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EUROPEAN SOCIAL CHARTER

Comments submitted by
the Finnish Human Rights Centre concerning
the 18th National Report on the implementation of the
European Social Charter

submitted by

THE GOVERNMENT OF FINLAND

Follow-up to Collective Complaints No. 70/2011, 71/2011,
88/2012, 106/2014, 108/2014, 129/2916 and 139/2016

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CYCLE 2023



Department of the
European Social Charter
by email social.charter@coe.int

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Follow up to Collective Complaints - Finland

Submission by the Human Rights Centre (NHRI)

This document contains observations by the Finnish Human Rights Centre (NHRI¹) to the implementation of decisions on the collective complaints against Finland and to the 18th periodic report on the implementation of the revised European Social Charter by the Government of Finland.

Should you have any further questions or need for additional information, do not hesitate to contact us at info@ihmisoikeuskeskus.fi.

Non-implementation of the decisions

1. The Government of Finland has submitted report on the implementation of the collective Complaints Nos. 70/2011, 71/2011, 88/2012, 106/2014, 108/2014, 129/2016 and 139/2016.
2. As mentioned by the Government with regard the complaints Nos. 70/2011, 71/2011, 88/2012, 106/2014, 108/2014 the non-governmental organisations find that basic social security in Finland is at an insufficient level. This is also expressed in the new 2023 decision in the complaint No. 172/2018.

Evaluation report on the adequacy of basic social security 2019–2023

3. According to the Act on the National Pension Index, the adequacy of basic social security must be assessed every four years.

¹ The Human Rights Centre represents the Finnish National Human Rights Institution (NHRI) in international NHRI cooperation and other international and European cooperation in human rights.

The NHRI comprises the Human Rights Centre, its pluralistic 39-member Human Rights Delegation, and the Office of the Parliamentary Ombudsman. The institution complies with the UN Paris Principles and the Global Alliance of NHRIs (GANHRI) accredited it with A-status in 2014 and 2019.

The Finnish Institute for Health and Welfare was commissioned by the Ministry of Social Affairs and Health to convene an assessment group in May 2022 to carry out the fourth assessment of the adequacy of the Finnish basic social security. The assessment was published in February 2023.²

4. Basic social security refers to the minimum level benefits that a person receives when unemployed, ill or disabled, during old age and parental leave as well as in connection with the loss of a guardian. Minimum social security level refers to the minimum subsistence level in a situation where a person is unable to earn the income required for a decent life. Social assistance is the prime instrument used to guarantee minimum income in such situations.
5. According to the report, the adequate level of social security is to a large extent a political value judgement. Adequacy can be assessed from different perspectives and on the basis of different methods. As a rough indicator, in the evaluation report reference budgets describing the consumption level required for a decent life were used.
- 6. The report concludes that the basic social security of the unemployed, ill and persons on a parental leave is inadequate to cover the consumption of reference budgets, but the pensioners' basic social security is high enough to cover them. The social security of students is only enough to cover the reference budget expenses when supplemented with student loans.**
7. The focus in the assessment was on the average situation of households receiving basic social security benefits, taking into account some variation arising from family type, residential area and life situation.
8. The assumption is that the recipients live in apartments with reasonable rental levels. This as such is misleading as according to the statistics, only close to 30 percent of households rent their appartements.³ Many homeowners, with raising inflation and interest rates, are severely affected by the soaring mortgage payments. This is not reflected in the assessment.
9. Also, the analysis does not comprehensively describe the economic distress caused by the rising energy and other prices in different types of housing.
10. The housing costs also vary significantly. A study conducted by the municipality of Helsinki shows that housing is affordable only for 22 percent of Helsinki's housing units, when housing is considered affordable if it consumes no more than 40 percent of the household's disposable income.⁴
11. The fast rise of costs has in late 2022 and early 2023 also affected rental levels and forced many families and individuals to move to a smaller and cheaper apartment as the inflation affects, for example, food prices and the housing benefit levels do not meet the actual rental

² Fourth evaluation group on the adequacy of basic social security. Perusturvan riittävyden arviointiraportti 2019–2023 (Evaluation report on the adequacy of basic social security 2019–2023), Finnish institute for health and welfare (THL), Report 3/2023 (Helsinki, Finland 2023), https://www.julkari.fi/bitstream/handle/10024/146182/URN_ISBN_978-952-408-037-8.pdf?sequence=1&isAllowed=y (29.6.2023).

³ Statistic Finland, "Over 1.5 million persons live in rented dwellings" (2022), <https://stat.fi/en/publication/cktcn27io352g0b62f6u4sky0> (29.6.2023).

