



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

18 March 2019

Case Document No. 3

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

**RESPONSE FROM THE FINNISH SOCIETY OF SOCIAL RIGHTS
TO THE GOVERNMENT'S OBSERVATIONS ON ADMISSIBILITY**

Registered at the Secretariat on 11 February 2019

**European Committee of Social Rights
Comité Européen des Droits sociaux**

Finnish Society of Social Rights

**10 March 2019
Case document no.**

**Comments of Finnish Society of Social Rights to Government
Response in Complaint 172/2018**

Registered at the Secretariat on 2019

Finnish Society of Social Rights sends you respectfully its comments to the Government submissions to the complaint 172/2018. HEJL7MO591-31 “Observations on the admissibility of the complaint”

Collective complaint due to Finnish legislation that violates the Articles 12.1, 12.3. and 13.1. in the European Social Charter (Revised)

The person taking care of these comments in the Society is:

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With best regards

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1. Admissibility of the complaint

1-8. Representativity of the organization

1.2. The Government submission

The Government submits that it has no formal objections concerning the admissibility of the complaint.

1.3. Comments of our Association

Our Society agrees with the submission of the Government.

2. A claim already examined

2.1. The Government submission 9-17

In the paragraphs 9-12 the Government describes the earlier complaints of our Association No. 88/2012 and No. 108/2014. In 88/2012 the Committee held that there was a violation of Article 12§1 and 13§1 (§§ 39, 75 and 125). The Government recalled that the committee held that there was a violation of Article 13§1 (§§ 30, 55 and 71).

In the paragraph 13 the Government recalls that the related Committee of Minister's Resolutions were adopted on 17 June 2015 (CMResChS(2015)8) and on 14 June 2017 (CM/ResChS(2017)8) respectively.

In the paragraph 14 the Government has a view that the purpose of the collective complaints procedure cannot be that the same complaint invoke the same Complainant invokes the same issues under the same provisions every other year.

In the paragraph 15 the Government underlines that were the Committee to consider such complaints every time such practice would lead to an obscure situation as regards legal certainty, hence weakening the whole purpose of the collective complaints procedure, not to mention the reporting procedure.

In the paragraph 16 the Government has a view that it is evident that the present complaint clearly relates to claims already examined in the context of the Complaints Nos. 88/2012 and 108/2014, which in itself should be a reason for inadmissibility and accordingly, the complaint should be rejected.

2.2 Comments of our Association (The Government submission 9-17)

The Paragraph 13. The resolutions of the Committee of Ministers on 17 June 2015 (CMResChS(2015)8) and on 14 June 2017 (CM/ResChS(2017)8) have not been informed to our Association. If the Committee of Ministers has decided of recommendations to Finland concerning the violations of the Charter (Revised) our Association notes that these recommendations have not had impact to the policy of the Government. The policy to cut and freeze basic benefits has continued during the years 2015-2019.

The Paragraphs 14 and 15. Our Association notes that this Complaint 172/2018 is not the same complaint as the earlier two ones. The new complaint has been made due to that Finland has continued violations despite the notes from the Committee of Social Rights. An obscure situation as regards legal certainty is awakening due to these continuous violations. Hence the whole purpose of the collective complaints procedure is in danger.

The paragraph 16 Our Association does not agree with the Government's view that the Complaints Nos. 88/2012 and 108/2014 would be a reason for inadmissibility. If corrections are not done by the member state due to the earlier Merits our Association cannot do anything else than raise a new Complaint.

3. Unsatisfactory application of the Charter

3.1. The Government submission 18-29

18. The Government noted that according to Article 4 of the Additional Protocol providing for a system with collective complaints, a complaint must relate to a provision of the Charter accepted by the Contracting Party concerned and indicate in what respect the latter has not ensured the satisfactory application of this provision.

19. In particular, the complaint must indicate the points in respect of which the State in question has allegedly failed to comply with the Charter or implemented it inadequately along with evidence and the relevant arguments, with supporting documents.

20. The applicant association has not specified their allegations under the specific provisions of the Charter. Their allegations are not only but general, vague and unsubstantiated as a whole.

21. There is no indication in the complaint of how the Charter provisions are not satisfactorily applied. The applicant association has merely drawn its own conclusion from various sources listed as annexes but has failed to indicate in what respect Finland has not ensured the satisfactory application of the Charter provisions.

22. For instance, the Government observes that in the complaint the time frame occasionally referred by the applicant association namely years 2015 to 2018 is rather confusing.

23. The Government recalls in this connection that Finland submitted its 12th periodic report in October 2016 covering the period of 1 January 2012 to 31 December 2015. The report concerned inter alia, articles 12 and 13 of the Charter.

24. In its conclusions 2017 (dated January 2018) the Committee noted positive developments in relation to Article 12§3 and found the situation to be in conformity with the Charter. In the same conclusions, however, the Committee concluded that the situation in Finland is not in conformity with Articles 12§1 and 13§1. The conclusion concerning Article 13§1 has also been subject to the examination of the Government Committee which took noted of the information provided.

25. Furthermore, in the complaint the applicant association appears to have erroneously compared the level of minimum benefits of autumn 2018 to certain threshold values of median income of 2015.

26. As far as the year 2018 is concerned, the Government notes that it is naturally premature to evaluate the adequacy of benefits to certain threshold values of median income as this data is not yet even available for the year 2018.

27. The Government further observes that in this complaint the applicant association appears to be dissatisfied also with the Finnish media. The Government notes in this connection, that naturally, the Government bears no responsibility whatsoever as regards actions of independent media.

