THE SECOND PERIODIC REPORT OF THE REVISED EUROPEAN SOCIAL CHARTER

SUBMITTED BY THE GOVERNMENT OF FINLAND

OCTOBER 2006

REPORT OF THE GOVERNMENT OF FINLAND

For the period from 1 August 2002 to 31 December 2004, in accordance with Article C of the Revised European Social Charter and Article 21 of the European Social Charter, on the measures taken to give effect to Articles 1 § 4, 2, 3, 4, 8, 9, 10, 11, 14, 15, 17, 18, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30 and 31 of the Revised European Social Charter, the instrument of approval of which was deposited on 21 June 2002.

In accordance with Article C of the Revised European Social Charter and Article 23 of the European Social Charter, copies of this official report in the English language have been communicated to the Central Organisation of Finnish Trade Unions (SAK), the Finnish Confederation of Salaried Employees (STTK), the Confederation of Unions for Academic Professionals in Finland (AKAVA), the Confederation of Finnish Industry and Employers (TT) and the Employers' Confederation of Service Industries (PT).

ARTICLE 1: THE RIGHT TO WORK

Article 1 para. 4: Provision or promotion of appropriate vocational guidance, training and rehabilitation

In respect of this paragraph, the Government refers to the information given under Articles 9, 10 and 15.

ARTICLE 2: THE RIGHT TO JUST CONDITIONS OF WORK

Article 2 para. 1: Reasonable daily and weekly working hours

Question A

In respect of this question, the Government refers to its previous periodic reports on the implementation of the European Social Charter and notes that no changes in the relevant legislation have taken place during the period covered by the present report.

Question B

As mentioned in the previous periodic reports, the provisions of legislation concerning working hours and exceptions may be derogated from by means of generally applicable collective agreements, within the limits set by the legislation.

Question C

Labour survey carried out by Statistics Finland - Working hours by sector in 2002 to 2004:

	2002	2003	2004
ALL SECTORS	37.4	37.2	37.1
AGRICULTURE			
AND FORESTRY	47.2	46.7	45.6
INDUSTRIES	38.2	37.9	37.9
CONSTRUCTION	39.8	40.1	39.9
TRADE	36.6	36.6	36.1
TRANSPORT	39.4	39.5	40.0
FINANCE AND INSURANCE	35.9	35.9	35.8
PUBLIC SERVICES	35.1	34.8	35.1

Questions D to F

In respect of these questions, the Government refers to its previous reports.

Article 2 para. 2: Public holidays with pay

In respect of this paragraph, the Government refers to its previous periodic reports.

Article 2 para. 3: Annual holidays with pay

Question A

A new Annual Holidays Act (162/2005) entered into force in April 2005 (Annex 1), after the period of time covered by the present report. The new Act has an extended scope of application, covering both public service and contractual employment relationships, subject to certain conditions. The annual holidays earned are still 2 or 2.5 days per each full holiday credit month, defined on the basis of either the 14-day or the 35-hour rule. Unlike earlier, the provisions on periods equivalent to time at work are also applied as such to persons covered by the 35-hour rule.

The situation of persons who only carry out a limited amount of work (i.e. less than 14 days or 35 hours a month) was improved by enacting provisions on the right to paid leave equivalent to annual holidays. It is possible to take two days off from work during each month at work. An employee who has been employed for at least one year is entitled to a four weeks' leave with holiday compensation. This also concerns, subject to conditions provided by law, household workers and family members of employers. Workers who have performed work for the same employer under subsequent temporary employment contracts also have the right to paid leave. In such cases, the maximum length of the paid leave is determined in the same way as in respect of annual holidays.

Under a general provision of the Act concerning holiday pay, an employee has a right to receive at least his/her regular or average pay for the time of his/her annual holiday, as laid down in the Act. An employee whose pay has been agreed on a weekly or monthly basis also has a right to receive this pay for the period of his/her annual holiday. The holiday pay of an employee who is not receiving weekly or monthly pay and who, in accordance with an agreement, works at least 14 days per calendar month, is still calculated by multiplying his/her average daily pay by a multiplier determined according to the number of days holiday. The holiday pay of an employee working fewer than 14 days per calendar month and not receiving weekly or monthly pay is percentage-based. The applicable percentage share is 9 per cent or 11.5 per cent of the pay received for the time at work during the holiday credit year, depending on the duration of employment. If the employee has been unable to work during the holiday credit year for reasons of special maternity, maternity, paternity or parental leave, temporary care leave or compelling family reasons, the calculated amount of unreceived pay for the period of absence is added to the pay used as a basis for calculating the holiday pay. In addition, the calculated amount of unreceived pay for periods of absence because of illness and rehabilitation as well as lay-off is taken into account. At the termination of employment, the employee is paid a holiday compensation for annual holiday entitlements earned but not received.

The Act increased the possibilities to deviate from the provisions of law by local agreement. The employer and the employee may agree on such issues as the transfer of holiday entitlements to be given during the following period of employment, where the employee works for the same employer under subsequent temporary contracts, with only short interruptions in between; carried-over holidays; the portion of annual holiday exceeding 12 weekdays in such a way that it can be taken in one or more parts; and, at the employee's initiative, the taking of annual holidays exceeding 24 weekdays as shortened working hours.

The Act also extended the possibilities of deviating from the mandatory provisions of the Act by means of national collective agreements.

Question B

Although the number of days of absence from work because of illness may affect the pay during illness, it is usually not possible that there are so many days of absence that the illness would affect the annual holidays. Under the new Annual Holidays Act, the maximum period of time comparable to days of work not reducing annual holidays is 75 working days in one holiday credit year.

Question C

It is usually not possible to give up one's right to annual holidays. However, the provisions of the new Annual Holidays Act make it possible for employees who only work to a very limited extent each month to take a leave the length of which is determined on the basis of the duration of employment (2 days/month of employment during one holiday credit year). If such an employee does not wish to take a leave, he or she is paid a holiday compensation which is 9 per cent or 11.5 per cent of the pay received for the time at work during the previous holiday credit year.

Question D

In respect of this question, the Government refers to its previous periodic reports.

Question E

In respect of this question, the Government refers to its previous periodic reports.

Article 2 para. 4: Reduced working hours or additional holidays for workers in dangerous or unhealthy occupations

In respect of this paragraph, the Government refers to its previous periodic reports.

Article 2, para. 5: Weekly rest period

In respect of this paragraph, the Government refers to its previous periodic reports.

Article 2, para. 6: Information in writing of essential aspects of employment relationship

Questions A and B

According to Chapter 2, section 4 of the Employment Contracts Act (55/2001), the employer shall present an employee whose employment relationship is valid indefinitely or for a term exceeding one month with written information on the principal terms of work by the end of the first pay period at the latest, unless the terms are laid down in a written employment contract. If an employee repeatedly concludes fixed-term employment relationships of less than one month with the same employer on the same terms and conditions, the employer must provide information on the principal terms of work

within a maximum of one month from the beginning of the first employment relationship. If the employment relationships continue to be repeated, the information shall be given once only.

The information given must include at least the domicile or business location of the employer and the employee; the date of commencement of the work; the duration of a fixed-term employment contract and the justification for specifying a fixed term; the trial period; the place where the work is to be performed or, if the employee has no primary fixed workplace, an explanation of the principles according to which the employee will work in various work locations; the employee's principal duties; the collective agreement applicable to the work; the grounds for the determination of pay and other remuneration, and the pay period; the regular working hours; the manner of determining annual holiday; the period of notice or the grounds for determining it; in the case of work performed abroad for a minimum period one month, the duration of the work, the currency in which the monetary pay is to be paid, the monetary remunerations and fringe benefits applicable abroad, and the terms for the repatriation of the employee.

The list provided for in the Act is not exhaustive, however, and the employer must carefully consider which conditions are relevant for the employment. The information given in writing does not as such create rights or obligations for the employer and the employee.

The employer shall also present the employee as soon as possible with written information on any changes in the terms of work, though not later than the end of the pay period following the change, unless said change derives from an amendment in the legislation or a collective agreement.

The commencement of employment of state and local authority officials is based on a decision an appointment. The most important duties of the official are indicated in the vacancy announcement, and the title of the official indicates the basis of remuneration. When the official takes up his or her appointment, he or she is informed of other relevant conditions of employment.

Article 2, para. 7: Measures benefiting workers performing night work

Questions A and B

In the Working Hours Act (605/1996) night work is defined as meaning work carried out between 23.00 and 06.00. Under labour legislation, it is only possible to have night work performed in such fields and duties where it is necessary in society or required by the nature of the work or for other particular reasons. The Working Hours Act sets out the types of work in which night work is allowed. In period-based work, an employee can only be required to work a limited number of consecutive night shifts.

Under section 26 of the Working Hours Act, an employer must notify the labour protection authorities of regular night work, when the said authorities so request. In particularly dangerous or physically or mentally highly stressful work laid down by decree or agreed upon by collective agreement, working hours may not exceed eight hours per day if the work is carried out at night. The provisions of the Working Hours Act concerning night work also apply to posted workers pursuant to the provisions of the Posted Workers Act (1146/1999).

Under the provision of the Occupational Safety and Health Act (738/2002) on the employers' general duty to exercise care, employers are required to take care of the safety and health of their employees while at work by taking the necessary measures. For this purpose, employers shall consider the circumstances related to the work, working conditions and other aspects of the working environment as

well as the employees' personal capacities. Section 30 of the Act contains more detailed provisions on the employers' obligations in respect of night work, including meals.

ARTICLE 3: THE RIGHT TO SAFE AND HEALTHY WORKING CONDITIONS

Article 3, para. 1: Safety and health regulations

The Ministry of Social Affairs and Health adopted an occupational safety and health strategy in 1998. The strategy defines the objectives, priorities and principles of development of the activities for the next few years. The implementation of the strategy is monitored at three year intervals. According to the latest follow-up report on the strategy, published in 2004, the primary objectives in occupational safety and health activities are:

1) to maintain and promote workers' working ability and functional capacity;
2) to prevent occupational accidents and diseases;
3) to prevent work-induced musculoskeletal disorders;
4) to promote mental well-being at work;
5) to promote workers' capabilities to cope with their work and
6) to promote management of work.

A new Occupational Safety and Health Act (738/2002) took effect at the beginning of 2003. In respect of employers' obligation to improve working conditions, the Government bill on the Act (HE 59/2002) states, inter alia, that the employer shall identify and assess the risk involved in and caused by the work. Also the Occupational Health Care Act (1383/2001) requires the use of methods to identify and assess risks.

According to the aforementioned follow-up report, occupational safety and health authorities have observed that the use of methods to identify and assess risks at workplaces, required by the revised legislation, has increased.

The national action programme entitled "Prioritising occupational safety", adopted by the Government and aimed to reduce the number of occupational accidents, started at the beginning of 2002 and ended at the end of 2005. The core idea of the programme is to promote adoption of a high-standard safety culture and the "vision zero" concept in occupational safety activities. The programme contains a number of sectoral projects, such as the "Haastamme" (We Challenge) working environment competition for technology industries and the "RaTuKe" project aimed at improving safety in construction work. What is significant in these projects is that they involve interest groups from different sectors cooperating to prevent occupational accidents.

In 2003, the European Senior Labour Inspectors' Committee (SLIC) carried out a campaign to reduce the number of construction workers' falling accidents in all member states of the European Union. The campaign continued in 2004 with the additional themes of falling objects and risks caused by machines lifting heavy loads at construction sites.

Article 3, para. 4: Consultations on measures intended to improve industrial safety and health

Question A

The Occupational Health Care Act stipulates that the employer shall arrange occupational health care in order to prevent and control health risks and problems related to work and working conditions and to protect and promote the safety, working capacity and health of his employees. According to section 2 of the Act, it applies to work in which the employer has a duty to comply with the Occupational Safety and Health Act.

Section 2 of the Occupational Safety and Health Act lays down that the Act applies to work carried out under the terms of an employment contract and to work carried out in an employment relationship in the public sector or in comparable service relation subject to public law. Thus, the Act does not apply to businesses where the work is not based on an employment contract but, for instance, on a status governed by family or company law.

A business may also employ groups of employees who are not covered by the occupational health care arranged by the employer. Such groups include, for example, students whose work is related to their training, and hired temporary employees. The occupational health care of hired employees is not the responsibility of the business hiring them but of their employer.

The Occupational Safety and Health Act does not apply to persons in the service of the Defence Forces or the Frontier Guard, if the main purpose of the work or activities is to practise special skills needed in military operations.

Question B

The provisions on occupational health care are laid down in the Occupational Health Care Act and the Government Decrees supplementing the Act.

Employers are responsible for arranging occupational health care. It shall be organized and implemented to the extent required by the work, working arrangements, personnel and workplace conditions, and any changes in these.

According to section 1 of the Occupational Health Care Act, the purpose of the Act is to promote the following through cooperation between the employer, the employee and the occupational health care provider:

1) the prevention of work-related illnesses and accidents;
2) the healthiness and safety of the work and the working environment;
3) the health, working capacity and functional capacity of employees at the different stages of their working careers; and
4) the functioning of the workplace community.

Section 7 of the Occupational Health Care Act stipulates that the employer may organize occupational health care services referred to in the Act by acquiring them from a health centre referred to in the Primary Health Care Act (66/1972), by arranging the occupational health care services he needs himself or together with other employers or by acquiring the services he needs from another unit or person entitled to provide occupational health care services.

A study entitled "Occupational Health Services in Finland 2000" showed that there were altogether 1 038 occupational health centres, including branches, in Finland at the end of 2000. About half of them were units run by companies themselves, about one fourth operated in connection with health centres maintained by municipalities (local authorities) and about one fifth in connection with private clinics. Of all occupational health centres, 6 % were run jointly by several companies.

When arranging occupational health services, employers shall make sufficient use of occupational health professionals and experts deemed necessary by them.

ARTICLE 4: THE RIGHT TO A FAIR REMUNERATION

Article 4, para. 2: Increased rate of remuneration for overtime work

In respect of this paragraph, the Government refers to its previous periodic reports.

Article 4, para. 3: Equal pay for women and men

Question A

In respect of this question, the Government refers to its previous periodic reports.

Question B

The committee set up by the Ministry of Social Affairs and Health to prepare a reform of the Act on Equality between Women and Men submitted its proposal on the reform on 31 October 2002. The committee's report was sent out for comments to the labour market organisations, different non-governmental organisations and authorities etc. In October 2004 the Government submitted to Parliament a bill on amending the Act on Equality between Women and Men. Putting the principle of equal pay into practice and bridging the pay gap between women and men were key objectives of the reform. Among other things, the bill proposed rewording of the prohibition on pay discrimination (section 8, subsection 1(3)). In terms of substance, the proposed revised provision corresponded to the prohibition on wage discrimination laid down in the Act in force, but according to the proposal, the earlier provision should be revised by describing a discriminatory act by means of its consequences on the victim of discrimination and not through the grounds for an employer's action. The revised section 8, subsection 1(3) of the Act reads as follows:

> "[t]*he action of an employer shall be deemed to constitute discrimination if the employer "applies the pay or other terms of employment in such a way that one or more employees, on the basis of gender, find themselves in a less favourable position than one or more other employees in the employer's service performing the same work or work of equal value;"*

The amendment took effect on 1 June 2005.

On 15 November 2004, the Ministry of Social Affairs and Health set up a working group to prepare a programme for the promotion of equal pay between women and men throughout the labour market. The set objective of the group was to prepare a programme that could help eliminate unfounded pay differences between women and men, and would contain a range of means and measures that the parties would be ready to implement together.

The working group published its proposal on the equal pay programme outside the reference period, in May 2005. It based its work on the general tendency towards bridging the gap between women's and men's pay and on the implementation of the equal pay principle pursuant to the Act on Equality between Women and Men. With the measures under the equal pay programme, the parties aim at jointly promoting the attainment of these goals. Measures were proposed for horizontal and vertical segregation, women's career development, temporary employment, gender equality plans, reconciliation of family and work, pay systems, pay and employment contract policies in general, development of statistics and cooperation in statistics, as well as social responsibility of enterprises and communities.

The equal pay programme is meant to facilitate continuity and long-term activities in these targeted areas, and the activities could be further developed according to results and objectives.

A more general objective for the programme is to diminish the gap between women's and men's pay, computed on the basis of regular monthly working hours, from the present approximately 20 percent by at least 5 percentage units by 2015. The gap has been a persistent obstacle to efforts to implement workplace equality.

Question C

In respect of this question, the Government refers to the answer under Article 24 concerning prohibited grounds for dismissal. Further, the prohibition of discrimination and the requirement of equal treatment laid down in the Employment Contracts Act require that employers treat employees equally unless there is an acceptable cause for derogation deriving from the duties and position of the employees. Corresponding provisions are contained in the State Civil Servants' Act (750/1994) and the Act on Civil Servants in Local Government (304/2003).

Article 4, para. 5: Limitation of deductions from wages

Question A

Provisions on deductions from wages are contained in the Employment Contracts Act (55/2001), the State Civil Servants' Act (750/1994) and the Decree on Protected Portions in the Garnishment of Wages and Salaries (1031/1989). It is provided that, on the garnishment of wages or salaries of employees and the exercise of employers' right of set-off, a protected portion of an employee's wage or salary must always be left ungarnished, to ensure the livelihood of the employee or his/her family. A corresponding provision is contained in the Act on Civil Servants in Local Government (304/2003).

The Enforcement Act contains provisions on the garnishment of wages and salaries. Wages and salaries cannot be garnished entirely; a certain minimum portion thereof (a protected portion) must always be left to the debtor for livelihood. The amount of the protected portion depends on the number of persons maintained by the debtor. The amount of the portion for the debtor himself/herself corresponds to the amount of national pension (EUR 567 in January 2006). The amount is adjusted in proportion to the rise of the cost of living. In individual cases, the portion left to the debtor may be increased, if his/her financial standing has weakened substantially due to such circumstances as illness or unemployment.

Moreover, persons with low incomes are entitled to so-called holiday months, during which their wages or salaries are not garnished at all. The enforcement authority may grant 1 to 3 holiday months per year. In Finland, the garnishment of wages, salaries and other property is currently made during a fixed period of time, the maximum duration of which is 15 years and in some cases 20 years from the date of the legally valid payment order.

The garnishment of wages and salaries is performed by blocking the employer's payments to the debtor. The provisions on the garnishment of wages and salaries are also applicable to the garnishment of earnings-related pensions.

Question B

The provisions on the garnishment of wages and salaries are equally applicable to all employees.

ARTICLE 8: THE RIGHT OF EMPLOYED WOMEN TO PROTECTION OF MATERNITY

Article 8, para. 2: Illegality of dismissal during maternity leave

Questions A to C

In respect of these questions, the Government refers to its previous periodic reports.

Question D

Legislation protects pregnant women irrespective of whether their employment relationship is valid for a fixed term or until further notice. The Act on Equality between Women and Men contains an express provision that prohibits refusal to renew a fixed-term employment relationship on the basis of the employee's pregnancy. Such a refusal constitutes discrimination based on gender referred to in the Act on Equality between Women and Men, and due to it the employer may be ordered to pay compensation provided for in this Act and damages referred to in the Employment Contracts Act.

A report entitled "The frequency of fixed-term employment, the legality of the use and the needs of developing legislation", ordered by the Ministry of Labour, was completed outside the reference period, in 2005. The study aimed at examining, in particular, implementation or non-implementation of basic security in fixed-term work, conciliation between work and family, implementation of the principle of non-discrimination, compliance of fixed-term employment contracts with the discrimination prohibitions laid down in the Act on Equality between Women and Men, and consequences of fixed-term employment contracts in the public sector. In addition, the distribution of fixed-term employment contracts by gender and age was studied.

In 2004, approximately 16 % of all employees had fixed-term employment relationships. Of these, men accounted for 12.6 % and women for 19.5 %. The percentage of part-time employees was 13 % (men 7.7 % and women 18.2 %).

Conclusions XVII-2 concerning Article 8, para. 2

As to the Conclusions of the Committee of Social Rights regarding illegality of dismissal during maternity leave and Article 1 of the Additional Protocol, the Government of Finland refers to the tenth periodic report concerning the European Social Charter and states that the legislative provisions on reinstatement are unchanged. The present Employment Contracts Act does not provide for reinstatement. Instead, the employer has to pay compensation which, by its nature, is a sanction directed to the employer. The amount varies between 3 and 24 months' pay, depending on case (in case of a shop steward 30 months' pay). In addition to compensation, the illegally dismissed person is entitled to obtain unemployment security benefits if she cannot find another job.

However, the legislation has been amended in respect of illegal dismissal based on gender. The reformed Act on Equality between Women and Men (232/2005), which took effect on 1 July 2005, provides for compensation for which no ceiling has been determined except in recruitment situations. The time period for instituting proceedings to claim compensation has been extended to two years, except in recruitment situations, where it is one year.

The reformed Act, which transposed the so-called Working Life Directive[1] of the European Union into Finnish legislation, imposes a general obligation to promote gender equality in activities of society and in working life, particularly when determining pay and other terms of an employment contract, pursuant to the specific provisions of the Act.

The Act contains definitions of direct and indirect discrimination based on gender. An order or instruction to engage in discrimination based on gender directed to a person or persons is defined as discrimination. Consequently, the Act also lays down provisions on the division of the burden of proof when a case of discrimination is being heard by a court of law.

The responsibility for supervising the reformed Act rests with the Ombudsman for Equality and the Equality Committee and, in respect of the terms and conditions of an employment contract, with occupational safety and health authorities.

Article 8, para. 4: Night work of pregnant women, women who have recently given birth and women nursing their infants

Questions A and B

The Finnish legislation does not contain any particular provisions on night work of pregnant women only. A categorical prohibition on night work of pregnant women would also conflict with the Act on Equality between Women and Men (232/2005).

Night work is subject to section 8 of the Occupational Safety and Health Act (738/2002) concerning employers' general duty to exercise care. According to this section, employers are required to take care of the safety and health of their employees while at work. For this purpose, they shall consider the circumstances related to the work, working conditions and other aspects of the working environment as well as the employees' personal capacities. Section 30 of the Act provides that an employee performing night work shall, when necessary, be provided with an opportunity to change tasks or move over to daywork if this is possible in consideration of the circumstances, and if changing tasks is necessary in order to eliminate risks arising from the nature of the work to the employee's health.

According to Chapter 2, section 3 of the Employment Contracts Act (55/2001) the employer must ensure occupational safety and health in order to protect employees from accidents and health hazards, as provided in the Occupational Safety and Health Act (738/2002). If the working duties or conditions of a pregnant employee endanger the health of the employee or the foetus and if the hazard cannot be eliminated from the work or working conditions, the employee shall if possible be transferred to other duties suitable in terms of her working capacity and skills for the period of pregnancy. Chapter 4 of the Act provides for an employee's right to special maternity leave, which means moving forward of a maternity leave, if this is required on the grounds of the child's birth or the child's or the mother's state of health.

Questions C and D

In respect of these questions, the Government refers to its previous periodic reports.

[1] Directive 2002/73/EC of the European Parliament and of the Council of 23 September 2002 amending Council Directive 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions

ARTICLE 9: THE RIGHT TO VOCATIONAL GUIDANCE

Questions A to C

In Finland vocational information, guidance and counselling services are provided mainly through two established public service systems: the student counselling within the public school system and the client services within the public labour administration. Schools have the main responsibility for student counselling. The guidance and counselling services of the public employment offices complement school-based services and are mainly intended for clients outside education and training institutions.

Guidance counselling is given to all students as part of basic and upper secondary education. Also public employment offices provide guidance counselling and vocational guidance services, which are available to all citizens. To some extent, guidance counselling is also given by such bodies as labour market organisations and students' organisations. These services are cost-free, and the provider organisations are subject to public supervision. However, the educational administration bears the main responsibility for guidance counselling.

Public employment offices provide vocational guidance services and training, education and vocational information services. These are available to all. In practice, job-seekers are the largest client group. Vocational guidance services of the public employment offices are free of charge for individual clients.

