



European  
Social  
Charter

Charte  
Sociale  
Européenne



COUNCIL  
OF EUROPE

CONSEIL  
DE L'EUROPE

**EUROPEAN COMMITTEE OF SOCIAL RIGHTS  
COMITÉ EUROPÉEN DES DROITS SOCIAUX**

17 October 2013  
**Case Document No. 4**

**Finnish Society of Social Rights v. Finland**  
Complaint No. 88/2012

**RESPONSE FROM THE FINNISH SOCIETY OF SOCIAL RIGHTS  
TO THE GOVERNMENT'S SUBMISSIONS  
ON THE MERITS**

**Registered at the Secretariat on 14 October 2013**



## Responses of our Society to the Government's submissions

### The core of the complaint of our Association

In the article 12 of the Social Charter is noted that *with a view to ensuring the effective exercise of the right to social security, the Parties undertake:*

1. *To establish or maintain a system of social security;*
2. *To maintain the social security system at a satisfactory level at least equal to that necessary for the ratification of the European Code of Social Security*
3. *To endeavour to raise progressively the system of social security to a higher level;*

Our Association has had the opinion that the situation in Finland is not in conformity with Treaty in Finland and that is the reason we have made this Complaint. We are convinced that Finland has not maintained the social security system at a satisfactory level equal to that necessary for the ratification of the European Code of Social Security. Either has Finland not endeavoured to raise progressively the system of social security to a higher level in conformity with the Social Charter (Treaty).

Our Association admits the submission of the Government that Finland has not ratified *the European Code of Social Security* implicated in the Charter nor *the General Agreement of the International Labour Association (ILO) nor 102* concerning “the minimum level social security”. In spite of that we see there are obligations to Finland along the Charter (Treaty) that can be derived straight from the article 12 of the Charter. Our Association interprets the article 12 in the way that in establishing and maintaining social security system Finland is obliged to obey the rule 12.2. of the Charter. In the Art.12.2 is implicated clearly that those countries which have ratified the Article are obliged to maintain the social security system at a satisfactory level at least equal to that necessary for the ratification of the European Code of Social Security. Though Finland has not ratified the Code or the ILO agreement the Art. 12 sets the same obligations to Finland as are for those countries that have ratified these documents. Along the Code (which obliges Finland through art. 12.2) all households should have an income at least 60 % of the equalised net median income and it is absolutely unacceptable if there are citizens in that country whose income is under the deprivation level (40 % of the equalised net median income). Our Association notes that currently in 2013 there are over 700.000 citizens in Finland whose income is under 60 % of the equalised net median income and there are even many Finns whose income is under the deprivation level of 40 % of the equalised net median income. We claim that the main reason for this very regrettable and sorrow situation is the lowness of the basic social security benefits we are implicating in our Complaint.

This is the core of the Complaint of our Society and we have grounds to our claim in our Complaint and in the description in this response later on.

### The submission of the Government (5 – 10):

In the submission the Government notes that the committee has held that states enjoy a wide margin of discretion on how to organize their social security systems, including defining the personal scope of schemes providing health care benefits, as long as a significant percentage of population is covered and the benefits provided are sufficiently extensive.

Along the Government submission Finland has ratified neither the ILO Convention No 102 nor the Code. The predominant reason to not ratifying the European Code of Social Security that whereas the level of social security in Finland corresponds to that laid down in the Code, the Code does not as such recognize the kind of social security that is predominant in Finland. In order to fulfil requirements of the Code, social security schemes should provide either sufficient protection for a representative number of workers or general benefits for all residents at a level sufficient to provide a reasonable level for an average worker. The Code is thus based on social security (insurance) schemes intended to provide the necessary protection for the average worker.

#### **Comment of our Association to the Government's submission (5-10)**

Our Association sees that the interpretation in the Government's submission is not in conformity with the clear text implicated in the Social Charter. Along the Charter in order to fulfil requirements of the Code, social security schemes should provide **both** sufficient protection for a representative number of workers **and** general benefits for all residents at a level sufficient to provide a reasonable level for an average worker. The Code is thus based on social security schemes intended to provide the necessary protection for the average worker **but in addition to that** the Code requires general benefits for all residents *at a level sufficient to provide a reasonable level to all residents*. So the division between workers and residents is not *either-or*, but *both-and*. The reasonable level to workers does not mean that the state would not be obliged to provide also *general benefits for all residents at a reasonable level*.

In the Complaint our Association has implicated that the level of basic minimum benefits in Finland are not in accordance with the Charter (Treaty). Several basic minimum benefits which many Finnish people are dependent on are clearly under the level the Charter (Treaty) presupposes. In the complaint the figures of benefits are mainly in 2012 level and in the beginning of the year 2013 some of those benefits and allowances were slightly raised, but that was not enough to fulfil the requirements of the Charter (Treaty).

Our Association refers that in order to control the complying of the Treaty the Council of Europe counts every four years the minimum level of social security (benefits and allowances) that those states that have ratified Art 12 are not allowed underbidding. The unconditional deprivation level is 40 % of the equalised net median income in every country and there should be many citizens who have to live with the income of 60 % of the equalised net median income.

In Finland that deprivation rate of 40 % of the equalised net median income was the amount of EURO 750 month already in 2008. Unfortunately our Association does not know what

was the result of CE counting of 2012, four years later than previous counting. However it should be substantially higher amount in Euros than in 2008. Salaries and other incomes have risen since 2008. In the latter part of this response we have implicate the figures our Association has counted itself along the official Finnish statistics of the equalised net median income in 2012.

### **The submission of the Government (11)**

The Government notes that in Finland social protection is based on three blocks: minimum benefits, earnings-related social security benefits and public services. Health care in particular is mainly provided through services and not as a social security scheme. Income benefits are primarily earnings-related and set to provide security in case of loss of earnings due to sickness (maternity), old age, or unemployment. However, these schemes also contain minimum benefit levels and these benefits may also be paid to non-active persons. These schemes cover all residents. Basic cash benefits are supplemented with targeted benefits.

**Comment of our Association:** The description of the Finnish social protection in the Government submission is correct. However we point out that health care in every country is provided through services and through social security scheme. Only the financing of the health care services may vary. In many countries financing of health care is structured by health insurance, in Finland public health care is financed mainly by municipal and state taxes.

### **The submission of the Government (12)**

The Government notes that the safety-net of social protection should be seen as a whole where the level of income support cash benefits is supplemented with targeted benefits such as housing benefits and disability and care benefits as well as services. It should also be noted that for sickness expenses there are maximum thresholds set annually for the patient's costs after which medicines and travel expenses are free and fees to health care centres are no longer collected.