28. The Government observes that, according to paragraph 2 of the Explanatory Report to the

Additional Protocol to the Additional Protocol to the European Social Charter Providing for a System of Collective Complaints, "the system of collective complaints is to be seen as a complement to the examination of governmental reports, which naturally constitutes the basic mechanism for the supervision of the application of the Charter."

29. In the Government's view due to its nature and scope the present complaint can be as alternative rather than complement to the reporting procedure and should be rejected.

3.2 Comments of our Association (The Government submission 18-29)

The Paragraph 18: Our Association agrees with the Government that according to Article 4 of the Additional Protocol providing for a system with collective complaints, a complaint must relate to a provision of the Charter accepted by the Contracting Party concerned and indicate in what respect the latter has not ensured the satisfactory application of this provision.

In the Complaint our Association has indicated in what respect the state of Finland has not ensured the satisfactory application of this provision.

The Paragraph 19: Our Association agrees with the Government that the complaint must indicate the points in respect of which the State in question has allegedly failed to comply with the Charter or implemented it inadequately along with evidence and the relevant arguments, with supporting documents.

In our complaint our Association has indicated the points in respect of which the State has allegedly failed to comply with the Charter or implemented it inadequately.

The Paragraph 20: Contrary to the Government's view our Association has specified our allegations under the specific provisions of the Charter. The allegations in our Complaint are not general, vague and unsubstantiated but exact and based to the Articles 12 and 13 of the Charter (Revised). .

The Paragraph 21: In the Government's view our Association has merely drawn its own conclusion from various sources listed as annexes.

Our Association notes that the annexes indicate the unsatisfactory application of the Charter provisions in Finland.

The Paragraphs 22-24. The Government observes as an example that the time frame in the Complaint, years 2015 to 2018, would be confusing.

Our Association notes that the years 2012-2015 have been noted in the Conclusions by the Committee and in the Merits 88/2012 and 108/2014. Finland has been noted to violate the Charter (Revised) during those years. The next years 2015 – 2018 (and also the year 2019 see in this document) are not confusing. Our Association has a view that we are entitled to raise a new Complaint if the earlier Notes and Merits from the Committee have not any impact to the policy of Finland. This has been the case in the years 2015-2018 and due to that our Association has been obliged to raise a new Complaint. Due to the politics of the Government of Finland in 2019 the level of these benefits has raised only a little since 2013 though prices and rents have risen considerably during these years. As a consequence the position of low-income citizens has deteriorated.

Violation of Art. 12.1. . . .

As a basis year in the Complaint in comparing the obligations from Social Charter and the level of social security and social assistance benefits in Finland we have taken the year 2015 because it the last statistically found equivalent median income of Finland. Our Association has learned from earlier Merits (88/2012 and 108/2014) that the principle of the Committee is to make its assessments relying on the latest available figures. Currently the latest available figures are from the 2015 and at that year the equivalent median income in Finland was 1980 euros/month. Of that figure 50 % is €990/month/ and 40 % is €792/month and these are the amount that we have based our Complaint (172/2018).

As was said, the amount of basic social security benefits and social assistance has stayed the same 2013-2018. In the beginning of this year 2019 along with the state budget 2019 the amounts of the minimum sickness benefits and maternal and parental allowances were raised so that they became to the same level as unemployment allowance (which was not raised). Since 2015 there had been lowering and freezing of these benefits so that now in 2019 the amount of these benefits are:

- Minimum sickness benefits, minimum parental benefits and rehabilitation benefits €32.40/day and €690.15 euro/month.
- When the 20 % tax is reduced these benefits in net are €552/month and €25, 67/day.
- This amount corresponds about 28 % of median equivalent income in 2015.
- The difference between the obligations in Art 12.1 and the current 2019 level is €792 – €552 = €240.
- The same concerns basic unemployment allowance (social insurance benefit, Art. 12.1.) in which there was no change in benefits 2019. The current 2019 level of basic unemployment is €792 – €552 (net) = €240.¹.

The Guarantee pension (minimum pension) was raised 1.1.2019 to €784, 54/month. Still there is a difference at least 7, 5 euros to 40 % level. The Guarantee pension is paid full without tax reducing due to the pensioner reduction.

Our Association views that there is a violation of Art. 12.1. Basic social insurance benefits in 2019 are too low in 2019 compared to the obligations of Art.12.1. In the Charter (Revised). The amounts are considerably under the 40 % level of the equivalent median income of 2015.

Violation of Art. 13.1

In the benefits belonging to the Art 13.1. (Social assistance benefits) the level required by the Art. 13.1. is higher than in social insurance benefits. The Committee has required the level of 50 % of the equivalent median income. This level in 2015 statistical figures was €47, 15/day and €990/month. Our Association notes that the Article 13§1 provides for the right to benefits, for which individual need is the main criterion for eligibility and they are payable to any person on the sole ground that he or she is in need (Conclusions 2013, Article 13§1, Bosnia and Herzegovina 13 – 64.) The entitlement to social assistance arises when a person is unable to obtain resources “either by his own efforts or from other sources, in particular by benefits under

¹ In 2013 the corresponding minimum social security amounts were €23, 77/ day (net) or €511/month...

a social security scheme” (Statement of interpretation of Article 13§1, Conclusions XIII-4, 1996. 65). Social assistance must be at a level sufficient to ensure adequate assistance. This is the reason why in assessing the level of assistance, the Committee has set the level of 50% of equivalent median income as calculated on the basis on the Eurostat at-risk-of poverty threshold (e.g. Conclusions XIX-2, Article 13§1, Latvia 2009).

