

The background of the cover is a close-up photograph of a forest floor, showing various types of lichen and mosses in shades of blue, green, and brown. A semi-transparent yellow ribbon graphic with a wavy, flowing shape is overlaid on the left side of the image, extending towards the center.

Socially Sustainable Finland 2020

Strategy for social and health policy

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To the reader

The purpose of our strategy is to achieve a socially sustainable society in which people are treated equally, everyone has the opportunity to participate, and everyone's health and functional capacity is supported.

There are many factors that will influence how well we attain this goal, including economic trends and the pluralisation of society. All of our decisions shape the future and must be grounded in social sustainability.

Finland is at the top of the field in several international studies on welfare. Work and participation will serve to lay a strong foundation for our future welfare too. It cannot be built as a system-oriented effort, and we cannot aim at just improving the average level of welfare. Social sustainability requires us to reduce the welfare and health differentials between citizens and to improve the status of the most vulnerable members of society.

We have drawn up this strategy in dialogue with our interest groups and partners. This strategy, the strategies of agencies in our administrative sector and the strategic lines in various policy areas constitute a strategic framework that is knowledge-based, and which we have the will to put it into practice.

Implementing the strategy requires extensive national and international cooperation, interaction and open communication. In practice, it can only be done through democratic decision-making and in accordance with the policies of the Government Programme in effect at any given time. Social sustainability is both a means and an end.

Helsinki, December 2010

Kari Välimäki
Permanent Secretary



Towards social sustainability

Sustainable development involves economic, social and ecological sustainability.

A socially sustainable society

- treats all members of society fairly,
- reinforces participation and a sense of community,
- supports health and functional capacity,
- provides the security and services required by its members.

Finland in 2020

Finland in 2020 is a socially sustainable and vibrant society. Equality, mental and material wellbeing, gender equality, and economic, social and ecological sustainability contribute to the balanced development of society.

Social sustainability requires a functioning social protection system¹ that helps citizens cope with risks in life. Everyone has the right to social wellbeing, participation and the best health possible.

A welfare state pursues both social and economic goals. Economic development provides the operating potential for the welfare state, while social protection strengthens the balance of society and of the economy. A correctly scaled and well-functioning social protection system is a strength in society.

Strategic choices

1. A strong foundation for welfare

- Health and welfare in all policies
- Longer working careers through wellbeing at work
- Balancing the various areas of life
- Sustainable social protection financing

2. Access to welfare for all

- Reduce differentials in welfare and health
- Customer-oriented services
- New service structures and operating practices
- Strong sense of social inclusion

3. A healthy and safe living environment

- Strengthen the viability of the environment
- Ensure that society can continue to function under exceptional circumstances

¹ The concept of 'social protection' is here used in a broad sense, including income support, social welfare and health care services, preventive action, occupational safety and health, and to some extent gender equality.

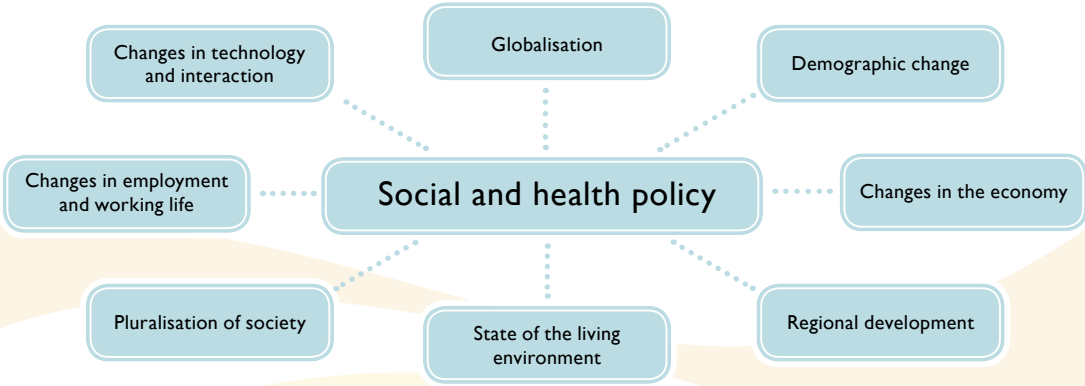
The challenges and opportunities of the 2010s

Demographic change, the globalisation of the economy and technological advancements are changing the operational field of social protection, challenging established practices.

The world economy has become less predictable. The operating environment is complex, and the importance of national borders has diminished. Industrial production continues to migrate to Asia, and the world is becoming multipolar. European integration is becoming deeper and more extensive, and cross-border mobility and multiculturalism are increasing.

The weakening of the carrying capacity of the natural environment worldwide is affecting people and the environment.

Finland’s population will age faster than that of most other countries in the near future. This will have an impact on all of society. We must be able to provide social welfare and health care services, pensions and other forms of social protection to everyone regardless of the increasing pressures on public finances.



