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*National Action Plan against Poverty and*  

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*Social Exclusion for 2003-2005*

MINISTRY OF SOCIAL AFFAIRS AND HEALTH  

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## *To the Ministry of Social Affairs and Health*

The Ministry of Social Affairs and Health set up on 1 March 2002 a working group (appointment decision STM032:00/2002) to monitor and assess the implementation of the National Plan of Action to Combat Poverty and Social Exclusion that was completed on 1 June 2001 and to put forward proposals for a corresponding plan for 2003 – 2005. The Working Group was assigned to prepare for the Ministry of Social Affairs and Health by 31 July 2003, in accordance with the instructions issued by the EU Council for Employment, Social Policy, Health and Consumer Affairs, a proposal for a new National Plan of Action to Combat Poverty and Social Exclusion. As the Working Group's term was decided 1 March 2002 to 31 July 2003.

The Working Group was chaired as of 15 July 2002 by Director-General Raimo Ikonen from the Ministry of Social Affairs and Health. As other members were appointed Jaakko Ellisaari, Senior Officer, Antero Kiviniemi, Senior Officer, and Eero Lahtinen, Senior Medical Officer, all from the Ministry of Social Affairs and Health. Furthermore, the following persons were invited as the members of the Working Group: Peter Fredriksson, Consulting Officer, Ministry of the Environment; Matti Heikkilä, Director-General, National Research and Development Centre for Welfare and Health; Rolf Eriksson, Development Manager, Finnish Association of Local and Regional Authorities; Mirja Janérus, Secretary for Social Policy, Central Organisation of Finnish Trade Unions SAK; Pasi Järvinen, Senior Officer for Legal Affairs, Ministry of Labour; Kaarina Lappalainen, Secretary for Welfare Services, Ecclesiastical Board of the Evangelical-Lutheran Church of Finland; Vesa Rantahalvari, Social Policy Adviser, Employers' Confederation of Service Sector Industries PT; Marita Ruohonen, General Manager, Federation of Mother and Child Homes and Shelters (as the representative of EAPN-Fin, the Finnish branch of the European Anti-Poverty Network); Riitta Särkelä, Executive Director, Finnish Federation for Social Welfare and Health; Elsi Veijola, Senior Officer, Ministry of Education; Hannele Sauli, Senior Research Officer, Statistics Finland; and Marja Tuovinen, Ministerial Adviser, Ministry of Finance.

As the secretaries for the Working Group were appointed Kari Gröhn, Senior Research Officer, Markus Seppelin, Senior Officer, and Juho Saari, Ministerial Adviser, all from the Ministry of Social Affairs and Health.

The Working Group convened fifteen times. In addition, it arranged two hearings: one for third sector organisations (11 November 2002) and the other for local authorities (27 November 2002). An event to start the drafting of the new national plan of action was arranged on 28 January, with invited representatives of the local government and NGOs.

The National Plan of Action to Combat Poverty and Social Exclusion was discussed in the leadership group of the Ministry of Social Affairs and Health on 10 June 2003, in the ministers' leadership groups on 11 June 2003, and it was adopted in the cabinet committee dealing with EU affairs on 3 July 2003.

After having completed its task the Working Group hereby submits its memorandum to the Ministry of Social Affairs and Health.

Helsinki, 1 July 2003

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## 1. Background to the Plan

At the Nice European Council in December 2000, a decision was taken to draw up National Action Plans against poverty and social exclusion as part of the political cooperation between Member States of the European Union in social protection. The Plans are based on goals for the prevention of poverty and social exclusion approved jointly by the Member States. The four general objectives are:

- to facilitate participation in employment and access by all to the resources, rights, goods and services;
- to prevent the risks of exclusion;
- to help the most vulnerable;
- to mobilize all relevant bodies.

The first two-year National Action Plans against Poverty and Social Exclusion were drawn up by the Member States in 2001. These Plans in turn contributed to the report on social inclusion submitted jointly by the Council and the Commission to the Laeken European Council in December 2001. After a discussion headed by the Social Protection Committee, the Employment, Social Policy, Health and Consumer Affairs Council approved the updated objectives for the second round of National Action Plans in December 2002, aiming at a report to be submitted jointly by the Commission and the Member States to the European Council in spring 2004.

The general objectives approved at the Nice European Council have proved feasible and functional. No great changes were made to the general objectives for the second round of National Action Plans, covering the years 2003 to 2005. New points of emphasis approved include setting targets for significantly reducing the number of people at risk of poverty and social exclusion, emphasizing the importance of taking the role of gender fully into account, and highlighting more clearly the high risk of poverty and social exclusion faced by some as a result of immigration.

The National Action Plans are prepared by all EU Member States according to jointly agreed principles.<sup>1</sup> The Plans take into account the different situations and points of emphasis in the respective countries, while efforts are also made to harmonize the structure and content of the Plans in order to facilitate mutual learning. At its meeting in October 2002, the Social Protection Committee agreed on the timetable and outline of the National Action Plans to be drawn up for 2003-2005.<sup>2</sup>

Poverty and social exclusion are closely connected with the fastest social changes and, for example, with structural changes in working life. For this reason, individuals cannot be left to take the responsibility and to find individual solutions; society must accept the responsibility for ensuring the rights of all its members to a worthwhile existence. Work providing a sufficient income, a good living environment, satisfactory housing, access to services and social networks supporting self-sufficiency form the basis for normal participation and

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<sup>1</sup> The policies are summarised in Meeting Document 8 (High-level Working Party on Social Protection 29 September 2000 / Annex).

<sup>2</sup> Social Protection Committee. Common Outline for the 2003/2005 NAP/inclusion

inclusion in society. Universal public services and income transfers support these everyday structures and practices. In addition, specific special measures and programmes are needed to combat particularly persistent vicious circles of exclusion. Experiences in Nordic welfare states show that the prevention of exclusion must be seen as an integral part of social policy as a whole. The responsibility for this must be borne not only by government and other public authorities but also by companies and organizations, NGOs and labour market organizations.

Finland's policy in the prevention of poverty and social exclusion rests on the principles of the Nordic welfare state, which require universal services and adequate social protection. Efforts are made in various sectors of social policy to anticipate and prevent risks of exclusion. Welfare services are financed mainly out of taxes on the basis of decentralized municipal responsibility for provision. The fundamental structure of social protection remains functional, and has helped keep the poverty rate at a level that is low by international comparison.

Features of the welfare society in the 2000s include emphasis on competence, motivation for work and entrepreneurship, social justice and regional balance. Strategies, objectives and measures are based on the Government Programme, the budget framework for government expenditure in 2004-2007, the social welfare and health policy strategies extending to 2010 drawn up by the Ministry of Social Affairs and Health, and the programmes of various other actors. Preventing social exclusion depends on strengthening the structures of welfare policy and on developing cross-sectoral practices. The vital component in the strategy is to support the emergence of structures and practices in people's everyday lives that in themselves serve to prevent exclusion.

The purpose of the measures incorporated in the Plan is to improve the status of the socially excluded, to prevent difficulties in earning a living, and to enhance access to working life for those in a weak labour market position. In the long term, results are evaluated using a set of predetermined indicators (see Chapter 7 and Appendix Table 1).

## **2. Poverty and social exclusion — situation, threats and challenges**

The concept of poverty is usually associated with an inadequate material standard of living, usually measured by income, consumption level or assets. Poverty is thus equated with a low income and lack of assets. But shortage of money is only an indirect indicator of deprivation. Recently, low income has come to be described more precisely as a 'poverty risk', indicating the high correlation between a low income and a state of deprivation translating into low quality of life. The concepts of 'poverty' and 'poverty risk' should be restricted to the study of income poverty, while 'deprivation' or 'exclusion' should be used instead when discussing extensive and immediate shortcomings in living conditions, living habits and quality of life.

Poverty can be taken as an absolute term referring to a state in which the minimum requirements for physical existence are unfulfilled. In welfare states, poverty is usually considered a relative term, determined by comparing the status of an individual with the way of life or standard of living commonly accepted in the society in question.



‘Exclusion’ as a concept denotes an accumulation of deprivation. ‘Risk’, ‘threat’ and ‘danger’ of exclusion are different descriptions of the same state of affairs which, like poverty risk, affects different population groups in different ways. Exclusion is usually triggered by social risks such as insolvency, declining health, unemployment, homelessness, insufficient education or other social problems. Risks of exclusion can never be wholly eliminated, but the extent and depth of problems arising from the materialization of such risks, and the accumulation of exclusion risks on the level of the individual can be reduced through policy measures in social welfare, health, education, employment, housing and the economy.

‘Deprivation’ is usually considered a state, whereas ‘exclusion’ is considered a process in which the impact of deprivation comes to be reflected in various areas of life. This makes measuring exclusion a challenging task. The conceptual opposite of social exclusion is social inclusion. The promotion of social inclusion is intended to ensure that those sidelined from the functioning of society become involved in it again — in work, leisure pursuits, education, culture, and so on.

This Plan aims to take into account the manifold dimensions of poverty and social exclusion. A majority of the indicators compiled by the working group depict poverty as economic exclusion and low income. The other indicators are connected with exclusion caused by various social risks related to the labour market and housing market, to education and to health. No comprehensive systematic empirical information is available on the accumulation of deprivation at the level of the individual or the family.

## **2.1. Economic exclusion (Poverty)**

There is no officially defined national poverty level in Finnish social policy, and accordingly this Plan adheres to the EU definition. The official EU definition of ‘poverty level’ is based on a relative evaluation, being equal to 60 per cent of the median of a household’s disposable income<sup>3</sup> in a statistical year. Poverty risk translates as the risk of falling below the level of income defined as the poverty level. In principle, everyone in the population faces a poverty risk, but the probability of this risk materializing varies, depending on the social and financial position of an individual and changes in it.

In addition to the relative concept of poverty risk, low income can also be evaluated using a fixed poverty level set at a specific level of income and remaining constant from one year to the next (except for index-linked adjustments to reflect rising prices) regardless of overall income levels in the society concerned. In considering these poverty indicators, it should be noted that they do not take into account differences in assets, debts or undeclared differences in income or consumption needs. There are problems with all poverty indicators, and these should be taken into account when the results are analysed.

Taking all types of income into account, just under 11 per cent of the population fell under the relative poverty level in 2001 (see Indicator 1.2). The percentage of the population below the

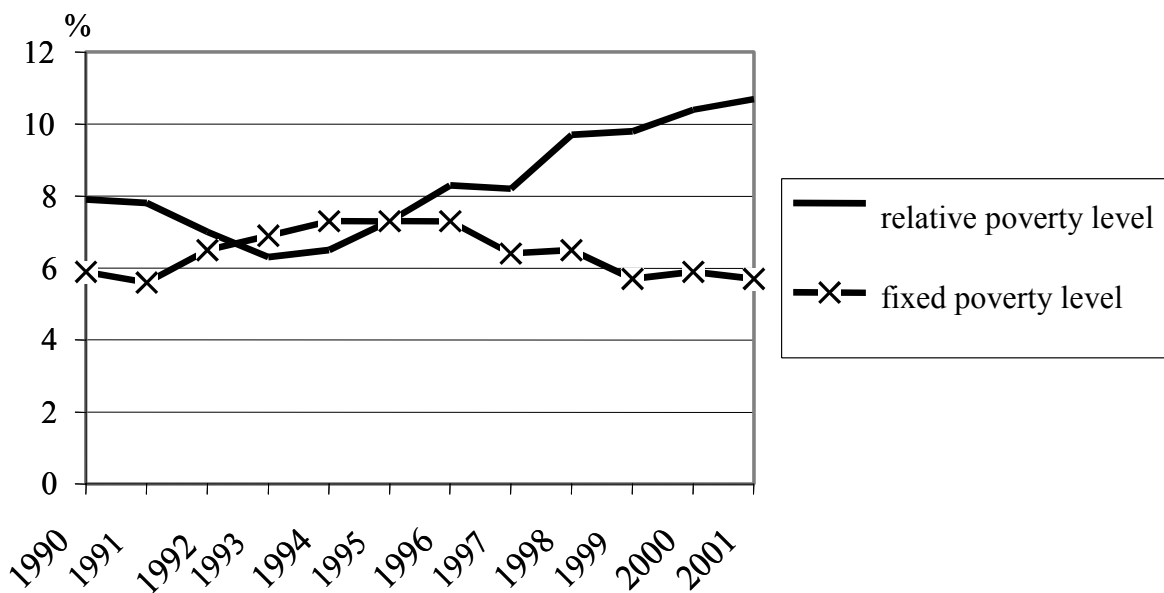
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<sup>3</sup> The percentage of households receiving income support, which is an indicator of difficulties in earning a living (Indicator 1.16), decreased after the recession in the late 1990s and has remained at slightly under 10 per cent thereafter. Most of these households receive income support as a complement to wages or other income transfers over a short period of time. The percentage of households receiving long-term income support, i.e. for almost the whole year, more than doubled between 1990 and 2001. In 2001, the number of households receiving income support increased in the age groups of under 20 and 50 to 64. Almost two in three of the households receiving income support are single-person households.

relative poverty level was almost 3 percentage points higher in 2001 than it had been in 1990. This figure has increased clearly since the beginning of 1995 among young adults, the long-term unemployed, single parents and those renting their housing. Falling under the poverty level is the most common in households consisting of a single young person.<sup>4</sup> Households with children under school age remain the group with the lowest percentage of households below the poverty level, even though that percentage has doubled. The percentages of women and men below the poverty level have equalled out at slightly under 11 per cent each, albeit the percentage of women over 65 below the poverty level was still twice as high in 2001 (and their number three times as high) as that of men over 65 (Indicators 1.3-1.9). The poverty rate among wage-earners has remained unchanged. The income level of foreign citizens resident in Finland and belonging to the workforce is low compared with the majority of the population.<sup>5</sup> According to the European Community Household Panel Survey, immigrants in Finland have a poverty risk four times higher than that of the population as a whole.<sup>6</sup>

The fixed poverty level measures the change in the number of persons below a certain income level over time (Indicator 1.15). Measured by this indicator, those below the poverty risk line represented 5.7 per cent of the entire population in 2001 (preliminary data). The figure increased by 1.7 percentage points during the recession (1991-1995) and receded to the pre-recession level of under 6 per cent in 2000. The fixed and relative indicators thus mirror one another in differing economic circumstances.

Figure 1. Percentage of the population below the poverty level 1990-2001



Income transfers received by households efficiently reduce the poverty rate in Finland. Based on 2001 data, income transfers reduced the poverty rate by about 30 percentage points (from 40 per cent to 11 per cent). The impact of income transfers was at its highest in 1994 (38 percentage points), after which the increase in social benefits slowed down, while wages, entrepreneurial income and capital income grew rapidly (see Indicators 1.2 and 1.9). Thus, the

<sup>4</sup> It is relatively common in Finland for a student to live in his own household; thus, his low income contributes to the household-based statistics in a way that it would not if he were living in a household with other earners. About 73 per cent of student households fall below the poverty level.

<sup>5</sup> Ulkomaalaiset ja siirtolaisuus 2001 [Foreigners and immigration], SVT Väestö 2002:8; Table VIII)

<sup>6</sup> Unpublished information from Statistics Finland, based on a small set of data.

redistributive effect of taxation from the point of view of income distribution as a whole has declined since 1992.

### *2.1.1. Difficulties in earning a living*

The percentage of households receiving income support, which is an indicator of difficulties in earning a living (Indicator 1.16), decreased after the recession in the late 1990s and has remained at just under 10 per cent thereafter.<sup>7</sup> Most of these households receive income support as a supplement to wages or other income transfers over a short period of time. The percentage of households receiving long-term income support, i.e. for almost a whole year, more than doubled between 1990 and 2001. In 2001, the number of households receiving income support increased in the age groups of under 20 and 50 to 64. Almost two in three of the households receiving income support are single-person households.

The number of over-indebted households in Finland, based on self-evaluation, is about 100,000. Those who have a low income, do not have a job or are single parents are the most liable to have problems with debt. A notification of default in a person's credit information record makes it significantly more difficult to get loans, obtain goods on hire-purchase or rent a flat. The percentage of the over-indebted in the population varied between a few per cent and just under 20 per cent in the 1990s, depending on the year and the study. The number of over-indebted people increased in the first half of the 1990s, peaked in the middle of the decade and then started to decrease. At the beginning of the 2000s, 8 per cent of the population (between the ages of 18 and 74) still had default notifications or debt problems entered in their credit information record.<sup>8</sup>

### *2.1.2. Prolonged low income*

Prolonged difficulties with earning a living inevitably mean abandoning consumer habits normal in society and higher risk of social exclusion in other areas, too. Examined by year and by population group, income poverty has increased particularly fast among younger people (under 50) over the past 12 years, and among men more than women. The poverty risk for single-parent households and two-parent households with small children doubled during this period, and the poverty risk for young people living alone increased by a factor of 1.5. However, these changes do not reveal whether the income poverty risk afflicts the same people and households from one year to the next.

At the moment, there is fairly little data available on the duration of poverty risk among income earners. According to the European Community Household Panel Survey,<sup>9</sup> about 5 per cent of Finland's population fell under the relative poverty level of 60 per cent in at least three years in the period 1996 to 1999. It is noteworthy that, measured in this way, prolonged

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<sup>7</sup> Changes in the preconditions for granting income support affect the number of its recipients. For example, in the reform of the Act on Social Assistance in 1998, 7 per cent of the requisite housing costs were included in the costs to be covered by the basic amount of income support.

<sup>8</sup> Muttilainen, Vesa. Luottoyhteiskunta. Kotitalouksien velkaongelmat ja niiden hallinnan muodonmuutos luottojen säännöstelystä velkojen järjestelyyn 1980- ja 1990-luvun Suomessa. Helsinki 2002.

<sup>9</sup> The European Community Household Panel Survey (ECHP) was a study conducted in 14 EU Member States between 1994 and 2001. The subjects selected were monitored for their income and developments in their living conditions over eight years. Finland joined the survey in 1996. Its sample originally included about 4,000 interviewed households, but attrition reduced this to 3,000. The sample is smallish, and the results should thus be viewed with caution.

low income showed the highest incidence among the unemployed (15 per cent) and woman pensioners (11 per cent). On the household level, single-person households had the highest rate of prolonged low income. About 14 per cent of men living alone and 18 per cent of women living alone fell under the poverty level in several years. The problem is particularly severe among young and elderly women (24 per cent and 23 per cent, respectively). Low income in families with children proved to be of short duration according to this survey (2 per cent),<sup>10</sup> although growth in family size correlates with a longer period of low income. (See Appendix Table 3.)

## 2.2. Trends in the economy and employment

Economic growth, a high employment rate and social inclusion are mutually supportive. Economic growth is important in preventing poverty and social exclusion when it helps people to avoid poverty and exclusion and/or helps them to escape poverty while promoting their social participation and access to various functions. Economic growth also affects the resource base on which the income support and service system depend, and boosts employment.