**Comment of our Association:** In principle we do not disagree with the submission. There should be noted that municipal disability and care services are mostly discretionary. The amount of municipal services depends heavily on if or if not the municipality decision makers in its annual budget have taken an appropriation to the service. Decisive is the decision on appropriation of the local politicians not the need for services of the inhabitants in the municipality. The amount of appropriation can vary remarkably from municipality to municipality and as the municipalities in Finland are now in the middle of economical crisis many municipalities have reduced their appropriations and services to a minimum. Only those services are delivered which the law clearly obliges municipalities to deliver their inhabitants and many discretionary services are wiped out. The inequality between inhabitants in access to services is huge as Finland due to that Finland has over 300 municipalities and local politicians decide in every municipality of the amount of services.

Due to that it is impossible even to the Government to say how much the services in kind complete or replace low benefits in cash. The variety between the municipalities is so large. In this complaint our Association has concentrated to the minimum benefits delivered by the state (Kela, Social Insurance Institution) to all inhabitants who are entitled to benefits or by municipality as a last resort (social assistance). Services are not relevant in deciding our complaint.

However it is true that there are threshold in sickness costs, which benefit of course those living dependent on minimum benefits. The annual threshold for costs in public health care is EUR 636/year, the annual threshold for the costs of prescribed medicines is EUR 670/year and the annual threshold for travels due to the sickness is EUR 242,25/year. So the poor and sick citizens are not obliged to pay full cost costs if they can with their income reach the annual threshold, but our Association points out that there are gaps and problems in these thresholds and these gaps have a very negative impact to those poor people living in dependency of the basic social security:’

- a) The main gap in health care annual threshold is that the home health care is not included in the annual threshold. This means that as elderly people live over 90 % live at home and they need health services there, all services are paid full cost all year without any relief. This is heavy especially to those elderly people who receive only the Guarantee Pension described later on.
- b) The second big problem in the annual threshold of health care is that the municipalities have not created any system to control the annual patient threshold. Many elderly patients, who are not able to control the costs themselves and they have to pay full price for their public health costs even outside home care, because they charged full due to that there are no computerized system to count automatically the annual threshold.
- c) All three annual thresholds are counted separately. Normally a sick person has to use transport to reach health services, pay for the treatment in health centre or hospital and buy drugs from pharmacy. So those persons with low income like those living in dependency of Guarantee Pension have huge economic troubles when becoming sick. He/she has to pay EUR 1548 before all annual thresholds are using him/her. If the monthly income of Guarantee pensioner is EUR 730/month he/she has to pay the income of over two months only to the health costs before the annual ceilings reach him/her. The question sounds: How can he/she buy food for him/herself when all income goes to health costs? Further: If a person in Guarantee pensioner lives at home and needs home health care. A normal fee for one visit in municipalities is EUR 10, which is not counted to the annual health cots ceiling of public health care. If the elderly needs home health care every day makes that EUR 300/month and EUR 3600/year. About 40 per cent of his/her income as a pension goes to home health care and this cost does not include costs of prescribed medicines. If a Guarantee pensioner has to go to public hospital he/she has to pay EUR 32,10/day. The co-payment in public health care is one of the highest in the world.

### **The submission of the Government (13)**

The Government notes that sickness and maternity, paternity and rehabilitation benefits are primarily social security meant to cover loss of earnings. The minimum amounts, which are payable to those with low or no prior earnings are not to be seen as minimum income benefits as such. As regards the Code the benefit levels fulfil the amounts required by the Code for workers.

**Comment of our Association:** The Code is based on social security schemes intended to provide the necessary protection for the average worker and general benefits for all residents at a level *sufficient to provide a reasonable level to all residents*. It is *both-and* and in the decision of our Complaint concern cannot be restricted only benefits which are directed only to workers. Decisive in deciding our complaint are those benefits that all residents are entitled in Finland. Are these benefits sufficient to provide a reasonable level to all residents or not?

#### **The submission of the Government (14)**

The Government notes that minimum income support is set by Social Assistance and for pensioners primarily by the Guarantee Pension. Student aid is a primary benefit for students that can be completed with earned income. For unemployed persons the basic benefits consist of the Basic Unemployment Allowance and for long-term unemployed who have exhausted their maximum eligibility for unemployment allowances or persons who do not fulfil the labour requirements, Labour Market Subsidy. Pensioners and the unemployed can also rely on Social Assistance.

**Comment of our Association:** In our complaint our Association has concerned on those minimum benefits which are not sufficient to provide a reasonable level to all residents. Those citizens living dependent on these benefits cannot lead a decent life due to their low income. We note that pensioners and unemployed are able only marginally to rely on Social Assistance, because normally the amount of pension, unemployment allowance and Labour Market subsidy is regarded so high that the applicant is not entitled to receive social assistance. The benefits are as income which is regarded as income high enough to live on without social assistance. The maximum of basic social assistance is EUR 477.26 /month (2013) and normally the other benefits above reach that threshold. Basic social assistance with a maximum of EUR 477.26 /month is not a solution and to get more assistance than that (additional assistance and proactive assistance) is very discretionary, complicated and difficult.

#### **The submission of the Government (15)**

The Government notes that a person who is entitled to Social Assistance may receive additional assistance (Act on Social Assistance, Section 7 c) and proactive assistance (Section 1 and 13). Social assistance is a last resort benefit and requires that all other sources of income and other (primary) benefits are used. Basic Social Assistance consists of two elements: basic amount and other basic expenses. The basic amount is designed to cover the costs of food, clothes, hygiene, local transport and communication (newspaper, telephone),

hobbies and minor, everyday health costs. Housing costs and special medical costs are to be covered by housing benefits and disability/care benefits.

**Comment of our Association:** Basic amount of social assistance EUR 477.26/month is a very small sum a month to be used to cover the costs of food, clothes, hygiene, local transport and communication (newspaper, telephone), hobbies and minor, everyday health costs. In Finland where the prices of food are highest in Europe it is impossible to cover all that with current prices. Our association notes that public health in Finland is not at all free of charge and the co-payment in buying prescribed medicines high. In most prescribed drugs compensation per cent of drugs by health insurance system is 35 % of the required price in pharmacy. If we count that buying food takes at least EUR 20/day (because the price of food is highest in Europe) from a low income person in dependence of social assistance, that alone makes EUR 600/month for living costs. This cost of food is less than the ceiling in basic social assistance 477,26. Even if a person uses only EUR 15/day for food there is nothing left for other living costs like clothes, hygiene, local transport and communication (newspaper, telephone), hobbies and minor, everyday health costs to which costs basic social assistance is aimed to cover as is said in the submission of the Government. It is obvious that the basic social assistance does not fulfil the requirement of “reasonable level” and social assistance does not compensate the lowness of other social benefits implicated in the complaint of our association.