- Increases in life span and the number of active years in life bring new opportunities.
- The ageing of the population is a challenge for the sustainability of public finances.
- Chronic lifestyle illnesses will become more common.
- Demographic and regional diversification threatens to continue to increase.
- The municipal and service structure is in a state of transition.
- Leveraging technology and information resources will expand the operating potential of the social welfare and health care sector.
- The mobility of the population challenges welfare structures and practices.
- Working life and forms of work are changing.
- Social and health policy is increasingly being shaped in an international context.
- Ecological trends worldwide curb the potential for welfare.
- Forms of interaction between people change rapidly.

Strategic choices

I. A strong foundation for welfare

- Health and welfare in all policies
- Longer working careers through wellbeing at work
- Balancing the various areas of life
- Sustainable social protection financing

Welfare and prosperity are created through work and through the involvement of all members of society. Funding for Finland's welfare society relies on balanced economic development.

With demographic change public expenditure will increase. At the same time, the working age population is decreasing, and the growth potential of the economy is declining. Social and economic sustainability require a high employment rate, healthy and capable citizens, and effective and efficient social welfare and health care services.

Social protection increases people's welfare by supporting health and functional capacity, by providing security in changing life situations, by reinforcing a sense of community and by equalising differences in society. Social protection also promotes stable economic growth and competitiveness by reinforcing work ability and by offering opportunities for employment, training and rehabilitation.

Taxes, social security contributions, social benefits, income transfers and services must form a coherent framework that encourages paid employment and ensures that employees can retire healthy. An incentive-based social protection system encourages people to promote their welfare themselves.

Health and welfare in all policies

We must invest in health, functional capacity and the prevention of social problems. We must shift our focus from treating the sick to actively promoting wellbeing. This will improve the quality of life and increase employment, boost productivity and business success while restraining the growth of social expenditure.

Society must support citizens in choices that will help them improve their quality of life. The aim is to take health aspects into account in all social decision-making, in business life, in the workplace and in organisations.





Municipal leaders are responsible for strategic decisions to promote health and social wellbeing in their respective municipalities. The means for pursuing this include community planning, sports and culture services, early childhood education, youth work, good school environments, and jobs. Promoting physical health, mental health and social wellbeing will be incorporated into social welfare and health care services at every stage in life. The foundation for health and welfare is laid in childhood.

Tax policy can be used to support healthy choices. More attention will be paid to the adverse effects of too little exercise, unhealthy nutrition, smoking and alcohol use.

Alcohol and tobacco products are responsible for up to half of the health differential between various population groups, measured by mortality. The overall aim is to decrease the consumption of alcohol and tobacco products and to maintain a zero tolerance policy on drugs. Moreover, problems caused by smoking, drugs, alcohol, gambling and accidents in the home and in leisure time must be prevented more effectively.

Longer working careers through wellbeing at work

Because the working age population is decreasing, working careers must be extended both at the beginning and end of working life, unemployment must be reduced, and disabilities and absences due to illness must be curtailed. The overall aim is to lengthen working careers by an average of three years by 2020.

The attractiveness of working life must be increased by improving working conditions and wellbeing at work. The better people feel in the workplace and the more healthy they are, the longer their working careers will be and the more productive they will be. Working conditions must be jointly developed by management and personnel. Responsibility for this always rests with the employer. Employers must ensure that they treat their employees equitably, and management must be made a key concern in the policy on wellbeing at work. Nevertheless, employees themselves have a huge responsibility for maintaining their work ability and professional competence.

The pension system will be reformed to take longer life expectancies, the reconciliation of work and family life, changing working conditions and cross-border migration better into account. The pension, rehabilitation and unemployment insurance systems must be developed as a single entity.

Working careers will be extended with the aid of social insurance, pension insurance companies, the employment and economy administration and social welfare and health care services. The aim is for social insurance to constitute a system promoting work and the maintaining of functional capacity and work ability.

The risk of permanent working incapacity must be reduced by promoting health and work ability, by improving working conditions and by enhancing occupational health care. Particular attention must be paid to those occupations that carry the greatest health risks. The incidence of musculoskeletal diseases and mental health problems must be reduced.

Preventive occupational health care must focus on maintaining work ability, evaluating health hazards at work, and the early identification of diminished work ability. Sufficiently early treatment and timely rehabilitation require seamless cooperation between occupational health care, other health care services and the workplace.

All people of working age, even those with partial work ability, must have the opportunity to engage in working life according to their abilities. The participation in working life of those

whose work ability or functional capacity is temporarily or permanently impaired will be supported. Paths through rehabilitation and training to employment for the partly disabled will be strengthened. The partial sickness allowance, partial disability pension and part-time pension systems will be developed so as to allow for work at reduced capacity and to encourage pensioners to work part-time. The capacity of and incentives for employers to hire employees with partial work ability will be supported.