The rate of growth in the Finnish economy has declined appreciably since 2001, due to low export demand and a lower level of investment, through domestic consumer demand, particularly private consumption, has helped to sustain growth. Unemployment has remained at more or less the same level despite the decline. Demand for labour is expected to fall slightly in 2003 on the previous year, while the supply of labour will increase. Differences in demand for labour between regions and sectors will increase. The unemployment rate is expected to rise to 9.4 per cent in 2003, but to decrease again the following year.<sup>11</sup>

The prevention of long-term unemployment and employment of the difficult-to-place are targets of primary importance from the point of view of exclusion. Short-term unemployment or other disruption in income does not usually immediately lead to financial difficulties. By contrast, long-term unemployment and exclusion from the labour market may lead to serious financial and social problems.

There are almost 300,000 unemployed jobseekers. The present extensive unemployment excludes people from the labour market and erodes their labour market skills. Nearly two thirds of this unemployment is estimated to be structural, involving about 175,000 unemployed jobseekers for a variety of reasons. The size of the labour force has returned to the level it was at before the recession in the early 1990s, but the number of employed remains about 150,000 less, and the number of unemployed correspondingly more, than before the recession (see Indicators 3.1 to 3.7). Technological advances increasing productivity and structural changes related to the international distribution of employment eliminated a large number of jobs in the 1990s, and there is no longer a demand for the skills that these jobs required. A shortage of competent labour will emerge in the near future as the large age groups begin to withdraw from working life. The threat here is that employers will find it difficult to recruit competent labour while the unemployment rate nevertheless remains high. This situation would jeopardize the functioning of the labour market and also the

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<sup>10</sup> In terms of the number of people, about 250,000 people were subject to prolonged poverty risk; 2 per cent of families with children translates into nearly 50,000 people. Single-person households are estimated to comprise as many as 140,000 people below the poverty level for a prolonged length of time.

<sup>11</sup> Valtionvarainministeriön suhdannekatsaus [Ministry of Finance cyclical business review] 2/2003.

sustainability of the pension system and other social security systems. Thus, it is important not to let current unemployment weaken the labour market skills of the unemployed.

Adaptation to structural change requires continuous training and professional mobility from employees. Not everyone is capable of this, however. As structural changes have involved geographical concentrations of production and increased demands for productivity, adaptation in the labour market has become more difficult still. Spots of persistent unemployment have emerged all around the country and in suburbs. Although the risk of long-term unemployment has fallen to about one third of what it was during the recession, it remains considerable for those with a low level of education and for young people who enter the labour market with no vocational or professional training, and in some cases without even completing their comprehensive education.

Regional differences in unemployment rates are great. The rate is on the whole highest in eastern and northern Finland, where most of the shrinking municipalities are located. However, long-term unemployment is most common in centres of growth, despite their lower unemployment rate. Attention should be paid to the employment rate as well as to unemployment. In many sparsely populated areas, the economic dependency ratio has declined crucially, which in turn erodes the capacity of local authorities to provide services for residents. There seems to be a certain polarization of social exclusion in the population centres versus sparsely populated areas balance. Long-term unemployment in cities and related lifestyle problems contribute to social exclusion. This is a relatively new phenomenon in Finland. In sparsely populated areas, unemployment, the declining economic dependency ratio and the dearth of services contribute to another kind of social exclusion.

In the early 1990s, the unemployment rate among men was much higher than among women in Finland. This difference evened out in the growth years following the recession. The decrease in unemployment in 2002 was solely due to the fall in women's unemployment, since the unemployment rate among men actually increased only slightly. Long-term unemployment is more common among men than women. The unemployment rate among young people (under 25) has decreased in the past few years, but the rate of decrease seems to have slowed down.

### **2.3. Health factors**

Compared with the other Nordic countries, Finland produces a high volume of health services relative to population. The percentage of health care expenditure in GDP is by far the lowest in the Nordic countries and one of the lowest in the EU. The Finnish health care system is based on tax funding, with the central government responsible for overall control and the local authorities responsible for providing the actual services. Local authorities can either provide the services themselves or outsource them. The percentage of household expenditure that health care accounts for has increased, being 20.2 per cent in 2001.

Life expectancy has increased in all social and education groups in the past two decades, but differences in mortality between population groups of different social status are great in Finland compared with other EU Member States (Indicator 2.3), and have increased. Morbidity and problems with coping independently vary according to socio-economic status. About a quarter of the difference in life expectancy between managers and blue-collar

workers can be explained through deaths caused directly by alcohol-related diseases or alcohol poisoning, or indirectly otherwise by alcohol.

The percentage of mental health problems as a cause of working incapacity has increased and such problems have become more common in young age groups. Over half of the disability pensions granted to people under 55 are due to mental health problems. Underlying them are often substance abuse problems, family problems or other accumulating difficulties. Self-destructive behaviour is often linked to mental health problems and substance abuse. The suicide rate, which was on the decrease in the 1990s, seems to have taken an upward turn again (Indicator 6.7).

Intoxicant abuse and anti-social or criminal activities increase the risk of exclusion from society and often also lead to acute subsistence problems and to people's general difficulties in exercising control over their lives. The availability and consumption of illegal drugs increased swiftly in the 1990s. Young adults increasingly experiment with drugs, although the number of drug users as such is stabilizing. Alcohol consumption continues to increase. The negative effects of substance abuse are growing. Infectious diseases linked to the use of intravenous drugs have increased. (Indicators 6.3 to 6.4, 6.8 to 6.12.)

The substance abuse situation in Finland is likely to change significantly with EU enlargement and the removal of import limits on alcohol in 2004. Substance abuse and adverse effects such as infectious diseases and drug-related crime have increased substantially in the Baltic states and Russia. Intoxication-oriented drinking is a culturally motivated phenomenon that is slow to change. Investments must be made in the prevention of substance abuse. At the same time, more facilities to care for substance abusers are needed.

## **2.4. Structural changes bring new challenges**

### *2.4.1. Demographic trends*

Finland's population will continue to grow for a couple of decades. After that, the mortality rate will probably exceed the birth rate. From the point of view of the economic dependency ratio, the demographic picture is good at the moment, but this will change in the near future. As the population ages, the sustainability of public funding will be tested. Expenditure will increase, and as the working-age population decreases, the tax base will decrease too. Most of the pressures caused by the ageing of the population are due to rising pension expenditure. The growth- and funding-related pressures on public expenditure caused by increased demand for welfare services vary greatly by region due to the different age structures of their populations.

The number of immigrants has increased substantially since the 1990s. At the end of 2002, over 100,000, or about 2 per cent, of Finland's population were foreign citizens, clearly concentrated in the largest cities. The unemployment rate among foreign citizens resident in Finland is about 31 per cent, or three times higher than for Finnish citizens, though the level has decreased in the past few years.

### *2.4.2. Structural change in households*

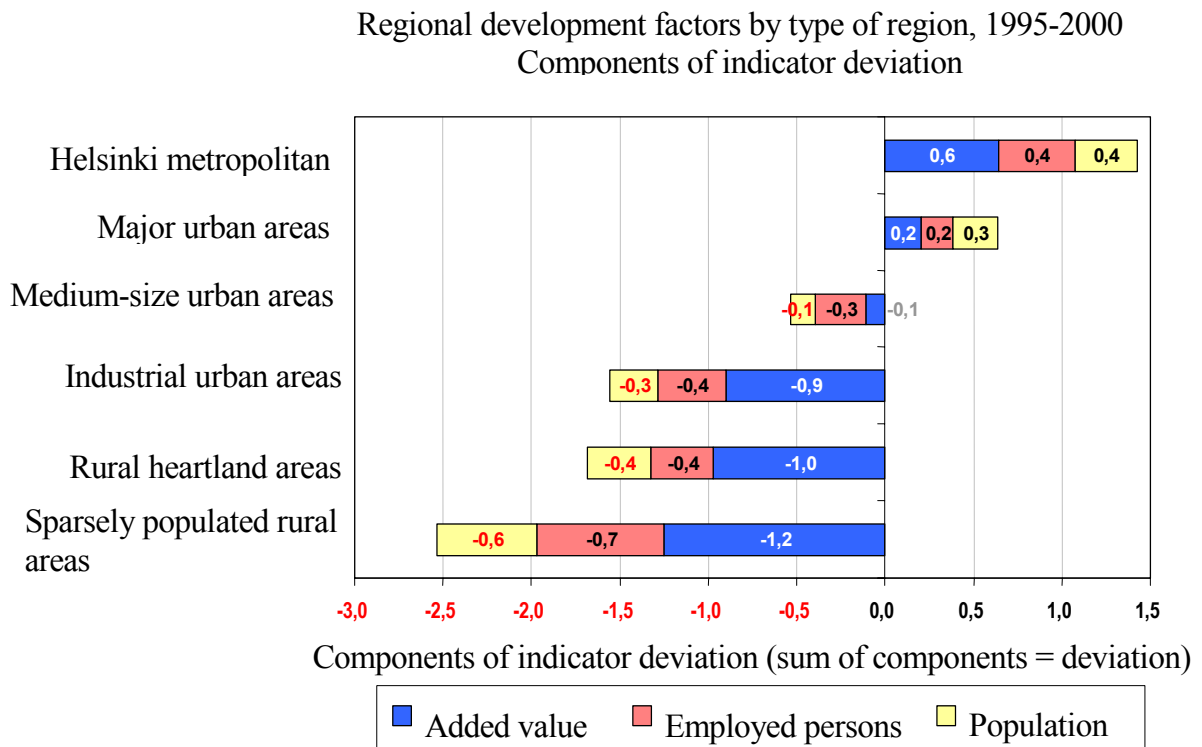
The makeup and size of a household impacts its risk of social exclusion. Single people are at a higher risk of social exclusion than those with families. The number of people living alone increased by almost 250,000 in the 1990s, being now 880,000 or about 17.3 per cent of the

population. The percentage of single-parent families among all families rose from about 12 per cent in 1990 to 17 per cent in 2001. During the same period, the percentage of two-parent families where the parents are not married rose from 9 per cent to 16 per cent. Two-parent families with children are usually better at shielding themselves from risk than single-parent families. All types of family are treated equitably in social policy and legislation. Although the poverty rate among single parents is high by national comparison, on the international level Finland continues to have a low poverty rate and a high employment rate for single parents. However, the poverty rate of single parents has increased more rapidly than that of other population groups.

### 2.4.3. Changes in regional structure

Regional development became sharply polarized in Finland between 1995 and 2000. Production, employment and population grew more rapidly in large cities than in the country on average. Poor production trends in other regions, especially sparsely populated rural areas, partly explains their population decline. The least developed regions are in the east and north.

Figure 2.



Different regions have different problems with social exclusion. The availability of services required by the population is particularly threatened in municipalities which have lost people of working age. The demand for health care and social care services in municipalities with negative migration is increasing, but the economic resources for providing those services are declining, and there will soon be a shortage of health care personnel. Growth centres face a shortage of rented housing and housing services. They have a markedly high rate of structural and long-term unemployment despite the fact that it is in such centres that new jobs are created. Rural areas adjoining cities are economically and socially prosperous, while sparsely populated rural areas are being depleted of resources and viability. Differences in welfare between regions are shown in Appendix Table 2.

An increasingly imbalanced population structure, high unemployment and the number of long-term unemployed, low levels of income and education, and inadequate participation and voter turnout seem to be getting ever more closely linked. In many towns and cities, residential areas diverge on the basis of income, education and social status. The service range of municipalities, the availability of services and their functioning and quality have begun to vary more than before due to the weakening financial capacities of municipalities. Local authorities often devise local policies to intervene in negative developments.

## **2.5. Housing market**

The Finnish housing market typically shows greater fluctuations in housing prices and actual rents than other Nordic countries. The housing stock is mainly owner-occupied, as a result of which approximately two thirds of the wealth of Finnish households consists of home ownership. Rented accommodation is hard to find in growth centres, and rent levels are relatively high. There is a significant stock of rented housing financed by central government yet de facto owned by local authorities. The average size of a dwelling is relatively small. On average, over 25% of the consumption expenditure of a Finnish household consists of housing-related costs. There is a shortage of small dwellings. At the end of 2002, there were over 110,000 households were in the application queue for rented housing owned by local authorities and non-profit corporations the majority of such applicants being single persons. There are large regional variations, of course; in municipalities with negative migration, the amount of empty rented housing is actually increasing.

Fluctuations in the housing market cause risks of social exclusion which can be controlled through housing policy. Housing prices and rents have risen in growth centres, making it difficult for those with a low-income to make a living. In municipalities with negative migration, real estate and housing prices drop as the population decreases and economic activity declines. There are indications of social problems concentrating in certain regions. Because of the difficult housing situation in growth centres, there is a threat of increasing homelessness unless the situation is addressed.

There are about 10,000 homeless single persons and about 800 homeless families in Finland.<sup>12</sup> Homelessness is a problem in growth centre areas, primarily the Helsinki metropolitan area, and mainly affects men. A significant percentage of the homeless are employed men who have lost their homes, for example as the result of a divorce. As the service structure has shifted towards out-patient treatment, homelessness is an increasing risk, for example for mental health rehabilitation patients who face increasing difficulties in obtaining rented housing. Of all homeless families, about a quarter have an immigrant background. (Indicators 4.4 and 4.5.)

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<sup>12</sup> The following groups of people are defined as homeless: persons sleeping out of doors or in temporary shelters; persons using lodging houses etc. because they have no home of their own; persons in various forms of institutional accommodation because they have no home of their own; released prisoners who do not have a home; persons living temporarily with friends or relations because of the lack of a home; families living separately or in temporary accommodation because they do not have a home; homeless mothers living in a home for unmarried mothers; and unmarried couples that are about to have a child and do not have a joint home.



## **2.6. Education level**

The aim in raising the average level of education is to prevent social exclusion. With the shift in the population age structure, the average level of education in Finland has improved. More and more young people have at least a secondary education. To safeguard national wellbeing improving the educational opportunities of the ageing is also necessary.

The threat of social exclusion is larger than in other groups among those who have left comprehensive school unfinished or finished it with low marks, and have no vocational training. Almost one fifth of all school pupils have difficulties in following basic teaching in a normal class, though the availability of remedial education has improved in recent years. Some 7 per cent to 8 per cent of pupils leaving comprehensive school do not immediately go on to further studies. Another problem group consists of those who drop out of vocational education, unless they drop out because they get a job or enter another educational institution. (Indicators 5.1 to 5.2, 6.1.) The percentage of those dropping out of vocational education altogether rose to about 13 per cent in 2001, while that of those dropping out of degree programmes rose to 11.7 per cent.

In preventing social exclusion and unhappiness among children and adolescents, the significance of the school system is second only to the responsibility and importance of the home. Problems should be identified as early as possible. Everyone should be given the basic competence required to function in an information society. Student services need adequate resources if they are to do their job. Remedial teaching for those with learning difficulties should be expanded at the secondary level. Safeguarding a uniform level of learning and teaching quality is important. Boys are less likely to feel comfortable and achieve good results at school than girls. When teaching is planned, increasing attention must be given to the diversity of backgrounds among pupils. As the number of options in education increases, pupils must be taught how to make independent choices, and counselling must be developed.

Finland is a pioneer in the advance of the information society. Rapid technological development is expected to bring many new opportunities for citizens to participate in the functions of society. On the other hand, the rapid propagation of information and communications technology (ICT) has created new competence needs that may contribute to greater social exclusion in groups without the potential to use IT-based services. Safeguarding the availability of online services without regard to where a person lives is essential. Schools and other educational institutions have invested a lot in improving the IT competence of children and adolescents in recent years. Teachers have also been given supplementary training in ICT. Teacher attitudes to IT are important in shaping how pupils learn to use such skills. IT resources suitable for the disabled have also been developed, with particular reference to aids and safety equipment.

## **3. Evaluation of implementation of the previous Plan**

In the process of drafting this new National Action Plan against Poverty and Social Exclusion, an evaluation of the effectiveness, strengths, shortcomings and weaknesses of the first Plan was made. The targets presented, the issues raised in the previous planning period, and subsequent developments in social exclusion various factors are evaluated in this chapter.

### **3.1. General evaluation of implementation**

The objectives of the previous Plan were to promote an ethically and economically sustainable social model in which shared responsibility constructively supported individuals' initiative and control over their lives; further, to ensure that the level of poverty in Finland continued to be one of the lowest in the EU countries, and that good models for action and adequate resources were available for the prevention and reduction of social exclusion. These objectives have been upheld. The implementation of measures proposed in the previous Plan is discussed in Appendix 1. Because of the short time span, however, it is too early to evaluate the effectiveness of most of these measures.

The common targets accepted for the prevention of poverty and social exclusion at the Nice European Council dovetail with the institutional structure and national policy goals of Finland's social policy system. During the 1990s, our social policy was pursued largely in accordance with these targets — promoting participation in working life, safeguarding the availability of services and benefits through service subsidies and housing-based social security, allocating resources for preventing risks of exclusion, supporting the weakest population groups through both specific measures and cross-sector cooperation, and enhancing the already close cooperation between central government, the labour market organizations, local authorities and the third sector. However, within the scope of each target there are major challenges that require specific additional measures. Although welfare as a whole has increased in the past few years, there is a clear polarization trend, particularly in the problems experienced by those excluded from working life, in long-term unemployment, in differences in the regional availability of services, and in problems related to intoxicants, drugs and mental health.

In order to combat economic exclusion, changes have been made in income support, for instance by increasing the level of preventive social assistance, extending the scope of social credit and adding index-linked increments to the basic daily allowance in unemployment benefit and to labour market support. Statistics lead to the conclusion that the slow decrease in the number of recipients of income support has continued (Indicator 1.16). Long-term unemployment also seems to have lessened slightly (Indicator 3.4). The number of persons involved in labour market measures rose in the past year (Indicators 3.8 and 3.9, most recent developments not yet shown). The spread of homelessness has been curbed, and the number of homeless persons has actually decreased slightly in the past few years (Indicators 4.4 and 4.5).

The health of the population as a whole has improved (Indicator 2.1), but differences between population groups have not narrowed despite efforts towards this end (Indicator 2.3). Lifestyles detrimental to health still show the greatest incidence in the lowest social groups. Mental health problems are the single major causes of incapacity. Despite the improved situation in rental housing, there is a constant shortage of small and reasonably priced rental housing in growth centres. Ministries have gained experience of local suburban improvement schemes through joint projects. Drug experimentation and the overall consumption of alcohol continue to increase. Despite the slower growth in drug use, the adverse effects of drug addiction have increased (Indicators 6.8 to 6.12).