⁴ Reetta Marttinen, Kohtuuhintaisen asumisen mittaristo (Framework for Affordable Housing), Helsingin kaupungin tutkimuskatsauksia 2023:4, https://www.hel.fi/static/kanslia/Kaupunkitieto/23_06_29_Tutkimuskatsauksia_4.pdf, (30.6.2023).

levels any longer. Alternatively, they are forced to save on food or medication, which is often the case especially with older persons and families with small children.⁵

Concerns

12. The Government emphasises in its reports that in Finland, social security does not only consist of individual monetary benefits but constitutes an aggregate of minimum benefits payable in money and their different components, of earnings-related benefits and services supplementing them and of payment ceilings. In assessing compliance of the Finnish system with the provisions of the Charter, this overall picture of the Finnish social security system should be taken into consideration.
13. It is important to note that according to the evaluation report a higher level of basic security does not mean higher overall income. When basic social security benefits are increased, social assistance is reduced by the same amount.⁶ The benefits therefore have an interconnected effect on each other.
14. Human Rights Centre notes that since the Government has yet to provide sufficient data on the Finnish social security system to international bodies, it is not possible to verify whether the system is, in fact, adequate and in accordance with the Charter. UN treaty monitoring bodies have also noted the concerns on social security in several recommendations throughout the years.⁷
15. In reality, as noted repeatedly by the civil society and the Human Rights Centre, there are increasing concerns on the level of social security. Also, a high number of persons entitled to the benefits do not get them due to lack of information and the complicated system.⁸
16. With increased cost for a patient in the public health care many older persons with regular health issues cannot afford their treatment. Many will not be able to receive around the clock service they need, for the lack of funds. High healthcare costs, including customer fees for services and medication expenses, can lead people to postpone their treatment or even prevent them from accessing services. High healthcare costs can also cause financial distress

⁵ Eveliina Pitkänen, Asumiskustannusten nousun vaikutukset suomalaisiin kotitalouksiin (How the rise of housing costs affects Finnish households?), Bachelor's thesis for the LAB University of Applied Sciences, 2023, https://www.theseus.fi/bitstream/handle/10024/791468/Pitkanen_Eveliina.pdf?sequence=2&isAllowed=y (30.6.2023).

⁶ Fourth evaluation group on the adequacy of basic social security. Perusturvan riittävyyden arviointiraportti 2019–2023 (Evaluation report on the adequacy of basic social security 2019–2023), Finnish institute for health and welfare (THL), Report 3/2023 (Helsinki, Finland 2023), https://www.julkari.fi/bitstream/handle/10024/146182/URN_ISBN_978-952-408-037-8.pdf?sequence=1&isAllowed=y (29.6.2023), page 5.

⁷ E.g. Committee on Economic, Social and Cultural Rights, Concluding observation on the seventh periodic report of Finland 2021, (E/C.12/FIN/CO/), paras. 27-28 and 36-37, <https://digitallibrary.un.org/record/3907062> (29.6.2023); Report of the Independent Expert on the enjoyment of all human rights by older persons, Claudia Mahler 2022 (A/HRC/51/27/Add.1), <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G22/468/73/PDF/G2246873.pdf?OpeCheknElement> (29.6.2023).

⁸ Sosiaaliturvakomitea (Social Security Committee), Tutkimuskatsaus Suomen sosiaaliturvan monimutkaisuuteen (Research Overview on the Complexity of the Finnish Social Security System), Sosiaaliturvakomitean julkaisuja 2021:1, 22.6.2021, https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/163274/Sosiaaliturvakomitea_2021_1.pdf?sequence=1&isAllowed=y. (30.6.2023).

for those who are already struggling with everyday expenses. In nearly half a million cases social and healthcare customer fees resulted in enforcement in 2022.⁹

