

*Ministry of
Social Affairs and Health
and related authorities*

MINISTRY OF
SOCIAL AFFAIRS AND HEALTH

ISBN 952-00-0586-2
Brochures 1999: 3 eng

Contents

The Finnish social protection system in a nutshell...	00
Ministry of Social Affairs and Health	00
Principles and strategies.....	00
Organisation.....	00
Administrative Department	00
Insurance Department	00
Department for Social and Health Services....	00
Department for Promotion of Welfare and Health..	00
Finance and Planning Department	00
Organisation chart	00
Department for Occupational Safety and Health	00
Agencies in the sector of the Ministry of Social Affairs and Health	00
National Research and Development Centre for Welfare and Health (Stakes)	00
National Agency for Medicines (LL)	00
National Public Health Institute (KTL)	00
Radiation and Nuclear Safety Authority (STUK)	00

National Authority for Medicolegal Affairs (TEO) 00

National Product Control
Agency for Welfare and Health (STTV) 00

Insurance Supervision Authority.....00

Addresses and Telephone Numbers 00

The Finnish social protection system in a nutshell

There are three basic elements of the Finnish social protection system: preventive social and health policy, social and health care services and social insurance. The core of social protection aims at securing livelihood through comprehensive basic security and income related benefits that guarantee the possibility to maintain a reasonable level of subsistence in different situations of risk. An important element of the Finnish social protection system is its comprehensive social and health services.

The social protection system is the result of measures that have taken decades to implement. It is characterised by a universality of benefits. In the Nordic countries, the social protection is based mostly on residence in the country.

A safety net

The social protection system has guaranteed society's coherence, fairness and equality. Almost all households receive some form of income transfer or use social and health services from time to time. During the harsh economic slump of the early 1990s the role of social protection was mainly to act as a safety net to cope with high unemployment. The system of income transfers by paid and received transfers has made income distribution more equitable. Finland has a relatively even income distribution when measured by people's disposable income. The poverty rate is one of the lowest among OECD countries.

The vigorous development of the day care system for small children has enabled women to participate widely in working life. In Finland about 70 % of mothers of young children are in paid employment.

The proportion of social expenditure of gross domestic product (GDP) rose greatly in Finland at the beginning of the 1990s. Economic growth, savings in public expenditure and a drop in unemployment have lowered the proportional level of social expenditure so that it is close to the EU average. In 1998 the proportion of social expenditure of GDP was 28 %. The principal financiers of social expenditure are the state, municipalities and employers. The proportion of insured persons in the provision of social expenditure is clearly lower in Finland than in other EU countries. The financial proportion of the state and municipalities is correspondingly higher.

Preventive measures

Preventive action is a central part of social protection. Its aim is to forestall a range of risks and problems, in part so that the use of more expensive services and forms of assistance can be minimised. People are encouraged to look after their health and to cut their use of tobacco and alcohol. The main areas of preventive action are environmental health care, effective primary health care, occupational health care, maternity and child welfare services and the prevention of social exclusion.

The state and the municipalities are responsible for organising the social and health care services in Finland. Municipalities are responsible for arranging services either alone or together with other municipalities. The financial responsibility for services is divided between the state and the municipality. Municipalities are entitled to levy local taxes. The proportion of fees that is collected from the clients is relatively small, and the municipal services are subsidised by the state. The most important areas of the service sector are primary health care and specialised health care, children's day care, care of the older people, services for the persons with disabilities, living allowance and child protection. The living allowance is a last resort benefit.

Universal and employment-based benefits

Certain benefits, such as parental leave and child allowance are universal. The level of child allowance depends on the number of children in a household, and is payable for children under 18. All parents have the right to take parental leave, and fathers have the right to a separate father's allowance that is paid for 6-18 working days. Parents of children under 7 years old have the right to day care for their children, or they can opt to take care of their children at home.

Residents are covered by social security schemes which govern basic pensions (national pensions), sickness and maternity benefits and unemployment benefits. In addition, all employed persons are entitled to benefits based on employment, such as employment pensions and benefits for employment accidents. A distinctive characteristic of the social insurance system in Finland is that a remarkable part of social insurance is managed through private insurance institutions, although the system is obligatory and statutory.