Our Association notes that Finland has to obey the principles of Art. 13.1. set by the Committee. However in 2019 the amount of social assistance benefits does not fulfill those principles and requirements. There are two kind of social assistance benefits in Finland: Labor market subsidy which is mainly targeted to long-time unemployed and last resort social assistance, Income support (Toimeentulotuki) to those not entitled to labor market subsidy or other benefits and acts as a last resort to low-income citizens.

In 2019 the amount of labor market subsidy (työmarkkinatuki) is €32.40/day, €690.15/month² and after 20 % tax €25, 67/day and €552/month, The amount corresponds to 28 % of median equivalent income (990 euros in 2015). There is difference of €438 to the obligations of Art 13.1. It is also remarkable that the amount of labor market subsidy has not raised at all in 2013 – 2019 though prices and rents have risen considerably during that time. The Conclusions and Merits from the Committee in 2015-2018 to the Government of Finland have not had any impact to the policy. .

The other social assistance Income support (Last resort social assistance, toimeentulotuki) has in 2019 the amount of 497, 29 e/month, 16, 58 euros/day. for a person living alone³ (all days in the month are included). Our Association notes that the Last resort social assistance, Income support (toimeentulotuki) was found to be insufficient by the Committee in the Merits 88/2012, which was published in February 2015. Not much has taken place since the publication of those Merits because also in 2019 the difference to the obligations from Art. 13.1. in big. In 2015 the 50 % of the equivalent median income was 990 euros/month. In 2019 the difference of the current level compared to the obligations from Art. 13.1. is €492, 71/month. More than double should be raised so that the requirements by the Committee can be fulfilled.

During the years 2013-2019 both social assistance benefits have stayed in an almost unmovable state and their amounts are manifestly inadequate. The violation of Art. 13.1. is obvious.

Violation of Art. 12.3.

Our Association has the view that the Government of Finland is also violating also Art. 12.3 Though in the Merits 88/2012 the Committee did not find that kind of violation. Earlier also in the Conclusions the Committee of Social Rights has observed the situation in Finland to be in conformity with the Charter. However in the view of our Association the situation in Finland has changed dramatically and we have a strong opinion that currently there exists a violation of Art. 12.3. This is due that during the years 2015 – 2018 the Government of Finland has remarkably cut social security benefits and with these actions worsened the economical situation of the low-income citizens.

² In 2013 the corresponding amounts were €32.46/day or €698/month, corresponding to 36 % of median equivalent income before tax and €25, 96/day and €558, 40/month net after tax.

³ If the other person lives together is the amount of the other person €417, 53/month, €19, 42/day. A single parent gets €540, 33/month, €25, 13/day and extra assistance due to the children varies from €343, 85 – €260, 34./month depending on the age of the child. The Income support is a tax-free benefit.

Freezing of indexes

One of the basic principles in the Charter (Revised) is that the social security and social assistance benefits have to be adjusted and raised along the development of inflation. Otherwise the benefits stay behind and the situation of those citizens whose life is dependent of the benefits turns worse. This has also been the habit and norm in Finland until 2015. The years 2016-2019 have brought a change because the Government started to worsen social security. Until 2015 the basic (minimum) benefits of social insurance and social assistance were raised in accordance with the development of the Consumer Price Index (kansaneläkeindeksi). However, in 2016 the Government lowered the points of the Consumer Price Index (kansaneläkeindeksi) by 0.85 %.⁴ As a consequence also the basic benefits were lowered because they followed the development of index. This time index was changed by separate political decision and not with the development of inflation.

After the lowering of index points The Government of Finland proposed to the Parliament that the following of the development of Consumer Price Index would be freezed till the year 2020 concerning the basic and social assistance benefits (excluding last resort income, toimeentulotuki). As a consequence there will be no raise before the year 2020 with the exception of the raises 1.1.2019 in minimum benefits described above. This was made by a separate decision of the Government. The freezing was carried out by a year-by-year legislation. In 2017 the Government of Finland proposed to the Parliament that in order to *facilitate and balance state economy* the amount of the benefits would be freezed in 2018 and raising of them would be refrained until 2020. The same proposal was renewed in 2018 concerning the year 2019⁵. No compensation of the freezing would be done in 2020 along the Government

⁴ HE 149/2016 vp. Hallituksen esitys eduskunnalle laiksi kansaneläkkeen ja eräiden muiden etuuksien vuoden 2017 indeksitarkistuksista sekä laeiksi kansaneläkeindeksistä annetun lain 2 §:n ja toimeentulotuesta annetun lain 9 §:n muuttamisesta. www.finlex.fi/fi/esitykset/he/2016/20160149

See how the proposal was handled in the Parliament: Sosiaali- ja terveystieteiden valiokunnan mietintö StVM 26/2016 www.eduskunta.fi/FI/vaski/Mietinto/Sivut/StVM_26+2016.aspx

Eduskunnan vastaus EV 169/2016 vp

www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Sivut/EV_169+2016.aspx

⁵ HE 123/2017 vp. Hallituksen esitys eduskunnalle laeiksi kansaneläkkeen ja eräiden muiden etuuksien vuoden 2018 indeksitarkistuksista sekä kansaneläkeindeksistä annetun lain 2 §:n ja eräiden muiden lakien muuttamisesta.