Various services in the social welfare sector were for the most part added to in the previous planning period. The largest increases were in child protection, family work, old people's service homes and home care services. The demand for these services has also increased. In

welfare for substance abusers, institutional treatment has continued to lessen, but demand for substance abuser outpatient services far exceeds the supply. Health centre services have, as a whole, been increased, particularly nursing and public health nursing, home nursing services and dental care. By contrast, psychiatric institutional treatment and general practitioner services are estimated to have decreased. According to a client satisfaction study on outpatient care in large cities conducted in 2002, only 10 per cent of respondents were dissatisfied with health centre services. There are clear regional differences in evaluations of the sufficiency and availability of services. About a quarter of all respondents said that services are inadequate. Public opinion has it that the quality and particularly the availability of public health care services have declined since 1998.<sup>13</sup> However, not all patient groups are subject to queuing and waiting.

At employment offices, increases have been made in counselling, guidance and information services, and in labour market training, rehabilitation services and employers' recruitment services. The greatest reductions have taken place in subsidized employment services. Cooperation with organizations is considered to be good. Problem issues in services provided by organizations involve the availability and sufficiency of services.<sup>14</sup>

### **3.2. Expert evaluation of the Plan**

For the purpose of evaluation, written expert statements on the Plan were requested from a total of 50 experts in a variety of sectors; 27 of these returned the requested statement. These experts were mainly in the scientific community, and also represented actors in various sectors. Also, a public hearing for organizations was held on November 11, 2002, and another for local authority representatives on November 27, 2002. A non-exclusive list of questions was drawn up as an outline for the expert statements and hearings. A brief summary of the responses to each question based on the expert statements and hearings is given here. Appendix 2 comprises an expert evaluation of the risk dimensions of social exclusion.

The expert statements observed that the programme included a wide variety of measures to which it was difficult to apply compatible criteria. Some measures aimed at preventing poverty and social exclusion, while other measures were corrective. In evaluating the former, the crucial criteria are appropriate timing, good coordination and feasible implementation. One-off adjustments to benefits can improve the situation of the target group for a short period of time, while the achievement of long-term impact requires continuous action and the participation of all actors.

The emergence of various networks of experts and actors and the strengthening of existing networks were seen as an immediate effect of the measures. In the long term, the effect will be cumulative. On the other hand, it may be difficult to isolate the impact of programme measures from the impact of other economic and social changes.

The purpose of Finland's National Action Plan against Poverty and Social Exclusion was to complement the existing social security system and the safety net it provides. However, many of the statements considered the measures implemented inadequate. Obvious deficiencies were found in the coverage and sufficiency of basic security. It was also estimated that in practice the measures did not always reach those who most desperately needed help. Some

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<sup>13</sup> Association of Finnish Local and Regional Authorities. Press releases, October 7, 2002.

<sup>14</sup> Sosiaalibarometri 2003 [Social barometer]. Hyvinvoinnin tuottajien ajankohtainen tilanne ja näkemys kansalaisten hyvinvoinnista. Finnish Federation for Social Welfare and Health, Helsinki 2003.

statements pointed out that a separate study is needed on the prevention of social exclusion among children, young people and families with children.

It was emphasized that research and surveys are needed to produce a picture of links between incremental problems clear enough to allow both benefits and services to be adjusted and have an appreciable impact. Furthermore, research data and analyses are needed on the main risk groups for social exclusion. It was considered problematic that many of the changes that occur in economic and social development have to be responded to retroactively, with measures to alleviate their adverse effects put into place only after the fact, and that the proposed measures could do little to affect the structures and factors contributing to social exclusion.

Evaluations of the programme as a strategic approach were partly positive, partly highly critical. The majority of respondents were in favour of the chosen approach based on the Nordic social policy model, emphasizing the primacy of work. Some experts evaluated the Plan narrowly based only on the measures outlined in it; these respondents were very critical of the Plan, arguing that it was simply a list of measures made from the point of view of the authorities. Others evaluated the programme as a supplementary measure to universal social protection, a tool for greater coordination of measures between various sectors of public administration.

Some respondents felt that the approach was too sectorally oriented, and that exploration of the relationships between measures in a coordinative manner from the target groups' point of view was lacking. Criticism was voiced concerning the programme's emphasis on the Government Programme and measures. It was felt that the overall process of social exclusion was not sufficiently taken into account. It was further noted that the responsibilities and commitments of the various actors should be clearly outlined. The human rights and social rights angles could have been given more weight. Measures should also include groups who will never gain employment even under the best of circumstances, such as the incapacitated or the chronically ill.

Most of the evaluators felt that, in addition to better cooperation and coordination, the universal social protection system needs targeted interventions tailored for individuals or families; these may be implemented for a fixed term or on a project basis. However, these targeted measures must rest on a foundation of the universal system. As society is changing rapidly, the service system is not necessarily capable of reacting to new problems sufficiently quickly; a separate action plan to combat poverty and social exclusion would enable a rapid response to new threats.

Quantitative goals were considered advantageous in that they made the Plan more tangible, making it easier to monitor its implementation and to evaluate its impact. On the other hand, social exclusion is a multi-dimensional cumulative phenomenon and therefore difficult to reduce to specific targets. In the time-based targets, it should also be taken into account that it may take years just to carry out the change in procedures and working practices of the authorities that a new operative model or legislative amendment may require.

Preventive action is difficult to formulate into tangible targets. Quantitative targets also involve a quality problem: how well will the targets be attained, and how well could they be attained? The value of quantitative targets is linked to whether the selected indicators measure

the right things and how reliable they are. Instead of quantitative targets, fixed-term targets (both qualitative and quantitative) were proposed, to be revised at regular intervals.

More far-reaching discussion and evaluation concerned the incentives, activation and sanctions of the measures were called for. Income support, which was considered low, was seen as making recipients passive rather than encouraging them to take the initiative. The importance of preventive services and the resources they require was underlined. Chronic illness was estimated to be a significant poverty risk.

The Plan contained no information on how clients' right of access to services is realized, what the queuing and waiting times for benefits are, and whether there are clear groups who fall through the net of measures managing certain problem clusters. Statistics on performance and services do not show this clearly enough. It was also suggested that the indicators should include the social costs caused by social exclusion. Upholding certain principles such as equality and various disabled groups throughout, in the various sectors and measures, was considered important. Links with ESF programmes and the processes for drafting other National Action Plans must be strengthened.

The experts were largely unanimous about the escalation of problems in child protection. These manifest themselves as an increasing number of cases of taking children into care, a lengthening of the average duration of periods of foster care, and domestic violence of various kinds. Problems were identified in child protection funding and the provision of services. Supporting parents and the good functioning of families, through both benefits and services, was stressed. The further development of social welfare and health care services supporting a child's school attendance was considered important preventing problems.

Considered regionally, social exclusion seems to concentrate in two quite different types of area: socially weak districts in large cities and sparsely populated rural areas. The largest incidence of risk of social exclusion is found in large cities. Regionally speaking, the different levels — such as sub-regions and the accumulation of problems within municipalities — should be taken into account.

The indicators selected were considered satisfactory. The evaluators would have liked to see 'cluster indicators' that would depict any concentration of several dimensions of social exclusion on the same persons or families. The nature of social exclusion as a process is not shown by the indicators selected. Indicators are needed not only to describe existing social exclusion but also risks of social exclusion, to ensure that preventive work has a firmer basis from which to proceed. Real-life human problems are complex bundles that cannot always be fully analysed through statistics and indicators.

The views and criticisms put forward in the statements were taken into account as far as possible in drawing up the second National Action Plan. However, so far no comprehensive studies are available on the accumulation of poverty and social exclusion. The statistical base has been broadened, even so, and other improvements jointly agreed upon have been incorporated.

## **4. National strategic policies and national objectives for preventing social exclusion**

The National Action Plan for Preventing Poverty and Social Exclusion is based on the basic welfare policy concept which is widely accepted by the Finnish population and which has proven efficient in international comparison. The new Government Programme emphasizes that the prevention of social exclusion and poverty can only succeed if the Programme's employment objectives are achieved. This, in turn, requires an active employment policy, an improvement in the preconditions for entrepreneurship, and the continuation and strengthening of agreement-based cooperation, particularly between labour market organizations and interest groups. The reform policy promotes social equality and cohesion and is based on the tried and tested principle of political cooperation. By pursuing a policy of work, entrepreneurship and joint responsibility, the Government is further advancing the welfare state and welfare society which were successfully built up in previous decades. The employment policy strategy is outlined in Finland's National Action Plan for Employment, following the EU Employment Guidelines. In the present document, the focus is on issues relevant to exclusion from the labour market.

The strategic outlook for social protection over the next decade can be summarized in the four guidelines approved by the Ministry of Social Affairs and Health:<sup>15</sup>

- promoting health and functional capacity
- increasing the attractiveness of working life
- preventing and treating social exclusion
- providing functioning services and reasonable income security

The general objective of social protection is to safeguard the welfare and equality of the population so that every person has the opportunity to live a life of dignity and to use and develop his skills and capabilities at the various stages of life. The four pillars of Nordic social security — income-based security, basic security for everyone, income transfers to low-income population groups, and equitable welfare services regardless of wealth, gender or domicile — form a basis upon which the prevention of poverty and social exclusion is built. The universal system is supplemented with income transfers and services aimed specifically at groups threatened by social exclusion. Increasingly, the need to support people's activeness in and potential for participation in society and to strengthen representational democracy is highlighted. In the issue of participation, special attention is given to the inclusion in the civil society of the less educated, those of low-income, the excluded and young people threatened by exclusion.

### **4.1 Preserving the basic structure of social policy**

The basic framework of the Finnish social policy system will be retained. This structure was described in the previous National Action Plan for Preventing Poverty and Social Exclusion for 2001-2003. The Government sets the general objectives, enacts legislation and issues guidelines and recommendations regarding the provision of services. The social policy system is individual-oriented, based on individual and universal social benefits and rights, and

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<sup>15</sup> Sosiaali- ja terveystieteiden strategiat 2010 [Strategies in social and health policy]. Ministry of Social Affairs and Health publications 2001:3.

safeguards gender equality regardless of family relationships. It is a publicly funded system that emphasizes prevention.

Public welfare services intended for all are mainly tax-funded and guaranteed equitably to everyone, regardless of domicile. Local authorities, which have a high degree of autonomy, are responsible for providing these services, which are financed out of local tax revenues, service charges and central government grants. In addition to such statutory services, local authorities provide voluntary services to promote employment and prevent social exclusion. Examples of the latter are youth work, workshops and extensive project activities. Examined in terms of overall cost, private companies provide about 5 per cent of social welfare services and 16.5 per cent of health care services. The figures for third-sector service providers are 17 per cent and 3.4 per cent, respectively. Local authorities are the main buyers (about 80 per cent) of privately provided social welfare services. Other private welfare services supplement public services.

In the plan period, better integration of service systems will be promoted in order to increase public welfare and health and reduce social exclusion. Special attention will be given to safeguarding the environment in which children and young people grow up by improving the service system. Development of joint services, multi-professional cooperation and early-intervention procedures will be supported. ICT will be employed with a view to ensuring the regional and social equality of services, reform of service structures and cost-effectiveness of service production. Solutions to further better reconciliation of work and family life will be sought jointly with the labour market organizations. Participation in working life and coping at work will be supported by all means available.

Population groups threatened by social exclusion will primarily remain within the coverage of benefits and services intended for the entire population. The validity of service obligations laid down in the legislation will be reviewed, and particular attention will be given to ensuring the availability and quality of other essential services. In putting public services out to tender, steps will be taken to ensure that availability and quality do not deteriorate.

Regional differences will be evened out through a policy aiming for social and regional balance. Local and central government will uphold a functional and viable municipal structure and ensure sustainable financing for municipal basic services through reasonable taxation and moderate charges.

The tradition of stable political cooperation promoting and upholding equality and social integrity in Finnish society includes the long-established tripartite principle. A strong practice of negotiation between central government and the labour market organizations, based on trust and responsibility, has been in place for over three decades and has enabled active adaptation of the social policy system to changing circumstances.

Organizations in the social welfare and health care sectors have their role to play in producing social security services, as do private companies in these sectors. The Evangelical-Lutheran Church of Finland also plays a role in social welfare and health care policy. Broad-based cooperation is a strength in Finland in a wide variety of fields, including the prevention of poverty and social exclusion.

## **4.2. Basic points in the Government Programme on preventing poverty and social exclusion**

The new Government Programme (April 17, 2003) and various ministry documents related to the prevention of social exclusion outline a number of strategic goals contributing towards the targets for the prevention of poverty and social exclusion commonly agreed on by EU Member States in Nice. The political goals related to the prevention of poverty and social exclusion are expressed as follows in the Government Programme:

Alleviation of poverty and exclusion requires the development of primary social protection as well as less unemployment. Income support must be the final resort as a form of income security and efforts should be made to reduce its use as a long-term means of support. Earnings-related unemployment allowance will be the way to prevent poverty and exclusion. The present system of unemployment funds will be maintained.

Clarification of the present legislation on social protection will continue. The system has to be clear and predictable from the point of view of individuals and must provide sufficient security. Means of support and life management must be seen as an entity which comprises work, taxation, social protection and services. Transparency between the charges and benefits of the system must be improved.

The Government will draw up an action programme for realizing gender equality. Together with labour market organizations, the Government will promote equal pay and workplace equality through a long-term programme.

To prevent social exclusion and to improve people's life management skills, it is necessary to increase the number of joint service agencies and to expand multi-professional cooperation between the social, health, education and employment authorities within a municipality, on the one hand, and between municipalities, the Social Insurance Institution (KELA) and other actors involved, on the other.

## **4.3. Strategies of other actors**

The aim of the Association of Finnish Local and Regional Authorities is to equalize regional and economic differences between municipalities by promoting business development, improving expertise and promoting welfare. The municipal basic service system constitutes the most important component in action against social exclusion and is politically highly valued. Shared responsibility, public financing and equal treatment form the basis for welfare services in our society. The main challenge for the future is to safeguard the availability of basic services — particularly those related to education, health promotion, the welfare of children and young people, and care for the elderly — throughout the country and to take changes in the demographic structure into account in their provision. A good balance between the duties of local authorities and income financing is a basic requirement for an efficient service system.

Extending basic social rights to all comprehensively and at a sufficient quality level is one of the major aims of the social and health policy of the social welfare and health care NGOs which provide services and support for various population groups. These organizations strengthen the position of citizens by developing ombudsman services and other action



designed to enable feedback. To support their work, they survey changing welfare needs, convey related information to social decision-makers and develop new solutions for welfare benefits, multi-actor services and social security support functions. Of special interest are early-intervention benefits and low-threshold forms of support. For the long-term unemployed, pathways to employment in the third sector will be developed, and various combinations of forms of assistance will be experimented with. Also, mediating structures will be sought even in situations where employment is not a realistic option.

Enabling those in the most difficult situation to cope requires the development of services and support that match their needs. From the viewpoint of NGOs, it is essential for the service system to develop working methods that support change in people's lives, and the organizations are involved in this work. Timely and sufficient support can act as a springboard for building a new life. Public action and participation in service design will become increasingly important. The aim is to continue to expand the process for creating regional welfare support networks all around Finland. Shaping these networks into a structure linking the resources of the public administration, NGOs and members of the public is being pursued in cooperation between a variety of actors.

NGOs interact with citizens and researchers to create information provision tools that can identify early signs of skewed development. Organizations are developing measures for preventing trends leading to social exclusion, and offering various population groups the opportunity to participate. They focus on boosting an individual's ability to cope and life management skills.

The strategic plan of the Evangelical-Lutheran Church of Finland, *Läsnäolon kirkko* ('Church of presence'), outlines the Church's development aims up to the year 2010. One point of focus in this strategy involves the weak and the socially excluded. The Church is seeking out excluded individuals and groups and making efforts to improve their circumstances. The Church's strategy for welfare services and social work, *Osallisuuden ja vastuun yhteisö* ('Community of participation and responsibility'), further specifies future action against poverty and social exclusion, and work to alleviate the effects of social exclusion. This strategy is based on cooperation with local authorities and relevant NGOs.

To summarize the economic, employment and social policy strategies of the Government, local government, the Church and the third sector, we may observe that there is widespread consensus in Finland on the objectives and basic structures of social policy. Action to combat poverty and social exclusion is primarily based on a universal housing-based social protection system supplemented by various measures — benefits and services — targeted at risk groups. There is no justification for creating separate compensation systems for population groups threatened by social exclusion; rather, the risks they face should be addressed by the universal system plus any required carefully targeted supplementary action. There is a general agreement that raising the employment rate is the single most important measure in the prevention of poverty and social exclusion. At the same time, however, it must be ensured that the level of income transfers intended for this purpose is sufficient, that services are of high enough quality, and that the social policy system as a whole is organized in a way that is sustainable from the viewpoint of the public economy and efficient with a view to attaining the goals set.

## 4.4. Objectives and strategies in various policy sectors

### 4.4.1 Income support

Unemployment is one of the main reasons for the increase in economic exclusion. The decrease in the real value of minimum benefits in means-tested social security is an important factor in the growing poverty among those who have no earned income. As a result, they have to fall back on last-resort income support. It is thus important to improve means-tested minimum benefits so that, taken together with housing allowance and general family benefits, they guarantee a reasonable standard of living without resorting to income support. Special attention will be given to improving the financial status of low-income families with children.

The policy on social welfare and health care charges will be revised. The aim is that charges will no longer prevent people, particularly low-income groups and those with multiple health problems, from seeking medical attention. Ways of introducing a system which will allow for a uniform ceiling on charges are therefore being sought. Provisions on user charges will be revised in a way that ensures frequent users of out-patient services reasonable disposable funds.

Strategic goals to be monitored:

- reduce need for income support
- provide sufficient minimum benefits and a reasonable guarantee of a living
- ensure comprehensive insurance coverage
- reduce poverty among families with children and prevent inheritance of social exclusion
- make health care client charges reasonable and increase the transparency of the charge system

### 4.4.2. Developing the service system

One of the main approaches in preventing exclusion from health services is a broad-based public health policy which includes the prevention of social exclusion in all activities. The public administration has a statutory responsibility for ensuring the provision of health care services and for promoting health. The aim is to ensure availability, quality and a sufficient volume of health care based on the needs of the population in every part of the country, regardless of the patient's financial standing. Efforts should also be made to make the improvements in the living environment, to help it protect and promote health better.

Finland's health programme *Terveysttä kaikille — Terveys 2015* ('Health for all — Health 2015'), approved in 2001, approaches health care by age group and from the viewpoint of various environments. The focus is on improving the health and welfare of children, reducing smoking among young people, reducing accidental deaths among young adult men, raising the average age of retirement, and improving the functional capacity of the elderly. Overall, the programme's objectives include reducing inequality, raising life expectancy, improving the perceived state of health and maintaining satisfaction with health care services at least at the present levels.

The National Health Project is an extensive project whose overall objective is to improve the functioning and quality of the health care system in order to achieve reasonable waiting times for treatment. This requires a sufficient number of well-trained health care professionals.

According to the objectives of the National Development Project for the Social Welfare Field, the availability and quality of social welfare services will be improved, and social work reinforced. Personnel in services for the elderly will be increased with a view to achieving the level required by the quality recommendations on care for old people. Quality recommendations will also be drawn up for other special groups, and their observation will be monitored.