Finland has two pension systems: the National Pension Scheme and the Employment Pension Scheme. Both pay old-age, invalidity and survivor's pensions. The National Pension Scheme provides pensions on the basis of residence to guarantee a minimum income whereas the Employment Pension Scheme is based on employment and related to earnings. The national pension is co-ordinated with the person's pension from the Employment Pension Scheme and paid to persons with low or no employment pension. When the employment pension exceeds a certain amount there is no entitlement to national pension. National pensions are administered by the Social Insurance Institution (Kela). The Employment Pension Scheme is managed by private insurance institutions. The Central Pension Security Institute (ETK) is the central body of the scheme. The public sector has its own pension institutions.

Unemployment benefits consist of earnings-related allowance, basic allowance and labour market support. Most employees are covered by their own sector's unemployment fund, in which case they are entitled to an earnings-related allowance.

Insurance against risks

All employed persons, including farmers, are insured compulsorily in employment injuries and occupational diseases. Self-employed persons other than farmers can take a voluntary insurance. The Employment Accident Insurance Scheme is administered by private insurance companies.

Sickness insurance compensates income lost due to temporary incapacity for work. The allowance is proportional to the applicant's earnings. A lengthy illness or period of disability can affect the everyday life of the person concerned in various ways. Rehabilitation can help prevent and alleviate these effects. Rehabilitation benefits are provided in order to improve and maintain the capacity of persons with handicaps or severe disabilities to work and cope with their everyday lives as well as possible despite their condition.

Future challenges

The Finnish social protection system has widespread public support. The main challenges of the coming years are a weakening dependency ratio, the ageing of the population, the high level of long-term unemployment, social exclusion and securing of a sustainable financing. Due to the structural reforms of the pension system and because of curbs on public spending and the improved employment situation, the financing of the social protection system is now on a more firm base than in the period of recession in the early 1990s.

Ministry of Social Affairs and Health

The Ministry of Social Affairs and Health directs and guides policies concerning social security, social welfare and health care. It defines the main lines of social and health policy, prepares legislation and key reforms and supervises their implementation, and handles the necessary links with the political decision-making process.

The general aims of social welfare and health care and the measures that will be taken in order to fulfil these aims are adopted in a target and action programme for social welfare and health care that is drawn up for the whole period of office of each government. Thus the development of the social welfare and health services is a part of the political decision-making. The programme is a kind of co-operation contract between the municipalities and the state. The preparation, execution and follow-up of the programme are the responsibility of a steering group that is composed of the representatives of the Association of Finnish Local and Regional Authorities, research bodies in the field of the Ministry of Social Affairs and Health and non-governmental organisations.

The Provincial State Offices guide and supervise social welfare and health care in the provinces, with the local authorities responsible for the actual provision of services.

Principles and strategies

The Ministry aims to provide the population with

- a healthy environment
- good health and functional capacity
- adequate income and social security in different life situations.

Main strategies

The work of the Ministry of Social Affairs and Health is based on the following five main strategies:

- preventive policy
- securing benefits and services
- financing social security
- providing social security
- planning for the future.

The main strategies for social security in the next few years are to prevent social and health problems, to supply people with better, more economical services, to build up social security which supports the personal activeness of citizens, to seek alternatives to unemployment, and to place financing on a sustainable basis.

Basic principles and main strategies of social security

Coverage
Sufficiency

Activation
Self-help

Main
pillars

Demarcation
responsibility

Sustainable
financing

Strategy for
preventive
policy

Strategy for
financing
social
security

Strategy for
the future

Strategy for
securing
benefits

Strategy for
providing
social
security

Organisation

(for organisation chart, see the centre spread)

The Ministry of Social Affairs and Health has six departments:

- Administrative Department
- Insurance Department
- Department for Social and Health Services
- Department for Promotion of Welfare and Health
- Finance and Planning Department
- Department for Occupational Safety and Health.

The Ministry has a staff of about 400. The highest civil servant is the Permanent Secretary, who directs the workings of the Ministry together with the Minister(s). During the last few years the Ministry has often had two Ministers.

The departments are responsible for legislation and preparatory work on key functions of social and health care and social security within their purview, and for guiding and harmonising their execution.