<https://www.finlex.fi/fi/esitykset/he/2017/20170123.pdf>

The Government's proposal for Parliament is a law for the year of a national pension and some other benefits 2018 index revisions and the Act on the National Pensions Act, Section 2 and some others laws

See how the proposal was handled in the Parliament: Sosiaali- ja terveystieteiden valiokunnan mietintö StVM 16/2017vp-HE 123/2017 vp, www.eduskunta.fi/FI/vaski/Mietinto/Sivut/StVM_16+2017.aspx

Perustuslakivaliokunnan lausunto PeVL 47/2017vp-HE 123/2017 vp,

www.eduskunta.fi/FI/vaski/Lausunto/Sivut/PeVL_47+2017.aspx

Eduskunnan vastaus EV 150/2017 vp, www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Sivut/EV_150+2017.aspx

HE 160/2018 vp Hallituksen esitys eduskunnalle laeiksi kansaneläkkeen ja eräiden muiden etuuksien indeksitarkistuksista vuonna 2019 sekä kansaneläkeindeksistä annetun lain 2 §:n ja toimeentulotuesta annetun lain 9 §:n muuttamisesta. www.eduskunta.fi/FI/vaski/HallituksenEsitys/Documents/HE_160+2018.pdf

See how the proposal was handled in the Parliament: Sosiaali- ja terveystieteiden valiokunnan mietintö StVM 20/2018 vp-HE 160/2018 vp, www.eduskunta.fi/FI/vaski/Mietinto/Documents/StVM_20+2018.pdf

Perustuslakivaliokunnan lausunto PeVL 40/2018 vp-HE 160/2018 vp,

propel. From 2020 the benefits would start from the level of the year 2017.

The both proposals concerning indexes were approved in the Parliament and became a law. So, besides the small raise 1.1.2019 the minimum benefits will be freezed until 2020. At the same time there were no actions by the Government to stop the raise of food prices or rents. This difficult situation concerns 700 000 Finnish citizens who are counted as poor along the estimates of EU. A very big problem is that that 400 000 are in insolvency due to the low-income.⁶

The 2015 research on the adequacy of basic benefits showed huge problems to cover the most necessity living costs with basic benefits and the situation had been worsened in the research published in November 2018 and March 2019⁷ With regard to the violations found by the Committee in Merits 88/2012, 108/2014 and conclusions of the Committee Finland 2017 (January 2018) our Association has the view that Finland has violated Art. 12.3. of Social Charter (Revised). The amount of Finnish minimum benefits and social assistance has changed only very little since 2013. In the English Abstract of THL Report 2019 on can see in the nutshell, what has happened in 2015-2018.

In the Report (THL March 2019 is noted that the Researchers of THL have used the reference budgets for reasonable minimum consumption produced by the Consumer Society Research Centre. Based on these, it was found that the income levels of those receiving unemployment benefit, home care allowance, minimum sick leave allowance or parental daily allowance were not sufficient to cover the reasonable minimum consumption budget. The changes taking place between 2015 and 2019 have, depending on the life situation of the recipient in question, either weakened their basic social security level or kept it constant. In particular, the basic social security level for the unemployed has dropped as a consequence of the index cuts and reductions in benefits resulting from the activation model. The basic social security levels for recipients of pensions, sick leave allowance and parental daily allowance, on the other hand, have each remained constant.

The other reason why we our Association has the opinion that Finland is violating both Art. 12.1. and Art. 12.3. is that last resort benefit (Toimeentulotuki) may be still reduced 20 or even 40 % if the person in need of social assistance refuses to work without salary. In Finland the social assistance seeker and also the unemployed persons may be forced to attend to

www.eduskunta.fi/FI/vaski/Lausunto/Documents/PeVL_40+2018.pdf

Eduskunnan vastaus EV 196/2018 vp

www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Documents/EV_196+2018.pdf

⁶ See POVERTY WATCH, Poverty watch Report Finland 2018 pages 5-9 where the current problems in Finland has been documented. The report was made to the European wide EAPN.

www.eapn.fi/wp-content/uploads/2018/10/Poverty_Watch_Finland.pdf

⁷ National Institute for Health and Welfare: National Institute for Health and Welfare (2015) The second expert group evaluation of the sufficiency of basic social security. Evaluation report on the sufficiency of basic social security in 2011-2015. Working paper 1/2015, Helsinki 2015. Available at

http://www.julkari.fi/bitstream/handle/10024/125703/TY%c3%96_2015_001_web_06032015.pdf?sequence=3

National Institute for Health and Welfare: National Institute for Health and Welfare (2019) The third expert group evaluation of the sufficiency of basic social security. Evaluation report on the sufficiency of basic social security in 2015-2018. Helsinki 2019. Available at <http://urn.fi/URN:ISBN:978-952-343-296-3> (THL 2019)

“rehabilitative job actions”. He or she has to work even full time e.g. in the service of commune without salary just to get full social assistance on which he/she would be otherwise entitled. Despite working his/her only income is full social assistance (491 euros/month), because salary is not paid. If the person refuses to work without salary, the last resort official (administration of Kela) is entitled to reduce his/ her last resort social assistance (toimeentulotuki) with 20 %.

If after this decision described above the person in need still refuses to work without salary e.g. in “rehabilitative job actions” the official in Kela is entitled to still reduce last resort social assistance even 40 %. This entitlement to the officials is based to the law of last resort social assistance (toimeentulotuki) 10 §.⁸ As we see in the article of Magazine Seura as an example the decision of lowered last resort social assistance may be renewed so that a citizen in need may have to live one year or even more with an last resort income, which is less than 300 euros/month (€491,21 – 40 % = €294,73/month). This kind of sum is only 1/3 of the 50 % equivalent median income in 2015 (990 euros/month) required in the Charter (Revised) Art. 13.1... At the same time this violation along with the continuous violation of 12.1. and 13.1. forms basis to the allegation of our Association that Finland is also violating Art. 12.3.