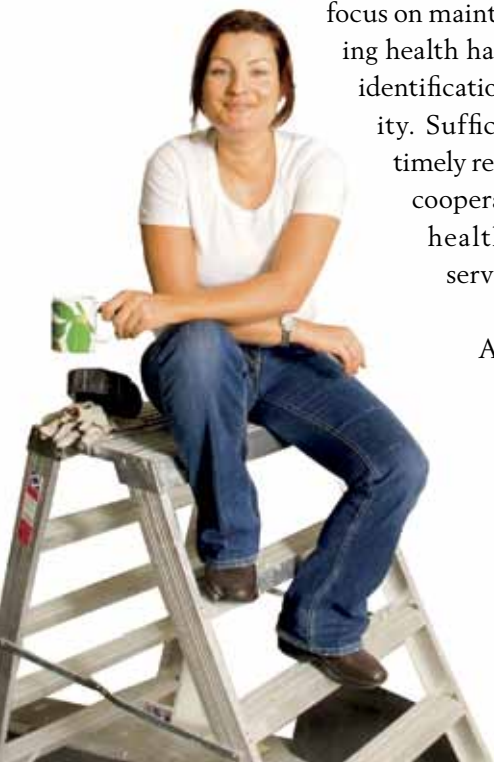
Entrepreneurship will be supported by promoting wellbeing at work for private entrepreneurs and by improving their social security. The potential for occupational safety and health and for occupational health care at SMEs will be enhanced.

Extensive unemployment conflicts with the aims of the welfare society. The exclusion of the unemployed from working life will be prevented by boosting their work ability and functional capacity and by providing them with treatment and rehabilitation. Cooperation between the education, employment and social welfare and health care administrations will be ensured so that all young people can receive adequate training and find jobs. There must be a clear division of responsibilities.

Balancing the various areas of life

Social protection must be able to respond to an increasing variety in life patterns, as studies, work, leisure time and responsibility for family members intermingle at various stages in life. Wellbeing at work and wellbeing in leisure time affect each other greatly.

The demands of working life are increasing. Atypical employment relationships are becoming increasingly common. New forms of work and employment flexibility must





be taken better into account in working life. Social protection must encourage people to maintain their skills and to change job duties or jobs.

Smoothly combining work and family life improves wellbeing at work and at home, increasing the birth rate, the employment rate and the capacity of families with children to manage their everyday lives. Family leave, high-quality early childhood education services and flexible working hours help reconcile work and family life. The need for reconciliation is heightened in the case of single parents and employees whose elderly, ill or disabled family members require assistance.

The system for providing care to small children must adapt to the different needs of children and families and support the balanced growth and development of children. Families must have alternatives available for organising child care. Family leave must be divided more equally between fathers and mothers. Long-term efforts to strengthen the role of fathers will be continued. Parents have responsibility for their parenthood and for the rights and responsibilities that it entails.

Sustainable social protection financing

Sustainable financing for a sufficient, fair and comprehensive insurance coverage can be ensured with a high employment rate. The tax, social security contributions and social protection system must function so that employment is always the more profitable option.

Sustainable financing for social insurance can be ensured by securing a sufficient and broad contribution base. The financing base for social protection must be secured even in an increasingly international operating environment. Because of cross-border migration, the social insurance rules must be developed so that benefits and contributions are balanced.

Social sustainability can be ensured by curbing pressures on expenditures and payments. The overall aim is to keep the increase in social security contributions under control and to invest pension funds profitably and safely.

In order to ensure that the pension system functions coherently, the preparation of pension legislation will be concentrated at the Ministry of Social Affairs and Health.

Clarifying the financing for social welfare and health care services will enable the maximum benefit to be drawn from available resources. Standardising customer fees will support the harmonisation of basic and special services while keeping fees reasonable.

Finland will be needing foreign employees in the future. Cooperation between authorities is being improved to prevent the emergence of a dual job market and to ensure an equitable competitive position for employers. Public finances will be strengthened by combating the grey economy.

2. Access to welfare for all

- Reduce differentials in welfare and health
- Customer-oriented services
- New service structures and operating practices
- Strong sense of social inclusion

It is a strength of Finnish society that we look after each other. Everyone is entitled to basic income support and sufficient social welfare and health care services. A life of human dignity must be ensured under all conditions. These rights and the equality principle are written into the Constitution of Finland.

The fact that the public administration is responsible for ensuring basic rights does not negate the responsibility of the individual for his/her choices. The balance of the rights and responsibilities of the individual and of society promotes social sustainability.

Those who live on social security alone are at risk of descending into poverty. There is concern over the social exclusion of young people, over increasing inequality between children and families with children, and over the inherited social exclusion.