In practice, vocational guidance services are provided only by the public sector. Private guidance services are permitted, but the market for these services to individuals is small. Employers, insurance institutions etc. could buy guidance services produced by private providers for their own clients, for instance for outplacement and planning of vocational rehabilitation for handicapped employees.

The Act on the Public Employment Service contains provisions on vocational guidance given by the labour administration. The labour administration maintains databases of vocations, education and training, and employment offices have information service units that are also intended for young people. The National Board of Education maintains an information system on education and training (Koulutusnetti) and publishes training guides annually.

The educational and labour administrations cooperate for example to maintain different information systems that support guidance counselling and choice of vocation. These administrations also cooperate at regional and/or local level, and the forms of cooperation are agreed between educational institutions, employment offices and other actors.

According to the national strategy for electronic service and the general strategy for services provided by public employment offices, self-service is, as far as possible, being developed as the standard service model for for instance job-seekers and clients planning their studies and/or field of education or training. Information and communication technologies and websites are mainly used as self-help modes in addition to printed information materials. For career guidance, above all the following electronic services are available:

The Ministry of Labour has launched a website entitled "AVO" for vocational guidance. The AVO web programme has two main parts: a database of occupations (approx. 300) and a database of educational and training pathways leading to work and occupations.

At the end of 2004, the Ministry of Labour introduced another self-help tool for career planning, entitled "A-URA" (adult career planning website), in the Internet. It helps adults in career planning and provides tools for counsellors working with adults. The A-URA Internet portal utilises existing websites

providing vocational guidance and career planning services, training and occupational information services, employment services and outlooks on working life.

The main website of the labour administration permits clients to search for open vacancies, send job applications to public employment offices, obtain information about labour market training, apply for training at public employment offices, read job-seeking guides, send in CVs to present their skills, use educational and vocational information services, read brochures on services provided by public employment offices, and use links to other significant actors in the labour market and to information sites. The labour administration also has a contact portal entitled Jobline, which offers information about open vacancies and labour market training and advice about job-seeking.

Measures are being taken to improve the services by means of quality development projects, staff training and specific service development projects intended to improve the results concerning for instance low-skilled, handicapped and long-term unemployed adults.

The National Board of Education has launched a development project on guidance counselling in basic education, upper secondary education and adult education and training for the years 2003–2007. The project is intended to improve guidance services in educational institutions, create networks, support continuing staff education and develop the assessment of guidance counselling.

Vocational rehabilitation services at public employment offices include personal vocational guidance and career planning as well as counselling and advice related to placement in the labour market and employment (job-seeker services). In connection with these services, various measures are used for assessing the client's situation and the options available to him/her or for helping the client find employment in an adequate area of work. Examples of these measures include medical examinations, psychological assessments (tests), work and training tryouts etc.

Students who have completed basic education and need particular support are guided to further studies in multiprofessional cooperation between educational institutions and other authorities. Also different productive workshops for vocational education and training are used for guidance counselling. These familiarize students with vocational education and training and offer flexible forms of studies.

Purchases of labour market training are based on estimated developments in the labour market, which are forecast on the basis of information from different sources. For instance employment offices visit employers and collect information about their needs for labour and training by means of a structured questionnaire. Additionally, statistics are utilised and inventories are made of job-seekers' competence in order to examine needs for training. The collected information is utilised in the planning and implementation of labour market training.

In addition to regular statistical monitoring of job-seekers' placement in the labour market after labour market training, the Ministry of Labour has funded a number of studies on the effectiveness of such training. Also other organisations have studied the effectiveness of training, the main emphasis usually being on employment after the training. These studies have primarily shown that labour market training has positive effects on the access to employment of those who have completed this training.

Question D

Information on public expenditure specifically for guidance services is not available.

In 2004 the total number of staff in public employment offices, including career guidance psychologists, was about 2 700. In 2004 there were 253 vocational guidance psychologists working at 122

employment offices. The employment offices had a total of 130 full-time and 143 part-time educational and vocational advisors. All the employment counsellors and vocational guidance psychologists serving clients also serve disabled persons. Of all counsellors, 15 % are specialised in placement and rehabilitation advice. Totally 128 vocational rehabilitation counsellors work full-time, the average time spent in vocational rehabilitation issues accounting for 64 % of their working time. In addition, 208 employment counsellors handle rehabilitation issues alongside other job-seeker services.

The basic qualification for a vocational guidance psychologist's position is a psychologist's education (a Master's degree in psychology). No official qualifications prescribed by law are required for other client service positions in public employment offices. All staff takes part in in-service training organized by the Ministry of Labour.

Clients by age and sex in vocational guidance (psychologist) services 2002–2004:

	Under 25 y.	25 y. or more	**Total**	Women
2002	12113	21037	**33150**	22049
%	*36.5*	*63.5*		*66.5*
2003	11577	18920	**30497**	19966
%	*38.0*	*62.0*		*65.5*
2004	11404	20259	**31663**	20711
%	*36.0*	*64.0*		*65.4*

Vocational guidance services are provided through the network of public employment offices throughout the country.

Question E

Vocational guidance services are available to all interested clients, but public employment offices estimate their clients' needs for services and negotiate the situation with them. An organisational reform of public employment offices started in 2004. As part of the reform, employment service centres will be set up to provide services for the most difficult-to-place jobseekers.

ARTICLE 10: THE RIGHT TO VOCATIONAL TRAINING

Article 10, para. 1: Promotion of technical and vocational training

Question A

The Act on the Public Employment Service (1295/2002) contains provisions on arranging labour market training for adults. As part of the overall policies on adult education and training, the Ministry of Labour arranges labour market training for adults, which mainly consists of training to promote vocational skills. This training is intended to promote 1) permanent employment of unemployed persons, 2) employees' remaining in work, 3) regional and vocational mobility that is relevant from the labour policy point of view, and 4) availability of labour in sectors with a lack of labour. Because of an economic boom experienced in recent years, the training has also been geared to ensure availability of labour. Purchases of labour market training are subject to the Public Procurement Act (1505/1992).

The labour administration uses an average of approximately 200 million euro per year for purchases of labour market training. Of this sum, vocational training accounts for roughly 150 million and preparatory labour market training for 50 million.

Question B

In respect of this question, the Government refers to its previous periodic reports.

Question C

In respect of this question, the Government refers to the answer concerning Article 9 above.

Question D

In respect of this question, the Government refers to its previous periodic reports.

Question E

All people legally residing and working in Finland are entitled to labour market training irrespective of nationality.

Article 10, para. 2: Promotion of apprenticeship

In respect of this paragraph, the Government refers to its previous periodic reports.

Article 10, para. 3: Vocational training and retraining of adult workers

Question A

Training for adults without prior vocational training is supported by means of a specific "Noste" programme, which the Ministry of Education, the Ministry of Labour and labour market organisations introduced in order to raise the training level of adults. The Noste programme will be implemented during 2003–2007 and is primarily intended for working adults of age 30–59 who have acquired strong skills through work but have received no training after comprehensive school or elementary school. The programme also supports the completion of comprehensive school by persons aged 25–59.

In 2003 the Ministry of Labour launched a project entitled "AIKOO" in order to ensure the availability of skilled labour, to guide adults to training more efficiently and to improve their motivation. The basic objective of this project is to help adults without vocational basic training to seek training, find suitable training opportunities, improve the suitability of choices of labour market training, develop career planning services offered by employment offices to adults, and improve the operating models and service cooperation of these offices. Key elements of the projects include competence inventories, guidance to training and motivation, personalisation of and support in studies, selection of students, facilities for learning, information about training and electronic guidance and counselling services.

Questions B to D

In respect of these questions, the Government refers to its previous reports.

Question E

In the spring of 2004, as part of the Government's entrepreneurship policy programme, the Government appointed a working group to discuss strengthening of the preconditions for entrepreneurship among women. The working group's report lists problems and obstacles relating to female entrepreneurship and suggests support measures or reorganisation of resources to solve these problems and thus strengthen women's interest in establishing businesses and becoming entrepreneurs.

The proposed measures are partly associated with the other projects under the Government's entrepreneurship policy programme, such as the work of the working groups on social security, growth enterprises, entrepreneurial training and the future, and with the analysis made by the Ministry of the Interior on regional resource centres.

Article 10, para. 4: Special measures to promote retraining and reintegration of the long-term unemployed

In respect of this paragraph, the Government refers to the answer concerning Article 10 paras. 1 and 2 and states that in 2004 approximately 655 long-term unemployed persons started labour market training. An average of 10 % of those starting labour market training have been long-term unemployed.

Please see also Article 15, para. 2, section 1.3

Article 10, para. 5: Full utilisation of the facilities provided by various measures

Question A

According to the Government Decree on the Public Employment Service (1344/2002) labour market training is cost-free for the participants.

Question C

The time used for training may be considered as working hours if participating in the training is a necessary condition for the employee's performance of his/her tasks, if the training is arranged at the workplace or in other circumstances typical of the performance of the work, and if the training takes place during regular working hours recorded in advance in a shift list. Also collective agreements may contain stipulations on considering participation in training as working hours.

ARTICLE 11: THE RIGHT TO PROTECTION OF HEALTH

Article 11, para. 1: Removal of the causes of ill-health

State of health of the population – General indicators

Life expectancy and principal causes of death

Finland – like all other western industrial countries – is undergoing a demographic change caused by an increased life expectancy and a decreased birth rate. In 2004, the life expectancy for Finnish women was 82.3 years and for Finnish men 75.3 years. Certain diseases that largely impair public health, above all diseases of the circulatory system and cancers, have clearly declined as causes of death. Especially lung cancer mortality among men has declined. Some other causes of death, particularly those connected with alcohol, have increased in recent years.

Infant and maternal mortality

According to the 2003 statistics there were 56 633 births, of which 56 448 were liveborn and 186 stillborn. In 2003, perinatal deaths numbered 282, i.e. 5.0 per 1 000 births. The rate of infant mortality in 2003 was 182, i.e. 3.2 per 1 000. Maternal deaths in 2001-2003 numbered 8, i.e. 4.8 per 100 000 liveborn births.

Health care system

The National Health Project

In 2002, the Council of State made a decision in principle on securing the future of health care in Finland. The decision prioritises measures to arrange viable primary health care and preventive work, to ensure access to treatment, to ensure the availability and expertise of personnel, to reform existing functions and structures, and to augment the finances of health care. These measures are organised under a National Health Project.

In 2003–2004, the implementation of the National Health Project focused on increasing the numbers of trained professionals, preparing and implementing plans for cooperation and division of work within specialised health care, and drafting legislation on access to treatment within a maximum time frame. The intake number of students was increased in training programmes for doctors, dentists and nurses.

In structural reforms, most attention has been paid to the development of cooperation and division of work within specialised health care. The health care districts have, in their specific areas of responsibility, prepared plans on such arrangements as laboratory operations and medical imaging for populations of the size of at least one health care district.

The National Health Project continues until the end of 2007.

Access to treatment

The health care legislation ensuring access to treatment has been made more precise. The Primary Health Care Act (66/1972) and the Act on Specialized Medical Care (1062/1989) have been supplemented with provisions on maximum time frames for arranging a patient's access to treatment. In

addition to the Primary Health Care Act and the Act on Specialized Medical Care, the Act on the Status and Rights of Patients (785/1992) and the Act on Client Fees in Social Welfare and Health Care (734/1992) have also been amended. The amendments took effect on 1 March 2005. The new provisions were published in the Statute Book of Finland, with numbers 855–858/2004.

The legislative amendments clarify the obligation to arrange health services, which is already today a statutory responsibility of municipalities (local authorities) and joint municipal boards. The amendments are intended to safeguard access to treatment on account of health needs, to reduce differences in access to treatment, to increase transparency during the waiting time, and to increase fairness and equality in access to treatment. The achievement of these goals may be advanced for instance by defining the grounds for treatment at national level, revising the operations of the service system, and evaluating, developing and changing the division of work.

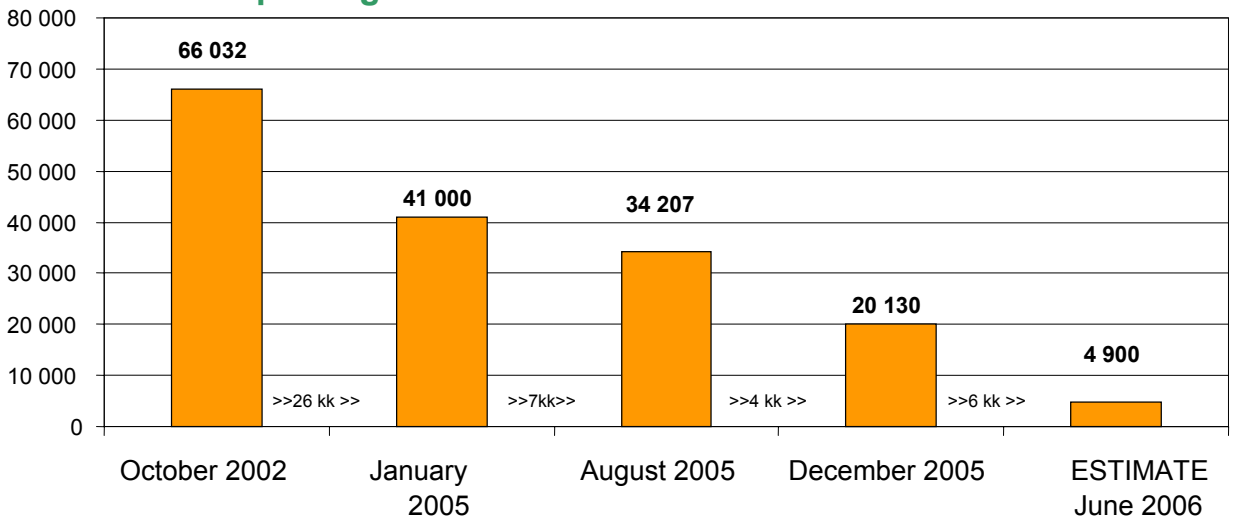
According to the legislative amendments, clients shall be guaranteed an immediate access to a health centre on working days, during the office hours, as from the beginning of March 2005. They shall obtain access to a health care professional – not necessarily a doctor – at a health centre for an assessment of their need for non-urgent treatment within three working days of contacting the health centre, unless their problems can be resolved by telephone. Clients shall have access to treatment deemed necessary on medical or odontological grounds within a reasonable time. In primary health care, a client shall have access to treatment within three months from the date when his/her need for treatment was established. This maximum time frame of three months may be exceeded by the maximum of three months in oral health care or specialised health care provided in connection with primary health care, if the treatment can be deferred on reasonable grounds without risking the patient's health.

In specialised health care, the assessment of a patient's need for treatment shall be arranged within three weeks from the date when the health care unit in question, for instance the out-patient department of a hospital, received the doctor's referral letter. Clients shall have access to treatment deemed necessary on medical or odontological grounds within six months from the assessment of their need for treatment. If treatment cannot be arranged within this time, the municipality or joint municipal board concerned shall purchase the treatment from other service providers, for example another municipal hospital or the private sector, at no extra charge to patients.

The Ministry of Social Affairs and Health has monitored the implementation of access to treatment since the legislative amendments entered into force. Currently, patients all over the country have smoother and timelier access to treatment than before. Thus, the amendments have increased equality in access to health care services and also speeded up the revision of operating procedures in different health care districts.

The Ministry of Social Affairs and Health examined access to treatment by sending inquiries to health care districts in August 2005 and January 2006. The reference status was the status in October 2002, when the state appropriations for eliminating patient queues were made available to the health care districts. At that time, 66 000 persons had been queuing for hospital care in more than half a year. In August 2005 (when the Act had been in force in 6 months) these patients numbered 34 000 and in December 2005 approx. 20 000. The health care districts estimated that in June 2006, about 5 000 patients had been queuing for hospital care in more than half a year. However, there are still many patients queuing for plastic surgery, hand surgery, orthopaedic treatment and hearing aid services.

Developments in the number of patients queuing over 6 months



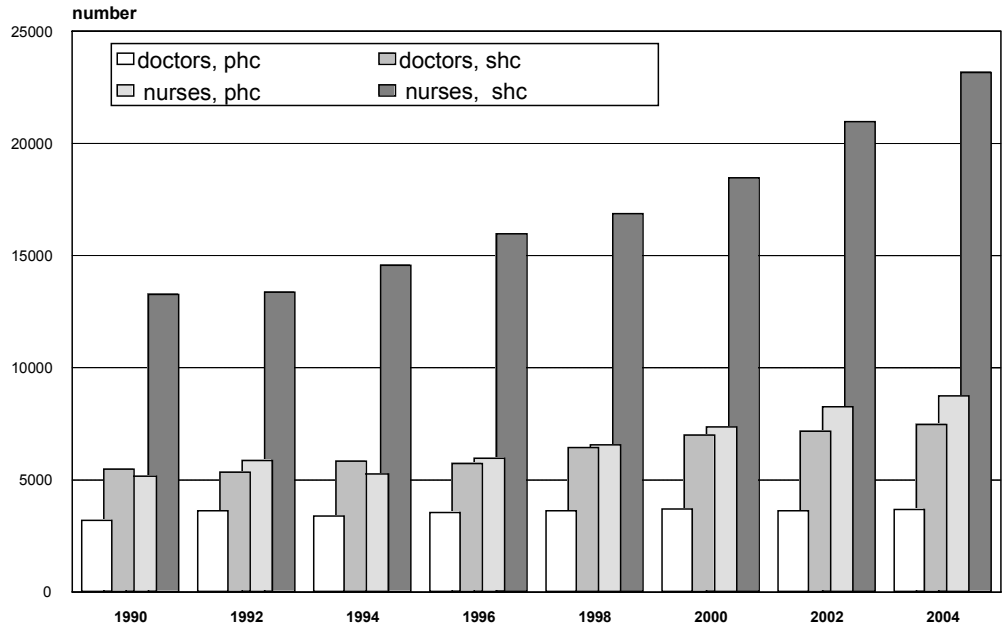
Treatment practices have showed large variation across the country, and decisions on the provision of non-urgent treatment have been made on different grounds. The legislative amendments described above are intended to guarantee all patients access to non-urgent treatment on equal grounds, irrespective of their place of residence. Therefore, the authorities have prepared uniform guidelines for access to non-urgent treatment as part of the National Health Project and the guaranteed access to treatment, with the objective of covering about 80 % of all non-urgent treatment. The guidelines will be elaborated further on the basis of gained experience. Health care districts and health centres will evaluate and monitor the functioning of the guidelines. They are also publicly available at Internet address: *www.stm.fi.* Health economic effects of the guidelines and of the maximum time frames for access to treatment will be evaluated within the next two years.

Since 2003, the Government's budget has included separate appropriations for supporting the development of municipal social welfare and health care. Municipalities are entitled to receive state subsidies for projects intended to develop and improve services and to revise operating procedures. One priority of the National Health Project is to ensure the proper functioning of health centres and to arrange preventive work.

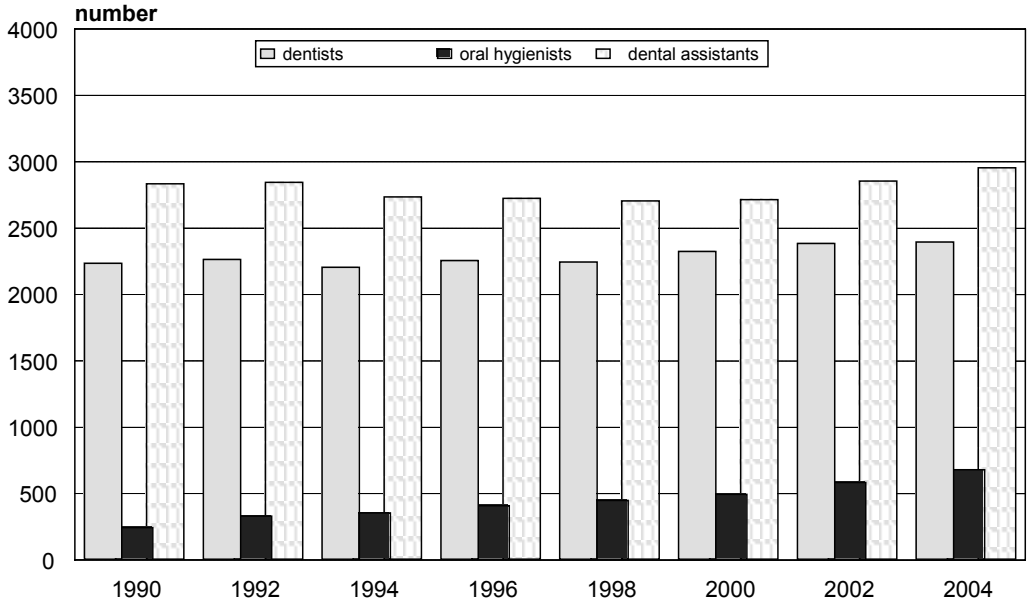
Health care professionals and facilities

In 2003 there were 2.6 doctors, 0.9 dentists and 9.3 nurses per 1 000 persons in Finland. In the health care sector, the number of nurses has, for a long time, increased more rapidly than the number of other professionals. Also the number of doctors has increased. The increase of both groups is largest in specialised health care.

The numbers of doctors and nurses employed in primary health care and specialised health care in 1990–2004
Source: Statistics Finland, Register of Municipal Employees



The number of municipal dental health care staff in 1990–2004
Source: Statistics Finland, Register of Municipal Employees



The numbers of municipal dentists and dental assistants in Finland have not changed substantially during the last 15 years. The new profession of oral hygienists is growing slowly.

Conclusions XVII-2 concerning Article 11, para. 1

Health 2015

The public health programme entitled "Health 2015" aims at formulating a broad-based national health policy so as to form a common framework for health promotion activities of different actors. The programme is intended to support and promote health in all sectors of society. Its implementation and monitoring are coordinated by the Advisory Board for Public Health, set up by the Government. The implementation is based on ongoing projects and other activities and increased cooperation between different actors.

In order to develop a knowledge basis and methods for reducing health differences between population groups, the National Public Health Institute, the National Research and Development Centre for Welfare and Health (STAKES), the Finnish Institute of Occupational Health and a number of other actors have launched a joint project entitled "TEROKA". This project, coordinated by the National Public Health Institute, is intended to build up a knowledge basis on socioeconomic health differences and the reasons behind them, to raise awareness on health differences and the methods for reducing them, to support the development of practical operating models for reducing health differences, to develop the assessment of effects on health differences, and to prepare the ground for a national action plan to reduce health differences.

The achievement of the Health 2015 objectives at regional and local levels is supported by recommendations on health promotion by local authorities. These recommendations guide municipalities, sub-regions and provinces in developing, organising and evaluating health promotion. They concretise the objectives of preventive health policy and facilitate decision-making and planning.

Moreover, activities of different organisations have been supported. For example projects advancing the Health 2015 objectives have been funded from appropriations for health promotion.

During the first months of 2006, the Ministry of Social Affairs and Health arranged a health promotion tour all over the country, to increase the visibility of health promotion and preventive work and to raise awareness of important challenges and tasks related to public health. Other purposes of the tour were to initiate regional activities to strengthen health promotion in both cross-administrative work and the health care sector, and to advance the introduction of modern health promotion procedures and instruments. The Primary Health Care Act was amended in order to clarify the concept of primary health care and the tasks of municipalities in health promotion. The amendment took effect at the beginning of 2006. Municipalities are obligated to monitor the state of health of the municipal residents by population groups and to ensure the consideration of health aspects in all their tasks.

Article 11, para. 2: Advisory and educational facilities for the promotion of health

In respect of this paragraph, the Government refers to its previous periodic reports.