There is also an International Affairs Unit at the Ministry, subordinate to the Permanent Secretary. The Office of the Ombudsman for Equality operates in conjunction with the Administrative Department. The latter also operates the Ministry's Communication and Information unit and a Social and Medical Preparedness and Response Unit.

The Ombudsman for Equality supervises enforcement of the Act on Equality between Women and Men and equality in practice, and issues statements and opinions on related matters.

The International Affairs Unit is responsible for developing and co-ordinating the management of international affairs falling within the Ministry's remit.

The Communication and Information Unit is in charge of the Ministry's PR and information services.

The Social and Medical Preparedness and Response Unit drafts guidelines and provides training for social welfare and health workers in contingency planning and preparedness for exceptional situations and disasters. It is also responsible for internal security within the Ministry.

Administrative Department

The Administrative Department is responsible for the general administration of the Ministry and its agencies and institutions, for staff development and for co-ordinating personnel administration.

The Department co-ordinates result management and the general administration of the units at Provincial State Offices dealing with social affairs and health. Its duties also include the distribution of Slot Machine Association profits and monitoring the Association's financial grants. The Department is responsible for the

Ministry's personnel management and development, its information management and service, real estate and materials administration and other internal services. The Ministry's internal and external PR and matters related to exceptional situations in the social and health sector and preparedness for disasters also fall within its functions.

Functions of the Administrative Department

Administration, management support and administrative services

- General administration of the Ministry and related authorities
- Personnel administration and personnel development
- Other Ministry support services:
 - Information service
 - Information management (automatic data processing)
 - Real estate and internal services
 - Materials management
- Communications and support for interest groups (Communication and Information Unit)
- Special duties:
 - Office of the Ombudsman for Equality,
 - Social and Medical Preparedness and Response Unit
- Departmental social and medical result management

Insurance Department

The Insurance Department develops social insurance and other insurance-related legislation.

The Department comprises a social insurance branch, an insurance market branch, an unemployment security branch, and an international affairs and administrative support section.

The Insurance Supervision Authority started in 1999 under the governance of the Ministry of Social Affairs and Health. Its task is to supervise the pensions and insurance institutions and other actors of the insurance sector. The supervision of unemployment insurance is still a responsibility of the Insurance Department. The Department includes several boards of appeal. It also deals with matters concerning the Social Insurance Institution and other insurance and pension institutions, and various insurance associations.

Functions of the Insurance Department

o Drafting legislation on social and other insurance

- National old-age and survivors' pension insurance
- Child care allowance
- Sickness and maternity insurance
- Disability allowance
- Life assurance and personal insurance
- Employment pension insurance
- Motor third party liability insurance
- Accident insurance
- Patient insurance
- Unemployment security

- Veterans' pension
- Non-life insurance

Department for Social and Health Services

The Department for Social and Health Services is responsible for developing social welfare and health care services. In co-operation with other departments, it performs the Ministry's functions as laid down in the Act on Planning and Government Grants for Social Welfare and Health Care.

The agencies under the Department are the National Research and Development Centre for Welfare and Health (Stakes), the National Agency for Medicines, and the National Authority for Medicolegal Affairs.

Functions of the Department for Social and Health Services

- **Legislation, planning and government grant matters related to social welfare and health services**
 - Income support
 - Social work
 - Services for children and families:
 - Children's day care and home care allowance
 - Child welfare
 - Care of the older persons
 - Services for the disabled persons
 - Social work with intoxicant abusers

 - Primary health care
 - Specialised hospital care
 - Medical rehabilitation
 - Mental health work
 - Health care professionals' execution of duties
 - Patient rights
 - Private health care
 - Questions concerning preparedness for exceptional situations and disasters
 - Pharmaceutical service

 - Other social welfare and health services
 - Related international affairs

Department for Promotion of Welfare and Health

The Department for Promotion of Welfare and Health is responsible for promoting health and social well-being, preventing social problems and diseases, and ensuring a healthy environment. It guides and develops preventive work and drafts related legislation, and works to ensure that considerations related to the prevention of social and health problems are taken into account in other policies affecting society.

The Department also deals with administrative matters connected with health protection, chemical control, occupational health care and health-related product safety (tobacco and alcohol).

It deals with and prepares matters connected with the Social Security Institution, the National Product Control Agency for Welfare and Health and Alko Inc.