As the age structure of the population changes, the number of elderly people is increasing, dementia and other chronic illnesses are becoming more common, and the number of patients with multiple complaints is increasing. This translates into an increase in expenditure on social and health care services and a need for

added personnel, unless we can increase the productivity of services. Social welfare and health care services will remain labour-intensive in the future too, but productivity can be improved by reorganising services and introducing new ways of producing them.

Basic health care does not function well enough in all municipalities, and there are considerable regional differences in the quality and availability of services. Multi-channel funding for services distorts procedures, creates unnecessary costs and misdirects services. The restructuring of local government and services has progressed more rapidly than expected especially concerning municipal mergers, but from the point of view of the sustainability of social welfare and health care structures, the reform is falling short of its goal. Developing the service system requires clear and sustainable long-term policies as to how to organise local social welfare and health care services after the ongoing project is completed.

Reduce differentials in welfare and health

Finland has considerable differences in welfare and health between population groups and genders, and these cannot be narrowed by social welfare and health care measures alone: the most efficient way to do this is through close cooperation between administrative sectors.





The EU has set the strategic goal of significantly reducing the number of people in relative poverty and at risk of social exclusion by 2020. Finland is also preparing a national action plan intended to improve the status of low-income people, socially excluded people and the unemployed and to alleviate long-term poverty and poverty among families with children. The principal means for doing this is to provide sufficient basic security and appropriately targeted services. Minimum benefits will be tied to the consumer price index, and the sufficiency of basic security will be periodically assessed.

A job is the best protection against poverty and social exclusion, but it is not enough on its own. Income support, related municipal services and employment services must form a seamless whole. In particular, family work for helping families with children cope with their everyday lives must be improved from a customer-oriented perspective so that it is sufficient.

Public health is best improved by targeting measures towards improving the relative status of the most vulnerable members of society. In addition to social welfare and health care services intended for all, measures will be targeted at vulnerable population groups such as low-income elderly people. The availability of substance abuse and mental health services will be improved.

Coherent and comprehensive insurance coverage will ensure that no one can fall through the cracks. Income and working conditions for those engaged in working life will be secured by reinforcing universally binding collective agreements and by enforcing minimum working conditions.

Housing costs can be lowered to a level manageable by benefit recipients by developing the housing support system. Opportunities for the homeless and other special needs groups to gain a home of their own will be improved through cooperation between various sectors.

Customer-oriented services

The focus of social welfare and health care services will be shifted increasingly to preventive action. The service system must be able to provide early and efficient assistance to people who cannot cope themselves. Expertise in prevention must be increased among all professional groups in the social welfare and health care services, and the availability of preventive services must be improved.

Services will be comprehensively reformed so that users will be actively involved in their development. Users must be provided with updated and unbiased information on treatment options and service providers. This will increase the capacity of users to take responsibility for nurturing their own health and welfare.

Robust basic services are capable of early intervention in problems and illnesses and of supporting customers to cope independently. Minority groups and those living in difficult conditions also need targeted services. Independent living, functional capacity and participation of older people will be primarily supported in their own living environment, with the assistance of new technology. The starting point here is available, equitable, effective and customer-oriented services.

Services for families with children will be developed into a coherent entity by bringing together all services supporting child development, preventing problems and providing help, across current sectoral boundaries. Adult and child psychiatry services, child welfare services, child guidance clinics and family counselling clinics must provide comprehensive support for families, augmenting basic services. Efficient referral for services will ensure that children and families receive the support they need.

New service structures and operating practices

People often see social and health services as fragmented and system-oriented. A coherent and sustainable structure must be created for the social welfare and health care sector by local government and service reform.

Services must be provided in units large enough to have the potential to provide smoothly flowing high-quality services and to maintain a high degree of professional competence. Everyone who needs help must continue to have access to it, regardless of where they live. Private social welfare and health care services augment and provide alternatives to municipal services.

Competitive tendering must focus on social welfare and health care policy perspectives. Instead of short-term price competitions, we must create partnerships for efficiently providing services. Service funding will be changed so as to favour economic, customer-oriented services.

Medical care is an integral part of social welfare and health care services and patient care. The overall aim is to provide high-quality and cost-effective medical care at a reasonable price for everyone who needs it. Well-functioning social welfare and health care services benefit from medical care services and vice versa. Good availability of medicines and a professional pharmaceutical distribution system will be secured under all circumstances.

The social welfare and health care electronic data management control system will be strengthened. The overall aim is to create an information system for the social welfare and health care sector, consisting of national information system services and regional solutions based on them. The first features to be implemented are the e-prescription and the national health archive. A national social archive will be developed alongside these, to be implemented in stages after the health archive. National information system services will enable information to be transferred across organisation boundaries and operating processes to be made more efficient and effective. A coherent information format will make it easier to control, study and compile statistics on the service system.