The third reason due to that our Association views Finland violating Art. 12.3. is that here has taken place of other of social security benefits in the years 2015-2018 (besides those described above) Our Association refers to the following weakening:

Weakening of child benefit

Earlier before 2015 child benefit raises were connected with changes in Consumer prize index (Kansaneläkeindeksi) as were basic minimum benefits. However in 2015 the development of child benefit was removed from Consumer prize index. The only reason for this change which impacted strongly to the families with children was that the Government wanted to implement its own program. No discussion was with families with was taken place. The Government just announced that the removal of index connection of child benefit was a “wish of the Government”.⁹ The follow-up of this decision is far-reaching. Even in 2030 the amount of child benefit is the same as now if no separate decisions are made. Removal from indexes was not enough to the Government. At the same time the amount of child benefit was lowered. of the level of child benefit will mean that the meaning of the benefit diminishes year by year and there will be much economic difficulties to low income families.

The removal from indexes was not enough to decrease child benefits... In 2016 child benefits were lowered by 0, 91 %, with the reason that the law change was “stabilizing state economy

⁸ Laki toimeentulotuesta 30.12.1997/1412 10 §
<https://www.finlex.fi/fi/laki/ajantasa/1997/19971412>, in English:
www.finlex.fi/en/laki/kaannokset/1997/en19971412_20101390.pdf

⁹ HE 70/2015 Hallituksen esitys eduskunnalle laeiksi lapsilisälain ja elatustukilain 4 §:n muuttamisesta. The reduced child benefits came to force 1.1.2016,
www.finlex.fi/fi/fi/esitykset/he/2015/20150070

See the handling of the proposal in the Parliament: Sosiaali- ja terveystieteiden valiokunnan mietintö 12/2015 vp-HE 70/2015 vp,
www.eduskunta.fi/FI/vaski/Mietinto/Documents/StVM_12+2015.pdf
Perustuslakivaliokunnan lausunto PeVL 11/2015 vp – HE70/2015,
www.eduskunta.fi/FI/vaski/Lausunto/Documents/PeVL_11+2015.pdf
Eduskunnan vastaus EV 99/2015 vp www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Documents/EV_93+2015.pdf

and reach savings”. The Government had decided to implement the plan of the public economy and the target was families with children.¹⁰

Our Association views that weakening of child benefits forms a part of violating Art. 12.3. It has had a deep impact to the ordinary lives of low-income families with children.¹¹

Upbringing “activation model” to the long-time unemployed, in practice lowering of the benefit, violation of Art. 12.1. and forms part of violation 12.3.

The other remarkable cut to social benefit and social assistance was made by the Government in 2018. The target of this move was unemployed, especially long-time unemployed persons who live in the dependence unemployment allowance or labor market subsidy (työmarkinatuki)... A new law proposal was proposed to the Parliament.¹² It included new features to the unemployment system in Finland. The Government proposed that there would be a cut of 4, 75 % of unemployment benefits (including also earnings unemployment compensation) if the unemployed person does not find a job for at least 18 hours during his/her unemployment in 65 days. The cut of compensation would last for the next three months. The obligation to find job was directed exclusively to the unemployed. No new obligations came to the employers. They could choose if they want to hire employees or to. The responsibility to find job under the threat of losing part of unemployment compensation was put totally on the side unemployed person.

This new obligation to the unemployed to find a job during unemployment time was called an *activation model* (aktiivimalli). With this model the Government was aiming to create an effective “spur” to the unemployed to seek work and not sit lazy at home enjoying unemployment compensation. However to the majority of the unemployed the consequence of this model was a permanent lowering of unemployment. In August 2018 there was 97 000 unemployed persons with basic unemployment allowance or labor market subsidy. Of those unemployed only one tenth had found a job for these 18 hours required to fulfill “activation

¹⁰ HE 151/2016 Hallituksen esitys eduskunnalle lapsilisälain 7 §:n muuttamisesta.

www.finlex.fi/fi/esitykset/he/2016/20160151 See the handling of the proposal in the Parliament: Sosiaali- ja terveysvaliokunnan mietintö 12/2015 vp-HE 70/2015 vp,

www.eduskunta.fi/FI/vaski/Mietinto/Documents/StVM_12+2015.pdf

Perustuslakivaliokunta lausunto PeVL 11/2015 vp – HE70/2015,

www.eduskunta.fi/FI/vaski/Lausunto/Documents/PeVL_11+2015.pdf

Eduskunnan vastaus EV 170/2016 v www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Documents/EV_133+2016.pdf

Due to the changes the amount of child benefit is from 1.1.2017 the following:

- First child €94, 88/month, second €104, 84/month, third 133, 79/month, fourth 153, 25/month, fifth and further children 172, 69/month. The special raise for single parents is €48,55/month

¹¹ See Poverty Watch 2018 p. 7

¹² HE 124/2017 Hallituksen esitys eduskunnalle laeiksi työttömyysturvan ja eräiden muiden lakien muuttamisesta.

www.eduskunta.fi/FI/vaski/HallituksenEsitys/Documents/HE_124+2017.pdf

See the handling of the proposal in the Parliament: Työelämä- ja tasa-arvovaliokunnan lausunto TyVL 10/2017 vp – HE 124/2017 vp, www.eduskunta.fi/FI/vaski/Mietinto/Documents/StVM_10+2017.pdf

Sosiaali- ja terveysvaliokunnan mietintö 22/2017 vp-HE 124/2017 vp,

www.eduskunta.fi/FI/vaski/Mietinto/Documents/StVM_22+2017.pdf

Perustuslakivaliokunta lausunto PeVL 45/2017vp – HE124/2017,

www.eduskunta.fi/FI/vaski/Lausunto/Documents/PeVL_45+2017.pdf

Eduskunnan vastaus EV 184/2017vp

www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Documents/EV_18+2017.pdf

model”.¹³ 9/10 of the unemployed had to live with a basic unemployment benefit or labor market subsidy is 4, 75% less than earlier. Their income for three months €32.40/day and €690.15 euro/month and when the 20 % tax is reduced the amount of the benefit has been €552/month and €25, 67/day. – 4, 75 % = .around €525/month after tax. If they do not find a job enough on the next 65 days s their compensation stays as lowered. Their “activation” has not been successful. .