The availability of versatile information and high-quality library services throughout the country will be safeguarded with reference to the proposals made in Library Strategy 2010 Policy for access to knowledge and culture. Basic library services will remain free of charge. The role of public libraries in disseminating basic information society skills will be reinforced. Strategic goals in work with young people have to do with improving their living conditions and increasing their participation, which will in turn help prevent social exclusion. Resources for basic work with young people will be secured on a basis of equality, and preventive action against substance abuse will be increased.

Strategic goals to be monitored:

- reduce differences in health between population groups
- improve availability and quality of services
- reduce public-health impact of alcohol consumption
- improve the potential of the elderly to live and cope at home
- improve the disabled's potential for social participation

#### *4.4.3. Employment and employment policy*

The Government's main economic policy goal is to find jobs for at least 100,000 people by the end of the electoral period, with a further aim of raising the employment rate to 75 per cent towards the end of the decade. Maintaining the competitiveness of businesses means raising basic competence levels. The average level of workforce training must be raised continuously, and the foundation for entrepreneurship strengthened. A good employment rate requires successful cooperation between the Government, labour market organizations and organizations of entrepreneurs to ensure competitive prices and reform of working life and social security. The Government is to launch a special intersectoral programme designed to raise the employment rate and to prevent social exclusion caused by joblessness. The goal is to increase the employment rate and lower unemployment in the area covered by every Employment and Economic Development Centre.

In addition to improving the competence of the difficult to employ, a concerted effort must be made to boost job creation for the less educated who lack special expertise. To boost demand for low-wage jobs, selective reductions in indirect labour costs will be made. The Government will make a rapid assessment on how this can be carried out in practice and will examine whether the scheme can be put into effect without encouraging harmful part-time employment or exploitation. It will seek to narrow regional differences in development and

also to increase employment where few jobs are being created and unemployment is highest. The range of employment policy tools should be diversified to reflect regional differences in the structure of unemployment. Training must be made more effective and in particular the knowledge of those difficult to employ must be increased. The unemployed must be encouraged to seek work actively. Special attention must be focused on the preconditions for more jobs in the service sectors. Work should be done to change attitudes preventing employment of the disabled and the long-term unemployed.

Strategic goals to be monitored:

- reduce long-term unemployment and structural unemployment
- increase the work participation rate in various age groups
- increase the length of time at work by at least 2 to 3 years by 2010
- increase the incentive for work in social protection

#### *4.4.4. Housing policy*

The aim of housing policy is to ensure a socially and regionally balanced and stable housing market, to eliminate homelessness and to improve the quality of housing. In order for housing to be available at reasonable cost, the Government will ensure sufficient social housing production. Housing policy should make it easier for people and families to find housing that corresponds to their current housing needs. Central government funding for social housing production will be scaled so as to enable steady production of about 10,000 new dwellings annually. Loans will be channelled to the Helsinki metropolitan area, major growth centres and other regions with high demand for housing. In order to help young people leaving home and single-person households, there will be a focus on socially subsidized construction of small dwellings and action to make it easier for young families to find housing corresponding to their needs. The competitiveness of urban regions and their potential for socially equitable development will be furthered through urban policy means. Allowances in the system of central government transfers to local government for differences between cost structures due to service needs and circumstances, the special characteristics of the largest cities, and changes in migration and population structure will be raised.

Sufficient funds will be made available to the Housing Fund of Finland, and its activities will be made more efficient. The terms of new and existing ARAVA loans must be kept competitive in relation to market rates. An action plan to reduce homelessness in cooperation between central government and the cities of Helsinki, Espoo and Vantaa will be implemented jointly by the Ministry of the Environment and the Ministry of Social Affairs and Health between 2002 and 2005. In order to diversify the resident profile in government-subsidized housing, the criteria for the selection of residents will be revised. Efforts will be made to enable the aged and the disabled to live in their own homes through more efficient cooperation between the housing sector and the health and social welfare sector. The housing allowance system will be developed. The Government will encourage tenants' and landlords' associations to continue to cooperate on the rental market in preventing the use of threats of eviction unless tenants accept unreasonable rent raises.

Strategic goals to be monitored:

- balance supply of and demand for reasonably priced housing in growth centres
- preserve the social balance in housing districts while diversifying their resident structure
- reduce homelessness

#### *4.4.5. Education policy*

Education can have a substantial impact in preventing risks of social exclusion. A good education system integrates all population groups and provides individual support systems when problems arise. Raising the average level of education of the ageing population is necessary in order to reduce unemployment and safeguard the labour supply. Everyone has an equal right to education and training according to their abilities, in compliance with the principle of lifelong learning. Education opportunities for adults who are at risk of social exclusion because of deficient learning skills or a weak social and economic position will be improved. Cooperation between liberal education and other adult education will be strengthened, and the foundations of liberal education secured.

Remedial teaching will be increased in support of early intervention and preventive action, and special needs teaching and care for school pupils will be reinforced. The emphasis will be on cooperation between home and school; special attention will also be given to improving mental health services for schoolchildren and students. Every comprehensive school leaver will be guaranteed a place in further education. The Government will step up measures to guide those who drop out of education after comprehensive school into meaningful tailor-made education and training.

As age groups get progressively smaller, supporting upper secondary school pupils with learning difficulties through special education would further their placement in further training and more demanding positions on the labour market. The Upper Secondary School Act should be amended to include special education. Another aim is to help the least-educated adults to stay in working life and to pursue career development.

Strategic goals to be monitored:

- strengthen components in pupil counselling services that help prevent social exclusion
- make the transition from comprehensive school to vocational education more efficient and quicker
- reduce the number of dropouts from education and training

## **4.5. Risk groups requiring targeted measures**

Growing problems with social exclusion calls for targeted special measures in addition to services and income support under the principle of universality if we are to keep the problems under control. Such special measures include preventing long-term unemployment, preventing economic deprivation as a result of chronic illness, eliminating discrimination, ensuring freedom of movement for the disabled, early intervention in children's and young people's problems, narrowing regional differences in welfare, support for cultural plurality, and management of the substance abuse situation. Measures undertaken in only one sector of

the administration are not enough; collaboration, multi-professional cooperation and individually tailored measures are required.

Special attention must be given to safeguarding the fundamental and human rights of the socially excluded. Social exclusion is caused by repeated experiences of being excluded and unempowered. A ban on discrimination helps prevent social exclusion, though eliminating it remains a sizeable challenge. Apart from this main objective, however, problems caused by social exclusion can be prevented by reinforcing universal rights and legal security, by enhancing the social functioning capabilities of individuals, and by providing opportunities for active social participation. NGOs, the Church and other third-sector actors have an important role in preventing the social exclusion and isolation of risk groups.

#### *4.5.1. The long-term unemployed and the recurrently unemployed*

Prolonged unemployment is a serious risk factor for poverty and social exclusion. Despite all the measures undertaken, it remains difficult for the long-term unemployed to get jobs again. According to labour exchange statistics, in 2002 there were an average of 173,700 long-term unemployed, recurrently unemployed, and unemployed after participation in active measures or recurrently participating in active measures. The corresponding figure for 1997 was about 268,000, so there has been a reduction of about 95,000 over five years. The probability of an unemployed person finding a job on the open labour market declines rapidly once the period of unemployment has lasted six months. Of those unemployed for over six months, only 6.5 per cent find employment directly on the open labour market.

Half of all the unemployed, about 150,000 people rely on labour market support for their basic living. About 120,000 unemployed receive labour market support as a passive hand-out; a large percentage of these have been employed for several years. They are characterized by a low level of education and little work experience, and are aged between 30 and 50. About 85,000 recipients of labour market support had been receiving it passively for over two years; 26,000 had been receiving it for over six years. Nearly half the recipients have been drawing labour market support for so long that it has become a source of income comparable to a basic income or 'citizen's wage'. The number of households whose head is permanently unemployed and dependent on income support has stabilized at about 50,000. These households comprised a total of 93,000 persons in 2000, 26,000 of them under 17.

#### *4.5.2. The disabled*

The disabled are often discriminated against. Their equitable social participation is limited by both physical obstacles and attitudes. One in ten Finns have a disabling injury or other disability. About 1 per cent of the population, or about 50,000 people, are estimated to be severely disabled, while 250,000 are estimated to be significantly disabled. The number of mentally handicapped people in Finland is estimated at slightly over 30,000.

The number of disabled jobseekers in 2002 was about 85,000, 67,400 of them unemployed. Of these, 45,000 found employment on the open labour market and 16,000 were placed through various measures by the employment authorities. The number of such persons unemployed or unplaced averaged about 24,000 between 1992 and 2002.

The Finnish Services and Assistance for the Disabled Act has helped disabled persons to live and function equitably in society. The number of clients using services provided under the Act increased throughout the 1990s, as did the cost. The main reasons for this were the ageing of the population, a policy favouring outpatient care and independent coping by the disabled and the elderly, and an increased awareness about the need for better services for the disabled. The challenge here is to ensure equal availability and quality of services and support measures, regardless of the applicant's place of residence, type of disability or age. This will also help promote participation of the disabled in working life.

According to the Government Programme, the Government has decided to investigate the prospects for introducing very long-term, or even permanent, employment subsidies tailored to reductions in the working capacity of individual employees and paid to employers providing work for people with disabilities. Policy on the disabled needs to be reformed at least as regards the personal assistant system and development of communication and interaction among the disabled. The employment of disabled persons in social businesses will be supported. The Church has drafted its own programme of policy on the disabled, *Kirkko kaikille* ('Church for all'), aiming to conquer both physical and social obstacles to participation by the disabled. Organizations of the disabled also emphasize, in their strategy *Kohti kaikkien yhteiskuntaa* ('Towards a society for all'), the importance of the disabled being able to participate as full members of society in decision-making concerning themselves and the removal of physical, functional, interactive and social barriers inhibiting full participation.

#### 4.5.3. *Children living in unstable conditions*

The majority of Finnish children and young people are doing fine, but those living in unstable conditions require special attention and support. The environment in which children and young people grow up has a significant effect on their school performance and integration into working life and society as a whole. Poor children constitute a low percentage of Finland's child population by international standards, but children have a slightly higher risk than the rest of the population of belonging to a low-income population group, though this trend took a downward turn in the 1990s. On the other hand, the percentage of children under the age of three living in a household below the poverty level tripled during the 1990s, reaching 15.8 per cent in 2000. Factors contributing to the impoverishment of low-income families with children, particularly in growth centres, include rising housing costs and cuts in income transfers.

The number of clients in child protection has increased in recent years as family problems have gained focus in the general social debate. Disruptive behaviour among children and young people, and their threat of social exclusion, are particular causes for concern. The number of children given protection in outpatient care has doubled in the past decade. In 2001, 49,610 children, or 4.4 per cent of all Finns under the age of 18, were subject to child protection measures. Placements outside the home have increased at a rate of 2 per cent to 5 per cent per annum in recent years. An exceptionally large increase in the number of children taken into care occurred in 2000 (11.1 per cent), though the figure for 2001 was only 2 per cent. The total number of children in care was then 7,396 and the number put in reform schools is now 270 to 300 per year.

The Government Programme emphasizes the right of children and young people to a psychologically and physically safe environment to grow up in. To help prevent social exclusion, the early intervention working model will be strengthened and expanded,

encouraging cooperation between social welfare, health care, police and education authorities, on the one hand, and NGOs, on the other, to prevent children's and young people's problems. The working model will be expanded to cover the entire country by 2007. Special attention will be drawn to children's mental health problems and their prevention, and sufficiently fast access to care.

The Child Welfare Act will be revised during this Government's term of office and child welfare work strengthened. Poverty and chains of inter-generational exclusion of families with children will be prevented. An action plan will be drawn up to combat violent entertainment targeted at children. Resolute efforts and pre-emptive measures will be required to cut down the consumption of alcohol and other intoxicants by children and young people.

Qualitative and quantitative development of foster care will be ensured nationwide. The integration of children needing special care into normal school teaching will be promoted at all levels of nursery and school education.

Joining peer groups dispels perceived differences. Studies show that with children and young people, social exclusion manifests itself as a subjective experience of being sidelined because of being different. Belonging to peer groups is important to all children and young people, but especially important to children and young people from immigrant and multi-cultural families.

Youth workshops will be made permanent and alternative vocational education options will be developed on the 'working school' model as pathways to the employment and social inclusion of young people. Sufficient resources for basic youth work will be secured, and preventive intoxicant and drug abuse work will be increased. The Church has begun to allocate resources to social welfare work for children in addition to its existing family work and special youth work.

#### *4.5.4. Immigrants*

Despite a significant growth in the number of immigrants in Finland, their percentage in the population remains the lowest among all the EU Member States, at about 2 per cent. The cultural plurality of Finland's population is expected to increase in the near future, if only because the anticipated shortage of labour will demand more immigration. The unemployment rate among immigrants is over three times that among the whole population. Immigrant employment is hindered by language difficulties, problems in identifying professional competence, the lack of supplementary studies and, in some cases, low levels of existing education. The attitudes of the majority population and the problems that immigrants face in adapting to a new culture also make it difficult for immigrants to find employment.

It is an overall objective of social policy to efficiently prevent the escalation of cultural conflicts and promote the social participation of ethnic groups. The Government is promoting measures to help find jobs for difficult-to-employ immigrants. The importance of measures promoting good ethnic relations and interaction and preventing discrimination is also emphasized. The Government is to draft an immigration policy programme which will also promote the language and cultural rights of children in various ethnic groups. Immigrant children will be supported in keeping up their first language skills, aiming at functional bilingualism. Specifying the rights of immigrants should be begun by revising the legislation on and financial principles of comprehensive school. Opportunities for immigrants to attend



upper secondary school should also be improved. In vocational education, efforts should be made to prevent young immigrants from dropping out of training, and their participation in apprenticeship training should be improved through a variety of support measures. Integration work should be increased especially for those outside the workforce, and its content should be given more attention.

#### *4.5.5. The chronically ill*

Chronic illness weakens a person's capacity to work and function, and causes dependence on other people and society's service systems. The ageing of the population is increasing the number of chronically ill. In many cases, functional capacity has weakened permanently or for a long period of time, preventing participation in normal working life. With the weakening of functional capacity, the threat of becoming excluded from society grows. The number of chronically ill is highest in the lowest-income group. The chronically ill are also affected by problems with institutional care, the danger of becoming institutionalized, and insufficient availability of outpatient services, service accommodation and rental housing. The financial position of the chronically ill is being alleviated with reform of public policy on charges and through clarification of the benefits system. Changes in the drug reimbursement system should not increase the burden of payment on the chronically ill. There are plans for developing support services for the chronically ill and for disabled children and their families.

Mental health problems are expected to increase. These affect all population groups and age groups. Mental health problems increase mortality from somatic diseases, but above all they increase social stigmatization and exclusion. There is a large unsatisfied demand for treatment. Efforts are being made to reduce the risk of social exclusion for those with mental health problems by providing suitably early psychosocial rehabilitation and medical treatment on the basis of up-to-date knowledge and competence. The availability of services will be improved by channelling additional funds into treatment and support services for mental health patients and substance abusers. Immigrants should be taken into account as a special group. Basic living conditions must be ensured.

#### *4.5.6. Substance abusers*

Drug and alcohol problems translate into homelessness, unemployment, low education and, very commonly, combined alcohol and substance abuse. Drug-related crime has continued to grow. The number of hard drug users was estimated at 11,000 to 14,000 in 2001, but not all of these people are necessarily socially excluded. In 2002, the number of drinkers aged 15 to 69 on the risk threshold was estimated at 300,000 to 400,000, while the number of alcohol abusers was estimated at 150,000 to 200,000 men and 30,000 to 40,000 women. The social welfare and health care sector deals with about 80,000 individuals as substance abuser clients (alcohol, drugs, pharmaceuticals) per year. A large percentage of these clients are combined alcohol and substance abusers. According to a report by the Ministry of Social Affairs and Health (2003), as many as 6,000 to 8,000 persons use alcohol substitutes. The substance abuser survey of 1999 shows that 39 per cent of substance abuser clients of working age were unemployed.

As the EU enlarges, Finland's prospects for maintaining the present excise duty rates for alcohol and tobacco will decline. Taxes on alcohol will be reformed systematically in the manner that best guarantees tax revenues while minimizing harmful effects on health and the economy. The Government will make concerted efforts to raise tax rates on alcohol and

tobacco in the European Union. The Government will draft a resolution and a programme on combating the harmful effects of alcohol and draw up an action plan on drug abuse for the period 2004-2007.

According to the Government Resolution, drug control will be enhanced through a complete ban on their distribution and use, discouragement of drug experiments and use, and sufficient treatment. Measures to alleviate the negative effects of drug use will be expanded with the aim of stopping the rise in drug use and drug-related crime. The Objective programmes and action plans of the various ministries support anti-drug measures. A national alcohol programme is also under preparation, with the aim of producing a Government Resolution on alcohol policy outlines for 2003-2007. At the same time, preparatory work on an extensive alcohol programme is being launched, involving local authorities, organizations in the business community and NGOs. The aims are to reverse the rise in overall consumption of alcoholic beverages by 2005 and to reduce intoxication-oriented drinking and its negative effects. The Church is beginning to draft its own intoxicant abuse strategy together with Christian organizations.

#### *4.5.7. Violence against women and prostitution*

Discrimination against women will be prevented and the social status of women enhanced in several dimensions of social policy. Special attention has been given in recent years to uprooting violence against women. A study shows that 22 per cent of all women have been subject to violence or threat of violence from a partner in a steady relationship, and that 40 per cent of all women have been subject to physical or sexual violence or threat of such at one time or another.<sup>16</sup>

If social exclusion is defined as an accumulation of deprivation, prostitution fulfils all the essential elements, besides also violating the human rights of the prostitute. Prostitution often has links with criminal activities. Prostitutes also have a higher risk of becoming substance abusers, and often suffer from physical and mental health problems.

For the entire term of Government, resources will be allocated for preventing domestic violence, violence against women and prostitution. The penal provisions for procuration offences will be tightened, and criminal investigation resources improved. The criminalization of purchasing sexual services will be investigated. A programme on the prevention of violence against women and children and the prevention of prostitution will be launched in multi-professional cooperation involving several sectors of the administration. Resources will be added to support services for victims of violence and prostitutes, and protection for victims of trafficking in human beings will be reinforced.

#### *4.5.8. The over-indebted*

Debt problems can cause serious economic and social difficulties. The risk of getting into trouble with debts affects disadvantaged population groups the most heavily. However, the development and spread of new forms of financing and credit, and the fact that households and the labour market are becoming increasingly atypical, have increased the risk of over-indebtedness in other population groups, too. Also, the varying practices of local authorities in

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<sup>16</sup> Heiskanen Markku & Piispa Minna: Usko toivo, hakkaus. SVT 1998:12. Comparable studies exist only in Sweden.

granting income support drive those in the lowest income groups to use various forms of credit which require no security and which are therefore more expensive.