Through planned and effective control of standards, resources and information, attainment of the targets of the new social welfare and health care legislation and creation of comprehensive service frameworks will be

ensured. Supervision of social welfare and health care services will be standardised nationwide from the perspective of the interests and safety of service users. Service quality criteria, risk management anticipation, information systems and cooperation between expert bodies and supervisory bodies will be improved. Quality criteria apply to both public and private service providers.

Strong sense of social inclusion

Social and health policy will be used to support social participation and a life of human dignity for women and men of different ages and for various language and cultural minorities.

The opportunities afforded by an increase in the number of healthy years in life must be embraced. Policies must be reformed so as to improve the potential of the elderly to use their resources to contribute to their own wellbeing and that of their community and society at large.

Membership in a workplace community reinforces a sense of social inclusion. The overall aim is to create pathways from unemployment to working life. Unemployment among young people and older people in particular must be prevented, as they are at a higher than average risk of permanent unemployment. Special solutions will be developed for the difficult to employ and the long-term unemployed, such as a job bank to help in transferring to the open labour market, and the transitional labour market. Cooperation within the social welfare and health care services in rehabilitation chains must be enhanced, and a customer-oriented approach boosted.

The third sector is a key player in the promotion of health and welfare, in the prevention of problems and in the development of new operating practices. The overall aim is for authorities and NGOs to work together to increase social participation. Revenues from the Slot Machine Association (RAY) will be used to support the promotion of health and social welfare by non-profit associations. The status of these NGOs will be secured in the development of the social welfare and health care sector.



Multiculturalism increases the plurality and innovation of society. The integration of immigrants and their families into Finnish society must be supported. The overall aim is to instil positive attitudes towards immigrants and other minorities and to improve their real possibilities of finding jobs. Studies and social welfare and health care services for immigrant women in particular must be supported.

Reducing violence is a national goal. The overall aim is to find an efficient, nationwide model for preventing violence, consisting of actions taken simultaneously in various administrative sectors. This will also serve to strengthen a sense of community and internal security.

3. A healthy and safe living environment

- Strengthen the viability of the environment
- Ensure that society can continue to function under exceptional circumstances

The health and welfare of citizens are affected by the state of their living environment. Climate change and ecosystem decline curb the potential for wellbeing. Social and ecological sustainability require the safeguarding of a good life even when the resources available are shrinking. Each generation should leave a better environment for future generations.

The equitable distribution of welfare is a challenge not only locally but globally too. Global population changes, economic disruptions, poverty and inequality impose strains on social coherence. Inequality and segregation of residential areas involve security risks too.

Climate change, environmental problems and declining natural resources may cause a wide range of health threats such as pandemics and epidemics. These respect no boundaries; they may spread quickly, and authorities must work together to combat and prepare for them.

Worldwide economic crises have shown how important it is to have safety nets in place and how influential the financial and insurance markets are. It must be possible to ensure the vital functions of society even under exceptional circumstances.

Strengthen the viability of the environment

Improving the quality of the living environment calls for cooperation between ministries and administrative sectors, and also cooperation at the regional and local levels. Local authorities must take health protection and the promotion of health and welfare better into account in community planning decision-making and monitoring.

Cooperation between municipalities in the provision of environmental health care will be enhanced. Cross-sectoral and international cooperation is required to prevent health risks to citizens from the air, soil, water or food. The implementation of the European Union's new chemical legislation will improve the safety of chemicals on the market.

By 2020, research-based health risk and impact assessment must be introduced in all planning and projects and the permit and approval procedures related to them.





Sustainable housing design and community planning contribute to safety and independent coping, reduces the incidence of many social problems and prevents segregation of housing districts. An obstacle-free environment will be created by developing the community structure, ensuring ease of access and the availability of services.

Genetechnology, biotechnology and nanotechnology are opening up new possibilities in health care and environmental health care. Research, regulation and guidance must be employed to ensure that new technologies are applied safely.

Ensure that society can continue to function under exceptional circumstances

Globalisation has increased the importance of national and international cooperation in combating infectious diseases. Worldwide epidemics must be prepared for in order to protect human health and the vital functions of society.

Combating new, drug-resistant bacteria and hospital infections requires new and more comprehensive prevention measures and sen-

sible use of antibiotics. Veterinary medicines must be used with restraint for reasons of public health and consumer safety.

Citizens' income must be secured even in exceptional conditions. Risks to the insurance system will be prepared for through sufficient guarantee arrangements. The overall aim is to ensure that the income support and insurance systems can continue to function in exceptional conditions by creating sufficient unemployment insurance and social insurance buffer funds.

