability to work and labour demand permitting. Some unemployed people are automatically classed as being only partially employable because of some disability or illness, although in actuality they are ordinary unemployed jobseekers.

More than half of the working-age population in Finland, about 1.9 million people, have some long-term illness or disability. 600,000 of them feel that the illness or disability affects their work or their prospects of finding work. In a labour context, they are referred to as being partially employable. Of all currently unemployed partially employable people, 65,000 would like to find work – and see themselves as being able to work.

Numerous measures have been implemented in Finland in recent years to reduce unemployment. Many of the measures have weakened the position of the long-term unemployed and the partially employable people. For instance, the activation model adopted in the beginning of 2018 has effectively reduced the unemployment benefits for many people.

Labour policy has increasingly allocated resources to people with only short periods in unemployment. This is evident particularly in the allocation of wage subsidies. Because the level of the appropriation for wage subsidies has fallen since 2014, the amount of subsidies available for long-term unemployed and partially employable persons has been particularly small.

## People with disabilities or long-term illnesses spend their life in poverty

*“It has been stressful to have to be constantly applying for disability benefits and rehabilitation, to have to justify your own or your child’s need for assistance every year anew, to keep pushing papers that have no impact. Just to get by. If you’re not depressed to begin with, you’ll end up being depressed anyway. I’d like to keep my thoughts on the future, to focus on things that are working.”*

If a disabled person cannot find employment because of her disability, she will spend her entire life dependent on guarantee pension, housing allowance and possibly social assistance. In a questionnaire study among the disabled conducted in 2019, poverty among the respondents was four or even five times more common than average. Many disabled people are at risk of poverty, because they have difficulties finding work. They are underrepresented in the labour market. Their poverty continues in retirement, because they have no occupational pension.

About one third of the respondents in the study reported difficulties, attributable to poverty, in securing health care, necessary pharmaceuticals and medical supplies, in the upkeep of personal and family relations, and in mobility outside the home. Nearly one fifth of the respondents run the risk of being unable to exercise their rights, such as filing complaints.

A study conducted in 2018 by four organisations among people suffering from long-term illnesses showed that over one third of the respondents felt that their illness is a major financial burden. This problem does not affect only people in the lowest income groups, because a relatively large part of respondents in the middle-income group also felt that illness has a considerable impact on their economy.

## Poverty among single-person households is greater than average

*“I was in a relationship that ended quite suddenly. My only source of income then was income-based unemployment benefit. I stayed on in the 47-square-metre apartment that we had rented. Suddenly I had to pay the entire rent, 600 euros, alone. I was not eligible for housing allowance because I was living alone in a two-room apartment, and I was told to find a smaller flat. After everything had been deducted, my housing allowance was 98 euros per month. Being over 60, I did not want to leave my home but to live in dignity for the years that I had left – I have no children or grandchildren. My mother gives me just enough from her old-age pension that I get by. The money left in my pocket is below the poverty line. It’s very expensive to live alone. In this situation, the most upsetting things in my life are small changes, like having to visit a doctor.”*

There are over a million single-person households in Finland. Slightly under 30% of them live below the poverty line. The majority of households receiving social assistance, around 70%, are single-person households.

People living alone have greater difficulty making ends meet than those who do not live alone. This is explained in part by the fact that among singles there are more unemployed people, students or people excluded from the labour market because of incapacity for work or other reason than in other population groups.

Working people living alone also have greater difficulty making ends meet than working people who do not live alone. Among working people in the 20–64 age group who live alone, 22% had moderate or severe difficulties making ends meet; the corresponding figure among those not living alone was 11%.



## Poverty among immigrants is more common than average

*“Finding a decent job in Finland has often been challenging for immigrants. There are various reasons preventing immigrants from getting jobs, such as language, company policies, and cultural issues. Based on experience, people tend to feel secure working with people from the same background not always because they are racists but to enable the interaction among them. The language issue is a substantial barrier not only in Finland. Knowing the language can increase chances as immigrants to get jobs, despite the government policy on immigrant integration, many immigrants find it challenging to learn Finnish correctly. Lack of Finnish language prevents immigrants from collecting valuable information that can help them solve some of their problems. Despite your level of education, most of the immigrants are bound to live in poverty or apply for the hard to get social services or Kela’s benefits”.*

Of people with Finnish background, 9% were in the lowest income decile in 2017, whereas the percentage among people with foreign background was 24.1%. The percentage of foreign nationals receiving social assistance was 16.4% in 2018, although they accounted for 4.7% of the population. People with foreign background have greater difficulty finding employment than those with Finnish background. Depending on the method of estimation, the difference in employment rate between the groups varies from 10% to almost 20%.