Our Association views that lowering the already insufficient, manifestly inadequate basic unemployment compensation or labor market subsidy show both violation of Art 12.1. and, together with other cuts mentioned before and later in this document, violation of Art. 12.3. of the Charter (Revised)

Part of violation 12.3, Weakening of housing benefits.

One part of violation Art. 12.3. is also the change of law in the beginning of 2018 concerning *housing benefits*. Housing benefits are very important to low-income citizens of Finland and it is delivered to over 800.000 citizens/year.¹⁴ In the law of housing benefits there are maximums that are delivered to those who have difficulties with housing costs. The law regulates the maximum amounts of housing benefit depending of the size of the flat or house and the amount of persons who are living in the flat or house. The housing benefits are delivered by Kela to various housing units¹⁵. Till 2019 checking and rising of these maximum amounts had been tied to yearly rent raises. This system has been very important because rents have been free to be raised by the decision of the rental lord without any explanation and due to this liberty the rental lords have raised rents much over the raising of consumer prizes. The median raising of the rents has been at least 3 % every year which amount is at least double compared the development of the consumer price index.

Through the law motion proposed by the Government of Finland ¹⁶ (and accepted by the Parliament) there was taking place a remarkable change in the raises of maximum housing benefits so that in the future they are adjusted to the development of consumer price index independent that happens in the rental development. In the Consumer Price Index rents form only a small part of the whole basket which means that from the beginning 1.1.2019 citizens who need housing-benefit have to pay a much bigger part of their income to housing costs and the benefit has a smaller role. Already before 1.1.2019 the maximum amounts of housing benefit were far behind the real costs especially in big cities. After the law change the difference will be much bigger. In the end of the day there will be less money to the low income citizens to be used to food, school costs and hobbies of the children and other to necessities because a bigger portion of income will go to housing costs.

¹³ Source: The Statistics of Kela

¹⁴ See p. 7 in Poverty Watch 2018

¹⁵ Laki yleisestä asumistuesta 938/2014 § 10

¹⁶ HE 161/2017 Hallituksen esitys eduskunnalle laiksi yleisestä asumistuesta annetun lain muuttamisesta.

www.finlex.fi/fi/esitykset/he/2017/20170161, see especially proposal to § 51

See the handling of the proposal in the Parliament: Ympäristövaliokunta, Hallituksen esitys laiksi yleisestä asumistuesta annetu lain muuttamisesta Valiokunnan mietintö YmVM 15/2017 vp-HE 161/2017 vp,

www.eduskunta.fi/FI/vaski/Mietinto/Documents/YmVM_15+2017.pdf

Perustuslakivaliokunta lausunto PeVL 51/2017vp – HE161/2017,

www.eduskunta.fi/FI/vaski/Lausunto/Documents/PeVL_51+2017.pdf

Eduskunnan vastaus EV 168/2017vp www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Documents/EV_168+2017.pdf

Our association has a view that the weakening of housing is clearly a part of the wholeness described in our Complaint that together form a violation Art. 12.3. In the years 2015 – 2019 Finland has not endeavoured to raise progressively the system of social security to a higher level, but instead weakened the system so remarkably that the low-income citizens have difficulties to survive¹⁷. .

Admissibility

The Government is firmly of the view, without taking any stance on the merits of the case, that the applicant association has failed to substantiate how the complaint relates to the provisions of the Charter as well as to indicate in what respect Finland has not ensured the satisfactory application of the Charter provisions. The Government notes that the applicant association has failed to meet the admissibility criteria laid down in Article 4 of the Additional Protocol. Accordingly, the Complaint should be declared inadmissible. The Government is also of the view that there has been no violation of any articles of the Charter in the present case.

Our Association notes that we have shown violations of the Charter (Revised) in Finland. We have met the admissibility criteria laid down in Article 4 of the Additional Protocol. Along that Article a complaint must relate to a provision of the Charter accepted by the Contracting Party concerned and indicate in what respect the latter has not ensured the satisfactory application of this provision. The complaint must indicate the points in respect of which the State in question has allegedly failed to comply with the Charter or implemented it inadequately along with evidence and the relevant arguments, with supporting documents.

Our Association has in this response indicated that Finland has violated the Charter (Revised). Our allegations have been proofed with evidence and relevant arguments with supporting documents.

The impacts of the violation have had a deep impact to the low-income citizens in Finland. “The Poverty Watch” by EAPN-FINLAND describes how severe the poverty is in Finland. due to the inadequate basic social security. The Government of Finland has weakened the position of the low-income people in Finland since 2015 The “Refer budget” (Annex 4) shows in that the amounts of the basic benefits are not high enough to cover the basic necessities of normal life.