Social assistance is a last resort benefit. It is intended as a short term financial aid to people in urgent need in order to assure subsistence in such situations where a person’s own earnings, entrepreneurial profits or other income (like basic unemployment benefit or labour market subsidy) or property are insufficient to maintain a basic standard of living. Social assistance is not aimed to be a permanent income but still many people live on it many years.

A basic amount of social assistance for a single person is 477,26/month in 2013. And the social assistance is highly needs tested. In assessing income a flat and its furniture are considered as necessary but savings, bonds and a car may be counted as capital gains which may be an obstacle to receive assistance. So the applicant has to sell the property before he/she is entitled to receive assistance. Also a money gift from a relative is counted as income too.

All the basic benefits are counted as income in assessing the right for the social assistance and the assistance is paid only if other benefits are smaller than basic amount of social assistance. Normally the amount of assistance is the difference between other incomes and basic assistance. There are also preconditions. If the applicant refuses a job offer or other labour policy measure offered to him/her without justified reason, the basic amount may be reduced with 20 % or in repetitive case with 40 % for a maximum of two months at a time.

In Finland all people are responsible for earning their own livelihood to the best of their abilities. The assistance can be required to pay back if the recipient has shown negligence with regard to the livelihood of his own person and family.



To check the entitlement to the last resort benefit, social assistance the person has to clear all other possible benefits or sources of income. After one has presented all the documents required, it is decided whether social assistance is admitted or not normally the decision to deliver social assistance is made only for one month.

After one month he/she has to apply social assistance again. So it's a new applying every month the municipality social office to those living in the dependency of social assistance. The "two-desk" system is complicated to low income citizens. The client has to apply sickness and unemployment benefits plus housing allowance from Kela (Social Insurance Institution) and due to that those benefits are so low he/she has to communal social office to apply social assistance. Its very complicated system and all those who have low income and are entitled to social assistance do not have resources to do that. Social exclusion is an imminent threat.

There is a good description of the social assistance in the article Elina Ahola and Heikki Hiilamo: "Toimeentulotuki ja perusturvan aukkokohdat" in English "Social assistance and black holes in basic protection" (<http://hdl.handle.net/10138/3849>) pages 76 – 92, where there is a study of the social assistance clients in Helsinki. In the beginning of the article there is a short description of social assistance and its position in Finnish social security.

Our Association notes that the level of the social assistance is not in conformity with the Charter (revised). The maximum EUR 477/month is at a level not sufficient to provide a reasonable level to those living in dependency of basic benefits and if a person receives some basic benefit (e.g. labour market subsidy) the income is counted as income in assessing his/her entitlement social assistance and the result is that social assistance is denied. Social assistance as a last resort is a "saving ring" only for those who cannot get any other income.

In Finland the level of value added tax and the prices are the highest in EU area and EUR 477/month is not a reasonable level. In 2014 the cost of electricity will perhaps be raising even 30 % along latest news and that affects very deeply those living in dependency of basic benefits. Already now hundreds of thousands Finns have troubles to pay their bills and the situation will be worse next year. Most of them are people living in basic benefits.

### **The submission of the Government (16-21)**

The Government notes in the submission that housing costs (as defined in Section 6 of the Act on Housing Allowance) that are considered as reasonable are covered as "other basic expenses". Reasonable housing costs are covered fully by additional allowance. Other expenditure items that are covered by additional allowance are home insurance premium, home electricity, children's day care fees and health care costs that are higher than minor (pharmaceuticals, fees of health centres, doctors or dentists, cost of spectacles).

The Government notes in the submission that General Housing Allowance is intended for low-income households. It is available for both rental and owner-occupied homes. Students

receive Housing Allowance for Students. Along Government (19) Housing Allowance = (reasonable housing costs – basic deductible) x 0, 80.

The Government also notes that single persons receiving Labour Market Subsidy can be granted full Housing Allowance. The two benefits together form the basic benefit level. The Housing Allowance covers 80 % of accepted rent. The rent limits are annually raised in line with average rent increases. Today the maximum accepted rent is EUR 488 per month. In the centre of the Helsinki metropolitan area rents are however higher. In cases where the General Housing Allowance is insufficient the person will receive additional support through Social Assistance.

Furthermore the Government notes that a pensioner who lives alone or with a spouse can be paid Housing Allowance for Pensioners. If the pensioner has children or other persons besides his or her spouse living with him or her, he or she can choose whether to apply for the General Housing Allowance or the Housing Allowance for Pensioners. The Housing Allowance for Pensioners covers 85 % of reasonable housing costs exceeding an out-of-pocket share consisting of a basic deductible and additional deductible linked to income. The basic deductible is a standard amount of EUR 590,79 per year (49,23 per month) for all. Depending on the income of the spouse, he or she may be responsible for an additional deductible. It is equal to 40 % of the income exceeding specified limits. In 2012 of those receiving national pension 28,4 % were also receiving housing allowances of an average EUR 196 per month.

**Comment of our Association:**

Housing costs are not compensated fully along the Act on Housing Allowance. Housing allowance is not paid by municipality but Kela (state institution). The system of housing allowance is structured in a very complicated way. The level of compensation is counted along the size of the apartment and also the amount of the rent has to “reasonable” to be compensated. The amount of the allowance level depends in which municipality you are living in, how old is the building and what kind heating system it has etc. (the keen description of the housing allowance system is to be found from web page <http://www.kela.fi/web/en> “Housing benefits” and also in *Guide to Benefits 2013*. [http://www.kela.fi/documents/10180/578772/Guide\\_to\\_benefits.pdf/8e756f49-583c-4434-a594-4689516b55d6](http://www.kela.fi/documents/10180/578772/Guide_to_benefits.pdf/8e756f49-583c-4434-a594-4689516b55d6). see also *Guide to benefits 2012*, from page 56 on and supplement from page 23 on in the add. 1 of our Complaint). The maximum housing allowance is connected with reasonable housing costs decided by the Government every year and there is a limit to the size of apartment the applicant lives. In 2013 the maximum housing allowance is EUR 488 per month for a standard size apartment and it can be regarded a low sum comparing on the current level of rents in Finland and especially on the level of rents in big cities in Finland. If the rent or costs of housing are higher than the maximum standard of housing allowance set in the Government decision the applicant has to pay the rest of the rent as herself/himself. For those living in dependency of basic benefits this means less to food and other basic living costs. Along the law co-payment is for all beneficiaries of housing

allowance, because housing allowance covers in maximum 80 % of those housing costs accepted along the rules. Normally the compensation is lower due to the norms which the applicator has to fulfil in order to receive housing benefit. In big cities the real compensation is about 50-60 % due to the maximum norms that are left behind the development in real life. As a follow-up of this many person living dependent on basic social benefits has to use his/her basic income even to cover housing costs in spite of receiving housing allowance.