Functions of the Department for Promotion of Welfare and Health

o Promoting health and social security

- Health protection
 - Drinking and bathing water
 - Quality of indoor air
 - Foodstuff hygiene
 - Environmental permits
 - Chemicals control
 - Noise abatement
 - Radiation protection and prevention
- Gene technology
- Occupational health and measures to maintain work ability
- Health promotion
 - Prevention of wide-spread major diseases
 - Prevention of contagious diseases
 - Prevention of accidents
 - Tobacco affairs
 - Matters relating to alcohol and drugs
- Preventive social policy
 - supporting growth and development of children and young people
 - preventing exclusion
 - supporting personal initiative and involvement among the unemployed
 - promoting basic security in housing

Finance and Planning Department

The Finance and Planning Department is responsible for drawing up social protection strategies, for fixed-term plans for social and health policy, for accounting management and regular reporting, and for guidelines related to financial and accounting matters. It is also in charge of the monitoring, result management, assessment and internal audit functions.

The Department assesses the goals of social and health policy, the need for change and the impact of action taken, and suggests alternative solutions for decision-making purposes. The Department monitors and forecasts the economic impacts of social protection and its links with other social policy.

Functions of the Finance and Planning Department

- **Drawing up the strategies, goals and modes of action of social and health policy**
- **Establishing the links between social welfare and health policy and other areas of social policy**
- **Co-ordination of result management, preparing and drafting planning and monitoring documents in the sector of the Ministry**
 - Strategic planning
 - Drafting alternative strategies for decision-making purposes
 - Preparing and implementing the budget and action plan for the sector of the Ministry
 - The Ministry's official accounting and financial functions, including remittances, bookkeeping and calculation of wages
 - Surveys on income and social and health conditions
 - Information and statistical systems concerning social and health policy
 - Co-ordination of research & development and statistics

Department for Occupational Safety and Health

The Department for Occupational Safety and Health is responsible for the activities of work organisations and the quality of the work environment in improving security, health, job satisfaction and results. These actions are implemented in close co-operation with the social partners and other interest groups. The main strategy of occupational health and safety is to maintain work capacity and the employer's capacity to care for its own occupational health and safety.

The Department for Occupational Safety and Health is concerned with matters related to occupational safety and health, with monitoring occupational health and safety, with market control of products used at work, with co-operation in occupational health and safety, and with the monitoring of occupational health care. The Department also deals with international co-operation in the field, co-ordinates research in occupational health and safety, and prepares and monitors legislation. It also manages matters related to the Finnish Work Environment Fund.

The Department advises and monitors the districts for occupational safety and health, whose main function is to monitor compliance with the occupational health and safety legislation.

The functions of the Department for Occupational Safety and Health

- **Preparing and monitoring legislation on occupational health and safety**
- **Improving the work environment and safety management in work organisations**
- **Monitoring the legislation on occupational health and safety, occupational health care and employment**
 - Preparing and applying guidelines for legislation on occupational health and safety
 - Maintaining a national occupational health and safety policy and a strategy for it
 - Improving the work environment and work organisations
 - Management by objectives of the districts for occupational safety and health and allocation of resources
 - Improving the operational prerequisites of the occupational safety districts and developing their functions

- Product control for machines, equipment and personal protective equipment used at workplaces
- Co-ordination of research on occupational health and safety, the dissemination of information and improvements in its usability

Occupational Safety and Health Inspectorates

The country is divided into eleven districts for occupational safety and health. The function of the eleven Occupational Safety and Health Inspectorates as regional authorities responsible for the districts is to monitor working conditions and the observance of employment legislation, and to promote occupational health and safety. Versatile methods are used to monitor and disseminate information. The Occupational Safety and Health Inspectorates conduct safety inspections and give guidance on the application of rules on working conditions, employment and equality.

The Occupational Safety and Health Inspectorates employ approximately 460 people; about 360 of these do field surveys at workplaces. Approximately 30,000 safety inspections are undertaken annually. Finland has about 240,000 workplaces subject to regular inspections.

Agencies in the sector of the Ministry of Social Affairs and Health

There are several agencies and institutions subordinate to the Ministry of Social Affairs and Health which work with the Ministry in performing various research, development and supervisory functions connected with social welfare and health care. These are:

- National Research and Development Centre for Welfare and Health (Stakes)
- National Public Health Institute (KTL)
- National Agency for Medicines (LL)
- Radiation and Nuclear Safety Authority (STUK)
- National Authority for Medicolegal Affairs (TEO)
- National Product Control Agency for Welfare and Health (STTV)
- Insurance Supervision Authority (VTV).