The social insurance system must be organised so as to be efficient, safe for customers and moderate in cost. Insurance premiums must be safeguarded through efficient risk management, profitable investments and sufficient solidity. Other means include boosting competition and supervision in the insurance sector and preparing appropriate bankruptcy regulations. Monitoring at the EU level will be enhanced by improving the operating potential for the Finnish overseeing authority.

Information management must function without disruption even in exceptional conditions. The functioning of backup systems and the payment of benefits will be technically secured under all circumstances.

Putting policies into practice

- Cooperation secures welfare
- Active influence in international cooperation
- Knowledge-based decision-making
- Effective communication

Strategic goals can only be attained through cooperation. Results can be produced when the actors involved have clearly defined roles and mutually agreed operating principles. Preparation and decision-making must rest on a solid foundation of information and a will to enact reforms. Open preparation allows for smoothly running cooperation with interest groups, while interactive and anticipatory communication adds to effectiveness.

Cooperation secures welfare

Increasing employment, promoting welfare and health, providing early support and securing the effectiveness of the public administration require close cooperation between administrative sectors. No results can be attained if each administrative sector jealously guards its own territory. Cooperation becomes increasingly important in the management of exceptional situations.

Operations are directed through binding legislation and resource allocation. A third means of guidance is information guidance, where correct information and effectiveness assessments play a key role. Because information guidance is non-binding and recommendatory by nature, customer-oriented and effective communication is needed to go with it. The best means of control for attaining a goal must be chosen in any given situation.

In order to ensure the real effectiveness of legislation, its goals must be recorded in a measurable way, and responsibilities for generating and monitoring information must be agreed on. Since monitoring may be considered a form of direction, its predictive role must be strengthened. For instance, clamping down on the grey economy is linked to legislation in a number of administrative sectors, and its monitoring is therefore a joint effort between the occupational safety and health



authorities, the police, the tax authorities, the employment authorities and the pension insurance companies.

Social protection is being developed in interaction with key players in the field. Tripartite negotiations for developing income security are ongoing. Occupational safety and health and the relevant legislation are being improved with the help of the social partners.

A single strategic development programme is more effective in the service sector than several separate programmes. The National Development Programme for Social Welfare and Health is an umbrella programme used to manage the reform of local social welfare and health care services. Conducting high-quality research and making use of innovations in the social welfare and health care sector is important for recruitment, service development and from the perspective of Finland's competitiveness.

Impacts on men and women, i.e. gender impacts, must be taken into account in all areas of preparation and decision-making concerning welfare. This will strengthen the realisation of gender equality.

Active influence in international cooperation

The Ministry of Social Affairs and Health and its administrative sector are engaged in proactive global social welfare and health care policy cooperation in the EU, internationally and bilaterally. The overall aim is to influence the preparation of decisions actively and at the right time.

Cooperation is based on international commitments and processes supporting social

sustainability, including conventions and recommendations of the UN, the WHO, the Council of Europe and the ILO. The prevention of the spread of infectious diseases, lifestyle illnesses and social exclusion require extensive international cooperation, especially in neighbouring areas. EU decisions and directives have a considerable



impact on operations in the social welfare and health care sector. Immigration matters, for instance, are of constant relevance for social protection. Social and health policy perspectives must be taken equally into account alongside economic, employment and environmental aspects in the development of the EU internal market and competition policy and in assessing the impacts of taxation and income transfers. Finland is preparing a national action plan for the EU2020 strategy aiming at growth and employment, while profiling itself as a promoter of gender equality and health

Knowledge-based decision-making

Research, development and innovations in the administrative sector generate information on the wellbeing and health of citizens and on the functioning of the service system as inputs for decision-making.

It endorses the use of information in the improvement of social security and services. Information is needed for instance on trends in health problems, on the risk and preventive factors of illnesses, and factors governing susceptibility to illness and health choices. The information basis for decision-making will be improved through systematic foresight efforts, which will also be used to identify weak signals.

Strong expert institutions enhance the effectiveness and cost-effectiveness of public decision-making. A broad-based network of expert institutions is being set up in the administrative sector, and sectoral research reform and joint projects in central government are being further pursued.

Information resources must be made centrally available. This will help eliminate overlap in collecting information, and the quality of information will improve. Shared access to information must be extended to the monitoring authorities. Safeguarding privacy must always be taken into account when using information resources, and citizens must also have access to this information.

Effective communication

Communication is a management tool and a part of preparation and implementation control. Proactive and timely communications support open and interactive preparation and enables fruitful cooperation. It also ensures that people are informed about things that concern them.

Due to rapid changes in the field of media and telecommunications and in the operating environment, communications contents and tools are becoming increasingly complex. Target groups are becoming fragmented. The role of the Internet and digital media is growing. New, networked operating models are being sought for communication and for liaising with interest groups.

More comprehensive coverage for control data is sought. Cooperation in the administrative sector regarding communication and expert input will be reinforced, and the division of duties clarified. Opinion setting and digital communications in international cooperation will be boosted.



