



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

23 March 2020

Case Document No.7

Finnish Society of Social Rights v. Finland
Complaint No.172/2018

**FURTHER RESPONSE BY THE GOVERNMENT ON THE
MERITS**

Registered at the Secretariat on 28 February 2020



28 February 2020

Mr Henrik Kristensen
Deputy Executive Secretary
European Committee of Social Rights

Complaint No. 172/2018
Finnish Society of Social Rights v. Finland
FURTHER OBSERVATIONS ON THE MERITS OF THE COMPLAINT

Sir,

With reference to your letter of 28 January 2020, I have the honour, on behalf of the Government of Finland, to submit the following further observations on the merits of the aforementioned complaint.

FURTHER OBSERVATIONS ON THE MERITS OF THE COMPLAINT

General

1. The Government observes that by its letter of 28 January 2020 European Committee of Social Rights (later, "the Committee") sent to the Government the Finnish Society of Social Rights' (later, "the applicant association") observations dated 20 January 2020, and invited the Government to submit a further response by 28 February 2020.
2. The Government reiterates its observations of 25 November 2018 and 10 May 2019 on the admissibility as well as of 15 November 2019 on the merits of the complaint.
3. The Government repeats again that the Finnish social security system is a comprehensive set of services and monetary benefits. Assessing the adequacy of social security through only one single component does not provide a realistic picture of the beneficiaries' situations. The adequacy assessment should take account of all benefits to which an individual is entitled, his or her circumstances and the structure of his or her household. Finland is among the best EU countries in terms of the poverty-reducing effect of social transfers¹.

¹ E.g. Eurostat Europe 2020 Headline Indicators or EU Social scoreboard.

4. Finally, as regards the applicant association's multiple allegations presented to the Committee, the Government emphasizes again that the fact the Government does not comment each and every allegation does not mean that the Government accepts them. Accordingly, all of their allegations are to be rejected
5. To this effect, the Government presents the following observations.

Taking housing allowance into account

6. With reference to the applicant association's aforementioned observations (p. 5, 6, 13) the Government recalls its previous observations of 15 November 2019 and notes that in 2018, the number of households receiving general housing allowance was 376 529 and the number of households receiving housing allowance for pensioners 209 617. Approximately 15% of the population received general housing allowance during the year.²
7. In the light of statistics, in the Government's view, it is obvious that the housing allowance is an integral part of the Finnish social security system. According to the statistics presented in the Government observations of 15 November 2019, the majority of persons who received the minimum amount of daily allowance also received either basic social assistance or a housing allowance or both. Therefore, an analysis of the beneficiaries' situations without these benefits does not provide a correct picture.

Development of the social security system

8. The Government notes, as also noted by the applicant association in its said observations, that social security in Finland has been systematically developed in accordance with Articles 12§1 and 12§3 over the recent years, and Prime Minister Marin's Government will continue this work.
9. The Government further notes, as also clearly stated by the applicant association, that one of the essential development actions has been a systematic increase of several minimum benefits.
10. Against this background, the applicant association's allegation that the Government has not taken any measures in the matter, is in the Government's view clearly incorrect. Social security has been improved progressively, considering the fiscal and macroeconomic realities that set the framework for development. Furthermore, Prime Minister Marin's Government has launched an overall reform of social security where this development work will be carried on over the long-term. The reform will be prepared in a parliamentary committee during two government terms and all parliamentary parties will be committed to the preparation work.

Equivalent median income

11. The Government agrees with the viewpoint presented by the applicant association (p. 4) that the equivalent median income is a suitable indicator of monitoring practice. In this respect, it should be noted that the equivalent median income was lower in 2017 than the median income presented in the Government's earlier observations, meaning that the arguments presented by the applicant association do not change the situation described in the Government's earlier observations.

² Housing allowance statistics 2018 of the Social Insurance Institution.

Use of reference budget

12. The Government observes that the applicant association has sought to justify the inadequacy of basic social security by means of a reference budget (p. 16 of its observations).
13. The Government considers that this kind of examination would be a better way to assess adequacy than the equivalent median income. However, the Government underlines in this connection that comparing one individual benefit with the reference budget is not appropriate as the key objective of the reference budget is to comprehensively describe the needs of a person which the Finnish social security system seeks to satisfy by means of certain monetary benefits and services.
14. The Government further observes that research literature referred to by the applicant association in its observations has compared the level of social security to the reference budget as a whole, *i.e.* as a total of all benefits to which the person in the example is entitled and not only in respect of one benefit.
15. Furthermore, the Government points out that in this context the examination of adequacy in relation to the reference budget does not provide further support for the arguments presented by the applicant association as, according to the monitoring practice, the assessment of adequacy is carried out in relation to the equivalent median income.