Article 11, para. 3: Prevention of diseases

Policies on the prevention of avoidable risks

Reduction of environmental risks

The Radiation Act (592/1991) is intended to prevent and limit harmful radiation effects to health. The Act applies to the use of radiation and other activities that cause or may cause exposure to radiation detrimental to human health. It complies with Directive 96/29/Euratom[2] and the ICRP (the International Commission on Radiological Protection) requirements. The Radiation Act was amended in 1998 in order to implement two basic directives of the European Atomic Energy Community on radiation safety. These directives concern the protection of the health of workers and the general public against the dangers arising from ionizing radiation, and health protection of individuals against the dangers of ionizing radiation in relation to medical exposure. The amendments of the Act (1142/1998) entered into force in 1999. To adapt the Act to the requirements of the first Directive, its provisions on radiation work were revised and three technical adjustments were made elsewhere in the Act. The essential content of the amendment was adapting the provisions on safety procedures to the requirements of the Directive. The provisions on the medical use of radiation were also amended. The amendments contain the central principles and grounds for developing the procedures required by the Directive in the medical use of radiation.

Food safety

As of March 2006, practically all national legislation concerning food safety has been amended. This is largely a direct consequence of a corresponding overhaul of the European food legislation, initiated by the Commission's White Paper on Food Safety (2000). All relevant Finnish food safety legislation is included in the Food Act (23/2006), which strives to incorporate the central themes of both the General

[2] Council Directive 96/29/Euratom of 13 May 1996 laying down basic safety standards for the protection of the health of workers and the general public against the dangers arising from ionizing radiation
[OJEC No L 159, 29.06.1996 pp. 0001-0114]

Food Law Regulation (178/2002/EU) and the Food Hygiene Regulation (852/2004/EU) into national law.

Recent legislative changes that the Finnish Government believe will result in improvements of the national food safety record and its official control include the following:

- The Food Act (23/2006) combines all previous food legislation from the Hygiene Act, the Health Protection Act and the "old" Food Act into one Act, giving three ministries (the Ministry of Social Affairs and Health, the Ministry of Agriculture and Forestry, the Ministry of Trade and Industry) the right to issue specific decrees according to their respective competencies.
- The Decree on the Requirements to Ensure Food Safety in Primary Production (134/2006) will extend the requirement for a documented self-control plan to all primary producers. In the future, self-control will cover all food operations "from farm to fork" in Finland.
- The Act (25/2006) and the Decree (115/2006) on the Finnish Food Safety Authority will unite all relevant food safety authorities in Finland under one regulation.
- The Hygiene Competence Decree (1115/2001) stipulates that anyone working with foods shall have a competence in food hygiene commensurate to his/her duties. Specifically, the Decree stipulates that persons handling perishable foodstuffs shall pass a hygiene competence exam. Since 2002, some 360 000 Finns have passed this exam (some 15 % of the adult workforce).

Measures to combat smoking, alcoholism and drug addiction

In 2004, one fifth or 23 % of the population in Finland smoked daily, 27 % of adult men and 20 % of adult women being daily smokers. Approximately 7 % of all adults smoked occasionally. Of men aged 15–24 years, 21 % smoked daily and 8 % occasionally, and the corresponding percentages among women of the same age were 24 % and 11 %. Of men of retirement age, 13 % smoked daily, while the percentage for women of the same age was 6 %. Since the 1980s, smoking has decreased among men, whereas smoking among women has remained nearly unchanged. This information is included in the Tobacco Statistics based on research and statistics of the National Public Health Institute and the National Board of Customs.

On 9 October 2003, the Government made a decision in principle on the lines of alcohol policy. According to this decision, the objectives of Finnish alcohol policy are to cut down the overall consumption of alcoholic beverages, to reduce the harmful effects of alcohol on the well-being of children and families, and to reduce the risk consumption of alcoholic beverages and the resulting harmful effects. The Finnish Alcohol Programme 2004–2007 was launched as a project to coordinate and develop the work to reduce the adverse effects of alcohol. A permanent change requires long term activities directed in an appropriate manner. The Alcohol Programme aims at coordinating the work conducted by the state and other actors to combat the adverse effects of alcohol, in order to make it a more organised entity, to establish clear objectives and an evaluation of effectiveness for the work, and to strengthen its structures.

Prophylactic measures

In Finland, the vaccination coverage has traditionally been good, and nearly all families with children use the services of municipal child health centres.

Coverage in percentage, confidence interval of 95 % within brackets

Vaccination series	Children					
	born in 1995 (n = 1000)		born in 1997 (n = 987)		born in 1999 (n = 994)	
BCG	98.9	(98.2-99.4)	98.9	(98.1-99.4)	98.3	(97.3-99.0)
DTP	97.5	(96.5-98.3)	94.7	(93.2-96.0)	95.6	(94.1-96.8)
Hib	98.1	(97.2-98.8)	96.0	(94.6-97.1)	96.2	(94.8-97.3)
MPR	98.1	(97.2-98.8)	95.8	(94.4-97.0)	96.6	(95.3-97.6)
Polio	98.3	(97.4-98.9)	95.7	(94.3-96.9)	95.9	(94.5-97.0)
All	95.8	(94.5-96.9)	92.5	(90.7-94.1)	93.3	(91.5-94.7)

The most recent coverage study, started in 2004, is intended to examine the vaccination coverage among children born in 2001. It has not been published yet. This study shows (on the basis of preliminary calculations) that children were vaccinated under the overall vaccination programme by the age of 24 months as follows:

Vaccination series	Children born in 2001
BCG	98.5
DTP	96.8
HIB	97.7
MPR	97.3
POL	97.2
All	94.6

In Finland, the hepatitis vaccinations given under the overall vaccination programme are administered to persons in risk groups according to an instruction of the National Public Health Institute[3].

[3] Decree 421/2004 of the Ministry of Social Affairs and Health on Vaccinations and Screening of Communicable Diseases during Pregnancy

ARTICLE 14: THE RIGHT TO BENEFIT FROM SOCIAL WELFARE SERVICES

Article 14, para. 1: The promotion and provision of social services

According to the Social Welfare Act (1134/2002), municipalities (local authorities) shall see to the organization of, inter alia, social services for their residents. The content and scope of the services shall be as provided by the relevant legislation in each case.

Section 17 (938/2005) of the Social Welfare Act lays down that municipalities shall be responsible for organizing the following social services:

- social work
- child guidance and family counselling
- home-help services
- (social) housing services
- institutional care
- family care and
- activities supporting the employment of disabled persons and exemplary employment for disabled persons.

According to the same section, municipalities are also responsible for organizing child and youth welfare, day care for children, special care for the mentally handicapped, services and support for the disabled, services related to care for intoxicant abusers, the statutory functions of child welfare officer, other measures related to the investigation and establishment of paternity, ensuring child maintenance, adoption counselling, family conciliation and conciliation concerning the enforcement of decisions on child custody and visiting rights, the provision of support for informal care and other social services, and the tasks prescribed by the Act on Rehabilitative Work Experience in accordance with any additional special provisions concerning these services.

Section 17 (500/2003) of the Social Welfare Act further stipulates that if a social welfare client needs rehabilitation which the social welfare authorities are not legally responsible to provide or rehabilitation whose provision in the form of social services is not expedient, the social welfare authorities shall ensure that the client is informed about other rehabilitation opportunities and, if needed, instruct, jointly with providers of relevant services, the client to use services provided by health care, employment or educational authorities or the Social Insurance Institution of Finland or some other organization providing relevant services. The provisions of the Act on Cooperation in Respect of Rehabilitation Service shall also be observed.

Article 14, para. 2: The participation of individuals

In the provision of services, the point of departure is the client's will. According to section 6 of the Social Welfare Decree (607/1983), the client's individual circumstances and special needs shall be taken into account in the implementation of social welfare. Attention shall also be paid to the client's close personal relationships and their maintenance.

There are approx. 13 000 social and health organisations in Finland, most of them regional and local. Their most important tasks are to exert influence, to conduct peer and volunteer activities, to perform expert tasks and to develop and arrange support and services. The local activities of these organisations have a significant role in the provision of participation opportunities and the prevention of exclusion. It is estimated that those organisations alone which Finland's Slot Machine Association (RAY) supports

have about 250 000 volunteers. In 2002, 11 per cent of the Finnish population were members of some social and health organisation.

Finland's Slot Machine Association is a very important financer of social and health organisations. It grants aid worth EUR 300 million to approx. 1 100 organisations annually. Different statistics and registers do not give exhaustive information about the number of staff employed by all the organisations, but towards the end of 2002 the staff of the organisations providing social and health services numbered more than 36 000.

The social and health organisations' local activities mainly consist of providing social support, cost-free counselling and guidance services available to all, and information and expertise. Therefore, these organisations have a significant societal role as sources of social capital and as actors in preventive work. They have also developed new services, especially for areas where the public services are limited and it is not necessarily profitable to arrange them on a commercial basis. In 2002, social and health organisations produced approx. 17 per cent of all social welfare services and 5 per cent of all health services. As a rule, social and health organisations produce services as part of their statutory non-profit activities. They produce for example housing and nursing services for special groups and elderly people and are largely responsible for rehabilitation services.

Social services arranged by municipalities are primarily intended for municipal residents. In urgent cases, or where the circumstances otherwise so warrant, a municipality shall see to the arrangement of institutional care and other social services also for other persons staying in the municipality.

Social services arranged by municipalities are available to all people irrespective of their social, financial and societal position. Social welfare legislation defines how municipalities shall ensure the availability of each service to clients.

The Act (734/1992) and Decree on Client Fees in Social Welfare and Health Care contain provisions on fees collected from clients. According to section 1 of the Act, a fee can be charged from clients using municipal social and health services, unless otherwise stipulated by law. The fee can be collected from the person in accordance with his/her ability to pay.

In 2003, the fees collected from clients accounted for less than 8 per cent of the financing of municipal social and health services. In 1996–2003 the financing share of client fees declined by 1.7 percentage units and varies currently between 5 per cent and more than 18 per cent in respect of different services. The financing share of client fees is largest in inpatient services for the elderly (18.4 %) and smallest in specialised medical care (5 %).

Section 4 of the Act on Client Fees in Social Welfare and Health Care stipulates that:

> *”The following social welfare services shall be provided free of charge:*
> *1) social work referred to in section 17, subsection 1(1) of the Social Welfare Act (710/1982) and child guidance and family counselling referred to in section 17, subsection 1(2) of the Act;*
> *2) special care referred to in the Act on Special Care of Mentally Handicapped Persons (519/1977) and transport referred to in section 39 of the Act; however, a fee may be charged for the maintenance of a mentally handicapped person, excluding partial maintenance of a person under 16 years of age and partial maintenance of a child that receives education referred to in section 28 of the Act, until the end of the school year during which the child reaches the age of 16;*
> *3) care in a child day-care centre provided to a disabled child referred to in section 32, subsection 3 of the Act on Comprehensive Education (476/1983), when the comprehensive*

school education for the child is arranged in connection with care in a child day-care centre, during the care considered as comprehensive school education;
4) care of children and young people as referred to in the Child Welfare Act (683/1983);
5) services referred to in section 8, subsection 1 of the Act on Services and Assistance for the Disabled (380/1987), interpreter services and special services related to sheltered housing referred to in section 8, subsection 2 and examinations referred to in section 11 of the Act; however, a fee may be charged for special services related to sheltered housing when the person concerned is compensated for them by virtue of an act other than the Act on Services and Assistance for the Disabled;
6) sheltered work referred to in section 22, subsection 2 of the Act on Services and Assistance for the Disabled, excluding transport and meals;
7) out-patient social work with intoxicant abusers;
8) services stipulated as municipal responsibilities in the Marriage Act (234/1929), the Paternity Act (700/1975), the Adoption Act (153/1985), the Act on Child Maintenance (704/1975), the Child Custody and Right of Access Act (361/1983), the Act on Security of Child Maintenance (122/1977) and the Act on Linking Certain Maintenance Allowances with Costs of Living (660/1966); and
9) documents issued to a person in matters concerning social welfare services provided to him/her."

Municipalities have broad discretionary powers to determine how they arrange the social welfare services prescribed by law. These services, whether supplied by municipalities themselves or purchased from other suppliers, and the municipal staff are in principle supervised by bodies representing municipal democracy. Social welfare boards, which are elements of representative municipal democracy, are generally responsible for municipal tasks related to the implementation of social welfare. Municipal decision-making power is vested in municipal councils, elected by municipal residents at general elections held every four years.

There is a separate Act on the Monitoring of Private Social Services (603/1996). In 2005, the State Audit Office prepared an audit report on the supervision of private social services (Supervising private social services, audit report 101/2005; www.vtv.fi).

At provincial level, the State Provincial Offices are responsible for the general planning, direction and supervision of social services. These Offices are general regional state authorities, which have close contacts with the municipalities located in their provinces. In addition to municipalities, also the State Provincial Offices supervise the appropriateness of social services.

ARTICLE 15: THE RIGHT OF PERSONS WITH DISABILITIES TO INDEPENDENCE, SOCIAL INTEGRATION AND PARTICIPATION IN THE LIFE OF THE COMMUNITY

Article 15, para. 1: Measures to provide persons with disabilities with guidance, education and vocational training

Questions A to D

There is no one definition of disability in Finland. Legislation regulating different activities defines disability on the basis of the activities concerned: a person with disabilities as a job-seeker, as a school pupil or student, a resident, a person in need of personal assistance, etc.

Definitions of disability in legislation:

- According to the Services and Assistance for the Disabled Act (380/1987), section 2, a disabled person is a person who, because of his or her disability or illness, has special long-term difficulties in managing the normal functions of everyday life. Furthermore, severe disability is defined separately in regard to each service.

- According to the Act on Special Care of Mentally Handicapped Persons (519/1977), section 1, a disabled person is a person whose development or mental functions are prevented or disturbed because of an illness, a defect or an injury that is congenital or has arisen at the developmental age and who have no access to the services they are in need of in virtue of some other law.

- According to the Disability Allowances Act (124/1988), section 2, a person whose functional capacity can, due to an illness or an injury, be estimated to have decreased over a continuous period of at least one year is paid a disability allowance to compensate for the handicap, necessary assistance, services and special expenses.

- According to the National Pensions Act (347/1956), section 30a, a pensioner's care allowance is payable to a person whose functional capacity can be estimated to have decreased over a continuous period of at least one year due to an illness or injury, and who has turned 65 or receives a disability pension under this Act, a full disability pension or an early disability pension.

- According to the Act on Care Allowance for Children (444/1969), section 2, a care allowance is payable to a child who, for at least six months, due to an illness, a defect or an injury, is in need of care and rehabilitation to the extent that it will cause financial or other strain.

- According to the Act on Social Enterprises (1351/2003), section 1, the social enterprises referred to in this Act provide employment opportunities particularly for the disabled and long-term unemployed. Under this Act, the disabled are employees whose potential for gaining suitable work, retaining their job or advancing in it have diminished significantly due to an appropriately diagnosed injury, illness or disability;

- According to the Public Employment Services Act (1295/2002), chapter 1, section 7, subsection 1(6), a disabled person means a jobseeker client who has considerably lower chances of finding suitable work, keeping his/her job or advancing in his/her job because of a duly confirmed injury, illness or disability.

In 2004, the total number of disabled eligible for statutory disability benefits was 230 000. Of these, approx. 72 000 persons (31 %) fell in the age group of 16-65, i.e. working age. Applicability of disability benefits legislation requires a substantial disability. There are additionally persons with lesser disabilities who need support and services for different functions.

Organisation of education for persons with disabilities

A pupil who has moderate learning or adjustment difficulties is entitled to special-needs education alongside other teaching. This part-time special-needs education does not give the pupil the status of a pupil in special-needs education. If, owing to a disability, an illness, retarded development, an emotional disturbance or a comparable cause, a pupil cannot be otherwise taught, the pupil shall be admitted or transferred to special-needs education. These pupils have the status of a pupil in special-needs education. In 2003, altogether 124 137 pupils received part-time special-needs education. A total of 36 839 pupils, i.e. 6.2 % of the pupil age group, had been placed or transferred to special-needs education.

Special-needs education is also provided to students who, owing to a disability, an illness, retarded development, an emotional disturbance or a comparable cause need exceptional education or student welfare services. In 2005, the estimated total volume of vocational special-needs education was 14 500 students (of which 10 600 studied at general vocational education institutions and 3 900 at vocational special education institutions).

Of all vocational special-needs education, general vocational education institutions provide 75 % and vocational special education institutions 25 %. General vocational education institutions arrange special-needs education both in teaching groups common to all students and in special groups. The provider of education chooses the most appropriate form of education. The primary alternative is that a person in need of special support should study in the same teaching groups as other students. Vocational special education institutions bear the main responsibility for giving education for students with the most difficult disabilities. They are responsible for development, direction and support functions related to vocational special-needs education. Their provider-specific curricula contain plans for the arrangement of special-needs education. These institutions shall reserve sufficient resources for the functions defined in the curricula, so that each student has access to the support he/she needs. A personal teaching arrangements plan shall be prepared in writing for each student with special needs. This plan defines the individual support measures needed by the student. It facilitates the coordination of appropriate educational solutions and the necessary support and rehabilitation measures, and it also supports cooperation between the participating actors. Disabled students who need particular preparatory support before vocational education or employment may also receive preparatory and rehabilitative teaching and instruction in connection with vocational basic education.

According to the legislation on vocational education, a student who receives special-needs education is entitled to assistant services necessary for the studies, other student welfare services and special aid instruments. The Act on Services and Assistance for the Disabled contains provisions on other services and support measures (e.g. personal assistants, interpreters, transport services) for persons with disabilities.

In vocational basic education, habitation in halls of residence arranged by the providers of education and daily meals are cost-free. Students in special-needs education may also receive textbooks and other study materials, the necessary weekly travels home, if accommodated, board and lodging in halls of residence or other accommodation, and personal work equipment free of costs.

Vocational guidance for persons with disabilities

Employment offices serve clients with disabilities pursuant to the principle of normality. When serving disabled clients, they render primarily employment services intended for all citizens (see the answer to question D concerning Article 9). Employment of persons with disabilities in the open labour market is supported primarily by means of vocational education and secondarily by granting employers subsidies for the employment of persons with disabilities.

Table: Disabled clients using vocational guidance and career planning services of employment offices and the plans prepared by them under guidance in 2002-2004.

	2002	2003	2004
Disabled clients	6 273	5 539	5 826
- percentage of disabled in all completed guidances %	19 %	18 %	18 %
Outcome of guidance			
- education or training plan %	34 %	33 %	32 %
- work plan %	25 %	23 %	22 %
- other plan %	24 %	24 %	34 %

In 2004, clients with disabilities accounted for 18 % of all clients using vocational guidance and career planning services. In the case of 32 % of all the 5 826 clients with disabilities, the guidance resulted in an education or training plan, and for 22 % of them, in a work plan. The majority, more than 60 %, of the disabled clients were persons over 25 years of age, whose disability or illness warranted a change of vocation.

Vocational rehabilitation

The Act on the Public Employment Service (1295/2002), which entered force on 1 January 2003, contains provisions on vocational rehabilitation arranged by the labour administration.

In recent years, vocational rehabilitation has been used in order to prolong the careers of employees active in working life by means of early rehabilitation measures. The rehabilitation legislation was amended as from 1 January 2004 so as to give working employees who risk incapacity for work because of a disability or illness a statutory right to vocational rehabilitation by virtue of the legislation on earnings-related pensions. The key objective of this amendment was to emphasise the primary nature of vocational rehabilitation compared with a disability pension. In all schemes described below, vocational rehabilitation is intended to improve or maintain a disabled person's work and earning capacity, to integrate him/her into working life, or keep or return him/her there.

Measures of vocational rehabilitation include examinations of a person's need for rehabilitation and the available services, vocational guidance and career planning services, vocational training, work try-outs, coaching for work, work coach services (supported employment), support for arrangement of working conditions, aid instruments for work and studies, subsidies to employers employing persons with disabilities, and state aids for industrial and service enterprises to support self-employment.

Financial assistance

Rehabilitation allowance paid by the Social Insurance Institution of Finland

The Social Insurance Institution of Finland arranges vocational rehabilitation for persons with disabilities and pays, for the duration of their participation, a rehabilitation allowance to secure their incomes. The allowance is also payable for the duration of other rehabilitation measures provided separately by law, for instance apprenticeship training provided by the Act on Vocational Education (630/1998) and the Act on Adult Vocational Training (631/1998). Measures entitling to a rehabilitation allowance shall always aim at integrating the rehabilitee into working life or keeping or returning him/her there.

Rehabilitees between 16 and 67 years of age are eligible for a rehabilitation allowance for the period during which they are prevented from working. The allowance is not payable, if the rehabilitee, due to loss of earnings, is entitled to a full compensation pursuant to the legislation on compulsory accident insurance or motor third party liability insurance, the Military Injuries Act or the Military Accident Act. A rehabilitation allowance is usually paid for the duration of the rehabilitation measures, but in certain cases it is also payable for the waiting period, i.e. the time between the rehabilitation decision and the start of the rehabilitation, or for times between two rehabilitation periods, such as holidays in educational institutions.

To ensure vocational rehabilitation for young rehabilitees aged 16-19 and to promote their employment, the Social Insurance Institution grants them a young persons' rehabilitation allowance. To be eligible for such an allowance, the person concerned shall have a rehabilitation plan prepared for him/her personally.

The rate of the rehabilitation allowance is at least the same as that of the sickness allowance based on the Sickness Insurance Act. However, the relevant legislation lays down a minimum sum for allowances payable for the duration of vocational rehabilitation. The sum of such an allowance is normally higher than the sickness allowance payable to the same person.

The other available rehabilitation benefits are the discretionary rehabilitation allowance and the maintenance allowance. The discretionary allowance is payable to a rehabilitee for the period after the payment of a rehabilitation allowance, if it is particularly necessary for ensuring his/her access to employment. The maintenance allowance is payable as compensation for extra rehabilitation costs.

Rehabilitation benefits under the legislation on earnings-related pensions

The rehabilitation benefits payable under the legislation on earnings-related pensions are the rehabilitation allowance, the increment payable on disability pensions (until further notice) and the cash rehabilitation benefit (fixed-term disability pension), and the discretionary rehabilitation allowance.

According to the legislation on earnings-related pensions, an employee or an entrepreneur is entitled to vocational rehabilitation appropriate for preventing his/her incapacity for work or improving his/her work and earning capacity, if an illness, injury or handicap ascertained in an appropriate manner is likely to cause a risk of his/her becoming incapable for work. An additional precondition is that, before the rehabilitation, he/she has earned sufficient income from work referred to in the legislation on earnings-related pensions so that the amount of his/her income calculated on the basis of the projected pensionable service is at least equal to the amount of euros prescribed by the legislation.

In vocational rehabilitation, an employee or an entrepreneur may be examined for the rehabilitation and receive training leading to employment or a vocation, labour market training, state aids for industrial and service enterprises, medical rehabilitation supporting vocational rehabilitation, and compensation for indispensable and necessary expenses for rehabilitation.

A rehabilitation allowance is payable to persons other than recipients of a disability pension or a cash rehabilitation benefit for those months during which their participation in rehabilitation prevents their gainful employment entirely or partly. The amount of the allowance is equal to the recipient's full disability pension increased by 33 per cent.

Recipients of a disability pension and a cash rehabilitation benefit are additionally paid a rehabilitation increment for the duration of vocational rehabilitation. Its amount is 33 per cent of the amount of the disability pension or cash rehabilitation benefit.

The rehabilitation allowance is payable as a discretionary rehabilitation allowance for the time between the rehabilitation decision and the start of rehabilitation, and times between two rehabilitation periods, and for the preparation of a care and rehabilitation plan. In addition, a recipient of a rehabilitation allowance may be paid a discretionary rehabilitation allowance for the maximum of six months, if this is particularly necessary for ensuring his/her access to employment. The amount of the discretionary rehabilitation allowance is equal to that of a disability pension, and no rehabilitation increment is payable on it. The relevant legislation contains precise provisions on the maximum duration of payment of a discretionary rehabilitation allowance.

Article 15, para. 2: Promotion of employment of persons with disabilities

Question A

1. Labour administration

1.1. Vocational rehabilitation by the labour administration

Employment offices give disabled job-seekers counselling and guidance to promote their access to employment and training, and arrange preparatory and vocational labour market training for them. To support these job-seekers' placement and remaining in work, employment offices arrange examinations of their work capacity and aptitude, and request expert opinions and consultations. They also arrange work and training try-outs, introductory visits to vocational education institutions, coaching for work, and work try-outs at working places.