17. Individuals with lower incomes have a higher unmet need for healthcare services compared to those with higher incomes. According to a survey conducted in 2019, 31.7 percent of respondents in the lowest income quintile in Finland reported unmet healthcare service needs due to financial reasons. The corresponding figure in the highest income quintile was 11.9 percent. The EU average for the lowest income quintile was 21.9 percent, and for the highest income quintile, it was 6.5 percent. High healthcare costs can lead to financial distress. People may need to rely on social assistance to pay for their healthcare expenses. According to a report by the Finnish Anti-Poverty Network EAPN-Fin, the inability to pay customer fees and medication costs can lead to indebtedness, enforcement procedures, the use of payday loans, and the loss of creditworthiness. Losing creditworthiness can have far-reaching and negative consequences, such as preventing individuals from renting a home or obtaining insurance.¹⁰
18. In addition to marginalised persons more persons with regular income have to resort to food banks on a regular basis due to increasing living costs.¹¹
19. According to the Ombudsman for children about 11 percent of children live in relative poverty. A unique feature of families with children living in poverty is poverty despite the guardians being employed. This type of poverty is countervailed with social benefits.¹² The new Government programme 2023-2027 sets to cut many benefits, for example the housing benefit¹³, that increase financial stability for families with children living in poverty. Child poverty will continue to be a growing problem if social benefits, that are already insufficient, are cut.
20. The implementation of the law on informal caregiving support varies across different municipalities and joint municipal authorities. This is largely due to the funding dependency of informal caregiving support, which allows municipalities to independently decide how much resources are allocated to informal caregiving. Municipalities also establish the eligibility criteria for informal caregiving support and the level of compensation for informal caregivers. These criteria and compensation levels vary from one municipality to another.¹⁴
21. The Parliamentary Ombudsman has addressed in several decisions the question of the social assistance process and the shortcomings of the Social Insurance Institution of Finland (Kela) in handling cases. Kela has, for example, violated the principle of protection of legitimate expectations, rejected applications based on fictional income contrary to the law, and in one case, disregarded significant individual circumstances in the processing, such as the fact that it

⁹ Amnesty International, "Tiedän etten saa apua." Terveysthuollon eriarvoisuus Suomessa' (' "I know I won't receive assistance." Healthcare disparities in Finland. '), 28.6.2023, https://www.amnesty.fi/uploads/2023/06/terveydenhuollon-eriarvoisuus-suomessa_amnesty-international-suomen-osasto_06_2023.pdf.

¹⁰ Ibid.

¹¹ Ruoka-apu.fi and Finnish Red Cross, Ruoka-avun tilannekatsaus kevät 2023 (Information briefing on food aid spring 2023), <https://ruoka-apu.fi/wp-content/uploads/2023/05/Ruoka-avun-tilannekatsaus-2023.pdf>.

¹² Ombudsman for Children, 'Lapsiasiavaltuutetun kirjelmä hallitusohjelman vaikutuksista lapsiköyhyyteen' (Ombudsman for Children's letter on the effects of the Government programme on child poverty), 26.6.2023, https://lapsiasia.fi/-/kirjelma-valtioneuvoston-jasenille-hallitusohjelmasta2023#_ftn1.

¹³ Government programme 2023-2027 section 4.3, <https://valtioneuvosto.fi/en/governments/government-programme#/4/3>.

¹⁴ National Institute for Health and Welfare, 'Omaishoidon tuen kansalliset myöntämisperusteet – THL:n ehdotus' (National eligibility criteria for informal caregiving support - Proposal by the National Institute for Health and Welfare (THL), 26.6.2023, https://www.julkari.fi/bitstream/handle/10024/145176/URN_ISBN_978-952-343-927-6.pdf?sequence=1&isAllowed=y (30.6.2023).

involved a vulnerable family, a single mother living on employment market support, and a minor child.¹⁵

Finally

22. The new Government programme 2023-2027¹⁶ sets out to cut many benefits, including housing benefits and unemployment benefits. This will have a negative effect on a very wide spectrum of citizens, from families with children to students, unemployed, older persons and persons with disabilities. Especially with increasing cost of living due to the COVID-19 epidemic and the war in Ukraine, more and more persons will fall to social assistance, which should be the last resort and will not be sufficient to cover the basic needs. **The Government should carefully examine the human rights implications of the planned austerity measures**, especially since the Government programme is not entirely consistent. The Government programme states that the Government will promote policies favorable to families with children on all levels and will assess effects on children and families in policymaking. However, the Government is already in its programme set to, for example, eliminate increments based on the number of children from labour market support, basic unemployment allowance, sickness allowance, rehabilitation allowance and parental allowance as well as to cut housing allowances.¹⁷
23. **In conclusion, the Finnish social security system is not in conformity with the Social Charter's requirements and there are no immediate plans to change the system to meet the standards. On the contrary, there is a risk that the new Government will decrease certain benefits in general saving efforts.**

Susan Villa
Deputy to the Director

Sanna Ahola
Expert

¹⁵ Parliamentary Ombudsman, AOAS 19.1.2023 Dnro 289/2022, AOA 16.6.2023 Dnro 1192/2022 and AOA 27.11.2022 Dnro 1198/2021.

¹⁶ Government programme 2023-2027, <https://valtioneuvosto.fi/en/governments/government-programme/> (29.6.2023).

¹⁷ Ibid.