Those citizens living in dependence of a basic unemployment allowance, labour market subsidy or social assistance are normally receiving housing allowance from Kela (Social Insurance Institution SII). If the housing allowance is not enough there is a possibility to apply housing costs as a social assistance, but there is no guarantee that a person can receive it. Additional allowance for the housing costs not compensated from housing allowance (can be even 40-50 % of the costs due to low norms in housing allowance) is very discretionary to receive as a social assistance. The citizen has to make a separate application to local social office and it may take weeks before he/she gets a time for admission. Along the guide book of the Ministry of Social and Health Matters which is to be found [http://www.stm.fi/c/document\\_library/get\\_file?folderId=6511564&name=DLFE-25836.pdf](http://www.stm.fi/c/document_library/get_file?folderId=6511564&name=DLFE-25836.pdf) (only in Finnish, sorry) on page 107 is said that municipalities are entitled to discretion in assessing the amount of reasonable housing costs. So, as a result some municipalities may admit reasonable (which are not covered from housing allowance) fully, some only partially and some may be not at all. A decisive factor is that state has not to provide general benefits for all residents at a reasonable level concerning housing costs within those persons who are living dependent on basic benefits. Some part of those people has to use their small basic income (under EUR 500) even to housing costs. The state has not guaranteed these allowances to all citizens. Local politicians decide on the rights of people who live in a deprived situation.

To concretize the situation from the point of citizens living in basic unemployment allowance or labour market subsidy (which are handled more precisely later on) a following example:

A single unemployed person with no assets is living in Helsinki in a 1980 built apartment of 40 m<sup>2</sup> and his/her rent is 600 euros. The reasonable housing costs for this home as defined by law and Government decision is a maximum 11,17 €/m<sup>2</sup> for 37 m<sup>2</sup>: s for a single person. Due to that the maximum housing allowance that he/she may receive from Social Insurance Institution is 80 % of 488 euros (acceptable housing costs along the law and regulations) = 390 euros per month. As the rent is 600 euros, there is still 210 euros missing. This part of the rent the unemployed person has to pay from his net unemployment income of 558 euros. That leaves EUR 348/ month for food and other basic living costs/month..

There also studies how social assistance is participating housing costs which are not covered from housing allowance. In the book “Köyhyyttä Helsingissä” (Poverty in Helsinki), which is found in web page <http://hdl.handle.net/10138/38938> is noted in the page 125 that *the fact*

*that housing allowance does not cover enough forms a clear hole to the basic protection in Finland. In pages 125-127 of this study there also many conclusions of the consequences of low basic benefits in Finland. Our Association refers to those results. General housing allowance does not change the fact that the basic benefits implicated in our Complaint are at a level not sufficient to provide a reasonable level to those living in dependency of basic benefits. There exists non-conformity with the Charter (revised).*

### **The submission of the Government (22)**

The Government notes that the purpose of the Guarantee Pension is to provide residents of Finland with a minimum pension. The full amount of the Guarantee Pension in 2013 is EUR 738, 82 per month. The full amount is payable if there is no other pension at all. Other pension income reduces the amount of Guarantee Pension. In 2012 103 840 persons received Guarantee Pension.

**Comment of our Association:** The rules for Guarantee Pension are to be found from web page <http://www.kela.fi/web/en> "Guarantee Pensions" and also in "Guide to Benefits 2013" [http://www.kela.fi/documents/10180/578772/Guide\\_to\\_benefits.pdf/8e756f49-583c-4434-a594-4689516b55d6](http://www.kela.fi/documents/10180/578772/Guide_to_benefits.pdf/8e756f49-583c-4434-a594-4689516b55d6).

Our Association sees that to those who are entitled to receive Guarantee Pension the amount of the level is low. In the Government's later submission (38) is implicated that in 2012 the average monthly gross monthly income in the private sector was EUR 3 729 for men and EUR 2 913 for women and that the median for all employees was EUR 2 774. There are also fresh statistics from October 2012 where along Finnish Official Statistics ([www.tilastokeskus.fi](http://www.tilastokeskus.fi)) the equalised net median income was EUR 3 026 in private sector in October 2012. Counted from that figure the poverty level of 60 % in October was EUR 1815, 60 gross and the deprivation level of 40 % was EUR 1210. Due to that it is obvious that guarantee pension ( EUR 738,82/month) is too low and *at a level not sufficient to provide a reasonable level* to those living in dependency of basic benefits. Those receiving in Guarantee pension are entitled to "Housing allowance for pensioners" which is described in <http://www.kela.fi/web/en> "Housing allowance for pensioners" and also in *Guide to Benefits 2013*. [http://www.kela.fi/documents/10180/578772/Guide\\_to\\_benefits.pdf/8e756f49-583c-4434-a594-4689516b55d6](http://www.kela.fi/documents/10180/578772/Guide_to_benefits.pdf/8e756f49-583c-4434-a594-4689516b55d6) and also in *Guide to Benefits 2012 add 1 on the Complaint*. The housing allowance for pensioners covers 85 % of reasonable housing costs. So, from the amount of the Guarantee Pension in 2013 is EUR 738,82 per month has to be deduced 15 % as a co-payment to housing costs to see, how much is left for living. The result is that EUR 738,82 – 110,82 = EUR 628/month for a person in Guarantee pension for living.

It is obvious that Guarantee pension is not at such a level as the Charter presupposes. The sum left for living after housing costs, EUR 628/month is less than 40 % of the equalised net median income. The amount of guarantee pension in 2013 is 738,82/month is not in conformity with the Charter (revised). Our association refers also art. 23 of the rights of the elderly in the Charter and notes that so low income and pension does not fulfil the obligation that article 23 allows to the elderly citizens. If the elderly person lives at home is it

impossible to pay service fees that the municipalities require from home aid or home health care. If the elderly person cannot live at home any more and needs service housing place from municipal service house is his/her guarantee pension much too low to cover costs there. We refer what is said and what was the decision of the Committee in the Complaint 71/2011 concerning service house costs in Finland.