The relevant legislation also permits employment offices to hire, for 60 days, a work coach for promoting a disabled job-seeker's employment in the open labour market.

Employers may be granted support for special arrangements of working conditions in order to facilitate disabled persons' access to and remaining in work. Additionally, the employment of unemployed job-seekers with disabilities may be supported by means of a pay subsidy payable to employers (EUR 430-770/month) for the maximum of two years at a time.

The Non-Discrimination Act (21/2004), which took effect on 1 February 2004, contains provisions on improving disabled persons' access to employment and training. In order to foster equality, a person commissioning work or arranging training shall, where necessary, take any reasonable steps to help a

person with disabilities to gain access to work or training, to cope at work and to advance in his/her career. In assessing what constitutes reasonable, particular attention shall be devoted to the costs of the steps, the financial position of the person commissioning work or arranging training, and the possibility of support from public funds or elsewhere towards the costs involved.

The support for special arrangements of working conditions is a discretionary benefit granted to employers on application, as part of the public employment services provided by the labour administration. This support is payable in respect of a disabled job-seeker seeking employment with the employer concerned, or a disabled employee already in work. A disabled person's placement or remaining in work may require changes or arrangements in work machines, working methods, equipments and the environment of the working place in order to eliminate or reduce inconveniences caused by the person's disability or illness. An employer may be compensated for the costs of such changes (max. EUR 3500) on application, if the employer is not liable for the costs of reasonable adaptations of a disabled person's workplace by virtue of the aforementioned Non-Discrimination Act.

1.2. Act on Social Enterprises

The Act on Social Enterprises took effect on 1 January 2004. A social enterprise is a registered trader who is entered in the register of social enterprises, maintained by the Ministry of Labour. A precondition for the registration is that at least 30 per cent of all employees of the enterprise are disabled or both disabled and long-term unemployed because of an injury or illness. A social enterprise may produce goods and services for the market on a commercial principle. It shall be entered in the trade register and may operate in any sector.

In respect of private and public financing, social enterprises are in an equal position with other enterprises. However, social enterprises may be paid pay subsidies and project subsidies from employment appropriations, on conditions different to those concerning other enterprises.

The amount of support payable to social enterprises as a pay subsidy is equal to that of subsidies paid to other employers (EUR 430-770/month), but it can be paid for a longer period than the normal six months.

1.3. Labour force service centres

In accordance with the Government's employment programme, a total of 40 labour force service centres will be established in Finland in 2004–2006 to serve separately those job-seekers whose access to employment has become difficult. In these service centres, the labour administration, municipalities (local authorities) and the Social Insurance Institution arrange multivocational services jointly with external service providers. Currently (as per 1 February 2006) there are already 37 labour force service centres, located in different parts of the country. In 2004, job-seekers with disabilities accounted for one fifth (approx. 20 000 persons) of all service centre clients.

2. Rehabilitation based on accident and motor third party liability insurances

In cases of losses covered by accident insurance and motor third party liability insurance – i.e. occupational accidents, occupational diseases and road accidents – the relevant insurance schemes are primarily liable for rehabilitation benefits for the insured persons and the recipients of indemnity. In these cases, the rehabilitation is based on a client's statutory right to receive vocational and other rehabilitation as part of the indemnity payable for a loss caused by an occupational accident, an

occupational disease or a road accident. In 2004, more than 1000 rehabilitation cases were pending and about 600 vocational rehabilitation programmes were being prepared. Rehabilitation decisions made by insurance institutions are appealable. See Table 1 below, Disabled persons in vocational rehabilitation.

3. Vocational rehabilitation under the earnings-related pensions scheme

By agreement between the Government and the labour market organisations, the legislation on earnings-related pensions of the private and the public sector was amended as from 1 January 2004 so that an employee active in working life is, on the basis of the relevant act on earnings-related pensions, entitled to appropriate vocational rehabilitation on the condition that an illness, injury or handicap ascertained in an appropriate manner causes the risk that he/she may become or must be deemed incapable for work. Such vocational rehabilitation may include, among other things, work try-outs at working places, vocational training and coaching for work. In 2004 more than 6000 persons covered by earnings-related pensions insurance participated in vocational rehabilitation. An authorised pension provider may issue preliminary decisions on applicants' right to vocational rehabilitation. An authorised pension provider's rehabilitation decision is appealable to the extent it concerns an applicant's right to vocational rehabilitation. See Table 1 below, Disabled persons in vocational rehabilitation.

4. Vocational rehabilitation by the Social Insurance Institution of Finland

The rehabilitation arranged by the Social Insurance Institution of Finland was reformed as from 1 January 2004 so that the Institution is obliged to arrange vocational rehabilitation for an insured person whose illness, injury or handicap ascertained in an appropriate manner is likely to cause a risk of his/her becoming incapable for work or whose work and earning capacity must be deemed substantially impaired because of an illness, injury or handicap. A precondition for such rehabilitation is that it has not been arranged by virtue of the Act on the Public Employment Service (1295/2002) or of legislation on earnings-related pensions or special-needs education.

The Social Insurance Institution pays a disabled young person aged 16-19 a rehabilitation allowance to ensure his/her vocational rehabilitation and promote his/her access to employment. A precondition for the payment of this allowance is that the person's work and earning capacity or opportunities of choosing occupation and work have been substantially reduced due to an illness, injury or handicap and that he/she therefore needs an intensified assessment of work capacity and rehabilitation. To be eligible for such an allowance, the rehabilitee shall also have a personal study and rehabilitation plan prepared in his/her municipality of residence. In 2004, more than 3000 disabled young persons under 25 years of age received vocational rehabilitation arranged by the Social Insurance Institution.

Education or training arranged as vocational rehabilitation may be vocational education or training or general education necessary for vocational education or training. Vocational education or training may be basic, further or supplementary education or training, or retraining or re-education. Coaching to maintain and improve employees' work capacity is intended for ageing employees active in working life who cannot be kept in work by means of occupational health measures only. The Social Insurance Institution compensates the rehabilitees for reasonable and necessary costs of education or training and pays a rehabilitation allowance or a cash rehabilitation benefit for its duration.

Severely disabled rehabilitees are supported in coping with work or studies by providing them with technically sophisticated aid instruments. Their access to and remaining in employment can be supported by state aids for industrial and service enterprises. This aid is granted for the setting up of enterprises and, in respect of operating enterprises, for purchases of instruments necessary because of a person's illness. In 2004, the Social Insurance Institution arranged vocational rehabilitation to more than

17 000 persons. More than 6000 of these were ageing persons active in working life who participated in training aimed to maintain and improve their work capacity.

Table 1. Disabled persons in vocational rehabilitation under different schemes in 2002-2004

Year	2002	2003	2004
Accident and motor third party liability insurance	1 868	1 892	1 752
Earning-related pensions	4 969	5 548	6 249
Social Insurance Institution of Finland	16 648	17 198	17 462
Total	23 485	24 638	25 463

Approximately 60-70 % of the participants in vocational rehabilitation under the aforementioned schemes are placed in the open labour market.

Question B

In 2004, in all 67 461 unemployed job-seekers with disabilities used public employment services. The percentage of disabled among all unemployed job-seekers was about 11 %.

A total of 83 804 unemployment periods of job-seekers with disabilities ended in 2004. Of these, 56 944 ended because the job-seeker was employed or started education or training. More than 44 % of the unemployment periods ended because of employment in the open labour market, 9 % because of started education or training, and 15 % because of employment supported by different measures taken by the labour administration.

Table 2. Disabled job-seekers in employment offices, and active measures in 2002-2004

Year	2002	2003	2004
Disabled job-seekers	85 600	87 368	89 936
- unemployed	67 418	66 857	67 461
- placements:			
open labour market	40 334	41 324	42 933
labour market training	7 794	7 232	7 222
other training or education	1 258	1 164	1 258
private sector, through supportive measures x)	4 614	4 329	4 343
public sector, through supportive measures xx)	5 614	5 243	4 748
work try-outs, traineeships and similar placements through supportive measures	8 311	8 950	9 584
sheltered work	5	1	3

All active measures	67 930	68 243	70 091

x) and xx) mean subsidies granted to employers to cover pay costs for disabled employees.

Question C

In April 2002, legislative amendments were made to improve the opportunities of disabled people to get work and to raise their employment participation rate closer to that of the rest of the population. The out-dated legal provisions on the tasks of social welfare authorities related to arranging employment were amended by adding to the Social Welfare Act new provisions on activities to support the employment and work experience of persons with disabilities. Arranging these activities continues to be the responsibility of municipalities (local authorities). Activities to support the employment of persons with disabilities comprise special supportive measures to promote their access to employment, if these persons have difficulties in finding employment through employment services or public measures promoting employment. Activities to support work experience refer to maintaining work capacity and promoting it.

The purpose of the amendments of social insurance legislation is to promote the rehabilitation and job placement of persons with disabilities and to remedy defects in their social security that constitute an obstacle to their employment. The National Pensions Act has been amended so as to improve the effectiveness of the provisions applicable to leaving a disability pension dormant.

Activities to support the employment of the disabled consist of particular rehabilitation measures and other supportive measures. Such activities are arranged for persons whose disability or illness or some other reason causes them special long-term difficulties in coping with normal everyday life and who, in addition to services and measures by the labour administration, need supportive measures to get access to the open labour market.

Employers may receive support for the employment of persons with disabilities. The pay for these persons are adjusted to reflect their work performance and their other incomes. Some employees with disabilities receive pension incomes, and they are permitted to earn a limited amount of income from work. Some disabled employees reach the pay level of the labour market for non-disabled persons. There is no collected information about wages and salaries.

Exemplary employment for persons with disabilities consists of measures intended to maintain their functional ability and to improve it. Such employment is arranged for persons incapable for work who, due to disability, cannot enter supported employment relationships and whose incomes mainly consist of benefits granted on account of illness or incapacity for work. Exemplary employment is arranged entirely or partly for the purpose of treatment or rehabilitation, and also by virtue of the Act on Special Care of Mentally Handicapped Persons.

Exemplary employment does not constitute an ordinary employment relationship. The employee's income is pension income, and in addition he/she may receive incentive pay, which is tax-free, if its amount does not exceed EUR 12 per day. In most cases the incentive pay does not exceed the taxation threshold.

At the end of 2003, the 290 special employment units in Finland had altogether 13 100 clients, which was 2 500 more than in 1999.

Special employment units in Finland (year 2003)

	Number of employment units	Clients and personnel (31 Dec. 2003)			**The most important reasons for a weak labour market position (31 Dec. 2003, percent of clients)**	**Employment services (31 Dec. 2003)**
		Clients	**Unit personnel**	**Total**		
Productive workshops	53	2 490	550	3 040	Paid work: ”weak labour market position” 28%, mental health problem 21% Exemplary employment: learning difficulty 61%, mental health problem 32%	Paid work 58%, exemplary employment 25%, other rehabilitative measures 17%
Multi-service centres for employment	11	2 060	350	2 410	Paid work: ”weak labour market position” 89% Exemplary employment: “weak labour market position” 43%, learning difficulty 24%, mental health problem 20%	Paid work 30%, exemplary employment 22%, other rehabilitative measures 48%
Exemplary employment units for people with learning difficulties	150	5 220	740	5 960	Exemplary employment: learning difficulty 91%	Paid work 2%, exemplary employment 87%, other rehabilitative measures 11%
Units and projects of supported employment	39	630	50	680	Employed clients: learning difficulty 66%, mental health problem 22%	---
Clubhouses for mental health trainees	19	2 100	70	2 170	Mental health problem 100% (assumption)	---
Exemplary employment units for mental health trainees	18	610	190	800	Exemplary employment: mental health problem 96%	Exemplary employment 58%, other rehabilitative measures 42%
Total	290	13 110	1 950	15 060		

Article 15, para. 3 Full social integration and participation in the life of the community

Question A

The objective of disability policy is to guarantee all people the right and opportunities to participate and act in society. All sectors of public administration are responsible for developing their own activities to suit all citizens. Mainstreaming the equality objective in all administration and decision-making is the best way of promoting the principles of inclusion and independent coping, adopted in the Finnish policies for the disabled and the elderly. Moreover, the Constitution of Finland requires not only the elimination of discriminatory practices but also active measures to promote equality.

There is a study going on to examine to what extent the different administrative sectors carry out development work based on the national disability policy. The study is expected to be completed by summer 2006.

Children with disabilities have the same right to day care and education as all other children. All children have a subjective right to day care. In special day care, the skills of the staff have been improved by means of regional development projects. In the field of education, the resources for special-needs education have been and are being developed further as the demand for them increases. The primary objective is that disabled children should attend the nearest school, but in part special-needs education is still arranged separately.

Service counselling is given in order to support disabled children's close persons who cater for their needs. Service counselling is a method for coordinating the individual services needed by a disabled person and his/her family. In 2001–2003, the Ministry of Social Affairs and Health carried out a service counselling trial, after which such counselling has been developed also in other localities and client groups.

Question B

The Government also refers to the answer concerning Article 23 below.

Services and supportive measures based on the Act on Services and Assistance for the Disabled supplement general services when a person with disabilities does not receive sufficient or suitable services on the basis of other legislation or cannot use general services and activities because of his/her disability.

Public transports are supplemented with transport services for people with severe disabilities. The number of users of such transport services has increased with the ageing of the Finnish population. The arrangements of transport services have been developed at national level, for instance by establishing travel service centres.

Persons with hearing or speech impairments are entitled to interpretation services. The number of recipients of such services has increased, but many localities suffer from a lack of interpreters. The organisation of interpreter services has been improved in order to eliminate regional differences. Also distant interpretation services have been developed to improve access to such services especially in rural regions.

The authorities have cooperated in a network in order to raise awareness of accessibility. The National Research and Development Centre for Welfare and Health (STAKES) maintains a network entitled Design for All as a forum for experts of different sectors and organisations. Design for All refers to design strategies and methods intended to promote the usability and accessibility of environments, products and services for all users. Organisations carry out research and development in Design for All issues related to the development of communications, built environments, product design, technologies and services. Every year, the network organises 3-4 joint meetings or workshops and a thematic forum for a larger public. Currently, four joint projects to promote inclusion, accessibility and usability are going on within the network. The network acts as an expert and working group member in projects launched and coordinated by ministries and government agencies.

According to the Land Use and Building Act (132/1999), one of the objectives in land use planning is to promote a safe, healthy, pleasant and socially functional living and working environment which provides for the needs of various population groups, such as children, the elderly and the handicapped.

A building shall, in so far as its use requires, also be suitable for people whose capacity to move or function is limited. Administrative and service buildings, commercial and service premises in other buildings to which everyone shall have access for reasons of equality, and their building sites shall also be suitable for use by persons with restricted ability to move around or function otherwise.

Taking into account its planned number of users and the number of storeys and other circumstances, a residential building and associated spaces shall meet the requirements for accessibility in building. According to the newest Decree on Housing Design (2004), in multi-storey blocks where the access to apartments is on the third floor or higher including the entrance storey level, the stair route to apartments must be provided with a lift suitable for users of wheelchairs and walking frames with wheels. In addition, the lift route must extend to the attic and to the cellar if these have any facilities used for living.

The Act on Residential Renovation and Energy Saving Grants (1021/2002) lays down conditions on which for example persons with disabilities may receive grants for housing repairs, lift construction and removal of obstacles to movement. Grants for residential repairs are made to elderly and disabled persons on the basis of social considerations and financial means tests. The maximum amount of grant is normally 40 per cent of the acceptable repair costs. If repairs of a person's dwelling are indispensable for removing obstacles to his/her movement, and the only alternative is that the resident moves immediately out of the dwelling, he/she may receive the maximum grant of 70 per cent of the acceptable repair costs. The same concerns situations where the necessary social and health services cannot be rendered in the dwelling unless it is repaired. Lift construction grants and grants for the removal of obstacles to movement are made to housing corporations or owners of rental houses. Their maximum amount is 50 per cent of the acceptable repair costs.

The Act on Subsidies for Improving Housing Conditions for Special Groups (1281/2004) contains provisions on subsidies granted for the building, acquirement and modernization of interest subsidized rental houses and dwellings intended for such special groups as the disabled. Investment grants for dwellings of special groups are made only in connection with interest subsidy loans, and in such cases the dwelling must also fulfil the criteria for granting such loans. The maximum amount of the grant is 5 per cent of the acceptable repair costs, if no particular exceptional room constructions or other arrangements are involved. The maximum grant is 20 per cent, when social, psychological or similar support is needed in order to safeguard independent habitation and this is taken into account in the dwelling. The maximum grant is 35 per cent, if special room constructions and equipments are necessary because of the resident's need for services.

Culture should be available to all, and a special concept of culture of the disabled has been established throughout the years. In 2001–2005, the Ministry of Education established a working group and a committee to explore ways to improve the conditions of culture of the disabled and the access to culture in public cultural institutions, and to submit proposals for the organisation of culture for all in the central government. An essential goal for the future is making culture accessible for all.

Much attention has been paid to disabled people's opportunities for sports. For the years 2003-2005, the Ministry of Education prepared a programme on the development of sports for special groups. The National Sports Council is the expert body responsible for sports under the Ministry of Education. Its Subcommittee for Special Sports is the Ministry's expert body for sports for special groups. A key objective of the Subcommittee is to improve the equality of disabled, chronically ill and aged citizens and to develop sports services adapted for them as part of the Finnish sports culture.

The most important actors responsible for sports for special groups are the local sports authorities, the school authorities, sports organisations for special groups, and social and health institutions. Also sports clubs and specific sporting organisations are important to integration and cooperation. Comprehensive

schools and general upper secondary schools have continuously roughly 50 000 pupils with different disabilities and chronic illnesses. The physical education arranged for these pupils is based on applied and specialised instruction, work in small groups, and other pedagogical solutions intended to arrange the physical education so that all pupils can participate in it from their own starting points.

Question C

The National Council on Disability works under the Ministry of Social Affairs and Health. The Council is a permanent cooperation channel between authorities and the disabled, their relatives and disability organisations. It deals with matters related to the planning, development and implementation of societal policies and matters influencing the living conditions and well-being of the disabled. Also municipalities have similar cooperation bodies between authorities and disability organisations. In addition, municipalities purchase services produced by disability organisations for the disabled.

Representatives of disability organisations participate in the drafting of legislation concerning the status of the disabled and in working groups set up to improve the living conditions of the disabled. These organisations are also consulted in separate hearings.

ARTICLE 17: THE RIGHT OF CHILDREN AND YOUNG PERSONS TO SOCIAL, LEGAL AND ECONOMIC PROTECTION

Article 17, para. 1: Right to social security and personal safety

Questions A to F

In respect of these questions, the Government refers to its previous periodic reports.

Question G

Services for children with disabilities are arranged through the social welfare and health care system. If these services are not sufficient, special services may be available. The provision of services and support is regulated by the Act on Services and Assistance for the Disabled (380/1987). Children with severe disabilities start school at the age of six, i.e. one year earlier than other children, in order to compensate for their disabilities.

The Basic Education Act (628/1998) has been supplemented so that morning and afternoon activities funded by state appropriations can be arranged for all pupils in grades 1-2 and in special-needs education outside the school hours. These arrangements must offer children versatile and refreshing instructed activities and rest in peaceful surroundings under the supervision of skilled and suitable personnel.

Pupils with temporary learning difficulties shall be given remedial teaching. This teaching shall start as early as possible to prevent the pupils from falling behind in their studies. All pupils are entitled, free of charge, to student welfare services necessary for their participation in teaching. Student welfare refers to the promotion and maintenance of a pupil's good learning, good mental and physical health and social well-being, and to activities advancing these. For pupils in special-needs education, school authorities shall prepare a personal teaching arrangement plan which, depending on the degree of the pupil's illness or disability, defines those interpreter and assistant services and other teaching and student welfare services, means of communication and particular aids and teaching materials which are necessary for the pupil's participation in teaching etc. The plan shall also define the persons participating in the arrangements of the pupil's teaching and support services, and their responsibilities.

Pupils who are not referred to special-needs education but need support in their studies may, if necessary, be provided with a teaching plan that also describes any possible support measures, such as remedial teaching or part-time special-needs education. These pupils are given guidance counselling, which is intended to prevent learning difficulties and support especially those pupils who have problems with their studies or risk being excluded from further education or working life after comprehensive school.

A special child disability allowance is payable for a child who on account of an illness, injury or handicap needs treatment and rehabilitation for at least six months, placing the family under additional financial or other strain. Parents who take part in the treatment or rehabilitation of their child are entitled to a child disability allowance at a special rate under the health insurance scheme.

Question H

A special child disability allowance is payable as support for the home care of disabled or chronically ill children under the age of 16. A young person over 16 years is entitled to obtain a disability allowance

on account of a handicap caused by an illness or disability. A handicapped or disabled young person aged 16–19 is also entitled to a rehabilitation allowance during rehabilitation or vocational education or training.

Question I

In respect of this question, the Government refers to its previous periodic reports.

Question J

The financial support payable to foster parents and their other rights and obligations are agreed upon in a commission agreement between the foster parents and the municipality (local authority) concerned. Municipalities are obliged to arrange training and work guidance for foster parents. In many cases, several municipalities jointly arrange the recruitment and training of foster parents. Foster parents are paid a fee payable to carers and expenses compensation. As from 1 January 2006 the minimum fee is EUR 242 and the minimum expenses compensation EUR 305 per person in foster care per calendar month. In 2004 the average fee payable to carers was EUR 565 per month and the average expenses compensation EUR 400 per month.

In 2004, there were 5 553 children and young people in foster family care. At the same time, 9 151 children and young people were placed outside foster family care, i.e. in institutional care and so-called professional foster homes.

Private child welfare services are supervised by the relevant State Provincial Offices and the municipalities arranging these services. On the basis of the Child Welfare Act (683/1983), a municipal social welfare board is, for fulfilling the purpose of taking a child into care, empowered to decide on his/her care, upbringing, supervision, other welfare, and residence. Thus, the individual care and the interests of every child placed in foster care are always supervised also by the social welfare board of the municipality that has placed him/her in foster care. The placing municipality is, inter alia, responsible for verifying that a private child welfare institution where it intends to place a child taken into care has obtained an appropriate licence. The municipality is responsible for placing every child in the right care. The placing municipality shall ensure a sufficient access to and quality of the services supplied by a private child welfare institution. Moreover, it shall ensure that, a child taken into care is, under all circumstances, as required by the Child Welfare Act, provided such care as stipulated in the Child Custody and Right of Access Act (361/1983).

According to the Child Welfare Act, the relevant State Provincial Office shall give permission for the establishment, enlargement or essential change in the activities of a private residential home. A residential home shall have adequate and suitable space and facilities, and the necessary number of qualified welfare and other staff.

The supervisory authorities shall cooperate with a private provider of social welfare services when arranging guidance, counselling and monitoring necessary for its provision of services. The supervisory authorities are entitled to visit the unit used for rendering the services and to make inspections there. The relevant State Provincial Office may request that the municipal social welfare body inspect the unit. The municipal body shall immediately report any observed defects or problems to the State Provincial Office. The State Provincial Offices also supervise municipally maintained child welfare institutions.

A municipality may arrange social welfare and health care functions by purchasing the necessary services from the state, another municipality, a joint municipal board or another public or private

service provider. When purchasing services from a private service provider, a municipality or a joint municipal board shall verify that the services meet the standards required of corresponding municipal activities.

Question K

The percentage of private services in foster care of children has increased so that two thirds of all foster care services are produced by private providers.

Conclusions XVII-2 concerning Article 17, para. 1

Children in public care

The Child Welfare Act stipulates that the substitute care of a child can be foster care, institutional care, or some other appropriate form of care. Foster care is arranged in foster homes, which may be foster homes licensed by the relevant State Provincial Office or private homes authorised by the municipality concerned. Foster homes subject to licence are often called professional foster homes, and private homes authorised by municipalities are called foster families.