On certain allegations presented by the applicant association

16. The Government notes that the applicant association' observations include certain speculative allegations that are not supported by statistics or research.
17. For example, it is argued on page 7 that due to technical and digital development, a considerable number of permanent jobs have disappeared in Finland. The Government notes that this allegation is not correct on the basis of statistics; instead, the number of permanent employment relationships has remained pretty much on the same level since 2006 onwards³. The amount of part-time work has increased over the same period, but at the same time, the employment rate has clearly risen, which means that many persons who were outside the labour force have probably started working part-time.
18. Further, on pages 12 and 13, the applicant association claims that there is no guarantee for receiving the basic social assistance in accordance with the calculations for basic social assistance. The Government notes in this connection that according to an audit conducted by the National Audit Office of Finland, the transfer of basic social assistance under the responsibility of the Social Insurance Institution improved equality. At the same time, more and more persons entitled to the benefit applied for it, which was one of the objectives of the transfer⁴.

³ Source: Statistics Finland, labour force survey.

⁴Audit report 1/2020 of the National Audit Office of Finland.

19. On page 13 the applicant association alleges that a monthly rent of 600 euros is not realistic in Helsinki. As a result, the calculations presented in the Government's observations of 15 November 2019 are questioned. The Government notes that this speculative view can be concluded to be incorrect by examining an apartment rental website where approximately 100 apartments are available in the private market with a maximum monthly rent of 600 euros.⁵ Rents are high in the capital region, and in addition to housing allowance, people apply for basic social allowance to cover their housing costs. However, this does not mean that the housing allowance would not be relevant in the assessment of adequacy. Neither does the argument concerning high rents prove that the Government's example calculations would be incorrect.

Conclusion

20. The Government recalls that the applicant association filed the present collective complaint with the Committee on 17 September 2018. In its complaint, the applicant association considers that Finland has violated Articles 12§1, 12§3 and 13§1 of the Charter between 2015 and 2018.
21. The Government observes that however, in its observations of 20 January 2020, the applicant association now states that the present complaint concerns the time period between 2015 and 2020.
22. In the Government's view, the applicant association thereby acts against the *ex post facto* principle by supplementing its complaint while the process is pending, and even after the admissibility decision of 11 September 2019 by the Committee.
23. The Government also reminds that the Revised European Social Charter requires that the Parties accept as the aim of their policy, to be pursued by all appropriate means, the attainment of conditions in which the rights and principles under the Revised European Social Charter may be effectively realised.
24. Based on the above, the Government emphasises that social rights are such that their effective realisation takes place gradually.
25. The Government further stresses that it is taking active measures to increase basic social benefits since increments facilitate the life of the most disadvantaged people. The Government observes that in its aforementioned observations, the applicant association in fact admits that the situation has improved in respect of several benefits during the term of the Government concerned.
26. The Government refers to its observations of 25 November 2018 and 10 May 2019 on the admissibility of the complaint and of 15 November 2019 on the merits of the complaint, and recalls its view that the applicant association has failed to specify their allegations under the specific provisions of the Charter.

⁵ <https://asunnot.oikotie.fi/vuokrattavat-asunnot?pagination=1&locations=%5B%5B64.6,%22Helsinki%22%5D%5D&cardType=101&roomCount%5B%5D=1&price%5Bmax%5D=600> Accessed on 19 February 2020. If the search is extended to cover Helsinki, Espoo and Vantaa, the number of available apartments is 140. In addition, cities offer reasonably-priced rental apartments which are not advertised on public apartment rental websites.

27. The Government reiterates that in the Government's view, the applicant association has failed to substantiate in what respect Finland has not ensured the satisfactory application of the Charter's provisions.
28. Furthermore, the Government recalls that the applicant association's allegations are somewhat confused in their time-frame and their attempts to calculate the amounts of certain social benefits as well as median equalized income in a limited mathematical way provides a somewhat misleading, simplified and inaccurate view of the actual benefits provided by the social security system.
29. The Government underlines again that as Finnish social security system is complex that includes different components which in different combination aim at providing necessary assistance in particular situations, attention to the combination of benefits and the system as a whole remains essential.
30. The Government further recalls that in its Conclusions 2017 (dated January 2018), the Committee noted positive developments in relation to Article 12§3 and found the situation in Finland to be in conformity with the Charter.
31. In conclusion, in the Government's view, the situation in Finland is in conformity with Articles 12§1 and 3 and 13§1 of the Charter.

Accept, Sir, the assurance of my highest consideration.



Krista Oinonen
Agent of the Government of Finland
before the European Committee of Social Rights
Director, Unit for Human Rights Courts and Conventions