¹⁷ See Poverty Watch 2018 as a whole and The 2019 THL Report of the equality of basic benefits.in 2015-2018. A central conclusion already noted already in the Abstract of the Report: “The income levels of those receiving unemployment benefit, home care allowance, minimum sick leave allowance or parental daily allowance were not sufficient to cover the reasonable minimum consumption budget. ---The changes taking place between 2015 and 2019 have, depending on the life situation of the recipient in question, either weakened their basic social security level or kept it constant. In particular, the basic social security level for the unemployed has dropped as a consequence of the index cuts and reductions in benefits resulting from the activation model. The basic social security levels for recipients of pensions, sick leave allowance and parental daily allowance, on the other hand, have each remained constant”

See also Refer Budget 2018, which show that basic benefits are unequal compared to necessary living costs:

Lehtinen, A-R., Aalto, K. (2018). Mitä eläminen maksaa? Kohtuullisen minimin viitebudjettien päivitys vuodelle 2018. Helsingin yliopisto, Valtiotieteellisen tiedekunnan julkaisu 101,

https://helda.helsinki.fi/bitstream/handle/10138/261735/Mita%CC%88_ela%CC%88minen_maksaa_2018_raportti.pdf?sequence=3&isAllowed=y

4. Conclusions

Our Association asks the Committee of Social Rights:

- 1) To note that the admissibility of the Complaint has been proofed and is clear in spite of the doubts presented by the Government in its response.
- 2) To deliver Merits to our Complaint where it is clearly and without exceptions expressed that the Government of Finland has continuously violated art. 12.1. and 13.1 of the Charter (Revised) in spite of conclusions of the Committee and previous Merits to the Complaints of our Association...
- 3) Notes a special violation of Art. 13.1. concerning those citizens who are in need of income support (last resort social assistance, toimeentulotuki) and who have refused to work without salary and who have as a punishment to live with an income under €300/month in the country where the food prices highest within the EU: This is due the current law 10 § (Laki toimeentulotuesta, law of income support 10 §) approved by the Parliament. Our Association asks that the Committee notes in its Merits that the 10 § in the income support law has be changed as it now forms a violation of Charter (Revised) rt. 13.1... As the current income support has the amount €491, 21/month the 40 % cut to the benefit means that the citizen has to live with an income is only 1/3 of the 50 % amount of equivalent median income in 2015. As the Article in the Magazine Seura (Annex 5) shows this living with a reduced last resort income may be renewed over and over again though it should last only two months.
- 4) Notes that Finland has not endeavoured to raise progressively the system of social security to a higher level as should be done along art. 12.3 of the Social Charter (Revised). The Government of Finland has continued to make cuts to the benefits essential to the low income citizens and froze the indexes so that in spite raises of prices and rents there is no raise in the benefits (except last resort benefit income support, which still is too low compared the obligations of Art. 13.1.) the violation of Art. 12.3 are deliberate due to that the cuts and freezing has been elaborated without taking any account to Conclusions of the Committee and to the Merits 88/2012 and 108/2014.

Cordially and With High Respect

Helsinki 10.03.2019

Finnish Society of Social Rights

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Annexes:

A. Reports, Researches, Articles

1. Poverty Watch 2018

POVERTY WATCH, Poverty watch Report Finland 2018. The report was made to the European wide EAPN.

www.eapn.fi/wp-content/uploads/2018/10/Poverty_Watch_Finland.pdf

2. Lehtinen, A-R., Aalto, K. (2018). Mitä eläminen maksaa? Kohtuullisen

minimin viitebudjettien päivitys vuodelle 2018. Helsingin

yliopisto, Valtiotieteellisen tiedekunnan julkaisuja 101, (Refer budget 2018)

https://helda.helsinki.fi/bitstream/handle/10138/261735/Mita%CC%88_ela%CC%88minen_maksaa_2018_raportti.pdf?sequence=3&isAllowed=y

3. National Institute for Health and Welfare: National Institute for Health and Welfare (2015) The second expert group evaluation of the sufficiency of basic social security. Evaluation report on the sufficiency of basic social security in 2011-2015. Working paper 1/2015, Helsinki 2015.

http://www.julkari.fi/bitstream/handle/10024/125703/TY%c3%96_2015_001_web_06032015.pdf?sequence=3

4. National Institute for Health and Welfare: National Institute for Health and Welfare (2019) The third expert group evaluation of the sufficiency of basic social security. Evaluation report on the sufficiency of basic social security in 2015-2018. Helsinki 2019. Available at

<http://urn.fi/URN:ISBN:978-952-343-296-3>

5. Article in the Magazine Seura

B. Legislation

1. Laki toimeentulotuesta 30.12.1997/1412 10 §

<https://www.finlex.fi/fi/laki/ajantasa/1997/19971412>, in English:

www.finlex.fi/en/laki/kaannokset/1997/en19971412_20101390.pdf

2. Laki yleisestä asumistuesta 14.11.2014/938

www.finlex.fi/fi/laki/ajantasa/2014/20140938

C. Documents from the Government and Parliament of Finland

a) *Lowering the amount of consumer index (Kansaneläkeindeksi) and due to that the amounts of basic benefits in 2017:*

HE 149/2016 vp. Hallituksen esitys eduskunnalle laiksi kansaneläkkeen ja eräiden muiden etuuksien vuoden 2017 indeksitarkistuksista sekä laeiksi kansaneläkeindeksistä annetun lain 2 §:n ja toimeentulotuesta annetun lain 9 §:n muuttamisesta.

www.finlex.fi/fi/esitykset/he/2016/20160149

See how the proposal was handled in the Parliament:

Sosiaali- ja terveystieteiden valiokunnan mietintö StVM 26/2016

www.eduskunta.fi/FI/vaski/Mietinto/Sivut/StVM_26+2016.aspx

Eduskunnan vastaus EV 169/2016 vp

www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Sivut/EV_169+2016.aspx

b) *Freezing of indexes in basic benefits for the year 2018*

HE 123/2017 vp. Hallituksen esitys eduskunnalle laeiksi kansaneläkkeen ja eräiden muiden etuuksien vuoden 2018 indeksitarkistuksista sekä kansaneläkeindeksistä annetun lain 2 §:n ja eräiden muiden lakien muuttamisesta.