Also it should be noted that elderly persons use much drugs, other health and social care services and as is noted before co-payment of patients in drugs and social services is in Finland exceptionally high. A big part of the Guarantee Pension within many elderly persons goes to health and social service costs and so the part of income for living may be very little. More information on costs for elderly in housing services and 24- hour housing services is to be found in the Social Committee decision of 71/2011. Also in the decision 70/2011 is much description of the problems of elderly who are in informal care or in the dependency of home care. Referring to the decision 71/2011 it should be noted that many home support services like catering, bathing, cleaning and transport services are not regulated in the law and they are determined at the municipal level. The elderly who have paid municipal taxes all their life has to pay to the municipality separately for the services they need to live at home. For a person in dependency of Guarantee Pension the costs may be intolerable.

#### **The submission of the Government (23-27)**

The Government notes that when assessing the adequacy of Student aid, it is worth bearing in mind that students are not actually expected to live solely on student grants.

The government notes that Under the Act on Financial Aid for Students overall financial aid for students in tertiary education is at most EUR 799,60 a month, consisting of a student grant of EUR 298 a month, a housing supplement of EUR 201,60 a month and of a government guarantee of EUR 300 a month for student loans. Students with a child or children are eligible for a general housing benefit instead of the housing supplement.

The Government notes further that student financial aid is a primary benefit for students that can be complemented with earned income. In a typical academic year (9 months) a full-time student can earn on average EUR 987 a month in addition to the student aid without any other financial resources being reduced. In this case, the student has a total of EUR 1,787 a month to live on. The income thresholds of student aid generally tend to make it easier to earn by working than in the case of other basic social security income thresholds.

Along the Government submission in some cases, those entitled to receive student financial aid are also simultaneously eligible for certain benefits on specific criteria, such as maternity allowances, paternity allowances, parental allowances and child care allowance. Some of the financial assistance in Finnish society materialises in an indirect manner through taxation (e.g. tax deductions for interest on student loans and student loan tax deduction)

**Comment of our Association:** A student aid for a higher education student is 298 e/month + government guarantees for student loan 300 e/month. The amount of study grant in Finland has been frozen since 1990's, and will be indexed only in the year 2014. The only exception is 1 August 2008 when the aid was raised 15 %.

The exact rules for student are to be found from web page <http://www.kela.fi/web/en> "Student aid" and also in the book *Guide to Benefits 2013*. [http://www.kela.fi/documents/10180/578772/Guide\\_to\\_benefits.pdf/8e756f49-583c-4434-a594-4689516b55d6](http://www.kela.fi/documents/10180/578772/Guide_to_benefits.pdf/8e756f49-583c-4434-a594-4689516b55d6) and also in *Guide to Benefits 2012 add. 1 in the Complaint*.

Inflation has not affected to student aid, because there are no rules to check the amount along living costs. In the future there will be changes but we do not see the changes beneficiary to the students. In 2014 the entitlement for student aid will be severely tightened: The student has to pass his/her examination in a fixed time. If they fail in that entitlement to the student aid will be stopped.

Our Association does not regard the possibility to work and have salary income during three months of the student year as a real benefit in the meaning of the Charter (Treaty) art.12. The same concerns the possibility to receive student loan guaranteed by state. The student is obliged to pay back the student loan to the bank after he/she has passed the examination.

The assessment of our Association is that the level of the study grant is not in conformity with the Charter (revised). Its amount is too low and the freezing of the aid since 1990's (with the exception 2008) has made the life of the student harder year by year. The long freezing of student aid is also a proof in our Complaint of non-conformity with the art 12.4 in the Charter.

### **The submission of the Government (28-31)**

The Government notes that the purpose of the Labour Market Subsidy is to provide financial assistance for unemployed job seekers who enter the labour market for the first time or otherwise have no recent work experience and/or for long-term unemployed persons who have exhausted their 500-day eligibility for the Basic or Earnings-related Unemployment Allowance.

Along the Government the Labour Market Subsidy is a means-tested benefit, which means that any other income that the unemployed person or, if they live in the same household as the unemployed person, his or her parents may have decreases the amount of the subsidy. Labour Market Subsidy can be paid for an indefinite period. And the amount is EUR 32,46 in 2013, i.e. EUR 698 per month. From 2013 the income of the spouse no longer affects the subsidy.

Furthermore the Government notes that the Basic Unemployment Allowance is paid to persons who meet the condition regarding previous employment but do not belong to an unemployment fund. The allowance is paid for a maximum of 500 days. Basic Unemployment Allowance is the same as the Labour Market Subsidy (EUR 32,46 per day

i.e. EUR 698 per month) and it is paid for 5 days per week. It is increased for children under 18 who live in the same household as the recipient. The increase is EUR 5,24 per day for one child, EUR 7,69 per day for two children and EUR 9,92 per day for three children or more. In 2012 the average amount was EUR 33,18 for men and EUR 32,33 for women. Of those eligible for unemployment Allowance 19% were entitled to Basic Unemployment Allowance.

The Government notes that the Earnings-related Unemployment Benefit is paid to members of unemployment funds. The allowance consists of the basic amount i.e. EUR 32,46 per day and the earnings related amount. The earnings-related component is 45 % of the difference between the daily pay and the basic component. If the monthly pay is higher than the income limiting i.e. EUR 3408,30 in 2013, the earnings-related component is 20 % of the exceeding amount. There is an additional child increase for children who are under 18 of age. In 2013, the child increases are EUR 5,24 for one child, EUR 7,69 for two children, and EUR 9,92 for three and more children. In 2012 the average amount paid was EUR 62 per day.

**Comment of our Association:** The Basic Unemployment Allowance and The Labour Market Subsidy for a person with no children in 2013 are 32,46 euros/day. This basic unemployment allowance is paid five days a week for the unemployed and the allowance is 698 euros per month/gross. If the unemployed has children he/she receives a contribution for the allowance as is described in the Government submission (30). The increase is EUR 5.24 per day for one child, EUR 7,69 per day for two children and EUR 9.92 per day for three children. The Labour Market Subsidy is the same amount than the Basic Unemployment Allowance, but the Subsidy will be deducted if the unemployed person lives with his/her parents and the parents have income. The smallest amount an unemployed person can have is 0,73 e/day, about 15,70 euros/month, which is only a small per cent of 750 euros/month. Still the parents have no legal obligation to take care of the living costs of their unemployed children who are grown up and have full age (over 18 years old).