A foster home may care for the maximum of four persons at a time, including children under the school age and other persons in need of special care and living in the same household with the carer, unless the persons cared for are siblings or members of the same family. However, a foster home may care for the maximum of seven children at a time, if at least two persons living there are responsible for the care or upbringing.

Foster family care is intended to provide child care and upbringing that is as family-like and home-like as possible. Due to the nature of foster family care, foster parents are not required to have professional competence for instance in social welfare. A person whose education, experience or personal qualities make him/her suitable for providing foster care may be authorised as a foster parent. If a foster home cares for more than four children, at least one of the two persons responsible for care and upbringing and living in the foster home is required to have an education suitable for these tasks and a sufficient experience of care and upbringing.

A child welfare institution may have one or more residential units. One residential unit may accommodate the maximum of eight children or young people together, and the maximum of 24 may be placed in one group of buildings. In urgent cases even more children or young people may be cared for in a residential unit or an institution temporarily, and in homes for mothers and children also otherwise. Each residential unit of a child welfare institution shall have a sufficient personnel in view of the care needed by the children and young people, however at least five employees responsible for care and upbringing.

In child welfare statistics, the expression 'other care', inquired about by the Committee of Ministers, refers to the aforementioned foster home care subject to licence by the relevant State Provincial Office, i.e. so-called professional foster home care.

The placement of a child taken into care pursuant to the Child Welfare Act is determined on a case-by-case basis so as to best cater for his/her needs. Foster family care is usually intended for children and young people whose care and upbringing do not require any particular professional skills of the carers. Foster homes subject to licence are usually competent to support children and young people who need

more demanding care and upbringing. Child welfare institutions provide care and upbringing to the most problematic children and young people.

Children in institutional care and foster care may independently lodge complaints against the care and upbringing.

Young offenders

See Annex 2.

Article 17, para. 2: Right to free primary and secondary education

In respect of this paragraph, the Government refers to its previous periodic reports.

ARTICLE 18: THE RIGHT TO ENGAGE IN A GAINFUL OCCUPATION IN THE TERRITORY OF OTHER PARTIES

Article 18, para. 1: Application of existing regulations in a spirit of liberality

Question A

According to the instructions issued by the Ministry of Labour, employment offices should ensure that the consideration of residence permit applications of employed persons be in line with the purpose of the residence permit system for employed persons. In section 70 of the new Aliens Act (301/2004) the purpose of this system is manifested as follows:

> "[t]*he purpose of the system of residence permits for employed persons is to support the availability of labour in a systematic, prompt and flexible manner, with consideration for the legal protection of employers and foreign employees and the employment opportunities for labour already in the labour market.*"

Question B

In 2002, employment offices made 20 307 statements regarding work permits. Of these, approximately 2 000 were negative. In 2003 the corresponding figures were 24 181 and 2 048, and in 2004 (January–April) 9 528 and 648. In 2004 the decisions made according to the new Aliens Act (May–December) totalled 2 265, of which 161 were negative.

Question C

No restrictions are applied.

In 2005, a working group set up by the Ministry of Labour submitted a proposal for the Government's immigration policy programme. In his opinion issued on this programme, the Ombudsman for Minorities commented on the obscurity of the aforementioned residence permit system under the Aliens Act and required that it be simplified.

According to Chapter 5, section 72 of the Aliens Act:

> "[e]*lements of consideration as regards residence permits for employed and self-employed persons*
>
> *(1) Issuing residence permits for employed persons is based on consideration in order to:*
> *1) establish whether there is labour suitable for the work available in the labour market within a reasonable time;*
> *2) ensure that issuing a residence permit for an employed person will not prevent a person as referred to in subsection 1(1) from finding employment; and*
> *3) ensure that a residence permit for an employed person is only issued to persons who meet the requirements, if the work requires specific qualifications or an accepted state of health.*

(2) When considering the issue of residence permits for employed persons, account shall be taken of the guidelines referred to in section 71.

(3) Issuing residence permits for self-employed persons is based on consideration to ensure that the intended business operations meet the requirements for profitable business.
(4) When considering the issue of residence permits for employed or self-employed persons, the authorities shall ensure that the alien's means of support are secured by gainful employment, pursuit of a trade or in some other way."

Conclusions XVII-2 concerning Article 18, para. 1

Turkish nationals

In 2002–2004 the work permit authorities had the power to decide on work permits only, not on residence permits. Refusals of work permits to Turkish nationals were mostly based on the ground that labour was available for those occupations for which they sought permits. In some cases the terms of the intended employment relationship did not comply with the stipulations in a Finnish collective agreement and fell below the standard set in it, and therefore it was not possible to verify that the employer could fulfil its obligations as an employer. Negative opinions on work permit applications may be based on different grounds, such as availability of labour, as mentioned above. During the reference period, the Directorate of Immigration was responsible for residence permit decisions, and it took into account for instance attempts to circumvent provisions concerning entry into Finland. The reason for a person's entry into the country was not always work, but in some cases for example relatives residing in Finland.

Article 18, para. 2: Simplification of formalities and reduction of dues and charges

Question A

Citizens of a member state of the EEA or the EU

The citizens of a member state of the European Economic Area (EEA) are entitled to move to another member state for work or for seeking work. The free movement of labour is a basic right, which implies the right to work in some other EEA country on conditions applied to the host country's own citizens.

Work in another EU country gives citizens of the Union the right to reside in this country. As regards residence of more than three months, this right is fortified by granting them a member state citizen's residence permit.

At the time of the EU enlargement on 1 May 2004, Finland introduced a transition period for the movement of labour applying to the citizens of the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovenia and Slovakia. The Act on this transition period was enacted for a fixed period of two years, after which Finland would cease to apply restrictions on the free movement of labour of the new member states of the European Union.

The Transition Period Act includes several exceptions: The admittance to the labour market is not restricted for those citizens of the new member states who reside in Finland on a basis other than work, for example tradesmen, family members of employees, and students. Neither does the Act apply to

citizens of the new member states who have resided and worked in Finland for more than 12 months, or to those who would be entitled to gainful employment if they were citizens of third countries. Due to the Treaty on Finland's Accession to the EU, the Transition Period Act does not apply to labour moving within the scope of the freedom of supply of services, either, such as workers employed by foreign employers and temporarily seconded to Finland. However, most provisions of the Aliens Act on the supervision of terms of employment and employers' obligations also apply to exceptional situations in compliance with the Transition Period Act.

To be able to work in Finland the citizens of countries outside the EEA need a residence permit for an employed person. The permit is either temporary or continuous. It is based on a decision of an employment office and a residence permit decision of the Directorate of Immigration or the city police department of the population register district concerned. The application for a residence permit for an employed person can be made either by the employee or by the employer. It can be submitted to a Finnish mission, an employment office or the district police. If an employment office has stated that there is no labour available for the vacancy from the labour market, the Directorate of Immigration grants the applicant a residence permit, or the district police grants him/her a continuous residence permit unless there are obstacles related to the maintenance of law, public order and security. A decision to issue a residence permit for an employed person also requires that the terms of the intended employment comply with Finnish law and collective agreements.

The structure of the residence permit for a self-employed person largely corresponds to that of the permit for an employed person, but differs from the latter in many respects. The reason is that the consideration of applications for permits for self-employed persons mainly consists of examination of economic operating conditions, conducted by regional Employment and Economic Development Centres, and does not involve so much expediency consideration as in the case of permits for employed persons.

If a person has been granted a residence permit other than a permit for an employed person – based on, for instance, family ties or humanitarian reasons –, it often includes an unlimited or limited right to work.

Derogations

Several procedural amendments were introduced with the new Aliens Act.

Firstly, the previous system of two permits (work permit and residence permit) was replaced with a system of one permit issued in two phases, as explained above. This amendment aims at clarifying the permit system and creating preconditions for a fluent, rapid and flexible treatment of permit applications.

The new Alien's Act expanded foreigners' right to work without the discretion of employment offices. This expansion concerns particularly those foreigners who reside in Finland in any case, such as family members of employees, and experts working professionally in the fields of science, arts and culture. In addition, the right to work was extended to fields in respect of which case-specific examination of the availability of labour cannot be deemed expedient, such as picking of berries, fruit and vegetables and harvesting of specialty crops for a maximum of 3 months, as well as other harvesting and work at fur farms. However, self-employed persons need a residence permit regardless of their business activity.

Currently, first residence permits for employed persons are granted more often than before on the basis of applications submitted in Finland. The system has been simplified so that a residence permit for an employed or a self-employed person can be issued even in cases where it would be well-founded from

the employer's or the employee's viewpoint to refuse the permit, for instance when the recruitment of the employee necessitates time-consuming assessments of aptitude.

Question B

Usually a first residence permit costs 175 € and a residence permit renewal 100 €. The charges are based on the costs incurred by the authorities in processing the permit application. Most charges, for example those for the first residence permits, are lower than the real processing costs incurred by the authorities.

Question C

The principal aim of the total reform of the Aliens Act (301/2004) was to make it clear, consequent and unambiguous. The Act aims at promoting managed immigration viewed as an entirety, taking account of refugee movement, migration and immigration based on ties to Finland. It was considered important that the Act would state clearly and unequivocally the powers of different authorities and the limits of their discretion, as well as the grounds for the rights and duties of those whom the Act concerns. The Constitution of Finland, which entered force in 2000, also imposed new principal and practical requirements on legislative work and law drafting. Special account was taken of the application of the Constitution and the provisions on fundamental rights.

One major change relating to residence permits was that the procedure of issuing permits to persons residing abroad was entirely transferred from Finnish diplomatic or consular missions to the Directorate of Immigration.

The basic structures of the work permit system were changed so that the work permit was abandoned as a separate permit and replaced with the residence permit for an employed person. An alien working in Finland is now required to have a residence permit for an employed person, whereas an alien carrying out economic activity must have a residence permit for a self-employed person.

An employed person's residence permit is granted in two phases. At first, an employment office considers whether the application fulfils the labour-related requirements, and thereafter the Directorate of Immigration issues a residence permit, unless there are obstacles to the issuance connected with public order or security. An alien may also have a limited right to work on the basis of other residence permits or even without a residence permit.

The new system is expected to be a more efficient labour policy instrument than the old system, and it combines labour policy and immigration policy. The new system also supports adjusting the labour market to a changing environment, especially by promoting availability of labour flexibly, rapidly and systematically.

Article 18, para. 3: Liberalisation of regulations

Question A

According to Chapter 5, section 77 of the new Aliens Act, a residence permit for an employed person entitles the holder to work in one or several professional fields. For special reasons, a residence permit for an employed person may be restricted to work for a certain employer. As a rule, an employed

person's residence permit is valid in one or several fields of occupation. Within these limits a foreigner may change occupation or workplace.

Chapter 4, section 54 of the Aliens Act on issuing extended permits reads as follows:

> *(1) A new fixed-term residence permit is issued if the requirements under which the alien was issued with his or her previous fixed-term residence permit are still met.*
>
> *(2) If an alien has been issued with a residence permit on the basis of international protection, a new fixed-term residence permit is issued, unless it is likely on the basis of facts that have emerged that the requirements under which the alien was issued with the previous fixed-term residence permit are no longer met.*
>
> *(3) An alien who has been issued with a temporary residence permit for employment or pursuing a trade under section 45, subsection 1 is issued with a continuous residence permit after two years of continuous residence in the country, if the requirements for issuing the permit are still met.*
>
> *(4) An alien who has been issued with a temporary residence permit for studying under section 45, subsection 1(3) is, after his or her qualification, issued with a new temporary residence permit for searching employment.*
>
> *(5) An alien who has been issued with a temporary residence permit under section 51 because he or she cannot be removed from the country and a victim of trafficking in human beings who has been issued with a temporary residence permit is issued with a continuous residence permit after two years of continuous residence in the country, if the circumstances on the basis of which the alien was issued with the previous temporary residence permit are still met.*
>
> *(6) A new fixed-term residence permit is issued on new grounds if such grounds would qualify the alien for the first residence permit. An alien who has been issued with a temporary or continuous residence permit on the basis of family ties may be issued with a residence permit on the basis of close ties to Finland after these family ties are broken.*

Question B

A holder of a sector-specific residence permit for an employed person may work for another employer in the sector specified in the permit. An employee who has obtained a residence permit for work with a certain employer may apply for extension of the permit. The permit holder may search new employment and start in it whilst the original permit is still valid. If the foreigner is without employment at the time of the new application, no extension is normally granted if there is no other ground than employment for the residence permit.

Chapter 10, section 158 of the Aliens Act on EU citizens' short-term residence reads as follows:

> [E]*U citizens may reside in Finland for a maximum of three months without registering their right of residence. After that period, EU citizens may reside in Finland as jobseekers for a reasonable time without registering their right of residence, if they continue to look for employment and if they have a real chance of finding employment.*

Question C

According to an amendment to the Aliens Act, an alien who has been issued with a temporary residence permit for studying under section 45, subsection 1(3) is, after his or her qualification, issued with a new temporary residence permit for searching employment. The amendment took effect on 1 February 2006.

Article 18, para. 4: The right of nationals to leave the country

In respect of this paragraph, the Government refers to its previous periodic reports.

ARTICLE 21: THE RIGHT TO INFORMATION AND CONSULTATION

Question A

The Act on Co-operation within Undertakings (725/1978) (Annex 3) applies to undertakings normally employing at least thirty persons as parties to an employment relationship. It also applies to undertakings normally employing at least twenty persons as parties to an employment relationship when the employer considers the termination of the contracts of at least ten employees due to production-related and financial reasons. The object of the Act is to develop the operations of an undertaking and to improve its working conditions. Cooperation refers to consulting and informing the staff. Cooperation in the public sector is regulated by the Act on Co-operation within Government Agencies and Public Services (651/1988). Municipalities (local authorities) apply a corresponding agreement on a cooperation procedure.

The parties to cooperation are the employer and the staff of the undertaking, and the latter may be represented by elected staff representatives. In international group cooperation referred to in the Act on Cooperation within Undertakings, the staff may be represented by a works council appointed for this purpose. Staff representatives refer to a senior shop steward elected on the basis of a collective agreement, a liaison officer, a contact person, a shop steward for an occupational group or department of the undertaking, an elected representative as referred to in chapter 13, section 3 of the Employment Contracts Act or any representative elected by the relevant staff group in the manner specified in the Act on Cooperation within Undertakings, and any labour protection representative.

During the period under review, the Co-operation Acts were amended by adding, to the provisions on matters covered by the cooperation procedure between the employer and staff representatives or employees, the purpose, introduction and methods of camera surveillance on persons, access control and other surveillance by technical means, as well as the use of electronic mail and information networks.

Moreover, the list of matters subject to the cooperation procedure was supplemented with tasks for which a job-seeker or an employee must give, or may give with his/her consent, a drug test certificate to the employer. Separate provisions on the grounds for drug tests and drug test certificates are laid down in the Act on the Protection of Privacy in Working Life (759/2004). The amendments took effect on 1 October 2004.

Question B

Section 7 of the Act on Co-operation within Undertakings provides that before the employer takes a decision on any matter subject to the cooperation procedure, he shall negotiate with the staff regarding certain matters influencing the position and working conditions of the staff, and the reasons for the action envisaged, its effects and possible alternatives. The employer shall inform the staff about the matters to be dealt with in the negotiations so that these can be conducted in an appropriate manner. The employer shall also inform the staff about certain central matters related to the operations of the undertaking.

Question C

Section 10 of the Act on Co-operation within Undertakings concerns departures from the cooperation procedure. Where particularly important and unforeseeable circumstances that are detrimental to the

undertaking's production or business constitute an obstacle to the cooperation procedure, the employer may take a decision in a matter covered by the Act without a prior cooperation procedure. The employer shall, however, report on the circumstances warranting the departure.

Question D

In the public sector, all employees are covered by the cooperation procedure. In the private sector, roughly 30 % of all employees fall outside the procedure.

Questions E and F

In respect of these questions, the Government refers to the answer to question A above and states that political, religious and other non-profit organisations fall outside the scope of the Act on Co-operation within Undertakings, and also the Government and the local authorities have systems of their own.

Question G

Failure to comply with the Act on Co-operation within Undertakings may be punished by a fine. Moreover, the Act provides for compensation payable to an employee in certain situations, where a matter has been resolved without observing the Act and reasons connected with the resolution have led to lay-off of the employee, reduction of his/her contract of employment into a part-time contract, or termination of his/her contract. Compliance with the Act is supervised by the Ministry of Labour and those labour market organisations which have concluded the national collective agreements applicable to employment relationships in undertakings.

ARTICLE 22: THE RIGHT TO TAKE PART IN THE DETERMINATION AND IMPROVEMENT OF THE WORKING CONDITIONS AND WORKING ENVIRONMENT

Questions A to F

In respect of these questions, the Government refers to the answer concerning Article 21 and states that section 6 of the Act on Co-operation within Undertakings contains a list of matters covered by the Act. These include, within the limits of the funds earmarked by the undertaking for various welfare purposes, the arrangement of works canteens and child-care facilities, the use and planning of works welfare premises, recreational and holiday activities, the grant of subsidies and donations to the staff, the fixing of grounds for the allocation of service-related accommodation, and the allocation of such accommodation in accordance with those grounds.

The provisions on occupational safety and health matters falling under the scope of the Act on Co-operation within Undertakings are laid down in the Occupational Safety and Health Act (738/2002) and the Act on the Supervision of Occupational Safety and Health and Appeals in Occupational Safety and Health Matters (131/1973). The latter Act has been repealed by the Act on the Supervision of Occupational Safety and Health and Cooperation on Occupational Safety and Health at Workplaces (44/2006), which took effect on 1 September 2006.

According to section 9 of the Occupational Safety and Health Act (738/2002) the employer shall have a policy for action (occupational safety and health policy) needed in order to promote safety and health and to maintain the employees' working capacity. The policy must incorporate the need to develop the working conditions and the impact of the working environmental factors.

The Act on Co-operation within Undertakings (725/1978) lays down provisions on cooperation between the employer and the staff of the undertaking. The cooperation shall take place between the wage-earners or salaried employees concerned and their superiors and between the employer and the staff representatives in a cooperation procedure.

For example the adoption of a policy for action on occupational safety and health is subject to a cooperation procedure pursuant to the Act on Co-operation within Undertakings. In this procedure the parties negotiate the reasons for the action envisaged, its effects and possible alternatives.

If the employer, deliberately or by gross negligence, resolves for example a matter related to the policy for action on occupational safety and health and this results in the reduction of an employee's contract of employment into a part-time contract, termination of his/her contract or lay-off of the employee, he/she is entitled to receive the pay for a maximum of 20 months as indemnification from the employer.

Employees may influence the decision-making on their working conditions and working environment and the improvement thereof also through shop stewards representing them. According to section 31 of the Act on the Supervision of Occupational Safety and Health and Cooperation on Occupational Safety and Health at Workplaces (44/2006), the shop steward shall represent the employees when matters concerning occupational safety and health are being negotiated in cooperation with the employer and in relations with occupational safety and health authorities. The shop steward is entitled to obtain from the employer those documents and lists which the employer is obliged to maintain pursuant to the provisions on occupational safety and health. The shop steward is even entitled to interrupt work that causes an immediate and serious risk to an employee's life or health.

ARTICLE 23: THE RIGHT OF ELDERLY PERSONS TO SOCIAL PROTECTION

Question A

The income security system for the elderly remained unchanged in 2002–2004. The statutory pension cover, consisting of a national pension and an earnings-related pension, constitutes a basic income for the elderly. Old-age pensioners living at home may also obtain a pensioners' care allowance paid by the Social Insurance Institution on account of particular expenses and needs for aid. The pensioners' care allowance is paid at three levels, depending on the expenses and needs. Any other income does not affect eligibility for the care allowance. The statutory sickness insurance covers the whole population living at home. It compensates for medical and travel expenses related to medical treatment, and doctor's fees and expenses for examinations and treatment in the private sector.

Municipalities (local authorities) are responsible for arranging services for the elderly as part of social welfare and health services for the whole population, by producing the services by themselves or purchasing them from the private sector (entrepreneurs or organisations). In 2002 –2004 there were no legislative changes concerning the content of services for the elderly. Instead, the legislation on the planning of and state aid for social welfare and health care was supplemented as from 1 January 2004 so that municipalities now may arrange social welfare and health services also by granting clients vouchers that entitle them to services rendered by private providers. The legislation prescribes how the value of service vouchers shall be determined in respect of different services. Municipalities are obligated to approve the providers of the services arranged by means of vouchers, and clients are free to choose their preferred providers among these. The legislation is intended to improve especially the access of elderly people to home-help services. If a client does not want to use a service voucher, the municipality shall arrange services for him/her in another manner.

The most important forms of services and support arranged by municipalities to enable elderly people to live in their homes are home-help services and home nursing, service centres and day centres, transport services, support for informal care, renovation and repairs of dwellings, and aid instruments. In 2002–2004, Finland continued to reduce institutional care by building more service flats for the elderly.

Question B

The statutory pension cover, which consists of a national pension and an earnings-related pension and covers the whole population, is intended to ensure independent living for the elderly. In addition to the national and the earnings-related pension, elderly people living in their homes may be entitled to a pensioners' care allowance and sickness insurance benefits. Those in institutional care are entitled to a full earnings-related pension. A national pension is payable in institutional care with certain restrictions concerning the maximum amount of pension. The income support system, for which municipalities are responsible, guarantees income security in the last resort.

Municipalities support independent living and coping for the elderly by arranging, among other things, social welfare, health and cultural services and physical exercise for them.

Client fees for long-term out-patient care and institutional care are mainly determined in accordance with clients' funds. The fee for institutional care includes care, accommodation and maintenance. The amount of funds to be left for the use of clients in institutional care and, where appropriate, their spouses is prescribed by law.

Question C

In 2002–2004, the total public expenditure for the elderly, calculated for the Social Expenditure Statistics, was as follows (the 2004 figures are estimates):

Social expenditure in the Old Age category, million euro:

Year	Expenditure, total	Income security	Social welfare services used by the elderly
2002	11 793	10 564	1 229
2003	12 448	11 122	1 326
2004*	12 940	11 595	1 345

* Estimate

In 2002 and 2003 the Old Age expenditure accounted for 32 % of all social expenditure.

In 2003, the social expenditure used for public health services totalled EUR 7 605 million. Approximately more than 40 % of the total health services expenditure are attributable to persons over 65 years of age.

Question D

Municipalities, which are responsible for arranging social welfare and health services, also bear the main responsibility for supplying information on them. Information on these services for the elderly is given by municipal social services offices or other units arranging them. Most municipalities have also published brochures or guides for their residents, and electronic communication is generally used in municipal websites. Some municipalities have specific offices of senior information or similar units supplying information on services offered by municipalities and the private sector. Also social welfare and health care staff have an important role in the provision of information. Organisations and parishes have information channels of their own.

Question E

Many stipulations and social benefits applying to the disabled also concern housing needs of the elderly (see the answer concerning Article 15, para. 3). Accessibility has been improved in both public construction and housing construction.

In 2002–2004, repairs of approx. 12 000 dwellings of elderly people were financed by repair grants from the Housing Fund of Finland. The Fund's repair grants amounted to approx. EUR 30 million per year. Roughly one third of this sum was used for the needs of elderly and disabled people.

In 2002–2004, the lift construction grants paid by the Housing Fund of Finland were allocated as follows:

Year	Number of new lifts	Grants for building new lifts, EUR million	Renovation of old lifts, number	Grants for renovation of old lifts, EUR million
2002	168	9.4	414	7.7
2003	172	9.6	563	11.2
2004	144	9.3	387	6.5
Altogether	484	28.3	1364	25.4

Accessibility in existing dwellings is improved both by directing state-subsidised renovations towards accessibility and by supporting the construction of lifts or the renovation of existing lifts in blocks of flats. In 2004, the lift construction grant for housing corporations was raised by 10 percentage units, so that 50 per cent of the approved lift construction costs are covered by state support in both rental and freehold blocks of flats. Some cities pay lift construction grants of 10–15 per cent in addition to state grants.