<https://www.finlex.fi/fi/esitykset/he/2017/20170123.pdf>

The Government's proposal for Parliament is a law for the year of a national pension and some other benefits

2018 index revisions and the Act on the National Pensions Act, Section 2 and some others laws

See how the proposal was handled in the Parliament:

Sosiaali- ja terveystieteiden valiokunnan mietintö StVM 16/2017vp-HE 123/2017 vp,

www.eduskunta.fi/FI/vaski/Mietinto/Sivut/StVM_16+2017.aspx

Perustuslakivaliokunnan lausunto PeVL 47/2017vp-HE 123/2017 vp,

www.eduskunta.fi/FI/vaski/Lausunto/Sivut/PeVL_47+2017.aspx

Eduskunnan vastaus EV 150/2017 vp,

www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Sivut/EV_150+2017.aspx

c) *Freezing of indexes of basic benefits for the year 2019*

HE 160/2018 vp Hallituksen esitys eduskunnalle laeiksi kansaneläkkeen ja eräiden muiden etuuksien indeksitarkistuksista vuonna 2019 sekä kansaneläkeindeksistä annetun lain 2 §:n ja toimeentulotuesta annetun lain 9 §:n muuttamisesta.

www.eduskunta.fi/FI/vaski/HallituksenEsitys/Documents/HE_160+2018.pdf

See how the proposal was handled in the Parliament:

Sosiaali- ja terveystieteiden valiokunnan mietintö StVM 20/2018 vp-HE 160/2018 vp,

www.eduskunta.fi/FI/vaski/Mietinto/Documents/StVM_20+2018.pdf

Perustuslakivaliokunnan lausunto PeVL 40/2018 vp-HE 160/2018 vp,

www.eduskunta.fi/FI/vaski/Lausunto/Documents/PeVL_40+2018.pdf

Eduskunnan vastaus EV 196/2018 vp

www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Documents/EV_196+2018.pdf

d) *Lowering and weakening child benefits*

HE 70/2015 Hallituksen esitys eduskunnalle laeiksi lapsilisälain ja elatustukilain 4 §:n muuttamisesta. The reduced child benefits came to force 1.1.2016,

www.finlex.fi/fi/esitykset/he/2015/20150070

See the handling of the proposal in the Parliament:

Sosiaali- ja terveystieteiden valiokunnan mietintö 12/2015 vp-HE 70/2015 vp,
www.eduskunta.fi/FI/vaski/Mietinto/Documents/StVM_12+2015.pdf

Perustuslakivaliokunnan lausunto PeVL 11/2015 vp – HE70/2015,
www.eduskunta.fi/FI/vaski/Lausunto/Documents/PeVL_11+2015.pdf

Eduskunnan vastaus EV 99/2015 vp

www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Documents/EV_93+2015.pdf

HE 151/2016 Hallituksen esitys eduskunnalle lapsilisälain 7 §:n muuttamisesta.

www.finlex.fi/fi/esitykset/he/2016/20160151

See the handling of the proposal in the Parliament:

Sosiaali- ja terveystieteiden valiokunnan mietintö 12/2015 vp-HE 70/2015 vp,
www.eduskunta.fi/FI/vaski/Mietinto/Documents/StVM_12+2015.pdf

Perustuslakivaliokunnan lausunto PeVL 11/2015 vp – HE70/2015,
www.eduskunta.fi/FI/vaski/Lausunto/Documents/PeVL_11+2015.pdf

Eduskunnan vastaus EV 170/2016

www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Documents/EV_133+2016.pdf

*e) Lowering basic unemployment benefit and labor market subsidy by "active model"
(Aktiivimalli)*

HE 124/2017 Hallituksen esitys eduskunnalle laeiksi työttömyysturvan ja eräiden muiden lakien muuttamisesta.

www.eduskunta.fi/FI/vaski/HallituksenEsitys/Documents/HE_124+2017.pdf

See the handling of the proposal in the Parliament: Työelämä- ja tasa-arvovaliokunnan lausunto TyVL 10/2017 vp – HE 124/2017 vp,

www.eduskunta.fi/FI/vaski/Mietinto/Documents/StVM_10+2017.pdf

Sosiaali- ja terveystieteiden valiokunnan mietintö 22/2017 vp-HE 124/2017 vp,
www.eduskunta.fi/FI/vaski/Mietinto/Documents/StVM_22+2017.pdf

Perustuslakivaliokunnan lausunto PeVL 45/2017vp – HE124/2017,
www.eduskunta.fi/FI/vaski/Lausunto/Documents/PeVL_45+2017.pdf

Eduskunnan vastaus EV 184/2017vp

www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Documents/EV_18+2017.pdf

f) Weakening Housing benefits

HE 161/2017 Hallituksen esitys eduskunnalle laiksi yleisestä asumistuesta annetun lain muuttamisesta. www.finlex.fi/fi/esitykset/he/2017/20170161, see especially proposal to § 51

The handling of the proposal in the Parliament:

Ympäristövaliokunta, Hallituksen esitys laiksi yleisestä asumistuesta annettu lain muuttamisesta Valiokunnan mietintö YmVM 15/2017 vp-HE 161/2017 vp,

www.eduskunta.fi/FI/vaski/Mietinto/Documents/YmVM_15+2017.pdf

Perustuslakivaliokunnan lausunto PeVL 51/2017vp – HE161/2017,
www.eduskunta.fi/FI/vaski/Lausunto/Documents/PeVL_51+2017.pdf

Eduskunnan vastaus EV 168/2017vp

www.eduskunta.fi/FI/vaski/EduskunnanVastaus/Documents/EV_168+2017.pdf

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