In the 1990s, the debt problem was countered by creating a debt risk management system, which in most cases enables debt modification or renders debts statute-barred after a certain period of time. However, the over-indebted remain in dire financial straits. In the near future, a comprehensive action plan to prevent the emergence of new over-indebtedness problems and the deepening of existing ones, and to enable the flexible and efficient management of insolvency, will be created. The social objective here is to promote the potential of individuals and families in such difficulties for leading an active life. Debt counselling methods and personnel competence will be improved. Legislation on bankruptcy, debt restructuring and execution will be reformed.

#### *4.5.9. The homeless*

Homelessness is a state to which quite a large portion of the population may become liable, for instance through over-indebtedness, a change in family relations or unemployment. Some homeless have multiple problems; finding them accommodation without the necessary housing, services and support is difficult. The homeless are also subject to discrimination. The lack of sufficiently intensive support is a problem equal to the housing shortage. There are people living in treatment units, institutions or sheltered housing because of not having a home; local authorities estimate the total number of such persons at almost 1,400.

The Government will continue with its programme to reduce homelessness. The aim is to provide more small homes for the homeless by building new ones and by obtaining housing within the existing building stock. The allocation of freed social rental housing to the homeless should be increased. Home support services and sheltered housing for population groups requiring special care should be further developed in a balanced manner. Local authorities and NGOs have a vital role to play in this.

#### *4.5.10. Prevention of crime-related social exclusion*

People who commit crimes are often socially excluded or threatened by social exclusion. Released prisoners are also in a weak social position, with slim chances of entering the labour market, education or the housing market successfully. About 40 per cent of prisoners are homeless when they go to prison, and about 400 to 500 homeless prisoners are released each year.

Recidivism remains common in Finland, particularly among young prisoners. The prison population increased by 14 per cent in 2000-2001. Reducing recidivism would lead to considerable social savings. Special crime policy programmes are being implemented as part of the National Action Plan against Poverty and Social Exclusion. The reduction of recidivism is an essential objective in developing the implementation of penalties and the working of the prison system. Legislation on prison sentences will be reformed, and the introduction of conciliation penalties is being prepared for. A cross-sectoral programme on internal security will be drawn up to increase public security and to reduce drug-related crime, violent crime and recidivism in particular.

The sanctions regarding young offenders will be revised and their impact enhanced. The system will be modified to help young offenders return to a permanent crime-free life. The handling time for crimes committed by young people will be shortened through closer cooperation between the police, prosecutors, the courts and the social welfare authorities. After-care designed to support the life management of released prisoners will be provided.

#### *4.5.11. The Romani population*

There are an estimated 10,000 Romani in Finland. The living conditions, level of education and income of the Romani population are still lower than in the majority population, although the situation has improved. There are problems, in that Romani have more difficulty than average in finding employment and earning a living. The ban on discrimination has significantly improved the equality of the Romani population and their socio-economic status has been improved through the creation of services and procedures allowing them to participate safely in society without having to compromise their own culture. Such services must be developed so that they gain the trust of the Romani population, and they must be sufficiently publicized. Ways of improving the education and health of the Romani minority should also be considered.

## **5. National measures**

In the following section, risks of social exclusion are addressed as separate factors, though — as stated above — one type of exclusion can easily lead to another. Though it is divided into numerous sections and headings, this National Action Plan for the period 2003-2005 aims to formulate a unified whole in which simultaneous development work in a number of different fields will also enhance the effectiveness of the entire programme. The measures listed here are intended to respond to the major challenges in the prevention of poverty and social exclusion; they are either ongoing operations or plans whose implementation has already been decided on. The list is not exhaustive; it only includes the measures which the members of the working group consider the most important. Most of the measures are being directed by the Government, and not all of them reflect the joint view of the working group.

Measures that fall within the competence of the Government will be implemented within the framework of the budget for 2003 and the budget framework decided by the Government for 2004-2007. The detailed implementation and resources for measures in the Government Programme will be decided upon within the national political decision-making and annual budget processes.

### **5.1. Securing income support**

#### **Developing the national pension system**

A lump-sum increase in the national pension will be enacted as of January 1, 2006. The housing allowance system for pensioners will be developed.

### **Making social credit statutory**

Social credit has been statutory as of January 1, 2003. The aims here are to prevent economic exclusion and over-indebtedness and to help people to cope independently. Social credit may be granted to a person who has no other opportunity to obtain credit on reasonable terms because of a low income and limited means, but who has the capacity to repay any social credit granted.

### **Co-ordinating income support and earned income**

In an effort to increase the attractiveness of work, an Act was passed for a three-year experimental period (April 1, 2002 to March 31, 2005) stipulating that earning a low income will not immediately cut income support. At least 20 per cent of the earned income of a person or family applying for income support, up to EUR 100 per month will be disregarded in making the support decision. An annual appropriation of about EUR 4 million has been entered in the national budget for this purpose, and local authorities will be contributing about EUR 10 million.

### **Increasing preventive social assistance**

The scope of preventive social assistance was expanded with a legislative amendment that came into effect in April 2001. The purpose of preventive social assistance is to enhance the social protection and independent coping of a person or family, and to prevent social exclusion and long-term dependency on income support. Such assistance can be granted for instance to pay rent in arrears, for participation in active measures, and to alleviate difficulties caused by over-indebtedness or a sudden deterioration in the person's or family's financial situation.

### **Improving the economic status of families with children**

An increase will be made in the child allowance for the first child. The single parent's supplement to the child allowance will be revised. The child home care allowance and the minimum amount of sickness allowance, maternity allowance, paternity allowance and parental leave allowance will be increased in 2005. At the same time, the criteria for eligibility for earnings-related parental and sickness allowances will be relaxed with a view to correcting certain 'in-between' situations such as those encountered by employees in short-term jobs, and to increase the attractiveness of working rather than going on social security. The government is prepared to allocate just over EUR 100 million for this purpose.

### **Developing the sickness insurance system**

The minimum sickness allowance will be increased from the beginning of 2005.

### **Special support for immigrants**

The Act on special subsidies for immigrants (1192/2002) was enacted to provide permanent income support for pensioner returnees and other immigrants in a similar position. This is a new form of financial support that safeguards a living in old age or incapacity to an immigrant who would otherwise require continuous income support. The special subsidies constitute a discretionary social benefit under the social welfare system, granted by the Social Insurance

Institution (KELA). There will be an estimated 3,700 recipients of special subsidies in 2003. The new legislation comes into force on October 1, 2003. Its estimated cost is about EUR 20 million per year.

## **5.2. Promoting health and welfare**

### **The Terveys 2015 programme**

Implementation of Finland's health care policy programme *Terveys 2015* ('Health 2015') will focus particularly on supporting work at the local level. The projects that have been launched aim to improve the local management, quality, content and implementation of health promotion work.

### **National Health Project**

On September 13, 2001, the Government set up a national project to draw up a plan and implementation programme aimed at securing the functioning of the health care system and the availability and quality of health care services. According to the project management group proposal, access to treatment within the target waiting times will be guaranteed by 2005. These target waiting times are six months for any treatment that is judged necessary, three weeks for an outpatient evaluation for specialized medical treatment, and three days for a first evaluation of treatment and need for treatment by a health centre; all times are measured from the first contact. If a local authority or joint municipal board is unable to provide treatment within the specified target times, it must obtain treatment elsewhere without any change in the contribution the patient has to pay. The project is also dealing with ways of improving processes within the health care system, such as information management and cooperation between various parties and groups of professionals. The system of health care charges will also be revised, and the ceilings in the health care system and the sickness insurance system will be merged; the aim here is to guarantee access to necessary health care and rehabilitation services to those in the weakest position.

### **National Development Project for the Social Welfare Field**

The National Development Project for the Social Welfare Field runs parallel to the National Health Project. The special advisors involved submitted their report to the Minister in late spring 2003. The proposals address ways of safeguarding the availability of core services, issues of labour and working conditions in the field, and the development of service structure and functions. The report also discusses ways of strengthening cooperation between the social welfare sector and other sectors of the administration, and the financing and steering of core services. The organization of the development project, the project plan and the related Government Resolution are in the final stages of preparation.

Separate submissions were drafted on ways of raising the standard of social work. The Government has appointed a social work advisory board for the period March 1, 2002 to December 31, 2005, with the brief of proposing ways of boosting social work and promoting broad-based development of the social welfare sector.

### **5.3. Making access to the labour market easier**

Structural unemployment will be alleviated and social exclusion prevented through tailored services and training. Individual client-oriented services and measure packages will be developed in cooperation with various actors in order to promote participation in working life. Employment services and employment policy tools will be used to promote placement of the disabled and immigrants on the open labour market. For those who cannot be helped through public employment programmes, other solutions will be sought in cooperation with partners, for instance under a new Act on client cooperation in rehabilitation enacted in 2003.

#### **Reforming the employment policy system**

A two-year national combined service experiment was launched in 2002 to promote the employment, life management skills and rehabilitation of the long-term unemployed. The objective is to formulate packages of employment services, public labour market measures, municipal social welfare and health care services, and Social Insurance Institution rehabilitation services. This experiment will increase the sharing of responsibility for clients among the various authorities. Coordinating functions is expected to produce better results and more efficient client service.

Based on the experiences of the combined service experiment, a reform will be carried out in 2004-2006 to create better preconditions for dismantling structural unemployment. The public services aimed at dismantling structural unemployment, and their resources, will be collated into a service network at 'workforce development centres', which — subject to local agreements — will involve the employment office, the local authority, the Social Insurance Institution (KELA) and other service providers. This cooperation will enable service packages to be offered to the difficult-to-place unemployed designed to improve their labour market skills. The reform will be launched in 2004 by continuing the work of the combined service units and extending activities to new areas.

The aim is to provide every long-term unemployed client of an employment office or workforce development centre with an individual activation programme and to provide unemployed persons under 25 with a training, job training or workshop placement after three months of unemployment. Programmes for long-term rehabilitation, job mentoring, individual coaching and training will be created to improve the effectiveness of measures aimed at the difficult-to-place unemployed.

In order to alleviate structural unemployment and prevent social exclusion, a sufficient proportion of public labour market policy measures will be aimed at improving the labour market skills of the difficult-to-place unemployed. Also, various financial models involving local and central government to encourage local authorities to manage their unemployment efficiently will be explored.

#### **Developing labour market support**

The use of labour market support as an activating aid will be increased, in accordance with its original purpose. The maintenance allowance will be increased as an incentive to participating in active measures. Preparations will be made to set a maximum duration of purely passive labour market support to increase the activeness of labour market support recipients.

## **Social businesses**

A basis in legislation will be created for establishing and expanding the scope of social businesses. The purpose of a social business is to provide employment for the disabled and other difficult-to-place unemployed. A company is defined as a social business if at least 30 per cent of its employees are disabled and/or difficult-to-place unemployed.

## **Rehabilitative work**

The Act on Rehabilitative Work came into effect on September 1, 2001, providing new opportunities for easier access to the labour market by clients who have been unemployed for a long time. The Act requires local authorities and employment offices to cooperate in shaping an activation plan and service portfolio individually for each client. Rehabilitative work is a last-resort measure to end a period of long-term unemployment. An annual appropriation of about EUR 4 million has been made in the national budget for this purpose, and local authorities will be contributing about EUR 10 million.

## **Evaluating the potential for rehabilitation or pensioning of the long-term unemployed**

Those declared permanently incapacitated will be guided to the appropriate benefit system, for instance a disability pension. Evaluation of the potential for rehabilitation or pensioning of the long-term unemployed (the ELMA project) will continue, and its scope will be expanded to cover the entire country. The number of evaluations carried out each year will be significantly increased.

## **Promoting employment for the disabled**

As users of labour administration services and recipients of benefits, the disabled have had the same primary status under the Employment Act since April 1, 2002, as young people and the long-term unemployed. At the same time, employment-supporting measures and unpaid work activities were made social welfare services for which local authorities are responsible. The target group here consists of people who have difficulties in finding employment through employment services or employment policy measures alone. The system includes the option of granting employment subsidy to those who allow a disability pension to 'lie dormant' in order to experiment safely with work.

An Act on the vocational rehabilitation of employees will come into effect on January 1, 2004. Under it, an employee threatened by incapacity will be entitled to receive vocational rehabilitation. The aim of the reform is to promote early introduction of rehabilitation. The costs of vocational rehabilitation are about EUR 45 million per annum.

## **5.4. Improving the functioning of the housing market**

### **Increasing the supply of reasonably priced rental housing**

Financing authorizations for social housing production will be scaled to about 10,000 new units for the period 2004 to 2007 to ensure that social housing production corresponding to demand can be undertaken in the Helsinki metropolitan area, major growth centres and other areas where there is a great need and demand for housing. In order to alleviate the housing



situation for young people leaving home and single-person households, socially subsidized small home construction and young families will be favoured. To secure the availability of plots, local authorities will be encouraged to use their town planning and land use policy tools to the fullest extent. The potential for more efficient town planning and land use policy in the Helsinki metropolitan area will be explored. As a landowner, central government will support the overall objectives of housing policy to ensure that government land is made available for production of reasonably priced housing. Measures to increase the supply of privately-funded rental housing will be investigated. Good rental practices on the rental housing market will be promoted.

### **Developing support for housing**

The terms for government-subsidized (ARAVA) loans will be kept competitive in relation to market interest rates. The functioning of social financing and subsidy systems will be investigated as a whole, including the Bonus for Home Savers (ASP) system. Support through tax deductions will be developed for new housing loans so as to enable more support for first-home buyers and families with children. The housing allowance system will be developed, ensuring that benefits follow changes in cost and rent levels more closely and that the system enables feasible use of the housing stock.

### **Safeguarding the diversity of the population structure**

Urban planning, housing programmes, land surrenders and tenant selection will be used to ensure socially balanced development of city areas and residential districts, and sufficient diversity on the population structure. Various forms of financing and management for housing, a high-quality living environment and sufficient social resources are the best way to ensure reasonable priced housing and to avoid the accumulation of social problems in residential districts.

## **5.5. Securing a sufficient level of education**

### **Improving pupil welfare**

Amendments to the Basic Education Act, the Upper Secondary School Act and the Act on Vocational Education concerning pupil welfare will come into effect on August 1, 2003. The legislation covers pupil welfare and related services, i.e. school health care and the services of school psychologists and social workers. Measures to be developed include school health care and school social work. Amendments to acts will also be enacted to define the concept of a 'safe study environment' vis-à-vis the protection of pupils and students against violence, bullying and abuse.

### **Developing teacher training**

The aim is to improve recognition of pupil difficulties and symptoms of drug use. A new teacher training development programme was published in 2001. According to this, the core content of pedagogical studies in all teacher training consists of: the ethical and social basis of teaching work; human relations, cooperation and interaction skills; understanding of learning processes; and prevention of learning difficulties and exclusion. Training for pupil counsellors and remedial-education teachers will be increased in the next few years in both basic and supplementary training.

### **Promote learning at work**

Teaching undertaken in the workplace alongside normal duties will be expanded and developed to cater for the needs of special groups and to improve the study opportunities of those threatened by social exclusion (the ‘Innopaja’ workshops).

### **Developing student counselling**

Studies show that student counselling is inadequate at all levels of education. An action plan is being drafted to reduce the number of dropouts from vocational education, the focus being on support measures aimed at students at risk of dropping out and on monitoring the number of dropouts.

### **Vocational remedial education development programme**

A vocational remedial education development programme is being launched in 2003, based on the vocational remedial education strategy drawn up in 2001. A working group to study financing for vocational remedial education was appointed in spring 2003.

### **Reducing the number of training dropouts with performance-based financing**

Performance-based financing in vocational education encourages training providers to take action in helping students find jobs and placement in further studies, and in reducing the number of dropouts. The performance-based financing model consists of financing based on quantitative indicators and quality awards. Both include the prevention of social exclusion as one of their objectives. The indicators used to measure the effectiveness of performance are job-finding, placement in further studies, the dropout rate, the training completion rate, the special permits utilization rate, the competence of teaching personnel, and personnel development.

### **Raise the level of education among adults**

The Ministry of Education and the Ministry of Labour have launched a programme called ‘Noste’ to increase the level of education among adults running from 2003 to 2007. The objective of the programme is to help the adults with the lowest level of training to remain employed and also progress in their careers. The programme also aims to combat labour shortages caused by the retirement of the large age groups, and thus to influence the employment rate. The target groups consist of employed wage-earners and entrepreneurs in the case of the Ministry of Education and the unemployed in the case of the Ministry of Labour.

## **5.6. Integrated measures by various actors aimed at high-risk groups**

### **Early intervention in children’s and young people’s problems**

Early intervention in problems is of vital importance in the prevention of social exclusion. The *Varpu* project is an early-intervention project coordinated by the Ministry of Social

Affairs and Health, involving the relevant authorities and organizations active in child protection, substance abuse and mental health work. The project is running from 2001 to 2004, with the aim of improving the capacity of the service system to intervene at an early stage in the problems encountered by children, young people and families and to support them in coping with these problems. Early intervention and support are encouraged in both services and everyday life. The National Research and Development Centre for Welfare and Health (STAKES) and the Central Union for Child Welfare in Finland are developing, collating and distributing recommended procedures for early intervention. The main objective is to embed the results of this development work in the day-to-day workings of the social welfare and health care sector.

The single largest high-risk group in mental health work comprises children of the mentally ill. Mental health services are invited to make use of psycho-educative intervention tailored for this target group, its effectiveness of which is being assessed in an international comparative study. Promotion of early intervention aimed at the entire population of families with children aged 1 to 6 will be undertaken in the social services as well as in health care. A total of EUR 27 million has been invested to help local authorities to improve psychiatric services for children and young people between 2000 and 2003. These measures will continue under the National Health Project.

### **Organizing morning and afternoon activities for schoolchildren**

First-form and second-form pupils in comprehensive school and special-needs pupils will be provided with morning and afternoon activities in cooperation with other actors from autumn 2004.

### **Youth participation project**

The aim of the youth participation project launched in 2002 is to propose ways of improving learning among young people, developing the learning environment, and improving learning and employment capacity. The integration of young immigrants into Finnish society forms part of the project. The youth participation project is being run as an extensive cooperation project between local authorities. The costs of this five-year experiment, about EUR 2 million per year, are being shared between the central government and the local authorities involved.

### **Supporting the integration of immigrants**

By the end of 2002, 6,800 immigrants had received an integration plan under the Act on immigrant integration. An integration plan is required to comprise a wide variety of integration-promoting measures tailored for the individual immigrant. Implementation of the plan requires cooperation between various authorities and organizations. Extra resources have been allocated to labour administration immigrant training in the national budget for 2003. There are also separate projects to improve the status of immigrants with a weak labour market status.

### **Implementing the National Alcohol Programme**

The Government has issued a Resolution on alcohol policy guidelines for 2003-2007. Based on this, an extensive National Alcohol Programme for 2004-2007 will be drawn up. The aim is to reduce consumption of alcoholic beverages and the negative effects of alcohol through

broad-based cooperation between numerous actors. So far, EUR 1 million has been allocated to this work.