In 2002–2004, funding from state-subsidised "ARAVA" housing loans and interest subsidy loans granted by the Housing Fund of Finland and investment grants paid by Finland's Slot Machine Association (RAY) was used for the construction of approx. 1 700 new dwellings and service flats for elderly people and approx. 1 900 supported flats and service flats for other special groups, such as intoxicant abusers and people with disabilities and mental health problems. During the period under review, Finland also prepared a new investment grant for housing for special groups, which was introduced at the beginning of 2005 (cf. Article 15.3 and Article 31).

Question F

The supply of private services for the elderly has increased. Private service producers sell the bulk of their services to municipalities. Private producers account for approximately 20 % of the social service expenditure. Their share is clearly larger in service housing for the elderly, where approximately half of the services are produced by private producers. Municipalities are increasingly purchasing auxiliary home-help services, for instance cleaning and meals services, from the private sector.

Elderly people purchase some services also privately. In such cases they are entitled to a deduction (household deduction) in taxation in respect of nursing and caring services and repairs and alterations of dwellings.

Municipalities and State Provincial Offices supervise the provision of private social services. Providers of round-the-clock services are required to have an authorisation from the relevant State Provincial Office. Municipalities shall ensure that the quality of services purchased from the private sector corresponds to that of municipally arranged services. The legislation concerning the supervision of private services remained unchanged in 2002–2004.

Question G

At the end of 2004, there were 19 163 residents over 65 years of age in municipally arranged homes for the elderly, and of them 16 933 were older than 75 years. Thus, 2.3 % of all inhabitants of Finland over 65 years and 4.5 % of those over 75 were cared for in these homes for the elderly.

Also health centre wards provide long-term institutional care for the elderly. At the end of 2004, a total of 11 069 patients over 65 years of age were cared for in such wards, and 9 741 of these patients were older than 75 years. This means that health centre wards cared for 1.3 % of all inhabitants of Finland over 65 years and 2.5 % of those over 75. Thus, a total of 3.6 % of all inhabitants over 65 years and 7.0 % of those over 75 were in institutional care. In 2004, the number and percentage of the age groups 65 and 75 years in institutional care declined slightly from the previous year.

At the end of 2004, the staff in homes for the elderly numbered 20 560 persons and in health centre wards 21 920 persons. These figures increased slightly from the years 2002–2003. There are altogether about 400 homes for the elderly and more than 200 health centre wards in Finland. In 2004, the private homes for the elderly numbered 46, and most of them were maintained by different organisations.

There are no national statistics or registers on applications and patient queues. Certain municipalities have some queues.

Conclusions XVII-2 concerning Article 23

Adequate resources

In its conclusions under "Additional Protocol Article 4 – Right of elderly persons to social protection, Adequate Resources", the Committee of Ministers requested, with reference to Finland's report, clarification of the principle that a person is not entitled to a national pension with respect to periods of residence in Finland during which he/she obtains a pension from abroad.

Finland has two statutory mutually complementary pension systems: the national pension and the earnings-related pension. If the amount of the earnings-related pension is small, the pension cover is supplemented by the national pension. The amount of the national pension is reduced in proportion to the applicant's earnings-related pension. Also part of the pensions and other benefits that the applicant has obtained from abroad reduces the amount of the national pension. However, statutory pensions which the applicant has obtained from another EU member state or a state applying EC legislation and which are based on the applicant's own time of residence or insurance period do not reduce the national pension.

The amount of a national pension depends on the time during which the applicant has resided in Finland. In the calculation of this time, the periods when the applicant has obtained a pension from abroad are not taken into account. Thus, a period of the applicant's residence in Finland during which he/she has obtained a pension from abroad does not entitle him/her to a national pension. Therefore, for instance aged returnees earlier risked being completely deprived of a national pension or obtaining very low pension incomes only. To ensure subsistence for immigrants, Finland introduced in 2003 a new form of financial support, special support for immigrants (Act on Special Support for Immigrants 1192/2002). This special support ensures long-term subsistence during old age and incapacity for work for immigrants residing in Finland who do not obtain a full national pension and would otherwise need municipal income support in the long term. The minimum eligibility requirement for special support is the age of 65 years or incapacity for work. To obtain special support, the applicant must have resided in Finland continuously for at least five years. He/she must also have applied for all pensions and other

benefits from Finland and abroad to which he/she may be entitled. The maximum amount of special support for immigrants equals the amount of a national pension.

On page 22 of the conclusions the Committee of Ministers requested Finland to specify the States parties to the Charter and the revised Charter not being members of the EU and the EEA with which Finland has entered into social security agreements that require a minimum residence period of three years in Finland for a national pension.

Finland does not have such social security agreements with any aforementioned country.

A general condition for granting a national pension has been that the applicant resides in Finland and complies with the requirement of three years' residence. For foreign nationals, the required minimum time of residence in Finland has been five years. In practice, the requirement of five years' residence has concerned only a small percentage of the foreigners residing in Finland, because the requirement of three years applicable to Finnish nationals also applies to nationals of the EU member states and of the states applying EC legislation, refugees and stateless persons.

In its bill to Parliament on the National Pension Act and the Act on Benefits for the Disabled and certain acts related to them (HE 209/2005), the Government proposes that the requirement of five years' minimum residence in Finland applicable to foreign nationals should be shortened. It is proposed in the bill that all people residing in Finland, irrespective of nationality, should be subject to the same requirement of three years' residence. These legislative amendments will enter into force at the beginning of 2007.

Services and facilities

In 2003, client fees accounted for 7.7 % of the costs for all social welfare and health services arranged by municipalities. The share of client fees in the financing of services varies considerably depending on the form of services. There are no separate statistics on client fees in respect of all services.

In 2003, the share of client fees in the operating costs for municipally arranged services was 14.7 % in home-help services, 18.4 % in care in homes for the elderly and 9.5 % in other social services for the elderly and the disabled.

The extent and availability of day activities for demented people vary by municipality. No statistics are available on them. In addition to municipalities, also organisations and associations, for example local dementia associations, arrange day activities.

Support for informal care is a statutory form of support arranged by municipalities. At the end of 2004, 3.4 % of the population over 75 years of age were covered by this discretionary form of support, arranged by municipalities according to resources. The support consists of a fee payable to the carer and of services rendered to the person cared for. Carers of persons in informal care have a statutory right to two days off per month, if the caring work ties them down continuously. During the days off, the municipality concerned shall ensure care for the person cared for. The care may be arranged for instance in a home for the elderly or a hospital or at home by means of home-help services. The municipality may also grant the carer a service voucher for arranging a day off. Informal carers have introduced a broad range of organisational activities. Substantial funds granted by Finland's Slot Machine Association have been used for supporting peer support, recreation, training and stand-in services arranged by organisations of informal carers. Organisational activities are particularly important to those carers which are not covered by the municipal support for informal care.

Housing

The amount of services for the elderly is described below. By far most people over 75 years of age cope at home without any regular services. In the last few years, the coverage of domestic help has decreased, because these services have been focused on those who need them most (13 % in 1988-2002). During the same reference period, the number of beneficiaries of support of informal care (growth by 26 %) and especially the amount of service housing increased rapidly (56 %). At the same time, the share of the population over 75 years in homes for the elderly decreased by 23 %, the share of in-ward patients in health centres by 24 % and that of in-ward patients in specialised health care by 63 %.

Housing and services for population over 75 years in 2004, % of age group

At home without regular services	76.0
Covered by support for informal care	3.4 (in 2002)
At home with regular home-help services or home nursing	11.3
In service flats	5.6
In homes for the elderly	4.6
In health centre wards for long-term care	2.6
In wards for specialised long-term care	0.1 (in 2002)

Changes in service housing for the elderly in 1988–2002 compared to care in homes for the elderly

1. Clients % 65+	-88	-95	-00	-02	Difference % -88–02
Service housing	0.9	1.9	2.7	2.8	+ 47
Homes for the elderly	4.4	3.1	2.7	2.5	- 19
2. Clients % 75+					
Service housing	2.1	3.4	5.1	5.3	+ 56
Homes for the elderly	7.8	6.5	5.3	5.0	- 23

Institutional care

At the end of 2004, 7.0 % of the population over 75 years were in institutional care and 5,5 % lived in service flats. There are no statistics on aged people with a foreign background in institutional care. The number of immigrants over 55 years living in Finland is approx. 10 000. Very few of them are in institutional care. Municipalities and institutions safeguard the opportunities of Finnish-speaking and Swedish-speaking aged people to communicate in their own language in different manners, pursuant to the Finnish language legislation. The basic principle of Finnish policies on the elderly is to support aged people's living in their own homes. Municipalities assess the need for institutional care individually, in

multi-professional cooperation. In some municipalities, clients are queuing for institutional care, but there is no recorded information on queues at national level.

Finland has no special legislation on the involuntary care of elderly people. There are no provisions or national recommendations on the use of physical compulsion and sedatives. The Mental Health Act, the Intoxicants Act and the Act on Special Care of Mentally Handicapped Persons contain provisions on involuntary care. Supervision of services, legislation on the status of clients and patients, and good training and skills of the staff are key elements in ensuring an appropriate use of physical compulsion.

Under Finnish law, the State Provincial Offices are responsible for supervising the operations of public and private institutions. The Act on the Status and Rights of Social Welfare Clients underlines clients' right to good treatment, right of self-determination and right to obtain a report on the options for measures to be taken. According to this Act, a service and care plan shall be prepared for the client, together with the client or his/her legal representative unless there is an obvious obstacle for doing so. In some cases, mainly regarding severely demented aged people, it is not possible to establish the person's own will, and his/her caretaker may be compelled to decide, together with a representative of the municipality, whether he/she should seek institutional care.

ARTICLE 24: THE RIGHT TO PROTECTION IN CASES OF TERMINATION OF EMPLOYMENT

Question A

According to the Constitution of Finland (731/1999) no one shall be dismissed from employment without a lawful reason. The Employment Contracts Act (55/2001) contains provisions on the termination of an employment contract by means of notice. In addition, sectoral collective agreements may contain stipulations on this issue.

According to the Employment Contracts Act the employer shall not terminate an indefinitely valid employment contract without proper and weighty reason, which may arise from the employee (individual grounds) or from the financial position of the enterprise (collective grounds).

As a rule, a fixed-term employment contract cannot be terminated by means of notice. It can only be cancelled, and this requires a weightier reason than those for terminating a contract by means of notice, i.e. an extremely weighty reason.

Individual grounds

According to chapter 7, section 2 of the Employment Contracts Act, serious breach or neglect of obligations arising from the employment contract or the law and having essential impact on the employment relationship as well as such essential changes in the conditions necessary for working related to the employee's person as render the employee no more able to cope with his or her work duties can be considered a proper and weighty reason for termination arising from the employee or related to the employee's person. However, at least the following cannot be regarded as proper and weighty reasons:
1) illness, disability, injury or accident affecting the employee, unless working capacity is substantially reduced thereby for such a long term as to render it unreasonable to require that the employer continue the contractual relationship;
2) participation of the employee in industrial action arranged by an employee organization or in accordance with the Collective Agreements Act;
3) the employee's political, religious or other opinions or participation in social activity or associations;
4) resort to means of legal protection available to employees.

Collective grounds

In addition to reasons related to the employee, the employer may terminate his/her employment contract by means of notice on financial or production grounds related to its operations. To fulfil the criteria of properness and weightiness required of the grounds for terminating an employment contract by means of notice, the work offered by the employer must have diminished substantially and permanently for financial or production-related reasons or for reasons arising from reorganization of the employer's operations.

The employer has no proper and weighty financial or production-related reason for terminating an employment contract, if either before termination or soon thereafter the employer has employed a new employee for similar duties even though the employer's operating conditions have not changed during the equivalent period. If no actual reduction of work has taken place as a result of work reorganization, the employer is not entitled to terminate the employment contract.

The lawfulness of the grounds for termination of an employment contract must not be assessed only on the basis of the duration and amount of the diminution of work but also regarding whether the employer can offer the employee other work as an alternative to the termination of his/her contract. The employer is obliged to seek other work for an employee who risks termination of his/her contract within the entire enterprise or body. If an employer which in fact exercises control in personnel matters in another enterprise or corporate body on the basis of ownership, agreement or some other arrangement cannot offer an employee other work, it must find out if it is possible to meet the employer's obligation to provide work and training by offering the employee work in other enterprises or corporate bodies under its control.

The obligation to offer other work also involves an obligation to offer training. The employer shall provide employees with training required by new work duties. However, this training must be feasible and reasonable also from the employer's point of view.

Assignment of business is subject to the same grounds as termination of an employment contract on financial and production-related grounds.

The protection against termination of employment is stronger than usual for employees who are pregnant or use family leaves. The employer shall not terminate an employment contract on the basis of the employee's pregnancy or because the employee is exercising his/her right to family leave. If the employer terminates the employment contract in such cases, the termination shall be deemed to have taken place on the basis of the employee's pregnancy or family leave unless the employer can prove that there was some other reason.

The employer may terminate the employment contract of an employee who is pregnant or on family leave on grounds related to the employee only if these grounds are not connected with the pregnancy or the use of family leave. The employer may terminate the employment contract of an employee on family leave on financial or production-related grounds only if its operations cease completely.

The employer is entitled to terminate the employment contract of a shop steward or an elected representative on grounds related to this employee only on proper and weighty grounds and if a majority of the employees whom the shop steward or the elected representative represents agree. The employment contract of a shop steward or an elected representative may be terminated on financial or production-related grounds only if his/her work ceases completely and the employer is unable to arrange work that corresponds to the person's professional skill or is otherwise suitable, or to train the person for some other work.

In exceptional cases an employment contract may also be cancelled, if one of the contracting parties commits a serious breach against the contract and there are particularly weighty grounds for the cancellation. On cancellation, the employment contract is terminated without a period of notice.

Chapter 9, section 4 of the Employment Contracts Act contains provisions on the procedure for terminating an employment contract. According to it a notice on termination of an employment contract shall be delivered to the employer or its representative, or to the employee, in person. If this is not possible, the notice may be delivered by letter or electronically. At the employee's request, the employer shall notify the employee in writing of the date of termination of the employment contract and of the grounds for termination.

An employment contract is binding on both parties. If the employer wants to change the terms and conditions of the contract, a new contract must be concluded or there must exist grounds for termination of the contract, and in the latter connection the provisions on the period of notice must be observed. The

employee may accept the proposal made by the employer either expressly, by announcing that he/she consents to the change, or tacitly, by starting to work in compliance with the changed terms and conditions.

Depending on the size of the enterprise, also essential changes in work duties, methods and arrangements as well as transfers from one task to another fall under the scope of the Act on Co-operation within Undertakings.

Question B

In respect of this question, the Government refers to the answers to questions A to C concerning Article 8, para. 2.

Question C

In respect of this question, the Government refers to the answers concerning Article 8, para. 2 and to the report on compensation for unfounded termination of employment contracts, accompanying the first periodic report of the Government of Finland on the Revised European Social Charter.

Question D

Section 1 of the Employment Contracts Act defines its scope of application. According to it, the Act and its provisions concerning the termination of an employment relationship apply to contracts entered into by an employee, or jointly by several employees as a team, agreeing personally to perform work for an employer under the employer's direction and supervision in return for pay or some other remuneration.

ARTICLE 25: THE RIGHT OF WORKERS TO THE PROTECTION OF THEIR CLAIMS IN THE EVENT OF THE INSOLVENCY OF THEIR EMPLOYER

Question A

The purpose of the Pay Security Act (866/1998) is to ensure payment of employees' claims arising from an employment relationship in the event of the employer's insolvency. According to section 2 of the Act:

> "[e]*mployees are entitled to pay security if*
>
> *1) the work concerned was done in Finland; or*
>
> *2) the work was done abroad in the service of a Finnish employer and the employee is domiciled in Finland.*
>
> *Work done in Finland does not, however, entitle an employee to pay security if carried out by an employee sent to Finland from abroad by a foreign employer to do temporary work.*
>
> *Work abroad as referred to above in paragraph 1, subparagraph 2, does not entitle an employee to pay security in so far as he receives any comparable benefit from another country.*"

Section 5 of the Pay Security Act provides that an application for payment of the claim in the form of pay security shall be submitted within three months of its falling due. In the case of an indemnity or compensation based on the law or a contract, but without a specific due date, the application for payment in the form of pay security shall be submitted within three months of the date when court ruling acquired legal force or of making a contract according to established labour market practice.

The Unemployment Insurance Funds as referred to in the Act on Financing Unemployment Benefits (555/1998) shall each year retroactively reimburse to the State the difference between the amounts paid to employees as pay security and the principal collected from employers, according to an invoice sent by the relevant ministry. However, amounts the collection of which from employers or other parties liable for payment has been renounced under section 19 of the Pay Security Act (866/1998) and section 17 of the Seamen's Pay Security Act (1108/2000) shall be deducted from the difference. If the reimbursement is delayed, it becomes subject to a penalty interest.

Question B

According to section 6 of the Pay Security Act, the condition for receiving pay security is that the employer is insolvent. The employer shall be considered insolvent:

1) if he has been declared bankrupt;
2) if it is established at distraint that he is unable to pay his debts;
3) if he has neglected to remit the statutory withholding taxes or employer contributions on time;
4) if he cannot be contacted or has terminated his operations and sufficient funds cannot be found for payment of the claim; or
5) if, in cases comparable to those mentioned above, the employer's insolvency can be established by the pay security authorities clearly and beyond dispute.

Question C

The Pay Security Act ensures payment of employees' claims arising from an employment relationship in the event of the employer's insolvency. Pay security is paid for claims of an employee arising from an employment relationship as referred to in the Employment Contracts Act (55/2001), the grounds and sum of which have been established. Pay security is payable for all claims of an employee arising from an employment relationship that the employer would have been obliged to pay to the employees.

The Seamen's Pay Security Act ensures payment of claims arising from an employment relationship in the event of the employer's insolvency made by employees referred to in the Seamen's Act (423/1978). Pay security is paid for claims of an employee arising from an employment relationship as referred to in the Seamen's Act, the grounds and sum of which have been established.

The aforementioned legal provisions also cover claims referred to in Part II, Article 25, para. 3 of the Appendix to the Revised European Social Charter.

Question D

All the categories of workers are covered by the protection offered in this field.

Question E

According to section 9 of the Pay Security Act the maximum amount of pay security for one employee for work done for the same employer is EUR 15 200. The maximum amount of pay security on pay for waiting time as referred to in chapter 2, section 14 of the Employment Contracts Act is equal to the amount which is paid as pay security to cover other claims arising from the employment relationship.

The maximum amount of indemnity or compensation as referred to in section 4(2) of the Seamen's Pay Security Act for one employee for work done for the same employer is EUR 15 200. The maximum amount of pay security on pay for waiting time as referred to in section 18, subsection 5 of the Seamen's Act is equal to the amount which is paid as pay security to cover other claims arising from the employment relationship.

ARTICLE 26: THE RIGHT TO DIGNITY AT WORK

Article 26, paras. 1 and 2: Promotion of awareness of sexual harassment or other negative and offensive actions directed against individual workers

Section 28 of the Occupational Safety and Health Act (738/2002) lays down that, if harassment or other inappropriate treatment of an employee occurs at work and causes hazards or risks to the employee's health, the employer, after becoming aware of the matter, shall by available means take measures for remedying this situation. The harassment or other inappropriate treatment referred to in the Occupational Safety and Health Act also includes sexual harassment, provisions on which are contained in the Act on Equality between Women and Men. Any employer which, either intentionally or negligently, fails to intervene in acts violating the Occupational Safety and Health Act shall be sentenced for a work safety offence to a fine or to imprisonment for at most one year pursuant to chapter 47, section 1 of the Penal Code.

The Act on Equality between Women and Men (609/1986) contains provisions on a compensation system for cases where an employer violates the discrimination prohibition referred to in the Act on Equality between Women and Men. For example cases where an employer makes possible the continuation of sexual harassment after being informed about it are considered discrimination referred to in the Act.

Sexual harassment has been described in the legislative materials concerning the Act on Equality between Women and Men (HE 57/1985) and in the practical application of the Act as follows:

At least the following acts may constitute harassment:
- sexually insinuating gestures or facial expressions,
- obscene language, dirty jokes and remarks or questions concerning a person's figure, dressing or private life,
- pornographic material, sexually biased letters or phone calls, physical contacts,
- suggestions or demands for sexual intercourse or other sexual contacts,
- rape or an attempt thereof.

According to the new Act on Equality between Women and Men, employers are obligated to intervene also in "harassment based on gender", which refers to undesired behaviour of non-sexual nature but concerning a person's gender. Such harassment may take for instance the following forms:

- defamatory speech about the other gender,
- degradation of the other gender,
- bullying at work on account of the bullied person's gender.

When sexual harassment and molesting are being suspected, the employer shall take all necessary measures to stop them. Only the employer has sufficiently efficient powers and means to take measures against the harasser: admonition, warning, layoff, and finally termination or cancellation of the employment relationship.

The instructions issued by the Ministry of Social Affairs and Health and the Ombudsman for Equality for the application of the Act on Equality between Women and Men contain a definition of sexual harassment, to which the description cited above relates. Both the Ombudsman for Equality and the labour market organisations have produced a great amount of information on what sexual harassment refers to and on the prohibition against it. Employer and employee organisations have, among other

things, published a joint brochure on sexual harassment and circulated it widely. Some harassment cases have gained great publicity, and in some of them persons in high positions have been compelled to resign. The elements of the phenomenon, its condemnability and harmful consequences to the harassed person and the working atmosphere, and the possibility of severe sanctions are nowadays generally known.

The Ombudsman for Equality is responsible for supervising compliance with the Act on Equality between Women and Men. Anyone who considers himself/herself as a victim of sexual harassment may request the Ombudsman's opinion on an alleged violation of the Act.

The harasser himself/herself is primarily liable for the harassment. Liability for stopping the harassment is shifted to the employer when it has been informed about the alleged harassment.

Section 28 of the Occupational Safety and Health Act (738/2002) stipulates that, if harassment or other inappropriate treatment of an employee occurs at work and causes hazards or risks to the employee's health, the employer, after becoming aware of the matter, shall by available means take measures for remedying this situation. The employer may issue an admonition to the harasser, rearrange his/her work duties etc. In the last resort, the harasser's employment relationship may be terminated by virtue of relevant legislation.

According to the Act on Equality between Women and Men, a harassed person may claim compensation by legal action brought in a court of law. According to the Act, the burden of proof is divided. Moreover, the harasser may be liable for his/her acts on the basis of both the Tort Liability Act and the Penal Code.

The prohibitions against countermeasures by the employer laid down in the Act on Equality between Women and Men also cover harassment cases. The employee has the right to compensation pursuant to the Act on the same grounds as in other discrimination cases.

According to the Act on Equality between Women and Men that was in force during the period under review, discrimination in working life is subject to a divided burden of proof, and this concerns also harassment cases. An amendment of the Act entered into force in 2005. The new section 9a (232/2005) of the Act lays down that:

> "[i]*f a person considers that she/he has been a victim of discrimination under the provisions of this Act and presents a matter referred to in the Act to a court of law or to a competent authority and the facts give cause to believe that the matter is one of gender discrimination, the defendant shall prove that there has been no violation of the equality between women and men but that the action was for an acceptable reason and not due to gender. This provision does not apply to the consideration of criminal cases."*

ARTICLE 27: THE RIGHT OF WORKERS WITH FAMILY RESPONSIBILITIES TO EQUAL OPPORTUNITIES AND EQUAL TREATMENT

Article 27, para. 1: Measures

Questions A and B

The family leave provisions of chapter 4 of the Employment Contracts Act make it possible for parents of small children to leave work for a fixed period in order to care for their children. Family leaves available to parents are maternity, paternity and parental leave, child care leave and partial and temporary child care leave. During maternity, paternity and parental leave, an employee has the right to a daily allowance under the Sickness Insurance Act (1224/2004). Child care leave is unpaid, but the employee may, however, obtain child home care allowance. Maternity, paternity and parental leave make it possible for employees to leave work for caring for babies. Child care leave is intended for caring for children under the age of 3. Partial child care leave may extend to the end of the child's second school year. If the child is covered by an extended compulsory education, the parents' right to partial child care leave extends to the end of the child's third school year. Parents are also entitled to a maximum temporary child care leave of 4 days, if their child under 10 years falls suddenly ill.