The Government has not noted that of all unemployment benefits in Finland are tax deductible. All those who receive the unemployment benefit has to pay income tax. Due to that the sum available to the unemployed person from the Labour Market Subsidy or the Basic Unemployment Allowance is 20 per cent less than the EUR 698/month implicated in the law. The money to the “hand” of unemployed is thus EUR 558/month, not EUR 669/month. The sum is however higher than basic social assistance and due to that the unemployed is not allowed applying “extra” from municipality as social assistance. The income from unemployment benefit is seen such a high sum that he/she is not allowed to get more as a social assistance.

As was noted already earlier in this response the housing allowance covers only 80 % of the housing costs and the rent, size of the flat etc. has to go along with norms set in the Government’s decision. That’s why especially in big cities there happens that only 50-60 % of the real housing costs are covered by housing allowance. The reason is that the flat may

be larger or the rent higher than the norms. As a result many unemployed have to be content himself/herself to the money that is left after housing costs, often only some two-three hundred Euros/month.

The Government may emphasize that it is always possible to workers to join to the unemployment fund. This is true, but even after joining the unemployment fund there are many rules and preconditions the unemployed has to fulfil before he/she is entitled to receive the Earnings-related Unemployment Benefit. The preconditions require a working history of at least 8 months before unemployment time the unemployed is immediately obliged to seek full time work via Labour Office. If the unemployment lasts over 500 days the Earnings-related Unemployment Benefit stops and the person has to content him/herself to the income of Labour Market Subsidy. Nowadays a man in his fifties who loses his job and becomes unemployed is in a very difficult situation; it is almost impossible to find a new stable job no matter what is the education or profession of the person. They have to live ten-fifteen years in the dependence of the Labour Market Subsidy. The right to pension starts at 63 but when they get the pension its amount is small, because the income from Labour Market Subsidy is not counted to the person's pension.

For the low-income salaried worker it is not always useful to join the unemployment fund and pay the membership fee. Those persons working in shops or cafés (mostly women) have often varied working times, they are called to work when the work exists. Due to that they may have very small income from salaried work and the amount of Earnings-related Unemployment Benefit is almost at the same level than Labour Market Subsidy. Even a salesperson at a regular, full-time work may have an income EUR 1200 euros/month. Counted from that salary the Earning Related Benefit (699 + 45 per cent of EUR 501) is about EUR 220 – 20 % tax over the amount of Labour Market Subsidy, in practice EUR 150-160/month.

Along official statistics basic unemployment benefits were paid 12 per cent more than in previous year 2011. Altogether 171,121 citizens in 2012 were living in the dependency of basic unemployment benefits (Source: [http://www.kela.fi/tilastojulkaisut\\_taskutilastot](http://www.kela.fi/tilastojulkaisut_taskutilastot), also in English). In the year 2011 there were 704 000 persons whose income was less than 60 % of median income, which 60 per cent for one-person household was EUR 13 640/year, around EUR 1 140/month (Source: [www.findicator.fi](http://www.findicator.fi)). Of those 704 000 persons under poverty line 44 % were unemployed, 27 % students and 19 % pensioners. Clearly the biggest threat to become poor in Finland is to become unemployed due to the low level of basic unemployment benefits.

The poverty is seen on the streets especially as long queues in food delivery administrated by welfare associations. In Tampere a questioner study was done amongst people in food queue. In the results there was noted that typical persons in the food queue are long-time unemployed persons aged over 55 –years and single carers of children. They are all living in dependency of basic benefits, which is not enough even to food. They have to rely on food assistance due to the low income. Over 40 % of persons in the Tampere queue had less than



EUR 100/month left after obligatory costs. (Source of the study: <http://www.uef.fi> and the whole report of the questionnaire and study on food assistance in Tampere has been published in Tampere publishing series: [www.tampere.fi/tampereinfo](http://www.tampere.fi/tampereinfo) ) There are also other studies concerning food assistance. In the article book Mikko Niemelä & Juho Saari: "Huono-osaisten hyvinvointi Suomessa" (In English "The welfare of those not in good position in Finland" ([www.helda.helsinki.fi/bitstream/handle/1038/40230/Huono-osaisten\\_hyvinvointi](http://www.helda.helsinki.fi/bitstream/handle/1038/40230/Huono-osaisten_hyvinvointi)) is in pages 146 – 170 an article of Maria Ohisalo as headline "The impact of EU food assistance in establishing food assistance in Finland". In page 167 Ohisalo describes a study of food assistance which was made in the capital urban area of Helsinki. She says (in Finnish) that e.g. in the study made in the capital area (in Espoo, Helsinki and Vantaa) those who receive food assistance are living in the dependency of basic benefits and more than half of them have less than EUR 100/month after obligatory housing and food costs. For over 90 per cent of those fetching and queuing in food queues, food assistance is quite necessary to live on. In Finland there were about 430 000 citizens dependent on food assistance. The study Ohisalo describes was made in 2012 under the title "Kuka käy leipäjonossa", in English: Who is the client in food assistance queues"

There are also other studies that tell the same story as the study in Tampere. In spring 2013 there was published an article book of basic welfare *Ilpo Airio*: (toim: "Toimeentuloturvan verkkoa kokemassa. Kansalaisten käsitykset ja odotukset", (<http://hdl.handle.net/10138/38496>). An article in that book was concentrating Labour Market subsidy clients. For them was made a questionnaire, whose results showed problems due to the amount of labour subsidy. (Pages 50 -74: *Minna Ylikännö. Työmarkkinatuki riittää, riittää, riittää – ei riittänykään*, in English "Labour Market Subsidy is enough, enough, not enough"). In the page 62 there are results of the questionnaire to the labour subsidy clients; Of those clients who lived alone many had to give up hobbies, give up health care, new clothes was not bought and even 25 % of those who participated to the study had been obliged to live in hunger. Hunger was not the only big problem: many clients had delays in paying their obligatory bills and rent of the apartment they live in. Also in the page 65 there are examples of the economic problems of the labour subsidy clients; Of those who participated the study 76 per cent had applied social assistance, 52 per cent had afforded cost-free food (bread queues) and 28 per cent had searched help from church diaconia (social help) work. The main reason for these troubles was the small amount of labour market subsidy was too small. The study was made before 2012, but our Association has the conviction that the changes in basic benefits in 2012 (in 2012 there was made EUR 100 raising in the labour market subsidy) and in 2013 (the income of spouse is not counted as income in assessing the entitlement to labour market subsidy) haven't had a turning effect to the poor position of those living on basic benefits.