### **Drug problems**

On March 1, 2002, the Ministry of Social Affairs and Health appointed a drug policy coordination group for 2002-2003, charged with monitoring the implementation of drug programmes. In 2003, the coordination group will draw up a new plan of action for 2004-2007. EUR 25 million was budgeted for this work for 2002-2003. In the future, an annual allocation of EUR 10 million is anticipated.

### **Programmes for reducing homelessness**

Ministry of the Environment and Ministry of Social Affairs and Health programmes for reducing homelessness aim to provide 1,000 additional housing units for the homeless annually, nationwide and in the cities of the Helsinki metropolitan area. Equity grants for housing the homeless and refugees paid out of the resources of the Housing Fund of Finland have been increased. Accommodating the most difficult to house is impossible without support services. Solving this problem requires cooperation between the housing authorities, the social welfare and health care authorities, and the third sector.

The aim of the action plan to reduce homelessness in the Helsinki metropolitan area is to construct and acquire 1,000 new housing units a year for homeless single persons and families between 2002 and 2005 and to safeguard the support services required for such housing. The estimated cost of this programme is about EUR 40 million.

### **Project to combat violence against women and prostitution and trafficking in human beings under the Government's equality programme**

Preventing violence against women is linked to the prevention of prostitution and trafficking in human beings. The Ministry of Social Affairs and Health has financed a five-year project to combat violence against women and prostitution, implemented by STAKES. The project includes campaigns against violence and implementation of the DAPHNE programme. A national programme to combat violence and prostitution is being drawn up in 2003.

### **Voluntary debt adjustment programme**

The Government, creditor organizations and the Guarantee Foundation agreed on May 2, 2002 on a two-year period for adjusting loans dating from the recession. The aim of the programme is to employ voluntary measures to dismantle over-indebtedness incurred in the 1990s. It is estimated that 60,000 people have problems with debt. To support this programme, additional resources will be provided for municipal financial and debt counselling.

### **Crime prevention**

Crime prevention will be pursued in inter-sectoral cooperation involving local authorities, businesses and the third sector in addition to the central government. This work will be primarily coordinated by the National Council for Crime Prevention, which is attached to the Criminal Policy Department of the Ministry of Justice. What requires particular attention is

guidance towards a crime-free life for those receiving criminal sentences. Projects supporting the integration of offenders into society are being implemented by prisons, regional probation offices, local authorities and educational institutions, among others. The Government appointed a criminal sanctions advisory board at the Ministry of Justice on March 13, 2003 to provide expert information on issues related to the probation service and prison service, and to support and promote extensive cooperation in the placement of convicted offenders in society and in reducing recidivism. The brief and composition of the advisory board rely on a broad expertise base and cooperation between various authorities and organizations.

### **Crime conciliation**

Introduced in Finland in the early 1980s and now in widespread use, crime conciliation has been welcomed as a good way to address crimes and damage committed by young people in particular. Conciliation is a procedure parallel or supplementary to court proceedings, based on extensive cooperation between various sectors of the administration, with the aim of resolving issues related to a crime. In conciliation, the parties helped by a conciliator aim to arrive at an agreement satisfactory to both parties on financial compensation or other means of compensating the injured party. The main problem with conciliation is that its geographical coverage is limited: conciliation is only available in certain places. The Ministry of Social Affairs and Health has appointed a broad-based crime conciliation advisory board to coordinate further development of the crime conciliation process.

### **Towards a crime-free life together**

*Yhteistyössä rikoksettomään elämään* ('Towards a crime-free life together') is a national cooperation project aimed at guidance of offenders towards a crime-free life which seeks to develop regional cooperation models. The project is backed by six ministries, the Association of Finnish Local and Regional Authorities and a foundation for probation support, which represents several organizations. On the regional level, the project involves penal institutions, public services, organizations, parishes, various research bodies and centres of expertise in seven cities.

### **Projects of the Evangelical-Lutheran Church of Finland for the prevention of social exclusion**

The Evangelical-Lutheran Church of Finland is committed to actively developing measures to combat the social exclusion of children and young people, partly through its normal activities and partly by supporting projects to combat social exclusion and emphasize responsibility. A special allocation of FIM 10 million granted in 2000 helped launch 52 projects, 38 of which are continuing in different parts of the country. The work is supported through project funds in the dioceses and a further allocation of EUR 84,100 from the Church.

### **Focus of measures against social exclusion undertaken by social welfare and health care NGOs**

The Slot Machine Association is an important source of funding for NGOs. Every year, over 1,100 organizations receive financing from the Association, covering over 1,000 development and experiment projects and some 400 investment projects. These mainly comprise preventive action and support for population groups in the weakest position. In practice, the focus is on prevention of major public health problems and on health promotion, maintaining working

ability and functional capacity, interrupting processes of social and economic exclusion, and promoting independence. In addition to helping population groups requiring extensive support and help, NGOs also pay particular attention to the living conditions and safety of children and to the promotion of parenthood and helping families to cope in their work against social exclusion. Regional and local inequality trends are being monitored. Grants are allocated particularly to socio-economically weak areas where problems have escalated.

## **6. Cooperation and partnerships between actors in the prevention of poverty and social exclusion**

Broad-based policy preparation has a long tradition in Finland. The country's policies in the areas of income, taxation, employment and social affairs have been developed through collaboration between central and local government and the labour market organizations. The latter are prepared to take on their part of the responsibility in striving for a high employment rate and stable economic development. Successful cooperation requires trust both among labour market organizations and in agreements between all the social partners. Labour market organizations aim to conclude collective agreements that will boost employment, encourage people to stay at work and help them to cope with work, and prevent the threat of social exclusion.

The compilation and monitoring of the National Action Plan against Poverty and Social Exclusion involves several ministries, representatives of local authorities, NGOs, labour market organizations, research institutions and religious bodies, most importantly the Evangelical-Lutheran Church of Finland. Cooperation and coordination between the sectors of the administration has increased both nationally and regionally. There was a ministerial inter-sectoral social exclusion working group from 1999 to 2003, charged with coordinating inter-sectoral measures to prevent social exclusion and planning and proposing new measures to interrupt social exclusion trends. The final report of the working group discusses the prevention of social exclusion and the measures employed from the point of view of inter-sectoral cooperation.<sup>17</sup> Actors in the civil society increasingly cooperate with the public authorities in developing measures to combat poverty and social exclusion. There has been growing cooperation between employment offices, local offices of the Social Insurance Institution, the social welfare and health care authorities and NGOs in recent years. There are advisory boards in various branches of social policy, enabling broad-based participation by interest groups (cf. the previous Plan).

Local partnership has been actively pursued in Finland in promoting employment and preventing social exclusion. This involves representatives of the labour, business and industry, social and education administrations as well as labour market organizations, local authorities, businesses, the third sector and the unemployed. Some of the partnership projects were originally devised with financial support from the EU Commission under the Territorial Employment Pacts programme, while others rely on ESF, national and local financing. On the basis of these measures and experiences, local employment strategies have been drawn up which also serve to combat social exclusion. The strategies are in line with the National Action Plan for Employment.

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<sup>17</sup> Hallinnonalojen välisen sytjätymistyöryhmän loppuraportti. Ministry of Social Affairs and Health working group memos 2003:20.

Social welfare and health care organizations are a major player as far as civil participation and influence and the production of services and support are concerned. Organizations provide ways of achieving inclusion in a community; they build community identity and are important in preventive action. Historically, such NGOs have been involved in developing a substantial proportion of the Finnish service and support system. In the future, they will have a highly important role in developing new procedures in social welfare and health care in cooperation with public services. NGOs are of fundamental importance in promoting public welfare, and they carry a special responsibility towards their membership. About two million Finns are members of social welfare and health care organizations, which have an estimated 180,000 to 200,000 volunteer workers, the equivalent of 25,000 person-years. The combined annual operating costs of NGOs are over EUR 1 billion. Grants from the Slot Machine Association, which was originally founded by NGOs, form an important component in the financing of organizations (EUR 280 million in 2001).

Social welfare and health care organizations are estimated to have about 26,000 full-time employees, and provide 17 per cent of services in social welfare and 3.4 per cent of health care services. Organizations introduce and maintain services for population groups that do not get timely assistance from the public service system, or special services requiring specialist expertise arising from a profound knowledge of the situation of a particular population group (or membership of the organization). Some local authorities base specifically their outpatient services on non-profit organizations and have entered into outsourcing agreements to procure these services directly from NGOs. Local authorities have a high level of confidence in the services, expertise and service quality of organizations.

NGOs look after and influence people's rights and interests. The wide range of such organizations contributes to pluralism and tolerance. Their most important role is to offer people a means of influence, mostly through support for members. Organizations are also an important source of expert knowledge in society, because they have accumulated know-how and competence in specialized fields. In many cases, such expertise is based on the continuous evaluation of the needs and situation of the organization's membership, collation of information and research. In the best cases, organizations are simply experts in everyday life. Peer support is an increasingly important core function in organizations; this is based on sharing experiences (e.g. illness, disability or substance addiction) with others in similar situations. Peer support, being a person-to-person function, cannot be replaced by professional help. It helps to improve the quality of everyday life and to boost the identity of the individuals involved.

The local associations of national organizations provide a variety of activities and support measures for groups in difficulties, as well as organizing projects to combat poverty and social exclusion. These arise from local needs and the strategic outlines of the national organizations. The latter influence social policy from the viewpoint of their membership. Organizations are also involved in work to combat poverty and social exclusion through their central organizations and networks. These include the Finnish Federation for Social Welfare and Health and EAPN-Fin (European Anti-Poverty Network), a network combating poverty and social exclusion in Finland.

The Evangelical-Lutheran Church of Finland and its 586 local-level parishes do important work in combating social exclusion through their welfare services and child and youth work. Parishes and the family counselling centres they maintain undertake work to support families and relationships. The welfare services of the Church are handled by 1,200 church welfare

workers (who have vocational training in social welfare and health care) through office hours for private consultation, house calls and group sessions. The primary reasons why people come to see a church welfare worker are unemployment, financial difficulties, mental health problems and human relations issues. Church welfare services play a significant role in providing supplementary services supporting the disabled, those with mental health problems, those with substance abuse problems and the unemployed.

The Church works where there is distress and where the assistance provided by society is inadequate. Thus, the Church has reacted to the problem of hunger and poverty with measures such as the establishment of 'food banks' and the provision of meals for the unemployed. Although the volume of the food banks has decreased, food aid has proved a valuable contribution for the long-term unemployed and the over-indebted. In 2002, church welfare workers had a total of about 870,000 client contacts. The financial value of the food aid and other forms of support given out by the Church was almost EUR 6 million. The Lutheran churches in Europe have taken a stand in favour of welfare states which provide extensive services and in which public authorities, local authorities and the central government are responsible for overcoming poverty and social exclusion. Church welfare services will continue to serve as a detect-and-prevent function supplementing the services of the public sector.

The prevention of social exclusion is a viewpoint in the Church's child and youth work, too especially its special youth work, family work and work with the unemployed. A need for church welfare services for children has emerged in the past years, and this need has been addressed with separate projects seeking out new procedures. Means for preventing social exclusion are sought at various levels within the Church through the development of networking cooperation models, through project funding, and through the Church's normal activities. According to a project evaluation study conducted in 2003, the above projects generated a large number of new models for preventing the social exclusion of children and young people. Regional cooperation also resulted in new network and agreement models for the participation of various local authorities, NGOs and the parents of the children and young people involved.

## **7. Trends in poverty and social exclusion illustrated by indicators**

The results of the National Action Plan are evaluated over the long term using selected indicators. The indicators selected for monitoring are given in Appendix Table 1. The list of indicators in the previous Plan has been somewhat modified. The indicators were now selected to reflect the shortage of resources in the different dimensions of social exclusion as fully as possible and also to show the size of population groups threatened by social exclusion between 1990 and 2002.

One aim was to include in Finland's national programme those indicators from the European Commission's structural indicator list that measure social cohesion, certain employment indicators and some of the low-income indicators agreed on at the Laeken European Council. There are also nationally important indicators on health, housing, education, other exclusion and threat of exclusion. One criterion for selecting indicators was the availability of data in diachronic statistical series. As data is only available for one year on key points not evaluated



previously — prolonged low income and regional poverty and exclusion indicators — these are presented as separate appendices. In future years, however, they can be included in evaluations of implementation of the Plan.

The indicators measuring poverty and social exclusion should be subject to continuous scrutiny. What is particularly needed are indicators to show how risks of social exclusion in the various dimensions of exclusion tend to accumulate in the same persons or families. Implementation of the Plan should also be evaluated in other ways and not only with the indicators presented here.

## **8. Good practices**

The Finnish social protection system as a whole is efficient in preventing poverty and social exclusion. In addition, several good practical models for preventing social exclusion have been developed all around Finland, taking local conditions into account. All these models approach the processes of social exclusion as a whole, utilizing the expertise of many different actors and professional groups. They vary in their organization and resources and in the actors involved. They also differ in how work at the grass-roots level is linked to the NGO level, and to the policy and programme levels. Although the models largely rely on existing basic social security systems, they offer a richness of ideas and innovations relying on project funding for establishing new and better practices.

### **8.1 Citizens' welfare networks (HYVE)**

HYVE is a regional welfare-boosting model in which one or more local authorities cooperate with the Finnish Federation for Social Welfare and Health, its regional associations and other local actors. The work is based on the social situation, needs, problems and challenges in the relevant area. The aim is to produce welfare services and support through cooperation in which the work of public-sector professionals is linked to third-sector and NGO work. This linkage is done by developing network models which not only combat threats and risks but also actively reform service concepts and welfare service structures. This enables the provision of individual solutions for preventing social exclusion, taking local conditions into account. The HYVE model also incorporates personnel training and a research angle. Administratively, the model is based on a framework agreement between the Finnish Federation for Social Welfare and Health, the relevant local authority or authorities (Oulu, Joensuu, Jyväskylä and Jyväskylä rural municipality) and regional social security associations, an annual cooperation plan and a networking budget. The model also serves as an example of how a joint development venture can be expanded into a long-term framework agreement after the project stage is over. Work is still at the project stage in two regions: southern Finland, with the partner local authority being Helsinki, and western Finland, with the partner local authorities being Kokkola, Seinäjoki and Vaasa. The model involves close cooperation with regional centres of expertise in the social welfare sector.<sup>18</sup>

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<sup>18</sup> Information on the HYVE model can be found on the website of the Finnish Federation for Social Welfare and Health, [www.stkl.fi](http://www.stkl.fi) and in Eskelinen – Hietanen – Kinnunen – Särkelä (eds.): *Toisin toimien, uutta oppien* (1998).

## **8.2 Cooperation model for the prevention of social exclusion, Jyväskylä**

In the Jyväskylä model, the basic strategy for the prevention of social exclusion involves marshalling local forces and launching joint projects. Involved in the projects are the City social welfare and health authorities and other authorities, the employment office, the Social Insurance Institution, the university, the polytechnic and organizations. The joint projects each have their own target group (e.g. the long-term unemployed, immigrants, those with mental health problems). The projects constitute a flexible interactive entity. As projects come to an end, experiences gained from them are used not only to improve official basic services but also to launch follow-up and supplementary projects, or completely new projects, so that the work continues smoothly even if a specific project ends. Each actor contributes to the projects, and funding sources include the central government, the Slot Machine Association and ESF financing in addition to local authority budget appropriations. A foundation has been set up for the provision of special services.

## **8.3. The Turku model for promoting the welfare of children and young people**

The Turku strategy focuses on children, young people and families with children. The strategy is pursued through a network model managed and monitored by a management group for the welfare of children and young people, whose members include experts from all service authorities and a town planning expert. Indicators for monitoring relevant factors have been developed in cooperation with the National Research and Development Centre for Welfare and Health (STAKES). The indicators are supported by a tri-annual 'child budget', a tool for examining after the fact how much the various authorities spend annually on managing children's and young people's affairs. In addition to indicator and resource monitoring (child budget) projects, an environmental impact assessment model from a child's viewpoint (child EIA) is being developed to ensure that children's views are taken into account in land use and town planning.

## **8.4. East Helsinki local working model for preventing social exclusion**

The Mellunkylä social welfare office in Helsinki has adopted a comprehensive local strategy for preventing social exclusion. The district suffers from high long-term unemployment, a large number of immigrants and a low level of income and education. The model is based on the City's own basic services. Because social exclusion is closely linked to an accumulated variety of shortcomings in living conditions, the model has a broad-based approach: all aspects of life, from everyday concerns to the living environment and culture, are considered important. Development projects in the district are considered of primary importance in preventing social exclusion. The district has been involved in suburban projects, partnership projects, school partnership projects, ESF projects and the Urban I and II programmes. New projects have been built on old ones. The high number of projects has helped change job patterns towards a networking model and diversified opportunities for clients and professionals to meet. Cooperation and planning between authorities has increased, and the harmonization of measures in client services has been improved. Continuous dialogue between personnel in projects and basic services is an important feature of the model. This

local project model for preventing social exclusion has been evaluated in the Työllistytvä Helsinki ('Job-creating Helsinki') project framework: [www.hel.fi/kouke/esr-hankkeet](http://www.hel.fi/kouke/esr-hankkeet)

## **8.5. HARAVA**

Harava ('Rake') is a joint project between child protection organizations and the public sector, coordinated by the Central Union for Child Welfare in Finland and the Association of Finnish Local and Regional Authorities. The aim of the project is to use practical experiments to develop cooperation and service models for psychosocial services for children and young people. The project promotes cooperation between NGOs, the public sector and private service providers, and cross-sector cooperation between the social welfare, health care and education authorities. Also, new solutions are sought for the generation of inter-municipal services, for instance through sub-regional concepts.

Harava is organized into 14 regional experimental models. Component projects involve developing foster family and support family work on the sub-regional level, multi-professional client services, child psychiatry expertise in sparsely populated areas, and service strategy partnership between local authorities and NGOs. The project generates documented and distributable models for the production of services for children and young people in pluralist cooperation. It also involves an extensive evaluation study on changes in the service system.