## Among the aged, women in particular are at risk of poverty

*“My pension was so small I was unable to buy clothes. I wore the same clothes for 20 years. I don’t really have enough money even for food. Luckily there is a shopkeeper who sometimes gives me some leftover foodstuffs. My pension goes to paying bills.”*

Low income levels are more common among aged women than men: in 2017, 27% of women over 75 were at risk of poverty, while the same figure for men was 13%. There were 486,000 citizens over 75 in Finland in 2017, of whom 21.6% (105,000) were in the low-income group.

One fifth of pensioners in rural areas are at risk of poverty, whereas in urban areas the figure is only one tenth. Two out of five pensioners in rural areas and one out of three in urban areas report that they have no discretionary income.

Old-age pensioners aged 64–75 who had been unemployed or on disability pension prior to retirement reported difficulties in making ends meet more often than those who had been working before retirement. Of pensioners coming from a disability pension background, 60% reported having at least some difficulties in paying ordinary expenses; the figure for those with an unemployment background was about 40%, and those with employment history, over 30%.

## 5. Causes and consequences of poverty

### Unemployment

Unemployment leads to reduced income, and risk of poverty grows significantly with prolonged unemployment. Unemployment is the most common factor contributing to risk of poverty. Its effects are broader than just reduced disposable income, because a job often gives access to other resources and also social relations. For example, employees are generally covered by free occupational health care, whereas those relying on public health services often have to pay a user fee.

## **Basic social security is not enough to live on**

The level of income of unemployed persons, recipients of home care allowance or of the minimum amount of sickness allowance or parental allowance, is insufficient to guarantee decent minimum consumption. Students can attain a decent minimum standard of living only if they supplement their basic social security with a student loan. Insufficient basic social security lead to increasing and prolonged reliance on social assistance and food banks, as well as to other consequences.

The level of basic social security for the unemployed has fallen, the main causes being index cuts and smaller benefits due to the activation model. The importance of social assistance as a necessary supplement to benefit for the unemployed has grown significantly in 2015–2019.

The inadequate level of basic social security is also the main reason for the economic difficulties of families with children. Because a large part of the disposable income of poor families with children comes from income transfers, cuts in family benefits and freezing of indexes effected since 2015 have had a direct bearing on families' livelihood. For example, the minimum amount of parental allowance has not been enough to cover decent minimum standard of living. The sum of the allowance was raised from the start of 2019, but only to the same level as other minimum allowances. Because the level of minimum allowances is altogether too low, the raise has made no significant improvement in the livelihood of families.

Changes made by the Government in taxation and social benefits in 2016–2018 have affected women more significantly than men. The disposable income of women has decreased more often and in greater amounts than men's. Economic policy has clearly favoured men. The greatest drawbacks of the reforms and the greatest losers have been in the lowest income levels.

## **Housing is too expensive for many people in the low-income bracket**

The high price of housing is a key reason for difficulties in making ends meet. The housing costs of low-income households have grown faster than prices in general, while the level of the housing allowance is lagging behind.

The proportion of rent covered by the housing allowance dropped from 80% to 65% between 2012 and 2018. As the general level of rents increases on average 2–3% per year, the growth of housing costs and the reduction of the housing allowance make the situation of low-income households more difficult. Finding a less-expensive home is difficult, especially in centres of growth where not enough affordable housing is being constructed.

Especially in cities, housing expenses are high relative to the level of wages, which weakens the economic situation of families with children whose parents are working. The high cost of housing is a serious problem also for people living alone, because their housing costs per capita are obviously higher than in other types of households.

Some people have difficulty meeting their basic needs because of high energy expenses. Many people are struggling to pay their energy bills, and some live in cold rooms to save in heating costs. The Ministry of the Environment estimated in 2015 that there are 60,000–100,000 households in owner-occupied housing who are at risk of energy poverty. The number of people living in energy poverty is estimated to be 2% of the population.

## **Poverty is exacerbated by the cost of illness and inequality in access to services**

User fees for social and health care services in Finland are comparatively high in the European context, and have even been raised significantly on several occasions. Increases in user fees have been accompanied by increases of out-of-pocket expenses for pharmaceuticals and health care travel.

The greatest single financial burden is the cost of pharmaceuticals. Some low-income people on medication resort to bank or payday loans, which only worsen their economic situation. Many patients have had to ask for cheaper medication, to postpone the purchase of medicine, or save on other necessary expenses, such as food. One in ten Finns have at some point not been able to afford to buy medicine. Problems tend to accumulate on people who are frequently ill but have a small income. The number of people saving money by not buying pharmaceuticals has increased in recent years.