Appendix

Trends in social protection expenditure

Development of the economic dependency ratio

The development of the economic dependency ratio is the most significant national challenge for the economy of social protection. Demographic projections show that the number of elderly people will increase rapidly beyond 2010, as the large age groups reach retirement age and the average life span

increases. The working age population will decrease, but only moderately if immigration remains at the same level as in recent years. The percentage of children in the population is also expected to remain more or less stable. The development of the economic dependency ratio depends not only on the age structure of the population but on the number of employed people, so a positive trend in the employment rate would help keep the economic dependency ratio within reasonable limits.

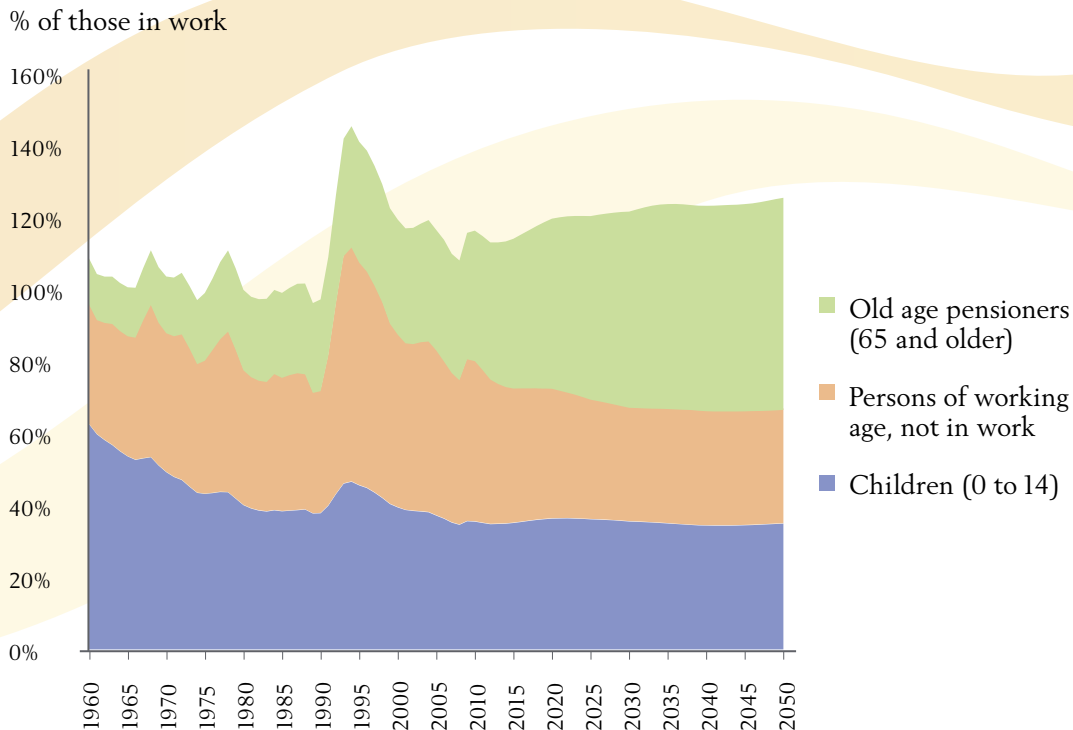


Figure 1. Economic dependency ratio, 1960 to 2009, and projected trend to 2050.
Source: Statistics Finland, population projection 2009

Development of social expenditure

Trends in social expenditure can be estimated with the aid of population projections and economic projections. The calculations here are based on trends under current legislation and show how the ratio of social expenditure to total production would develop by 2050 if no action were taken. The baseline scenario assumes that the productivity of work will increase by 1.75% in the long term and that the GDP will increase by an average of 1.8% per year. It is further assumed that by 2030 the employment rate will increase to 74.5% and the unemployment rate will decrease to 6.5%.

Because of the economic recession that began in 2009, the ratio of social expenditure to GDP is anticipated to come close to 30% between 2010 and 2013. A recession causes a spike in unemployment benefits and income

support in particular. However, the increase in the ratio of social expenditure to GDP is primarily due to a decrease in GDP. In the long-term, population ageing will increase social expenditure, above all employment pensions and the costs of health care and long-term care. According to the calculation, the ratio of social expenditure to GDP would increase by about six percentage points from 2008 by 2030.

Future trends in financing social expenditure

Social expenditure financing pressures are transmitted through earnings-related pension contributions to employers and the people insured. The percentage of funding contributed by the central government decreases as the ratio of national pensions and many other social security benefits to the GDP decreases. Local authority expenditure increases as service costs increase.