National Research and Development Centre for Welfare and Health (Stakes)

Stakes monitors and evaluates the operation and development of social welfare and health care and carries out research and development in the field of social and health care services. It produces and acquires Finnish and foreign information and know-how, and passes this on to field workers, workplaces and decision-makers in the sector.

The Centre maintains various statistics, data files and registers. It promotes and provides related training and makes the proposals and initiatives needed to develop social welfare and health care. Stakes is a result-managed unit, headed by a Director General.

Its goals focus on prevention, services, information sources and information services. Functionally, it is divided into eight independent profit centres. These focus on the following:

- Promotion of independent living
- Services and quality
- Statistics and registers
- Social research
- Health services research
- Population, environment and living conditions
- Support services
- Communications.

Stakes also houses the Health & Development Co-operation Unit (HEDEC), the Health Care Method Assessment Unit (FinOHTA), and the Centre of Excellence for Information and Communication Technology in Welfare and Health.

National Agency for Medicines (LL)

The National Agency for Medicines works to maintain and promote safe use of medicines, medical devices and blood products.

The functions of the National Agency for Medicines include some aspects of consumer protection which must be incorporated into welfare policy taking into consideration research in the field and developments in business and industry. The functions of the National Agency for Medicines are laid down by law. International co-operation, especially within the EU, is an integral part of its work.

The Agency has a Pharmacological Department, a Pharmaceutical Department and a Department for General Affairs. It also has a Secretariat for Marketing Authorisations, a Drug Information Centre and a Medical Devices Centre.

The functions of the National Agency for Medicines

- Pre- and post-supervision of medicines
- Supervision and guidance related to the manufacture, import and distribution, and sale of medicines
- Information on medicines and follow-up of consumption
- Pharmacopoeia work and standardisation connected with medical devices
- Market supervision connected with medical devices, and surveys, studies and information

National Public Health Institute (KTL)

The main focus of the Institute's work is on research aimed at establishing the reasons for and preventing common non-communicable diseases. The Institute is also responsible for immunisation. The National Public Health Institute researches lifestyles — for example, nutrition, smoking and use of drugs — the environment —

for example, moulds, micro-particles, microbes and environmental toxins — the effect of genetics on health and interaction between all the above-mentioned factors. Through information and guidance, the research results will be used to improve welfare and promote health.

The Institute is divided into three divisions, their main responsibilities being:

Division for Infectious Diseases

- monitoring the occurrence of infectious diseases
- national immunisation programme and its development
- long-term effects of infections
- improving quality, reference laboratories

Division of Health and Chronic Diseases

- preparing health reports
- monitoring health risks and health behaviour
- cancer
- diabetes
- musculoskeletal diseases
- mental problems
- nutrition
- alcohol, drugs, traffic
- genetics and health

Division of Environmental Health

- air pollution in the environment
- pollution in indoor air
- drinking water
- dioxins
- emergency stand-by system.

Radiation and Nuclear Safety Authority (STUK)

The Radiation and Nuclear Safety Authority is the expert on radiation and nuclear safety. Its main function is the prevention and restriction of detrimental radiation. The Authority monitors the production of nuclear energy and all functions involving radiation or radioactive substances.

The Radiation and Nuclear Safety Authority has five departments:

- Monitoring of nuclear wastes and nuclear materials
- Monitoring of nuclear plants
- Monitoring of radiation
- Research on and monitoring of the environment
- Administration and internal services.

In addition to these departments, the Authority has three separate units, for emergency readiness, information and neighbouring area co-operation

National Authority for Medicolegal Affairs (TEO)

The functions of the National Authority for Medicolegal Affairs relate to issues regulating the standing of health care personnel and concerning the legal protection of individuals.

As far as health care personnel are concerned, the Authority grants and registers licences to practice, and is responsible for supervision, disciplinary matters and restrictions on and the withdrawal of such licences. The Authority is in charge of the central register of health care practitioners, which the National Research and Development Centre for Welfare and Health (Stakes) maintains technically.