There are more problems in access to public health services in Finland than in other Nordic countries, and vulnerable people and people in the low-income bracket often remain without services they need. Increases in user fees further weaken access to services for these people.

## **The increase of atypical employment entails a rising risk of poverty for the employees**

The risk of poverty among the employed in Finland has remained low internationally. The risk of poverty among people who have held down a job for the most part of the preceding 12 months is small, about 1.7%. Among all groups of employed people, risk of poverty is greatest among entrepreneurs and farmers, 11.9%.

Poverty among the employed is often caused by atypical employment arrangements: self-employment, insecure employment, temping and other irregular work arrangements.

The share of fixed-term employment among all employment relationships was 16% in 2018. Two thirds of fixed-term employees, 237,000 people, wanted to have a permanent job instead.

Part-time jobs accounted for 17% of all jobs. This figure grew from the previous year, especially among women. There were 106,000 part-time employees in the labour market who would have preferred to work full-time. Of them, 75,000 were women and 31,000 men.

In 2018, an average of 106,000 wage-earners worked under a zero-hour contract. The figure is about 5% of all employees between the ages 15–74. Around 40% of all people working under a zero-hour contract had preferred such contract.

Poverty that persists in spite of employment is particularly prevalent in families with children. Of all families with children living under the low-income line, nearly one-half had one working parent.

The increasing prevalence of temporary and part-time employment may lead to higher levels of poverty among pensioners, because too little pension accrues from such work.

## **There are regional differences in poverty**

The underlying causes of poverty often include prolonged periods of unemployment, intergenerational exclusion, low levels of education, families with many children, single parenthood or single living, long-term illnesses or full or partial incapacity for work owing to disability, and problems with intoxicants or mental health.

There are significant regional differences in poverty. Poverty has increased in the last few years, especially in urban areas, where life is expensive and homelessness is more prevalent than elsewhere in Finland. By contrast, unemployment is more common in rural areas, where the coverage of services is insufficient or services are not accessible by all owing to large distances, for example.

## **6. What are Finland and the EU doing to reduce poverty?**

Under the Europe 2020 strategy of the EU, Finland should aim to reduce the number of people at risk of poverty and social exclusion by 150,000 to 770,000 persons by the year 2020.

Additionally, under the UN Goals of Sustainable Development and the national implementation of Agenda 2030, Finland should reduce poverty by one-half by 2030.

### **Commitments and deeds are in conflict**

Poverty alleviation was not included as a priority in the Strategic Programme of Prime Minister Sipilä's Government 2015–2019. The position of low-income households was eroded during Sipilä's Government by reductions in the basic social security by cuts and freezing of the indexation of all basic benefits up until 2019. In addition to cuts and the freezing of indexation, the economic position of groups living on basic social security has also been exacerbated by tax increases on benefit income. Indexing of child benefit was also discontinued.

The maximum duration of income-based unemployment benefit was reduced. The activation model that was adopted at the beginning of 2018 has reduced unemployment benefit for a considerable number of unemployed people, leading to growing dependence on social assistance. The situation of children and young people was made more difficult by cuts in early childhood education, general education and in the youth guarantee. User fees for health care were raised and the reimbursement for medicine expenses was reduced significantly.

### **The strategic programme of the new Government promises measures to alleviate poverty**

The programme of Prime Minister Antti Rinne's Government for 2019 promises to take firm action to reduce the risk of poverty and exclusion. Among other things, the Government promises to raise the level of basic social security, discontinue the benefit reduction mechanism in the employment activation model, guarantee one hobby for every child and young person, and reduce the waiting time for basic health care. The Act on User Fees in Social and Health Care will be revised by extending the scope of free services, and adjusting the level of fees for fairness.

The programme includes many fine resolutions and plans, but their implementation and the resources allocated for implementation ultimately determine how well they will be carried out in practice. If the Government's aims regarding employment are not attained, there is a risk that additional improvements to basic social security will remain on paper only.

## **Pillar of Social Rights – promise of stronger rights to citizens?**

A proclamation on social rights in Europe was signed by the Council of the EU, the European Parliament and the Commission in November 2017. The aim of the European Pillar of Social Rights is to strengthen the regulatory framework of the social sector in Europe and to guarantee citizens even stronger rights.

The Pillar comprises 20 principles that apply to issues such as equal opportunities, fair working conditions and social protection. The section on social protection defines rights, including minimum income, health care, social housing, assistance for the homeless and access to essential services.