Harava is active in three pilot regions, Keski-Suomi, Varsinais-Suomi, and the Länsi-Pohja sub-region. The project will run from 2000 to 2004. Further information: [www.harava.net](http://www.harava.net)

## Appendix

### 1. Implementation of measures in the previous Plan

#### Economic exclusion

Rise in the level of the national pension and restoration of child allowances	Rise of FIM 73 per month as of June 1, 2001; restoration of child allowances as of January 1, 2002 (1420/2001), (1224/2000)	
Alleviation of income reduction in labour market support	Done September 1, 2000 (L637/2001).	
Raising the child allowance associated with labour market support	Done January 1, 2002 (L1062/2001).	
Incentive payments and travel allowances associated with rehabilitative job activities	Done, EUR 7/14, L993/2001 and L1431/2001	
Revising the status of the newly employed, those in coaching for working life and those with 'zero daily allowance'	Done as of April 1, 2002 Rehabilitation Allowance Act amendment (1480/2001) Sickness Insurance Act amendment (1479/2001)	
Reform aimed at increasing the effectiveness of preventive social assistance	Done 123/2000, effective April 1, 2001	
Change in the decree on income support re. entitlement to an additional allowance	Done A112/2001, effective April 1, 2001	
Co-ordination of income support and earned income (3-year trial)	L1410/2001, effective April 1, 2002	
Change in the basis for estimating the solvency of indebted persons	Done, Decree December 30, 1275/2002	
Reform of the Execution Act	Done, effective April 1, 2004	
Reform of the legislation on over-indebtedness (Ministry of Justice)	Done, Act December 30, 1273/2002	
Right of the seriously disabled on a disability pension to receive statutory daily health insurance allowances	Done, effective April 1, 2002	

## Health problems

Development of child health care	Recommendation on child health clinics issued March 4, 2003; school health care guide published 2002	
Health information as a school subject	Act effective 2002	
Development of rehabilitation for people with mental health problems and improvement of mental health services	Quality recommendation issued	
Measures on the part of the health care system aimed at stimulating employment	Act on Rehabilitative Work effective from September 1, 2001	
Revised ceiling on client fees in the social welfare and health care system	Effective from the beginning of 2000	
Expansion of publicly funded dental care	Extended to cover all age groups as of December 1, 2002	
Working group deliberating institutional treatment of underage mental health patients who are particularly violent and difficult to treat	One treatment unit opened in April 2003, a second to be opened in November 2003	
Revision of legislation on occupational health care	Effective from the beginning of 2002	

## Exclusion from the labour market

Development of cooperation between social welfare authorities and employment authorities, and other cooperation	Act on Rehabilitative Work; Parliament passed a bill on rehabilitation client cooperation (HE 164/2002)	
Compliance with the job application plan	Amendments to the Act on Income Security for the Unemployed and the Act on Labour Market Support effective from the beginning of 2002	
Rehabilitative job activities	Act on Rehabilitative Work, effective September 1, 2001	
Rehabilitation trials and surveys	Allocation in the budget for the 'Taipale model', slightly over 5 000 surveyed, 1 250 disability pensions granted by the end of 2002	
Improving the working capacity and employment rate of ageing persons	Employment measures for persons aged 55 to 59 continued under a special appropriation	
Promoting employment of the disabled	Act on Public Employment Services (effective from beginning of 2003) enables grant of employment subsidy to those allowing their disability pension to 'lie dormant'; amendment to Social Welfare Act promotes access of the disabled to the labour market.	The 'Marjanen package' effective on April 1, 2002
Legislation on the integration of immigrants (functions of public labour policy)	Monitoring report completed, development proposals for improving the integration system	
Working group exploring development of unemployment protection and labour market policy so as to promote employment (Ministry of Social Affairs and Health + labour market organizations)	Legislation effective from the beginning of 2003	
Helping disabled persons to cope on their own	Rehabilitation allowance period for young people extended from 17 yrs to 19 yrs, and eligibility for vocational rehabilitation improved.	
Working group preparing for implementation of the discrimination at work Directive and project preparing for implementation of the racism Directive set up by the Ministry of Labour	Bill submitted to Parliament but not processed in 2003	
Developing the labour market subsidy system	'One-stop offices' included in the budget for 2002	

## Exclusion from the housing market

Increased equity grant	Grant raised on April 1, 2002 and extended to home purchases on March 15, 2002 and to purchase of entire rental buildings on January 1, 2003.	
Support for housing for persons with small incomes	Ceiling on rent acceptable for housing allowance raised by an average FIM 4 per sq.m. per month (more in the Helsinki area) as of January 1, 2002	
Lähiöt 2000 housing estate programme	Renovation continued, 14 separate projects implemented, evaluation to be completed in 2003 and projects to end in 2003	
Document on joint activities involving central government, the Helsinki metropolitan area and surrounding local authorities	Document signed on April 27, 2000; project ended in February 2003, monitoring report completed.	
Working group examining harmonization of housing allowance	Working group proposal completed in November 2002	
Programme to reduce homelessness	Implementation of national and Helsinki area programme 2002-2005 continues	
'Pidot' working group studying housing policy in negative-migration areas	Working group report, January 2001. All major proposals implemented.	

## Exclusion from education

Free pre-school instruction	Implemented as of August 1, 2001.	
Development of afternoon activities for schoolchildren		A bill to be submitted in the autumn aims to provide 1st and 2nd grade pupils at comprehensive school and in remedial teaching with the opportunity for morning and afternoon activities as of autumn 2004.
Extra instruction in comprehensive schools ('Year 10' classes)	About 3% of each age group participates.	
Innovative workshops at vocational training institutes	The activity is continuing on ESF funding until 2006.	
Youth workshops	About 220 workshops are in operation; budget appropriations about EUR 800,000.	
Development of skills for the information society	Further financing for the project has been secured.	
Reform of income support during adult vocational training		The Ministry of Education has appointed a special advisor, who will report on October 15, 2003.
Supplementary training for teachers on drug-related matters, preventive drug-related work with schoolchildren	Supplementary training on drug-related matters has been organized by the National Board of Education.	
The 'Good Self-Esteem' project	Final reports from the National Board of Education ready at the beginning of 2003.	
Working group on developing pupil counselling, appointed by the Ministry of Education	Parliament passed the Government bill on pupil counselling, and the act took effect in spring 2003.	
National strategy working group on remedial vocational teaching, appointed by the Ministry of Education	A summary of the strategy working group's proposals has been issued, and the National Board of Education will be implementing some of them.	



## Other exclusion

Prevention of intoxicant abuse, and development of care for those with intoxicant problems	Projects implemented, financing obtained.	
Integration of immigrants and improving the status of minority groups	Act on special support for immigrants 1192/2002	
Improving the position of social welfare clients	L812/2000, effective January 1, 2001	Guide published
Suicide prevention	Research and development project launched	
Activation of elderly people, and quality recommendations for their care	Quality recommendation on treatment and services 2002	
Prevention of violence and prostitution	Daphne programme, prevention project launched	
Measures to develop child protection	Projects are ongoing	
Ombudsman for discrimination issues	Act on the Ombudsman for Minorities 661/2001	
Anti-exclusion appropriation by the Evangelical-Lutheran Church of Finland	52 projects implemented	
Working group on the treatment of problem drug users	Report complete	
Action programme for a more effective drug policy, 2001-2003	Project currently running	The drug policy coordination group is monitoring the project.
Conciliation of crimes and disputes	See section 5.6.	
Improving the status of released prisoners	Project launched (see section 5.6)	
Improving the foundations of a crime-free life	Project launched (see section 5.6)	
Victims of crime committee appointed by the Ministry of Justice	Further preparation for measures currently under way	
Research and monitoring centre on poverty and exclusion		

## APPENDIX

**2. Expert Evaluation of Measures in The Various Sectors**

## Economic exclusion

An increase in basic security benefits was considered necessary if economic exclusion is to be prevented. The basic security system should be improved so that income support need not be resorted to because other benefits are insufficient. For those with the lowest income, the problem with a uniform increase is, that it could cut other benefits, negating the effect. Tax cuts for the lowest income groups have been proposed as a solution. The complexity of the income support system is a problem. Repeated changes in housing allowance, labour market support and income support render the system less transparent and less comprehensible. The integration of income support and earned income was favoured. Amendments to the Act on the Adjustment of Debts of a Private Individual have improved the position of debtors. What is problematic is the large number of cases, which prolongs processing times. The new Decree on debtor solvency and the change in the protected portion of assets are improvements. The problem remains that in execution matters housing costs are not considered. A long period of making ends meet on minimum benefits increases the risk of social exclusion considerably when unexpected new costs arise. Recovery of benefits is problematic for the client.

## Health problems

The health of the poor, the deprived and the uneducated is worse than average, and premature deaths are common. For the excluded, the loss of employment, family and health cumulate with difficulties in earning a living. The prevention of long-term unemployment is important in preventing the accumulation of health problems. The major causes of death are alcohol and tobacco. In preventing health problems, the focus should be on services and on their being available, comprehensive and smooth-functioning. The importance of mental health should be generally emphasized in social and municipal decision-making.

## Exclusion from the labour market

In many cases, an unemployed person has a health problem or some other undiagnosed problem that prevents him from gaining employment. The labour administration's jobseeking plans are too formal and do not work as they should. It is still disputed whether central or local government should bear the responsibility for financing work to prevent unemployment. Unemployment benefits are too low, and income support is required. Sufficient means for resolving structural unemployment have still not been proposed. There is no consensus on the effects of the level of unemployment benefits on the active or passive attitudes of jobseekers. Labour market policy is over-focused on supply. Increasing the demand for labour requires major investments in financing and human resources. The effects of sanctions and incentives are not equal for unemployed people in different situations; they should be used in a more targeted way in order to cut short-term and long-term unemployment. A discussion about the principles of sanctions and incentives is needed. How do they relate to the service aspect or the treatment aspect? Rehabilitation surveys on the long-term unemployed are a good thing, enabling the avoidance of unnecessary activation measures.

### Exclusion from the housing market

Eliminating homelessness requires a high level of competence and commitment from the various sectors of local government. The link between housing and exclusion could be given greater focus. Some homeless people with multiple problems need not only housing but other services aimed at breaking the spiral of social exclusion. Special attention should be given to the housing problems of immigrants and ethnic minorities. In the prevention of social exclusion, it is important to safeguard social housing production and the availability of reasonably priced rental housing. Balanced urban and regional development helps the housing market to function properly.

### Exclusion from education

Remedial teaching has been improved and increased; including part-time remedial teaching, it has increased at a rate of about 2 per cent to 3 per cent annually in recent years. Integration and inclusion in remedial teaching have increased. However, it should be noted that integration need not be extended to all remedial teaching; there are also groups that work best, and are best for the pupil, if they are separate from normal classwork. Studies show that 'Year 10' classes have achieved good results with pupils who were not yet ready for vocational education at the end of comprehensive school proper. These classes and the 'Omaura' (Own career) model in the last year of comprehensive school are opportunities for solving the problems that particularly boys face in the transition from comprehensive school to secondary education. Youth workshops and innovative workshops at vocational education institutions have helped young people threatened by exclusion. There are plans to make these activities permanent. In the transition from comprehensive school to secondary education, about 7 per cent to 8 per cent of pupils are not covered by the joint application procedure. This figure can be reduced with better guidance and counselling.

### Other exclusion

Personnel in the service system should be trained for encounters with various groups of people and their problems. The recession in the early 1990s reduced substance abuse treatment services drastically. Alcohol remains the greatest single problem intoxicant. Efforts need to be made to prevent an early start to drinking. Alcohol and medicines are commonly consumed together. New approaches are needed for tackling these problems.

The need for child protection has increased, and distress among young adults has increased. The legislation on children is adequate. In supporting families with children, both direct measures (such as increasing children's potential for participation) and indirect measures (such as increasing financial and psychological support) are needed. Prevention of problems is cost-effective in the long run. Afternoon activities for schoolchildren should be developed. Child protection personnel need training and more information on child development. Parents should be supported.

*Appendix table 1.*

Prolonged low income by age, gender and type of household in 1996 - 1999

	<b>persistent poverty rate*</b>	sample, persons
	<b>4.7</b>	<b>7961</b>
<b>Total</b>		
<b>1 person, man</b>	<b>13.6</b>	<b>396</b>
1 person, man under 30	15.8	125
1 person, man 30 to 64	13.1	216
1 person, man 65+	12.4	55
<b>1 person, woman</b>	<b>17.7</b>	<b>498</b>
1 person, woman under 30	23.7	135
1 person, woman 30 to 64	10.3	205
1 person, woman 65+	22.6	158
<b>Households without children</b>	<b>2.4</b>	<b>2558</b>
<b>2 adults</b>	<b>2.0</b>	<b>2072</b>
2 adults 65+	2.3	775
2 adults, both under 65	1.8	1297
Other households without children	3.7	486
<b>Households with children</b>	<b>2.0</b>	<b>4377</b>
Single parent and children	1.7	272
2 adults, 1 child	1.2	957
2 adults, 2 children	1.7	1407
2 adults, 3+ children	3.2	1227
Other households with children	2.2	514
No household type given	0.6	132

\* Persistent poverty rate: the percentage of persons living in a household whose income fell below the poverty level in 1999 and two other years in the period 1996 to 1998.

Source: Statistics Finland, ECHP for Finland 1996-1999

## Appendix table 2.

Poverty indicators by region<sup>1</sup> for 2000, average

Region	Poverty indicators						
	Income support <sup>2</sup>	Long-term poverty rate <sup>9</sup>	Long-term un-employed <sup>3</sup>	Inadequate housing <sup>4</sup>	Violent crime <sup>5</sup>	Drug-related crime <sup>6</sup>	Suicides <sup>7</sup>
Uusimaa	8.3	3.0	31.1	3.4	6.4	3.9	2.1
Itä-Uusimaa	7.6	4.8	28.3	11.7	3.4	2.0	1.3
Varsinais-Suomi	8.0	5.7	28.7	9.0	5.2	3.4	2.4
Satakunta	8.0	7.1	28.2	9.8	4.1	3.8	1.8
Kanta-Häme	8.0	5.6	32.5	9.3	5.2	3.3	2.0
Pirkanmaa	8.1	5.4	26.2	8.0	3.9	2.3	2.3
Päijät-Häme	9.0	7.0	34.0	7.5	5.1	2.3	2.6
Kymenlaakso	8.5	5.9	27.2	9.1	3.9	3.3	3.3
South Karelia	9.6	6.1	28.8	7.9	4.4	1.9	2.8
Etelä-Savo	9.3	7.8	25.9	9.8	6.3	1.4	2.3
Pohjois-Savo	10.7	7.3	22.3	8.0	6.2	2.6	2.9
North Karelia	11.1	9.1	25.9	8.9	6.2	1.1	2.7
Central Finland	10.4	6.6	31.2	8.9	6.5	2.4	2.4
South Ostrobothnia	8.6	6.8	18.3	10.5	4.0	2.0	1.7
Ostrobothnia	7.0	4.7	28.5	7.7	3.4	4.2	1.4
Central Ostrobothnia	6.2	5.8	20.6	7.0	4.7	2.1	2.5
North Ostrobothnia	9.4	5.2	22.3	6.5	5.1	1.6	2.5
Kainuu	8.9	7.1	20.3	8.1	5.7	1.0	3.2
Lapland	12.9	6.1	24.9	7.0	6.6	2.6	2.9
Åland	2.7	2.7	15.6	10.6	6.3	3.9	2.3
Whole country <sup>8</sup>	7.4	5.4	24.5	13.2	3.7	1.3	2.2

1 Weighted for population.

2 Percentage of population receiving income support.

3 Percentage of unemployed who are long-term unemployed (i.e. unemployed for 12 months or more).

4 Percentage of households living in very inadequately equipped accommodation.

5 Violent crime rate per 1,000 inhabitants, of crimes reported to the police.

6 Drug-related crime rate per 1,000 inhabitants, of crimes reported to the police.

7 Suicides per 10,000 inhabitants (average population).

8 Not weighted for population.

9 Percentage of households in 2001 that consistently fell under the poverty level in 1999-2001. Poverty level: 60% of median income, using a modified consumption unit.

*Appendix table 3.*

## Indicators of poverty and social exclusion 1990-2002

<b>1 ECONOMIC EXCLUSION</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>RELATIVE RISK OF LOW INCOME/POVERTY</b>													
* The income level representing the relative poverty risk is calculated on the basis of a household's disposable income (per modified OECD consumption unit (1.0 – 0.5 – 0.3)), the poverty risk limit being 60% of median income each year. Poverty risk indicators by main occupation, by gender and by type of household have been published online; see <a href="http://www.stat.fi/tk/el/hyv_031.html">http://www.stat.fi/tk/el/hyv_031.html</a>													
<b>1.1 Number of low-income persons</b>													
Persons in households below the poverty level*													
-- number	395 000	389 000	353 000	316 000	329 000	370 000	419 000	423 000	494 000	500 000	532 000	554 000	
<b>1.2 Poverty risk – relative poverty level</b>													
-- total, percentage of population	7.9	7.8	7.0	6.3	6.5	7.3	8.3	8.3	9.7	9.8	10.4	10.8	
-- men	6.5	6.9	6.6	6.3	6.6	7.7	8.5	8.5	9.7	9.6	10.1	10.8	
-- women	9.3	8.6	7.4	6.3	6.5	7.0	8.1	8.0	9.8	10.1	10.7	10.9	
<b>1.3 Poverty risk among children</b>													
-- % of population aged 0 to 15	5.0	5.5	4.6	4.9	4.0	4.7	5.6	5.8	8.0	8.2	10.8	10.7	
<b>1.4 Poverty risk among young people</b>													
-- % of men aged 16 to 24	9.3	13.6	16.4	13.0	13.8	17.5	20.8	19.0	17.5	19.4	18.4	21.8	
-- % of women aged 16 to 24	13.1	16.8	17.6	16.1	18.7	20.3	23.2	24.4	24.2	24.2	21.2	24.8	
<b>1.5 Poverty risk among the middle-aged</b>													
-- % of men aged 25 to 49	4.8	5.3	5.7	6.1	6.9	7.4	8.2	9.1	9.4	8.5	8.9	9.4	
-- % of women aged 25 to 49	4.5	5.3	4.4	4.3	3.9	4.8	6.2	6.1	7.3	7.8	9.1	8.4	
<b>1.6 Poverty risk among the ageing</b>													
-- % of men aged 50 to 64	8.7	7.8	6.6	6.0	6.4	7.9	7.9	5.9	8.3	8.5	8.5	8.4	
-- % of women aged 50 to 64	8.8	6.3	4.3	3.5	3.6	3.5	4.1	5.1	6.5	6.9	6.5	6.7	
<b>1.7 Poverty risk among pensioners</b>													
-- % of men aged 65+	10.4	6.6	3.5	2.2	2.8	4.3	3.6	4.2	7.4	6.8	6.3	6.6	
-- % of women aged 65+	23.5	17.6	14.6	9.3	10.1	8.9	8.9	7.6	11.2	10.9	12.2	13.1	
<b>1.8 Poverty risk among the unemployed, percentage of total unemployed</b>													
-- % of unemployed	27.1	21.6	16.9	14.3	16.9	20.7	23.2	25.6	30.9	33.4	35.6	37.2	
-- % of unemployed men	32.2	23.4	17.5	16.2	20.3	24.9	28.3	32.4	39.0	40.1	43.9	42.0	
-- % of unemployed women	18.9	18.8	16	11.6	12.6	15.8	17.9	18.6	23.4	27.0	27.8	32.7	