In addition to family leaves, different working time arrangements (part-time work, distance work etc.) are used for facilitating conciliation between work and family life.

Chapter 4, section 9 of the Employment Contracts Act concerns return to work and stipulates that, at the end of a family leave, employees are in the first place entitled to return to their former duties. If this is not possible, employees shall be offered equivalent work in accordance with their employment contract, and if this is not possible either, other work in accordance with their employment contract. If an employee needs extra skills for his/her work, chapter 2, section 1 of the Act, laying down a general obligation on employers, is applicable. According to it, the employer shall ensure that employees are able to carry out their work even in changing working conditions. This means guidance, instruction and training to meet changes in work. The employer shall also strive to further the employees' opportunities to develop themselves according to their abilities so that they can advance in their careers.

Most family leaves are used by women, and they obtain the minimum amount of parental allowance more often than men. The minimum amount of the allowance was raised as from the beginning of 2005. Moreover, eligibility for an earnings-related allowance was facilitated (HE 164/2004). The sum of this allowance is calculated from the parent's earned income used as the basis for the allowance paid previously to him/her in cases where the maximum age difference between two children is three years and the parent has not earned any income during this time. Even one month's work entitles an employee to an earnings-related allowance provided that, without the beginning of his/her incapacity for work or right to a parental allowance, this work would have continued.

Regarding the protection of employees on family leave against unilateral termination of employment relationships, the Government refers to the answers concerning Article 8 para. 2 and Article 20.

Question C

A child's parents may choose their preferred form of child care support at the end of the parental leave, when the child is about nine months old on the average. Every child has the right to a day care place arranged by his/her municipality of residence until he/she starts school, usually at the age of seven. Families pay a municipal day care fee determined on the basis of their incomes and the number of family members. This fee shall not exceed the maximum sum of EUR 200 per month per child. Families

with sufficiently low incomes are not charged a day care fee at all. Thus, day care services are accessible to all families irrespective of income.

As an alternative to societally provided day care, parents may choose private day care and obtain a private day care allowance for covering its costs. The basic allowance is a fixed monthly sum paid for each eligible child, and it may be supplemented with a child-specific supplement payable to low-income families. The allowance was raised as from the beginning of 2005.

Parents of children under three years of age may obtain a child home care allowance for arranging care for their children. The allowance is payable for a child whose day care is not arranged municipally or supported by a private day care allowance. Usually one of the parents takes child care leave in order to look after the child at home. A child home care allowance is payable for a family's children under three years of age and also its other children under school age. The basic allowance is a fixed monthly sum paid for each eligible child, and it is slightly higher for the youngest child and the children under three years than for the elder siblings. An additional family-specific supplement is payable to low-income families. The allowance was raised as from the beginning of 2005.

Access to day care and its content are regulated by law. There are qualification requirements for the staff, and the ratio of staff to children is standardised. This regulation applies to the whole country and all day care units on an equal basis. Also private services shall comply with the standards, and they are being supervised.

Article 27, para. 2: Parental leave

The Government aims at evening out the costs incurred by employers for family leaves. A tripartite working group examined different solutions to the question during spring 2004, and the Government decided to raise substantially the compensation paid to employers for annual leave costs as of the beginning of 2005. The Ministry of Social Affairs and Health continues to examine the possibilities of evening out family leave costs. A rapporteur's report on the matter and the encouragement of fathers to use family leaves was submitted to the Ministry on 20 September 2005. For further work, the Ministry has set up a tripartite working group, whose mandate continues in spring 2006.

Article 27, para. 3: Family responsibilities and termination of employment

Section 7 of the Act on Equality between Women and Men prohibits direct and indirect discrimination based on gender. Direct discrimination means treating someone differently for reasons of gender, pregnancy or childbirth. Indirect discrimination means treating someone differently on account of parenthood or family responsibilities. Any employer violating the prohibition on discrimination may be ordered to pay a minimum compensation of EUR 3000.

ARTICLE 28: THE RIGHT OF WORKERS' REPRESENTATIVES TO PROTECTION IN THE UNDERTAKING AND FACILITIES TO BE ACCORDED TO THEM

Questions A to D

The Employment Contracts Act provides that employees who do not have a shop steward referred to in a collective agreement applicable to the employer under the Collective Agreements Act may elect a representative from among themselves. The duties and scope of competence of such an elected representative are determined in the manner laid down in the Employment Contracts Act and elsewhere in the labour legislation. The employees may further take majority decisions to authorize the elected representative to represent them in matters of employment relationships and working conditions specified in the authorization. A shop steward elected on the basis of a collective agreement enjoys a priority position in relation to the elected representative.

Also the Act on Co-operation within Undertakings provides that where any staff group has no shop steward, liaison officer or contact person or where said representative has been appointed on the basis of an election in which only members of a trade union were entitled to take part and the wage-earners or salaried employees not belonging to that trade union constitute the majority of the staff group concerned, such wage-earners or salaried employees shall be entitled to elect a person from among their own number to represent them for the purposes of the cooperation referred to in this Act.

The Act on the Supervision of Occupational Safety and Health and Appeal in Occupational Safety and Health Matters (44/2006) lays down the rights and obligations of an occupational safety and health delegate.

The activities of staff representatives are specifically protected by the prohibition of discrimination laid down in the Employment Contracts Act, according to which the employer shall not exercise any unjustified discrimination against employees on the basis of political activity or trade union activity. The same prohibition is laid down in the State Civil Servants' Act and the Act on Civil Servants in Local Government.

The activities of staff representatives are further protected by the provisions of the Employment Contracts Act on the protection of employees against termination of employment contracts, which are explained above in connection with Article 22 in respect of shop stewards and elected representatives. A similar protection is provided to representatives elected pursuant to the Act on Co-operation within Undertakings and to shop stewards in the government sector. Violation of the rights of an employee representative is criminalised in the Penal Code (chapter 47, section 4).

The Employment Contracts Act contains a provision on elected representatives' entitlement to release from work obligations for representing employees. Moreover, the Act provides that the employer must compensate for any loss of earnings caused thereby. In respect of shop stewards elected under collective agreements, the corresponding stipulations are contained in shop steward agreements connected with collective agreements.

According to the Act on Co-operation within Undertakings, the employer shall release the staff representatives referred to in the Act from their normal work for such time as they require for the cooperation procedure or group cooperation and for any preparations therefor, and compensate them for any consequent loss of earnings. Corresponding provisions are laid down in the Act on Co-operation within Government Agencies and Public Services and, in respect of local authorities, in their general agreement on a cooperation procedure.

During the reporting period, the EU Directive on supplementing the Statute for a European company with regard to the involvement of employees (2001/86/EC) [4] entered into force. To transpose the Directive into national law, Parliament enacted an Act on Employee Involvement in European Companies (758/2004), which took effect on 8 October 2004. The provisions of the Act concerning protection for employees' representatives correspond to those of the Employment Contracts Act concerning the protection of shop stewards and elected representatives against termination of employment.

[4] Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees

ARTICLE 29: THE RIGHT TO INFORMATION AND CONSULTATION IN COLLECTIVE REDUNDANCY PROCEDURES

Questions A to C

In Finland, collective termination of employment contracts is possible mainly in situations where changes in the operating environment of an enterprise compel it to dismiss one or more employees on financial or production-related grounds. Provisions to this effect are laid down in chapter 7, section 3 of the Employment Contracts Act, according to which the employer may terminate an employment contract if the work to be offered has diminished substantially and permanently for financial or production-related reasons or for reasons arising from reorganization of the employer's operations. The employment contract shall not be terminated, however, if the employee can be placed in or trained for other duties.

Section 7 of the Act on Co-operation within Undertakings concerns cooperation procedures in cases where the operating conditions of an enterprise change in said manner. If the enterprise is of a size to which the Act is applicable, the employer must, before resolving the matter, negotiate the grounds for the intended measure, its effects and the possible alternatives for it with the employees or staff representatives concerned.

The employer is deemed to have complied with the cooperation obligation when a matter has been negotiated in a manner required for compliance with the cooperation procedure, between a superior and a subordinate, the employer and a staff representative in a joint meeting, or in a committee referred to in section 4 of the Act on Co-operation within Undertakings. If the intended measure concerns the reduction of at most nine employees' employment contracts into part-time contracts, or lay-offs or termination of contracts of at most nine employees, the fulfilment of the cooperation obligation requires that at least 7 days have passed since the start of the negotiations. If the measure leads to the reduction of at least 10 employees' contracts into part-time contracts, or lay-offs for more than 90 days or termination of contracts of at least 10 employees, the cooperation obligation is deemed fulfilled only if 6 weeks have passed since the start of the negotiations. In connection with restructuring procedures the corresponding time is 7 days. The employer shall, at request, ensure that the outcome of the negotiations is noted down in minutes to be signed by the parties.

In respect of these questions the Government also refers to the answers concerning Article 21 and states that, outside the reporting period, in July 2005, new legislation on an operating model for employment and change security took effect. This legislation improved the position of employees dismissed on financial and production-related grounds (Annex 4).

ARTICLE 30: THE RIGHT TO PROTECTION AGAINST POVERTY AND SOCIAL EXCLUSION

Question A

For international comparisons, Finland applies concepts and indicators of income poverty agreed jointly by the EU member states. A person is considered proportionally (income) poor, if his/her household's disposable yearly income per consumption unit is lower than 50 or 60 per cent of the median income of all households (i.e. the median of the disposable yearly income per consumption unit). The indicators are designed for the preparation of national action plans against poverty and exclusion (NAPs/ Inclusion).

Finland has no "official definition of poverty", but rather firmly established methods are used currently in statistics (Statistics Finland, Eurostat) and different studies and publications. Regarding for instance the EU structural indicators, indicators of poverty have a rather significant role among social welfare indicators. In administrative decisions the definition of poverty is often based on eligibility for the basic income support benefit guaranteed by the Act on Social Assistance.

Question B

For the prevention of poverty and social exclusion of people with low incomes or people in different risk situations, such as unemployment or sickness, these people are primarily granted cause-related benefits intended for such situations, and their housing expenses are compensated for by housing allowance systems. In the last resort, their enjoyment of a life of dignity is safeguarded by the income support system.

Housing of low-income people is supported by means-tested housing allowance systems. All population groups and forms of possession of dwellings are eligible for a housing allowance. In practice, more than half of all general housing allowances are paid to families with children, and two thirds of this part are paid to single parents. There are separate housing allowance systems for pensioners and students. Additionally, housing is supported by means of interest rate deductions in taxation. This support is not means-tested, and in practice it, too, is largely paid to families with children.

Question C

Within the framework of EU cooperation, Finland prepared in 2001 a national action plan against poverty and social exclusion for the years 2001–2003 (National Action Plan against Poverty and Social Exclusion, Ministry of Social Affairs and Health 2001:12, in English at Internet address: http://europa.eu.int/comm/employment_social/social_inclusion/docs/napincl2001fi_en.pdf). In 2003 the Ministry renewed this action plan for the years 2003–2005 (National Action Plan against Poverty and Social Exclusion, Ministry of Social Affairs and Health, 31.7.2003 final (in English at Internet address: http://europa.eu.int/comm/employment_social/social_inclusion/docs/napincl_03_fi.pdf).

Question D

Representatives of labour market organisations and independent non-governmental organisations in the social and health sectors have participated in working groups preparing national action plans related to EU cooperation. Furthermore, they have participated in seminars held in connection with the

preparation of these plans and the reports on their implementation, issued opinions and submitted initiatives.

ARTICLE 31: THE RIGHT TO HOUSING

Article 31, para. 1: Promotion of access to housing of an adequate standard

Question A

According to section 19 of the Constitution of Finland (731/1999), the public authorities shall promote the right of everyone to housing and the opportunity to arrange their own housing. The Act on the Development of Housing Conditions (919/1985) is intended to guarantee all people residing permanently in Finland an opportunity of reasonable housing. The objective is that every household should have a dwelling corresponding to the size of the household and the personal needs of its members, and that the dwellings should be appropriate, healthy and well-functioning and the residential buildings should fit in with the environment. Another objective is that the housing expenses should be reasonable in proportion to the size of the household and its disposable income and other necessary consumption expenditure. Municipalities (local authorities) shall ensure that measures are taken to improve housing conditions especially for the homeless and those living in defective dwellings (see the answer concerning Article 31.2).

Also some other basic rights provisions of the Constitution relate to housing. Reasonable housing conditions are necessary for the materialisation of subsistence and care necessary for a life of dignity. The share of housing expenses in disposable income has a central impact on basic income security during unemployment, sickness, incapacity for work and old age.

Thus, nationals have no subjective right to obtain a dwelling by turning to public authorities. Severe disability and child welfare interests constitute exceptions to this rule. The right of severely disabled persons to service housing is provided by the Act on Services and Assistance for the Disabled (380/1987). According to section 8, subsection 2 of the Act

> *"*[a] *municipality shall provide a severely disabled person with reasonable transport services including related escort services, and with interpreter services and service housing, if the person, due to disability or sickness, indispensably needs such services for coping with everyday life. The municipality has no particular obligation to arrange service housing, if the person is in need of continuous institutional care."*

Section 13 of the Child Welfare Act (683/1983) lays down that:

> *"*[w]*hen the need for child welfare is caused primarily by inadequate income, deficient living conditions or lack of housing, or when these factors constitute a serious obstacle to the rehabilitation of a child and family, or a young person in the process of becoming independent who had been a social welfare client before attaining the age of 18, local authorities must provide adequate financial support without delay, and correct deficiencies in housing conditions or provide housing according to need."*

In Finland, exclusion from housing often means becoming a client of social welfare services, and on the other hand, social welfare clients face many difficulties with access to housing and with keeping their dwellings. Defective housing conditions and a weak protection against terminations of tenancy are more common among social welfare clients than the rest of the population. Above all ageing, disabled and ill municipal residents and also persons returning from institutions, intoxicant abusers and clients of child welfare services encounter housing problems. Part of the homeless in Finland are repeated or long-term clients of social services. Other applicants for housing served by social welfare authorities include for

instance people with difficult debt problems, immigrants, and persons who, for varying reasons, have not obtained social rental dwellings from municipalities.

On the basis of social welfare legislation, social welfare shall primarily be implemented through measures that promote independent living and coping (section 39 of the Social Welfare Act 710/1982). Social welfare legislation also obligates social welfare authorities to improve housing and living conditions in municipalities and to cooperate with other authorities. The need for services of an applicant for housing services is assessed individually, and a care and service plan is prepared for the applicant with his/her consent or the consent of the applicant and his/her close person or representative. Services are supplied to persons who, for a particular reason, need assistance or support. A person's independent living or moving to live independently is supported by social work and other social services (sections 17, 22, 23 and 27 of the Social Welfare Act; section 10 of the Social Welfare Decree; section 7 of the Act on the Status and Rights of Patients). Housing provided by social welfare authorities is mostly arranged in normal residential buildings and flats, most of which have been constructed by state funds and under quality control.

The Supreme Administrative Court has issued a judgment on the number of client places in units supplying private social services for demented persons. In its judgment the Court took account of general habitation requirements and clients' basis rights, such as protection of privacy. A prerequisite for home-like living conditions is that each client is provided with a room of his/her own and, irrespective of the form of housing, each client's right to privacy is safeguarded as a basic right. The Court considered that, as a rule, it is not justifiable to place two strange persons in one room. A larger number of client places was not justifiable on economic grounds, either (Supreme Administrative Court, Decision of 6 November 2002, Yearbook no. KHO 2002:75).

Income support is last-resort financial assistance under social welfare. It is intended to ensure at least the minimum income needed for a life of human dignity (section 1 of the Act on Social Assistance, 1412/1997). A person in need of assistance is granted income support for the necessary housing expenses, consisting of a rent or a maintenance charge for a freehold flat, other housing expenses and expenses for acquiring a rental dwelling (section 7). The necessary housing expenses are assessed for the purpose of ensuring housing for the applicant.

The Act on Special Care of Mentally Handicapped Persons is applicable in situations where a mentally handicapped person does not obtain the services that he/she needs on the basis of other legislation. Special care is intended to ensure that a person who cannot live in his/her own home but does not need institutional care is provided with housing arranged in another manner. Special services also contain housing arrangements (sections 1, 2 and 35 of the Act on Special Care of Mentally Handicapped Persons 519/1977).

According to the Mental Health Act, mental health services shall form a functional entity. In addition to adequate treatment and services, a person suffering from a mental illness or some other mental disorder must be provided with rehabilitative or service housing appropriate to the necessary medical or social rehabilitation as separately decreed. Such housing shall be organized in cooperation with the social welfare department of the municipality in question (section 5 of the Mental Health Act 1116/1990).

Question B

(a) The answer to question D describes the elements of the support system. Housing subsidies are granted on the basis of the applicant household's financial standing (income and property) and the need for housing and its urgency. The composition of the household is of minor significance.

(b) Section 53 of the Land Use and Building Decree contains provisions on the accessibility of residential buildings and premises.

According to section 53, subsections 1 and 2 of the Decree:

> *"*[a]*dministrative and service buildings, commercial and service premises in other buildings to which everyone must have access for reasons of equality, and their building sites shall also be suitable for use by persons with restricted ability to move around or function otherwise.*
>
> *Taking into account its design and the number of storeys and other circumstances, a residential building and associated spaces shall meet the requirements for accessibility in building.*"

The Ministry of the Environment Decree on Housing Design, G1[5], stipulates that in multi-storey blocks where the access to apartments is on the third floor or higher including the entrance storey level, the stair route to apartments must be provided with a lift suitable for users of wheelchairs and walking frames with wheels. If the access to a building is between the storey levels, the lower of these is regarded as the entrance storey level. In addition, the lift route must extend to the attic and to the cellar if these have any facilities used for living.

In apartments in multi-storey blocks where access requires a lift, it must also be possible to provide toilet and washroom facilities for users of wheelchairs and walking frames with wheels. The routes and entrances leading from the site of a building and parking spaces to the building and playgrounds and areas designed for recreation shall also be constructed to suit disabled people. In respect of one-family houses this provision is conditional, because the shape of the terrain and the differences in level may prevent compliance with it.

(c) Reference is made to the answer concerning Article 31, para. 2 below.

(d) Immigrants (migrants) are covered by general housing subsidies, and there are no special arrangements for them, with the exception of asylum seekers, for whom housing is provided separately.

Question C

Housing subsidies are granted for dwellings located in Finland and to households living in them. The nationality of the residents is irrelevant.

Question D

Level of state funding:

	Amount of housing subsidies 2001–2004, EUR million			
Year	Housing subsidies	Production subsidies and grants	Interest deduction in taxation	Total *)
2001	862	326	440	1639
2002	892	217	420	1532

[5] G1 The National Building Code of Finland, Housing Design, Regulations and guidelines 2005. Ministry of the Environment Decree on Housing Design, adopted in Helsinki on the 1st of October 2004

2003	924	180	390	1495
2004	947	183	380	1511
*) Incl. consumption subsidies (home saving grants and subsidies to overindebted persons)				

Reference is additionally made to the answer concerning Article 31, para. 3 below.

Publicly advertised state-subsidized rental dwellings and applicants 2000–2004			
Year	Number of dwellings	Number of applicants	Applicants/ dwelling
2000	75 100	214 900	2.8
2001	78 100	212 200	2.7
2002	84 100	216 900	2.7
2003	86 000	198 300	2.3
2004	83 900		

During the current decade, the number of applicants for state-subsidized dwellings has gradually declined, primarily because the financing conditions for freehold flats have become more favourable due to lower interest rates and longer loan periods. This trend has continued to grow in 2004–2006. Therefore also the supply of state-subsidized, larger rental dwellings has increased in the whole country and the number of vacant rental dwellings has grown, especially in regions suffering from depopulation.

Question E

The Land Use and Building Decree (895/1999) contains the following general requirements of residential buildings and other habitation premises:
- It is specially important that the location of a residential building and the arrangement of its spaces and other planning of dwellings take environmental factors and natural circumstances into account.
- Sufficient natural light shall be provided for residential rooms.
- Space intended for residential use shall be fit for the purpose, pleasant and comfortable.
- The design of dwellings shall promote the functionality and suitability of residential space for different and changing residential needs.

According to section 51, subsections 1 and 2 of the Land Use and Building Decree:

> *"*[i]*t is specially important that the location of a residential building and the arrangement of its spaces and other planning of dwellings take environmental factors and natural circumstances into account. Sufficient natural light shall be provided for residential rooms.*
>
> *Space intended for residential use shall be fit for the purpose, pleasant and comfortable. The design of dwellings shall promote the functionality and suitability of residential space for different and changing residential needs."*

According to section 155 of Land Use and Building Act (132/1999), adequate outdoor areas must be provided in connection with residential buildings for play areas and areas for the enjoyment of residents. They must be separated safely from areas reserved for traffic. When estimating the adequacy of the areas, the corresponding areas available in the vicinity and the joint arrangements of properties may also be taken into account.

The Ministry of the Environment Decree on Housing Design contains more detailed provisions:

- The facilities and the floor plan of an apartment should be appropriate in respect of the living environment taking into account the intended occupancy, circulation areas in dwellings and the changes in operational needs.
- Apartments should have enough space for resting, pastime and leisure activities, eating and cooking, bathing as well as for any necessary maintenance and storage connected with living.
- The facilities should be provided with fittings, equipment and technical installations required by their use.
- The minimum net floor area of an apartment should be 20 m^2. The minimum net room area of a habitable room is 7 m^2.
- Apartments should always have a toilet and basic equipment sufficient for taking care of personal hygiene and for cooking.
- There should be appropriate facilities for clothes maintenance and storage of personal property as well as for storage of bicycles, prams and outdoor recreational equipment in apartments or for the use of the apartments.
- The minimum room height of a habitable room should be 2500 mm. The said minimum height in a one-family house is 2400 mm.
- A habitable room should have a window with an opening of at least 1/10 of the net room area. The window in a room or a part of the window should be openable.

The other parts of the National Building Code of Finland contain regulations on the essential technical requirements of buildings.

In addition, section 117 of the Land Use and Building Act lays down that construction must in any case comply with good building practice. This provision obligates developers to comply with the standards on housing design and construction quality agreed between the different parties in the construction sector. If a court needs an impartial expert opinion on how a detail of a dwelling should have been designed or a work should have been performed, experts of Chambers of Commerce or the Council of Construction Managers and Engineers may issue such an opinion.

Households living in overcrowded dwellings refer to households with more than one person per room, kitchen included. The number of such households has decreased among both owner-occupied and rental dwellings so that their percentage of all dwellings was 5.1 % in 2000 and 4.3 % in 2003. The rates of change among owner-occupied dwellings were 4.5 % (in 2000) and 4.0 % (in 2003) and among rental dwellings 6.1 % (in 2000) and 4.9 % (in 2003).

A dwelling is defined to include all basic amenities if it is equipped with piped water supply, drains, supply of warm water, indoor plumbing toilet, washing space (shower/bathroom or sauna) and central or electric heating. The percentage of residents in such dwellings among the whole population has continuously increased, being 90 % in 2004. In the age group over 70 the percentage is 85 %, which means that aged people living in old one-family houses in the countryside do not have all the above-mentioned amenities, unlike most of the population.

A building permit is needed for both new construction and renovation. When applying for a building permit, the applicant must prove that the designers are qualified, the construction regulations have been observed and the construction project has a qualified project supervisor. Anyone who undertakes a construction project must ensure that the building is designed and constructed in compliance with regulations and provisions concerning construction and the granted building permit. During the construction work, the building supervision authorities make inspections focused on circumstances essential to the public interest.

If a building has deteriorated or been altered without a building permit, the local municipal building supervision authority may require that the building be restored to meet the existing building permit. The

authority may order the restoration under penalty of a fine, and it may also have the restoration performed at the owner's expense. If the building has a defect that causes detriment to the health of its residents or users, the municipal health inspector may order that the defect be eliminated.