Regarding minimum income, the Pillar states that “everyone lacking sufficient resources has the right to adequate minimum income benefits, ensuring a life of dignity at all stages of life”. The key benefit ensuring minimum income in Finland is the social assistance. It has been pointed out in several contexts that its level is insufficient. As regards minimum income, we may say that Finland does not comply with the Pillar of Social Rights in Europe.

## **Complaints regarding the level of benefits from the European Committee of Social Rights**

In its annual country recommendations to Finland, the EU has not raised the issue of poverty. However, Finland has received several complaints from the European Committee of Social Rights regarding the insufficient level of basic income benefits.

On 12 February 2015, the committee issued a decision regarding a complaint submitted by the Finnish Society of Social Rights (SSOS). In its statement, the committee found that the level of basic social security in Finland does not satisfy the requirements of the European Social Charter. The committee also stated in another decision, dated 5 May 2017, also with regard to a complaint lodged by the SSOS, that the level of the labour market subsidy in Finland is too low.

## **7. How should poverty be reduced?**

For Finland to attain the goals of the Europe 2020 strategy and the UN Agenda 2030 action plan as regards poverty, the circumstances of the nearly 900,000 people currently living at risk of poverty or social exclusion must be improved significantly.

### **Action plan for the reduction of poverty and inequality**

EAPN-Fin presents that in order to reduce poverty and inequality, a comprehensive strategy and action plan should be drawn up. The reduction of poverty calls for determined social policy: improvement of the employment rate and reduction of long-term unemployment, increased production of affordable rental housing, well-functioning social and health services, equal education and an increase to the level of basic social security.

### **Basic social security must be raised to a level that guarantees a minimum standard of living**

The level of basic social security must be raised stepwise towards the reasonable minimum level determined in reference budgets. The need for social assistance must be reduced in a sustainable manner so that people do not need to apply for several different benefits that by themselves are insufficient for securing decent living.

Access to basic social security must be made simpler and more flexible so that it will better respond to the changing labour environment, reduce bureaucracy, enhance possibilities to find employment and also enable the employment of people with only partial ability to work.

In addition to the amounts of allowances and benefits, the livelihood of low-income households is affected significantly by high housing costs and the costs of illness, among other factors. Access to free or reasonably priced high-quality social and health services, to early childhood education and to general education is vital to the livelihood of people at risk of poverty.

### **More support for affordable rental housing**

Support for affordable rental housing production is needed not only in the capital area but more importantly in regional centres. A reasonable level of housing allowance must also be ensured.

### **Sufficient reimbursement of medicine costs and reasonable user fees**

The cost of being ill must not prevent access to care. Some social and health services must be entirely free, such as visiting health centre doctors and nurses, as is the case currently in Helsinki.

### **Increases are needed to employment appropriations and investment in customer-oriented employment and business (TE) services**

All people must have equal access to employment services. Investment in active employment policy is needed, as are significant increases to employment appropriations. Wage subsidies must be raised to an adequate level. The appropriation for employment policy support must be increased. The contribution of NGOs to employment-promoting services and job creation must be safeguarded.

### **Reform of social and health services is needed to narrow down differences in health and wellbeing**

All people must have access to high-quality services. Services for exceptional underprivileged groups must be ensured, basic level services must be strengthened and investments must be made in wellness and health promotion.

### **Families with children need adequate income and services**

The foundation of human welfare is laid down in childhood. That is why childhood poverty is especially damaging to an individual. The poverty of families with children can be alleviated by adjusting the level of basic social security and family benefits, by keeping user fees at a reasonable level, by lowering housing costs and supporting parents' opportunities for education and employment.

The impacts of poverty can be alleviated by many means, such as guaranteeing early childhood education and opportunities for leisure activities to all children; strengthening the quality of basic education and the resources of student welfare services; securing access to services for families with children; offering free or inexpensive leisure activities; and making secondary education free.

## **People with personal experience of poverty must be heard**

*“We received a free holiday package. The social worker would have paid the deductible, but we could not find the money for travelling. We had to cancel the trip.”*

Good income and a high level of education make people more active voters in elections. By contrast, voting percentage is low in areas with high levels of exclusion, unemployment, rental housing and immigrants. Voter passivity is often coupled with perceived or experienced inequality.

Hearing people with personal experiences of poverty provides decision makers not only knowledge and stories of everyday poverty and of concrete problems, but also potential solutions to issues in social security.

Forums need to be organised across the country for discussing poverty and exclusion with people who have experienced them. Civil activism, organisations and forums must be supported, because they enhance inclusion, strengthen communities, reduce loneliness and prevent problems.



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