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>1.9 Poverty risk among wage-earners, percentage of total wage-earners</b>													
-- % of wage-earners	1.9	1.9	1.4	1.1	1.2	1.4	2.1	1.9	2.0	2.2	2.5	2.2	
-- % of wage-earning men	1.8	1.7	1.5	1.1	1.0	1.4	2.2	1.9	2.4	2.0	2.5	2.6	
-- % of wage-earning women	2.0	2.1	1.3	1.1	1.3	1.3	1.9	2.0	1.7	2.4	2.5	1.8	
<b>1.10 Individual poverty rate before income transfers</b>													
Percentage of persons living in households below the poverty level, based on net factor income + pensions (%)													
-- % of the population	17.7	20.3	24.0	25.4	26.9	25.8	25.5	25.4	24.7	24.0	23.4	22.9	
Percentage of persons living in households below the poverty level, based on net factor income alone (%)													
-- % of the population	33.0	36.0	40.9	44.2	45.1	43.9	43.7	43.1	41.5	40.8	39.5	39.6	
<b>1.11 Persistent poverty</b>													
Percentage of persons below the 60% poverty level in at least three out of four years (%)													
-- % of the population	..	..	..	..	..	..	..	..	4.5	4.7	..	..	
<b>1.12 Inequity of income transfers (S80/S20)</b>													
Median income of the highest-earning 20% divided by the median income of the lowest-earning 20%													
-- highest/lowest	2.8	2.8	2.7	2.8	2.8	2.9	3.0	3.2	3.4	3.5	3.7	3.6	
<b>1.13 Poverty gap: difference between the poverty level and the median income of those below the poverty level, as % of the poverty level</b>													
-- total	13.5	15.1	14.6	13.4	14.0	13.1	13.3	14.3	13.6	13.7	14.2	15.0	
-- men	14.0	15.3	16.2	15.5	15.9	13.3	14.6	14.8	13.9	14.1	14.7	16.4	
-- women	13.2	15.1	12.9	11.8	11.8	12.9	12.3	13.8	13.4	12.8	13.0	13.1	
<b>1.14 Poverty rate at various relative poverty levels</b>													
-- 40% of the median	1.3	1.6	1.4	1.3	1.1	1.3	1.4	1.6	1.7	1.5	1.5	1.9	
-- 50% of the median	3.4	3.7	3.1	2.8	2.8	3.0	3.5	3.6	4.1	4.1	4.3	4.8	
-- 70% of the median	16.0	15.6	14.0	13.6	14.3	14.8	16.5	17.0	19.2	19.0	19.3	19.7	
<b>1.15 Poverty rate at fixed poverty level (poverty level inflation-adjusted for 1995)</b>													
-- total, % of population	5.9	5.6	6.5	6.9	7.3	7.3	7.3	6.4	6.5	5.7	5.9	5.7	

<b>LAST-RESORT SOCIAL WELFARE BENEFITS</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>1.16 Income support</b>													
-- persons receiving income support during the year	314 000	396 000	465 000	528 000	577 000	584 000	610 000	594 000	535 000	493 000	454 000	443 000	
-- percentage of persons receiving income support, % of the population	6.3	7.9	9.2	10.4	11.3	11.4	11.9	11.5	10.4	9.5	8.8	8.5	
-- households receiving income support during the year	182 000	223 000	259 000	293 000	329 000	339 000	350 000	345 000	313 000	292 000	272 000	264 000	
-- percentage of single-parent households, % of households receiving income support	..	..	27.3	31.6	32.0	30.7	31.9	31.3	29.5	28.1	27.0	27.6	
-- households receiving income support for 10 to 12 months of the year	21 000	26 000	30 000	43 000	57 000	68 000	80 000	84 000	73 000	68 000	66 000	67 000	
-- percentage of households receiving income support for 10 to 12 months of the year, % of households receiving income support	11.8	12.0	11.5	14.6	17.5	20.1	23.0	24.6	23.3	23.4	24.4	25.6	
<b>INDEBTEDNESS</b>													
<b>1.17 Debt recovery</b>													
Persons subject to debt recovery, % of the population	..	..	8.7	8.1	9.0	8.0	7.7	7.0	5.6	5.3	5.8	5.9	5.6



2 HEALTH PROBLEMS	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>PERCEIVED STATE OF HEALTH</b>													
<b>2.1 Percentage of persons assessing their state of health as bad or fairly bad</b>													
- men aged 25 to 64	9.7	9.7	8.6	8.6	8.6	8.4	8.4	8.4	8.9	8.9	9.0	8.2	7.6
- women aged 25 to 64	7.6	7.6	6.9	6.9	6.9	7.4	7.4	7.4	7.2	7.2	7.8	8.5	7.0
<b>FUNCTIONAL CAPACITY OF PENSIONERS</b>													
<b>2.2 Age-adjusted percentage of persons aged 65 to 84 with problems in their ability to move (measured by climbing stairs)</b>													
- men	..	..	..	23.4	..	20.7	..	22.1	..	18.3	..	18.8	..
- women	..	..	..	30.3	..	25.6	..	29.5	..	27.7	..	27.4	..
<b>SOCIAL-BASED HEALTH DIFFERENCES</b>													
<b>2.3 Life expectancy of 35-year-olds by social group (managers = 100)</b>													
- managers, men	100.0	..	..	..	..	100.0	..	..	..	..	100.0	..	..
- white-collar workers, men	94.5	..	..	..	..	94.9	..	..	..	..	94.7	..	..
- blue-collar workers, men	86.4	..	..	..	..	86.7	..	..	..	..	86.5	..	..
- farmers, men	92.1	..	..	..	..	93.2	..	..	..	..	92.1	..	..
- managers, women	100.0	..	..	..	..	100.0	..	..	..	..	100.0	..	..
- white-collar workers, women	97.7	..	..	..	..	98.1	..	..	..	..	98.2	..	..
- blue-collar workers, women	94.0	..	..	..	..	93.9	..	..	..	..	93.4	..	..
- farmers, women	94.9	..	..	..	..	95.9	..	..	..	..	95.0	..	..

<b>3 EXCLUSION FROM THE LABOUR MARKET</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>UNEMPLOYMENT</b>													
<b>3.1 Unemployment rate, %</b>													
-- total	3.2	6.6	11.7	16.3	16.6	15.4	14.6	12.7	11.4	10.2	9.8	9.1	9.1
-- men	3.6	8	13.6	18.1	18.1	15.7	14.3	12.3	10.9	9.8	9.1	8.6	9.1
-- women	2.7	5.1	9.6	14.4	14.8	15.1	14.9	13	12	10.7	10.6	9.7	9.1
<b>3.2 Unemployment rate among foreigners, %</b>													
-- total	..	..	..	..	53.0	49.0	48.0	44.0	39.0	37.0	31.0	30.1	
-- men	..	..	..	..	..	..	..	..	..	..	..	(26.4)	
-- women	..	..	..	..	..	..	..	..	..	..	..	(35.3)	
<b>3.3 Unemployment rate among young people (aged 15- to 24), %</b>													
-- total	9.3	16.3	26.4	33.6	34.0	29.7	28.0	25.2	23.5	21.5	21.4	19.8	21.0
-- men	10.2	19.0	30.1	36.4	37.2	30.7	29.5	25.4	22.8	20.8	21.1	19.6	21.2
-- women	8.2	13.4	22.5	30.6	30.4	28.6	26.3	25.1	24.3	22.1	21.6	20.0	20.9
<b>3.4 Long-term unemployment rate</b>													
Percentage of workforce unemployed for more than a year													
-- total	..	0.7	..	5.8	..	5.5	4.6	4.5	3.9	2.9	2.7	2.2	2.1
-- men	..	1.1	..	7.3	..	6.2	4.9	4.7	4.2	3.1	2.7	2.3	2.4
-- women	..	0.7	..	4.2	..	4.7	4.4	4.4	3.6	2.7	2.6	2.0	1.8
<b>3.5 Long-term unemployed jobseekers registered with employment office</b>													
-- unemployed for over one year	3 029	5 298	29 239	86 018	133 561	140 224	134 898	124 558	112 612	97 981	88 968	82 693	77 661
-- unemployed for over two years	..	539	1 302	10 079	32 740	53 620	59 957	56 957	54 656	50 620	43 508	39 224	36 407
<b>3.6 Unemployed jobseekers with disabilities</b>													
-- number during the year	..	..	42 000	46 000	48 800	50 900	54 900	59 600	62 500	66 600	68 700	68 600	67 400
-- % of unemployed jobseekers			6.5	6.0	6.0	6.3	6.9	7.9	8.9	10.0	10.9	11.6	11.7
<b>3.7 Distribution of regional employment rates (NUTS2 level)</b>													
-- total	..	..	..	..	..	..	7.4	7.1	7.4	7.6	7.2	7.2	
-- men	..	..	..	..	..	..	7.8	7.6	7.0	7.3	6.6	6.7	
-- women	..	..	..	..	..	..	7.6	7.2	8.4	8.2	8.3	8.1	

<b>MEASURES TO PROMOTE EMPLOYMENT</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>3.8 Persons employed as a result of such measures</b>													
Persons employed through wage-based measures, end-of-month average													
-- total	30 500	40 300	52 100	56 800	66 400	63 600	64 600	62 600	57 000	51 500	43 000	38 400	37 000
-- women, %	..	45.3	43.7	45.1	50.3	54.3	56.7	58.0	59.8	61.6	62.7	63.9	62.6
<b>3.9 Persons participating in labour market training</b>													
End-of-month average	16 800	17 300	26 300	27 200	28 400	33 900	42 300	46 800	41 300	38 100	30 900	26 100	26 350

## **NON-PARTICIPATION IN WORK**

### **3.10 Rate of non-participation during the year**

Total persons living in households including at least one person of working age (18 to 59) but with no one employed during the year, percentage of all persons living in households including at least one person of working age (excluding student households)

-- total	3.8	4.4	6.9	8.9	9.7	9.2	10.0	9.6	9.3	8.9	8.4	8.3
-- men	3.8	4.6	7.2	9.1	10.1	9.5	10.2	9.8	9.8	9.5	8.5	8.6
-- women	3.8	4.3	6.6	8.8	9.3	8.9	9.8	9.4	8.7	8.4	8.3	7.9
-- children (aged 0 to 17)	1.2	1.9	4.8	5.7	6.6	5.4	5.6	6.1	5.6	6.2	5.9	5.9

**4 EXCLUSION FROM THE HOUSING MARKET****ACCOMMODATION PROBLEMS****4.1 Households living in very inadequately equipped accommodation**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
-- % of all households	9.7	9.3	8.8	8.2	7.9	7.8	7.5	7.3	7.2	7.1	7.0	6.8	

**4.2 Persons living in cramped quarters**

-- % of the population	30.5	29.6	29.1	28.6	28.1	27.5	26.9	26.3	25.4	24.5	23.4	22.5	
------------------------	------	------	------	------	------	------	------	------	------	------	------	------	--

**4.3 Households in queue for ARAVA rental housing**

-- total	57 000	69 000	86 000	57 000	69 000	86 000	90 000	96 000	106 000	107 000	118 000	112 000	111 000
-- percentage of applicant households in especially urgent need of housing	..	23.9	24.4	22.7	24.4	22.6	24.5	24.5	26.7	24.5	26.7	26.2	24.2

**HOMELESSNESS****4.4 Total no. of unattached homeless persons**

-- total	15 250	14 100	12 880	11 670	10 560	10 430	9 610	9 820	9 990	9 990	10 000	10 000	9560
-- immigrants	..	..	..	..	..	..	..	..	..	..	..	330	330
-- outdoors, in temporary shelters or night shelters	3 610	3 370	3 030	2 560	1 760	1 710	1 720	1 720	1 770	1 750	1 790	2160	2060
-- in institutional care	3 690	3 340	3 030	2 410	2 170	2 110	2 110	2 450	2 350	2 390	2 420	2080	2080
-- temporarily with friends or relatives	7 950	7 390	6 820	6 700	6 630	6 610	5 780	5 650	5 870	5 850	5 790	5720	5420
-- women, %	..	..	..	..	..	..	18.7	25.6	19.6	18.2	17.5	17.5	17.3
-- under 25, %	..	..	..	..	..	..	15.7	22.0	19.8	18.4	17.5	16.8	16.7

**4.5 Homeless families**

-- total	800	700	570	250	380	560	360	600	820	780	780	780	770
-- immigrants	..	..	..	..	..	..	..	..	..	..	..	130	210

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>5 EXCLUSION FROM EDUCATION</b>													
<b><u>INADEQUATE SCHOOLING</u></b>													
<b>5.1 Not completed comprehensive education</b>													
-- dropouts, those receiving a leaving certificate and those who left without a certificate	335	363	228	..	304	253	210	197	262	322	296	292	296
<b>5.2 <u>Young people with deficient education</u></b>													
-- persons aged 18 to 24 who have only completed comprehensive education and are not in training, percentage of the age group	..	..	..	..	..	12.8	11.1	8.1	7.9	9.9	9.8	10.3	9.9
-- men			..	..	..	..	11.4	9.1	8.6	12.0	11.3	13.0	12.6
-- women			..	..	..	..	10.8	7.0	7.2	7.9	6.5	7.7	7.3

6 OTHER EXCLUSION	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>CHILDREN AND YOUNG PEOPLE THREATENED BY EXCLUSION</b>													
<b>6.1 <u>Young people who have finished school but are not at work</u></b>													
<b><u>Young people with no post-comprehensive education who are not at work or in training</u></b>													
<b><i>persons aged 15 to 19</i></b>													
-- number	24 000	..	34 000	..	25 000	22 000	25 000	20 000	21 000	..	22 000		
-- % of total aged 15 to 19	7.9	..	10.7	..	7.6	6.9	7.7	6.2	6.3	..	6.7		
-- men, % of total aged 15 to 19	9.2	..	11.6	..	8.8	9.9	12.1	6.9	7	..	7.2		
-- women, % of total aged 15 to 19	6.6	..	9.8	..	6.4	5.2	6	5.4	5.5	..	6.1		
<b><i>persons aged 20 to 24</i></b>										..			
-- number	23 000	..	37 000	..	32 000	29 000	22 000	22 000	21 000	..	21 000		
-- % of total aged 20 to 24	6.7	..	11.5	..	10.5	9.8	7.1	6.8	6.5	..	6.5		
-- men, % of total aged 20 to 24	8.1	..	13.6	..	11.9	10.1	7.1	7.5	7.2	..	7.2		
-- women, % of total aged 20 to 24	5.2	..	9.4	..	9	11.6	10.2	6	5.9	..	5.7		
<b>6.2 <u>Children subject to child protection</u></b>													
<b><u>Children and young people in open care</u></b>	..	..	24 700	27 800	30 700	33 300	36 000	39 700	43 700	49 350	49 600		
..													
<b><u>Children and young people placed outside the home</u></b>													
-- total	..	8 700	9 400	9 700	10 200	10 700	11 100	11 800	12 000	12 400	12 850	13 450	
-- number of the above taken into custodial care	..	6 200	6 400	6 400	6 400	6 500	6 500	6 800	6 800	6 900	7 300	7 400	
--- number of the above constituting new cases	..	1 100	950	900	850	1 000	950	1 175	1 200	1 300	1 350	1 300	

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b><u>CRIMINALITY, SELF-DESTRUCTIVENESS, INTOXICANT PROBLEMS</u></b>													
<b>6.3 Prisoners</b>													
-- average per day	3 441	3 467	3 511	3 421	3 275	3 248	3 197	2 974	2 809	2 743	2 855	3 135	
-- women, %	3.2	3.2	3.1	3.5	3.7	4.1	4.7	4.8	5.0	4.6	5.0	5.1	
<b>6.4 Violent crime</b>													
-- number of cases	26 274	25 067	22 845	21 767	22 844	24 884	27 320	27 586	28 293	28 750	30 408	29 974	30 611
-- rate per 10 000 persons	52.7	50.0	45.3	43.0	44.9	48.7	53.3	53.7	54.9	55.7	58.7	57.8	58.9
<b>6.5 Youth crime</b>													
-- persons aged 15 to 20 suspected of crimes investigated by police	126 200	..	..	..	..	118 500	..	102 700	102 000	103 900	113 200	110 400	107 600
<b>6.6 Suspects in narcotics-related crime</b>													
-- rate per 10 000 persons	4.5	4.5	6.3	7.8	11.5	18.8	16.9	18.5	18.6	23.5	27.7	30.8	28.9
-- total	2 267	2 240	3 200	3 952	5 835	9 593	8 641	9 526	9 594	12 123	14 332	15 992	15 010
-- women	281	277	445	458	679	1 026	1 116	1 422	1 241	1 537	1 899	2 283	2 068
<b>6.7 Suicides</b>													
number:													
-- men	1198	1189	1156	1107	1080	1080	965	1038	962	954	873	933	
-- women	322	304	296	291	307	309	282	284	266	253	292	271	
age-adjusted mortality per 100 000 persons:													
-- men	50.1	49.2	46.6	44.6	43.5	42.8	38.0	41.0	37.9	37.5	33.7	35.7	
-- women	12.1	11.3	11.1	10.8	11.3	11.5	10.3	10.3	9.7	9.2	10.6	9.5	

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>ALCOHOL</b>													
<b>6.8 Alcohol-related deaths</b>	2500	2475	2535	2476	2467	2541	2257	2251	..	2474	2411	2454	
-- alcohol ailment or similar as primary cause of death	1417	1341	1341	1372	1326	1483	1316	1246	1503	1428	1477	1490	
-- deaths by accident or violence while intoxicated	1036	1074	1123	1059	1097	1020	901	967	..	1001	879	887	
-- deaths as victim of violence by an intoxicated person	47	60	71	45	44	38	40	38	-	45	55	77	
<b>6.9 Persons treated in hospital for alcohol-related ailments</b>													
<u>Alcohol-related ailment as main or subsidiary diagnosis</u>													
-- total	16 600	16 800	16 900	17 700	19 100	19 800	20 200	20 000	20 400	19 750	20 200	19 750	20 200
-- women, %	17.7	17.8	17.4	18.6	19.2	19.3	20.1	20.6	21.6	22.0	21.8	22.0	21.8
<b>DRUGS</b>													
<b>6.10 Number of deaths with forensic drug-related findings</b>	38	60	57	47	65	74	87	89	107	140	165	150	
<b>6.11 Persons treated in hospital for drug-related ailments</b>													
<u>Drug-related ailment as main or subsidiary diagnosis</u>													
-- total	4 700	4 800	4 850	5 000	5 600	5 400	5 300	5 400	5 450	5 900	6 550	5 900	6 550
-- women, %	48.1	45.8	45.0	45.5	45.9	44.5	43.6	43.6	42.7	41.0	42.8	41.0	42.8
<b>6.12 Clients in open intoxicant care during the year</b>													
-- alcohol outpatient centres ('A clinics')	38 500	37 500	35 500	34 100	35 400	35 600	38 200	39 100	39 300	40 000	39 300	41 800	42 000
-- short-term treatment centres for young people	3 000	2 700	2 600	2 600	2 700	2 700	3 100	3 900	3 800	4 300	4 050	4 400	4 850



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