Article 31, para. 2: Prevention and reduction of homelessness

Question A

An increased supply of rental housing and action plans to reduce homelessness in the entire Finland and the Helsinki metropolitan area resulted in a declining trend in the number of homeless in the whole country and especially in the metropolitan area during the implementation period of the plans.

In 2002 the municipalities of the Helsinki metropolitan area agreed with the Government on an action plan to reduce homelessness for the years 2002–2005. The objective of this plan was to arrange 4 000 new dwellings for homeless persons, both single and with families, and to ensure support services necessary for habitation.

	1999	2000	2001	2002	2003	2004
SINGLE HOMELESS						
Whole Finland	**9 988**	**9 999**	**9 966**	**9 561**	**8 186**	**7 650**
Metropolitan area	5 463	5 716	5 787	5 560	4 440	4 185
Helsinki	4 440	4 700	4 700	4 600	3 515	3 270
Espoo	550	550	580	529	446	438
Vantaa	473	466	507	431	479	477
HOMELESS WITH FAMILIES						
Whole Finland	**777**	**783**	**782**	**774**	**415**	**360**
Metropolitan area	686	684	688	657	315	229

Source: The Housing Fund of Finland 1999-2004

While single homeless persons in the whole country numbered approximately 9 500 in 2002, their number had declined to about 7 700 in 2004. The greatest reduction took place in the Helsinki metropolitan area, where their number declined from around 5 500 in 2002 to roughly 4 200 in 2004. Also the number of homeless persons with families shows a declining trend (see table). The number of young homeless people under the age of 25 has declined from approx. 1 600 (in 2002) to approx. 1 400 (in 2004).

Part of the homeless (approx. 30 % of all) are multi-problem homeless individuals, who are difficult to settle in normal rental dwellings, and their number has not gone down. This group includes a great number of aged men and also people with disabilities.

Question B

The most important instruments in the prevention of homelessness are a supply of dwellings at affordable rents, a well-functioning service system and a sufficient subsistence.

The risk of homelessness can be reduced by a public supply of dwellings at affordable rents for young people leaving home, students, people with low incomes and other people in need of housing in similar

situations. At the end of the 1980's Finland introduced a system for the acquisition of dwellings at affordable rents, especially for the homeless. This system was built with public funds, and it combines the support and housing services provided by the social welfare and health authorities and the third sector. Currently there are some 40 000 supported dwellings of this kind.

The universal social welfare, health care, rehabilitation and employment services in Finland, aimed to safeguard equality and the basic rights, are important factors in alleviating the risk of homelessness. Public authorities have introduced a number of work forms to improve the situation of the homeless and also other people in the most difficult situations. Such work includes housing counselling (prevention of evictions), financial and debt counselling (management of rental arrears and other debts), social work with intoxicant abusers and mental health work (management of addictions and disorders), building of individual paths (everyday life after returning from institutions), management of crisis situations and conciliation work (crisis centres for men and mother-and-child homes and shelters for battered family members). This work is done by municipalities, organisations and foundations and increasingly also service businesses. Additionally, the largest cities organise special services for the homeless, for instance overnight shelters, day centres, supported flats, supported homes and small flats intended to permit independent living.

Low incomes and poverty lead to homelessness. Therefore, ensuring sufficient subsistence for households in different situations is an essential part of the work to prevent homelessness. The housing allowance, the income support and the preventive income support are the most important forms of financial support.

It can be roughly estimated that public funds worth approx. EUR 850 million are used annually for general and special activities to prevent homelessness. At annual level, this sum contains loan and investment funding for the construction, repairs and acquisition of state-subsidised small rental dwellings; the support for investments, activities and projects granted by Finland's Slot Machine Association (RAY)[6] for supported and service housing; and the housing allowances and income support payable to single men and women. It does not contain municipal funding for social welfare and health services and other preventive services.

The terms of a lease between a lessor and a tenant are based on the Act on Residential Leases (481/1995). Moreover, the Finnish Real Estate Federation, the Finnish tenants' federation (Vuokralaisten keskusliitto) and the Finnish lessors' association (Suomen vuokranantajat) have published a joint recommendation on the elements of good leasing practice, such as transparency, interaction and fair procedure between the parties.

According to the Act on Residential Leases, lease agreements can be in force for a fixed term or a non-fixed term. Lease agreements and amendments thereto shall be made in writing. If a lease agreement has not been made in writing, it is considered non-fixed-term. The parties to a lease agreement can agree that reasonable security (not larger than three months' rent) will be put up against any loss incurred as a result of either party's failure to fulfil his, her or its obligations. At the commencement of the lease and throughout its duration, the apartment shall be in such condition as the tenant may reasonably require, taking the age of the apartment, the local housing stock and other local conditions into consideration. The lessor and the tenant can, subject to conditions provided by law, agree on any repairs, alterations or upkeep measures to be performed in the apartment.

When the lessor gives notice on a lease agreement, the notice period shall be six months if the lease has lasted uninterruptedly for at least one year immediately prior to the giving of notice, and otherwise three

[6] RAY (Finland's Slot Machine Association) was established in 1938 to raise funds through gaming operations to support Finnish health and welfare organizations.

months. When the tenant gives notice, the notice period shall be one month. Any stipulation reducing the lessor's notice period or extending the tenant's notice period shall be null and void.

The parties shall give notice on a lease agreement in writing, and the notice shall be served verifiably. A court may permit the tenant or lessor to give notice on a fixed-term lease agreement on special grounds.

The court shall, at the tenant's request, declare notice given by the lessor ineffective if the requested rent or stipulation on determining the rent would be considered unreasonable under section 30 of the Act, or the notice must be considered otherwise unreasonable in view of the tenant's circumstances and there is no justifiable reason for termination. During the court proceedings, the lease shall continue in force on its previous terms. If the tenant's suit for declaring notice ineffective is sustained, the lease shall continue in force on its previous terms unless the court decides otherwise at the tenant's or lessor's request. If the court rejects the tenant's suit, it shall state in its decision the date on which the lease shall be terminated by the notice given and require the tenant to move out thereupon.

If a lease agreement is terminated by the lessor by giving notice which cannot be considered to conform with acceptable tenancy practice, the tenant shall be entitled to compensation from the lessor for the cost of removal and of acquiring a new apartment and for any repairs and alterations agreed between the parties and carried out by the tenant which have increased the rental value of the apartment, the compensation for said repairs or alterations being based on their current value at the time of termination of the lease.

The lessor shall have the right to rescind the lease agreement:

1) if the tenant neglects to pay the rent within the time prescribed by law or agreed on;

2) if the leasehold is transferred or the apartment or part of it is otherwise assigned for another person's use, contrary to the provisions of the Act;

3) if the apartment is used for any other purpose or in any other manner than that provided when the lease agreement was made;

4) if the tenant creates a disturbance with his or her way of life or allows others to do so in the apartment;

5) if the tenant fails to take good care of the apartment; or

6) if the tenant violates provisions or regulations for the maintenance of public health and order in the apartment.

If the actions giving rise to the grounds for rescission are of minor significance, however, the right to rescind the lease agreement shall not exist. The lessor shall state the grounds for rescission within a reasonable time after they have come to his, her or its notice.

The lessor shall not rescind the lease agreement, if he has not issued the tenant with a written caution. If, upon receiving the caution, the tenant promptly fulfils the tenant's obligations or the matter is otherwise corrected, the lessor shall not be entitled to rescind the lease agreement. If a tenant with a non-fixed-term lease encounters substantial difficulty in obtaining another dwelling by the removal date, the court can, at the tenant's request, defer the removal date by up to one year.

Also the tenant has the right to rescind the lease agreement on grounds mentioned in the Act. The new Enforcement Act (679/2003) stipulates that if the officer taking enforcement measures is aware that

children reside in the premises cited in the grounds for enforcement and there is uncertainty about housing arrangements for them, or that persons in need of immediate care reside in the premises, the local housing and social welfare authorities shall, notwithstanding secrecy provisions and without delay, be informed about the institution of eviction procedures and the circumstances established in that connection.

According to the Housing Companies Act (809/1991), the shareholders' meeting may decide that the company should take over, for a period of not more than three years, an apartment in the possession of a shareholder if:

1) the shareholder does not pay a due maintenance charge;

2) the apartment is cared for so badly as to cause loss to the company or another shareholder;

3) the apartment is used for a purpose essentially different from what it was intended for or otherwise contrary to the articles of association;

4) the way of life of those living in the apartment creates a disturbance; or

5) the shareholder or other person living in the apartment violates rules necessary to maintain order in the company's facilities.

An apartment may not be taken over by the company if the violation is only of minor significance. The decision shall state the grounds for and the duration of taking possession of the apartment, and the facilities affected.

A decision may not be made for the company to take possession of an apartment unless the board has issued the shareholder with a written warning. If the shareholder has leased out the apartment or its part or has otherwise assigned the apartment to another person's use, notice of the warning must also be served to the tenant or person living in the apartment and having the right to use it. The warning shall state the grounds for issuing it, and point out that the company may take possession of the apartment.

Question C

Since the mid-1980s many Finnish Governments have included the reduction and elimination of homelessness in their Governmental Programmes. Since the late 1980s, special measures have been used in addition to general housing and social policy measures in order to reduce homelessness. Largely thanks to the general and specific programmes, the number of homeless, which was approx. 20 000 at the end of the 1980s, has declined to the current level of roughly 8 000 persons.

Prime Minister Matti Vanhanen's Governmental Programme set the target of eliminating homelessness by reducing it through the implementation of an action plan in cooperation between central government and the cities of Helsinki, Espoo and Vantaa (2002–2005). The aim was to build and acquire one thousand new dwellings per year during the period 2002–2005 and to safeguard the necessary support and housing services. It can be estimated that after the launching of the action plan, a total of more than 3 000 new dwellings have been built or acquired or are being planned. Thus, additional projects on some 1 000 dwellings are still needed to achieve the target of four thousand dwellings.

Finland's Slot Machine Association (RAY) has played an important role in the implementation of the action plan to reduce homelessness. RAY granted a total of approximately EUR 37 million to non-profit

foundations and organisations for the implementation of the plan in 2002–2005. Of this sum, roughly EUR 31.7 million were investment grants and EUR 5.3 million activity grants. The investment grants have permitted the construction or acquisition of some 1 200 dwellings.

In the long run, the reduction and gradual elimination of homelessness requires a number of simultaneous and mutually supportive measures.

For their work to reduce homelessness, the cities of the Helsinki metropolitan area have prepared a regional development plan on housing services for the homeless for 2005–2007 (see above). Pursuant to the plan, the cities have established a cooperation network, the central actors of which include, in addition to the cities, the Centre of Expertise on Social Welfare in Helsinki Metropolitan Area, organisations supplying housing and support services for the homeless, and businesses. Of the public authorities, the Ministry of the Environment, the Ministry of Social Affairs and Health, and Finland's Slot Machine Association engage in this work.

The most important task of the cooperation network is to develop housing services and housing support for those homeless persons who are most difficult to settle, operating models to reduce homelessness permanently, and support and counselling for independent living. The regional development plan lists the most urgently needed new housing service units intended for multi-problem homeless persons. The cities, the Housing Fund of Finland and Finland's Slot Machine Association would finance these units.

By the end of 2006, the cooperating parties will complete a study on the alternatives in financing the operations of support and housing services for those homeless who are most difficult to settle. Moreover, they are studying the application of competition law and practices to the production of services, to ensure that they do not prevent solving the most difficult social problems. In 2006–2007, Finland's Slot Machine Association will, within the limits of competition law, grant investment, activity and project grants for supported housing for the homeless, including the acquisition of rental dwellings for them. In 2006, the cities and the National Research and Development Centre for Welfare and Health (STAKES) will jointly prepare quality recommendations for the fitness for habitation and housing services of overnight shelters, overnight homes and residential homes in the Helsinki metropolitan area.

The Ministry of the Environment coordinates the work to reduce homelessness at national level and in the Helsinki metropolitan area by promoting the supply of small rental dwellings in particular, by directing investment grants intended for special groups to homelessness projects, and by supporting the development of new operating models for housing for special groups in the most difficult situation in accordance with Government's housing policy programme.

As stated above (see question A concerning Article 31, para. 1) municipalities shall ensure that measures are taken to develop housing conditions especially for the homeless and those living in defective dwellings. Municipalities shall develop housing conditions in their territories so that homeless municipal residents who cannot, without unreasonable difficulty, acquire a dwelling independently, can be guaranteed reasonable housing conditions. This obligation is based on the social basic rights provided by the Constitution of Finland (see question A concerning Article 31, para. 1).
The Deputy Parliamentary Ombudsman stated in an inspection report (27 October 2000) that a residential home located in the area of the City of Helsinki was in an inferior condition and requested the City Board to examine what plans the City had for the improvement of the premises or the replacement of the residential home with appropriate premises. After the inspection report was issued, the city renovated the residential home and built appropriate premises ancillary to it.
The aforementioned action plan to reduce homelessness has been implemented by 16 non-profit organisations and foundations, which are developers and owners of real estates, providers of services for intoxicant abusers and mental health and prison services, and interest organisations for homeless men and women, prostitutes and persons returning from prison.

Article 31, para. 3: Price of housing

Question A

The Government reduces housing expenditure by granting production subsidies in the shape of state-subsidised ARAVA housing loans and paying interest subsidies, by granting state guarantees for the acquisition of dwellings and investment and other subsidies, and by granting housing allowances directly and reducing interest expenses through tax deductions. Income support is the last-resort assistance granted by the Government to compensate for housing expenses.

Housing expenses of recipients of general housing allowances residing in rental dwellings, per cent of housing allowance income

Year	Before allowance	After allowance
2001	56.1	28.1
2002	55.3	27.0
2003	55.5	28.0
2004	57.1	28.4
2005	60.2	29.2

In 2004, the subsidies paid for housing totalled EUR 1 500 million. Of this sum, 63 % consisted of housing allowances, 12 % of production subsidies and grants, and 25 % of interest deduction in taxation.

	Amount of housing subsidies 2001-2004, EUR million			
Year	Housing allowances	Production subsidies and grants	Interest deduction in taxation	Total *)
2001	862	326	440	1639
2002	892	217	420	1532
2003	924	180	390	1495
2004	947	183	380	1511
*) Incl. consumption subsidies (home saving grants and subsidies to overindebted persons)				

Housing allowances are paid under three different housing allowance systems (general housing allowance, housing allowance for pensioners, and housing supplement for students). Moreover, a conscript's housing allowance is payable to men performing their conscript service or civilian alternative service and women performing voluntary armed service.

In 2001–2004, housing allowances were paid through the different systems as follows:

	Number of recipients and payment of housing allowances in 2001-2004			
	Recipients at the end of the year			
Year	General housing allowance	Pensioner's housing allowance	Student's housing supplement	Total
2001	158500	165200	151000	474700
2002	159600	166000	155100	480700

2003	159000	166400	157400	482800
2004	154800	170300	157000	482100
Paid housing allowances, EUR million per year				
Year	General housing allowance	Pensioner's housing allowance	Student's housing supplement	Total
2001	407	246	209	862
2002	413	259	220	892
2003	430	270	225	924
2004	436	283	228	947

Question B

Housing allowances are granted on application, and the eligibility for them depends on the income, housing expenses and property of the applicant and his/her family. Housing allowances are granted to all eligible applicants. The amount of the allowance also depends on the location, size, standard of equipment and age of the dwelling.

In 2001–2004, a general housing allowance was paid to 154 000–159 000 households as per the end of the year. The number of new allowances per year varied between 79 000 and 82 000, and new applications numbered 26 000–31 000. Of all applications for housing allowance, 24–28 % were rejected because the applicants did not fulfil the eligibility conditions based on financial means tests.

The housing allowances are granted by local offices of the Social Insurance Institution. Housing allowance decisions may be appealed against to the Appeal Tribunal or the Student Financial Aid Appeal Board, and their decisions are appealable to the Insurance Court.

Income support is the last-resort assistance granted to ensure access to housing, if a person's own income is insufficient even after the payment of a housing allowance. Additionally, income support compensates partly for those housing expenses which are not taken into account in the granting of a housing allowance. Income support is granted by municipalities. Their decisions are appealable to Administrative Courts, whose decisions in turn are appealable to the Supreme Administrative Court.

No separate information is available on the amount of income support paid for housing expenses. However, housing expenses account for a considerable part of the total payments of income support.

The number of recipients of income support and the amount of paid support in EUR million in 2001–2004 are shown below.

Year	Households receiving income support during the year	Payments of income support EUR million per year
2001	264 000	443
2002	263 000	430
2003	261 000	424
2004	251 000	401

State-subsidised housing loans and grants are granted on the basis of legislation on these loans and interest subsidies to municipalities, de facto municipally owned companies and non-profit corporations named by the Housing Fund of Finland. Subsidies and grants are provided on the condition that the fitness for habitation of the subsidized dwellings is appropriate, the habitation environment is well-functioning, and the construction, acquisition and renovation costs and maintenance and habitation costs

of these dwellings are reasonable. The subsidized dwellings shall be kept in original use, for instance as rental dwellings, for a fixed period (40 years for rental housing).

Anyone who raises a loan in order to construct or acquire a freehold dwelling is eligible for a state guarantee of up to 20 per cent of the loan principal, however not more than EUR 25 250 per dwelling.

The interest rates on a debt raised for the acquisition of a freehold dwelling are deductible in taxation, if the owner of the dwelling or his/her family lives permanently in the dwelling. In 2004, the rate of this deduction was 29 % of the recipient's income and at most EUR 1 400 per person. For spouses the amount of deduction was at most EUR 2 800, and for a four-member family EUR 3 500.

In respect of a housing loan raised by a first time buyer, the rate of tax deduction is 30 % and it is granted for the maximum of 10 years. The acquisition of a first dwelling is exempt from transfer tax, if the buyer owns at least half of the dwelling. A young first time buyer (aged 18–30) may be eligible to interest subsidy and a subsidized bank loan for the acquisition.

Question C

There are separate housing allowance systems for students and pensioners (see question A concerning Article 31, para. 3). The Act on the Development of Housing Conditions for Special Groups entered into force at the beginning of 2005. According to it, housing projects for such groups as students and homeless, disabled and ageing people may, depending on the need for support, be eligible for investment grants of up to 5–35 % of the approved construction, repair or acquisition costs of the project (see question B concerning Article 15, para. 3).

Question D

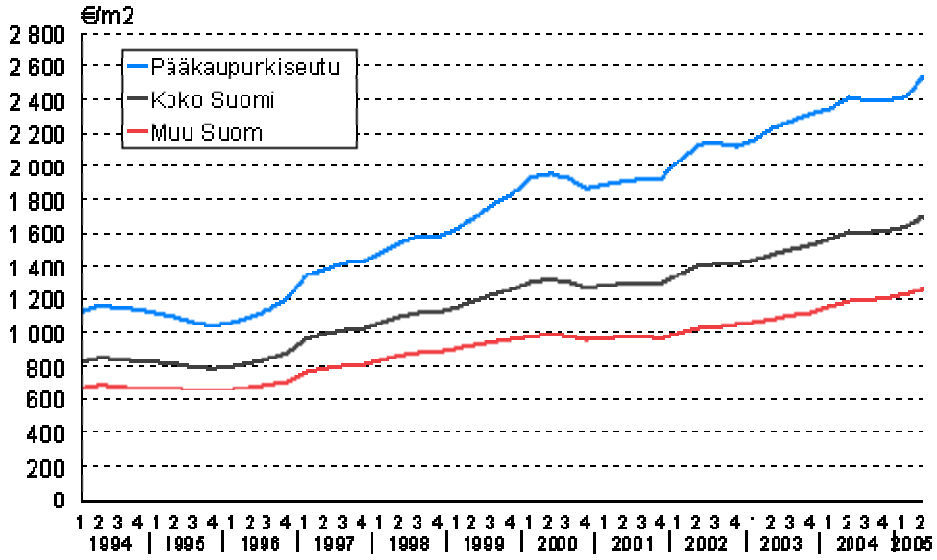
The applicant's nationality, including Finnish nationality, and the time during which he/she has resided in Finland are irrelevant to eligibility for support. To be eligible for support, the applicant must reside permanently and have a permanent dwelling in Finland.

Question E

Freehold flats

A comparison between the data from the years 1995, 2000 and 2004/3 shows a substantially increased difference in percentage between the average square meter prices of dwellings in the Helsinki metropolitan area and those in the rest of Finland. In 1995, a square meter of a block of flat in the metropolitan area was roughly 63 % more valuable than elsewhere in Finland. In 2000, the difference was as high as about 96 %. Even since then it has continued to grow, but less rapidly. During the third quarter of 2004, the average square meter price in the metropolitan area (2 385 €/m^2) was slightly more than double the average price in the rest of Finland (1 188 €/m^2).

Average square meter prices of dwellings in blocks of flats by area 1994-2005



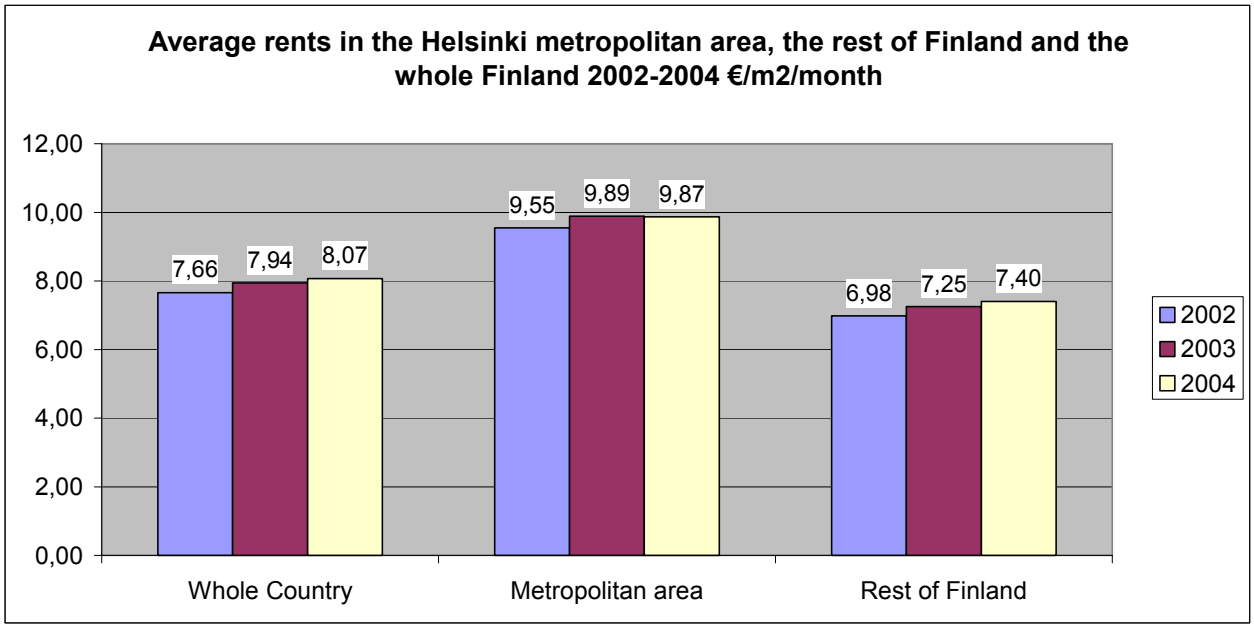
* vuocen 2005 tedotvielä ennakollisat

Pääkaupunkiseutu = Metropolitan area; Koko Suomi = Whole Finland; Muu Suomi = Rest of Finland

(Source: Statistics Finland)

Rental dwellings

In 2002 the level of rents in the Helsinki metropolitan area was about 37 % higher than elsewhere in Finland. In 2004 the difference was slightly smaller (approx. 33 %), because the rising trend in rents in the area had slowed down.



(Source: Statistics Finland)

Annexes:

1) Annual Holidays Act (162/2005)
2) All apprehended and arrested persons and remand prisoners under the age of 18 held in police custody in 2002-2004
3) The Act on Co-operation within Undertakings (725/1978)
4) Press release of the Ministry of Labour on change security of notices of dismissals