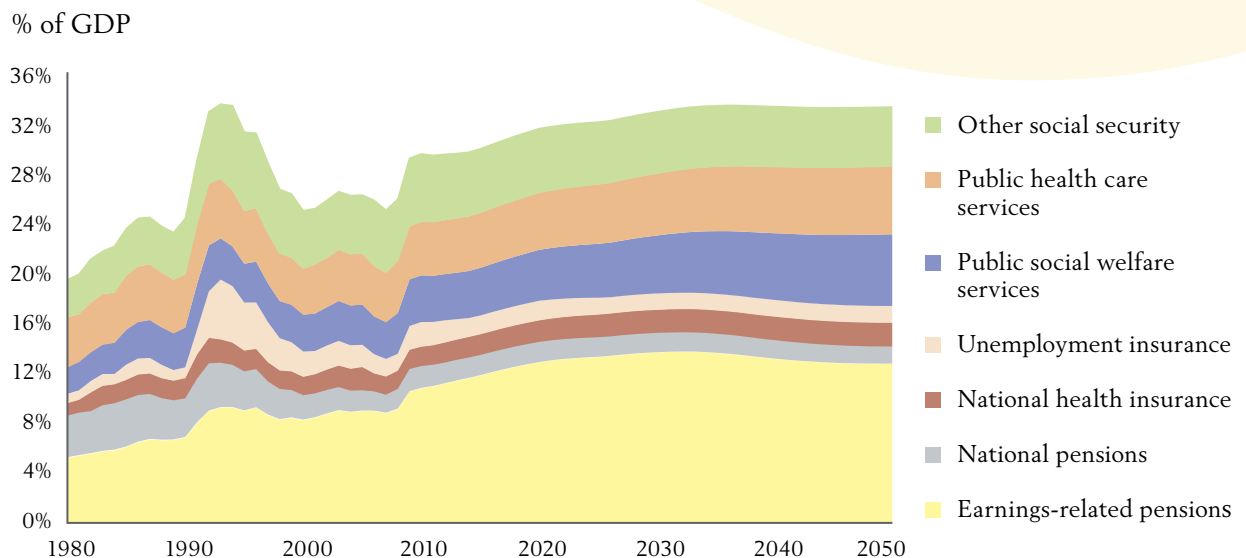


Figure 2. Development of social expenditure (excluding user fees) under current legislation, as a ratio to GDP, 1980 to 2007 and projection to 2050.

Source: Ministry of Social Affairs and Health



Strategy monitoring

We need indicators other than GDP for assessing welfare trends more diversely. Measurements must be extended from economic sustainability to social sustainability.

Finland has good and largely comprehensive registers and statistics available on social protection. For instance, the use, costs and level of social benefits and services can be monitored in considerable detail. By contrast, there is still scope for improvement in data on the effectiveness of benefits and services.

We will continue to need a more diverse range of measurements and information sources. It is important for monitoring that the decision-makers define target levels concretely enough, that the indicators are well defined, and that there is a limited number of them.

The Ministry of Social Affairs and Health has a carefully selected range of indicators to monitor trends in health and welfare. The indicators are used for monitoring attainment of strategy goals and for performance management. The indicators are being monitored at four levels: social, economic and ecological sustainability; economic and welfare growth; implementation of the Government Programme, policy programmes and action plans; and the effectiveness and efficiency of social protection.

The following page contains a listing of indicators used for monitoring strategic goals.

Strategy indicators

Policy 1: A strong foundation for welfare

- Employment rate
- Birth rate
- Life expectancy
- Economic dependency ratio
- Perceived health among people of working age
- Functional capacity among people over 75
- Percentage of overweight people in the population
- Alcohol consumption
- Percentage of people who smoke daily
- Expected retirement age of a person aged 50
- New disability pensions
- Coverage of occupational health care
- Absences from work due to illness
- Occupational accidents
- Women's earnings relative to men's earnings
- Fathers receiving paternity or paternal allowance
- Ratio of social expenditure to the GDP
- Percentage of social welfare and health care expenditure in total local authority spending

Policy 2: Access to welfare for all

- Average life expectancy for a person aged 35, differences by educational attainment
- Persons who have been unemployed for more than a year
- Poverty risk (households, children), including EU2020 strategy indicators
- Income differences
- Young people with no basic or secondary education
- Availability of services
- Coverage of public services for the elderly aged over 75
- Percentage of young children in daycare
- Personnel in social welfare and health care services
- Level of minimum benefits
- Benefits and services for families with children
- Foreign nationals resident in Finland
- Children and adolescents taken into custody
- Homeless people

Policy 3: A healthy and safe living environment

- Health protection resources of local authorities
- Accidents in the home and in leisure time
- Epidemics and illnesses caused by household water
- Levels of environmental toxins in mother's milk
- Violent crime
- Solvency of the insurance sectors
- Ratio of earnings-related pension funds to the GDP

For health and social protection





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