In the case of permits concerning individuals, the Authority deals with matters connected with termination of pregnancy (abortions), sterilisations, permits referred to in the Act on Tissue Transplant etc.

The Authority has functions related to forensic psychiatry affecting the individual, for example the arrangement of places for mental examinations, the inspection of mental health opinions, and the removal of criminal patients from hospital.

It is also responsible for questions related to establishing cause of death as well as opinions on cause and effect, levels of disability and working capacity in the case of injuries.

National Product Control Agency for Welfare and Health (STTV)

The National Product Control Agency for Welfare and Health handles the administration of licensing connected with the import, manufacture, sale and on-premises sale of alcoholic beverages, and the supervision of these activities. The Agency also deals with questions related to alcohol and tobacco advertising. In addition, the Agency is responsible for reports, assessments and classifications as required in the Chemicals Act and the Pesticides Act.

The National Product Control Agency for Welfare and Health has four departments: for general affairs, for alcohol administration, for alcohol product supervision and for chemicals.

Insurance Supervision Authority (VVV)

The task of the Insurance Supervision Authority is to supervise and control the insurance and pension institutions and other actors of the insurance sector.

Operative supervision tasks, decisions about single supervised entities, decisions about the demands of the supervised entities and exemptions have been moved from the Ministry of Social Affairs and Health to the Insurance Supervision Authority starting from the 1st of April 1999. In addition to these tasks, the Insurance Supervision Authority maintains registers connected with insurance activities and collects insurance statistics.

Addresses and telephone numbers

Ministry of Social Affairs and Health (STM, Sosiaali- ja terveystieteiden ministeriö)

PO Box 267, Snellmaninkatu 4-6 (Meritullinkatu 8 from June 1999), 00171 Helsinki

Telephone: +358 9 1601

Telefax: +358 9 160 4716 (registry), 160 4328 (information)

E-mail: given name.last name@stm.vn.fi

Internet address: www.vn.fi/stm/english

Ministry of Social Affairs and Health, Department for Occupation Safety and Health (STM, Sosiaali- ja terveystieteiden ministeriö)

PO Box 536, Uimalankatu 1, 33101 Tampere

Telephone: +358 3 260 8111

Telefax: +358 3 260 8511

National Public Health Institute (KTL, Kansanterveyslaitos)

Mannerheimintie 166, 00300 Helsinki

Telephone: +358 9 47 441

Telefax: +358 9 4744 8408

E-mail: given name.last name@ktl.fi

Internet address: www.ktl.fi

National Agency for Medicines (LL, Lääkelaitos)

PO Box 55, Mannerheimintie 166, 00301 Helsinki

Telephone: +358 9 47 3341

Telefax: +358 9 47 3341

E-mail: given name.last name@nam.fi

Internet address: www.nam.fi/english

National Research and Development Centre for Welfare and Health (Stakes)

PO Box 220, Siltasaarenkatu 18 A, 00531 Helsinki

Telephone: +358 9 396 71

Telefax: +358 9 761 307

E-mail: given name.last name@stakes.fi

Internet address: www.stakes.fi/english

National Product Control Agency for Welfare and Health (STTV, Sosiaali- ja terveydenhuollon tuotevalvontakeskus)

PO Box 210, Säästöpankinranta 2 A, 00531 Helsinki

Telephone: +358 9 3967 270

Telefax: +358 9 3967 2797

E-mail: given name.last name@sttv.fi

Radiation and Nuclear Safety Authority (STUK, Säteilyturvakeskus)

PO Box 14, Laippatie 4, 00881 Helsinki

Telephone: +358 9 759 881

Telefax: +358 9 7598 8500

E-mail: given name.last name@stuk.fi

Internet address: www.stuk.fi/english

National Authority for Medicolegal Affairs (TEO, Terveysturvakeskus)

PO Box 265, Siltasaarekatu 18 C, 00531 Helsinki

Telephone: +358 9 3967 280

Telefax: +358 9 3967 2842

E-mail: given name.last name@stakes.fi

Insurance Supervision Authority (VTV, Vakuutusvalvontavirasto)

PO Box 449, Mikonkatu 8, 4th floor, 00101 Helsinki

Telephone: +358 9 415 5950

Telefax: +358 9 415 59515