There are also examples that people cannot buy necessary prescribed medicines to themselves. In the same book we refer (<http://hdl.handle.net/10138/3849>) in the pages 232 – 246. Here is an article concerning the drugs: *Katri Aaltonen et al*, "Kenellä ei ole varaa lääkkeisiin"? In English "Who cannot afford to buy medicines". Result of the study made was that 11 % of Finnish do not buy prescribed medicines due to that they cannot cover the

prices of medicines on their income (page 235). Those who are in this kind situation are long – time sick that live in the dependency of Labour Market Subsidy (see figure in page 236) and from the 12 per cent did not buy prescribed drugs at least once during the last year, 18 per cent a couple of times and 6 per cent often. In the results is noted that (page 242) that those who save most in drugs are those who have lowest income and who have long-time sickness”. The problem of not using drugs and health care in general can be seen also in the difference of expected life time between the highest earning quintile and the lowest: the difference in Finland is 12,5 years in men and 6,9 years in women.

So, the problem of low unemployment benefits as well as the lowness of other basic benefits implicated in our complaint has had very serious consequences' to a large amount of people life in Finland. Our Association notes that the level the Basic Unemployment Allowances and The Labour Market Subsidy are seriously in non-conformity with the Charter (Treaty). The money left (EUR 558/month or less described above is not enough to fulfil the obligations derived to Finland from the Art. 12 in the Social Charter (Treaty). The unemployment basic benefits are not at a level sufficient to provide a reasonable level to all residents.

### **The submission of the Government (32-37)**

The Government notes in the submission that the Sickness Allowance as well as maternity, paternity and parental allowances are benefits to compensate for loss of income due to sickness or parenthood and linked to taxed earnings. In 2013, the allowance is calculated on the basis of taxed earnings in 2010. In addition, the earnings are multiplied by a wage coefficient. However, even those persons who have no taxable income, or earnings preceding the sickness, are entitled to receive EUR 23,77 per day minimum if the sickness has lasted for at least 55 consequent days. For maternity, paternity and parental leave the minimum is paid from the first day.

Furthermore the Government notes that in 2012 the average allowance was EUR 54,78 per day i.e. 1370 per month and there is a description how the Sickness Allowance is determined in different annual earnings categories. Also there is a description how maternity (after 56 days), paternity and parental allowances are determined according to the same formula. The Government notes that in 2012 the average amount paid was EUR 60,67 per day, i.e. 1516,75 per month.

### **Comment of our Association:**

The amount of sickness, maternity and rehabilitation benefits (allowances) is 2013 it is EUR 23.77 and 594/month. That sum is deducted the income tax of 20 %. So the net amount of these minimum beneficiaries is EUR 475/month and it is paid after the citizen has been sick 55 days.

We cannot see that there is conformity with the Art. 12), if a sick person has to live 55 days without any income. Normally a person starves to death during that time. Also the minimum

Sickness Allowance after those 55 days is really low. During those 55 days of waiting time the sick may receive only housing benefits and (may be) social assistance if he/she applies it. As the maximum of basic social assistance is EUR 477/month, the sick person who has waited 55 days to receive sickness allowance is able to be entitled only a little higher minimum sickness allowance from health insurance than was the previous social assistance. Compared to the fact that the equalised net median income was EUR 3026 in private sector October 2012 the level of minimum sickness allowance EUR 475/month is really low and is in contrast with the obligation set in the Charter (Treaty) art. 12. So low sickness allowance after so long waiting time does not respond to the obligation in art 12.

The non-conformity with the Charter mentioned above concerns also the minimum maternity and rehabilitation allowances, which have the same amount (23,77/day and EUR 475 net/month). A mother is entitled to the minimum maternity allowance if she hasn't had income from work or any other social benefit before the maternity leave. The minimum rehabilitation allowances are paid during rehabilitation periods in institutions. Person can have the minimum rehabilitation allowance if he/she hasn't had income from work or any other social benefit before the rehabilitation.

Compared to the average gross monthly income (the equalised net median income in October 2012 was EUR 3 026 in private sector) the level of minimum sickness maternity and rehabilitation allowances are in non-conformity with the Charter (Treaty). Those benefits are not at a level sufficient to provide a reasonable level to those who have to live in dependence of them.

### **The submission of the Government (38-42)**

The Government notes that in 2012 the average gross monthly income in the private sector was EUR 3,728 for men and EUR 2,913 for women. The median was EUR 2,951 (3,376 M and 2,612 W). For all employees the median was EUR 2,774. The 60 % medium (net) income level was EUR 1,133 per month. The corresponding 40 % "poverty" level was EUR 756.

Furthermore the Government notes that in relation to the Code the benefit levels of an average income worker are, in the Government's view, in conformity with the levels laid down. Also for minimum benefits the levels are to be deemed sufficient when the structure of the protection system is taken into account. For example for a minimum benefit pensioner the total average benefit level taking into account the full Guarantee Pension and average Housing Allowance would be at least EUR 738,82 + 196 = 934,82. In addition a person with high care costs would be entitled to the Care Allowance i.e. EUR 61, 93/153, 91/325, 46 per month depending on the need for care.

Furthermore the Government says that the benefit levels of Labour Market Assistance and sickness, maternity and rehabilitation allowances were raised in 2012. In 2012 the Guarantee Pension was introduced. In 2013 the impact of the spouse's income on the Labour Market Subsidy was abolished. In addition, in 2013 the Government will bring forward the annual

index increase for minimum benefits in order to compensate against the raise in value-added-tax.

Along the Government the student grants were last raised by 15 % as of 1 August 2008. The threshold for earned income for students eligible for financial aid was raised by 30 % from 2008 onwards. The government guarantee for student loans was last raised as of 1 August 2005, when the student loan tax deduction was also introduced, for which students in tertiary education who have drawn student loans and have graduated within the stipulated time are eligible. The rent threshold for housing supplements was also raised on 1 November 2005. In line with the Government Programme student financial aid will be index-linked as of 1 September 2014. The system of financial aid for students will be reformed to better promote full-time studying and to accelerate graduation times. In the same context, discrepancies in the system will be addressed relating to financial aid for students in secondary education and the position of students with families will be examined. The costs of reform in the system of financial aid for students will not outweigh the positive repercussions of it for the economy as a whole.

Furthermore the Government says that the percentage of households with income below 40 % medium the level has remained fairly stable for the last 10 years i.e. 2.1 % in 2001 and 2.6 % in 2011. Those below 60 % with a fixed level of 2005 have decreased from 12, 7 % to 9.4 %. This clearly indicates that the benefits have been maintained at a reasonable level.

**Comment of our Association:** Our Association notes that there exist more fresh figures than those in the Government submission. From the website <http://www.findikaattori.fi/fi/103> we can see the situation in 2011 in the official statistics of Finland. Graphic presentation in the website shows that those persons with small income have increased quite a lot since the year 1990. The amount of citizens with income less than 60 per cent was 704 000 in 2011 (from 5, 4 million citizens). This group of poor citizens consists 13,2 per cent of the population in Finland. Also it must raise much concern that the amount of children who live in those low income families was 120 000 children in total, which is about 11 per cent of all children Finland. As a person with low income is regarded a person in whose household the income is less than 60 % of median income. To the group of small income receivers were counted all those persons, whose income in 2011 was less than 13 640 euros/year (1 140 euros/month). Along statistics the highest group within those persons with low income are unemployed persons. The unemployed persons consist 44 per cent of all low income persons, students consist 27 % and pensioners 19 %.

Our Association does not agree with the assessment of the Government. All the benefits mentioned in our Complaint are in clear non-conformity with the Charter (Treaty). We also note that, the Social Committee had the same opinion in assessing Finland's report to the Council in January 2010. In the conclusions the Committee found a non-conformity in three cases respecting the articles 12.1, 12.4 and 23 in the Charter (Treaty) and observed that the situation in Finland was not satisfactory in respect to the Convention. The observation resulted to a notion of the nonconformity to the Government of Finland.

In respect to the articles 12.2 and 13.2 the Committee had the opinion that it needed a further information in order to assess the situation completely. Our Association does not know if the Government has delivered more information requested by the Committee and how the assessment has gone on, but we note that in the Complaint and in this response there exists a lot of such information that the Committee was asking for. In the submission (submission 7-9) the Government did not refer to these important statements made by the Social Committee. The Government referred to Committee conclusions given to other member states than Finland.

In the Complaint we referred to the research made in spring 2011 and ordered by the Government (Attachment 3: Perusturvan riittävyden arviointiraportti, in English: "*Report on assessment if basic protection is big enough* (<http://www.julkari.fi/handle/10024/80420>)). In that report was noted that most of the households receiving basic benefits are unable to meet reasonable minimum living costs out of their income. Over 13 per cent of Finnish children are living in poverty. The study was done before the corrections and raisings of basic benefits in 2012 and in 2013 but we see that the situation has not changed much since the corrections. Along the report over 30 % of Labour Market Subsidy receivers has to apply both housing benefit and social assistance. This is the "Golden Triangle" in Finland for people in low income and to receive all those three benefits they have bring much proof to the officials of their need and entitlement of the benefits. Almost all those persons who live in the dependency of Labour Market Subsidy have to apply also housing allowance and those who live in dependency of guarantee pension housing allowance. Also many maternity allowance beneficiaries, minimum sickness allowance r beneficiaries and minimum rehabilitation allowance beneficiaries have to apply housing allowance and social assistance to get on. (Report, page 44, and table 3.6.1).

### **Comment and assessment of our Association concerning Non-conformity with art. 12.3.**

In our complaint our Association raised up a very serious problem concerning the complying art 12.3 in the Charter (Treaty). The Art. 12.3. obliges member states *to endeavour to raise progressively* the system of social security to a higher level. Our Association claims that in Finland the development has gone to the opposite direction. Since 1990 wages have been increasing steadily along the inflation rate but the level of benefits has been frozen up till the year 2012. The only deviation in this freezing is study grant which was raised in 2008. In 2012 the amount of labour market subsidy was raised and in the future the amount shall be assessed by index along the development of living costs. Still in the 1990`s there were made deep cuts to the health insurance benefits which were left to the legislation in spite of profitable economic development which started already in 1995-1996 as we implicated with figures and graphics in our complaint. The main problem has been that from 1990`s up till 2012 that the basic minimum benefits implicated in our complaint have stayed as the same while inflation has gone on year by year. In 2012 the minimum benefits were raised and step by step there development is tied to the index of living costs (unemployment benefits in 2012 and study grant from 2014 on). Still the basic benefits are too low as our association

has implicated in the complaint which concerns the levels of basic benefits in 2012 and 2013. The negative development our Association has described above is the result of this 20-22 year freezing of the basic benefits. Those who have lived in dependence of basic benefits have been left more and more behind other people and social exclusion has become larger and larger year by year.

The results of this ignorance of those citizens living in the “bottom” have been longer and longer bread queues all over the country, hungry children in poor households, desperate elderly citizens who cannot afford prescribed medicines etc. In 2009, some 150 000 Finns were living in households where more than 90% of the gross income consisted of basic benefits. The number of these people had been doubled since 1990. Unfortunately we cannot implicate what is the situation in 2013, but certainly worse. As there are over 700 000 citizens in Finland under the poverty line (60 per cent) there must be more than 150 000 who live under the deprivation line of 40 per cent. In this response we have shown that even after corrections done in 2012 and 2013 to the basic benefits they still are under the level of deprivation line of 40 per cent. The extra index raise (0,7 %) for basic benefits, which was done in 2013 due to the increase in added tax is only temporary and will be taken back in 2014. Thus if the living costs shall rise e.g. one per cent in 2014 the rise in basic benefits will be only 0,3 %.

At least from the year 2002 and after Finland had ratified the Revised Social Charter there was an obligation to Finland to endeavour to raise progressively the system of social security to a higher level along art. 12.3. Finland has not obeyed the article and the situation in Finland has been in non-conformity with the Charter (Treaty) since the year 2002.

Finland would have had economical resources to comply with the art. 12.3 since the year 2002 after the Reformed Social Charter had been ratified. Statistics show that after 1995 the GDP (Gross Domestic Production) in Finland had risen positively every year (The figure in the Complaint “*The development of Finnish Gross Domestic Production 1990-2008*”) The rise in economy started already in 1994 and ended in 2008, when the global economic recession came to Finland starting from the banking crisis in USA. However; a depression feeling of 1990’s went on despite positive turn in the economy and social exclusion was increasing while the others got rich. Those dependent on basic benefits were left out of the positive development.

Our Association has the opinion that Finland is not obeyed the art. 12.3 Arts. of the Charter (Treaty).

### **Final comment of our Association to the Conclusion of the Government (41)**

In the Conclusion the Government refers to its previous observations and is of the view that the situation in Finland is in conformity with Article 12.1 - 3 of the Revised European Social Charter.

Our Association has the opposite view. We have the opinion that there exists a remarkable non-conformity with Article 12 §§ 1 to 3 of the Revised European Social Charter.

*Finnish Society of Social Rights*

<http://ssos.nettisivu.org/>

**Helsinki 08.10.2013**

**Yrjö Mattila**

**Chairman**

**Helena Harju**

**Secretary**